

SUBJECT: Restricting automatic telephone calling devices

COMMITTEE: Business and Industry — favorable, with amendment

VOTE: 9 ayes — Brimer, Rhodes, Corte, Dukes, Elkins, Giddings, Janek,  
Solomons, Woolley

0 nays

WITNESSES: For — None

Against — None

On — Bill Magness, Public Utility Commission

BACKGROUND : The Public Utility Commission (PUC) regulates the use of “automatic dial announcing devices,” or ADADs, that are used for telephone solicitation or bill collections and that store or produce telephone numbers and convey a prerecorded or synthesized voice message. Among other restrictions, ADADs cannot be used unless the device disconnects no more than 30 seconds after the call is terminated by either party or a live operator comes on the line and gets the consent of the person being called before beginning a prerecorded message. When used for solicitation purposes, the ADAD must have a message shorter than one minute and the capacity to recognize a telephone answering machine and terminate the call within one minute.

DIGEST: HB 3174, as amended, would reduce to 30 seconds the allowable length of a telephone solicitation message. It also would require the ADAD to disconnect immediately if the call was answered by an answering machine. Operators of ADADs that did not have the technical capacity to disconnect immediately could terminate the call within 30 seconds, provided they paid the PUC an annual fee of \$50.

Annual fees would be deposited into the general revenue fund to pay for an educational program to inform the public, especially residential telephone subscribers, of their legal rights with respect to automated telephone solicitation devices. These programs would be conducted annually if funds were available.

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HB 3174 would take effect September 1, 1997.

NOTES:

The committee amendment would require that solicitation calls answered by an answering machine be terminated immediately unless the operator paid a \$50 annual fee to be used only to fund the consumer education program. According to the fiscal note, the PUC estimates that any revenue gain resulting from the committee amendment would be negligible, but the PUC suggests that the amendment be clarified to state that the operator of the ADAD, not the person receiving the call, would be the one paying the \$50 annual fee.