

BILL ANALYSIS

S.B. 773
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State Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties are concerned that without the state telecommunications discount for digital services for voice, video, and data to libraries, schools, colleges, hospitals, and telemedicine centers certain anchor institutions might have to cut programs, eliminate positions, and pass on the cost to the public, cities, or counties to cover the costs of broadband services. The parties note that the discount program remains an essential component of the state's information and telecommunications infrastructure but that it is set to expire on January 1, 2012. S.B. 773 seeks to address matters relating to the telecommunications service discounts.

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

S.B. 773 amends the Utilities Code to add a health center to the entities to which an incumbent local exchange company that elects to be subject to incentive regulation and makes the corresponding infrastructure commitment under provisions of law governing incentive regulation 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.

S.B. 773 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 such 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 such 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 such an electing company to certain entities the maximum rate for such service.

S.B. 773 extends from January 1, 2012, to January 1, 2016, the date until which such an electing company is required to continue to comply, regardless of certain circumstances, with provisions of law relating to the infrastructure commitment to certain entities under incentive regulation.

S.B. 773 extends from January 1, 2012, to January 1, 2016, the date before which an incumbent local exchange company that elects for an infrastructure commitment and corresponding regulation under provisions of law governing an infrastructure plan is prohibited from increasing its rates for private network services. 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, regardless of certain circumstances, with provisions of law relating to the infrastructure commitment to certain entities under the infrastructure plan.

S.B. 773 defines "health center."

EFFECTIVE DATE

September 1, 2011.