

Department of Legislative Services

Maryland General Assembly

2002 Session

FISCAL NOTE

House Bill 61

(Delegate Stern)

Environmental Matters

Interexchange Telecommunications Carriers - Customer Rights

This bill provides that: (1) a customer of an interexchange telecommunications carrier has standing to bring suit against the carrier in a State court; and (2) an interexchange telecommunications carrier must give adequate written notice to its customers before raising its rates.

Fiscal Summary

State Effect: The bill's changes could be handled with the existing budgeted resources of the Judiciary and the Public Service Commission (PSC).

Local Effect: None -- see above.

Small Business Effect: Minimal.

Analysis

Bill Summary: The bill provides that, notwithstanding any contractual provision to the contrary, a customer of an interexchange telecommunications carrier has standing to bring suit against the carrier in any State court of appropriate jurisdiction. An "interexchange telecommunications carrier" is a person that provides intrastate interexchange telecommunications services, as a public service company, telephone company, or otherwise.

The bill excludes an interexchange telecommunications carrier from the tariff schedule filing requirements applicable to a "public service company." Under the bill, before an

interexchange telecommunications carrier may increase its price or change the terms or conditions of its service so that its price increases, the bill requires the carrier to: (1) file a tariff schedule with PSC that identifies the new price or the change in terms or conditions; and (2) provide prior adequate written notice to each customer. A customer who has not received the required notice is not required to pay the increased rate and is entitled to a refund of any increase already paid to the carrier. PSC is required to adopt regulations to implement the bill's rate and notice provisions.

Current Law: Unless otherwise ordered by PSC, a public service company may not establish a new rate or change in rate unless the company: (1) notifies PSC of the new rate or change in rates at least 30 days before the change occurs; and (2) publishes the new rate or change during the notice period in new schedules or plainly indicated amendments to existing schedules. A "public service company" must file a tariff schedule of its rates and charges for regulated and standard offer services with PSC. A public service company is a common carrier company, electric company, gas company, telegraph or telephone company, water or sewage disposal company, or any combination of public service companies. Generally, a contract requiring that disputes be settled through arbitration, rather than through the courts, has been held to be enforceable.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Judiciary (Administrative Office of the Courts), Public Service Commission, Office of People's Counsel, Department of Legislative Services

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