

Resolution Encouraging States to Consider the Rational and Systematic Approach to Customer Protection Expressed in the Truth-in-Billing Model Rules

WHEREAS, The National Association of Regulatory Utility Commissioners ("NARUC"), convened at its 1999 annual convention in San Antonio, Texas, issued a resolution which, among other things, urges both State and Federal regulators take all necessary action to ensure information on bills delivered to telecommunications consumers is accurate, understandable and useful, and contains consistent definitions of common charges; and

WHEREAS, NARUC's Committee on Consumer Affairs created the Truth-in-Billing Workgroup to address the burgeoning problems of confusing and misleading telephone billing practices; and

WHEREAS, The Truth-in-Billing Workgroup has developed truth-in-billing model rules to define a rational and systematic approach to achieving a reasonable level of customer protection; and

WHEREAS, The model rules address the following:

- A minimum or required billing interval to eliminate the confusion that results from sporadic billing;
- A bill format of balance(s) due to help customers readily identify their billing status and any bill inaccuracies;
- A rate change notification format to ensure the customer's receipt of timely information regarding future charges;
- Incorporation of the FCC's mandate requiring

identification of charges that must be paid to preclude disconnection of basic local service to reduce customer confusion;

- A billing block option that restricts the charges placed on the telephone bill to allow customers the ability to maintain a simplified bill;
- A rescission period option that allows customers the ability to revoke their consent to purchase certain services which would have been charged on their telephone bills;
- A procedure for removal of unauthorized charges to minimize fraudulent practices by making such activities less profitable;
- Requirements for billing agents, billing aggregators and service providers that state commissions can monitor and use to regulate billing practices involving the placement of charges on the telephone bill; and

WHEREAS, The Truth-in-Billing Workgroup recently sought and received comment on the proposed truth-in-billing model rules from interested parties; and

WHEREAS, The Truth-in-Billing Workgroup may consider appropriate refinements to the model rules; and

WHEREAS, Since states face different circumstances and legal requirements, the model rules are designed to be used in such a way as to further their individual goals; and

WHEREAS, The Federal Communications Commission ("FCC") is engaging in an effort to establish consistency in certain terminology contained on telecommunications bills; *now therefore be it*

RESOLVED, That the Board of Directors of National

Association of Regulatory Utility Commissioners ("NARUC") convened in its July 2000 Summer Meetings in Los Angeles, adopts the principles expressed in the truth-in-billing model rules as a rational and systematic approach to achieving a reasonable level of customer protection; and be it further **RESOLVED**, That states are encouraged to carefully consider the truth-in-billing model rules and to use them as a template upon which to build their own customized individual rules; and be it further

RESOLVED, That NARUC supports the continued efforts of the Truth-in-Billing Workgroup to work with interested third parties in refining the model rules consistent with these principals; and be it further

RESOLVED, that NARUC participate in any efforts of the FCC to establish consistency in terminology contained in telecommunications bills.

Sponsored by the Committee on Consumer Affairs

Adopted by the NARUC Board of Directors, July 26, 2000.