
SUBSTITUTE SENATE BILL 6367

State of Washington

56th Legislature

2000 Regular Session

By Senate Committee on Energy, Technology & Telecommunications (originally sponsored by Senators Brown, Hochstatter, Roach, Kohl-Welles, Spanel, Franklin, Jacobsen, Prentice, Costa, McAuliffe, Fairley, Haugen, B. Sheldon, Thibaudeau, Shin, T. Sheldon, Bauer, Wojahn, Eide, Gardner, Patterson, Rasmussen, Winsley and Oke)

Read first time 02/04/2000.

1 AN ACT Relating to telephone advertising clarity and disclosure;
2 adding a new chapter to Title 19 RCW; and providing an effective date.

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

4 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

5 (a) Consumers want and need the benefit of complete and accurate
6 information before making decisions about their telecommunications
7 service;

8 (b) When consumers are denied complete and accurate information
9 about the telecommunications services being offered to them, the result
10 is consumer confusion, inflated prices, and an erosion of confidence in
11 the telecommunications industry; and

12 (c) Informed consumers with complete and accurate information who
13 make good marketing decisions are critical to the growth of healthy
14 competition in the telecommunications industry.

15 (2) The legislature therefore intends to encourage high standards
16 and best practices for advertising within the telecommunications
17 industry by requiring specified disclosures as part of calling plan
18 advertisements made in this state.

1 NEW SECTION. **Sec. 2.** This chapter applies to all advertisements
2 for calling plans offering competitive local, local toll, and long-
3 distance telecommunications services to residential consumers in the
4 state, regardless of the mode of transmission or the regulatory status
5 of the telecommunications service provider.

6 NEW SECTION. **Sec. 3.** The definitions in this section apply
7 throughout this chapter unless the context clearly requires otherwise.

8 (1) "Advertisements" means any telephone solicitation or written,
9 printed, electronic, audio, or visual solicitation, that includes a
10 price representation or a price comparison and is reasonably designed
11 to result in a sale of or subscription to a calling plan arrangement.

12 (2) "Calling plan" means any tariff, price list, contract, or other
13 arrangement governing the price, terms, and conditions under which
14 competitive local, local toll, or long-distance telecommunications
15 services are provided to residential customers.

16 (3) "Competitive local telecommunications service" means the
17 provision of voice grade access to the public switched network and
18 calls within a customer's local calling area as defined by the
19 utilities and transportation commission where such service has been
20 classified as competitive by the commission.

21 (4) "Local toll telecommunications service" means the provision of
22 voice grade calls outside a customer's local calling area but within a
23 customer's local access transport area as defined by the utilities and
24 transportation commission in conformance with applicable federal law.

25 (5) "Long-distance telecommunications service" means the provision
26 of voice grade calls from one local access transport area to another
27 local access transport area as defined by the utilities and
28 transportation commission in conformance with applicable federal law.

29 NEW SECTION. **Sec. 4.** (1) No telecommunications service provider
30 may misrepresent, in any manner, directly or by implication, the price
31 of a calling plan.

32 (2) No person may state the price of a calling plan, or any portion
33 of the price of a calling plan, unless he or she also discloses clearly
34 and conspicuously in immediate proximity to any price claim the
35 effective rate per minute calculated in accordance with section 6 of
36 this act.

1 NEW SECTION. **Sec. 5.** (1) All calling plan advertisements, other
2 than telephone solicitations, or audio or visual advertisements, must
3 include in clear and conspicuous language that is readily noticeable
4 and understandable by the intended audience the following information
5 in a format substantially similar to the label set forth in subsection
6 (2) of this section:

7 (a) The effective rate per minute, calculated in accordance with
8 section 6 of this act;

9 (b) All one-time, nonrecurring charges, if any, customers are
10 required to pay in order to obtain the calling plan, including but not
11 limited to sign-up, activation, or installation fees;

12 (c) All incremental rates included in the calling plan and the
13 times and coverage areas in which they apply, including but not limited
14 to fixed per-minute charges, per-minute charges which vary by time of
15 day, day of the week, distance, or location of the caller or the call
16 recipient;

17 (d) All recurring charges, if any, that apply to the calling plan,
18 including but not limited to monthly minimum charges, connection fees,
19 or per-call minimum charges; and

20 (e) All pass-through charges, if any, that apply to the calling
21 plan, including but not limited to the surcharge, fee, or method of
22 calculating a customer's charge to reimburse the telecommunications
23 service provider for its obligation to pay federal or state universal
24 service fees, carrier access charges, or pay phone access charges.
25 Pass-through charges need not include itemized taxes that a telephone
26 service provider is required by law to collect from subscribers.

27 (2) Label format.

28

Calling Plan Disclosure Statement

29	Effective rate per minute	Information required in subsection (1)(a) of this section
30	One-time charges	Information required in subsection (1)(b) of this section
31	Calling plan rates	Information required in subsection (1)(c) of this section
32	Minimum charges	Information required in subsection (1)(d) of this section
33	Pass-through charges	Information required in subsection (1)(e) of this section

34 (3) Telephone solicitations and audio and visual advertisements
35 must include, at a minimum, the effective rate per minute calculated in
36 accordance with section 6 of this act and a statement disclosing, in
37 clear and conspicuous language that is readily noticeable and
38 understandable to the intended audience, the source or location where
39 written information that outlines the one-time, incremental, minimum,

1 and pass-through charges applicable to the plan is available upon
2 request.

3 (4) Telecommunications service providers shall provide the
4 information required under subsection (1) of this section, in writing,
5 to residential customers in the state at the time the customers sign up
6 for a calling plan that includes competitive local, local toll, or
7 long-distance and at any time upon request.

8 (5) In the event a calling plan is offered that combines
9 competitive local, local toll, or long-distance telecommunications
10 service as part of a bundled package, the disclosures required in this
11 section must identify any variations in the rates, terms, and charges
12 that apply separately to competitive local, local toll, or long-
13 distance telecommunications services.

14 (6) In the event a calling plan for competitive local, local toll,
15 or long-distance telecommunications service is offered in conjunction
16 with other products or services as part of a bundled package with an
17 inclusive price, the disclosures required in this section must be made
18 as if the competitive local, local toll, or long-distance
19 telecommunications service were offered separately from the other
20 products or services. For the purposes of allocating prices among the
21 services and products contained in a bundled package, the prices
22 allocated to the included competitive local, local toll, or long-
23 distance services must not be below cost.

24 (7) Upon receipt of the information required in subsection (4) of
25 this section, the customer shall have three days in which to cancel the
26 telecommunications services ordered at no cost or obligation to the
27 customer.

28 NEW SECTION. **Sec. 6.** The effective rate per minute required to be
29 disclosed under this chapter must be calculated as the sum of all
30 rates, charges, and fees, excluding taxes required by law to be
31 collected from customers, that would be incurred by a customer making
32 sixty minutes of calls per month, divided by sixty minutes. This
33 calculation must be made based on a customer making the following
34 calls:

35 (1) Forty-five minutes of state-to-state long distance calls,
36 priced at the highest state-to-state rates that apply at each of the
37 following times:

1 (a) Fifteen minutes during weekday days: Six calls, each of 2.5
2 minutes duration, made at the time between 8 a.m. and 5 p.m. Monday
3 through Friday, at which the highest rates apply;

4 (b) Fifteen minutes during weekday evenings: Two calls, each of
5 7.5 minutes duration, made at the time between 8 p.m. and 12 a.m.
6 Monday through Friday, at which the highest rates apply; and

7 (c) Fifteen minutes during weekends: One call of 15.0 minutes
8 duration, made at the time between 12:01 a.m. Saturday and 11:59 p.m.
9 Sunday, at which the highest rates apply.

10 (2) Fifteen minutes of in-state long distance calls, priced at the
11 highest in-state rates that apply at each of the following times:

12 (a) Five minutes during weekday days: Two calls, each of 2.5
13 minutes duration, made at the time between 8 a.m. and 5 p.m. Monday
14 through Friday, at which the highest rates apply;

15 (b) Five minutes during weekday evenings: One call of 5.0 minutes
16 duration, made at the time between 8 p.m. and 12 a.m. Monday through
17 Friday, at which the highest rates apply; and

18 (c) Five minutes during weekends: One call of 5.0 minutes
19 duration, made at the time between 12:01 a.m. Saturday and 11:59 p.m.
20 Sunday, at which the highest rates apply.

21 NEW SECTION. **Sec. 7.** A telecommunications service provider's
22 failure to substantially comply with any of the disclosure requirements
23 in section 5 of this act is a defense to the nonpayment of charges
24 accrued as a result of using the telecommunication service provider's
25 competitive local, local toll, or long-distance services, billed by any
26 entity.

27 NEW SECTION. **Sec. 8.** (1) The legislature finds that the practices
28 covered by section 5 of this act are matters vitally affecting the
29 public interest. Violations of section 5 of this act are not
30 reasonable in relation to the development and preservation of business.

31 (2) Notwithstanding RCW 19.86.170, a violation of section 5 of this
32 act is an unfair or deceptive act in trade or commerce and an unfair
33 method of competition for the purpose of applying the consumer
34 protection act, chapter 19.86 RCW.

35 NEW SECTION. **Sec. 9.** This act may be known and cited as the
36 telephone truth-in-advertising act.

1 NEW SECTION. **Sec. 10.** This act takes effect September 1, 2000.

2 NEW SECTION. **Sec. 11.** Sections 1 through 10 of this act
3 constitute a new chapter in Title 19 RCW.

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