

BILL ANALYSIS

Senate Research Center
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S.B. 732
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Business & Commerce
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As Filed

DIGEST AND PURPOSE

Currently, the Public Utility Commission (PUC) has a proposed rule that would require certain telecommunications providers to wait a specified period of time before making a win-back or retention offer to a customer that is switching to a new provider. As proposed, S.B. 732 amends the requirement that a discount, or other form of pricing flexibility, not be preferential, prejudicial, or discriminatory by adding the modifier “unreasonably,” and specifies that there is no prohibition against an offer made to a selected customer, or group, in response to a competitor’s offer. This bill also specifies that a price set at or above the long run incremental cost of a service is not considered predatory. S.B. 732 requires that any offer be made in compliance with the Uniform Electronic Transactions Act.

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 51.004, Utilities Code, by amending Subsection (a) and adding Subsections (c) and (d), as follows:

- (a) Amends the requirement that a discount or other form of pricing flexibility not be preferential, prejudicial, or discriminatory by adding the modifier “unreasonably.” Makes nonsubstantive changes.
- (c) Provides that this title does not prohibit an offer based on a reasonable business purpose, including an offer made to a selected customer, or group thereof, in response to a competitor’s offer. Provides that a price set at or above the long run incremental cost of a service is presumed not to be predatory.
- (d) Requires that an offer made under Subsection (c) be made in compliance with Chapter 43 (Uniform Electronic Transactions Act), Business & Commerce Code.

SECTION 2. Effective date: September 1, 2003.