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**SENATE BILL 6367**

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**State of Washington**

**56th Legislature**

**2000 Regular Session**

**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 01/14/2000. Referred to Committee on Energy, Technology & Telecommunications.

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 solicitation, written, printed,  
9 electronic, audio, or visual, reasonably designed to result in a sale  
10 of or subscription to a calling plan arrangement.

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

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

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

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

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

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

1 (b) All incremental rates included in the calling plan and the  
2 times and coverage areas in which they apply, including but not limited  
3 to fixed per-minute charges, per-minute charges which vary by time of  
4 day, day of the week, distance, or location of the caller or the call  
5 recipient;

6 (c) All recurring charges, if any, that apply to the calling plan,  
7 including but not limited to monthly minimum charges, connection fees,  
8 or per-call minimum charges;

9 (d) All pass-through charges, if any, that apply to the calling  
10 plan, including but not limited to the surcharge, fee, or method of  
11 calculating a customer's charge to reimburse the telecommunications  
12 service provider for its obligation to pay federal or state universal  
13 service fees, carrier access charges, or pay phone access charges; and

14 (e) For calling plans offering local toll or long-distance service,  
15 the number of local toll or long-distance minutes a customer can  
16 reasonably be expected to receive each month if they spent ten dollars,  
17 fifty dollars, and one hundred dollars under the calling plan. Any  
18 combination of local toll or long-distance minutes may be disclosed so  
19 long as the benchmark calculations include all recurring charges and  
20 pass-through charges and clearly identify any applicable time or  
21 coverage area restrictions.

22 (2) Label format.

23

**Calling Plan Disclosure Statement**

24	One-time charges	Information required in subsection (1)(a) of this section
25	Calling plan rates	Information required in subsection (1)(b) of this section
26	Minimum charges	Information required in subsection (1)(c) of this section
27	Pass-through charges	Information required in subsection (1)(d) of this section
28	\$10 a month will buy:	Information required in subsection (1)(e) of this section
29	\$50 a month will buy:	Information required in subsection (1)(e) of this section
30	\$100 a month will buy:	Information required in subsection (1)(e) of this section

31 (3) Audio and visual advertisements must include, at a minimum, a  
32 statement disclosing that the calling plan includes additional one-  
33 time, incremental, minimum, and pass-through charges as applicable not  
34 identified in the advertisement. The disclosure statement shall also  
35 include, in clear and conspicuous language that is readily noticeable  
36 and understandable to the intended audience, the source or location  
37 where written information that complies with subsection (1) of this  
38 section is available upon request.

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

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

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

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

26 NEW SECTION. **Sec. 5.** A telecommunications service provider's  
27 failure to substantially comply with any of the disclosure requirements  
28 in section 4 of this act is a defense to the nonpayment of charges  
29 accrued as a result of using the telecommunication service provider's  
30 competitive local, local toll, or long-distance services, billed by any  
31 entity.

32 NEW SECTION. **Sec. 6.** (1) The legislature finds that the practices  
33 covered by section 4 of this act are matters vitally affecting the  
34 public interest. Violations of section 4 of this act are not  
35 reasonable in relation to the development and preservation of business.

36 (2) Notwithstanding RCW 19.86.170, a violation of section 4 of this  
37 act is an unfair or deceptive act in trade or commerce and an unfair

1 method of competition for the purpose of applying the consumer  
2 protection act, chapter 19.86 RCW.

3 NEW SECTION. **Sec. 7.** This act may be known and cited as the  
4 telephone truth-in-advertising act.

5 NEW SECTION. **Sec. 8.** Sections 1 through 7 of this act constitute  
6 a new chapter in Title 19 RCW.

7 NEW SECTION. **Sec. 9.** This act takes effect September 1, 2000.

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