

HB 2225 -- FAIR TELEPHONE BILLING ACT OF 2014

SPONSOR: Peters

This bill establishes the Fair Telephone Billing Act of 2014. In its main provisions, the bill:

(1) Prohibits local exchange carrier or provider of interconnected VoIP service from placing or causing to be placed a third-party charge that is not directly related to the provision of telephone services on the bill of a customer, unless:

(a) The third-party charge is from a contracted third-party vendor;

(b) The third-party charge is for a product or service that a local exchange carrier or provider of interconnected VoIP service jointly markets or jointly sells with its own service;

(c) The customer was provided with clear and conspicuous disclosure of all material terms and conditions prior to consenting under paragraph (d) of this subdivision;

(d) The customer provided affirmative consent for the placement of the third-party charge on the bill; and

(e) The local exchange carrier or provider of interconnected VoIP service has implemented reasonable procedures to ensure that the third-party charge is for a product or service requested by the customer. The bill provides definitions for "contracted third-party vendors," "third party charge," and "affirmative consent;

(2) Creates a civil penalty not to exceed \$10,000 for each violation of the bill and states that any local exchange carrier or provider of interconnected VoIP service that commits a violation is liable to the customer in an amount equal to all charges paid by that customer related to the violation. The civil penalty is in addition to any other remedies provided by law;

(3) Requires the Public Service Commission, in consultation with the Federal Communications Commission and the Federal Trade Commission, to promulgate rules that define how local exchange carriers and providers of interconnected VoIP service will obtain affirmative consent from a consumer for a third-party charge, include adequate protections to ensure that consumers are fully aware of the charges to which they are consenting, and impose record-keeping requirements on local exchange carriers and providers of interconnected VoIP service related to any grants of

affirmative consent by consumers; and

(4) Specifies that the provisions of the bill apply only to the extent it is not preempted by federal law.