
By: **Delegates Bobo, Frush, Hubbard, and Stern**
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Assigned to: Environmental Matters

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 26, 1999

CHAPTER _____

1 AN ACT concerning

2 **Telephones - Change in Telecommunications ~~Service Provider~~ Services**

3 FOR the purpose of prohibiting certain ~~telecommunications service providers from~~
4 ~~transferring a customer's account to another telecommunications service~~
5 ~~provider unless certain information is obtained from the customer by the~~
6 ~~telecommunications service provider to whom the customer's account is to be~~
7 ~~transferred~~ telephone companies or resellers from changing, on behalf of a
8 customer, the customer's telephone company or reseller or telecommunications
9 service options unless the telephone company or reseller complies with certain
10 authorization and confirmation procedures; requiring ~~to~~ resellers to register
11 each year on a certain form with the Public Service Commission; ~~providing~~
12 ~~certain penalties~~ providing for the application of this Act; imposing certain
13 liabilities on a telephone company or reseller that initiates an unauthorized
14 change in a customer's telephone company or reseller that provides toll services
15 or a customer's telecommunications service options; requiring a telephone
16 company or reseller to provide in a certain manner a certain notice to a customer
17 informing the customer that certain changes have been made to the customer's
18 telephone company or reseller or telecommunications service options under
19 certain circumstances; authorizing the Commission to take certain actions
20 against a telephone company or reseller for certain violations; authorizing the
21 Commission to adopt certain regulations; authorizing the Commission to assess
22 a certain administrative penalty on a telephone company or reseller that
23 violates this Act under certain circumstances; defining certain terms; and
24 generally relating to changes in telecommunications ~~service providers~~ services.

25 BY adding to
26 Article - Public Utility Companies
27 Section 8-401 through ~~8-404~~ 8-410, inclusive, to be under the new subtitle

1 "Subtitle 4. Change in Telecommunications ~~Service Provider~~ Services"
2 Annotated Code of Maryland
3 (1998 Volume)

4 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
5 MARYLAND, That the Laws of Maryland read as follows:

6 **Article - Public Utility Companies**

7 SUBTITLE 4. CHANGE IN TELECOMMUNICATIONS ~~SERVICE PROVIDER~~ SERVICES.

8 8-401.

9 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
10 INDICATED.

11 (B) "~~TOLL~~ RESELLER" MEANS A PERSON WHO PROVIDES TOLL SERVICES OR
12 TELECOMMUNICATIONS SERVICES TO END-USE CUSTOMERS BY USING THE
13 TRANSMISSION FACILITIES OF ANOTHER PERSON, INCLUDING WIRE, CABLE,
14 OPTICAL FIBER, OR SATELLITE OR TERRESTRIAL RADIO SIGNALS, REGARDLESS OF
15 WHETHER THE ~~TOLL~~ RESELLER POSSESSES ITS OWN SWITCHING FACILITIES.

16 (C) "TELECOMMUNICATIONS SERVICE" MEANS ANY SERVICE OR PRODUCT
17 PROVIDED BY A TELEPHONE COMPANY OR RESELLER THAT IS SUPPLIED BY WAY OF
18 TRANSMISSION OVER TELEPHONE LINES.

19 ~~(C)~~ (D) "TOLL SERVICE" MEANS A TYPE OF TELECOMMUNICATIONS SERVICE,
20 COMMONLY KNOWN AS LONG DISTANCE SERVICE, THAT IS PROVIDED ON AN
21 INTRASTATE BASIS BETWEEN LATAS AND WITHIN LATAS AND THAT IS:

22 (1) NOT INCLUDED AS A PART OF BASIC LOCAL EXCHANGE SERVICE;
23 AND

24 (2) PROVIDED BETWEEN LOCAL CALLING AREAS.

25 8-402.

26 (A) THIS SUBTITLE APPLIES TO A TELEPHONE COMPANY OR A RESELLER
27 THAT PROVIDES INTRASTATE INTERLATA, INTRALATA, OR LOCAL EXCHANGE
28 CARRIER TELECOMMUNICATIONS SERVICES.

29 (B) AN ACT OF A PERSON THAT IS ACTING AS AN AGENT OR REPRESENTATIVE
30 OF A TELEPHONE COMPANY OR A RESELLER IS DEEMED TO BE AN ACT OF THE
31 TELEPHONE COMPANY OR THE RESELLER UNDER THIS SUBTITLE.

32 8-403.

33 UNLESS A TELEPHONE COMPANY OR RESELLER COMPLIES WITH THE
34 AUTHORIZATION AND CONFIRMATION PROCEDURES ADOPTED BY THE COMMISSION
35 AND BY FEDERAL LAW AND REGULATION, THE TELEPHONE COMPANY OR RESELLER

1 MAY NOT, ON BEHALF OF A CUSTOMER, CHANGE, OR DIRECT ANOTHER TELEPHONE
2 COMPANY OR RESELLER TO CHANGE THE CUSTOMER'S:

3 (1) TELEPHONE COMPANY OR RESELLER; OR

4 (2) TELECOMMUNICATIONS SERVICES FOR WHICH THE CUSTOMER HAS
5 THE ABILITY TO SUBSCRIBE TO OR SELECT FROM MORE THAN ONE TELEPHONE
6 COMPANY OR RESELLER.

7 ~~8-402; 8-404.~~

8 (A) ON OR BEFORE JANUARY 1 OF EACH YEAR, EACH ~~TOLL~~ RESELLER THAT
9 PROVIDES TOLL SERVICES IN THE STATE SHALL REGISTER WITH THE COMMISSION
10 ON A FORM DEVELOPED BY THE COMMISSION.

11 (B) THE REGISTRATION SHALL INCLUDE:

12 (1) THE ~~TOLL~~ RESELLER'S NAME AND COMPLETE ADDRESS;

13 (2) ALL NAMES UNDER WHICH THE ~~TOLL~~ RESELLER DOES BUSINESS;

14 (3) ALL NAMES AND IDENTIFICATION NUMBERS UNDER WHICH THE
15 ~~TOLL~~ RESELLER HAS REGISTERED WITH THE APPROPRIATE STATE AGENCY;

16 (4) THE NAME, TITLE, ADDRESS, AND TELEPHONE NUMBER OF AN
17 AUTHORIZED REPRESENTATIVE TO WHOM THE COMMISSION MAY MAKE INQUIRIES;

18 (5) A TOLL-FREE TELEPHONE NUMBER TO WHICH CONSUMER
19 INQUIRIES OR COMPLAINTS MAY BE MADE; AND

20 (6) ANY ADDITIONAL INFORMATION REQUIRED BY THE COMMISSION.

21 (C) EACH ~~TOLL~~ RESELLER SHALL NOTIFY THE COMMISSION OF ANY CHANGE
22 IN THE INFORMATION PROVIDED IN THE REGISTRATION BEFORE THE CHANGE IS TO
23 TAKE EFFECT.

24 ~~8-403; 8-405.~~

25 ~~A TELECOMMUNICATIONS SERVICE PROVIDER WHO INITIATES AN~~
26 ~~UNAUTHORIZED CHANGE IN A CUSTOMER'S TELECOMMUNICATIONS SERVICE~~
27 ~~PROVIDER IN VIOLATION OF THIS SUBTITLE IS LIABLE:~~

28 (A) THIS SECTION APPLIES TO A TELEPHONE COMPANY THAT INITIATES AN
29 UNAUTHORIZED CHANGE IN VIOLATION OF THIS SUBTITLE IN A CUSTOMER'S:

30 (1) TELEPHONE COMPANY;

31 (2) RESELLER THAT PROVIDES TOLL SERVICES; OR

32 (3) OPTIONS.

1 (B) A TELEPHONE COMPANY OR RESELLER THAT IS SUBJECT TO THIS
2 SECTION IS LIABLE:

3 (1) TO THE CUSTOMER, THE CUSTOMER'S PREVIOUSLY SELECTED
4 ~~TELECOMMUNICATIONS SERVICE PROVIDER~~ TELEPHONE COMPANY OR RESELLER,
5 OR BOTH, AS DETERMINED BY THE COMMISSION, FOR ALL INTRASTATE LONG
6 DISTANCE CHARGES, INTERSTATE LONG DISTANCE CHARGES, LOCAL EXCHANGE
7 SERVICE CHARGES, PROVIDER SWITCHING FEES, THE VALUE OF ANY PREMIUMS TO
8 WHICH THE CUSTOMER WOULD HAVE BEEN ENTITLED, AND OTHER RELEVANT
9 CHARGES INCURRED BY THE CUSTOMER IN THE FIRST ~~90~~ 30 DAYS OF THE
10 UNAUTHORIZED CHANGE; AND

11 (2) TO THE CUSTOMER'S LOCAL EXCHANGE PROVIDER FOR THE
12 CHANGE FEES FOR THE UNAUTHORIZED CHANGE AND REINSTATING THE CUSTOMER
13 TO THE ORIGINAL ~~TELECOMMUNICATIONS SERVICE PROVIDER~~ TELEPHONE
14 COMPANY OR RESELLER.

15 8-406.

16 (A) WHEN A CUSTOMER OR A TELEPHONE COMPANY OR RESELLER
17 PROVIDING A NEW TELECOMMUNICATIONS SERVICE ON BEHALF OF THE CUSTOMER
18 MAKES A CHANGE IN THE CUSTOMER'S TELEPHONE COMPANY OR RESELLER, THE
19 TELEPHONE COMPANY OR RESELLER PROVIDING THE NEW TELECOMMUNICATIONS
20 SERVICE SHALL PROVIDE A CONSPICUOUS NOTICE TO THE CUSTOMER, IN
21 ACCORDANCE WITH THE PROVISIONS OF SUBSECTION (C) OF THIS SECTION,
22 INFORMING THE CUSTOMER THAT THE CHANGE WAS MADE.

23 (B) WHEN A CUSTOMER OR A TELEPHONE COMPANY OR RESELLER ON
24 BEHALF OF THE CUSTOMER MAKES A CHANGE IN A CUSTOMER'S SELECTION OF A
25 TELECOMMUNICATIONS SERVICE OPTION FOR WHICH THE TELEPHONE COMPANY
26 OR RESELLER IMPOSES A CHARGE, THE TELEPHONE COMPANY OR RESELLER OF THE
27 TELECOMMUNICATIONS SERVICE OPTION SHALL PROVIDE A CONSPICUOUS NOTICE
28 TO THE CUSTOMER, IN ACCORDANCE WITH THE PROVISIONS OF SUBSECTION (C) OF
29 THIS SECTION, INFORMING THE CUSTOMER THAT THE CHANGE WAS MADE.

30 (C) THE TELEPHONE COMPANY OR RESELLER MAKING THE CHANGE OF
31 TELEPHONE COMPANY OR RESELLER OR TELECOMMUNICATIONS SERVICE OPTIONS
32 UNDER THIS SECTION SHALL PROVIDE THE CONSPICUOUS NOTICE TO THE
33 CUSTOMER BY:

34 (1) INSERTING THE NOTICE ON OR WITH THE CUSTOMER'S FIRST BILL
35 FOR WHICH THE CHANGE IS EFFECTIVE; OR

36 (2) SENDING A SEPARATE NOTICE TO THE CUSTOMER WITHIN 10 DAYS
37 AFTER THE CHANGE TAKES EFFECT.

1 ~~8-404.~~ 8-407.

2 (A) THE COMMISSION MAY ADOPT REGULATIONS NECESSARY TO CARRY OUT
3 THE PROVISIONS OF THIS SUBTITLE: CONSISTENT WITH FEDERAL LAW AND
4 REGULATIONS.

5 (B) THE REGULATIONS MAY INCLUDE:

6 (1) PROCEDURES FOR A CUSTOMER TO AUTHORIZE AND CONFIRM A
7 CHANGE IN A TELEPHONE COMPANY OR RESELLER MADE BY ANOTHER TELEPHONE
8 COMPANY OR RESELLER ON BEHALF OF THE CUSTOMER;

9 (2) PROCEDURES FOR A CUSTOMER TO AUTHORIZE AND CONFIRM A
10 CHANGE IN TELECOMMUNICATIONS SERVICE OPTIONS MADE BY ANOTHER
11 TELEPHONE COMPANY OR RESELLER ON BEHALF OF THE CUSTOMER;

12 (3) PROVISIONS FOR THE DISCLOSURE TO THE CUSTOMER OF THE
13 TERMS OF THE SERVICES OFFERED BY A TELEPHONE COMPANY OR RESELLER;

14 (4) METHODS OF ENFORCEMENT BY THE COMMISSION; AND

15 (5) OTHER PROVISIONS, NOT INCONSISTENT WITH FEDERAL LAW, THAT
16 THE COMMISSION CONSIDERS NECESSARY TO IMPLEMENT THIS SUBTITLE.

17 ~~8-408.~~

18 A TELEPHONE COMPANY OR RESELLER MAY NOT FAIL TO COMPLY OR NEGLECT
19 TO COMPLY WITH THIS SUBTITLE OR WITH A REGULATION ADOPTED UNDER THIS
20 SUBTITLE.

21 ~~8-409.~~

22 ~~(B)~~ FOR THE PURPOSE OF ENFORCING ~~§ 8-402 OF~~ THE PROVISIONS OF THIS
23 SUBTITLE, THE COMMISSION MAY:

24 (1) EXERCISE ANY OF THE POWERS CONFERRED UNDER THIS ARTICLE
25 AGAINST A ~~TOLL~~ RESELLER OR TELEPHONE COMPANY; AND

26 (2) IN CASE OF A COMPLAINT FILED AGAINST A ~~TOLL~~ RESELLER OR
27 TELEPHONE COMPANY, ORDER THE ~~TOLL~~ RESELLER OR TELEPHONE COMPANY TO
28 MAKE REPARATIONS TO THE COMPLAINING PARTY.

29 ~~8-410.~~

30 (A) IN ADDITION TO ANY OTHER AVAILABLE PENALTY, AND AFTER AN
31 OPPORTUNITY FOR A HEARING, THE COMMISSION MAY ASSESS AN ADMINISTRATIVE
32 PENALTY DIRECTLY ON A TELEPHONE COMPANY OR RESELLER THAT VIOLATES, AS
33 TO CHANGES TO A CUSTOMER'S TELEPHONE COMPANY OR RESELLER OR
34 TELECOMMUNICATIONS SERVICE OPTIONS, THE PROVISIONS OF:

35 (1) THIS SUBTITLE;

1 (2) A REGULATION ADOPTED UNDER THIS SUBTITLE; OR

2 (3) FEDERAL LAW OR REGULATIONS.

3 (B) THE ADMINISTRATIVE PENALTY ASSESSED UNDER THIS SECTION MAY
4 NOT EXCEED \$1,000 FOR EACH VIOLATION ASSOCIATED WITH A SPECIFIC ACCESS
5 LINE WITHIN THE STATE.

6 (C) IN ASSESSING AN ADMINISTRATIVE PENALTY UNDER THIS SECTION, THE
7 COMMISSION SHALL CONSIDER:

8 (1) THE NATURE, CIRCUMSTANCES, EXTENT, GRAVITY, AND NUMBER OF
9 VIOLATIONS WITHIN EACH VIOLATION FOR WHICH AN ADMINISTRATIVE PENALTY
10 MAY BE ASSESSED;

11 (2) THE DEGREE OF CULPABILITY OF THE VIOLATOR;

12 (3) PRIOR OFFENSES AND REPEATED VIOLATIONS OF THE VIOLATOR;
13 AND

14 (4) ANY OTHER MATTER THAT THE COMMISSION CONSIDERS
15 APPROPRIATE AND RELEVANT.

16 (D) AN ADMINISTRATIVE PENALTY COLLECTED UNDER THIS SECTION SHALL
17 BE PAID INTO THE GENERAL FUND OF THE STATE.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
19 October 1, 1999.