

106TH CONGRESS  
2D SESSION

# H. R. 5619

To require the Federal Communications Commission and the Federal Trade Commission to prevent fraudulent and misleading advertising by carriers providing “dial-around” long distance services.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 1, 2000

Mrs. LOWEY (for herself, Mr. BROWN of Ohio, Ms. MCKINNEY, Mr. KILDEE, and Mr. RANGEL) introduced the following bill; which was referred to the Committee on Commerce

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## A BILL

To require the Federal Communications Commission and the Federal Trade Commission to prevent fraudulent and misleading advertising by carriers providing “dial-around” long distance services.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Save Consumers Ag-  
5 gravation and Money Act of 2000”.

1 **SEC. 2. RATE DISCLOSURES BY PROVIDERS OF DIAL-**  
2 **AROUND SERVICES.**

3 Title II of the Communications Act of 1934 is  
4 amended by inserting after section 231 (47 U.S.C. 231)  
5 the following new section:

6 **“SEC. 232. RATE DISCLOSURES BY PROVIDERS OF DIAL-**  
7 **AROUND SERVICES.**

8 “(a) DEFINITIONS.—As used in this section:

9 “(1) DIAL-AROUND SERVICES.—The term ‘dial-  
10 around services’ means a product or service by which  
11 a person may use a seven-digit code to bypass such  
12 person’s preferred interstate carrier to gain access to  
13 the telecommunications services of another carrier.

14 “(2) CONSUMER.—The term ‘consumer’ means  
15 a person initiating any interstate telephone call  
16 using a seven-digit code to obtain dial-around serv-  
17 ices.

18 “(3) PREFERRED INTERSTATE CARRIER.—The  
19 term ‘preferred interstate carrier’ means the carrier  
20 that provides interstate service to a consumer on a  
21 prescribed basis.

22 “(4) PRESUBSCRIBED BASIS.—The term  
23 ‘presubscribed basis’ means the selection of a com-  
24 mon carrier to carry all interstate calls initiated by  
25 dialing ‘1’ or ‘0’ plus the area code, plus the termi-  
26 nating telephone number, or by dialing ‘011’ or ‘00’.

1           “(5) PROVIDER OF DIAL-AROUND SERVICES.—

2           The term ‘provider of dial-around services’ means  
3           any common carrier that provides interexchange  
4           services, or any other person determined by the  
5           Commission to be providing interexchange services,  
6           through the use of a dial-around code.

7           “(b) REQUIREMENTS FOR PROVIDERS.—Beginning  
8           not later than 90 days after the date of enactment of this  
9           section, each provider of dial-around services shall, at a  
10          minimum—

11           “(1) identify itself, audibly and distinctly, to  
12           the consumer at the beginning of each telephone call  
13           and before the consumer incurs any charge for the  
14           call;

15           “(2) disclose immediately to the consumer,  
16           upon request and at no charge to the consumer—

17           “(A) a quote of its rates or charges for the  
18           call;

19           “(B) the methods by which such rates or  
20           charges will be collected; and

21           “(C) the methods by which complaints con-  
22           cerning such rates, charges, or collection prac-  
23           tices will be resolved; and

24           “(3) permit the consumer to terminate the tele-  
25           phone call at no charge before the call is connected.

1 “(c) GENERAL RULEMAKING REQUIRED.—

2 “(1) RULEMAKING PROCEEDING.—The Com-  
3 mission shall conduct a rulemaking proceeding pur-  
4 suant to this section and section 201(b) to prescribe  
5 regulations to—

6 “(A) protect consumers from unfair and  
7 deceptive practices relating to their use of dial-  
8 around services to place interstate telephone  
9 calls; and

10 “(B) ensure that consumers have the infor-  
11 mation necessary to make informed choices in  
12 making such calls.

13 “(2) CONTENTS OF REGULATIONS.—The regu-  
14 lations prescribed under this section shall—

15 “(A) contain provisions to implement each  
16 of the requirements of this section; and

17 “(B) contain such other provisions as the  
18 Commission determines necessary to carry out  
19 this section and section 201(b) and the pur-  
20 poses and policies of this section and section  
21 201(b).

22 “(d) STATUTORY CONSTRUCTION.—Nothing in this  
23 section shall be construed to alter the obligations, powers,  
24 or duties of common carriers or the Commission under  
25 section 201(b) on the other sections of this Act.”.

1 **SEC. 3. PREVENTION OF FRAUDULENT ADVERTISING OF**  
2 **DIAL-AROUND SERVICES.**

3 (a) AMENDMENT.—Section 201 of the Telephone  
4 Consumer Protection Act of 1991 (15 U.S.C. 5711) is  
5 amended—

6 (1) by redesignating subsections (b) and (c) as  
7 subsections (c) and (d), respectively; and

8 (2) by inserting after subsection (a) the fol-  
9 lowing new subsection:

10 “(b) DIAL-AROUND SERVICES ADVERTISING.—

11 “(1) ADVERTISING REGULATIONS.—The Com-  
12 mission shall prescribe rules in accordance with this  
13 subsection to prohibit unfair and deceptive acts and  
14 practices in any advertisement for dial-around serv-  
15 ices. Such rules shall require that the person offer-  
16 ing such dial-around services—

17 “(A) clearly and conspicuously disclose in  
18 any advertising the cost of the use of such dial-  
19 around services, including the total cost or the  
20 cost per minute and any other fees for that  
21 service and for any other dial-around service to  
22 which the caller may be transferred;

23 “(B) be prohibited from using advertise-  
24 ments that emit electronic tones which can  
25 automatically dial a dial-around telephone num-  
26 ber;

1           “(C) ensure that, whenever the dial-around  
2           code number to be called is shown in television  
3           and print media advertisements, the charges for  
4           dial-around services are clear and conspicuous  
5           and (when shown in television advertisements)  
6           displayed for the same duration as that number  
7           is displayed; and

8           “(D) in delivering any telephone message  
9           soliciting calls to a dial-around service, specify  
10          clearly, and at no less than the audible volume  
11          of the solicitation, the total cost and the cost  
12          per minute and any other fees for that service  
13          and for any other dial-around service to which  
14          the caller may be transferred.

15          “(3) ACCESS TO INFORMATION.—The Commis-  
16          sion shall by rule require a common carrier that pro-  
17          vides telephone services to a provider of dial-around  
18          services to make available to the Commission any  
19          records and financial information maintained by  
20          such carrier relating to the arrangements (other  
21          than for the provision of local exchange service) be-  
22          tween such carrier and any provider of dial-around  
23          services.

24          “(4) EVASIONS.—The rules issued by the Com-  
25          mission under this section shall include provisions to

1 prohibit unfair or deceptive acts or practices that  
2 evade such rules or undermine the rights provided to  
3 customers under this title, including through the use  
4 of alternative billing or other procedures.

5 “(5) TREATMENT OF RULES.—A rule issued  
6 under this subsection shall be treated as a rule  
7 issued under section 18(a)(1)(B) of the Federal  
8 Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

9 “(6) EFFECT ON FCC.—Nothing in this section  
10 shall be construed to limit or otherwise alter the au-  
11 thority of the Federal Communications Commission  
12 under section 201(b), section 232, or any other pro-  
13 visions, of the Communications Act of 1934.”.

14 (b) CONFORMING AMENDMENTS.—

15 (1) DEADLINE FOR REGULATIONS.—Section  
16 201(c) of such Act (as redesignated by subsection  
17 (a)(1)) is amended by inserting after the first sen-  
18 tence the following: “The Commission shall prescribe  
19 the rules under subsection (b) within 270 days after  
20 the date of enactment of the Save Consumers Ag-  
21 gravation and Money Act of 2000.”.

22 (2) CROSS REFERENCES.—Sections 202, 203,  
23 and 204 of such Act are amended by striking “sec-  
24 tion 201(a)” each place it appears and inserting  
25 “subsection (a) or (b) of section 201”.

1           (3) **HEADING.**—The heading of section 201(a)  
2 is amended by striking “IN GENERAL” and inserting  
3 “PAY-PER-CALL SERVICES REGULATIONS”.

4           (4) **DEFINITION.**—Section 204 of such Act is  
5 amended by adding at the end the following new  
6 paragraph:

7           “(5) The term ‘dial-around services’ has the  
8 meaning provided in section 232(a) of the Commu-  
9 nications Act of 1934.”.

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