

HOUSE BILL ANALYSIS

HB 1030

Title: An Act relating to penalties for unauthorized changes of a subscriber's telecommunications company.

Brief Description: Providing penalties for unauthorized changes to a subscriber's telecommunications company.

Sponsors: Representatives DeBolt, Hurst, Clements, Radcliff, Bush, McMorris, Alexander, Mulliken, Kastama, Conway, Esser, Lambert, McIntire, Kessler, Keiser, Cooper, Stensen, Mielke, Parlette, McDonald, K. Schmidt, Mastin, Dunn, Benson, Ogden, Haigh, Rockefeller, Lantz, Wood and Sump.

HOUSE COMMITTEE ON TECHNOLOGY, TELECOMMUNICATIONS & ENERGY

Meeting Date: February 19, 1999.

Bill Analysis Prepared by: Julia Harmatz, (786-7135)

Background:

Slamming

Slamming is the switching of a customer's telephone service to another company without the customer's request.

Slamming can occur for both long distance and local service. While most complaints to date have involved long distance service, as competition increases so may slamming complaints.

Slamming is a growing problem. In 1996 the Washington Utilities and Transportation Commission received 186 slamming complaints. By 1998 that number had grown to over 450. At the federal level, slamming is the single biggest category of telephone complaints handled by the FCC.

In Washington state the most severe slamming case occurred in March 1998 when a Tampa Florida based company attempted to slam over 4500 customers in Colville, Washington. The telephone company blamed a sales agency for the slam, but agreed to pay for calls made by slammed customers.

The WUTC recently adopted anti-slamming rules in November of 1997. Current WUTC practice is to return a customer to their original carrier immediately without charge, and that the customer is not liable for any fees incurred during the period of being slammed.. The commission does not have authority to award damages to a slammed customer but can fine the slamming company \$1,000 per slam.

Summary:

This bill states that a subscriber of long distance or local exchange services will not have the provider of these services changed without the subscriber's authorization. The form of the authorization is prescribed by the commission.

Penalties

In addition to any other penalties, the commission may order

- 1) payment from the unauthorized company to the selected company for unauthorized charges incurred; and/or
- 2) the unauthorized provider to cancel any charges incurred; and
- 3) order a refund to the subscriber for all charges incurred during the unauthorized period they were fraudulently billed.

If the commission finds a pattern of violations, the commission may require a time period that requires a telecommunications company to obtain a signed letter of agency from every new subscriber that authorizes the change in providers.

Appropriation: None.

Fiscal Note: Received.

Effective Date of Bill: Ninety days after adjournment of session in which bill is passed.