

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1989**

**H**

**2**

HOUSE BILL 164  
Committee Substitute Favorable 4/17/89

Short Title: Alternative Operator Services.

(Public)

---

Sponsors:

---

Referred to:

---

February 7, 1989

1                                   A BILL TO BE ENTITLED  
2 AN ACT TO REGULATE ALTERNATIVE OPERATOR SERVICES.

3               Whereas, a new type of interexchange carrier known as alternative operator  
4 services has emerged which specializes in providing operator services to end-users in  
5 transient venues, such as hotels, motels, and payphones, and those end-users have not  
6 presubscribed to those services; and

7               Whereas, the end-user in a transient venue is in a particularly vulnerable  
8 position to excessive charges, overreaching, and other unjust and unreasonable  
9 practices; and

10              Whereas, there have been numerous instances of alternative operator services  
11 providing services without adequately disclosing their identity, their services, or their  
12 rates, charges, or fees; and

13              Whereas, there have also been instances of alternative operator services  
14 operating without certification within this State and making excessive charges to end-  
15 users; and

16              Whereas, the provision of such services without disclosure may be an unfair  
17 and deceptive trade practice as defined in Chapter 75 of the General Statutes; and

18              Whereas, these practices are contrary to the public interest and there should  
19 be no question as to the authority of the Utilities Commission to define and regulate and  
20 even to prohibit such entities and their practices; Now, therefore,  
21 The General Assembly of North Carolina enacts:

22              Section 1. Chapter 62 of the General Statutes is amended by adding a new  
23 section to read:

1 **"§ 62-110.4. Alternative Operator Services.**

2 The Commission shall not issue a certificate of public convenience and necessity  
3 pursuant to G.S. 62-110(b) to any interexchange carrier which the Commission has  
4 determined to have the characteristics of an alternative operator service unless the  
5 Commission shall have determined that class of interexchange carriers to be in the  
6 public interest and shall have promulgated rules to protect the public interest and to  
7 require, at a minimum, that any such interexchange carrier assure appropriate disclosure  
8 to end-users of its identity, services, rates, charges, and fees. In order to effectuate  
9 notice to end-users, the Commission may, notwithstanding any other provision of law,  
10 require that any person owning or operating a facility for the use of the travelling or  
11 transient public which has contracted with such an interexchange carrier prominently  
12 display an end-user notice provided for in the Commission's rules."

13 Sec. 2. This act is effective upon ratification.