

CHAPTER 278

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

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

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

C.48:2-21.22 Findings, declarations relative to AOS providers.

1. The Legislature finds and declares that:

- a. In 1991, the Legislature acted to exempt competitive telecommunications services from traditional public utility regulation upon a finding that this type of 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 of Public Utilities found that where a captive market exists for competitive telecommunications services, market conditions are not always able to protect the public interest.

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

- c. It is appropriate, therefore, that the Legislature act to clarify the powers of the board with regard to alternate operator service providers, and to specifically require the board to take appropriate action, including, but not limited to, rate and terms and conditions of service regulation, to protect the interests of consumers of alternate operator service providers.

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

C.48:2-21.23 Regulation of the alternate operator service provider; definition.

2. Notwithstanding the provisions of P.L.1991, c.428 (C.48:2-21.16 et seq.) or any other law to the contrary, the Board of Public Utilities shall regulate the rates and terms and conditions of service of an alternate operator service provider, in a manner consistent with federal law, and use any other means necessary pursuant to law, rule, or regulation to protect the users of the services of an alternate operator service provider.

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

3. This act shall take effect immediately.

Approved January 17, 2014.