

48:2-21.22

LEGISLATIVE HISTORY CHECKLIST
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(Telecommunications--alternate
operator service)

NJSA: 48:2-21.22

LAWS OF: 1995 CHAPTER: 172

BILL NO: A2544/A2303

SPONSOR(S): Gaffney and others

DATE INTRODUCED: January 26, 1995

COMMITTEE: ASSEMBLY: Transportation

SENATE: ---

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: ASSEMBLY: May 22, 1995

SENATE: May 25, 1995

DATE OF APPROVAL: July 25, 1995

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes

SENATE: No

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:
REPORTS: Yes

HEARINGS: No

See newspaper clippings--attached:

"Bill that hangs up on high pay-phone charges endorsed," 7-7-95, Trenton Times.

"Pay phone rates--targeted," 7-7-95, Trentonian.

974.90 New Jersey. Board of Regulatory Commissioners.

P976 The state of telecommunications in New Jersey: response to the
1994 telecommunications act of 1992. January, 1994.

KBG:pp

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, Nos. 2544 and 2303

STATE OF NEW JERSEY

ADOPTED FEBRUARY 23, 1995

Sponsored by Assemblymen GAFFNEY, ZISA,
Assemblywoman WEINBERG, Assemblymen DeCROCE, Wolfe,
Warsh and Oros

1 AN ACT providing for the regulation of alternate operator
2 service providers and supplementing P.L.1991, c.428
3 (C.48:2-21.16 et seq.).
4

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

7 1. The Legislature finds and declares that:

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

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

26 c. It is appropriate, therefore, that the Legislature act to
27 clarify the powers of the board with regard to AOS companies,
28 and to specifically authorize the board to take appropriate
29 action, including, but not limited to, rate regulation, to protect
30 the interests of consumers of alternate operator services upon a
31 finding of the board that such action is necessary to protect the
32 users of those services.

33 2. Notwithstanding the provisions of P.L.1991, c.428
34 (48:2-21.16 et seq.) or any other law to the contrary, the Board of
35 Public Utilities, upon a finding by the board that such measures
36 are necessary to protect the users of alternate operator service
37 providers, may regulate the rates and terms and conditions of
38 service of those providers, and use any other means necessary
39 pursuant to law, rule or regulation to protect users of those
40 services.

41 As used in this section, "alternate operator service provider"
42 means a non-facilities based telecommunications carrier who is a

ACS for A2544

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1 reseller leasing lines from local exchange carriers and
2 interexchange carriers and who, using these leased facilities
3 along with their own operators, provides operator-assisted
4 services.

5 3. This act shall take effect immediately.

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10 Provides for BPU regulation of alternate operator service
11 providers.

ASSEMBLY, No. 2544

STATE OF NEW JERSEY

INTRODUCED JANUARY 26, 1995

By Assemblymen GAFFNEY, DeCROCE, Wolfe, Warsh and Oros

1 AN ACT concerning alternate operator service providers and
2 supplementing P.L.1991, c.428 (C.48:2-21.16 et seq.).

3

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

6 1. The Legislature finds and declares that:

7 a. Alternate operator service (AOS) providers, which contract
8 with entities such as hotels, motels, hospitals and private pay
9 phones to provide operator assistance for collect, third-party
10 billed, credit card calls and other services, have been the subject
11 of many complaints received by the Board of Public Utilities.

12 b. In 1991, the Legislature acted to exempt competitive
13 telecommunications services from traditional utility regulation
14 upon a finding that such regulation is generally not necessary to
15 protect the public interest in the competitive marketplace.
16 However, in its report to the Governor and Legislature on the
17 implementation of P.L.1991, c.428 (C.48:2-21.16 et seq.) the
18 Board of Public Utilities has found that where a captive market
19 exists for competitive telecommunications services, such as that
20 for the services provided AOS providers, market conditions are
21 not always able to protect the public interest. Given the
22 provisions of P.L.1991, c.428, there has been some debate on the
23 extent of the board's authority to protect consumers' interests
24 with regard to AOS providers.

25 c. It is appropriate, therefore, that the Legislature act to
26 clarify the powers of the board with regard to alternate operator
27 service providers, and to specifically authorize the board to take
28 appropriate action, including rate regulation, to protect the
29 interests of consumers of alternate operator services upon a
30 finding of the board that such action is necessary to protect the
31 users of those services.

32 2. Notwithstanding the provisions of P.L.1991, c.428
33 (48:2-21.16 et seq.) or any other law to the contrary, the Board of
34 Public Utilities, upon a finding by the board that such measures
35 are necessary to protect the users of the services provided by
36 alternate operator service providers, may regulate the rates and
37 terms and conditions of service of those providers, and use any
38 other means necessary pursuant to law, rule or regulation to
39 protect users of those services.

40 As used in this section, "alternate operator service provider"
41 means a non-facilities based telecommunications carrier who is a
42 reseller leasing lines from local exchange carriers and
43 interexchange carriers and who, using these leased facilities
44 along with their own operators, provides operator-assisted
45 services.

46 3. This act shall take effect immediately.

STATEMENT

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This bill clarifies the authority of the Board of Public Utilities to regulate the rates and terms and conditions of service of alternate operator service (AOS) providers. AOS providers contract with entities such as hotels, motels, hospitals and private pay phones to provide operator assistance for collect, third-party billed, credit card calls and other services. The bill provides that the board may regulate the rates and terms and conditions of those services and take other measures necessary to protect the consumers of those services upon a finding by the board that such steps are necessary to protect the interests of the consumers of those services.

In 1991, competitive telecommunications services were exempted from regulation upon a finding by the Legislature that such regulation is generally not necessary to protect the public interest in the competitive marketplace. However, in its report to the Governor and Legislature on the implementation of P.L.1991, c.428 (C.48:2-21.16 et seq.) the board noted that where a captive market exists for certain competitive telecommunications services, market conditions are not always able to protect the public interest. The board has received many complaints concerning AOS providers. Given the provisions of P.L.1991, c.428, there has been some debate on the extent of the board's authority to protect consumers' interests with regard to AOS providers. This bill specifically authorizes the board to take appropriate action, including rate regulation, to protect the interests of consumers of services supplied by AOS providers.

Authorizes BPU regulation of alternate operator service providers.

ASSEMBLY TRANSPORTATION AND COMMUNICATIONS
COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR

ASSEMBLY, Nos. 2544 and 2303

STATE OF NEW JERSEY

DATED: FEBRUARY 23, 1995

The Assembly Transportation and Communications Committee favorably reports an Assembly Committee Substitute for Assembly Bill Nos. 2544 and 2303.

This substitute bill clarifies the authority of the Board of Public Utilities to regulate the rates and terms and conditions of service of "alternate operator service" (AOS) providers. The bill provides that the board may regulate the rates and terms and conditions of the services of these providers and take other measures necessary to protect the consumers of those services upon a finding by the board that such steps are necessary to protect the interests of the consumers of those services.

In 1991, competitive telecommunications services were exempted from regulation upon a finding by the Legislature that such regulation is generally not necessary to protect the public interest in the competitive marketplace. However, in its report to the Governor and Legislature on the implementation of P.L.1991, c.428 (C.48:2-21.16 et seq.) the board noted that where a captive market exists for certain competitive telecommunications services, market conditions are not always able to protect the public interest. Given the provisions of P.L.1991, c.428, there has been some debate on the extent of the board's authority to protect consumers' interests with regard to AOS companies. This substitute bill makes clear that the board is empowered to take appropriate action, including rate regulation, to protect the interests of consumers of AOS providers.

As released by the committee, this substitute bill is identical to Senate Bill No. 1426 (1R).