

WHEREAS, On October 31, 1996, the FCC released the Detariffing Order directing all nondominant IXCs to "cancel their tariffs for interstate, domestic, interexchange services on file with the FCC within nine months of the effective date of the order and not to file any such tariffs thereafter;" and

WHEREAS, The D.C. Circuit stayed that order pending judicial review; and

WHEREAS, On reconsideration, the FCC modified its decision so as to allow (1) tariffing of dial around 1+ services using the carrier access code, and (2) tariffing of new customer services for a limited period of 45 days, and on further reconsideration, adopted public disclosure requirements regarding the rates, terms, and conditions governing detariffed services; and

WHEREAS, After a favorable D.C. Circuit decision, on May 1, 2000, the 1996 Order requiring detariffing for interstate, domestic, interexchange services of nondominant interexchange carriers became effective (In the Matter of Policy and Rules Concerning the Interstate, Interexchange Marketplace, Implementation of 254(g) of the Communications Act of 1934, CC Docket No. 96-61, Second Report and Order, 11 FCC Rcd 20730 (1996), Order on Reconsideration, 12 FCC 15014 (1997), Second Order on Reconsideration and Erratum, 14 FCC Rcd 6004 (1999)); and

WHEREAS, On May 9, 2000, the Common Carrier Bureau implemented a nine-month transition period ending January 31, 2001, and, on November 6, 2000 extended the transition period

until April 30, 2001, and on February 5, 2001 further extended the transition period until July 31, 2001, for mass market consumer services only IXCs must still complete the process of detariffing domestic contract-type services by January 31, 2001; and

WHEREAS, At the end of the transition period, the terms and conditions for all interstate interexchange services will be controlled by applicable State laws rather than federal tariffs, and

WHEREAS, IXCs are expected to send letters to residential and business customers outlining contract terms and consumers are likely to be confused by those letters and as a result generate a high volume of calls to State commissions; and

WHEREAS, Consumers should have the right to receive basic information from their selected IXC, in writing, regarding their terms and conditions of service and such contracts or terms of service documents should not require the customer to waive the customer's rights under federal or State law or rules as a condition of receiving service; and

WHEREAS, Consumers should have a right to receive the following information regarding their terms and conditions of service:

1. All rates and charges as they will appear on the telephone bill, including any minimum charges or recurring charges;
2. An itemization of any charges which may be imposed on the customer, including but not limited to, charges for late payments and returned checks;
3. A full description of each product or service to which the

- customer has subscribed;
4. Any applicable minimum contract service terms and any fees for early termination;
 5. Any and all money that must be paid prior to installation of new service or transfer of existing service to a new location and whether or not the money is refundable;
 6. Any necessary change in the applicant's telephone number;
 7. The company's contract cancellation policy;
 8. Instructions on canceling service for customers that have not signed a written contract for service;
 9. A working toll-free number for customer inquiries; and
 10. The provider's legal or "doing business as" name used for providing telecommunications services in the customer's State; and

WHEREAS, Such disclosures should allow for easy comparison of services and review of bills generated by acceptance of a specific offer and should be:

1. Sent to new customers before payment for a full bill is due;
2. Sent to existing customers by July 31, 2001;
3. Clearly labeled to indicate it contains the terms and conditions of service;
4. Provided in a readable format written in plain, non-technical language;
5. Provided in the same languages in which the IXC markets service to a customer; and

WHEREAS, Subsequent changes by an IXC to a customer-accepted terms of service document should:

1. Be provided to the customer 30 to 60 days in advance of any material change to the customer's existing terms of service document; and
2. Allow the customer the option to declining any material change and cancel service without penalty due to the material change in the customer's terms of service, *now therefore be it,*

RESOLVED, That the Board of Directors of National Association of Regulatory Utility Commissioners ("NARUC") convened in its February 2001 Winter Meetings in Washington, D.C., adopts the principles expressed above as a rational and

systematic approach to achieving a reasonable level of customer protection; *and be it further*

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners (NARUC) convened in its 2001 Winter Committee Meetings in Washington D.C. encourages States to consider these principles and adopt rules as necessary to ensure these customer protections exist within each State, *and be it further*

RESOLVED, That the Committee on Consumer Affairs and the Staff Subcommittee on Consumer Affairs shall develop an informational template for State Commissions to use when responding to customer inquiries on this issue.

Sponsored by the Committee on Consumer Affairs

Adopted by the NARUC Board of Directors, February 28, 2001.