

106TH CONGRESS
1ST SESSION

S. 1825

To empower telephone consumers, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 28, 1999

Mr. ROCKEFELLER introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

To empower telephone consumers, 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. SHORT TITLE.**

4 This Act may be cited as the “Phone Bill Fairness
5 Act”.

6 **SEC. 2. FINDINGS; PURPOSE.**

7 (a) FINDINGS.—Congress makes the following find-
8 ings:

9 (1) Customer bills for telecommunications serv-
10 ices are unreasonably complicated, and many Ameri-
11 cans are unable to understand the nature of services

1 provided to them and the charges for which they are
2 responsible.

3 (2) One of the purposes of the Telecommuni-
4 cations Act of 1996 (Public Law 104–104) was to
5 unleash competitive and market forces for tele-
6 communications services.

7 (3) Unless customers can understand their tele-
8 communications bills they cannot take advantage of
9 the newly competitive market for telecommunications
10 services.

11 (4) Confusing telecommunications bills allow a
12 small minority of providers of telecommunications
13 services to commit fraud more easily. The best de-
14 fense against telecommunications fraud is a well in-
15 formed consumer. Consumers cannot be well in-
16 formed when their telecommunications bills are in-
17 comprehensible.

18 (5) Certain providers of telecommunications
19 services have established new, specific charges on
20 customer bills commonly known as “line-item
21 charges”.

22 (6) These line-item charges have proliferated
23 and are often described with inaccurate and con-
24 fusing names.

1 (7) These line-item charges have generated sig-
2 nificant confusion among customers regarding the
3 nature and scope of universal service and of the fees
4 associated with universal service.

5 (8) The National Association of Regulatory
6 Utility Commissioners adopted a resolution in Feb-
7 ruary 1998 supporting action by the Federal Com-
8 munications Commission to require interstate tele-
9 communications carriers to provide accurate cus-
10 tomer notice regarding the implementation and pur-
11 pose of end-user charges for telecommunications
12 services.

13 (b) PURPOSE.—It is the purpose of this Act to re-
14 quire the Federal Communications Commission and the
15 Federal Trade Commission to protect and empower con-
16 sumers of telecommunications services by assuring that
17 telecommunications bills, including line-item charges,
18 issued by telecommunications carriers nationwide are both
19 accurate and comprehensible.

20 **SEC. 3. INVESTIGATION OF TELECOMMUNICATIONS CAR-**
21 **RIER BILLING PRACTICES.**

22 (a) INVESTIGATION.—

23 (1) REQUIREMENT.—The Federal Communica-
24 tions Commission and the Federal Trade Commis-

1 sion shall jointly conduct an investigation of the bill-
2 ing practices of telecommunications carriers.

3 (2) PURPOSE.—The purpose of the investiga-
4 tion is to determine whether the bills sent by tele-
5 communications carriers to their customers accu-
6 rately assess and correctly characterize the services
7 received and fees charged for such services, includ-
8 ing any fees imposed as line-item charges.

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

13 (1) The prevalence of incomprehensible or con-
14 fusing telecommunications bills.

15 (2) The most frequent causes for confusion on
16 telecommunications bills.

17 (3) Whether or not any best practices exist,
18 which, if utilized as an industry standard, would re-
19 duce confusion and improve comprehension of tele-
20 communications bills.

21 (4) Whether or not telecommunications bills
22 that impose fees through line-item charges charac-
23 terize correctly the nature and basis of such fees, in-
24 cluding, in particular, whether or not such fees are

1 required by the Federal Government or State gov-
2 ernments.

3 (c) REVIEW OF RECORDS.—

4 (1) AUTHORITY.—For purposes of the inves-
5 tigation under subsection (a), the Federal Commu-
6 nications Commission and the Federal Trade Com-
7 mission may obtain from any telecommunications
8 carrier any record of such carrier that is relevant to
9 the investigation, including any record supporting
10 such carrier's basis for setting fee levels or percent-
11 ages.

12 (2) USE.—The Federal Communications Com-
13 mission and the Federal Trade Commission may use
14 records obtained under this subsection only for pur-
15 poses of the investigation.

16 (d) DISCIPLINARY ACTIONS.—

17 (1) IN GENERAL.—If the Federal Communica-
18 tions Commission or the Federal Trade Commission
19 determines as a result of the investigation under
20 subsection (a) that the bills sent by a telecommuni-
21 cations carrier to its customers do not accurately as-
22 sess or correctly characterize any service or fee con-
23 tained in such bills, the Federal Communications
24 Commission or the Federal Trade Commission, as
25 the case may be, may take such action against such

1 carrier as such Commission is authorized to take
2 under law.

3 (2) CHARACTERIZATION OF FEES.—If the Fed-
4 eral Communications Commission or the Federal
5 Trade Commission determines as a result of the in-
6 vestigation under subsection (a) that a telecommuni-
7 cations carrier has characterized a fee on bills sent
8 to its customers as mandated or otherwise required
9 by the Federal Government or a State and that such
10 characterization is incorrect, the Federal Commu-
11 nications Commission or the Federal Trade Commis-
12 sion, as the case may be, may require the carrier to
13 discontinue such characterization.

14 (3) ADDITIONAL ACTIONS.—If the Federal
15 Communications Commission or the Federal Trade
16 Commission determines that such Commission does
17 not have authority under law to take actions under
18 paragraph (1) that would be appropriate in light of
19 a determination described in paragraph (1), the
20 Federal Communications Commission or the Federal
21 Trade Commission, as the case may be, shall notify
22 Congress of the determination under this paragraph
23 in the report under subsection (e).

24 (e) REPORT.—Not later than one year after the date
25 of the enactment of this Act, the Federal Communications

1 Commission and the Federal Trade Commissions shall
2 jointly submit to Congress a report on the results of the
3 investigation under subsection (a). The report shall in-
4 clude the determination, if any, of either Commission
5 under subsection (d)(3) and any recommendations for fur-
6 ther legislative action that such Commissions consider ap-
7 propriate.

8 **SEC. 4. TREATMENT OF MISLEADING TELECOMMUNI-**
9 **CATIONS BILLS AND TELECOMMUNICATIONS**
10 **RATE PLANS.**

11 (a) **FEDERAL TRADE COMMISSION.**—The Federal
12 Trade Commission shall treat any telecommunications bill-
13 ing practice or telecommunications rate plan that the
14 Commission determines to be intentionally misleading as
15 an unfair business practice under the Federal Trade Com-
16 mission Act (15 U.S.C. 41 et seq.).

17 (b) **FEDERAL COMMUNICATIONS COMMISSION.**—The
18 Federal Communications Commission shall, upon finding
19 that any holder of a license under the Commission has
20 repeatedly and intentionally engaged in a telephone billing
21 practice, or has repeatedly and intentionally utilized a tele-
22 phone rate plan, that is misleading, treat such holder as
23 acting against the public interest for purposes of the Com-
24 munications Act of 1934 (47 U.S.C. 151 et seq.).

1 **SEC. 5. REQUIREMENTS FOR ALL BILLS FOR TELE-**
 2 **COMMUNICATIONS SERVICES.**

3 (a) **AVERAGE PER MINUTE RATE CALCULATION.—**

4 Each telecommunications carrier shall display on the first
 5 page of each customer bill for telecommunications services
 6 the average per-minute charge of telecommunications serv-
 7 ices of such customer for the billing period covered by such
 8 bill.

9 (b) **CALLING PATTERNS.—**Each telecommunications
 10 carrier shall display on the first page of each customer
 11 bill for telecommunications services the percentage of the
 12 total number of telephone calls of such customer for the
 13 billing period covered by such bill as follows:

- 14 (1) That began on a weekday.
- 15 (2) That began on a weekend.
- 16 (3) That began from 8 a.m. to 8 p.m.
- 17 (4) That began from 8:01 p.m. to 7:59 a.m.
- 18 (5) That were billed to a calling card.

19 (c) **AVERAGE PER-MINUTE CHARGE DEFINED.—**In
 20 this section, the term “average per-minute charge”, in the
 21 case of a bill of a customer for a billing period, means—

- 22 (1) the sum of—
- 23 (A) the aggregate amount of monthly or
- 24 other recurring charges, if any, for tele-
- 25 communications services imposed on the cus-
- 26 tomer by the bill for the billing period; and

1 (B) the total amount of all per-minute
2 charges for telecommunications services im-
3 posed on the customer by the bill for the billing
4 period; divided by

5 (2) the total number of minutes of tele-
6 communications services provided to the customer
7 during the billing period and covered by the bill.

8 **SEC. 6. REQUIREMENTS FOR TELECOMMUNICATIONS CAR-**
9 **RIERS IMPOSING CERTAIN CHARGES FOR**
10 **SERVICES.**

11 (a) BILLING REQUIREMENTS.—Any telecommuni-
12 cations carrier shall include on the bills for telecommuni-
13 cations services sent to its customers the following:

14 (1) An accurate name and description of any
15 covered charge.

16 (2) The recipient or class of recipients of the
17 monies collected through each such charge.

18 (3) A statement whether each such charge is re-
19 quired by law or collected pursuant to a requirement
20 imposed by a governmental entity under its discre-
21 tionary authority.

22 (4) A specific explanation of any reduction in
23 charges or fees to customers, and the class of tele-
24 phone customer that such reduction, that are related
25 to each such charge.

1 (b) UNIVERSAL SERVICE CONTRIBUTIONS AND RE-
 2 CEIPTS.—Not later than January 31 each year, each tele-
 3 communications carrier required to contribute to universal
 4 service during the previous year under section 254(d) of
 5 the Communications Act of 1934 (47 U.S.C. 254(d)) shall
 6 submit to the Federal Communications Commission a re-
 7 port on following:

8 (1) The total contributions of the carrier to the
 9 universal service fund during the previous year.

10 (2) The total receipts from customers during
 11 such year designed to recover contributions to the
 12 fund.

13 (c) ACTION ON UNIVERSAL SERVICE CONTRIBUTIONS
 14 AND RECEIPTS DATA.—

15 (1) REVIEW.—The Federal Communications
 16 Commission shall review the reports submitted to
 17 the Commission under subsection (b) in order to de-
 18 termine whether or not the amount of the contribu-
 19 tions of a telecommunications carrier to the uni-
 20 versal service fund in any year is equal to the
 21 amount of the receipts of the telecommunications
 22 carrier from its customers in such year for purposes
 23 of contributions to the fund.

24 (2) ADDITIONAL CONTRIBUTIONS.—If the Com-
 25 mission determines as a result of a review under

1 paragraph (1) that the amount of the receipts of a
2 telecommunications carrier from its customers in a
3 year for purposes of contributions to the universal
4 service fund exceeded the amount contributed by the
5 carrier in such year to the fund, the Commission
6 shall have the authority to require the carrier to de-
7 posit in the fund an amount equal to the amount of
8 such excess.

9 (d) COVERED CHARGES.—For purposes of subsection
10 (a), a covered charge shall include any charge on a bill
11 for telecommunications services that is separate from a
12 per-minute rate charge, including a universal service
13 charge, a subscriber line charge, and a presubscribed
14 interexchange carrier charge.

15 **SEC. 7. TELECOMMUNICATIONS CARRIER DEFINED.**

16 In this Act, the term “telecommunications carrier”
17 has the meaning given that term in section 3(44) of the
18 Communications Act of 1934 (47 U.S.C. 153(44)).

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