
ENGROSSED SUBSTITUTE HOUSE BILL 2254

State of Washington

56th Legislature

1999 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives DeBolt, Ruderman, Poulsen, Crouse, Morris, Mielke, Bush, Thomas, Cooper, Reardon, Stensen, Keiser, Lantz, Fisher, McDonald, O'Brien, Lovick, Sullivan, Hurst, Santos, Hankins, Kenney, Wolfe, Ogden, Anderson, Kagi, Constantine, Dickerson, Conway, Linville, Rockefeller, Romero, Voloria, Wood, Ericksen, Edmonds, McIntire, Alexander, Mitchell, K. Schmidt and Esser)

Read first time 03/08/1999.

1 AN ACT Relating to unauthorized changes and billing for
2 telecommunication services; adding new sections to chapter 80.36 RCW;
3 creating new sections; and prescribing penalties.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that changes in the
6 rapidly changing telecommunications market are resulting in new
7 consumer problems. The legislature further finds that unauthorized
8 changes in telecommunications service, known commonly as slamming, and
9 unauthorized billing for service on telecommunications bills, known
10 commonly as cramming, are unfair and deceptive consumer practices. The
11 legislature further finds that consumers should have options available
12 to protect themselves against unauthorized service changes and
13 billings. In addition, current penalties and remedies need to be
14 increased to provide a more effective deterrent to these practices.

15 NEW SECTION. **Sec. 2.** (1) Every local exchange telecommunications
16 company must offer to its customers, as a part of basic local service
17 and at no additional cost, the following optional services:

1 (a) Preferred carrier freeze. Preferred carrier freeze procedures,
2 including any solicitation thereof, must clearly distinguish among
3 telecommunications services subject to a preferred carrier freeze. The
4 carrier offering the freeze must obtain separate authorization for each
5 service for which a preferred carrier freeze is requested. If a
6 customer has subscribed to preferred carrier freeze, the local exchange
7 company may not make changes to the customer's telecommunications
8 services including without limitation local exchange service,
9 intraLATA, interLATA, intrastate toll, interstate toll, or
10 international toll service except on direct oral or written direction
11 of the customer and shall reject any orders for change in service that
12 are submitted on behalf of the customer; and

13 (b) Bill block services. Customers may block the billing of
14 nontelecommunication products or services or telecommunication services
15 provided by a company other than the customer's local exchange carrier
16 or authorized long distance carrier. On request of bill block services
17 by the customer, service providers that are not affiliated with the
18 local exchange carrier shall not submit charges to the local exchange
19 carrier for nontelecommunications products, services or
20 nonpresubscribed intrastate or interstate toll services. For purposes
21 of this subsection, nonpresubscribed intrastate or interstate toll
22 services shall not include dial-around long distance or calling card
23 services.

24 (2) Each local exchange telecommunications company must notify its
25 customers of the services described in this section at the time service
26 is established and at least once per year thereafter. The commission
27 may prescribe the form of notice by rule.

28 NEW SECTION. **Sec. 3.** All lists of charges for services that
29 appear on a customer's bill shall be clear, separate, and distinct. At
30 a minimum, all bills must clearly identify on the bill the company
31 making the charge, the specific product, service, or package of
32 services being billed for, and a toll-free contact number for disputing
33 a charge. The commission may prescribe the form of bill disclosure by
34 rule.

35 NEW SECTION. **Sec. 4.** (1)(a) No person shall: (i) Cause a change
36 in a customer's selection of telecommunications company without the
37 customer's authorization as prescribed by the commission; and (ii)

1 place or cause to be placed an unauthorized charge on a customer's
2 telecommunications account.

3 (b) Any customer who is the victim of acts prohibited by this
4 section is absolved of liability for (i) all charges imposed by the
5 unauthorized carrier for products or services provided during the first
6 thirty days after the unauthorized change, or for a longer period of
7 time as permitted by the commission; (ii) all charges required to
8 return the customer to his or her properly authorized carrier; and
9 (iii) all other charges imposed in connection with the unauthorized
10 change.

11 (2) The carrier that a customer contacts to report an unauthorized
12 change, whether that entity is the customer's local exchange company,
13 unauthorized carrier, or the customer's authorized carrier shall
14 immediately take appropriate action to return the customer to his or
15 her authorized carrier. The carrier that a customer calls to report an
16 unauthorized change, whether that entity is the customer's local
17 exchange company, unauthorized carrier, or the customer's authorized
18 carrier is required to inform the customer that he or she is not
19 required to pay for any unauthorized charges incurred for the first
20 thirty days after the unauthorized charge. The unauthorized carrier
21 shall remove charges, if any, from the customer's bill for charges
22 incurred within the first thirty days of the unauthorized change and
23 any charges required to return the customer to his or her properly
24 authorized carrier. The local exchange carrier, when serving as the
25 billing agent, may independently carry out the provisions of this
26 subsection.

27 (3) If a customer disputes a charge for nontelecommunications
28 service, or telecommunications services provided by a company other
29 than the customer's local exchange carrier or authorized long-distance
30 carrier, the local exchange company shall remove the charge from the
31 bill. This subsection does not affect the ability of the charging
32 company to independently collect legitimate charges.

33 (4) The commission may adopt rules necessary to enforce this
34 section.

35 NEW SECTION. **Sec. 5.** In addition to any penalties provided by
36 law, the commission may take one or more of the following actions:

37 (1) Order payment by an unauthorized service provider to the
38 service provider previously selected by the customer in an amount not

1 to exceed all charges billed to the customer by the unauthorized
2 service provider for services provided during the unauthorized service
3 period; and

4 (2) Order the unauthorized service provider to refund all payments
5 made by the customer for services provided during the unauthorized
6 service period.

7 NEW SECTION. **Sec. 6.** The legislature finds that the practices
8 covered by section 4(1)(a) of this act are matters vitally affecting
9 the public interest for purposes of applying the consumer protection
10 act. A violation of section 4(1)(a) of this act is not reasonable in
11 relation to the development and preservation of business and is an
12 unfair or deceptive act in trade or commerce for the purpose of
13 applying the consumer protection act, chapter 19.86 RCW. In any action
14 under chapter 19.86 RCW, a person who proves any of the causes of
15 action identified in this section is entitled to a presumption of
16 injury and in addition to recovering costs and reasonable attorneys'
17 fees, damages may be ordered in the amount of two thousand five hundred
18 dollars.

19 NEW SECTION. **Sec. 7.** The Washington utilities and transportation
20 commission and the attorney general shall assess and report to the
21 legislature by June 2000 whether the practices of unauthorized service
22 changes and billing have been deterred by this act and may make
23 recommendations to the legislature with regard to enforcement.

24 NEW SECTION. **Sec. 8.** Sections 2 through 6 of this act are each
25 added to chapter 80.36 RCW.

26 NEW SECTION. **Sec. 9.** If any provision of this act or its
27 application to any person or circumstance is held invalid, the
28 remainder of the act or the application of the provision to other
29 persons or circumstances is not affected.

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