BILL ANALYSIS

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. C.S.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 authorizes an offer made to a selected customer, or group, in response to a competitor's offer if it matches certain statutory requirements. C.S.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 allows an offer based on a reasonable business purpose, including an offer made at any time to a selected customer, or group thereof, in response to a competitor's offer or a former customer's acceptance of a competitor's offer if the price of the offer meets the requirements of Section 52.0584 (Pricing and Packaging Flexibility; Customer Promotional Offerings), Section 58.063 (Pricing and Packaging Flexibility), or Section 59.031 (Pricing and Packaging Flexibility).

> (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.