

By: Carona

S.B. No. 980

A BILL TO BE ENTITLED

AN ACT

relating to communications services and markets.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Sections 51.001(a) and (g), Utilities Code, are amended to read as follows:

(a) Significant changes have occurred in telecommunications since the law from which this title is derived was originally adopted. Communications providers not subject to state regulation, such as wireless communications providers and Voice over Internet Protocol providers, have made investments in this state and broadened the range of communications choices available to consumers. To encourage and accelerate the development of a competitive and advanced telecommunications environment and infrastructure, [new] rules, policies, and principles must be reformulated [~~formulated and applied~~] to reduce regulation of incumbent local exchange companies, ensure fair business practices, and protect the public interest. [~~Changes in technology and market structure have increased the need for minimum standards of service quality, customer service, and fair business practices to ensure high-quality service to customers and a healthy marketplace where competition is permitted by law. It is the purpose of this subtitle to grant the commission authority to make and enforce rules necessary to protect customers of telecommunications services consistent with the public interest.~~]

(g) It is the policy of this state to ensure that customers in all regions of this state, including low-income customers and customers in rural and high cost areas, have access to telecommunications and information services, including interexchange services, cable services, wireless services, and advanced telecommunications and information services, that are reasonably comparable to those services provided in urban areas and that are available at prices that are reasonably comparable to prices charged for similar services in urban areas. ~~[Not later than November 1, 1999, the commission shall begin a review and evaluation of the availability and the pricing of telecommunications and information services, including interexchange services, cable services, wireless services, and advanced telecommunications and information services, in rural and high cost areas, as well as the convergence of telecommunications services. The commission shall file a report with the legislature not later than January 1, 2001. The report must include the commission's recommendations on the issues reviewed and evaluated.]~~

SECTION 2. Section 51.002, Utilities Code, is amended by adding Subdivisions (3-a) and (13) to read as follows:

(3-a) "Internet Protocol enabled service" means a service, capability, functionality, or application that uses Internet Protocol or a successor protocol to allow an end user to send or receive a data, video, or voice communication in Internet Protocol or a successor protocol.

(13) "Voice over Internet Protocol service" means a

1 service that:

2 (A) uses Internet Protocol or a successor
3 protocol to enable a real-time, two-way voice communication that
4 originates from or terminates to the user's location in Internet
5 Protocol or a successor protocol;

6 (B) requires the use of a broadband connection
7 from the user's location; and

8 (C) permits a user generally to receive a call
9 that originates on the public switched telephone network and to
10 terminate a call to the public switched telephone network.

11 SECTION 3. Section 52.002, Utilities Code, is amended by
12 adding Subsections (c) and (d) to read as follows:

13 (c) Notwithstanding any other law, a department, agency, or
14 political subdivision of this state may not by rule, order, or other
15 means directly or indirectly regulate rates charged for, service or
16 contract terms for, conditions for, or requirements for entry into
17 the market for Voice over Internet Protocol services or other
18 Internet Protocol enabled services. This subsection does not:

19 (1) affect payment of right-of-way fees applicable to
20 Voice over Internet Protocol services under Chapter 283, Local
21 Government Code;

22 (2) affect any person's obligation to provide video
23 service, as defined by Section 66.002, under any applicable state
24 or federal law; or

25 (3) require or prohibit assessment of enhanced 9-1-1,
26 relay access service, or universal service fund fees on Voice over
27 Internet Protocol service.

1 (d) Payment of switched access rates or other intercarrier
2 compensation rates, as applicable, with respect to Voice over
3 Internet Protocol services or other Internet Protocol enabled
4 services, shall be as determined through commercial agreements or
5 by the Federal Communications Commission.

6 SECTION 4. Subchapter A, Chapter 52, Utilities Code, is
7 amended by adding Section 52.007 to read as follows:

8 Sec. 52.007. TARIFF REQUIREMENTS RELATING TO PROVIDERS NOT
9 SUBJECT TO RATE OF RETURN REGULATION. (a) This section applies only
10 to a telecommunications provider that is not subject to rate of
11 return regulation under Chapter 53.

12 (b) A telecommunications provider:

13 (1) is not required to maintain on file with the
14 commission tariffs, price lists, or customer service agreements
15 governing the terms of providing service;

16 (2) may make changes in its tariffs, price lists, and
17 customer service agreements without commission approval; and

18 (3) may cross-reference its federal tariff in its
19 state tariff if the provider's intrastate switched access rates are
20 the same as the provider's interstate switched access rates.

21 (c) A telecommunications provider may withdraw a tariff,
22 price list, or customer service agreement not required to be filed
23 or maintained with the commission under this section if the
24 telecommunications provider:

25 (1) files written notice of the withdrawal with the
26 commission; and

27 (2) provides written notice to its customers of the

1 rates, terms, and conditions of the services affected by the
2 withdrawn tariff, price list, or agreement or posts the rates,
3 terms, and conditions on the telecommunications provider's
4 Internet website.

5 (d) This section does not affect the authority of the
6 commission to administer or enforce Chapter 56 or any other
7 applicable price regulation permitted or required under this title.

8 SECTION 5. Section 52.056, Utilities Code, is amended to
9 read as follows:

10 Sec. 52.056. SPECIFICALLY AUTHORIZED REGULATORY
11 TREATMENTS. The regulatory treatments the commission may implement
12 under Section 52.054 include:

13 (1) approval of a range of rates for a specific
14 service; and

15 (2) ~~[approval of a customer-specific contract for a~~
16 ~~specific service; and~~

17 ~~[(3)]~~ the detariffing of rates.

18 SECTION 6. Subchapter B, Chapter 55, Utilities Code, is
19 amended by adding Section 55.026 to read as follows:

20 Sec. 55.026. NEW ORDERS PROHIBITED AFTER CERTAIN DATE. On
21 or after September 1, 2011, the commission may not order a
22 telecommunications provider to provide mandatory or optional
23 extended area service to additional metropolitan areas or calling
24 areas.

25 SECTION 7. Subchapter C, Chapter 55, Utilities Code, is
26 amended by adding Section 55.049 to read as follows:

27 Sec. 55.049. EXPANSION PROHIBITED AFTER CERTAIN DATE. On

1 or after September 1, 2011, the commission may not order an
2 expansion of a toll-free local calling area.

3 SECTION 8. Section 58.255(c), Utilities Code, is amended to
4 read as follows:

5 (c) ~~[Each contract shall be filed with the commission.]~~
6 Commission approval of a contract is not required.

7 SECTION 9. Section 59.074(c), Utilities Code, is amended to
8 read as follows:

9 (c) ~~[Each contract shall be filed with the commission.]~~
10 Commission approval of a contract is not required.

11 SECTION 10. Section 65.102, Utilities Code, is amended by
12 adding Subsection (c) to read as follows:

13 (c) A deregulated company may not be required to:

14 (1) comply with retail quality of service standards or
15 reporting requirements; or

16 (2) file an earnings report with the commission.

17 SECTION 11. Section 65.152, Utilities Code, is amended to
18 read as follows:

19 Sec. 65.152. GENERAL REQUIREMENTS. (a) A transitioning
20 company may:

21 (1) exercise pricing flexibility in a market subject
22 only to the price and rate standards prescribed by ~~[in the manner~~
23 ~~provided by]~~ Section 58.063 ~~[one day after providing an~~
24 ~~informational notice as required by that section]~~; and

25 (2) introduce a new service in a market subject only to
26 the price and rate standards prescribed by ~~[in the manner provided~~
27 ~~by]~~ Section 58.153 ~~[one day after providing an informational notice~~

1 ~~as required by that section]~~.

2 (b) A transitioning company may not be required to:

3 (1) comply with ~~[exchange-specific]~~ retail quality of
4 service standards or reporting requirements in a market that is
5 deregulated; or

6 (2) file an earnings report with the commission.

7 SECTION 12. Sections 52.057 and 53.065(b), Utilities Code,
8 are repealed.

9 SECTION 13. This Act takes effect September 1, 2011.