Department of Legislative Services

Maryland General Assembly
1999 Session

FISCAL NOTE
Revised

Senate Bill 299 (Senators Miller and Teitelbaum)
Finance

Telephones - Changes in Telecommunications Service

This bill addresses the practice of "slamming," "cramming," and "jamming." The bill prohibits a telephone company or reseller from changing or directing another telephone company or reseller to change a customer's telephone company or telecommunications service or billing arrangement unless the company or reseller complies with the authorization and confirmation procedures adopted by the Public Service Commission (PSC) and by federal law and regulations.

A telephone company or reseller that initiates an unauthorized change in a customer's telephone company, reseller, options, or billing arrangement in violation of this bill is liable to (1) the customer and/or the customer's previously selected telephone company or reseller for all intrastate long distance charges, interstate long distance charges, local service charges, provider switching fees, the value of any premiums to which the customer would have been entitled, and other relevant charges incurred by the customer in the first 30 days of the unauthorized charge; and (2) the customer's local exchange provider for the change fees for the unauthorized change and reinstating the customer to the original telephone company or reseller.

The bill provides that if a change in provider, service, or billing arrangement occurs, a telephone company or reseller must provide a conspicuous notice to the customer informing the customer that a change was made. The PSC may require a telephone company or reseller to offer a hold order or freeze, under which a customer may direct the company not to make any change in service, provider, service option, or billing arrangement without express authorization from the customer. The PSC is also authorized to adopt regulations necessary to carry out the bill's provisions that are consistent with federal law and to assess an administrative penalty not to exceed $1,000 for each violation associated with a specific access line in Maryland on a telephone company or reseller that violates the bill's provisions.

Fiscal Summary

State Effect: Minimal increase in general fund revenue resulting from administrative penalties imposed by the PSC on the telephone companies and resellers. Any additional workload by the PSC could be handled with existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Information Source: Public Service Commission

Fiscal Note History:	First Reader - February 11, 1999
ncs/jr	Revised - Senate Third Reader - March 24, 1999
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