
HOUSE BILL 2143

State of Washington

56th Legislature

1999 Regular Session

By Representatives Kenney, Ruderman and Cooper

Read first time 02/16/1999. Referred to Committee on Technology, Telecommunications & Energy.

1 AN ACT Relating to advertisements for prepaid calling services;
2 adding a new section to chapter 80.36 RCW; creating a new section;
3 prescribing penalties; and declaring an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds that the rapidly
6 changing telecommunication market has resulted in new consumer
7 problems. The legislature finds that consumers of prepaid calling
8 services are often subject to misleading or deceptive advertising of
9 these calling services. Changes in remedies and penalties are needed
10 to provide a more effective deterrent to these practices.

11 NEW SECTION. **Sec. 2.** A new section is added to chapter 80.36 RCW
12 to read as follows:

13 (1) As used in this section, "prepaid calling services" means a
14 transaction where a consumer pays for calling services prior to use and
15 the prepaid account is depleted as a consumer uses the service. It
16 includes prepaid calling services that require the use of an access
17 number or authorization code, or services that are acquired by the
18 purchase of a wallet-sized card known as a prepaid calling card.

1 (2) Advertising and visual displays for prepaid calling services
2 must be clear and accurate. They may not be misleading and must
3 include at least the following:

4 (a) Billing increments must be clearly defined. If a company
5 offering prepaid calling services bills for prepaid calling service
6 usage in unit measurement, a unit must be defined using both equivalent
7 dollar amounts and time measurement. Unit billing measurements shall
8 not exceed the equivalent one-minute rate;

9 (b) All applicable rates for intrastate, interstate, and
10 international calls must be provided on the advertising and visual
11 display. The rates displayed shall be no more than those approved by
12 the commission in the tariff or price list of the company at the time
13 of retail purchase; and

14 (c) An expiration date for the applicable rates shall be disclosed
15 on the advertising and visual display.

16 (3) If a prepaid calling card is advertised as renewable or
17 rechargeable, applicable terms and limitations of recharging a card
18 shall be defined legibly on the prepaid calling card packaging, the
19 prepaid calling card, and the visible display at the point of sale.

20 (4) Companies providing prepaid calling services are subject to and
21 must comply with all other laws and commission rules relating to the
22 provision of telecommunication services unless the company has filed
23 for and received a waiver from the commission.

24 (5)(a) The legislature finds that the practices covered by this
25 section are matters vitally affecting the public interest for the
26 purpose of applying the consumer protection act, chapter 19.86 RCW. A
27 violation of this section is not reasonable in relation to the
28 development and preservation of business and is an unfair or deceptive
29 act in trade or commerce and an unfair method of competition for the
30 purpose of applying the consumer protection act, chapter 19.86 RCW.

31 (b) A violation of this section shall result in a civil penalty of
32 not less than five hundred dollars.

33 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
34 preservation of the public peace, health, or safety, or support of the
35 state government and its existing public institutions, and takes effect
36 immediately.

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