

BILL ANALYSIS

Senate Research Center
82R6623 RWG-F

S.B. 834
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Business & Commerce
3/7/2011
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In 1995, the 74th Legislature made it possible for educational institutions, libraries, nonprofit telemedicine centers, and public or nonprofit hospitals to gain access to affordable high-speed telecommunications services by legislatively mandating discounts for these services. To that end, several discounts were established under Chapters 57 (Distance Learning and Other Advanced Services), 58 (Incentive Regulation), and 59 (Infrastructure Plan), Utilities Code. In particular, the large telephone company area program established in Chapter 58 provided a discount on private network services. This program is set to expire January 1, 2012.

For federally qualified health centers (FQHCs), which are comprehensive primary care providers that serve low-income Texans who otherwise lack access to health care, the ability to connect sites for voice, video, and data sharing promotes collaboration among providers, reduces costs, and improves quality of care. Discounts on private network services save FQHCs as much as \$750 per connection per month; in some cases, FQHCs with multiple sites may have as many as ten connections to ensure interconnectivity among all sites.

Extending the large telephone company area program in Chapter 58 and ensuring that FQHCs are able to access new and emerging technologies will allow them to continue providing cost-effective, high-quality health care services. S.B. 834 extends the telecommunications discount in Chapter 58 through January 1, 2020. This bill also updates current statute to apply telecommunications discounts to new and emerging technologies.

As proposed, S.B. 834 amends current law relating to the update of discounted telecommunication services provided to educational institutions, libraries, hospitals, and health centers.

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 Section 58.252, Utilities Code, by adding Subdivision (1-a) and amending Subdivision (3), as follows:

(1-a) Defines "health center."

(3) Redefines "private network services."

SECTION 2. Amends Section 58.253(a), Utilities Code, to require an electing company, on customer request, to provide network services to certain entities, including a nonprofit health center.

SECTION 3. Amends Section 58.258(a), Utilities Code, to prohibit an electing company's rates for private network services, notwithstanding the pricing flexibility authorized by this subtitle, from being increased before January 1, 2020, rather than January 1, 2012.

SECTION 4. Amends the heading to Section 58.260, Utility Code, to read as follows:

Sec. 58.260. POINT-TO-POINT SERVICE.

SECTION 5. Amends Section 58.260(a), Utilities Code, to require an electing company, on request of an entity described by Section 58.253(a), to provide to the entity the latest intraLATA switched services and fiber-based point-to-point solutions the company offers at 45 megabits a second or greater, rather than provide point-to-point 45 megabits a second intraLATA services.

SECTION 6. Amends Section 58.262(a), Utilities Code, to require an electing company, on request of an entity described by Section 58.253(a), to provide to the entity expanded interconnection (virtual colocation) and to make available the latest multiprotocol label switching mechanism (virtual links) offered by the company.

SECTION 7. Amends Section 58.268, Utilities Code, as follows:

Sec. 58.268. CONTINUATION OF OBLIGATION. Requires an electing company, notwithstanding any other provision of this title, to continue to comply with this subchapter until January 1, 2020, rather than January 1, 2012, regardless of the date the company elected under this chapter, or any action taken in relation to that company under Chapter 65 (Deregulation of Certain Incumbent Local Exchange Company Markets).

SECTION 8. Makes application of this Act prospective.

SECTION 9. Effective date: September 1, 2011.