

SUBJECT: Allowing the LCRA to provide infrastructure for broadband connectivity

COMMITTEE: State Affairs — committee substitute recommended

VOTE: 12 ayes — Paddie, Hernandez, Deshotel, Harless, Howard, Hunter, P. King, Lucio, Metcalf, Raymond, Shaheen, Slawson

0 nays

1 absent — Smithee

WITNESSES: For — Tom Oney, Lower Colorado River Authority (LCRA); (*Registered, but did not testify*: JP Urban, AECT; Luis Acuna, Texas 2036; Oscar Rodriguez, Texas Association of Broadcasters; Charlie Leal, Texas Farm Bureau; Thomas Parkinson)

Against — None

On — (*Registered, but did not testify*: Walt Baum, Texas Cable Association)

DIGEST: CSHB 1715 would authorize the Lower Colorado River Authority (LCRA) to provide fiber capacity or facilities to facilitate broadband service connectivity. The LCRA could provide the capacity or facilities only on reasonable and nondiscriminatory terms and conditions. Certain provisions of the Public Utility Regulatory Act relating to telecommunications utilities would not apply to the LCRA.

The LCRA could not provide broadband service to a retail customer. The LCRA also could not agree to lease fiber capacity or facilities to a municipality to facilitate broadband service connectivity, other than for communications regarding utility operations, unless the LCRA:

- posted on its website information concerning the municipal lease proposal at least 90 days before entering into the lease agreement; and

- during the 90-day period after posting the information, the LCRA made the capacity or facilities available for lease to any commercial broadband provider offering broadband service in the municipality on the authority's standard terms and conditions.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2021.

**SUPPORTERS  
SAY:**

CSHB 1715 would increase access to broadband internet in certain rural and underserved areas by allowing the Lower Colorado River Authority (LCRA) to use existing and planned infrastructure to facilitate that access. Broadband access in areas served by the LCRA has consistently lagged behind that of more populous areas of the state, and this problem has become more acute during the pandemic when lack of broadband access has made working from home and other necessary tasks more difficult in rural and underserved areas.

Permitting the LCRA to provide its existing and planned infrastructure to facilitate broadband connectivity would allow it to connect service providers and communities in need of greater broadband access, increasing the opportunities for residents of these communities to access broadband internet. The requirement for LCRA to provide capacity or facilities on reasonable and nondiscriminatory terms would allow fair opportunity for service providers to contract with the LCRA.

Only existing and previously planned LCRA infrastructure would be used to provide this access, and the LCRA would not be granted authority to construct new infrastructure. The provision of this infrastructure would be paid for through contracts with service providers, and the LCRA would be prohibited from acting as a retail service provider.

It is unnecessary for CSHB 1715 to limit the areas in which LCRA infrastructure could be used under the bill to only those not currently served by a broadband service provider. Providers would be unlikely to contract with the LCRA to provide service in an area that already had

sufficient broadband access or to contract with the authority when they already owned existing broadband infrastructure. Instead, the bill would enable service providers to pursue opportunities to provide broadband service in areas that currently lack access.

In addition, the bill would provide a free market benefit by authorizing the LCRA to lease existing or planned infrastructure to service providers. Service providers should be free to make the economic choice to lease this infrastructure, and allowing them to do so could save providers the significant cost of building new infrastructure in rural areas. This would increase the likelihood that providers would expand their services to underserved areas, providing consumers in those areas with more choice.

**CRITICS  
SAY:**

While CSHB 1715 rightly focuses its attention on the issue of broadband access in rural and underserved areas, it could better accomplish its goal of providing access by limiting the provision of LCRA infrastructure to areas that are not currently served by broadband service providers. Any duplication of broadband access efforts in areas that currently have access could come at the expense of underserved areas.

**OTHER  
CRITICS  
SAY:**

CSHB 1715 would not be the best approach because broadband service providers, not the government, are best situated to anticipate and meet the needs of consumers with broadband infrastructure. Allowing these service providers to respond as the market demands and as advances in technology require is the most effective way to ensure that broadband access benefits consumers and business.