

Resolution On 900 Pay Per Call Service

WHEREAS, Pay Per Call Information Service (900/976) generally refers to a telecommunications service which allows the simultaneous calling by large numbers of callers to a single "900/976" prefix telephone number and where the calling party is charged for the call at a rate different from, and often higher than, that charged for an ordinary long distance call for goods and/or services; and

WHEREAS, The provision of 900/976 service usually involves four parties; first, the interexchange carrier (IXC) who provides the tariffed transmission service and tariffed or non-tariffed billing and collection service; second, the information provider (IP) or sponsor who provides the service, entertainment, information, or product and sets the price to the caller; third, the local exchange carrier (LEC) who by contract or tariff provides billing and collection service for the IXC; and fourth, the service bureau who takes service from the IXC on behalf of the IP; and

WHEREAS, There are many 900/976 information providers offering useful services, however some IP services, entertainment and/or information are the subject of wide spread consumer complaints to state and federal communications regulatory agencies and Congress relating to high rates, inadequate disclosure of rates, deception, or rates out of proportion with the service received; and

WHEREAS, 900/976 service is the subject of various bills before Congress including HR-2330, HR-328, and S-471; and

WHEREAS, The Federal Communications Commission (FCC) has issued a notice of Proposed Rulemaking in CC Docket No. 91-65; and

WHEREAS, Several states are considering rulemakings or have instituted proceedings on 900/976 Services; now, therefore, be it

RESOLVED, That the Executive Committee of the National Association of Regulatory Utility Commissioners (NARUC), convened at its Summer Meeting in San Francisco, California, recommends that any Federal legislation or FCC rules adopted concerning 900/976 Service should include the following safeguards:

- 1) A preamble that discloses the name of the company, nature of the service and specific price. IPs collecting for charity must also disclose the name of the charity and the purpose of the fund raising. Programming directed at minors must also provide notification that parental permission is required before continuing with the call. Consideration may be given for waivers of the preamble for nominally priced services.
- 2) After the preamble, a sufficient period of time to allow the caller to hang up before incurring a charge.

- 3) A cap on the amount of charges for programming targeted at children.
- 4) A specific complaint procedure and refund or "adjustment" policy should be in place for 900/976 services.
- 5) States should have the flexibility to promulgate terms and conditions for blocking 900/976 services.
- 6) Consider where technically feasible a separate prefix and selective blocking for programs which contain sexually explicit material that would be considered "harmful" to minors.
- 7) A customer's basic telephone service cannot be disconnected for nonpayment of 900/976 charges.
- 8) A local or toll free number for disputes or inquiries must be included on the customer's bill.
- 9) All advertisements and promotional materials must clearly and conspicuously identify all charges for the call.
- 10) Advertisements directed towards children must contain a statement that parental permission is required before calls are placed.
- 11) Provision of the name, address, and business phone number of an information provider by the carrier/billing agent at any customer's oral or written request, in a reasonable time and at no cost.
- 12) Disconnection of programs which do not comply with State and Federal requirements or which are found to be fraudulent; and be it further

RESOLVED, That NARUC Executive Committee opposes any Federal legislation or FCC rules that would preclude States from adopting additional safeguards and/or more stringent rules; and be it further

RESOLVED, That the NARUC General Counsel will file comments concerning NARUC's position on 900/976 service with the appropriate agencies or Congressional committees considering rules or bills and distribute this resolution to members for their consideration.

Sponsored by the Committee on Communications
Adopted July 24, 1991