

BILL ANALYSIS

C.S.H.B. 1542
By: Puente
Regulated Industries
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Currently, Section 51.004 of the Public Utility Regulatory Act (PURA) sets out guidelines for pricing flexibility of telecommunications services so long as they are not preferential, prejudicial, discriminatory, predatory or anticompetitive in nature. Additionally, this title allows for volume discounts, and discounts for other business purposes. CSHB 1542 amends Section 51.004 of the Utilities Code to clarify that the Public Utility Commission does not have the authority to restrict win-back and retention offers to consumers - at any time - by incumbent local exchange companies.

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

CSHB 1542 amends Section 51.004, Utilities Code, by amending subsection (a) to include the term "unreasonably."

CSHB 1542 also adds subsection (c) to allow offers based on a reasonable business purpose, including an offer made - at any time - to a selected customer or group of customers in response to a competitor's offer or a former customer's acceptance of a competitor's offer, provided that the price of an offer meets the requirements of either Section 52.0584, Section 58.063, or Section 59.031, relating to existing statutory price floor requirements.

Lastly, CSHB 1542 adds subsection (d) which requires that an offer made under subsection (c) be made in compliance with Chapter 43, Business and Commerce Code, relating to the Uniform Electronic Transactions Act.

EFFECTIVE DATE

September 1, 2003.

COMPARISON OF ORIGINAL TO SUBSTITUTE

CSHB 1542 clarifies that win-back or retention offers made pursuant to new subsection (c) may be made at any time. The substitute also clarifies that such offers are subject to existing statutory price floor requirements specified in Sections 52.0584, 58.063, and 59.031.