



California Public Utilities Commission

505 Van Ness Avenue, San Francisco, CA 94102

News Release

FOR IMMEDIATE RELEASE

Docket #: R.00-02-004

Media Contact: Terrie Prosper, 415.703.1366, news@cpuc.ca.gov

PUC SETS PROTECTION RULES FOR CONSUMERS THROUGH TELECOMMUNICATIONS BILL OF RIGHTS

SAN FRANCISCO, May 27, 2004 – The California Public Utilities Commission (PUC) today approved telecommunications consumer protection rules governing telephone and wireless marketing and sales practices.

“These are landmark rules for California and ensure that telecommunications consumers are afforded basic rights when dealing with telecommunications companies,” said Commissioner Geoffrey F. Brown, sponsor of the Bill of Rights. “This was a long and arduous process as we tried to take into consideration concerns from the industry while balancing the needs of consumers. What I would consider fundamental, non-controversial rights of consumers, even such as having a due date printed on their bills or to credit a payment on the business day received, required negotiation with the industry. But I believe we have provided consumers with needed protections, while not overburdening the industry.”

The rules approved today apply to all forms of telecommunications service: local and long-distance, wireline and wireless, and prepaid phone cards and services and include the following.

- **Carrier Disclosure:** Service agreements or contracts may not incorporate other information by reference, except for (1) terms and conditions from PUC-approved tariffs, (2) information contained in referenced material (e.g., brochures) written in a minimum of 10-point type that is provided simultaneously with the service agreement or contract, and (3) information that is used with formulae identified in the agreement or contract in order to calculate the applicable rate or charge. In each case, reference to specific terms and conditions is permitted provided that the specific document (tariff section or other publication) containing such terms and conditions is cited in the service agreement or contract, an Internet web site address where the specific

document can be found is provided, and printed copies of the referenced document are available on request at no charge. If the formulae are used to establish a rate in a term contract, that rate must not change during the duration of the contract. In addition, carriers must:

- Post their current tariffs, any pending changes to those tariffs, and key rates, terms and conditions on the Internet. Service offerings for which there are current customers, but which are no longer available to others, must be clearly indicated as such.
 - Provide the address and toll-free telephone number of the PUC's Consumer Affairs Branch and a toll-free number and address for the carrier that the consumer can call or write to reach the carrier regarding inquiries, disputes, and complaints related to the bill or to any other aspect of the customers' service (in addition to third-party contact information for any charges the carrier has placed on the bill on behalf of any other entity).
 - Provide a description of customers' privacy rights and how the carrier handles confidential consumer information and information regarding state and federal laws that protect the privacy rights of residential telephone consumers with respect to telephone solicitations.
- **Marketing Practices:** Any solicitation offer by a carrier that is deceptive, untrue, or misleading is prohibited. Statements, in any form, about rates and services that are deceptive, untrue, or misleading are prohibited. Any written authorization for service must be a separate document from any solicitation materials, and such written authorization may not constitute entry forms for sweepstakes, contests, or any other program that offers prizes or gifts. All terms of any written confirmation, authorization, order, agreement, or contract must be unambiguous and legible, and written in a minimum of 10-point type.
 - **Service Initiation and Changes:** Carriers must provide their consumers with a written confirmation of their order at the point of sale for in person transactions. For any other transactions, not later than seven days after it is accepted, or seven days after the carrier providing the service is notified of the order originated through another carrier. The confirmation must be in a minimum of 10-point type and must

include the key rates, terms and conditions for each service ordered. In addition, carriers must:

- Allow consumers to cancel without termination fees or penalties any new tariffed service or any new contract for service within 30 days after the new service is initiated. This does not relieve a consumer from payment for per use and normal recurring charges applicable to the service incurred before canceling, or for the reasonable cost of work done on the customer's premises (such as wiring or equipment installation) before the consumer canceled.
- Offer a four-hour or shorter period for appointments to establish or repair service that the consumer must be present for. If the installation or repair is not commenced within that period, the carrier must provide a \$25 minimum credit to the consumer unless the appointment was missed because (1) the carrier was denied access to the premises, (2) force majeure, or (3) the carrier cancelled or rescheduled the appointment no later than 5 p.m. two business days prior to the appointment.
- **Billing:** Bills must be clearly organized and may only contain charges for products and services authorized by the consumer. Where charges for two or more carriers appear on the same telephone bill, the charges must be separated by service provider. This rule does not apply to wireless roaming charges. All mandated government taxes, surcharges, and fees required to be collected from consumers and to be remitted to federal, state, or local governments must be listed in a separate section of the telephone bill entitled "Government Fees and Taxes," and all such charges must be separately itemized. This section of the bill must not include any charges for which the carrier is not required to remit to the government the entire amount collected from customers. Carriers must not label or describe non-government fees or charges in a way that could mislead consumers to believe those charges are remitted to the government.
- **Late-Payment Penalties, Backbilling, and Prorating:** Carriers must credit payments effective the business day payments are received by the carrier or its agent. The date after which a bill is considered overdue and delinquent, and after which late charges may accrue, must not be earlier than 22 days after the date the bill was mailed. Any authorized late-payment penalty may not exceed 1.5 percent per month

on the balance overdue. Bills must be based on the rates in effect at the time the service was used. A bill must not include any previously unbilled charge for intrastate service used prior to three months immediately preceding the date of the bill, four months in the case of wireless roaming charges on a system other than the customer's home system, and five months for collect, third-party, and calling card calls. Any delays or lags in billing must not result in a higher total charge (other than for taxes, and surcharges and fees that are based on a percentage of the bill) than if the usage had been posted to the account in the same billing cycle in which the service was used.

- **Tariff Changes, Contract Changes, Transfers, Withdrawals and Notices:**
Carriers must notify all affected consumers at least 25 days in advance of every proposed change in its consumers' service agreements or non-term contracts that may result in higher rates or charges or more restrictive terms or conditions. No carrier-initiated change in a term contract that may result in more restrictive terms or conditions is enforceable unless the change is otherwise allowed by applicable law and the change is also communicated to the consumer in a written notice 25 days prior to the change taking effect, and the consumer is provided 30 days to opt-out of the contract without a penalty.

Carriers must implement these new rules within six months, with the exception of bill programming-related rules, which must be implemented within 14 months.

For more information on the PUC and to view the complete Bill of Rights, please visit www.cpuc.ca.gov.

###