

Resolution on Billing and Collection Abuses

WHEREAS, *An increasing number of incidents have been noted where information providers engaging in questionable marketing practices have used Local Exchange Carriers' interstate billing and collection services to collect monies that have been deceptively obtained from telephone customers. These abuses most often relate to 900 services. In a frequently encountered instance a customer will receive a card or telephone call telling them they have received a prize. They are then told to dial a "900" number to claim the prize. The prize usually has little monetary value and the charge for the call to the "900" number is very high; and*

WHEREAS, *A new scheme involving the use of interstate billing and collection services has recently surfaced. A marketer, who may also be a reseller or an Alternative Operator Services (AOS) company, will make a "collect" person-to-person call to a party and either tell them they have won a prize or want to talk to them about their "health." When they accept the call the caller will try and sell them something. Not only will the caller be subjected to the sales pitch but they are also billed for the collect person-to-person call. Often this call may also be billed at excessive rates; now, therefore be it*

RESOLVED, *That the Executive Committee of the National Association of Regulatory Utility Commissioners (NARUC), convened at its Winter Meeting, urges the Federal Communications Commission to institute a formal investigation, and to take the appropriate steps in the FCC forthcoming "900" rulemaking procedure to protect the consumer from these kinds of abuses, and to take any other appropriate action that will examine mechanisms that can be used to stop these and other 900-related abuses.*

Sponsored by the Committee on Administration

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