

AMENDED IN ASSEMBLY JUNE 8, 2006

AMENDED IN ASSEMBLY JUNE 30, 2005

AMENDED IN SENATE APRIL 27, 2005

AMENDED IN SENATE MARCH 30, 2005

**SENATE BILL**

**No. 1068**

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**Introduced by Senators Escutia and Bowen  
(Coauthors: Senators Alarcon, Alquist, Ashburn, Dunn, Figueroa,  
Kuehl, and Speier)**

February 22, 2005

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An act to add Article 11 (commencing with Section 905) to Chapter 4 of Part 1 of Division 1 of the Public Utilities Code, relating to telecommunications.

LEGISLATIVE COUNSEL'S DIGEST

SB 1068, as amended, Escutia. Telecommunications:—~~consumer~~  
*customer* protection.

(1) Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including telephone corporations. Pursuant to existing law, the commission adopted a general order applicable to all commission-regulated telecommunications utilities known as the telecommunications consumers' Bill of Rights.

This bill would ~~state the intent of the Legislature to establish telecommunications consumer protections for landline telecommunications and mobile telephony services, consistent with those originally adopted by the commission in the telecommunications consumers' Bill of Rights. The bill would require that the commission, by July 1, 2006, develop and enforce consumer protection rules for~~

~~telecommunications service, including mobile telephony services, as defined, that achieve certain policies and meet specified requirements. The bill would provide that if the commission fails to adopt rules that include specified requirements by July 1, 2006, the bill's requirements would become effective as of that date and the commission would thereafter be prohibited from adopting rules pursuant to the provisions requiring the adoption of rules~~ *require a telephone service provider, for nontariffed services and before the completion of a transaction with a customer for telecommunications services, to clearly and conspicuously disclose the key rates, terms, and conditions of the contract or agreement orally and in a single written document, except as otherwise provided. The bill would require a telephone service provider to provide a customer with written confirmation containing the key rates, terms, and conditions of service of every order and a copy of each contract or agreement between the telephone service provider and the customer upon the completion of the transaction, or within 10 days thereafter if the transaction occurs by a means by which the written contract or agreement cannot be immediately provided to the customer. The bill would require a telephone service provider that negotiates primarily in specified languages in the course of entering into a contract or agreement to provide telecommunications services to provide to the customer a translation of certain documents in the language in which the contract or agreement was negotiated. The bill would require a telephone service provider, on customer bills, to separately group taxes, fees, and other charges that the telephone service provider is required to collect directly from customers and remit to federal, state, or local public agencies, or to certain third parties, for the administration of government programs, apart from monthly service charges and other discretionary charges, except as specified.*

Under existing law, a violation of the Public Utilities Act or an order or direction of the commission is a crime.

**Certain**

~~The provisions of this bill would be part of the act and an order or other action of the commission would be required to implement certain of the provisions.~~ Because a violation of the bill's provisions or of an implementing order or decision of the commission would be a crime, this bill would impose a state-mandated local program by creating new crimes.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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

1 SECTION 1. Article 11 (commencing with Section 905) is  
2 added to Chapter 4 of Part 1 of Division 1 of the Public Utilities  
3 Code, to read:

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5 Article 11. Honesty in Telecommunications Sales Act of 2006  
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7 905. (a) The Legislature finds and declares that a disclosure,  
8 contract, or agreement described in this article should be made  
9 in the language used to negotiate the contract or agreement and  
10 that Section 1632 of the Civil Code is a reasonable model for  
11 non-English disclosures described in this article.

12 (b) It is the intent of the Legislature to ensure truth and full  
13 disclosure in the sales of telecommunications products and  
14 services, including mobile telephony service, by requiring that  
15 customers receive sufficient information to make an informed  
16 decision.

17 (c) For the purposes of this section, the following terms have  
18 the following meanings:

19 (1) "Customer" means any customer that subscribes for not  
20 more than 20 telephone access lines from any single telephone  
21 service provider. Any customer subscribing to more than one T-1  
22 line is not a customer for purposes of this section.

23 (2) "Telephone service provider" means a telephone  
24 corporation, a reseller of the telephone corporation, and  
25 contracted agents of the telephone corporation.

26 (d) For nontariffed services, before the completion of a  
27 transaction with a customer for telecommunications services, a  
28 telephone service provider shall clearly and conspicuously  
29 disclose the key rates, terms, and conditions of the contract or

1 agreement orally and in a single written document, except that  
2 no oral disclosure is required if the contract or agreement is  
3 negotiated only by means of written or electronic  
4 communication.

5 (e) A telephone service provider shall provide a customer with  
6 written confirmation containing the key rates, terms, and  
7 conditions of service of every order and a copy of each contract  
8 or agreement between the telephone service provider and the  
9 customer upon the completion of the transaction, or within 10  
10 days thereafter if the transaction occurs by a means by which the  
11 written contract or agreement cannot be immediately provided to  
12 the customer.

13 (f) A telephone service provider that negotiates primarily in  
14 Spanish, Chinese, Tagalog, Vietnamese, or Korean, orally or in  
15 writing, in the course of entering into a contract or agreement to  
16 provide telecommunications services, shall provide to the  
17 customer a translation of the documents required in subdivisions  
18 (d) and (e) in the language in which the contract or agreement  
19 was negotiated.

20 (g) (1) A telephone service provider, on customer bills, shall  
21 separately group taxes, fees, and other charges that the  
22 telephone service provider is required to collect directly from  
23 customers and remit to federal, state, or local public agencies, or  
24 to third parties authorized by those agencies, for the  
25 administration of government programs, apart from monthly  
26 charges for service and all other discretionary charges. The  
27 separate section shall be entitled, "Government Fees and  
28 Taxes."

29 (2) Paragraph (1) does not apply if those taxes, fees, and other  
30 charges are bundled in a single rate with the monthly service and  
31 discretionary charges.

32 (3) Paragraph (1) does not prevent those charges identified in  
33 the Government Fees and Taxes section from being subdivided to  
34 the extent required by law.

35 SEC. 2. No reimbursement is required by this act pursuant to  
36 Section 6 of Article XIII B of the California Constitution because  
37 the only costs that may be incurred by a local agency or school  
38 district will be incurred because this act creates a new crime or  
39 infraction, eliminates a crime or infraction, or changes the  
40 penalty for a crime or infraction, within the meaning of Section

1 *17556 of the Government Code, or changes the definition of a*  
2 *crime within the meaning of Section 6 of Article XIII B of the*  
3 *California Constitution.*

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**All matter omitted in this version of the bill  
appears in the bill as amended in  
Assembly, June 30, 2005 (JR11)**

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