

## **BILL ANALYSIS**

Senate Research Center

S.B. 14  
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Enrolled

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

One of the most pressing current challenges for rural Texas is the lack of access to high speed Internet. For decades, large swaths of rural Texas have waited patiently for high speed Internet to make it to their area, but the economics have simply not made sense for providers to come and serve. So, much of Texas remains without this critical service—an essential for everyday life and for businesses.

S.B. 14 empowers Texas electric cooperatives to deploy broadband to the members they serve by allowing them to utilize their existing electricity easements. Electric cooperatives are memberowned non-profits that have over 300,000 miles of distribution lines throughout rural Texas. This bill harnesses that existing infrastructure to allow co-ops to address the newest wave of critical need for their member owners—high speed Internet. (Original Author's/Sponsor's Statement of Intent)

S.B. 14 amends current law relating to broadband service or facilities provided by an electric cooperative.

### **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 C, Chapter 181, Utilities Code, by adding Section 181.048, as follows:

Sec. 181.048. ELECTRIC COOPERATIVE BROADBAND FACILITIES. (a)(1) Defines "broadband service" to mean Internet service with the capability of providing a download speed of 25 megabits per second faster and an upload speed of three megabits per second or faster.

(2) Defines "electric cooperative."

(b) Authorizes an electric cooperative or electric cooperative affiliate to construct, operate, and maintain fiber optic cables and other facilities for providing broadband service over, under, across, on, or along real property, personal property, rights-of-way, easements, and licenses and other property rights owned, held, or used by the cooperative. Authorizes an easement or other property right owned, held, or used by the electric cooperative to provide electricity or other services to also be used to provide broadband service.

(c) Requires the monetary rates applicable to an electric cooperative or electric cooperative affiliate for attaching broadband facilities on the electric cooperative's poles to be just and reasonable and prohibits the rates from being less than the monetary rates the electric cooperative charges to other broadband service providers for attaching broadband facilities to the electric cooperative's poles. Requires the terms and conditions applicable to an electric cooperative or electric

cooperative affiliate for attaching broadband facilities on the electric cooperative's poles to be just and reasonable and be comparable to the terms and conditions the electric cooperative applies to other broadband service providers for attaching broadband facilities to the electric cooperative's poles. Provides that this subsection does not limit or restrict an electric cooperative or electric cooperative affiliate from installing fiber optic cables in the supply space of the electric cooperative's poles.

(d) Requires an electric cooperative or electric cooperative affiliate that provides broadband service to maintain separate books and records of broadband service operations and the broadband service operations of any subsidiary and to ensure that the rates charged for provision of electric service do not include any broadband service costs or any other costs not related to the provision of electric service.

(e) Requires the electric cooperative or electric cooperative affiliate, subject to Subsection (f), not later than the 60th day before the date the electric cooperative or electric cooperative affiliate begins construction in an easement or other property right that existed before that date of fiber optic cables and other facilities for providing broadband service, to provide written notice to the owners of property in which the easement or property right is located of the intent to use the easement or other property right for broadband service. Requires the electric cooperative or electric cooperative affiliate to send the notice by first class mail to the last known address of each person in whose name the property is listed on the most recent tax roll of each county authorized to levy property taxes against the property. Requires the notice to state whether any new fiber optic cables used for broadband services will be located above or below ground in the easement or other property right. Authorizes a property owner entitled to notice under this subsection, not later than the 60th day after the date the notice is mailed by the electric cooperative or electric cooperative affiliate, to submit to the electric cooperative or electric cooperative affiliate a written protest of the intended use of the easement or other property for broadband service. Prohibits an electric cooperative or electric cooperative affiliate, if the electric cooperative or electric cooperative affiliate receives a timely written protest under this subsection, from using the easement or other property right for broadband service unless the protestor later agrees in writing to that use or that use is authorized by other law.

(f) Provides that Subsection (e) does not apply to an electric cooperative's or electric cooperative affiliate's use of an easement or other property right that includes an authorization for the use of the easement or property right for the provision of broadband service or similar communications service.

(g) Prohibits this section from being construed to conflict with or limit the provisions of Chapter 43 (Use of Electric Delivery System For Access to Broadband and Other Enhanced Services, Including Communications) or to limit or prohibit an electric cooperative's use of the electric cooperative's fiber optic cables or other facilities to operate and maintain the electric cooperative's electric transmission or distribution system or to provide electric service.

SECTION 2. Effective date: upon passage or September 1, 2019.