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LAW/RWH

P.L.2013, CHAPTER 278, *approved January 17, 2014*  
Assembly, No. 4159 (*First Reprint*)

1 AN ACT concerning alternate operator telephone service providers  
2 and amending P.L.1995, c.172.

3  
4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6  
7 1. Section 1 of P.L.1995, c.172 (C.48:2-21.22) is amended to  
8 read as follows:

9 1. The Legislature finds and declares that:

10 a. In 1991, the Legislature acted to exempt competitive  
11 telecommunications services from traditional public utility  
12 regulation upon a finding that **【such】** this type of regulation is  
13 generally not necessary to protect the public interest in the  
14 competitive marketplace. However, in its report to the Governor  
15 and Legislature on the implementation of P.L.1991, c.428 (C.48:2-  
16 21.16 et seq.) the Board of Public Utilities **【has】** found that where a  
17 captive market exists for competitive telecommunications services,  
18 market conditions are not always able to protect the public interest.

19 b. In particular, the board **【has】** received many complaints  
20 concerning "alternate operator service" **【(AOS) companies】**  
21 providers, which provide operator assistance for collect, third-party  
22 billed, and credit card calls, usually at pay phones on the premises  
23 of hotels, restaurants, hospitals, or airports, with <sup>1</sup>**【such】** these<sup>1</sup>  
24 establishments receiving a commission for calls placed through the  
25 **【AOS】** alternate operator service arrangement. Given the  
26 provisions of P.L.1991, c.428 (C.48:2-21.16 et seq.), there has been  
27 some debate on the extent of the board's authority to protect  
28 consumers' interests with regard to **【AOS companies】** alternate  
29 operator service providers.

30 c. It is appropriate, therefore, that the Legislature act to clarify  
31 the powers of the board with regard to **【AOS companies】** alternate  
32 operator service providers, and to specifically **【authorize】** require  
33 the board to take appropriate action, including, but not limited to,  
34 rate and terms and conditions of service regulation, to protect the  
35 interests of consumers of alternate operator **【services upon a finding**  
36 **of the board that such action is necessary to protect the users of**  
37 **those services】** service providers.

38 (cf: P.L.1995, c.172, s.1)

**EXPLANATION** – Matter enclosed in bold-faced brackets **【thus】** in the above bill is  
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Assembly ATU committee amendments adopted November 18, 2013.

1       2. Section 2 of P.L.1995, c.172 (C.48:2-21.23) is amended to  
2 read as follows:

3       2. Notwithstanding the provisions of P.L.1991, c.428 (C.48:2-  
4 21.16 et seq.) or any other law to the contrary, the Board of Public  
5 Utilities, **【upon a finding by the board that such measures are**  
6 **necessary to protect the users of alternate operator service**  
7 **providers, may】 shall regulate the rates and terms and conditions of**  
8 **service of 【those providers】 an alternate operator service provider**  
9 **<sup>1</sup>, in a manner consistent with federal law<sup>1</sup>, and use any other means**  
10 **necessary pursuant to law, rule, or regulation to protect the users of**  
11 **【those】 the services of an alternate operator service provider.**

12       As used in this section, "alternate operator service provider"  
13 means a non-facilities based telecommunications carrier who is a  
14 reseller leasing lines from a local exchange **【carriers】**  
15 **telecommunications company and an interexchange **【carriers】****  
16 **telecommunications carrier, as those terms are defined in section 2**  
17 **of P.L.1991, c.428 (C.48:2-21.17), and who, using these leased**  
18 **facilities along with its own operators, provides operator-assisted**  
19 **services.**

20 (cf: P.L.1995, c.172, s.2)

21

22       3. This act shall take effect immediately.

23

24

25

26

27       Requires BPU to regulate rates and terms and conditions of  
28 service of alternate operator telephone service providers to protect  
29 users of those services.

# ASSEMBLY, No. 4159

## STATE OF NEW JERSEY 215th LEGISLATURE

INTRODUCED JUNE 6, 2013

**Sponsored by:**

**Assemblyman UPENDRA J. CHIVUKULA**

**District 17 (Middlesex and Somerset)**

**SYNOPSIS**

Requires BPU to regulate rates and terms and conditions of service of alternate operator telephone service providers to protect users of those services.

**CURRENT VERSION OF TEXT**

As introduced.



A4159 CHIVUKULA

2

1 AN ACT concerning alternate operator telephone service providers  
2 and amending P.L.1995, c.172.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

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7 1. Section 1 of P.L.1995, c.172 (C.48:2-21.22) is amended to  
8 read as follows:

9 1. The Legislature finds and declares that:

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11 telecommunications services from traditional public utility  
12 regulation upon a finding that **[such]** this type of regulation is  
13 generally not necessary to protect the public interest in the  
14 competitive marketplace. However, in its report to the Governor  
15 and Legislature on the implementation of P.L.1991, c.428 (C.48:2-  
16 21.16 et seq.) the Board of Public Utilities **[has]** found that where a  
17 captive market exists for competitive telecommunications services,  
18 market conditions are not always able to protect the public interest.

19 b. In particular, the board **[has]** received many complaints  
20 concerning "alternate operator service" **[(AOS) companies]**  
21 providers, which provide operator assistance for collect, third-party  
22 billed, and credit card calls, usually at pay phones on the premises  
23 of hotels, restaurants, hospitals, or airports, with such  
24 establishments receiving a commission for calls placed through the  
25 **[AOS]** alternate operator service arrangement. Given the  
26 provisions of P.L.1991, c.428 (C.48:2-21.16 et seq.), there has been  
27 some debate on the extent of the board's authority to protect  
28 consumers' interests with regard to **[AOS companies]** alternate  
29 operator service providers.

30 c. It is appropriate, therefore, that the Legislature act to clarify  
31 the powers of the board with regard to **[AOS companies]** alternate  
32 operator service providers, and to specifically **[authorize]** require  
33 the board to take appropriate action, including, but not limited to,  
34 rate and terms and conditions of service regulation, to protect the  
35 interests of consumers of alternate operator **[services upon a**  
36 **finding of the board that such action is necessary to protect the**  
37 **users of those services]** service providers.

38 (cf: P.L.1995, c.172, s.1)

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40 2. Section 2 of P.L.1995, c.172 (C.48:2-21.23) is amended to  
41 read as follows:

42 2. Notwithstanding the provisions of P.L.1991, c.428 (C.48:2-  
43 21.16 et seq.) or any other law to the contrary, the Board of Public  
44 Utilities, **[upon a finding by the board that such measures are**

**EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**

1 necessary to protect the users of alternate operator service  
2 providers, may] shall regulate the rates and terms and conditions of  
3 service of [those providers] an alternate operator service provider,  
4 and use any other means necessary pursuant to law, rule, or  
5 regulation to protect the users of [those] the services of an alternate  
6 operator service provider.

7 As used in this section, "alternate operator service provider"  
8 means a non-facilities based telecommunications carrier who is a  
9 reseller leasing lines from a local exchange [carriers]  
10 telecommunications company and an interexchange [carriers]  
11 telecommunications carrier, as those terms are defined in section 2  
12 of P.L.1991, c.428 (C.48:2-21.17), and who, using these leased  
13 facilities along with its own operators, provides operator-assisted  
14 services.

15 (cf: P.L.1995, c.172, s.2)

16

17 3. This act shall take effect immediately.

18

19

20

#### STATEMENT

21

22 This bill requires the Board of Public Utilities (BPU) to regulate  
23 the rates and terms and conditions of service of alternate operator  
24 service providers which are non-facilities based telecommunications  
25 carriers who are resellers leasing telephone lines from local  
26 exchange and long distance telecommunications companies and  
27 who, using these leased facilities along with their own operators,  
28 provide telephone operator-assisted services. Current law  
29 authorizes, but does not require, the BPU to regulate alternate  
30 operator service providers.

ASSEMBLY TELECOMMUNICATIONS AND UTILITIES  
COMMITTEE

STATEMENT TO  
**ASSEMBLY, No. 4159**

with committee amendments

**STATE OF NEW JERSEY**

DATED: NOVEMBER 18, 2013

The Assembly Telecommunications and Utilities Committee reports favorably Assembly Bill No. 4159 with committee amendments.

As amended and reported, this bill requires the Board of Public Utilities (BPU) to regulate, in a manner consistent with federal law, the rates and terms and conditions of service of alternate operator service providers. Under the bill, “alternate operator service providers” are non-facilities-based telecommunications carriers which lease telephone lines from local and long distance telecommunications companies to provide operator-assisted telephone services. Current law authorizes, but does not require, the BPU to regulate alternate operator service providers.

COMMITTEE AMENDMENTS:

The amendments clarify that the BPU is to regulate alternate operator service providers in a manner consistent with federal law.



SENATE ECONOMIC GROWTH COMMITTEE

STATEMENT TO

[First Reprint]

**ASSEMBLY, No. 4159**

**STATE OF NEW JERSEY**

DATED: JANUARY 9, 2014

The Senate Economic Growth Committee reports favorably Assembly Bill No. 4159 (1R).

As reported, this bill requires the Board of Public Utilities (BPU) to regulate, in a manner consistent with federal law, the rates and terms and conditions of service of alternate operator service providers. Under the bill, “alternate operator service providers” are non-facilities-based telecommunications carriers which lease telephone lines from local and long distance telecommunications companies to provide operator-assisted telephone services. Current law authorizes, but does not require, the BPU to regulate alternate operator service providers.

As reported by the committee, Assembly Bill No. 4159 (1R) is identical to Senate Bill No. 3097 which was also reported by the committee on this date.

# SENATE, No. 3097

## STATE OF NEW JERSEY 215th LEGISLATURE

INTRODUCED DECEMBER 12, 2013

**Sponsored by:**

**Senator RONALD L. RICE**

**District 28 (Essex)**

**Senator SHIRLEY K. TURNER**

**District 15 (Hunterdon and Mercer)**

**SYNOPSIS**

Requires BPU to regulate rates and terms and conditions of service of alternate operator telephone service providers to protect users of those services.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 1/14/2014)**

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2 and amending P.L.1995, c.172.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
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15 and Legislature on the implementation of P.L.1991, c.428 (C.48:2-  
16 21.16 et seq.) the Board of Public Utilities **【has】** found that where a  
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19 b. In particular, the board **【has】** received many complaints  
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22 billed, and credit card calls, usually at pay phones on the premises  
23 of hotels, restaurants, hospitals, or airports, with **【such】** these  
24 establishments receiving a commission for calls placed through the  
25 **【AOS】** alternate operator service arrangement. Given the  
26 provisions of P.L.1991, c.428 (C.48:2-21.16 et seq.), there has been  
27 some debate on the extent of the board's authority to protect  
28 consumers' interests with regard to **【AOS companies】** alternate  
29 operator service providers.

30 c. It is appropriate, therefore, that the Legislature act to clarify  
31 the powers of the board with regard to **【AOS companies】** alternate  
32 operator service providers, and to specifically **【authorize】** require  
33 the board to take appropriate action, including, but not limited to,  
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12 of P.L.1991, c.428 (C.48:2-21.17), and who, using these leased  
13 facilities along with its own operators, provides operator-assisted  
14 services.

15 (cf: P.L.1995, c.172, s.2)

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17 3. This act shall take effect immediately.

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#### STATEMENT

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23 in a manner consistent with federal law, the rates and terms and  
24 conditions of service of alternate operator service providers. Under  
25 the bill, "alternate operator service providers" are non-facilities-  
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**SENATE, No. 3097**

**STATE OF NEW JERSEY**

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