

SENATE BILL REPORT

SB 5893

As Reported By Senate Committee On:
Energy, Technology & Telecommunications, March 2, 1999

Title: An act relating to business address disclosure in telephone directories.

Brief Description: Requiring the disclosure of the physical address of a business advertising in a telephone directory.

Sponsors: Senators Haugen, Sellar, Spanel, McCaslin, Prentice, Loveland, Winsley and Oke.

Brief History:

Committee Activity: Energy, Technology & Telecommunications: 2/25/99, 3/2/99 [DPS].

SENATE COMMITTEE ON ENERGY, TECHNOLOGY & TELECOMMUNICATIONS

Majority Report: That Substitute Senate Bill No. 5893 be substituted therefor, and the substitute bill do pass.

Signed by Senators Brown, Chair; Goings, Vice Chair; Fairley, Fraser, Hochstatter, Roach and Rossi.

Staff: Karen Kirkpatrick (786-7403)

Background: An increasing number of businesses around the nation are beginning to emerge which give customers the false impression that they are located in a particular geographic area. They do so by using the town or city name in their local telephone business listing and relying on "800" numbers or call-forwarding to forward the calls to an out-of-state location.

It has been suggested that such misleading advertising and business practices have resulted in unnecessary overcharges, dissatisfied consumers, and injury to businesses actually existing and operating in the local communities.

Three states have passed legislation, and six others have legislation pending, making it illegal to misrepresent the geographic origin or location of the business or use misleading city or town names in advertising.

Summary of Substitute Bill: It is the intent of the Legislature to prohibit deceptive advertising in the retail delivery of cut flower arrangements.

It is a violation of the Consumer Protection Act for any person engaged in the business of retail delivery of cut flower arrangements to misrepresent the geographic location of the business in a telephone directory by listing a local telephone number or using a fictitious or assumed business name that includes a local geographic identification. Local telephone listings and business names using local geographical identification are permitted if a business

is located within the local calling area covered by the telephone directory or if disclosure is made of where the business is actually located.

Definitions are added. Other clarifying and technical changes are made.

Substitute Bill Compared to Original Bill: The substitute bill makes the misrepresentation of geographic location by a business engaging in the retail delivery of cut flowers a violation of the Consumer Protection Act and regulates the matter as a miscellaneous business regulation. The original bill required any businesses to identify its primary business address in a telephone listing and was regulated under the authority of the Utilities and Transportation Commission.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Local florists are concerned about out-of-state operations that place local advertisements or listings in phone books and take local orders, keep a percentage of the money, and send the order back to a local company with an actual local physical presence for actual delivery. This practice is hurting small local businesses that provide good jobs.

Testimony Against: When there is overflow at a customer service call center, companies often send the overflow calls to another call center that may be out of the region. Companies may also use a local number to establish a local presence or for the convenience of customers in the area. Modern technology allows people to locate anywhere, and people can still ask where it is that they are calling.

Testified: Senator Haugen, prime sponsor (pro); Bruce Shaull, Sprint (con); Gary Gardner, Boeing Employees Credit Union, WA Assn. of ISP (con); Gary Smith, Independent Business Assn.