

HOUSE BILL REPORT

SSB 5518

*As Passed House
April 10, 1991*

Title: An act relating to telephone information delivery services.

Brief Description: Regulating pay-per-call services.

Sponsor(s): Senate Committee on Energy & Utilities (originally sponsored by Senators Thorsness, Sutherland, Patterson, Jesernig, Stratton and Roach; by request of Attorney General).

Brief History:

Reported by House Committee on:
Energy & Utilities, April 2, 1991, DPA;
Passed House, April 10, 1991, 94-3.

**HOUSE COMMITTEE ON
ENERGY & UTILITIES**

Majority Report: *Do pass as amended.* Signed by 9 members: Representatives Grant, Chair; H. Myers, Vice Chair; May, Ranking Minority Member; Hochstatter, Assistant Ranking Minority Member; Bray; Casada; Cooper; Jacobsen; and Rayburn.

Minority Report: *Do not pass.* Signed by 2 members: Representatives R. Fisher; and Miller.

Staff: Harry Reinert (786-7110).

Background: A wide variety of information is available to telephone customers through pay-per-call telephone services. The services often use a dedicated prefix such as "900" followed by a seven-digit telephone number. These services include weather reports, road conditions, crossword puzzle answers, instant polls, and discussion lines. The services may charge for the services either on a per-call basis or on a per-minute basis.

Summary of Bill: A pay-per-call information service doing business in Washington must include a preamble in program messages if the information program costs more than \$5 per minute or has a potential cost of over \$10. The preamble must include an accurate description of the service

provided, the price of the call including any per minute charge, any flat rate charge, or any minimum charge, and a statement that billing for the call will begin after the preamble.

The information provider may allow a caller who has made use of the service in the past to bypass the preamble if the cost of the call has not changed during the preceding 30 days.

Advertisements for information services must clearly state the price of the service. In advertising broadcasts on television or contained in videos or movies, the price must be adjacent to the telephone number and must be the same size as the telephone number. In printed materials, the price must be displayed adjacent to the telephone number. The price disclosure must include any per minute charge, any flat rate charge, and any minimum charge.

Information services directed at children under 12 years old are subject to restrictions. Services may not include interactive calls where children can speak to each other or are asked their names, addresses or other identifying information. Advertising for services directed at children under the age of 12 must contain an accurate description of the service offered and indicate that children must obtain parental consent before placing a call to an advertised number. Messages that encourage children to make an increasing number of calls and programs that employ an electronic tone signal that automatically dials the number for the program message are prohibited.

In a proceeding for non-payment of charges for information services, it is a defense if the information provider failed to adhere to the preamble disclosure requirements, the advertising requirements, or the requirements related to directing information programming at children under 12.

In an action for damages caused by a violation of the advertising and disclosure requirements, the court may award the greater of three times the actual damages or \$500, in addition to other relevant costs.

Fiscal Note: Available.

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

Testimony For: There are some pay-per-call providers who impose unfair charges and engage in unfair practices. This bill will assure that a caller to a pay-per-call service

knows what the service is and what the cost will be before the person is charged for the call.

Testimony Against: None.

Witnesses: Senator Thorsness (pro); Paula Selis, Attorney General's Office (pro); and Joe Daniels, Direct Marketing Association (pro).