

BILL ANALYSIS

Senate Research Center
82R5544 JXC-D

S.B. 982
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Business & Commerce
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Extended area service (EAS) and expanded local calling (ELC) were created to allow telecommunication consumers living outside a metropolitan area to make calls into a nearby metropolitan area for a flat monthly fee. Chapter 55 (Regulation of Telecommunication Services), Utilities Code, permits customers the ability to initiate the establishment of ELC plans through the Public Utility Commission (PUC). Telephone companies, acting in conjunction with community representatives, are also allowed to initiate EAS services; however, PUC currently may order an EAS route if it determines that there is a community of interest.

No new EAS petition has been filed in a metropolitan area since May 1998, and very few ELC petitions have been filed since many of the interested areas have already received service. S.B. 982 creates Sections 55.026 and 55.049, Utilities Code, which prohibits PUC from ordering telecommunication carriers to provide new EAS or ELC routes. A July 2010, Sunset Advisory Commission report recommended this change, noting that "this service is now outdated because of competitive options available."

As proposed, S.B. 982 amends current law relating to the authority of the Public Utility Commission of Texas in relation to extended service areas and toll-free local calling areas.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 55, Utilities Code, by adding Section 55.026, as follows:

Sec. 55.026. NEW ORDERS PROHIBITED AFTER CERTAIN DATE. Prohibits the Public Utility Commission of Texas (PUC), on or after September 1, 2011, from ordering a telecommunications provider to provide mandatory or optional extended area service to additional metropolitan areas or calling areas.

SECTION 2. Amends Subchapter C, Chapter 55, Utilities Code, by adding Section 55.049, as follows:

Sec. 55.049. EXPANSION PROHIBITED AFTER CERTAIN DATE. Prohibits PUC from ordering an expansion of a toll-free local calling area on or after September 1, 2011.

SECTION 3. Effective date: upon passage or September 1, 2011.