

**PROJECT NO. 24105**

**RULEMAKING TO AMEND SUBST. § PUBLIC UTILITY COMMISSION**  
**R. 26.315 TO DISCOURAGE THE §**  
**PRACTICE OF UNSCRUPULOUS §**  
**COLLECT CALLS § OF TEXAS**

**PROPOSAL FOR PUBLICATION AS APPROVED AT THE  
OCTOBER 18, 2001 OPEN MEETING**

The Public Utility Commission of Texas (commission) proposes an amendment to §26.315, relating to Requirements for Dominant Certificated Telecommunications Utilities (DCTUs). The proposed amendment will help to ensure that all the parties associated with the completion and eventual billing of collect calls properly handle those types of calls. The amendment to §26.315 as originally published in the *Texas Register* on June 15, 2001 (26 TexReg 4365) has been withdrawn. Project Number 24105 has been assigned to this proceeding.

Charles Johnson, Attorney, Legal Division, has determined that for each year of the first five-year period the proposed section is in effect there will be no fiscal implications for state or local government as a result of enforcing or administering the section.

Charles Johnson has determined that for each year of the first five years the proposed section is in effect the public benefit anticipated as a result of enforcing the section will be to help protect the public from unscrupulous collect calls. There will be no effect on small businesses or micro-businesses as a result of enforcing this section. There is no

anticipated economic cost to persons who are required to comply with the section as proposed.

Charles Johnson has also determined that for each year of the first five years the proposed section is in effect there should be no effect on a local economy, and therefore no local employment impact statement is required under Administrative Procedure Act §2001.022.

Comments on the proposed amendment (16 copies) may be submitted to the Filing Clerk, Public Utility Commission of Texas, 1701 North Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326, within 30 days after publication. The commission invites specific comments regarding the costs associated with, and benefits that will be gained by, implementation of the proposed section. The commission will consider the costs and benefits in deciding whether to adopt the section. In addition, the commission seeks specific comments on the following question: Should the billing utility be required to seek a commission order to terminate the billing and collection arrangement when the proposed 0.5% [complaint](#) threshold has been met? All comments should refer to Project Number 24105.

This amendment is proposed under the Public Utility Regulatory Act, Texas Utilities Code Annotated §14.002, (Vernon 1998, Supplement 2001) (PURA), which provides the Public Utility Commission with the authority to make and enforce rules reasonably required in the exercise of its powers and jurisdiction; and specifically §17.001 which

confers on the commission the authority to adopt and enforce rules to protect retail customers from fraudulent, unfair, misleading, deceptive, or anticompetitive practices; §17.004 which provides that all buyers of telecommunications services are entitled to protection from fraudulent, unfair, misleading, deceptive, or anticompetitive practices, and which provides that the commission may adopt and enforce rules as necessary or appropriate to carry out the provisions of §17.004; and §52.002(a) that provides the commission with exclusive original jurisdiction over the business and property of telecommunications utilities in Texas, subject to the limitations imposed by PURA, to regulate rates, operations, and services so that the rates are just, fair, and reasonable and the services are adequate and efficient.

Cross Reference to Statutes: Public Utility Regulatory Act §§14.002, 17.001, 17.004, 52.002, 52.057(a)(2) and (b), and 56.104(d).

**§26.315. Requirements for Dominant Certificated Telecommunications Utilities (DCTUs).**

- (a) **Validation information.** Each DCTU shall make validation information (e.g., DCTU calling card numbers, whether an access line is equipped with billed number screening, or whether an access line is a pay telephone) available to any interexchange carrier requesting it on the same prices, terms, and conditions that the DCTU provides the service to any other interexchange carrier. The DCTU may comply with the requirements of this paragraph by providing its own database, making arrangements with another DCTU to provide the information, or making arrangements with a third-party vendor.
- (b) **Billing and collection services.** Each DCTU shall offer billing and collection services, pursuant to subsection (c) of this section, to any interexchange carrier requesting it on the same prices, terms, and conditions that the DCTU provides the services to any other interexchange carrier.
- (c) **Validation requirements.** If validation information is available for calls that the interexchange carrier (or a third-party billing and collection agent operating on behalf of the interexchange carrier) will bill through the DCTU, the interexchange carrier is required to validate the call and is allowed to submit the call for billing only if the call was validated. To insure that only validated collect calls are billed, the DCTU shall:

- (1) Establish edits in the DCTU's current billing system to insure that calls less than five minutes in duration, and total charges for that call exceed \$35, are not billed; or
- (2) Establish Billing and Collections contract language that permits the DCTU to immediately, without liability and without notice, terminate any and all Billing and Collection efforts for any interexchange carrier generating complaints that exceed a threshold of 0.5% of all records billed for a billing month. In conjunction with the contract language, the DCTU will establish a random, periodic, unannounced audit process whereby the DCTU will audit messages. The interexchange carrier will be required to provide the DCTU the necessary audit data in a form consistent with DCTU capabilities. The fact an audit has or has not been conducted and/or the DCTU has not previously questioned the charges at issue does not constitute approval or endorsement of charges by the DCTU; and.
- (3) The DCTU shall implement a public education campaign advising customers of the responsibilities and obligations associated with accepting collect telephone calls. The public education campaign must also inform customers of the DCTU's policies and procedures for contesting unauthorized collect call charges. A DCTU fulfills this requirement if it publishes such information in the customer rights section of the white page directory.

Deleted: (c)

(d) **Request to access another carrier.** If a DCTU receives a request from a caller

to access another carrier, the DCTU shall, using the same prices, terms, and conditions for all carriers, either:

- (1) transfer the caller to the caller's carrier of choice if facilities that allow such transfer are available and if such transfer is otherwise allowed by law; or
- (2) instruct the caller how to access the caller's carrier of choice if that carrier has provided the DCTU with the information referred to in §26.319(2) of this title (relating to Access to the Operator of a Local Exchange Company (LEC)).

This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's authority to adopt.

**ISSUED IN AUSTIN, TEXAS ON THE 25th DAY OF OCTOBER 2001 BY THE  
PUBLIC UTILITY COMMISSION OF TEXAS  
RHONDA G. DEMPSEY**