

101ST CONGRESS
1ST SESSION

H. R. 971

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 26 (legislative day, SEPTEMBER 18), 1989

Received; read twice and referred to the Committee on Commerce, Science, and
Transportation

AN ACT

To require the Federal Communications Commission to pre-
scribe rules to protect consumers from unfair practices in
the provision of operator services, 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 “Telephone Operator
5 Service Consumer Protection Act of 1989”.

6 **SEC. 2. FINDINGS.**

7 The Congress hereby finds that—

8 (1) the divestiture of AT&T and decisions allow-
9 ing open entry for competitors in the telephone market-
10 place produced a variety of new services and many
11 new providers of existing telephone services;

1 (2) the growth of competition in the telecommuni-
2 cations market makes it essential to ensure that safe-
3 guards are in place to assure fairness for consumers
4 and service providers alike;

5 (3) a variety of providers of operator services now
6 compete to win contracts to provide operator services
7 to hotels, hospitals, airports, and other aggregators of
8 telephone business from consumers;

9 (4) the mere existence of a variety of service pro-
10 viders in the operator services marketplace is signifi-
11 cant in making that market competitive only when con-
12 sumers are able to make informed choices from among
13 those service providers;

14 (5) however, often customers have no choices in
15 selecting a provider of operator services, and often cus-
16 tomers' attempts to reach their preferred long distance
17 carrier by a telephone billing card, credit card, or pre-
18 arranged access code number are blocked;

19 (6) a number of State regulatory authorities have
20 taken action to protect consumers using intrastate op-
21 erator services;

22 (7) from January 1988 through February 1989,
23 the Federal Communications Commission received over
24 2,000 consumer complaints about operator services;

1 (8) these consumers have complained that they
2 are denied access to the interexchange carrier of their
3 choice, that they are deceived about the identity of the
4 company servicing their calls and the rates being
5 charged, that they lack information on what they can
6 do to complain about unfair treatment by an operator
7 service provider, and that they are, accordingly, being
8 deprived of the free choice essential to the operation of
9 a competitive market; and

10 (9) a combination of industry self-regulation and
11 government regulation is required to ensure that com-
12 petitive operator services are provided in a fair and
13 reasonable manner.

14 **SEC. 3. RULEMAKING REQUIRED.**

15 (a) **INITIATION OF PROCEEDINGS.**—The Commission
16 shall, within 30 days after the date of the enactment of this
17 Act, initiate a proceeding pursuant to title II of the Act to
18 establish regulations to protect consumers who use operator
19 services to place interstate telephone calls from unfair and
20 deceptive practices and to ensure that consumers have the
21 opportunity to make informed choices in making such calls.

22 (b) **TIMING AND CONTENTS OF REGULATION.**—The
23 regulation required by subsection (a) shall—

24 (1) be prescribed not later than 120 days after the
25 date of enactment of this Act;

1 (2) contain provisions to implement each of the re-
2 quirements of section 4(a);

3 (3) for purposes of administration and enforce-
4 ment, be treated as regulations prescribed by the Com-
5 mission pursuant to title II of the Act; and

6 (4) take effect not later than 90 days after the
7 date of issuance of such regulations.

8 **SEC. 4. MINIMUM REQUIREMENTS.**

9 (a) **REGULATION REQUIREMENTS.**—The regulations
10 required by section 3 shall, at a minimum—

11 (1) require that the provider of the operator
12 services—

13 (A) identify itself, audibly and distinctly, to
14 the consumer prior to the consumer incurring any
15 charges; and

16 (B) permit the consumer to terminate the
17 telephone call at no charge;

18 (2) require that the provider of operator services
19 ensure, by contract or tariff, that each aggregator post
20 on or near the telephone instrument, in plain view of
21 consumers—

22 (A) the name, address, and toll-free tele-
23 phone number of the provider; and

24 (B) a written disclosure that consumers have
25 a right to obtain access to the interstate common

1 carrier of their choice and may contact their pre-
2 ferred interstate common carriers for information
3 on accessing that carrier's service using that
4 telephone;

5 (3) require that the provider of operator services
6 disclose immediately to the consumer, upon request—

7 (A) a quote of its rates or charges for the
8 call;

9 (B) the methods by which such rates or
10 charges will be collected; and

11 (C) the methods by which complaints con-
12 cerning such rates, charges, or collection practices
13 will be resolved;

14 (4) require that the provider of operator serv-
15 ices—

16 (A) neither require nor participate in the
17 blocking of any consumer's access to the inter-
18 state common carrier of the consumer's choice;
19 and

20 (B) assure, by contract or tariff, that its ag-
21 gregators neither require nor participate in the
22 blocking of access to such interstate common car-
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24 ited, temporary waivers to particular providers of
25 operator services for a particular access code upon

1 a showing that such waiver is necessary to pre-
2 vent fraud;

3 (5) require—

4 (A) that any equipment manufactured or im-
5 ported more than 18 months after the date of en-
6 actment of this Act and installed by any aggrega-
7 tor shall be technologically capable of providing
8 consumers with access to interstate interexchange
9 carriers through the use of access codes approved
10 by the Commission;

11 (B) that existing equipment used by aggrega-
12 tors be upgraded to comply with the requirements
13 imposed pursuant to subparagraph (A) of this
14 paragraph, except that the Commission may
15 waive such requirements by rule or order with re-
16 spect to any class or category of equipment if the
17 Commission determines that the benefits of apply-
18 ing such requirements to such equipment do not
19 justify the cost; and

20 (C) any other actions or measures that the
21 Commission considers necessary to ensure that
22 aggregators are not exposed to undue risk of
23 fraud;

24 (6) establish requirements that—

1 (A) prohibit the provider of operator services
2 from knowingly charging for uncompleted tele-
3 phone calls;

4 (B) prevent, after consideration of the advice
5 of the carrier liaison committee convened by the
6 Commission by its order of February 27, 1989,
7 consumers from being charged for a distance that
8 is more than the distance, in a straight line, be-
9 tween the calling party's points of origination and
10 termination of the telephone call; and

11 (C) require that any consumer billing an in-
12 terexchange telephone call on a billing card which
13 (i) is provided by an interstate interexchange
14 common carrier, and (ii) permits the identification
15 of that carrier, is billed at a rate not greater than
16 the rate of that common carrier for that call,
17 unless the calling party requests a special service
18 that is not available under tariff from that
19 common carrier or consents to a different charge;

20 (7) establish minimum standards for providers of
21 operator services to use in the routing and handling of
22 emergency telephone calls; and

23 (8) establish a policy for requiring common carri-
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1 operator services and choices available to consumers in
2 that market.

3 (b) **CONSIDERATION OF COMPENSATION.**—In conduct-
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5 shall consider the need to prescribe compensation (other than
6 advance payment by consumers) for owners of competitive
7 public pay telephones for calls routed to carriers other than
8 the designated provider of operator services for such
9 telephones.

10 **SEC. 5. DETERMINATIONS OF RATE COMPLIANCE.**

11 (a) **FILING OF INFORMATIONAL TARIFF.**—The Com-
12 mission shall require each provider of operator service to file,
13 within 30 days after the date of enactment of this Act, and to
14 maintain and keep open for public inspection, an information-
15 al tariff specifying rates, terms, and conditions, and including
16 commissions, surcharges, or other fees which are collected
17 from consumers, with respect to calls for which operator
18 services are provided.

19 (b) **REVIEW OF INFORMATIONAL TARIFFS.**—If the
20 rates and charges filed by any provider of operator services
21 under subsection (a) appear upon review by the Commission
22 to be unjust or unreasonable, the Commission shall require
23 such provider of operator services to demonstrate that its
24 rates and charges are just and reasonable and reflect the rea-
25 sonable costs of providing service, plus a reasonable profit.

1 (c) PROCEEDING REQUIRED.—(1) Within 30 days after
2 the date of enactment of this Act, the Commission shall initi-
3 ate a proceeding—

4 (A) to monitor operator service rates;

5 (B) to determine the extent to which offerings
6 made by operator service providers are improvements,
7 in terms of service quality, price, innovation, and other
8 factors, over those available before the entry of new
9 operator service providers into the market;

10 (C) to assess, both in the aggregate and by indi-
11 vidual providers of operator services, operator service
12 rates, costs of service, incidences of service complaints,
13 and service offerings; and

14 (D) to consider the effect that commissions and
15 surcharges have on the overall rates charged to
16 consumers.

17 (2) Not later than 9 months after the commencement of
18 such proceeding, the Commission shall report to Congress on
19 findings and conclusions of such proceeding. The Commission
20 shall, during the pendency of such proceeding, provide the
21 Congress with quarterly interim reports on the activities and
22 progress to date.

23 (3) The requirement of subsection (d) shall not apply if,
24 on the basis of the proceeding under paragraph (1) of this
25 subsection, the Commission makes (and includes in the report

1 required by paragraph (2)) a factual determination that
2 market forces are securing rates and charges that are just
3 and reasonable, as evidenced by rate levels, costs, com-
4 plaints, service quality, and other relevant factors.

5 (d) **IMPLEMENTING REGULATIONS.**—Unless the Com-
6 mission makes the determination described in subsection
7 (c)(3), the Commission shall, within 90 days after submission
8 of the report required by subsection (c)(2), complete a pro-
9 ceeding pursuant to title II of the Act to establish regulations
10 for implementing the requirements of such title (and subsec-
11 tions (a) and (b) of this section) that rates and charges for
12 operator services be just and reasonable.

13 **SEC. 6. DEFINITIONS.**

14 As used in this Act:

15 (1) The term “Commission” means the Federal
16 Communications Commission.

17 (2) The term “the Act” means the Communica-
18 tions Act of 1934.

19 (3) The term “consumer” means a person initi-
20 ating any interstate telephone call using operator
21 services.

22 (4) The term “operator services” means any
23 interstate telecommunications service that includes, as
24 a component, any automatic or live assistance to a
25 consumer to arrange for billing or completion, or both,

1 of an interstate telephone call through a method other
2 than—

3 (A) automatic completion with billing to the
4 telephone from which the call originated; or

5 (B) completion through a carrier-specific
6 access code number used by the consumer, with
7 billing to an account previously established with
8 the carrier by the consumer.

9 (5) The term “aggregator” means any person,
10 that, in the ordinary course of its operations, makes
11 telephones available to the public or to transient users
12 of its premises for interstate telephone calls using a
13 provider of operator services.

Passed the House of Representatives September 25,
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Attest: DONNARD K. ANDERSON,
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4 (B) prevent, after consideration of the advice
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6 Commission by its order of February 27, 1989,
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8 is more than the distance, in a straight line, be-
9 tween the calling party's points of origination and
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11 (C) require that any consumer billing an in-
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14 common carrier, and (ii) permits the identification
15 of that carrier, is billed at a rate not greater than
16 the rate of that common carrier for that call,
17 unless the calling party requests a special service
18 that is not available under tariff from that
19 common carrier or consents to a different charge;

20 (7) establish minimum standards for providers of
21 operator services to use in the routing and handling of
22 emergency telephone calls; and

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1 operator services and choices available to consumers in
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3 (b) CONSIDERATION OF COMPENSATION.—In conduct-
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8 the designated provider of operator services for such
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10 **SEC. 5. DETERMINATIONS OF RATE COMPLIANCE.**

11 (a) FILING OF INFORMATIONAL TARIFF.—The Com-
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17 from consumers, with respect to calls for which operator
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19 (b) REVIEW OF INFORMATIONAL TARIFFS.—If the
20 rates and charges filed by any provider of operator services
21 under subsection (a) appear upon review by the Commission
22 to be unjust or unreasonable, the Commission shall require
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24 rates and charges are just and reasonable and reflect the rea-
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1 (c) PROCEEDING REQUIRED.—(1) Within 30 days after
2 the date of enactment of this Act, the Commission shall initi-
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5 (B) to determine the extent to which offerings
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7 in terms of service quality, price, innovation, and other
8 factors, over those available before the entry of new
9 operator service providers into the market;

10 (C) to assess, both in the aggregate and by indi-
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14 (D) to consider the effect that commissions and
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17 (2) Not later than 9 months after the commencement of
18 such proceeding, the Commission shall report to Congress on
19 findings and conclusions of such proceeding. The Commission
20 shall, during the pendency of such proceeding, provide the
21 Congress with quarterly interim reports on the activities and
22 progress to date.

23 (3) The requirement of subsection (d) shall not apply if,
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3 and reasonable, as evidenced by rate levels, costs, com-
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19 (3) The term “consumer” means a person initi-
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22 (4) The term “operator services” means any
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24 a component, any automatic or live assistance to a
25 consumer to arrange for billing or completion, or both,

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3 (A) automatic completion with billing to the
4 telephone from which the call originated; or

5 (B) completion through a carrier-specific
6 access code number used by the consumer, with
7 billing to an account previously established with
8 the carrier by the consumer.

9 (5) The term “aggregator” means any person,
10 that, in the ordinary course of its operations, makes
11 telephones available to the public or to transient users
12 of its premises for interstate telephone calls using a
13 provider of operator services.

Passed the House of Representatives September 25,
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Attest: DONNALD K. ANDERSON,
Clerk.

101ST CONGRESS
2D SESSION

H. R. 971

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 26 (legislative day, SEPTEMBER 18), 1989

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Transportation

OCTOBER 1 (legislative day, SEPTEMBER 10), 1990

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To require the Federal Communications Commission to pre-
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the provision of operator services, and for other purposes.

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2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Telephone Operator
5 Service Consumer Protection Act of 1989”.

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8 (1) the divestiture of AT&T and decisions allow-
9 ing open entry for competitors in the telephone market-

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2 new providers of existing telephone services;

3 (2) the growth of competition in the telecommuni-
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5 guards are in place to assure fairness for consumers
6 and service providers alike;

7 (3) a variety of providers of operator services now
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9 to hotels, hospitals, airports, and other aggregators of
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11 (4) the mere existence of a variety of service pro-
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14 sumers are able to make informed choices from among
15 those service providers;

16 (5) however, often customers have no choices in
17 selecting a provider of operator services, and often cus-
18 tomers' attempts to reach their preferred long distance
19 carrier by a telephone billing card, credit card, or pre-
20 arranged access code number are blocked;

21 (6) a number of State regulatory authorities have
22 taken action to protect consumers using intrastate op-
23 erator services;

1 (7) from January 1988 through February 1989,
2 the Federal Communications Commission received over
3 2,000 consumer complaints about operator services;

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8 charged, that they lack information on what they can
9 do to complain about unfair treatment by an operator
10 service provider, and that they are, accordingly, being
11 deprived of the free choice essential to the operation of
12 a competitive market; and

13 (9) a combination of industry self-regulation and
14 government regulation is required to ensure that com-
15 petitive operator services are provided in a fair and
16 reasonable manner.

17 **SEC. 3. RULEMAKING REQUIRED.**

18 (a) **INITIATION OF PROCEEDINGS.**—The Commission
19 shall, within 30 days after the date of the enactment of this
20 Act, initiate a proceeding pursuant to title II of the Act to
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22 services to place interstate telephone calls from unfair and
23 deceptive practices and to ensure that consumers have the
24 opportunity to make informed choices in making such calls.

1 (b) **TIMING AND CONTENTS OF REGULATION.**—The
2 regulation required by subsection (a) shall—

3 (1) be prescribed not later than 120 days after the
4 date of enactment of this Act;

5 (2) contain provisions to implement each of the re-
6 quirements of section 4(a);

7 (3) for purposes of administration and enforce-
8 ment, be treated as regulations prescribed by the Com-
9 mission pursuant to title II of the Act; and

10 (4) take effect not later than 90 days after the
11 date of issuance of such regulations.

12 **SEC. 4. MINIMUM REQUIREMENTS.**

13 (a) **REGULATION REQUIREMENTS.**—The regulations
14 required by section 3 shall, at a minimum—

15 (1) require that the provider of the operator
16 services—

17 (A) identify itself, audibly and distinctly, to
18 the consumer prior to the consumer incurring any
19 charges; and

20 (B) permit the consumer to terminate the
21 telephone call at no charge;

22 (2) require that the provider of operator services
23 ensure, by contract or tariff, that each aggregator post
24 on or near the telephone instrument, in plain view of
25 consumers—

1 (A) the name, address, and toll-free tele-
2 phone number of the provider; and

3 (B) a written disclosure that consumers have
4 a right to obtain access to the interstate common
5 carrier of their choice and may contact their pre-
6 ferred interstate common carriers for information
7 on accessing that carrier's service using that
8 telephone;

9 (3) require that the provider of operator services
10 disclose immediately to the consumer, upon request—

11 (A) a quote of its rates or charges for the
12 call;

13 (B) the methods by which such rates or
14 charges will be collected; and

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18 (4) require that the provider of operator serv-
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20 (A) neither require nor participate in the
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4 operator services for a particular access code upon
5 a showing that such waiver is necessary to pre-
6 vent fraud;

7 (5) require—

8 (A) that any equipment manufactured or im-
9 ported more than 18 months after the date of en-
10 actment of this Act and installed by any aggrega-
11 tor shall be technologically capable of providing
12 consumers with access to interstate interexchange
13 carriers through the use of access codes approved
14 by the Commission;

15 (B) that existing equipment used by aggrega-
16 tors be upgraded to comply with the requirements
17 imposed pursuant to subparagraph (A) of this
18 paragraph, except that the Commission may
19 waive such requirements by rule or order with re-
20 spect to any class or category of equipment if the
21 Commission determines that the benefits of apply-
22 ing such requirements to such equipment do not
23 justify the cost; and

24 (C) any other actions or measures that the
25 Commission considers necessary to ensure that

1 aggregators are not exposed to undue risk of
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20 arranged access code number are blocked;

21 (6) a number of State regulatory authorities have
22 taken action to protect consumers using intrastate op-
23 erator services;

1 (7) from January 1988 through February 1989,
2 the Federal Communications Commission received over
3 2,000 consumer complaints about operator services;

4 (8) these consumers have complained that they
5 are denied access to the interexchange carrier of their
6 choice, that they are deceived about the identity of the
7 company servicing their calls and the rates being
8 charged, that they lack information on what they can
9 do to complain about unfair treatment by an operator
10 service provider, and that they are, accordingly, being
11 deprived of the free choice essential to the operation of
12 a competitive market; and

13 (9) a combination of industry self-regulation and
14 government regulation is required to ensure that com-
15 petitive operator services are provided in a fair and
16 reasonable manner.

17 **SEC. 3. RULEMAKING REQUIRED.**

18 (a) **INITIATION OF PROCEEDINGS.**—The Commission
19 shall, within 30 days after the date of the enactment of this
20 Act, initiate a proceeding pursuant to title II of the Act to
21 establish regulations to protect consumers who use operator
22 services to place interstate telephone calls from unfair and
23 deceptive practices and to ensure that consumers have the
24 opportunity to make informed choices in making such calls.

1 (b) TIMING AND CONTENTS OF REGULATION.—The
2 regulation required by subsection (a) shall—

3 (1) be prescribed not later than 120 days after the
4 date of enactment of this Act;

5 (2) contain provisions to implement each of the re-
6 quirements of section 4(a);

7 (3) for purposes of administration and enforce-
8 ment, be treated as regulations prescribed by the Com-
9 mission pursuant to title II of the Act; and

10 (4) take effect not later than 90 days after the
11 date of issuance of such regulations.

12 **SEC. 4. MINIMUM REQUIREMENTS.**

13 (a) REGULATION REQUIREMENTS.—The regulations
14 required by section 3 shall, at a minimum—

15 (1) require that the provider of the operator
16 services—

17 (A) identify itself, audibly and distinctly, to
18 the consumer prior to the consumer incurring any
19 charges; and

20 (B) permit the consumer to terminate the
21 telephone call at no charge;

22 (2) require that the provider of operator services
23 ensure, by contract or tariff, that each aggregator post
24 on or near the telephone instrument, in plain view of
25 consumers—

1 (A) the name, address, and toll-free tele-
2 phone number of the provider; and

3 (B) a written disclosure that consumers have
4 a right to obtain access to the interstate common
5 carrier of their choice and may contact their pre-
6 ferred interstate common carriers for information
7 on accessing that carrier's service using that
8 telephone;

9 (3) require that the provider of operator services
10 disclose immediately to the consumer, upon request—

11 (A) a quote of its rates or charges for the
12 call;

13 (B) the methods by which such rates or
14 charges will be collected; and

15 (C) the methods by which complaints con-
16 cerning such rates, charges, or collection practices
17 will be resolved;

18 (4) require that the provider of operator serv-
19 ices—

20 (A) neither require nor participate in the
21 blocking of any consumer's access to the inter-
22 state common carrier of the consumer's choice;
23 and

24 (B) assure, by contract or tariff, that its ag-
25 gregators neither require nor participate in the

1 blocking of access to such interstate common car-
2 riers, except that the Commission may grant lim-
3 ited, temporary waivers to particular providers of
4 operator services for a particular access code upon
5 a showing that such waiver is necessary to pre-
6 vent fraud;

7 (5) require—

8 (A) that any equipment manufactured or im-
9 ported more than 18 months after the date of en-
10 actment of this Act and installed by any aggrega-
11 tor shall be technologically capable of providing
12 consumers with access to interstate interexchange
13 carriers through the use of access codes approved
14 by the Commission;

15 (B) that existing equipment used by aggrega-
16 tors be upgraded to comply with the requirements
17 imposed pursuant to subparagraph (A) of this
18 paragraph, except that the Commission may
19 waive such requirements by rule or order with re-
20 spect to any class or category of equipment if the
21 Commission determines that the benefits of apply-
22 ing such requirements to such equipment do not
23 justify the cost; and

24 (C) any other actions or measures that the
25 Commission considers necessary to ensure that

1 aggregators are not exposed to undue risk of
2 fraud;

3 (6) establish requirements that—

4 (A) prohibit the provider of operator services
5 from knowingly charging for uncompleted tele-
6 phone calls;

7 (B) prevent, after consideration of the advice
8 of the carrier liaison committee convened by the
9 Commission by its order of February 27, 1989,
10 consumers from being charged for a distance that
11 is more than the distance, in a straight line, be-
12 tween the calling party's points of origination and
13 termination of the telephone call; and

14 (C) require that any consumer billing an in-
15 terexchange telephone call on a billing card which
16 (i) is provided by an interstate interexchange
17 common carrier, and (ii) permits the identification
18 of that carrier, is billed at a rate not greater than
19 the rate of that common carrier for that call,
20 unless the calling party requests a special service
21 that is not available under tariff from that
22 common carrier or consents to a different charge;

23 (7) establish minimum standards for providers of
24 operator services to use in the routing and handling of
25 emergency telephone calls; and

1 (8) establish a policy for requiring common carri-
2 ers to make public information about recent changes in
3 operator services and choices available to consumers in
4 that market.

5 (b) **CONSIDERATION OF COMPENSATION.**—In conduct-
6 ing the rulemaking required by section 3, the Commission
7 shall consider the need to prescribe compensation (other than
8 advance payment by consumers) for owners of competitive
9 public pay telephones for calls routed to carriers other than
10 the designated provider of operator services for such
11 telephones.

12 **SEC. 5. DETERMINATIONS OF RATE COMPLIANCE.**

13 (a) **FILING OF INFORMATIONAL TARIFF.**—The Com-
14 mission shall require each provider of operator service to file,
15 within 30 days after the date of enactment of this Act, and to
16 maintain and keep open for public inspection, an information-
17 al tariff specifying rates, terms, and conditions, and including
18 commissions, surcharges, or other fees which are collected
19 from consumers, with respect to calls for which operator
20 services are provided.

21 (b) **REVIEW OF INFORMATIONAL TARIFFS.**—If the
22 rates and charges filed by any provider of operator services
23 under subsection (a) appear upon review by the Commission
24 to be unjust or unreasonable, the Commission shall require
25 such provider of operator services to demonstrate that its

1 rates and charges are just and reasonable and reflect the rea-
2 sonable costs of providing service, plus a reasonable profit.

3 (c) PROCEEDING REQUIRED.—(1) Within 30 days after
4 the date of enactment of this Act, the Commission shall initi-
5 ate a proceeding—

6 (A) to monitor operator service rates;

7 (B) to determine the extent to which offerings
8 made by operator service providers are improvements,
9 in terms of service quality, price, innovation, and other
10 factors, over those available before the entry of new
11 operator service providers into the market;

12 (C) to assess, both in the aggregate and by indi-
13 vidual providers of operator services, operator service
14 rates, costs of service, incidences of service complaints,
15 and service offerings; and

16 (D) to consider the effect that commissions and
17 surcharges have on the overall rates charged to
18 consumers.

19 (2) Not later than 9 months after the commencement of
20 such proceeding, the Commission shall report to Congress on
21 findings and conclusions of such proceeding. The Commission
22 shall, during the pendency of such proceeding, provide the
23 Congress with quarterly interim reports on the activities and
24 progress to date.

1 (3) The requirement of subsection (d) shall not apply if,
2 on the basis of the proceeding under paragraph (1) of this
3 subsection, the Commission makes (and includes in the report
4 required by paragraph (2)) a factual determination that
5 market forces are securing rates and charges that are just
6 and reasonable, as evidenced by rate levels, costs, com-
7 plaints, service quality, and other relevant factors.

8 (d) **IMPLEMENTING REGULATIONS.**—Unless the Com-
9 mission makes the determination described in subsection
10 (c)(3), the Commission shall, within 90 days after submission
11 of the report required by subsection (c)(2), complete a pro-
12 ceeding pursuant to title II of the Act to establish regulations
13 for implementing the requirements of such title (and subsec-
14 tions (a) and (b) of this section) that rates and charges for
15 operator services be just and reasonable.

16 **SEC. 6. DEFINITIONS.**

17 As used in this Act:

18 (1) The term “Commission” means the Federal
19 Communications Commission.

20 (2) The term “the Act” means the Communica-
21 tions Act of 1934.

22 (3) The term “consumer” means a person initi-
23 ating any interstate telephone call using operator
24 services.

1 (4) The term “operator services” means any
2 interstate telecommunications service that includes, as
3 a component, any automatic or live assistance to a
4 consumer to arrange for billing or completion, or both,
5 of an interstate telephone call through a method other
6 than—

7 (A) automatic completion with billing to the
8 telephone from which the call originated; or

9 (B) completion through a carrier-specific
10 access code number used by the consumer, with
11 billing to an account previously established with
12 the carrier by the consumer.

13 (5) The term “aggregator” means any person,
14 that, in the ordinary course of its operations, makes
15 telephones available to the public or to transient users
16 of its premises for interstate telephone calls using a
17 provider of operator services.

Passed the House of Representatives September 25,
1989.

Attest: DONNALD K. ANDERSON,
Clerk.

101ST CONGRESS
2^D SESSION

H. R. 971

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 26 (legislative day, SEPTEMBER 18), 1989

Received; read twice and referred to the Committee on Commerce, Science, and
Transportation

OCTOBER 1 (legislative day, SEPTEMBER 10), 1990

Committee discharged

AN ACT

To require the Federal Communications Commission to prescribe rules to protect consumers from unfair practices in the provision of operator services, 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 “Telephone Operator
5 Service Consumer Protection Act of 1989”.

6 **SEC. 2. FINDINGS.**

7 The Congress hereby finds that—

8 (1) the divestiture of AT&T and decisions allow-
9 ing open entry for competitors in the telephone market-

1 place produced a variety of new services and many
2 new providers of existing telephone services;

3 (2) the growth of competition in the telecommuni-
4 cations market makes it essential to ensure that safe-
5 guards are in place to assure fairness for consumers
6 and service providers alike;

7 (3) a variety of providers of operator services now
8 compete to win contracts to provide operator services
9 to hotels, hospitals, airports, and other aggregators of
10 telephone business from consumers;

11 (4) the mere existence of a variety of service pro-
12 viders in the operator services marketplace is signifi-
13 cant in making that market competitive only when con-
14 sumers are able to make informed choices from among
15 those service providers;

16 (5) however, often customers have no choices in
17 selecting a provider of operator services, and often cus-
18 tomers' attempts to reach their preferred long distance
19 carrier by a telephone billing card, credit card, or pre-
20 arranged access code number are blocked;

21 (6) a number of State regulatory authorities have
22 taken action to protect consumers using intrastate op-
23 erator services;

1 (7) from January 1988 through February 1989,
2 the Federal Communications Commission received over
3 2,000 consumer complaints about operator services;

4 (8) these consumers have complained that they
5 are denied access to the interexchange carrier of their
6 choice, that they are deceived about the identity of the
7 company servicing their calls and the rates being
8 charged, that they lack information on what they can
9 do to complain about unfair treatment by an operator
10 service provider, and that they are, accordingly, being
11 deprived of the free choice essential to the operation of
12 a competitive market; and

13 (9) a combination of industry self-regulation and
14 government regulation is required to ensure that com-
15 petitive operator services are provided in a fair and
16 reasonable manner.

17 **SEC. 3. RULEMAKING REQUIRED.**

18 (a) **INITIATION OF PROCEEDINGS.**—The Commission
19 shall, within 30 days after the date of the enactment of this
20 Act, initiate a proceeding pursuant to title II of the Act to
21 establish regulations to protect consumers who use operator
22 services to place interstate telephone calls from unfair and
23 deceptive practices and to ensure that consumers have the
24 opportunity to make informed choices in making such calls.

1 (b) TIMING AND CONTENTS OF REGULATION.—The
2 regulation required by subsection (a) shall—

3 (1) be prescribed not later than 120 days after the
4 date of enactment of this Act;

5 (2) contain provisions to implement each of the re-
6 quirements of section 4(a);

7 (3) for purposes of administration and enforce-
8 ment, be treated as regulations prescribed by the Com-
9 mission pursuant to title II of the Act; and

10 (4) take effect not later than 90 days after the
11 date of issuance of such regulations.

12 **SEC. 4. MINIMUM REQUIREMENTS.**

13 (a) REGULATION REQUIREMENTS.—The regulations
14 required by section 3 shall, at a minimum—

15 (1) require that the provider of the operator
16 services—

17 (A) identify itself, audibly and distinctly, to
18 the consumer prior to the consumer incurring any
19 charges; and

20 (B) permit the consumer to terminate the
21 telephone call at no charge;

22 (2) require that the provider of operator services
23 ensure, by contract or tariff, that each aggregator post
24 on or near the telephone instrument, in plain view of
25 consumers—

1 (A) the name, address, and toll-free tele-
2 phone number of the provider; and

3 (B) a written disclosure that consumers have
4 a right to obtain access to the interstate common
5 carrier of their choice and may contact their pre-
6 ferred interstate common carriers for information
7 on accessing that carrier's service using that
8 telephone;

9 (3) require that the provider of operator services
10 disclose immediately to the consumer, upon request—

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12 call;

13 (B) the methods by which such rates or
14 charges will be collected; and

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20 (A) neither require nor participate in the
21 blocking of any consumer's access to the inter-
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24 (B) assure, by contract or tariff, that its ag-
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3 ited, temporary waivers to particular providers of
4 operator services for a particular access code upon
5 a showing that such waiver is necessary to pre-
6 vent fraud;

7 (5) require—

8 (A) that any equipment manufactured or im-
9 ported more than 18 months after the date of en-
10 actment of this Act and installed by any aggrega-
11 tor shall be technologically capable of providing
12 consumers with access to interstate interexchange
13 carriers through the use of access codes approved
14 by the Commission;

15 (B) that existing equipment used by aggrega-
16 tors be upgraded to comply with the requirements
17 imposed pursuant to subparagraph (A) of this
18 paragraph, except that the Commission may
19 waive such requirements by rule or order with re-
20 spect to any class or category of equipment if the
21 Commission determines that the benefits of apply-
22 ing such requirements to such equipment do not
23 justify the cost; and

24 (C) any other actions or measures that the
25 Commission considers necessary to ensure that

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11 is more than the distance, in a straight line, be-
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13 termination of the telephone call; and

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12 **SEC. 5. DETERMINATIONS OF RATE COMPLIANCE.**

13 (a) FILING OF INFORMATIONAL TARIFF.—The Com-
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19 from consumers, with respect to calls for which operator
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22 rates and charges filed by any provider of operator services
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23 Congress with quarterly interim reports on the activities and
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2 on the basis of the proceeding under paragraph (1) of this
3 subsection, the Commission makes (and includes in the report
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3 a component, any automatic or live assistance to a
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5 of an interstate telephone call through a method other
6 than—

7 (A) automatic completion with billing to the
8 telephone from which the call originated; or

9 (B) completion through a carrier-specific
10 access code number used by the consumer, with
11 billing to an account previously established with
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13 (5) The term “aggregator” means any person,
14 that, in the ordinary course of its operations, makes
15 telephones available to the public or to transient users
16 of its premises for interstate telephone calls using a
17 provider of operator services.

Passed the House of Representatives September 25,
1989.

Attest: DONNARD K. ANDERSON,
Clerk.

101ST CONGRESS
2D SESSION

H. R. 971

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 26 (legislative day, SEPTEMBER 18), 1989

Received; read twice and referred to the Committee on Commerce, Science, and Transportation

OCTOBER 1 (legislative day, SEPTEMBER 10), 1990

Committee discharged

AN ACT

To require the Federal Communications Commission to prescribe rules to protect consumers from unfair practices in the provision of operator services, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*

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5 Service Consumer Protection Act of 1989".

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9 ing open entry for competitors in the telephone market-

1 place produced a variety of new services and many
2 new providers of existing telephone services;

3 (2) the growth of competition in the telecommuni-
4 cations market makes it essential to ensure that safe-
5 guards are in place to assure fairness for consumers
6 and service providers alike;

7 (3) a variety of providers of operator services now
8 compete to win contracts to provide operator services
9 to hotels, hospitals, airports, and other aggregators of
10 telephone business from consumers;

11 (4) the mere existence of a variety of service pro-
12 viders in the operator services marketplace is signifi-
13 cant in making that market competitive only when con-
14 sumers are able to make informed choices from among
15 those service providers;

16 (5) however, often customers have no choices in
17 selecting a provider of operator services, and often cus-
18 tomers' attempts to reach their preferred long distance
19 carrier by a telephone billing card, credit card, or pre-
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22 taken action to protect consumers using intrastate op-
23 erator services;

(7) from January 1988 through February 1989, the Federal Communications Commission received over 2,000 consumer complaints about operator services; (8) these consumers have complained that they are denied access to the interexchange carrier of their choice, that they are deceived about the identity of the company servicing their calls, and the rates being charged, that they lack information on what they can do to complain about unfair treatment by an operator service provider, and that they are, accordingly, being deprived of the free choice essential to the operation of a competitive market; and (9) a combination of industry self-regulation and government regulation is required to ensure that competitive operator services are provided in a fair and reasonable manner.

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(a) **INITIATION OF PROCEEDINGS.**—The Commission shall, within 30 days after the date of the enactment of this Act, initiate a proceeding pursuant to title II of the Act to establish regulations to protect consumers who use operator services to place interstate telephone calls from unfair and deceptive practices and to ensure that consumers have the opportunity to make informed choices in making such calls.

1 (b) TIMING AND CONTENTS OF REGULATION.—The
2 regulation required by subsection (a) shall—

3 (1) be prescribed not later than 120 days after the
4 date of enactment of this Act;

5 (2) contain provisions to implement each of the re-
6 quirements of section 4(a);

7 (3) for purposes of administration and enforce-
8 ment, be treated as regulations prescribed by the Com-
9 mission pursuant to title II of the Act; and

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11 date of issuance of such regulations.

12 **SEC. 4. MINIMUM REQUIREMENTS.**

13 (a) REGULATION REQUIREMENTS.—The regulations
14 required by section 3 shall, at a minimum—

15 (1) require that the provider of the operator
16 services—

17 (A) identify itself, audibly and distinctly, to
18 the consumer prior to the consumer incurring any
19 charges; and

20 (B) permit the consumer to terminate the
21 telephone call at no charge;

22 (2) require that the provider of operator services
23 ensure, by contract or tariff, that each aggregator post
24 on or near the telephone instrument, in plain view of
25 consumers—

1 (A) the name, address, and toll-free tele-
2 phone number of the provider; and

3 (B) a written disclosure that consumers have
4 a right to obtain access to the interstate common
5 carrier of their choice and may contact their pre-
6 ferred interstate common carriers for information
7 on accessing that carrier's service using that
8 telephone;

9 (3) require that the provider of operator services
10 disclose immediately to the consumer, upon request—

11 (A) a quote of its rates or charges for the
12 call;

13 (B) the methods by which such rates or
14 charges will be collected; and

15 (C) the methods by which complaints con-
16 cerning such rates, charges, or collection practices
17 will be resolved;

18 (4) require that the provider of operator serv-
19 ices—

20 (A) neither require nor participate in the
21 blocking of any consumer's access to the inter-
22 state common carrier of the consumer's choice;
23 and

24 (B) assure, by contract or tariff, that its ag-
25 gregators neither require nor participate in the

1 that self-blocking of access to such interstate common car-
 2 riers, except that the Commission may grant lim-
 3 ited and temporary waivers to particular providers of
 4 national dial operator services for a particular access code upon
 5 a finding that showing that such waiver is necessary to pre-
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 12 carriers through the use of access codes approved
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 14 tors be upgraded to comply with the requirements
 15 imposed pursuant to subparagraph (A) of this
 16 paragraph, except that the Commission may
 17 waive such requirements by rule or order with re-
 18 spect to any class or category of equipment if the
 19 Commission determines that the benefits of apply-
 20 ing such requirements to such equipment do not
 21 justify the cost; and (C) any other actions or measures that the
 22 Commission considers necessary to ensure that

1. to ensure aggregators are not exposed to undue risk of
2. aggregate fraud; and
3. to ensure (6) establish requirements that—

4 (A) prohibit the provider of operator services
5 from knowingly charging for uncompleted tele-
6 phone calls; and

7 (B) prevent, after consideration of the advice
8 of the carrier liaison committee convened by the
9 Commission by its order of February 27, 1989,

10 a not allow consumers from being charged for a distance that
11 is more than the distance, in a straight line, be-
12 tween the calling party's points of origination and

13 termination of the telephone call; and (3)
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15 terexchange telephone call on a billing card which

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17 common carrier, and (ii) permits the identification
18 of that carrier, is billed at a rate not greater than

19 the rate of that common carrier for that call,
20 unless the calling party requests a special service
21 that is not available under tariff from that

22 common carrier or consents to a different charge;
23 (7) establish minimum standards for providers of
24 operator services to use in the routing and handling of

25 emergency telephone calls; and

1 (8) establish a policy for requiring common carri-
2 ers to make public information about recent changes in
3 operator services and choices available to consumers in
4 that market.

5 (b) CONSIDERATION OF COMPENSATION.—In conduct-
6 ing the rulemaking required by section 3, the Commission
7 shall consider the need to prescribe compensation (other than
8 advance payment by consumers) for owners of competitive
9 public pay telephones for calls routed to carriers other than
10 the designated provider of operator services for such
11 telephones.

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14 mission shall require each provider of operator service to file,
15 within 30 days after the date of enactment of this Act, and to
16 maintain and keep open for public inspection, an information-
17 al tariff specifying rates, terms, and conditions, and including
18 commissions, surcharges, or other fees which are collected
19 from consumers, with respect to calls for which operator
20 services are provided.

21 (b) REVIEW OF INFORMATIONAL TARIFFS.—If the
22 rates and charges filed by any provider of operator services
23 under subsection (a) appear upon review by the Commission
24 to be unjust or unreasonable, the Commission shall require
25 such provider of operator services to demonstrate that its

1 rates and charges are just and reasonable and reflect the rea-
2 sonable costs of providing service, plus a reasonable profit.

3 (c) PROCEEDING REQUIRED.—(1) Within 30 days after
4 the date of enactment of this Act, the Commission shall initi-
5 ate a proceeding—

6 (A) to monitor operator service rates;

7 (B) to determine the extent to which offerings
8 made by operator service providers are improvements,
9 in terms of service quality, price, innovation, and other
10 factors, over those available before the entry of new
11 operator service providers into the market;

12 (C) to assess, both in the aggregate and by indi-
13 vidual providers of operator services, operator service
14 rates, costs of service, incidences of service complaints,
15 and service offerings; and

16 (D) to consider the effect that commissions and
17 surcharges have on the overall rates charged to
18 consumers.

19 (2) Not later than 9 months after the commencement of
20 such proceeding, the Commission shall report to Congress on
21 findings and conclusions of such proceeding. The Commission
22 shall, during the pendency of such proceeding, provide the
23 Congress with quarterly interim reports on the activities and
24 progress to date.

(3) The requirement of subsection (d) shall not apply if, on the basis of the proceeding under paragraph (1) of this subsection, the Commission makes (and includes in) the report required by paragraph (2) a factual determination that market forces are securing rates and charges that are just and reasonable, as evidenced by rates levels, costs, complaints, service quality, and other relevant factors.

(d) IMPLEMENTING REGULATIONS.—Unless the Commission makes the determination described in subsection (c)(3), the Commission shall, within 90 days after submission of the report required by subsection (c)(2), complete a proceeding pursuant to title III of the Act to establish regulations for implementing the requirements of such title (and subsections (a) and (b) of this section) that rates and charges for operator services be just and reasonable.

SEC. 6. DEFINITIONS.

As used in this Act:

(1) The term "Commission" means the Federal Communications Commission.

(2) The term "the Act" means the Communications Act of 1934.

(3) The term "consumer" means a subscriber in interstate or intrastate telephone calling or payphone services.

1 (4) The term “operator services” means any
2 interstate telecommunications service that includes, as
3 a component, any automatic or live assistance to a
4 consumer to arrange for billing or completion, or both,
5 of an interstate telephone call through a method other
6 than—

7 (A) automatic completion with billing to the
8 telephone from which the call originated; or

9 (B) completion through a carrier-specific
10 access code number used by the consumer, with
11 billing to an account previously established with
12 the carrier by the consumer.

13 (5) The term “aggregator” means any person,
14 that, in the ordinary course of its operations, makes
15 telephones available to the public or to transient users
16 of its premises for interstate telephone calls using a
17 provider of operator services.

Passed the House of Representatives September 25,
1989.

Attest: DONNARD K. ANDERSON,
Clerk.

101ST CONGRESS
2D SESSION

H. R. 971

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 26 (legislative day, SEPTEMBER 18), 1989

Received; read twice and referred to the Committee on Commerce, Science, and Transportation

OCTOBER 1 (legislative day, SEPTEMBER 10), 1990

Committee discharged

AN ACT

To require the Federal Communications Commission to prescribe rules to protect consumers from unfair practices in the provision of operator services, 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 "Telephone Operator
5 Service Consumer Protection Act of 1989".

6 **SEC. 2. FINDINGS.**

7 The Congress hereby finds that—

- 8 (1) the divestiture of AT&T and decisions allow-
- 9 ing open entry for competitors in the telephone market-

1 place produced a variety of new services and many
2 new providers of existing telephone services;

3 (2) the growth of competition in the telecommuni-
4 cations market makes it essential to ensure that safe-
5 guards are in place to assure fairness for consumers
6 and service providers alike;

7 (3) a variety of providers of operator services now
8 compete to win contracts to provide operator services
9 to hotels, hospitals, airports, and other aggregators of
10 telephone business from consumers;

11 (4) the mere existence of a variety of service pro-
12 viders in the operator services marketplace is signifi-
13 cant in making that market competitive only when con-
14 sumers are able to make informed choices from among
15 those service providers;

16 (5) however, often customers have no choices in
17 selecting a provider of operator services, and often cus-
18 tomers' attempts to reach their preferred long distance
19 carrier by a telephone billing card, credit card, or pre-
20 arranged access code number are blocked;

21 (6) a number of State regulatory authorities have
22 taken action to protect consumers using intrastate op-
23 erator services;

17 — (7) from January 1988 through February 1989,
 2 the Federal Communications Commission received over
 3 2,000 consumer complaints about operator services;
 4 (8) these consumers have complained that they
 5 are denied access to the interexchange carrier of their
 6 choice, that they are deceived about the identity of the
 7 company servicing their calls and the rates being
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 9 do to complain about unfair treatment by an operator
 10 service provider, and that they are, accordingly, being
 11 deprived of the free choice essential to the operation of
 12 a competitive market; and
 13 (9) a combination of industry self-regulation and
 14 government regulation is required to ensure that com-
 15 petitive operator services are provided in a fair and
 16 reasonable manner.

17 **SEC. 3. RULEMAKING REQUIRED.**

18 (a) **INITIATION OF PROCEEDINGS.**—The Commission
 19 shall, within 30 days after the date of the enactment of this
 20 Act, initiate a proceeding pursuant to title II of the Act to
 21 establish regulations to protect consumers who use operator
 22 services to place interstate telephone calls from unfair and
 23 deceptive practices and to ensure that consumers have the
 24 opportunity to make informed choices in making such calls.

1 (b) TIMING AND CONTENTS OF REGULATION.—The
2 regulation required by subsection (a) shall—

3 (1) be prescribed not later than 120 days after the
4 date of enactment of this Act;

5 (2) contain provisions to implement each of the re-
6 quirements of section 4(a);

7 (3) for purposes of administration and enforce-
8 ment, be treated as regulations prescribed by the Com-
9 mission pursuant to title II of the Act; and

10 (4) take effect not later than 90 days after the
11 date of issuance of such regulations.

12 **SEC. 4. MINIMUM REQUIREMENTS.**

13 (a) REGULATION REQUIREMENTS.—The regulations
14 required by section 3 shall, at a minimum—

15 (1) require that the provider of the operator
16 services—

17 (A) identify itself, audibly and distinctly, to
18 the consumer prior to the consumer incurring any
19 charges; and

20 (B) permit the consumer to terminate the
21 telephone call at no charge;

22 (2) require that the provider of operator services
23 ensure, by contract or tariff, that each aggregator post
24 on or near the telephone instrument, in plain view of
25 consumers—

1 (A) the name, address, and toll-free tele-
2 phone number of the provider; and

3 (B) a written disclosure that consumers have
4 a right to obtain access to the interstate common
5 carrier of their choice and may contact their pre-
6 ferred interstate common carriers for information
7 on accessing that carrier's service using that
8 telephone;

9 (3) require that the provider of operator services
10 disclose immediately to the consumer, upon request—

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13 (B) the methods by which such rates or
14 charges will be collected; and

15 (C) the methods by which complaints con-
16 cerning such rates, charges, or collection practices
17 will be resolved;

18 (4) require that the provider of operator serv-
19 ices—

20 (A) neither require nor participate in the
21 blocking of any consumer's access to the inter-
22 state common carrier of the consumer's choice;
23 and

24 (B) assure, by contract or tariff, that its ag-
25 gregators neither require nor participate in the

1. that prohibit blocking of access to such interstate common car-
 2. riers, except that the Commission may grant lim-
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 4. operator services for a particular access code upon
 5. a showing that such waiver is necessary to pre-
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 7. (5) require—
 8. (A) that any equipment manufactured or im-
 9. ported more than 18 months after the date of en-
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 11. tor shall be technologically capable of providing
 12. consumers with access to interstate interexchange
 13. carriers through the use of access codes approved
 14. by the Commission;
 15. (B) that existing equipment used by aggrega-
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 17. imposed pursuant to subparagraph (A) of this
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 19. waive such requirements by rule or order with re-
 20. spect to any class or category of equipment if the
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 23. justify the cost; and
 24. (C) any other actions or measures that the
 25. Commission considers necessary to ensure that

1 aggregators are not exposed to undue risk of
2 fraud;

3 (6) establish requirements that—

4 (A) prohibit the provider of operator services
5 from knowingly charging for uncompleted tele-
6 phone calls;

7 (B) prevent, after consideration of the advice
8 of the carrier liaison committee convened by the
9 Commission by its order of February 27, 1989,
10 consumers from being charged for a distance that
11 is more than the distance, in a straight line, be-
12 tween the calling party's points of origination and
13 termination of the telephone call; and

14 (C) require that any consumer billing an in-
15 terexchange telephone call on a billing card which
16 (i) is provided by an interstate interexchange
17 common carrier, and (ii) permits the identification
18 of that carrier, is billed at a rate not greater than
19 the rate of that common carrier for that call,
20 unless the calling party requests a special service
21 that is not available under tariff from that
22 common carrier or consents to a different charge;

23 (7) establish minimum standards for providers of
24 operator services to use in the routing and handling of
25 emergency telephone calls; and

1 (8) establish a policy for requiring common carri-
2 ers to make public information about recent changes in
3 operator services and choices available to consumers in
4 that market.

5 (b) **CONSIDERATION OF COMPENSATION.**—In conduct-
6 ing the rulemaking required by section 3, the Commission
7 shall consider the need to prescribe compensation (other than
8 advance payment by consumers) for owners of competitive
9 public pay telephones for calls routed to carriers other than
10 the designated provider of operator services for such
11 telephones.

12 **SEC. 5. DETERMINATIONS OF RATE COMPLIANCE.**

13 (a) **FILING OF INFORMATIONAL TARIFF.**—The Com-
14 mission shall require each provider of operator service to file,
15 within 30 days after the date of enactment of this Act, and to
16 maintain and keep open for public inspection, an information-
17 al tariff specifying rates, terms, and conditions, and including
18 commissions, surcharges, or other fees which are collected
19 from consumers, with respect to calls for which operator
20 services are provided.

21 (b) **REVIEW OF INFORMATIONAL TARIFFS.**—If the
22 rates and charges filed by any provider of operator services
23 under subsection (a) appear upon review by the Commission
24 to be unjust or unreasonable, the Commission shall require
25 such provider of operator services to demonstrate that its

1 rates and charges are just and reasonable and reflect the rea-
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16 (D) to consider the effect that commissions and
17 surcharges have on the overall rates charged to
18 consumers.

19 (2) Not later than 9 months after the commencement of
20 such proceeding, the Commission shall report to Congress on
21 findings and conclusions of such proceeding. The Commission
22 shall, during the pendency of such proceeding, provide the
23 Congress with quarterly interim reports on the activities and
24 progress to date.

(3) The requirement of subsection (d) shall not apply if, on the basis of the proceeding under paragraph (1) of this subsection, the Commission makes (and includes in the report required by paragraph (2)) a factual determination that market forces are securing rates and charges that are just and reasonable, as evidenced by rate levels, costs, complaints, service quality, and other relevant factors.

(d) **IMPLEMENTING REGULATIONS.**—Unless the Commission makes the determination described in subsection (c)(3), the Commission shall, within 90 days after submission of the report required by subsection (c)(2), complete a proceeding pursuant to title II of the Act to establish regulations for implementing the requirements of such title (and subsections (a) and (b) of this section) that rates and charges for operator services be just and reasonable.

SEC. 6. DEFINITIONS.

As used in this Act:

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(3) The term “consumer” means a person initiating any interstate telephone call using operator services.

1 (4) The term “operator services” means any
2 interstate telecommunications service that includes, as
3 a component, any automatic or live assistance to a
4 consumer to arrange for billing or completion, or both,
5 of an interstate telephone call through a method other
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7 (A) automatic completion with billing to the
8 telephone from which the call originated; or

9 (B) completion through a carrier-specific
10 access code number used by the consumer, with
11 billing to an account previously established with
12 the carrier by the consumer.

13 (5) The term “aggregator” means any person,
14 that, in the ordinary course of its operations, makes
15 telephones available to the public or to transient users
16 of its premises for interstate telephone calls using a
17 provider of operator services.

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Attest: DONNALD K. ANDERSON,
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101ST CONGRESS
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H. R. 971

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To require the Federal Communications Commission to pre-
scribe rules to protect consumers from unfair practices in
the provision of operator services, and for other purposes.

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5 Service Consumer Protection Act of 1989".

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7 The Congress hereby finds that—

8 (1) the divestiture of AT&T and decisions allow-
9 ing open entry for competitors in the telephone market-

1 place produced a variety of new services and many
2 new providers of existing telephone services;

3 (2) the growth of competition in the telecommuni-
4 cations market makes it essential to ensure that safe-
5 guards are in place to assure fairness for consumers
6 and service providers alike;

7 (3) a variety of providers of operator services now
8 compete to win contracts to provide operator services
9 to hotels, hospitals, airports, and other aggregators of
10 telephone business from consumers;

11 (4) the mere existence of a variety of service pro-
12 viders in the operator services marketplace is signifi-
13 cant in making that market competitive only when con-
14 sumers are able to make informed choices from among
15 those service providers;

16 (5) however, often customers have no choices in
17 selecting a provider of operator services, and often cus-
18 tomers' attempts to reach their preferred long distance
19 carrier by a telephone billing card, credit card, or pre-
20 arranged access code number are blocked;

21 (6) a number of State regulatory authorities have
22 taken action to protect consumers using intrastate op-
23 erator services;

1 (7) from January 1988 through February 1989,
2 the Federal Communications Commission received over
3 2,000 consumer complaints about operator services;

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5 are denied access to the interexchange carrier of their
6 choice, that they are deceived about the identity of the
7 company servicing their calls and the rates being
8 charged, that they lack information on what they can
9 do to complain about unfair treatment by an operator
10 service provider; and that they are, accordingly, being
11 deprived of the free choice essential to the operation of
12 a competitive market; and

13 (9) a combination of industry self-regulation and
14 government regulation is required to ensure that com-
15 petitive operator services are provided in a fair and
16 reasonable manner.

17 **SEC. 3. RULEMAKING REQUIRED.**

18 (a) **INITIATION OF PROCEEDINGS.**—The Commission
19 shall, within 30 days after the date of the enactment of this
20 Act, initiate a proceeding pursuant to title II of the Act to
21 establish regulations to protect consumers who use operator
22 services to place interstate telephone calls from unfair and
23 deceptive practices and to ensure that consumers have the
24 opportunity to make informed choices in making such calls.

1 (b) **TIMING AND CONTENTS OF REGULATION.**—The
2 regulation required by subsection (a) shall—

3 (1) be prescribed not later than 120 days after the
4 date of enactment of this Act;

5 (2) contain provisions to implement each of the re-
6 quirements of section 4(a);

7 (3) for purposes of administration and enforce-
8 ment, be treated as regulations prescribed by the Com-
9 mission pursuant to title II of the Act; and

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11 date of issuance of such regulations.

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13 (a) **REGULATION REQUIREMENTS.**—The regulations
14 required by section 3 shall, at a minimum—

15 (1) require that the provider of the operator
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18 the consumer prior to the consumer incurring any
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21 telephone call at no charge;

22 (2) require that the provider of operator services
23 ensure, by contract or tariff, that each aggregator post
24 on or near the telephone instrument, in plain view of
25 consumers—

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2 phone number of the provider; and

3 (B) a written disclosure that consumers have
4 a right to obtain access to the interstate common
5 carrier of their choice and may contact their pre-
6 ferred interstate common carriers for information
7 on accessing that carrier's service using that
8 telephone;

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10 disclose immediately to the consumer, upon request—

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3 ited, temporary waivers to particular providers of
4 operator services for a particular access code upon
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8 (A) that any equipment manufactured or im-
9 ported more than 18 months after the date of en-
10 actment of this Act and installed by any aggrega-
11 tor shall be technologically capable of providing
12 consumers with access to interstate interexchange
13 carriers through the use of access codes approved
14 by the Commission;

15 (B) that existing equipment used by aggrega-
16 tors be upgraded to comply with the requirements
17 imposed pursuant to subparagraph (A) of this
18 paragraph, except that the Commission may
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20 spect to any class or category of equipment if the
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6 quirements of section 4(a);

7 (3) for purposes of administration and enforce-
8 ment, be treated as regulations prescribed by the Com-
9 mission pursuant to title II of the Act; and

10 (4) take effect not later than 90 days after the
11 date of issuance of such regulations.

12 **SEC. 4. MINIMUM REQUIREMENTS.**

13 (a) **REGULATION REQUIREMENTS.**—The regulations
14 required by section 3 shall, at a minimum—

15 (1) require that the provider of the operator
16 services—

17 (A) identify itself, audibly and distinctly, to
18 the consumer prior to the consumer incurring any
19 charges; and

20 (B) permit the consumer to terminate the
21 telephone call at no charge;

22 (2) require that the provider of operator services
23 ensure, by contract or tariff, that each aggregator post
24 on or near the telephone instrument, in plain view of
25 consumers—

1 (A) the name, address, and toll-free tele-
2 phone number of the provider; and

3 (B) a written disclosure that consumers have
4 a right to obtain access to the interstate common
5 carrier of their choice and may contact their pre-
6 ferred interstate common carriers for information
7 on accessing that carrier's service using that
8 telephone;

9 (3) require that the provider of operator services
10 disclose immediately to the consumer, upon request—

11 (A) a quote of its rates or charges for the
12 call;

13 (B) the methods by which such rates or
14 charges will be collected; and

15 (C) the methods by which complaints con-
16 cerning such rates, charges, or collection practices
17 will be resolved;

18 (4) require that the provider of operator serv-
19 ices—

20 (A) neither require nor participate in the
21 blocking of any consumer's access to the inter-
22 state common carrier of the consumer's choice;
23 and

24 (B) assure, by contract or tariff, that its ag-
25 gregators neither require nor participate in the

1 blocking of access to such interstate common car-
2 riers, except that the Commission may grant lim-
3 ited, temporary waivers to particular providers of
4 operator services for a particular access code upon
5 a showing that such waiver is necessary to pre-
6 vent fraud;

7 (5) require—

8 (A) that any equipment manufactured or im-
9 ported more than 18 months after the date of en-
10 actment of this Act and installed by any aggrega-
11 tor shall be technologically capable of providing
12 consumers with access to interstate interexchange
13 carriers through the use of access codes approved
14 by the Commission;

15 (B) that existing equipment used by aggrega-
16 tors be upgraded to comply with the requirements
17 imposed pursuant to subparagraph (A) of this
18 paragraph, except that the Commission may
19 waive such requirements by rule or order with re-
20 spect to any class or category of equipment if the
21 Commission determines that the benefits of apply-
22 ing such requirements to such equipment do not
23 justify the cost; and

24 (C) any other actions or measures that the
25 Commission considers necessary to ensure that

1 aggregators are not exposed to undue risk of
2 fraud;

3 (6) establish requirements that—

4 (A) prohibit the provider of operator services
5 from knowingly charging for uncompleted tele-
6 phone calls;

7 (B) prevent, after consideration of the advice
8 of the carrier liaison committee convened by the
9 Commission by its order of February 27, 1989,
10 consumers from being charged for a distance that
11 is more than the distance, in a straight line, be-
12 tween the calling party's points of origination and
13 termination of the telephone call; and

14 (C) require that any consumer billing an in-
15 terexchange telephone call on a billing card which
16 (i) is provided by an interstate interexchange
17 common carrier, and (ii) permits the identification
18 of that carrier, is billed at a rate not greater than
19 the rate of that common carrier for that call,
20 unless the calling party requests a special service
21 that is not available under tariff from that
22 common carrier or consents to a different charge;

23 (7) establish minimum standards for providers of
24 operator services to use in the routing and handling of
25 emergency telephone calls; and

1 (8) establish a policy for requiring common carri-
2 ers to make public information about recent changes in
3 operator services and choices available to consumers in
4 that market.

5 (b) **CONSIDERATION OF COMPENSATION.**—In conduct-
6 ing the rulemaking required by section 3, the Commission
7 shall consider the need to prescribe compensation (other than
8 advance payment by consumers) for owners of competitive
9 public pay telephones for calls routed to carriers other than
10 the designated provider of operator services for such
11 telephones.

12 **SEC. 5. DETERMINATIONS OF RATE COMPLIANCE.**

13 (a) **FILING OF INFORMATIONAL TARIFF.**—The Com-
14 mission shall require each provider of operator service to file,
15 within 30 days after the date of enactment of this Act, and to
16 maintain and keep open for public inspection, an information-
17 al tariff specifying rates, terms, and conditions, and including
18 commissions, surcharges, or other fees which are collected
19 from consumers, with respect to calls for which operator
20 services are provided.

21 (b) **REVIEW OF INFORMATIONAL TARIFFS.**—If the
22 rates and charges filed by any provider of operator services
23 under subsection (a) appear upon review by the Commission
24 to be unjust or unreasonable, the Commission shall require
25 such provider of operator services to demonstrate that its

1 rates and charges are just and reasonable and reflect the rea-
2 sonable costs of providing service, plus a reasonable profit.

3 (c) PROCEEDING REQUIRED.—(1) Within 30 days after
4 the date of enactment of this Act, the Commission shall initi-
5 ate a proceeding—

6 (A) to monitor operator service rates;

7 (B) to determine the extent to which offerings
8 made by operator service providers are improvements,
9 in terms of service quality, price, innovation, and other
10 factors, over those available before the entry of new
11 operator service providers into the market;

12 (C) to assess, both in the aggregate and by indi-
13 vidual providers of operator services, operator service
14 rates, costs of service, incidences of service complaints,
15 and service offerings; and

16 (D) to consider the effect that commissions and
17 surcharges have on the overall rates charged to
18 consumers.

19 (2) Not later than 9 months after the commencement of
20 such proceeding, the Commission shall report to Congress on
21 findings and conclusions of such proceeding. The Commission
22 shall, during the pendency of such proceeding, provide the
23 Congress with quarterly interim reports on the activities and
24 progress to date.

1 (3) The requirement of subsection (d) shall not apply if,
2 on the basis of the proceeding under paragraph (1) of this
3 subsection, the Commission makes (and includes in the report
4 required by paragraph (2)) a factual determination that
5 market forces are securing rates and charges that are just
6 and reasonable, as evidenced by rate levels, costs, com-
7 plaints, service quality, and other relevant factors.

8 (d) **IMPLEMENTING REGULATIONS.**—Unless the Com-
9 mission makes the determination described in subsection
10 (c)(3), the Commission shall, within 90 days after submission
11 of the report required by subsection (c)(2), complete a pro-
12 ceeding pursuant to title II of the Act to establish regulations
13 for implementing the requirements of such title (and subsec-
14 tions (a) and (b) of this section) that rates and charges for
15 operator services be just and reasonable.

16 **SEC. 6. DEFINITIONS.**

17 As used in this Act:

18 (1) The term “Commission” means the Federal
19 Communications Commission.

20 (2) The term “the Act” means the Communica-
21 tions Act of 1934.

22 (3) The term “consumer” means a person initi-
23 ating any interstate telephone call using operator
24 services.

1 (4) The term “operator services” means any
2 interstate telecommunications service that includes, as
3 a component, any automatic or live assistance to a
4 consumer to arrange for billing or completion, or both,
5 of an interstate telephone call through a method other
6 than—

7 (A) automatic completion with billing to the
8 telephone from which the call originated; or

9 (B) completion through a carrier-specific
10 access code number used by the consumer, with
11 billing to an account previously established with
12 the carrier by the consumer.

13 (5) The term “aggregator” means any person,
14 that, in the ordinary course of its operations, makes
15 telephones available to the public or to transient users
16 of its premises for interstate telephone calls using a
17 provider of operator services.

Passed the House of Representatives September 25,
1989.

Attest: DONNALD K. ANDERSON,
Clerk.

101ST CONGRESS
2D SESSION

H. R. 971

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 26 (legislative day, SEPTEMBER 18), 1989

Received; read twice and referred to the Committee on Commerce, Science, and
Transportation

OCTOBER 1 (legislative day, SEPTEMBER 10), 1990

Committee discharged

AN ACT

To require the Federal Communications Commission to prescribe rules to protect consumers from unfair practices in the provision of operator services, 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 “Telephone Operator
5 Service Consumer Protection Act of 1989”.

6 **SEC. 2. FINDINGS.**

7 The Congress hereby finds that—

8 (1) the divestiture of AT&T and decisions allow-
9 ing open entry for competitors in the telephone market-

1 place produced a variety of new services and many
2 new providers of existing telephone services;

3 (2) the growth of competition in the telecommuni-
4 cations market makes it essential to ensure that safe-
5 guards are in place to assure fairness for consumers
6 and service providers alike;

7 (3) a variety of providers of operator services now
8 compete to win contracts to provide operator services
9 to hotels, hospitals, airports, and other aggregators of
10 telephone business from consumers;

11 (4) the mere existence of a variety of service pro-
12 viders in the operator services marketplace is signifi-
13 cant in making that market competitive only when con-
14 sumers are able to make informed choices from among
15 those service providers;

16 (5) however, often customers have no choices in
17 selecting a provider of operator services, and often cus-
18 tomers' attempts to reach their preferred long distance
19 carrier by a telephone billing card, credit card, or pre-
20 arranged access code number are blocked;

21 (6) a number of State regulatory authorities have
22 taken action to protect consumers using intrastate op-
23 erator services;

1 (7) from January 1988 through February 1989,
2 the Federal Communications Commission received over
3 2,000 consumer complaints about operator services;

4 (8) these consumers have complained that they
5 are denied access to the interexchange carrier of their
6 choice, that they are deceived about the identity of the
7 company servicing their calls and the rates being
8 charged, that they lack information on what they can
9 do to complain about unfair treatment by an operator
10 service provider, and that they are, accordingly, being
11 deprived of the free choice essential to the operation of
12 a competitive market; and

13 (9) a combination of industry self-regulation and
14 government regulation is required to ensure that com-
15 petitive operator services are provided in a fair and
16 reasonable manner.

17 **SEC. 3. RULEMAKING REQUIRED.**

18 (a) **INITIATION OF PROCEEDINGS.**—The Commission
19 shall, within 30 days after the date of the enactment of this
20 Act, initiate a proceeding pursuant to title II of the Act to
21 establish regulations to protect consumers who use operator
22 services to place interstate telephone calls from unfair and
23 deceptive practices and to ensure that consumers have the
24 opportunity to make informed choices in making such calls.

1 (b) **TIMING AND CONTENTS OF REGULATION.**—The
2 regulation required by subsection (a) shall—

3 (1) be prescribed not later than 120 days after the
4 date of enactment of this Act;

5 (2) contain provisions to implement each of the re-
6 quirements of section 4(a);

7 (3) for purposes of administration and enforce-
8 ment, be treated as regulations prescribed by the Com-
9 mission pursuant to title II of the Act; and

10 (4) take effect not later than 90 days after the
11 date of issuance of such regulations.

12 **SEC. 4. MINIMUM REQUIREMENTS.**

13 (a) **REGULATION REQUIREMENTS.**—The regulations
14 required by section 3 shall, at a minimum—

15 (1) require that the provider of the operator
16 services—

17 (A) identify itself, audibly and distinctly, to
18 the consumer prior to the consumer incurring any
19 charges; and

20 (B) permit the consumer to terminate the
21 telephone call at no charge;

22 (2) require that the provider of operator services
23 ensure, by contract or tariff, that each aggregator post
24 on or near the telephone instrument, in plain view of
25 consumers—

1 (A) the name, address, and toll-free tele-
2 phone number of the provider; and

3 (B) a written disclosure that consumers have
4 a right to obtain access to the interstate common
5 carrier of their choice and may contact their pre-
6 ferred interstate common carriers for information
7 on accessing that carrier's service using that
8 telephone;

9 (3) require that the provider of operator services
10 disclose immediately to the consumer, upon request—

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12 call;

13 (B) the methods by which such rates or
14 charges will be collected; and

15 (C) the methods by which complaints con-
16 cerning such rates, charges, or collection practices
17 will be resolved;

18 (4) require that the provider of operator serv-
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21 blocking of any consumer's access to the inter-
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24 (B) assure, by contract or tariff, that its ag-
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1 blocking of access to such interstate common car-
2 riers, except that the Commission may grant lim-
3 ited, temporary waivers to particular providers of
4 operator services for a particular access code upon
5 a showing that such waiver is necessary to pre-
6 vent fraud;

7 (5) require—

8 (A) that any equipment manufactured or im-
9 ported more than 18 months after the date of en-
10 actment of this Act and installed by any aggrega-
11 tor shall be technologically capable of providing
12 consumers with access to interstate interexchange
13 carriers through the use of access codes approved
14 by the Commission;

15 (B) that existing equipment used by aggrega-
16 tors be upgraded to comply with the requirements
17 imposed pursuant to subparagraph (A) of this
18 paragraph, except that the Commission may
19 waive such requirements by rule or order with re-
20 spect to any class or category of equipment if the
21 Commission determines that the benefits of apply-
22 ing such requirements to such equipment do not
23 justify the cost; and

24 (C) any other actions or measures that the
25 Commission considers necessary to ensure that

1 aggregators are not exposed to undue risk of
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3 (6) establish requirements that—

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5 from knowingly charging for uncompleted tele-
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7 (B) prevent, after consideration of the advice
8 of the carrier liaison committee convened by the
9 Commission by its order of February 27, 1989,
10 consumers from being charged for a distance that
11 is more than the distance, in a straight line, be-
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13 termination of the telephone call; and

14 (C) require that any consumer billing an in-
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19 the rate of that common carrier for that call,
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21 that is not available under tariff from that
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24 operator services to use in the routing and handling of
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13 (a) FILING OF INFORMATIONAL TARIFF.—The Com-
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19 from consumers, with respect to calls for which operator
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22 rates and charges filed by any provider of operator services
23 under subsection (a) appear upon review by the Commission
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21 findings and conclusions of such proceeding. The Commission
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23 Congress with quarterly interim reports on the activities and
24 progress to date.

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2 on the basis of the proceeding under paragraph (1) of this
3 subsection, the Commission makes (and includes in the report
4 required by paragraph (2)) a factual determination that
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3 a component, any automatic or live assistance to a
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10 access code number used by the consumer, with
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14 that, in the ordinary course of its operations, makes
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17 provider of operator services.

Passed the House of Representatives September 25,
1989.

Attest: DONNARD K. ANDERSON,
Clerk.

101ST CONGRESS
2D SESSION

H. R. 971

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 26 (legislative day, SEPTEMBER 18), 1989

Received; read twice and referred to the Committee on Commerce, Science, and
Transportation

OCTOBER 1 (legislative day, SEPTEMBER 10), 1990

Committee discharged

AN ACT

To require the Federal Communications Commission to pre-
scribe rules to protect consumers from unfair practices in
the provision of operator services, 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,*

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5 Service Consumer Protection Act of 1989”.

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9 ing open entry for competitors in the telephone market-

1 place produced a variety of new services and many
2 new providers of existing telephone services;

3 (2) the growth of competition in the telecommuni-
4 cations market makes it essential to ensure that safe-
5 guards are in place to assure fairness for consumers
6 and service providers alike;

7 (3) a variety of providers of operator services now
8 compete to win contracts to provide operator services
9 to hotels, hospitals, airports, and other aggregators of
10 telephone business from consumers;

11 (4) the mere existence of a variety of service pro-
12 viders in the operator services marketplace is signifi-
13 cant in making that market competitive only when con-
14 sumers are able to make informed choices from among
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16 (5) however, often customers have no choices in
17 selecting a provider of operator services, and often cus-
18 tomers' attempts to reach their preferred long distance
19 carrier by a telephone billing card, credit card, or pre-
20 arranged access code number are blocked;

21 (6) a number of State regulatory authorities have
22 taken action to protect consumers using intrastate op-
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2 the Federal Communications Commission received over
3 2,000 consumer complaints about operator services;

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9 do to complain about unfair treatment by an operator
10 service provider, and that they are, accordingly, being
11 deprived of the free choice essential to the operation of
12 a competitive market; and

13 (9) a combination of industry self-regulation and
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15 petitive operator services are provided in a fair and
16 reasonable manner.

17 **SEC. 3. RULEMAKING REQUIRED.**

18 (a) **INITIATION OF PROCEEDINGS.**—The Commission
19 shall, within 30 days after the date of the enactment of this
20 Act, initiate a proceeding pursuant to title II of the Act to
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1 (b) **TIMING AND CONTENTS OF REGULATION.**—The
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6 quirements of section 4(a);

7 (3) for purposes of administration and enforce-
8 ment, be treated as regulations prescribed by the Com-
9 mission pursuant to title II of the Act; and

10 (4) take effect not later than 90 days after the
11 date of issuance of such regulations.

12 **SEC. 4. MINIMUM REQUIREMENTS.**

13 (a) **REGULATION REQUIREMENTS.**—The regulations
14 required by section 3 shall, at a minimum—

15 (1) require that the provider of the operator
16 services—

17 (A) identify itself, audibly and distinctly, to
18 the consumer prior to the consumer incurring any
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20 (B) permit the consumer to terminate the
21 telephone call at no charge;

22 (2) require that the provider of operator services
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24 on or near the telephone instrument, in plain view of
25 consumers—

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8 telephone;

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10 disclose immediately to the consumer, upon request—

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21 blocking of any consumer's access to the inter-
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4 operator services for a particular access code upon
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16 tors be upgraded to comply with the requirements
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18 paragraph, except that the Commission may
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20 spect to any class or category of equipment if the
21 Commission determines that the benefits of apply-
22 ing such requirements to such equipment do not
23 justify the cost; and

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25 Commission considers necessary to ensure that

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8 of the carrier liaison committee convened by the
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10 consumers from being charged for a distance that
11 is more than the distance, in a straight line, be-
12 tween the calling party's points of origination and
13 termination of the telephone call; and

14 (C) require that any consumer billing an in-
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17 common carrier, and (ii) permits the identification
18 of that carrier, is billed at a rate not greater than
19 the rate of that common carrier for that call,
20 unless the calling party requests a special service
21 that is not available under tariff from that
22 common carrier or consents to a different charge;

23 (7) establish minimum standards for providers of
24 operator services to use in the routing and handling of
25 emergency telephone calls; and

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2 ers to make public information about recent changes in
3 operator services and choices available to consumers in
4 that market.

5 (b) CONSIDERATION OF COMPENSATION.—In conduct-
6 ing the rulemaking required by section 3, the Commission
7 shall consider the need to prescribe compensation (other than
8 advance payment by consumers) for owners of competitive
9 public pay telephones for calls routed to carriers other than
10 the designated provider of operator services for such
11 telephones.

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17 al tariff specifying rates, terms, and conditions, and including
18 commissions, surcharges, or other fees which are collected
19 from consumers, with respect to calls for which operator
20 services are provided.

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22 rates and charges filed by any provider of operator services
23 under subsection (a) appear upon review by the Commission
24 to be unjust or unreasonable, the Commission shall require
25 such provider of operator services to demonstrate that its

1 rates and charges are just and reasonable and reflect the rea-
2 sonable costs of providing service, plus a reasonable profit.

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7 (B) to determine the extent to which offerings
8 made by operator service providers are improvements,
9 in terms of service quality, price, innovation, and other
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19 (2) Not later than 9 months after the commencement of
20 such proceeding, the Commission shall report to Congress on
21 findings and conclusions of such proceeding. The Commission
22 shall, during the pendency of such proceeding, provide the
23 Congress with quarterly interim reports on the activities and
24 progress to date.

1 (3) The requirement of subsection (d) shall not apply if,
2 on the basis of the proceeding under paragraph (1) of this
3 subsection, the Commission makes (and includes in the report
4 required by paragraph (2)) a factual determination that
5 market forces are securing rates and charges that are just
6 and reasonable, as evidenced by rate levels, costs, com-
7 plaints, service quality, and other relevant factors.

8 (d) IMPLEMENTING REGULATIONS.—Unless the Com-
9 mission makes the determination described in subsection
10 (c)(3), the Commission shall, within 90 days after submission
11 of the report required by subsection (c)(2), complete a pro-
12 ceeding pursuant to title II of the Act to establish regulations
13 for implementing the requirements of such title (and subsec-
14 tions (a) and (b) of this section) that rates and charges for
15 operator services be just and reasonable.

16 **SEC. 6. DEFINITIONS.**

17 As used in this Act:

18 (1) The term “Commission” means the Federal
19 Communications Commission.

20 (2) The term “the Act” means the Communica-
21 tions Act of 1934.

22 (3) The term “consumer” means a person initi-
23 ating any interstate telephone call using operator
24 services.

1 (4) The term “operator services” means any
2 interstate telecommunications service that includes, as
3 a component, any automatic or live assistance to a
4 consumer to arrange for billing or completion, or both,
5 of an interstate telephone call through a method other
6 than—

7 (A) automatic completion with billing to the
8 telephone from which the call originated; or

9 (B) completion through a carrier-specific
10 access code number used by the consumer, with
11 billing to an account previously established with
12 the carrier by the consumer.

13 (5) The term “aggregator” means any person,
14 that, in the ordinary course of its operations, makes
15 telephones available to the public or to transient users
16 of its premises for interstate telephone calls using a
17 provider of operator services.

Passed the House of Representatives September 25,
1989.

Attest: DONNALD K. ANDERSON,
Clerk.