

## **BILL ANALYSIS**

Senate Research Center  
82R5543 JXC-D

S.B. 983  
By: Carona  
Business & Commerce  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Since 1999, incumbent local exchange carriers (ILECs) have been required, under Chapter 52 (Commission Jurisdiction), Utilities Code, to file certain customer contracts, including contracts for private network services and customer-specific contracts with the Public Utility Commission of Texas (PUC). These contracts are for packages of voice and data services. Chapter 52 also requires PUC approval of certain customer-specific contracts, but in practice, the acceptance of the filed contracts serves as approval.

S.B. 983 repeals Section 52.057 and Section 52.056(2), Utilities Code, so that PUC approval of customer specific contracts is no longer required. In addition, the bill eliminates filing requirements for certain customer contracts, including customer-specific contracts and contracts for private network services. However, this provision would still allow PUC to require providers to file these contracts upon an injury or complaint filed by an affected party or upon request by the agency. A July 2010 Sunset Advisory Commission report recommended that private network and customer-specific networks no longer be filed as a matter of routine, noting the "competitive nature" of these services, as well as the fact that PUC has received no complaints or inquiries about either of these services "in recent years."

As proposed, S.B. 983 amends current law relating to the elimination of certain requirements for certain customer-specific communications contracts.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 52.056, Utilities Code, as follows:

Sec. 52.056. SPECIFICALLY AUTHORIZED REGULATORY TREATMENTS. Provides that the regulatory treatments the Public Utility Commission of Texas (PUC) is authorized to implement under Section 52.054 (Rules and Procedures for Incumbent Local Exchange Companies), includes approval of a range of rates for a specific service and the detariffing of rates. Deletes existing text providing that the approval of a customer-specific contract for a specific service is among the regulatory treatments PUC may implement.

SECTION 2. Amends Section 58.255(c), Utilities Code, to delete existing text requiring that each customer-specific contract be filed with PUC.

SECTION 3. Amends Section 59.074(c), Utilities Code, to make a conforming change.

SECTION 4. Repealers: Sections 52.057 (Customer-Specific Contracts) and Section 53.065(b) (relating to limitations of incumbent local exchange companies), Utilities Code.

SECTION 5. Effective date: September 1, 2011.