

AMENDED IN ASSEMBLY MAY 13, 2002

AMENDED IN ASSEMBLY APRIL 29, 2002

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2244**

**Introduced by Assembly Members Wayne and Correa**

*(Principal coauthor: Senator Figueroa)*

**(Coauthors: Assembly Members Cedillo, Chavez, Chu, Diaz,  
Koretz, and Salinas)**

*(Coauthors: Senators Ortiz and Romero)*

February 20, 2002

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An act to amend Section 17538.9 of the Business and Professions Code, relating to prepaid calling cards and services.

LEGISLATIVE COUNSEL'S DIGEST

AB 2244, as amended, Wayne. Prepaid calling cards and services.

Existing law regulates the sale of prepaid calling cards and services. Existing law requires a company that sells prepaid calling cards and services to make certain disclosures regarding fees and surcharges, and regulates the manner in which these fees are imposed.

This bill would add to the list of specified fees and charges that are ~~require~~ *required* to be disclosed and would impose additional restrictions on the manner in which these fees and charges are imposed.

Existing law requires a company that sells prepaid calling cards and services to maintain a toll-free customer service number.

This bill would impose additional requirements in operating and maintaining the company's customer service number.

*The bill would make other related changes.*

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 17538.9 of the Business and Professions  
2 Code is amended to read:  
3 17538.9. (a) For the purposes of this section:  
4 (1) “Company” refers to any entity providing prepaid calling  
5 services to the public using its own or a resold telecommunications  
6 network.  
7 (2) “Prepaid calling services” or “services” refers to any  
8 prepaid telecommunications service that allows consumers to  
9 originate calls through an access number and authorization code,  
10 whether manually or electronically dialed.  
11 (3) “Prepaid calling card” or “card” means any object  
12 containing an access number and authorization code that enables  
13 a consumer to use prepaid calling services. It does not include any  
14 object of that type used for promotional purposes.  
15 (4) “Cellular telephone services” means facilities-based,  
16 commercial mobile telephone services.  
17 (b) The following standards and requirements for consumer  
18 disclosure and services shall apply to the advertising and sale of  
19 prepaid calling cards and prepaid calling services:  
20 (1) Any advertisement of the price, rate, or unit value in  
21 connection with the sale of prepaid calling cards or services shall  
22 include a disclosure of any geographic limitation to the advertised  
23 price, rate, or unit value, as well as a disclosure of any additional  
24 surcharges, call setup charges, or fees or surcharges applicable to  
25 the advertised price, rate, or unit value.  
26 (2) The following information shall be legibly printed on the  
27 card:  
28 (A) The name of the company.  
29 (B) A toll-free customer service number.  
30 (C) A toll-free network access number, if required to access  
31 service.  
32 (D) The authorization code, if required to access service.  
33 (E) The expiration date or policy, if applicable, except where  
34 paragraph ~~(6)~~ (8) applies.



(3) The company shall print legibly on the card or packaging, ~~and the vendor shall make available in a prominent area at the point of sale of the prepaid calling card or prepaid calling services, the following information in both English and Spanish: and the~~ vendor shall make available clearly and conspicuously in a prominent area immediately proximate to the point of sale of the prepaid calling card or prepaid calling services the following information:

(A) Any surcharges, taxes, or fees, including monthly or other periodic fees, maintenance fees, per-call access or connection fees, surcharges for calls made on pay telephones, surcharges for international calls, or surcharges for the first minute or other period of use that may be applicable to the use of the prepaid calling card or prepaid calling services within the United States.

(B) Any additional or different prices, rates, or unit values applicable to international usage of the prepaid calling card or prepaid calling services.

(C) The minimum charge per call, such as a three-minute minimum charge, if any.

(D) The definition of the term “unit,” if applicable.

(E) The billing decrement.

(F) The name of the company.

(G) The recharge policy, if any.

(H) The refund policy, if any.

(I) The expiration policy, if any.

(J) The 24-hour customer service toll-free telephone number required in paragraph ~~(4)~~ (6).

(4) *If a language other than English is used on the card or packaging to provide dialing instructions to place a call or to contact customer service, the information required by paragraph (3) shall also be disclosed in that language in the point of sale disclosure in the manner described in paragraph (3).*

(5) *If a language other than English is used in the advertising or promotion of the card or prepaid calling services or is used on the card or packaging other than for dialing instructions, the information required by paragraph (3) shall also be disclosed in that language on the card or packaging and in the point of sale disclosure in the manner described in paragraph (3).*

1 (6) A company shall establish and maintain a toll-free customer  
2 service telephone number that shall meet the following  
3 requirements:

4 (A) A live operator shall answer incoming calls to the  
5 telephone number 24 hours a day, seven days a week.

6 (B) The telephone number shall have sufficient capacity and  
7 staffing to accommodate a reasonably anticipated number of calls  
8 without incurring a busy signal or undue wait.

9 (C) The telephone number shall allow consumers to lodge  
10 complaints and obtain information on all of the following:

11 (i) All rates, surcharges, and fees.

12 (ii) The company's recharge, refund, and expiration policies.

13 (iii) The balance of use available in the consumer's account, if  
14 applicable.

15 A company offering prepaid cellular telephone services shall be  
16 deemed to be in compliance with the requirements of this  
17 paragraph if, when a request for information is made outside of  
18 normal business hours, that company provides the information  
19 requested on the next business day.

20 ~~(5)~~

21 (7) A company that issues prepaid calling cards or prepaid  
22 calling services shall provide a refund to any purchaser of a  
23 prepaid calling card or prepaid calling services if the network  
24 services associated with that card or services fail to operate in a  
25 commercially reasonable manner. The refund shall be in an  
26 amount not less than the value remaining on the card or in the form  
27 of a replacement card, and shall be provided to the consumer  
28 within 60 days from the date of receipt of notification from the  
29 consumer that the card has failed to operate in a commercially  
30 reasonable manner.

31 ~~(6)~~

32 (8) Cards without a specific expiration date or policy printed on  
33 the card, and with a balance of service remaining, shall be  
34 considered active for a minimum of one year from the date of  
35 purchase, or if recharged, from the date of the last recharge.

36 ~~(7)~~

37 (9) In the case of prepaid calling cards or services utilized at a  
38 pay phone, the company may provide voice prompt notification of  
39 any applicable pay phone surcharges, in lieu of providing notice  
40 of surcharges as required by paragraph (1) and by subparagraph

(A) of paragraph (3), provided that the company provides users of prepaid calling cards or services with reasonable time to terminate the call after notification of applicable pay phone surcharges without incurring any charge for the call.

~~(8)~~

(10) A company shall maintain access numbers with sufficient capacity to accommodate a reasonably anticipated number of calls without incurring a busy signal or undue delay.

~~(9)~~

(11) A company may not impose any fee or surcharge that is not disclosed as required by this section or that exceeds the amount disclosed by the company.

~~(10)~~

(12) A company may not impose any charges if the consumer is not connected to the number called.

