

## **BILL ANALYSIS**

C.S.H.B. 2344  
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Regulated Industries  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Texas law currently requires competitive local exchange carriers to mirror incumbent local exchange carriers' exchange access rates, which are imposed on long distance carriers when connecting intrastate long distance calls to local customers. Texas law also currently provides for two alternatives to this cap; obtain specific Public Utility Commission approved rates, or charge Public Utility Commission calculated statewide average rates. This bill introduces a third alternative, which caps rates at the level charged by comparably sized incumbents. In order to elect this alternative, the competitive local exchange carrier must charge each incumbent (and any affiliate) that incumbent's own rates as well, irrespective of the comparably sized determination.

C.S.H.B. 2344 would amend the Utilities Code relating to the access charges of certain telecommunications utilities, creating an optional rate structure for non-incumbent local telephone companies which take into consideration that utility's size in addition to its service territory.

### **RULEMAKING AUTHORITY**

Section 1 of the bill would amend the Utilities Code relating to the access charges of certain telecommunications utilities, which the Public Utility Commission (PUC) anticipates would result in one rulemaking.

### **ANALYSIS**

SECTION 1. Adds a new subsection (3) to Section 52.155 (a), Utilities Code, amending the Utilities Code relating to the access charges of certain telecommunications utilities, creating an optional rate structure for non-incumbent local telephone companies which take into consideration that utility's size in addition to its service territory.

SECTION 2. The Act takes effect September 1, 2007.

### **EFFECTIVE DATE**

September 1, 2007.

### **COMPARISON OF ORIGINAL TO SUBSTITUTE**

SECTION 1 (a) of the original bill, amended Section 52.155 (a), Utilities Code by striking the holder of the certificate and changing it to holders of certificates of convenience of certificates that have comparable numbers of access lines in this state.

SECTION 1 (a) (3) is new language added to Section 52.155(a) Utilities Code that creates an optional rate structure for non-incumbent local telephone companies which take into consideration that utility's size in addition to its service territory.