

105TH CONGRESS  
2D SESSION

# S. 1897

To require accurate billing by telecommunications carriers with respect to the costs and fees resulting from the enactment of the Telecommunications Act of 1996, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

APRIL 1, 1998

Mr. ROCKEFELLER (for himself, Ms. SNOWE, and Mr. KERREY) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

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## A BILL

To require accurate billing by telecommunications carriers with respect to the costs and fees resulting from the enactment of the Telecommunications Act of 1996, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. FINDINGS; PURPOSE.**

4       (a) FINDINGS.—Congress makes the following find-  
5       ings:

6               (1) Billing practices by telecommunications car-  
7       riers may not reflect accurately the cost or basis of  
8       the additional telecommunications services and bene-

1 fits that consumers receive as a result of the enact-  
2 ment of the Telecommunications Act of 1996 (Public  
3 Law 104–104) and other Federal regulatory actions  
4 taken since the enactment of that Act.

5 (2) Congress has never enacted a law with the  
6 intent of permitting providers of telecommunications  
7 services to misrepresent to customers the costs of  
8 providing services or the services provided.

9 (3) Certain providers of telecommunications  
10 services have established new, specific charges on  
11 customer bills commonly known as “line-item  
12 charges”.

13 (4) Certain providers of telecommunications  
14 services have described such charges as “Federal  
15 Universal Service Fees” or similar fees.

16 (5) Such charges have generated significant  
17 confusion among customers regarding the nature of  
18 and scope of universal service and of the fees associ-  
19 ated with universal service.

20 (6) The State of New York is considering ac-  
21 tion to protect consumers by requiring telecommuni-  
22 cations carriers to disclose fully in the bills of all  
23 classes of customers the fee increases and fee reduc-  
24 tions resulting from the enactment of the Tele-

1 communications Act of 1996 and other regulatory  
2 actions taken since the enactment of that Act.

3 (7) The National Association of Regulatory  
4 Utility Commissioners adopted a resolution in Feb-  
5 ruary 1998 supporting action by the Federal Com-  
6 munications Commission to require interstate car-  
7 riers to provide accurate customer notice regarding  
8 the implementation and purpose of end user charges.

9 (b) PURPOSE.—It is the purpose of this Act to re-  
10 quire the Federal Communications Commission and the  
11 Federal Trade Commission to protect consumers of tele-  
12 communications services by assuring accurate cost report-  
13 ing and billing practices by telecommunications carriers  
14 nationwide.

15 **SEC. 2. INVESTIGATION OF TELECOMMUNICATIONS CAR-**  
16 **RIERS BILLING PRACTICES.**

17 (a) INVESTIGATION.—

18 (1) REQUIREMENT.—The Federal Communica-  
19 tions Commission and the Federal Trade Commis-  
20 sion shall jointly conduct an investigation of the bill-  
21 ing practices of telecommunications carriers.

22 (2) PURPOSE.—The purpose of the investiga-  
23 tion is to determine whether the bills sent by car-  
24 riers to their customers accurately assess and cor-  
25 rectly characterize any additional fees paid by such

1 customers for telecommunications services as a re-  
2 sult of the enactment of the Telecommunications Act  
3 of 1996 (Public Law 104–104) and other Federal  
4 regulatory actions taken since the enactment of that  
5 Act.

6 (b) DETERMINATIONS.—In carrying out the inves-  
7 tigation under subsection (a), the Federal Communica-  
8 tions Commission and the Federal Trade Commission  
9 shall determine the following:

10 (1) The amount, if any, of additional fees im-  
11 posed by telecommunications carriers on their cus-  
12 tomers as a result of the requirements of the Tele-  
13 communications Act of 1996 (including the amend-  
14 ments made by that Act) and other Federal regu-  
15 latory actions taken since the enactment of that Act  
16 during the period beginning on June 30, 1997, and  
17 ending on the date of enactment of that Act.

18 (2) In the event that additional fees described  
19 in paragraph (1) are being imposed, the following:

20 (A) Whether the amount of such fees accu-  
21 rately reflect—

22 (i) the additional costs to carriers as  
23 a result of the enactment of that Act (in-  
24 cluding the amendments made by that Act)

1 and other Federal regulatory actions taken  
2 since the enactment of that Act; and

3 (ii) any reductions in costs, or other  
4 financial benefits, to carriers as a result of  
5 the enactment of that Act (including such  
6 amendments) and other Federal regulatory  
7 actions taken since the enactment of that  
8 Act.

9 (B) Whether the bills that impose such  
10 fees characterize correctly the nature and basis  
11 of such fees.

12 (c) REVIEW OF RECORDS.—

13 (1) AUTHORITY.—For purposes of the inves-  
14 tigation under subsection (a), the Federal Commu-  
15 nications Commission and the Federal Trade Com-  
16 mission may obtain from any telecommunications  
17 carrier any record of the carrier that is relevant to  
18 the investigation.

19 (2) USE.—The Federal Communications Com-  
20 mission and the Federal Trade Commission may use  
21 records obtained under this subsection only for pur-  
22 poses of the investigation.

23 (d) DISCIPLINARY ACTIONS.—

24 (1) IN GENERAL.—In the event that the Fed-  
25 eral Communications Commission or the Federal

1 Trade Commission determine as a result of the in-  
2 vestigation under subsection (a) that the bills sent  
3 by a telecommunications carrier to its customers  
4 does not accurately assess or correctly characterize  
5 any fee addressed in the investigation, the Federal  
6 Communications Commission or the Federal Trade  
7 Commission, as the case may be, shall take such ac-  
8 tions against the carrier as such Commission is au-  
9 thorized to take under law.

10 (2) ADDITIONAL ACTIONS.—If the Federal  
11 Communications Commission or the Federal Trade  
12 Commission determines that such Commission does  
13 not have adequate authority under law to take ap-  
14 propriate actions under paragraph (1), the Federal  
15 Communications Commission and the Federal Trade  
16 Commission shall notify Congress of that determina-  
17 tion in the report under subsection (e).

18 (e) REPORT.—Not later than 45 days after the date  
19 of enactment of this Act, the Federal Communications  
20 Commission and the Federal Trade Commission shall  
21 jointly submit to Congress a report on the results of the  
22 investigation under subsection (a). The report shall in-  
23 clude the determination, if any, of either Commission  
24 under subsection (d)(2) and any recommendations for fur-

1 ther legislative action that the Commissions consider ap-  
 2 propriate.

3 **SEC. 3. REQUIREMENTS FOR TELECOMMUNICATIONS**  
 4 **CARRIERS IMPOSING CERTAIN FEES FOR**  
 5 **SERVICES.**

6 (a) REQUIREMENTS.—Any telecommunications car-  
 7 rier that includes on any of the bills sent to its customers  
 8 a charge described in subsection (b) shall—

9 (1) specify in the bill imposing such charge any  
 10 reduction in charges or fees allocable to all classes  
 11 of customers (including customers of residential  
 12 basic service, customers of other residential services,  
 13 small business customers, and other business cus-  
 14 tomers) by reason of any regulatory action of the  
 15 Federal Government; and

16 (2) submit to the Federal Communications  
 17 Commission the reports required to be submitted by  
 18 the carrier to the Securities and Exchange Commis-  
 19 sion under sections 13(a) and 15(d) of the Securities  
 20 and Exchange Act of 1934 (15 U.S.C. 78m(a),  
 21 78o(d)).

22 (b) COVERED CHARGES.—Subsection (a) applies in  
 23 the case of the following charges:

1           (1) Any specific charge included after June 30,  
2           1997, if the imposition of the charge is attributed to  
3           a regulatory action of the Federal Government.

4           (2) Any specific charge included before that  
5           date if the description of the charge is changed after  
6           that date to attribute the imposition of the charge  
7           to a regulatory action of the Federal Government.

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