

BILL ANALYSIS

C.S.S.B. 14
By: Nichols
State Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

It has been suggested that one of the most pressing current challenges for rural Texas is the lack of access to high speed Internet. C.S.S.B. 14 seeks to make high-speed Internet more available to rural Texans by authorizing Texas electrical cooperatives and their affiliates to deploy broadband to their members using the cooperatives' existing electricity easements.

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

C.S.S.B. 14 amends the Utilities Code to authorize 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. The bill authorizes the use of an easement or other property right owned, held, or used by the electric cooperative to provide electricity or other services for the provision of broadband service.

C.S.S.B. 14 prohibits the monetary rates applicable to an electric cooperative or electric cooperative affiliate for attaching broadband facilities on the electric cooperative's poles 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. The bill 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 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. The bill expressly 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.

C.S.S.B. 14 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. The bill requires an electric cooperative or electric cooperative affiliate, 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. The bill 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 and sets out requirements for the notice.

C.S.S.B. 14 authorizes a property owner entitled to notice, not later than the 60th day after the date 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 right for broadband service. The bill prohibits an electric cooperative or electric cooperative affiliate, if the electric cooperative or electric cooperative affiliate receives a timely written protest, 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 law. These provisions do 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.

C.S.S.B. 14 prohibits the construction of its provisions to conflict with or limit the provisions relating to the use of an electric delivery system for access to broadband and other enhanced services 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.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2019.

COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE

While C.S.S.B. 14 may differ from the engrossed in minor or nonsubstantive ways, the following summarizes the substantial differences between the engrossed and committee substitute versions of the bill.

The substitute includes a provision prohibiting the monetary rates applicable to an electric cooperative or electric cooperative affiliate for attaching broadband facilities on the cooperative's poles from being less than the monetary rates the cooperative charges to other broadband service providers for such attachment.