

# MAINE STATE LEGISLATURE

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Date: 3/31/09

UTILITIES AND ENERGY

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
124TH LEGISLATURE  
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 111, L.D. 127, Bill, "An Act To Prohibit Telephone Line-item Charges Not Representing Services Requested by the Customer or Required by Law"

Amend the bill by striking out the title and substituting the following:

**'An Act To Prohibit Telephone Charges Not Representing Services or Fees Requested by the Customer or Authorized by the Government'**

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

**'Sec. 1. 35-A MRSA §7102, sub-§1-B is enacted to read:**

**1-B. Line-item charge. "Line-item charge" means a discrete charge identified separately on a customer's telephone bill.**

**Sec. 2. 35-A MRSA §7109 is enacted to read:**

**§7109. Unlawful telephone charges**

**1. Unauthorized and duplicative line-item charges prohibited. A telephone utility may not charge a customer for, or include as a separate line-item charge on the customer's bill, any charge unless that charge represents:**

**A. An actual service or fee authorized by the customer; or**

**B. An actual tax, fee or charge authorized or required by federal or state law or by a federal or state agency rule or order.**

**A telephone utility may not include in a line-item charge on a customer's bill any element of the telephone utility's costs that is charged for elsewhere on the customer's bill.**

**2. Description of line-item charges required. A telephone utility shall provide on the customer's bill a brief, clear, nonmisleading, plain language description of each line-item charge included on the bill and the authorized service, tax or fee represented by that line-item charge.**

**COMMITTEE AMENDMENT**

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1 3. Enforcement. In addition to any authority the commission may have pursuant to  
2 other law, the commission may impose an administrative penalty upon a telephone utility  
3 for violation of this section. The amount of any administrative penalty imposed under this  
4 subsection may not exceed \$1,000 per violator for violations arising out of the same  
5 incident or complaint and must be based on:

6 A. The severity of the violation, including the intent of the violator and the nature,  
7 circumstances, extent and gravity of any prohibited acts;

8 B. The history of previous violations by the violator;

9 C. The amount necessary to deter future violations;

10 D. Good faith attempts to comply after notification of a violation; and

11 E. Such other matters as justice requires.

12 The commission shall provide a simple process for a customer of a telephone utility to  
13 report to the commission a line-item charge that the customer believes may violate this  
14 section.

15 This subsection is not intended to limit any enforcement action or penalty pursued by the  
16 Attorney General for violations of Title 5, chapter 10 where applicable.'

17 **SUMMARY**

18 This amendment strikes the bill and does the following.

19 1. It prohibits a telephone utility from charging a customer for any service, tax or fee  
20 that is not authorized by the customer or authorized or required by the State or the Federal  
21 Government.

22 2. It specifies that a charge may only be listed as a separate line-item charge on the  
23 bill when the charge represents a service or fee authorized by the customer or a tax, fee or  
24 charge authorized or required by the State or the Federal Government. It also adds  
25 language to prohibit a telephone utility from including in a line-item charge anything that  
26 is charged for elsewhere on the customer's bill.

27 3. It requires that a clear description of line-item charges be included on telephone  
28 bills.

29 4. It authorizes the Public Utilities Commission to impose an administrative penalty  
30 for violations up to \$1,000 per violator for violations arising out of the same incident or  
31 complaint. It requires the commission to provide a simple process for a customer to report  
32 a line-item charge the customer believes may be in violation. Finally, it clarifies that this  
33 provision is not intended to limit any enforcement action or penalty pursued by the  
34 Attorney General under the Maine Unfair Trade Practices Act.

**FISCAL NOTE REQUIRED**

(See attached)



# 124th MAINE LEGISLATURE

LD 127

LR 427(02)

**An Act To Prohibit Telephone Line-item Charges Not Representing Services Requested by the Customer or Required by Law**

**Fiscal Note for Bill as Amended by Committee Amendment "A"**

**Committee: Utilities and Energy**

**Fiscal Note Required: Yes**

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## Fiscal Note

Minor cost increase - General Fund

### Fiscal Detail and Notes

This bill prohibits a telephone utility from including line item charges on a phone bill unless those charges are required by the federal or state law or requested by the customer. Further the bill grants authority to the Public Utilities Commission (PUC) to assess an administrative penalty of up to \$1000 per violation for noncompliance with the new line item restrictions. The PUC has the discretion to assess the penalty based upon severity of the violation, the company's historical compliance, good faith attempts to comply after being notified of the violation and other conditions. At this time, the PUC does not project any revenue from fines. Additional costs to the PUC associated with rulemaking can be absorbed within existing budgeted resources. This bill does not limit any enforcement action or penalty pursued by the Attorney General under the Unfair Trade Practices Act.