# BILL ANALYSIS

Senate Research Center

S.B. 253
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Economic Development
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As Filed

## DIGEST

Currently, telecommunications providers may switch a customer's service, without authorization from the customer, in a practice called slamming. As a result of slamming, consumers may lose important service features, receive lower quality service, or be charged higher rates. Consumers may also be denied the basic right to choose their telecommunications service. This bill would make it illegal for telecommunications providers to switch a customer's service without customer authorization.

## PURPOSE

As proposed, S.B. 253 makes it illegal for a telecommunications provider to process a request from a different telecommunications provider to serve a customer without customer authorization.

## RULEMAKING AUTHORITY

Rulemaking authority is granted to the Public Utility Commission in SECTION 1 (Sections 3.054, Public Regulatory Utility Act of 1995).

## SECTION BY SECTION ANALYSIS

SECTION 1. Amends the Public Utility Regulatory Act of 1995, by adding Section 3.054, as follows:

> SECTION 3.054. Provides that it is the policy of this state to ensure that customers are protected from the unauthorized switching of a customer's telecommunications provider. Requires the Public Utility Commission (commission) to adopt rules by October 1, 1997 to implement provisions of this section.
>
> (a) Authorizes each customer of a telecommunications provider (provider) to elect to require that a provider serving that customer receive authorization from the customer before a request to serve that customer from a different telecommunications provider is processed (election).
>
> (b) Requires providers to notify customers of their rights to authorize a change in providers. Requires the commission to determine the method and frequency of this notice.
>
> (c) Authorizes a customer to change this election at any time by notifying the provider and not be charged for an election.
>
> (d) Prohibits a provider from processing a request to serve the customer by another provider without customer's authorization.
>
> (e) Authorizes a provider to process a request to serve the customer by another provider, if the customer has not exercised an election.
>
> (f) Authorizes a provider to request a change of providers upon oral or written authorization of the customer (authorization). Sets forth requirements of the carrier if the provider requests such a change.

(g) Requires an oral authorization to be verified within 14 business days of the date the oral authorization was made. Sets forth the contents of a verified authorization. Requires the commission to adopt rules to ensure that customers are protected from deceptive trade acts.

(h) Sets forth requirements of a provider if the provider does not receive the verified authorization within 14 business days.

(i) Requires the change to the service of the provider to be deemed unauthorized from the date the provider requested the change, if the provider, upon customer complaint, has not verified an oral authorization and has not returned the customer's service to the original provider. Sets forth the requirements for the provider in that event.

(j) Provides that an authorization may be verified using any method consistent with federal law.

(k) Provides that if the commission finds that a telephone company is failing to comply with the provisions of this section, it is to order the company to take corrective action as necessary and may impose administrative penalties.

(l) Provides that unauthorized switching of customers may be the basis for the denial or revocation of certificates of convenience and necessity, certificates of operating authority, and service provider certificates of operating authority.

SECTION 2. Emergency clause.
Effective date: upon passage.