
HOUSE BILL 2254

State of Washington

56th Legislature

1999 Regular Session

By Representatives DeBolt, Ruderman, Poulsen, Crouse, Morris, Mielke, Bush, Thomas, Cooper, Reardon, Stensen, Keiser, Lantz, Fisher, McDonald, O'Brien, Lovick, Sullivan, Hurst, Santos, Hankins, Kenney, Wolfe, Ogden, Anderson, Kagi, Constantine, Dickerson, Conway, Linville, Rockefeller, Romero, Voloria, Wood, Ericksen, Edmonds, McIntire, Alexander, Mitchell, K. Schmidt and Esser

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1 AN ACT Relating to unauthorized changes and billing for
2 telecommunication services; adding new sections to chapter 80.36 RCW;
3 creating new sections; and prescribing penalties.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds that changes in the
6 rapidly changing telecommunications market are resulting in new
7 consumer problems. The legislature further finds that unauthorized
8 changes in telecommunications service, known commonly as slamming, and
9 unauthorized billing for service on telecommunications bills, known
10 commonly as cramming, are unfair and deceptive consumer practices. The
11 legislature further finds that consumers should have options available
12 to protect themselves against unauthorized service changes and
13 billings. In addition, current penalties and remedies need to be
14 increased to provide a more effective deterrent to these practices.

15 NEW SECTION. **Sec. 2.** (1) Every local exchange telecommunications
16 company must offer to its customers, as a part of basic local service
17 and at no additional cost, the following optional services:

1 (a) Account freeze service. Account freeze procedures, including
2 any solicitation, must clearly distinguish among telecommunications
3 services subject to an account freeze. The carrier offering the freeze
4 must obtain separate authorization for each service for which an
5 account freeze is requested. If a customer has subscribed to account
6 freeze service, the local exchange company may not make changes to the
7 customer's local or long-distance service except on direct oral or
8 written direction of the customer and shall reject any orders for
9 change in service that are purported to be submitted on behalf of the
10 customer; and

11 (b) Bill block service. If a customer has subscribed to bill block
12 service, the local exchange company may not bill the customer for
13 nontelecommunications services or for telecommunications services
14 provided by a company other than the customer's local exchange company
15 or authorized long-distance carrier.

16 (2) Each local exchange telecommunications company must notify its
17 customers of the services described in this section at the time service
18 is established and at least once per year thereafter. The commission
19 may prescribe the form of notice by rule.

20 NEW SECTION. **Sec. 3.** All lists of charges for services that
21 appear on a consumer's bill shall be clear, separate, and distinct. At
22 a minimum, all bills must clearly identify on the bill the business
23 name of the company making the charge, the specific product or service
24 being billed for, separate identification of any optional products or
25 services, and a toll-free contact number for disputing a charge. The
26 commission may prescribe the form of bill disclosure by rule.

27 NEW SECTION. **Sec. 4.** (1)(a) No person shall: (i) Cause a change
28 in a subscriber's selection of telecommunications company without the
29 subscriber's authorization as prescribed by the commission; (ii) cause
30 a change in a subscriber's selection of telecommunications company
31 without the subscriber's written authorization where the subscriber is
32 sixty-five years old or older; and (iii) place or cause to be placed an
33 unauthorized charge on a subscriber's telecommunications account.

34 (b) Any customer who is the victim of acts prohibited by this
35 section is absolved of liability for (i) all charges imposed by the
36 unauthorized carrier for products or services provided during the first
37 thirty days after the unauthorized change, or for a longer period of

1 time as permitted by the commission; (ii) all charges required to
2 return the customer to his or her properly authorized carrier; and
3 (iii) all other charges imposed in connection with the unauthorized
4 change.

5 (2) Upon being informed by a customer that an unauthorized change
6 has occurred, the local exchange carrier shall immediately (a) return
7 the customer to his or her authorized telecommunications carrier; (b)
8 inform the customer of the thirty-day absolution period; and (c) remove
9 charges, if any, from the customer's bill for charges incurred within
10 the first thirty days of the unauthorized change and any charges
11 required to return the customer to his or her properly authorized
12 carrier.

13 (3) If a customer disputes a charge for nontelecommunications
14 service, or telecommunications services provided by a company other
15 than the customer's local exchange carrier or authorized long-distance
16 carrier, the local exchange company shall remove the charge from the
17 bill. This subsection does not affect the ability of the charging
18 company to independently collect legitimate charges.

19 (4) The commission may adopt rules to enforce this section.

20 NEW SECTION. **Sec. 5.** In addition to any other penalties provided
21 by law, the commission may impose any one or more of the following
22 penalties:

23 (1) Order payment by an unauthorized service provider to the
24 service provider previously selected by the subscriber in an amount not
25 to exceed all charges billed to the subscriber by the unauthorized
26 service provider for services provided during the unauthorized service
27 period; and

28 (2) Order the unauthorized service provider to refund all payments
29 made by the subscriber for services provided during the unauthorized
30 service period.

31 NEW SECTION. **Sec. 6.** The legislature finds that the practices
32 covered by sections 2 through 4 of this act are matters vitally
33 affecting the public interest for the purpose of applying the consumer
34 protection act, chapter 19.86 RCW. A violation of section 2, 3, or 4
35 of this act is not reasonable in relation to the development and
36 preservation of business and is an unfair or deceptive act in trade or
37 commerce and an unfair method of competition for the purpose of

1 applying the consumer protection act, chapter 19.86 RCW. In any action
2 under chapter 19.86 RCW, a person who proves any of the causes of
3 action identified in this section is entitled to a presumption of
4 injury and in addition to recovering costs and reasonable attorneys'
5 fees, damages may be ordered in the amount of two thousand five hundred
6 dollars.

7 NEW SECTION. **Sec. 7.** The Washington utilities and transportation
8 commission and the attorney general shall assess and report to the
9 legislature by June 2000 whether the practices of unauthorized service
10 changes and billing have been deterred by this act and may make
11 recommendations to the legislature with regard to enforcement.

12 NEW SECTION. **Sec. 8.** Sections 2 through 6 of this act are each
13 added to chapter 80.36 RCW.

14 NEW SECTION. **Sec. 9.** If any provision of this act or its
15 application to any person or circumstance is held invalid, the
16 remainder of the act or the application of the provision to other
17 persons or circumstances is not affected.

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