

BILL ANALYSIS

S.B. 2399
By: Schwertner
State Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Voice over Internet Protocol (VoIP) is a ubiquitous technology used by a variety of providers throughout the telecommunications and broadband marketplace. VoIP technology can help lower costs and provide a more robust, reliable network. Recently, the general counsel of the Public Utility Commission of Texas (PUC) took a new position in a proceeding that the PUC does not have jurisdiction to grant a service provider certificate of operating authority to VoIP providers. This position is seen as contrary to extensive PUC precedent allowing VoIP providers to obtain these certificates. S.B. 2399 seeks to clarify that the PUC may continue to grant service provider certificate of operating authority to VoIP providers.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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. 2399 amends the Utilities Code to clarify that the prohibition against a department, agency, or political subdivision of the state directly or indirectly regulating by any means the rates charged for, service or contract terms for, conditions for, or requirements for entry into the market for Voice over Internet Protocol (VoIP) services or other Internet Protocol enabled services does not limit the Public Utility Commission of Texas' (PUC) authority over the grant of a certificate of operating authority or a service provider certificate of operating authority to a VoIP provider. The bill authorizes the PUC to grant a service provider certificate of operating authority to encourage an innovative, competitive, and entrepreneurial business to provide VoIP services. The bill prohibits such a certificate granted to a VoIP provider from being construed to expand the authority or jurisdiction of the PUC over VoIP service.

EFFECTIVE DATE

September 1, 2023.