

BILL ANALYSIS

C.S.H.B. 2765
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State Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Statutory provisions that provide discounts to educational institutions, libraries, hospitals, and certain health centers to gain access to affordable broadband interconnectivity technology are set to expire January 1, 2012. However, educational and health care systems in Texas continue to rely heavily on advancing technology to decrease costs, increase efficiency, and improve the services they provide throughout the state. C.S.H.B. 2765 seeks to address this issue by continuing the telecommunications discounts for services that employ recent technological specifications to certain educational and health care providers until January 1, 2016, and clarifying that a federally qualified health center service delivery site is eligible for the discounts, among other provisions.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 2765 amends the Utilities Code to add a nonprofit health center to the entities to which an incumbent local exchange company that elects to be subject to incentive regulation and elects to make the corresponding infrastructure commitment is required to provide private network services on customer request. The bill increases, from 105 percent to 110 percent of the long run incremental cost, including installation, of providing a private network service under a customer specific contract to certain entities, the rate at which such an electing company is required to offer such a private network service contract. The bill extends from January 1, 2012, to January 1, 2016, the date before which such an electing company's rates for private network services are prohibited from being increased.

C.S.H.B. 2765 increases, from 105 percent to 110 percent of the statewide average long run incremental cost, including installation, of point-to-point intraLATA 1.544 megabits a second service, the maximum flat monthly tariff rate filed by an electing company for such service for certain entities. The bill increases, from 105 percent to 110 percent of the long run incremental cost, including installation, of point-to-point 45 megabits a second intraLATA service provided by an electing company to certain entities on customer request, the maximum rate for such service. The bill increases, from 105 percent to 110 percent of the long run incremental cost, including installation, of broadband digital special access service to interexchange carriers provided by an electing company to certain entities, the maximum rate for such service. The bill extends from January 1, 2012, to January 1, 2016, the date until which an electing company is required to continue to comply with provisions of law relating to infrastructure commitment to certain entities under incentive regulation.

C.S.H.B. 2765 extends from January 1, 2012, to January 1, 2016, the date before which the rates for private network services of an incumbent local exchange company that elects for an infrastructure commitment and corresponding regulation under provisions of law relating to an

infrastructure plan are prohibited from being increased. The bill extends from January 1, 2012, to January 1, 2016, the date until which such an electing company is required to continue to comply with provisions of law relating to infrastructure commitment to certain entities under an infrastructure plan.

C.S.H.B. 2765 defines "health center."

EFFECTIVE DATE

September 1, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 2765 omits a provision included in the original redefining "private network services." The substitute contains a provision not included in the original increasing, from 105 percent to 110 percent of the long run incremental cost, including installation, of providing a private network service under a customer specific contract to certain entities, the rate at which an electing company is required to offer such a private network service contract. The substitute differs from the original by extending from January 1, 2012, to January 1, 2016, the date before which the rates for private network services of an incumbent local exchange company that elects to be subject to incentive regulation and elects to make the corresponding infrastructure commitment are prohibited from being increased, whereas the original extends that date to January 1, 2020.

C.S.H.B. 2765 omits a provision included in the original updating the services an electing company is required to provide to certain entities upon the entity's request from point-to-point 45 megabits a second intraLATA services to the latest intraLATA switched services and fiber-based point-to-point solutions the company offers at 45 megabits a second or greater. The substitute omits a provision included in the original requiring an electing company to make available to certain entities, on request of the entity, the latest multiprotocol label switching mechanism (virtual links) offered by the company.

C.S.H.B. 2765 contains provisions not included in the original increasing the following from 105 percent to 110 percent of certain long run incremental costs: the maximum flat monthly tariff rate filed by an electing company for point-to-point intraLATA 1.544 megabits a second service to certain entities, the maximum rate for point-to-point 45 megabits a second intraLATA service provided by an electing company to certain entities on customer request, and the maximum rate for broadband digital special access service to interexchange carriers provided by an electing company to certain entities. The substitute differs from the original by extending from January 1, 2012, to January 1, 2016, the date until which an electing company is required to continue to comply with provisions of law relating to infrastructure commitment to certain entities under incentive regulation, whereas the original extends that date to January 1, 2020.

C.S.H.B. 2765 contains provisions not included in the original extending from January 1, 2012, to January 1, 2016, the date before which the rates for private network services of an incumbent local exchange company that elects for an infrastructure commitment and corresponding regulation under provisions of law relating to an infrastructure plan are prohibited from being increased and the date until which such an electing company is required to continue to comply with provisions of law relating to infrastructure commitment to certain entities under an infrastructure plan.