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October 18, 1990

VIA FEDERAL EXPRESS
Paul Curl
Secretary
Washington Utilities and Transportation
Commission
1300 South Evergreen
Park Drive, S.W.
Olympia, WA 98504

Re: Docket No. UT-900726

Dear Mr. Curl:

Enclosed herewith is an original and twenty (20) copies of the Comments of U.S. Long Distance, Inc., International Pacific, Inc., and National Technical Associates to be filed in the above referenced docket.

Please date-stamp the extra copy and return it to me in the enclosed self-addressed, stamped envelope.

Should you have any questions concerning this filing, please do not hesitate to contact me.

Very truly yours,

Robert G. Berger
Counsel for U.S. Long Distance,
Inc., International Pacific,
Inc., and National Technical
Associates

Enclosures

00455

Before the
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
Olympia, Washington

In Re Proposed Amendments to WAC 480-120-021, -106, -138, and -141 Relating to Telecommunications Companies -- the Glossary, Alternate Operator Services, Pay Telephones, and Form of Bills	Docket No. UT-900726

COMMENTS OF U.S. LONG DISTANCE, INC.,
INTERNATIONAL PACIFIC, INC.,
AND NATIONAL TECHNICAL ASSOCIATES

U.S. Long Distance, Inc., International Pacific, Inc., and National Technical Associates[1/] ("the Commenters"), by their undersigned counsel, hereby jointly submit their Comments in response to the Commission's Notice of September 19, 1990 in the above-captioned proceeding. The Commenters are resellers of, among other things, operator assisted telecommunications services. Although the Commenters generally support many of the rules proposed by the Commission as reasonable and necessary to protect the public, they believe that the Commission should act cautiously to ensure that any additional measures it implements

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1/ National Technical Associates, previously known as NTS-Idaho, Inc. d/b/a National Networks, is in the process of changing its registered name in Washington to "National Technical Associates."

with respect to alternative operator service providers ("AOS providers") are practical from a business perspective, and will not unnecessarily impede the development of competition in the State of Washington. As the Commenters will demonstrate herein, several of the Commission's proposals do not meet that test and should therefore be rejected or modified.

I. INTRODUCTION AND BACKGROUND

Each of the Commenters is a non-facilities based reseller of telecommunications services in a number of states nationwide and each provides high quality operator assistance to end users. In particular, each of the Commenters provides 24-hour long distance operator-assisted services to end users at subscriber locations such as motels, hotels, airports, and educational institutions by means of payphones and/or other instruments. Operator services provided by the Commenters permit end users to complete third number billed or collect calls, and to bill calls to calling cards or a variety of commercial credit cards. In addition, the Commenters employ operators who are fluent in a variety of languages other than English, and are fully equipped to quickly and competently deal with end user requests.

II. DISCUSSION

A. Contract Issues

1. The Requirements For Filing AOS Provider Customer Lists And Customer Contracts Must Protect Their Proprietary Nature (WAC 480-120-141(1))

The Commenters do not object generally to the proposed requirements that AOS providers file with the Commission copies of individual customer contracts, or a copy of a master contract with the list of customers so bound. The Commenters are, however, deeply concerned that, absent appropriately strict safeguards, the filing requirements will compromise the security of highly sensitive, proprietary information.

Since divestiture, the telecommunications services industry has become extraordinarily competitive. The single most sensitive type of information is information as to each AOS provider's client base, in particular the identity of, and terms of agreement with, customers. Anything which might jeopardize the propriety nature of such information and lead to public disclosure is to be avoided at all costs, for disclosure would compromise the competitive viability of the provider or providers so affected. Therefore, any requirement for filing client lists or client contracts with the Commission must be accompanied by appropriate specific safeguards which will guarantee the continuing proprietary nature of such information.

2. AOS Providers Should Not Be Required To Serve As Absolute Guarantors Of Aggregator Performance (WAC 480-120-141(2))

The Commission's proposed regulations would require that AOS providers serve as absolute guarantors of aggregator compliance with required contract provisions concerning access to any registered IXC, free access to 800 numbers, and a prohibition on "surcharges for any operator, toll, or local service above the tariffed rates for service." It is unreasonable to continue to require AOS providers to be absolute legal guarantors of aggregator performance practices, since they do not -- and indeed cannot -- adequately police at all telephones at all times the Commission's notice and other requirements.

Particularly troublesome is the proposed requirement that AOS providers be held responsible for assuring that aggregators do not "impose, implement or allow a surcharge for any operator, toll, or local service above the tariffed rates for the service." (WAC 480-120-141 (4)(e)) It is one thing for the Commission to require that AOS providers not participate in the billing of any such surcharges for the benefit of call aggregators. It is quite another matter, however, to make AOS providers responsible for ensuring that entities such as hotels and motels do not add a surcharge for calls made directly to the room bills of individual customers at the time of check-out or departure. To make AOS providers guarantors of the practices of hotels and motels in

rendering their own room bills at the time of check-out would inappropriately intrude on the billing practices of the lodging industry and place AOS providers in the untenable position of prescribing such practices to their customers. Should the Commission intend to regulate the billing practices of hotels and motels, it should do so directly.

As recognized in the new federal legislation enacted this month, Telephone Operator Consumer Services Improvement Act of 1990, H.R. 971, 101st Cong., 2d Sess., Rec. S14304 (1990), an appropriate balance must be struck between the need to ensure aggregator compliance with the regulations and performance of its duties thereunder, and the inequity of making independent entities -- AOS providers -- absolute guarantors of aggregator compliance and performance. In the federal Act, operator services providers are required to "ensure, by contract or tariff, that each aggregator" with which the provider has a contractual relationship "is in compliance with the requirements" pertaining to non-blocking, posting of appropriate notices, and appropriate charges. Operator services providers, however, are not converted into regulatory watchdogs held directly liable for failure of aggregators to fulfill contractual commitments. Instead, providers are required to include appropriate contractual provisions that contain notice and access practices, and are required to take certain actions if they learn of a

violation of those practices by a customer. However, it is the party controlling the means of compliance, i.e., the aggregator itself, which is responsible for compliance. Thereby, both the negotiating power and the practical limits of operator services providers are recognized. A similar approach should be adopted here.

B. Certain Aspects Of The Notice Requirements Proposed By The Commission Would Prove Burdensome And Would Not Materially Increase Consumer Information.

The proposed rules would require the posting of the following Notice in large, bold type at each payphone:

> **SERVICES ON THIS INSTRUMENT MAY BE PROVIDED AT RATES THAT ARE HIGHER THAN NORMAL. YOU HAVE THE RIGHT TO CONTACT THE OPERATOR FOR INFORMATION REGARDING CHARGES BEFORE PLACING YOUR CALL. YOU HAVE THE RIGHT TO REQUEST THAT THE OPERATOR CONNECT YOU WITH THE CARRIER OF YOUR CHOICE AT NO CHARGE.**

In addition to the above-quoted language, the proposed rules would require that the Notice include the name, address and toll-free number of the AOS provider, the name of the billing agent(s) (if applicable), dialing directions to obtain rate information without charge, and "dialing directions to allow the consumer to dial through the local telephone company and to make it clear that the consumer has access to other providers."

The proposed rules also would impose a double branding requirement on both automated and live operator-handled calls.

If the "charges for a call will appear on the consumer's bill from a different company," the brand must also include the name of the billing company in addition to the double carrier brand; i.e., "Charges for this call will be billed by (name of billing agent)." [2/]

First, certain aspects of the proposed notice requirements are clearly objectionable. Of principal concern is the continued inclusion of a requirement that the Notice state that "services on this instrument may be provided at rates that are higher than normal." WAC 480-120-141(4)(a). Clearly, where the provider's rates are no higher than those of the LEC or AT&T for similar calls, such a Notice would prove not simply misleading, but false. In that event, by definition, the AT&T and U.S. West rates would have been determined to be "just and reasonable" and to serve as the industry standard. AOS provider rates capped at that level therefore would not be higher than "normal."[3/]

[2/] It is unclear whether this means that the LEC name must be included in the billing agent brand, that third-party billing clearinghouses be named in the brand announcement, or both.

[3/] It may, however, be argued that certain AOS providers will, pursuant to the exceptions to the proposed rate cap provided for in the rules, successfully present "persuasive contrary evidence" that their individual rates should be capped at a level higher than that of U.S. West or AT&T, as applicable. Under the proposed rules, however, this cannot occur absent a specific Commission determination that such higher rates are in fact "just and reasonable." They therefore should be considered "normal." It would be an unreasonable penalty on those individual AOS

(continued...)

Should such a pejorative Notice requirement be retained, it should not be made applicable to all AOS provider telephones. Rather, it should only apply to those phones for which rates higher than AT&T or U.S. West rates have been approved. Otherwise, AOS providers that charge rates equal to or even less than AT&T or U.S. West -- which rates the Commission's rules apparently presumes the consumer expects to pay as "normal" -- will be unreasonably penalized.

Second, certain of these notice requirements, e.g., WAC 480-120-141(4)(b)(i)(ii), (5)(a), in essence are redundant of, or parallel to, the new federal legislation described above. In particular, the Act[4/] specifically imposes a double branding requirement for a period of three years on all operator services providers which offer interstate service; and requires that an operator services provider:

> disclose immediately to the consumer, upon request and at no charge to the consumer (i) a quote of its rates or charges for the call; (ii) the methods by which such rates or charges will be collected; and (iii) the methods by which complaints concerning such rates, charges, or collection practices will be resolved.

[3/](...continued)
providers which provide such "persuasive evidence" to nonetheless arbitrarily label their "just and reasonable" rates as "higher than normal." In fact, it would seem to be contradictory that rates found by the Commission to be "just and reasonable" would, under the proposed notice requirement, be deemed "abnormal."

[4/] See Attachment A.

Most importantly, the federal Act places principal responsibility specifically on the call aggregator to post the requisite notices.[5/]

This major piece of federal legislation applies to all operator services providers which offer interstate service, including those doing business in Washington. The Act passed the Congress during the first week in October, several weeks after the Commission's proposed rules were issued on September 19, 1990. Accordingly, before the Commission takes any further action on its proposed rules with respect to double branding, notice as to the name of the billing agent, dialing directions to obtain rate information without charge, and provision of the name, address, and toll-free number of the AOS provider, it should review the practical, administrative impact of the federal requirements.[6/]

[5/] Operator services providers are required to ensure by contract or tariff that the aggregator posts such notices.

[6/] The States, of course, remain fully responsible for regulation of operator services providers with respect to intrastate traffic. Requirements in the federal Act would, however, apply both to inter- and intrastate calls since a notice at the telephone location, branding, and like requirements would, as a practical matter, be applied to all calls. In fact, it would be highly confusing to consumers, if not impossible as a technical matter, to impose contradictory federal and state requirements.

Third, the proposed Notice reflects a requirement that AOS operators must re-originate calls to another carrier, upon request and at no charge. WAC 480-120-141(5)(c). The capability to re-originate calls to any carrier chosen by the user would be extraordinarily costly, and perhaps impossible, for much of the equipment in the marketplace.[7/] Moreover, given parallel federal requirements contained in the Act, that neither aggregators nor operator services providers may engage in call blocking with respect to 950 or 800 access codes, and the fact that 10XXX access is available at many, if not most, locations, the ability to re-originate calls to carriers having such access would be totally unnecessary, since callers could dial such access code directly and would not need to be transferred by the operator service provider to such other carrier. Accordingly, since all IXCs other than AT&T have made 950 and/or 800 access arrangements available to their customers, and 10XXX access is available from most locations, a requirement that AOS providers be able to re-originate calls is unnecessary and, given the

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[7/] For example, U.S. West public payphones and many private payphones do not possess such a capability.

expense and in many locations the impossibility[8/] of performing such re-origination, would be unreasonable.

The Commenters recognize that concerns do arise at locations where, because of technical limitations or the possibility of fraud, 10XXX is not available. These concerns arise because a single carrier, AT&T, has not made 950 or 800 access options available to its customers, and has instead chosen to rely exclusively on 10XXX access. As the federal legislation recognizes, the issues which must be resolved prior to mandating universal 10XXX access are complicated ones which must be thoroughly investigated prior to adoption of requirements. To require, as the proposed Washington rules would, that carriers other than AT&T incur the cost of being able to re-originate AT&T customers to AT&T as a direct result of that company's failure to

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[8/] An analytically similar area of concern is the proposed requirement that AOS providers must assure "that a minimum of ninety percent of all calls shall be answered by the operator within ten seconds from the time the caller dials '0'." WAC 480-120-141(5)(d). Unfortunately, given the current state of technology, it is virtually impossible for providers, including LECs, to meet this proposed standard at this time. Accordingly, the Commenters suggest it would be inappropriate to adopt such a standard at the present.

Moreover, the necessity for such a requirement would seem to be rendered moot by the requirement that AOS providers offer services "which equal or exceed the industry standards in availability, technical quality and response time ...." WAC 480-120-141(9)(a). Hence, the more specific requirement may safely be stricken, thereby eliminating potential redundancy while assuring that consumers will receive service equal to recognized industry standards.

make other forms of access available would be unreasonable and confiscatory, particularly where their competitor, AT&T, would reap all of the benefit of such expenditures. Instead, the Commission should carefully evaluate the relative costs and technical issues surrounding the access and blocking questions prior to adoption of a rule in this regard.

Fourth, the proposed branding rules would require that the name of the billing company be announced in addition to that of the AOS provider. WAC 480-120-141(5)(a)(iii). It is unclear if the Commission intends that both the name of the LEC, as the billing agent which ultimately renders the bill, and the name of the billing agent clearinghouse be announced, or that only one of these two entities be announced. In either event, while in theory such an announcement may seem desirable, in actuality it will prove to be both unduly confusing to consumers and costly to providers.

There are two critical times at which the consumer requires information. First, at the time of dialing, the consumer needs to be made aware of the identify of the provider before any charges are incurred, so that he or she may access a different carrier if desired. Second, at the time of receipt of the bill, the consumer needs to know how to effectively and efficiently

resolve any questions or complaints which may arise.[9/] Announcement at the time of branding of not just the service provider, but also of the clearinghouse or the LEC which will render the bill, or both, will only serve to confuse the consumer. Moreover, it is highly unlikely that a consumer will desire or be able to note two or even three separate corporate names at the time of the call for future billing reference.

Such multiple name branding also will significantly expand the time prior to which the actual phone call is placed. This delay both will prove annoying to consumers -- as have similar lengthy announcements which have been employed by carriers in the past, and will rapidly drive up the cost of providers, lessening their ability to offer competitive rates, since, in the provision of telecommunications services, seconds of time are indeed money.

Accordingly, Commenters urge that the Commission delete this proposed rule.

[9/] Commenters also have concerns regarding the billing requirements proposed by the Commission insofar as they would impose a blanket requirement that LECs include individual carriers' names on end user bills. Such capability is not available from many LECs, and the requirement would thereby eliminate the ability of Commenters and other similarly situated carriers to offer service in Washington. In order to avoid unnecessary repetition of arguments on this issue, Commenters incorporate by reference and endorse the comments being filed on behalf of Operator Assistance Network and Zero Plus Dialing, Inc.

C. The Commission Should Reject An Absolute Prohibition On AOS Providers Billing For Uncompleted Calls (WAC 480-120-141(6))

Under the new federal Act, AOS providers are required to "not bill for unanswered telephone calls in areas where equal access is available" and "not knowingly bill for unanswered telephone calls where equal access is not available." These provisions in the federal legislation reflect a proper balance between protecting consumers against billing for unanswered calls, and the current technological limits on the ability of a provider to determine whether or not a call has in fact been answered.

Billing for uncompleted or unanswered calls arises out of a technical problem which has troubled the entire interexchange industry for many years. The Commenters believe, therefore, that the Commission should not adopt an absolute prohibition against billing for unanswered calls at this time.[10/] It would, however, be fully appropriate for the Commission to adopt a prohibition on billing for unanswered calls with respect to

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10/ Indeed, the FCC previously has found that billing for uncompleted calls is not an unreasonable practice where: (1) the carrier has taken measures to avoid incorrect billing; (2) erroneous billing is unintentional; and (3) the carrier adjusts improperly billed amounts upon notice by the consumer. Bill Correctors, Ltd. v. United States Transmission Systems, Inc., File No. E-84-6 (November 8, 1984); see also, Certified Collateral Corp. v. AllNet Communications Service, Inc., 2 FCC Rcd. 2171 (1987).

providers of intrastate service that mirrors the balance struck in the federal Act.

It is undisputed that answer supervision, which enables carriers to know whether calls have been answered, is not universally available at this time. Where answer supervision is not available, IXCs have been compelled to use alternative methods to determine whether a call has been answered and therefore whether to commence billing. In particular, absent Feature Group D access and associated answer supervision information, IXCs use a combination of means to determine whether a call is answered. Most commonly, IXCs generally employ a timing surrogate to prevent users from being charged for unanswered calls. Other IXCs have developed equipment which can distinguish voices, busy signals, ringing, error tones and the like to determine whether a call has been answered.

These alternative means allow IXCs to detect when a call has been answered and that billing is appropriate. In the Commenters' combined experience, however, it is currently possible that an IXC would perceive that a call has been answered when, in fact, it was not. Clearly, given the current impossibility of determining with absolute certainty that a call has been answered, it would be impossible to comply with an absolute prohibition against inadvertent billing for uncompleted calls as envisioned by the proposed rules. Hence, absent a

universally available mechanism for carriers to prevent such billing, an absolute prohibition on AOS provider billing for unanswered calls would be unreasonable.

D. The Commission Should Reject The Proposal To Impose A Rate Cap On AOS Rates (WAC 480-120-141(9)(b))

The Commission should refrain from imposing a rate cap. The active working of the competitive marketplace, which over the last two years has served to rapidly decrease charges and reduce consumer complaints, in combination with consumer education and information, is the best guarantor of consumer choice and satisfaction.

In addition to a rate cap, the Commission has proposed that consumer notices disclose "the basis for its calculation" with respect to certain permissible incremental charges. (WAC 480-120-141(9)(c)). This additional requirement is likely to be confusing to consumers and have the undesirable effect of overloading the information provided to consumers, such that they do not read the valuable and important information which also is called for by the rules. It is sufficient that, prior to incurring any such charge, the consumer be notified as to the existence of the charge and its maximum amount. Knowing such, the consumer is in a position to make a reasonable, pragmatic decision as to whether he or she wishes to go forward, utilize the instrument in question, and incur the charge.

The proposed requirement of disclosure as to the basis for calculating commissions or surcharges represents a crossing of that fine but important line between providing consumers with full and sufficient information necessary to an informed choice, and providing so much information as to make an informed and, at the same time, expeditious decision impossible.

III. CONCLUSION

The Commenters fully support the intent of the Commission to adopt additional rules and policies to promote a more competitive AOS provider marketplace while permitting end users to select among providers and services based on complete consumer information. The Commenters nevertheless urge the Commission to incorporate certain specific clarifications, modifications, and deletions to the proposed rules. Such changes will in no way compromise the Commission's legitimate policy objectives, while at the same time they will lead to a minimum of regulatory redundancy, consumer confusion, and increased costs. Passage of significant federal legislation in this field since promulgation of the proposed rules gives additional cause to reexamine the impact of the proposed rules.

Respectfully submitted,

U.S. LONG DISTANCE, INC.
INTERNATIONAL PACIFIC, INC.
NATIONAL TECHNICAL ASSOCIATES

By: _____

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Their Counsel

Dated: October 19, 1990

ATTACHMENT A

Act, waive the requirements of this subsection but only if the findings and conclusions of the Commission in the final report issued under subsection (b)(2)(C) state that the regulatory objectives specified in section 4(a)(1) and (2) have been achieved.

(b) PROCEEDING REQUIRED.—(1) Within 30 days after the date of enactment of this Act, the Commission shall initiate a proceeding to determine whether the regulatory objectives specified in section 4(a) (1) and (2) are being achieved. The proceeding shall—

(A) monitor operator service rates;

(B) determine the extent to which offerings made by providers of operator services are improvements, in terms of service quality, price, innovation, and other factors, over those available before the entry of new providers of operator services into the market;

(C) report on, in the aggregate, operator service rates, incidence of service complaints, and service offerings;

(D) consider the effect that commissions and surcharges, billing and validation costs, and other costs of doing business have on the overall rates charged to consumers; and

(E) monitor compliance with the provisions of section 5, including the periodic placement of telephone calls from aggregator locations.

(2)(A) The Commission shall, during the pendency of such proceeding and not later than 5 months after its commencement, provide the Congress with an interim report on the Commission's activities and progress to date.

(B) Not later than 11 months after the commencement of such proceeding, the Commission shall report to the Congress on its interim findings as a result of the proceeding.

(C) Not later than 23 months after the commencement of such proceeding, the Commission shall issue a final report to the Congress on its findings and conclusions.

(c) AUTHORITY TO ESTABLISH RATE CEILINGS.—If the Commission finds in the report required under subsection (b)(2)(C) that consumers are not benefiting from a competitive market for operator services, the Commission shall have the authority to establish ceilings for the rates charged by providers of operator services, based upon the rates charged by the largest carrier in the interstate operator services market.

SEC. 7. PENALTIES; FORFEITURES.

The provisions of title V of the Communications Act of 1934 (47 U.S.C. 501 et seq.) shall apply to violations of this Act or regulations prescribed under this Act in the same manner and to the same extent as to violations of the Communications Act of 1934 or rules and regulations under that Act, including—

(1) criminal penalties for willful and knowing violations of statutory provisions, consisting of a fine of no more than $10,000 or imprisonment for no more than 1 year, or both, for a first offense, and a fine of no more than $10,000 or imprisonment for no more than 2 years, or both, for any subsequent offense;

(2) criminal penalties for willful and knowing violation of Commission rules, regulations, conditions, and restrictions, consisting of a fine of not to exceed $500 for each day in which an offense occurs; and

(3) forfeiture penalties for the willful or repeated failure to comply with statutory provisions or Commission rules, regulations, or orders—

(A) of not to exceed $100,000 for each violation or each day of a continuing violation by a common carrier subject to title II of the Communications Act of 1934, or by an applicant for any common carrier license, permit, certificate, or other instrument of authorization issued by the Commission; and

(B) of not to exceed $10,000 for each violation or each day of a continuing violation by a person that is not such a common carrier or applicant.

AMENDMENT NO. 2924

(Purpose: To make an amendment in the nature of a substitute)

Mr. BRYAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. BRYAN], for Mr. INOUYE, proposes an amendment numbered 2924.

Mr. BRYAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Telephone Operator Consumer Services Improvement Act of 1990".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the divestiture of AT&T and decisions allowing open entry for competitors in the telephone marketplace produced a variety of new services and many new providers of existing telephone services;

(2) the growth of competition in the telecommunications market makes it essential to ensure that safeguards are in place to assure fairness for consumers and service providers alike;

(3) a variety of providers of operator services now compete to win contracts to provide operator services to hotels, hospitals, airports, and other aggregators of telephone business from consumers;

(4) the mere existence of a variety of service providers in the operator services marketplace is significant in making that market competitive only when consumers are able to make informed choices from among those service providers;

(5) however, often consumers have no choices in selecting a provider of operator services, and often attempts by consumers to reach their preferred long distance carrier by using a telephone billing card, credit card, or prearranged access code number are blocked;

(6) a number of State regulatory authorities have taken action to protect consumers using intrastate operator services;

(7) from January 1988 through February 1990, the Federal Communications Commission received over 4,000 complaints from consumers about operator services;

(8) those consumers have complained that they are denied access to the interexchange carrier of their choice, that they are deceived about the identity of the company providing operator services for their calls and the rates being charged, that they lack information on what they can do to complain about unfair treatment by an operator service provider, and that they are, accordingly, being deprived of the free choice essential to the operation of a competitive market;

(9) the Commission has testified that its actions have been insufficient to correct the problems in the operator services industry to date; and

(10) a combination of industry self-regulation and government regulation is required to ensure that competitive operator services are provided in a fair and reasonable manner.

SEC. 3. AMENDMENT.

Title II of the Communications Act of 1934 is amended by inserting immediately after section 225 (47 U.S.C. 225) the following new section:

"SEC. 226. TELEPHONE OPERATOR SERVICES.

"(a) DEFINITIONS.—As used in this section—

"(1) The term 'access code' means a sequence of numbers that, when dialed, connect the caller to the provider of operator services associated with that sequence.

"(2) The term 'aggregator' means any person that, in the ordinary course of its operations, makes telephones available to the public or to transient users of its premises, for interstate telephone calls using a provider of operator services.

"(3) The term 'call splashing' means the transfer of a telephone call from one provider of operator services to another such provider in such a manner that the subsequent provider is unable or unwilling to determine the location of the origination of the call and, because of such inability or unwillingness, is prevented from billing the call on the basis of such location.

"(4) The term 'consumer' means a person initiating any interstate telephone call using operator services.

"(5) The term 'equal access' has the meaning given that term in Appendix B of the Modification of Final Judgment entered August 24, 1982, in United States v. Western Electric, Civil Action No. 82-0192 (United States District Court, District of Columbia), as amended by the Court in its orders issued prior to the enactment of this section.

"(6) The term 'equal access code' means an access code that allows the public to obtain an equal access connection to the carrier associated with that code.

"(7) The term 'operator services' means any interstate telecommunications service initiated from an aggregator location that includes, as a component, any automatic or live assistance to a consumer to arrange for billing or completion, or both, of an interstate telephone call through a method other than—

"(A) automatic completion with billing to the telephone from which the call originated; or

"(B) completion through an access code used by the consumer, with billing to an account previously established with the carrier by the consumer.

"(8) The term 'presubscribed provider of operator services' means the interstate provider of operator services to which the consumer is connected when the consumer places a call using a provider of operator services without dialing an access code.

"(9) The term 'provider of operator services' means any common carrier that provides operator services or any other person determined by the Commission to be providing operator services.

"(b) REQUIREMENTS FOR PROVIDERS OF OPERATOR SERVICES.—

"(1) IN GENERAL.—Beginning not later than 30 days after the date of enactment of this section, each provider of operator services shall, at a minimum—

"(A) identify itself, audibly and distinctly, to the consumer at the beginning of each telephone call and before the consumer incurs any charge for the call;

"(B) permit the consumer to terminate the telephone call at no charge before the call is connected;

"(C) disclose immediately to the consumer, upon request and at no charge to the consumer—

"(i) a quote of its rates or charges for the call;

"(ii) the methods by which such rates or charges will be collected; and

"(iii) the methods by which complaints concerning such rates, charges, or collection practices will be resolved;

"(D) ensure, by contract or tariff, that each aggregator for which such provider is the presubscribed provider of operator services is in compliance with the requirements of subsection (c) and, if applicable, subsection (e)(1);

"(E) withhold payment (on a location-by-location basis) of any compensation, including commissions, to aggregators if such provider reasonably believes that the aggregator (i) is blocking access by means of "950" or "800" numbers to interstate common carriers in violation of subsection (c)(1)(B) or (ii) is blocking access to equal access codes in violation of rules the Commission may prescribe under subsection (e)(1);

"(F) not bill for unanswered telephone calls in areas where equal access is available;

"(G) not knowingly bill for unanswered telephone calls where equal access is not available;

"(H) not engage in call splashing, unless the consumer requests to be transferred to another provider of operator services, the consumer is informed prior to incurring any charges that the rates for the call may not reflect the rates from the actual originating location of the call, and the consumer then consents to be transferred;

"(I) except as provided in subparagraph (H), not bill for a call that does not reflect the location of the origination of the call; and

"(J) not bill an interexchange telephone call to a billing card number which—

"(i) is issued by another provider of operator services, and

"(ii) permits the identification of the other provider,

unless the call is billed at a rate not greater than the other provider's rate for the call, the consumer requests a special service that is not available under tariff from the other provider, or the consumer expressly consents to a rate greater than the other provider's rate.

"(2) ADDITIONAL REQUIREMENTS FOR FIRST 3 YEARS.—In addition to meeting the requirements of paragraph (1), during the 3-year period beginning on the date that is 30 days after the date of enactment of this section, each presubscribed provider of operator services shall identify itself audibly and distinctly to the consumer, not only as required in paragraph (1)(A), but also for a second time before connecting the call and before the consumer incurs any charge.

"(c) REQUIREMENTS FOR AGGREGATORS.—

"(1) IN GENERAL.—Each aggregator, beginning not later than 30 days after the date of enactment of this section, shall—

"(A) post on or near the telephone instrument, in plain view of consumers—

"(i) the name, address, and toll-free telephone number of the provider of operator services;

"(ii) a written disclosure that the rates for all operator-assisted calls are available on request, and that consumers have a right to obtain access to the interstate common carrier of their choice and may contact their preferred interstate common carriers for information on accessing that carrier's service using that telephone; and

"(iii) the name and address of the enforcement division of the Common Carrier Bureau of the Commission, to which the consumer may direct complaints regarding operator services; and

"(B) ensure that each of its telephones presubscribed to a provider of operator services allows the consumer to use "800" and "950" access code numbers to obtain access to the provider of operator services desired by the consumer; and

"(C) ensure that no charge by the aggregator to the consumer for using an "800" or "950" access code number, or any other access code number, is greater than the amount the aggregator charges for calls placed using the presubscribed provider of operator services.

"(2) EFFECT OF STATE LAW OR REGULATION.—The requirements of paragraph (1)(A) shall not apply to an aggregator in any case in which State law or State regulation requires the aggregator to take actions that are substantially the same as those required in paragraph (1)(A).

"(d) GENERAL RULEMAKING REQUIRED.—

"(1) RULEMAKING PROCEEDING.—The Commission shall conduct a rulemaking proceeding pursuant to this title to prescribe regulations to—

"(A) protect consumers from unfair and deceptive practices relating to their use of operator services to place interstate telephone calls; and

"(B) ensure that consumers have the opportunity to make informed choices in making such calls.

"(2) DEADLINES.—The Commission shall initiate the proceeding required under paragraph (1) within 60 days after the date of enactment of this section and shall prescribe regulations pursuant to the proceeding not later than 210 days after such date of enactment. Such regulations shall take effect not later than 45 days after the date the regulations are prescribed.

"(3) CONTENTS OF REGULATIONS.—The regulations prescribed under this section shall—

"(A) contain provisions to implement each of the requirements of this section, other than the requirements established by the rulemaking under subsection (e) on access and compensation; and

"(B) contain such other provisions as the Commission determines necessary to carry out this section and the purposes and policies of this section.

"(4) ADDITIONAL REQUIREMENTS TO BE IMPLEMENTED BY REGULATIONS.—The regulations prescribed under this section shall, at a minimum—

"(A) establish minimum standards for providers of operator services to use in the routing and handling of emergency telephone calls; and

"(B) establish a policy for requiring providers of operator services to make public information about recent changes in operator services and choices available to consumers in that market.

"(e) SEPARATE RULEMAKING ON ACCESS AND COMPENSATION.—

"(1) ACCESS.—The Commission, within 9 months after the date of enactment of this section, shall require—

"(A) that each aggregator ensure within a reasonable time that each of its telephones presubscribed to a provider of operator services allows the consumer to obtain access to the provider of operator services desired by the consumer through the use of an equal access code; or

"(B) that all providers of operator services, within a reasonable time, make available to their customers a "950" or "800" access code number for use in making operator services calls from anywhere in the United States; or

"(C) that the requirements described under both subparagraphs (A) and (B) apply.

"(2) COMPENSATION.—The Commission shall consider the need to prescribe compensation (other than advance payment by consumers) for owners of competitive public pay telephones for calls routed to providers of operator services that are other than the presubscribed provider of operator services for such telephones. Within 9 months after the date of enactment of this section, the Commission shall reach a final decision on whether to prescribe such compensation.

"(f) TECHNOLOGICAL CAPABILITY OF EQUIPMENT.—Any equipment and software manufactured or imported more than 18 months after the date of enactment of this section and installed by any aggregator shall be technologically capable of providing consumers with access to interstate providers of operator services through the use of equal access codes.

"(g) FRAUD.—In any proceeding to carry out the provisions of this section, the Commission shall require such actions or measures as are necessary to ensure that aggregators are not exposed to undue risk of fraud.

"(h) DETERMINATIONS OF RATE COMPLIANCE.—

"(1) FILING OF INFORMATIONAL TARIFF.—

"(A) IN GENERAL.—Each provider of operator services shall file, within 30 days after the date of enactment of this section, and shall maintain, update regularly, and keep open for public inspection, an informational tariff specifying rates, terms, and conditions, and including commissions, surcharges, any fees which are collected from consumers, and reasonable estimates of the amount of traffic priced at each rate, with respect to calls for which operator services are provided. Any changes in such rates, terms, or conditions shall be filed no later than the first day on which the changed rates, terms, or conditions are in effect.

"(B) WAIVER AUTHORITY.—The Commission may, after 4 years following the date of enactment of this section, waive the requirements of this paragraph only if—

"(i) the findings and conclusions of the Commission in the final report issued under paragraph (3)(B)(iii) state that the regulatory objectives specified in subsection (d)(1)(A) and (B) have been achieved; and

"(ii) the Commission determines that such waiver will not adversely affect the continued achievement of such regulatory objectives.

"(2) REVIEW OF INFORMATIONAL TARIFFS.—If the rates and charges filed by any provider of operator services under paragraph (1) appear upon review by the Commission to be unjust or unreasonable, the Commission may require such provider of operator services to do either or both of the following:

"(A) demonstrate that its rates and charges are just and reasonable, and

"(B) announce that its rates are available on request at the beginning of each call.

"(3) PROCEEDING REQUIRED.—

"(A) IN GENERAL.—Within 60 days after the date of enactment of this section, the Commission shall initiate a proceeding to determine whether the regulatory objectives specified in subsection (d)(1)(A) and (B) are being achieved. The proceeding shall—

(i) monitor operator service rates;

"(ii) determine the extent to which offerings made by providers of operator services are improvements, in terms of service quality, price, innovation, and other factors, over those available before the entry of new providers of operator services into the market;

"(iii) report on (in the aggregate and by individual provider) operator service rates, incidence of service complaints, and service offerings;

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"(iv) consider the effect that commissions and surcharges, billing and validation costs, and other costs of doing business have on the overall rates charged to consumers; and

"(v) monitor compliance with the provisions of this section, including the periodic placement of telephone calls from aggregator locations.

"(B) REPORTS.—(i) The Commission shall, during the pendency of such proceeding and not later than 5 months after its commencement, provide the Congress with an interim report on the Commission's activities and progress to date.

"(ii) Not later than 11 months after the commencement of such proceeding, the Commission shall report to the Congress on its interim findings as a result of the proceeding.

"(iii) Not later than 23 months after the commencement of such proceeding, the Commission shall submit a final report to the Congress on its findings and conclusions.

"(4) IMPLEMENTING REGULATIONS.—

"(A) IN GENERAL.—Unless the Commission makes the determination described in subparagraph (B), the Commission shall, within 180 days after submission of the report required under paragraph (3)(B)(iii), complete a rulemaking proceeding pursuant to this title to establish regulations for implementing the requirements of this title (and paragraphs (1) and (2) of this subsection) that rates and charges for operator services be just and reasonable. Such regulations shall include limitations on the amount of commissions or any other compensation given to aggregators by providers of operator service.

"(B) LIMITATION.—The requirement of subparagraph (A) shall not apply if, on the basis of the proceeding under paragraph (3)(A), the Commission makes (and includes in the report required by paragraph (3)(B)(iii)) a factual determination that market forces are securing rates and charges that are just and reasonable, as evidenced by rate levels, costs, complaints, service quality, and other relevant factors.

"(i) STATUTORY CONSTRUCTION.—Nothing in this section shall be construed to alter the obligations, powers, or duties of common carriers or the Commission under the other sections of this Act.".

Mr. INOUYE. Mr. President, I offer today a substitute version of S. 1660, the Telephone Operator Consumer Services Improvement Act of 1990. This may be one of the most significant pieces of communications legislation to pass the Congress this year. This bill will go a long way toward solving the problems that have plagued consumers who attempt to make operator-assisted calls from telephones made available to the public. This bill seeks to protect the consumer from unfair and deceptive practices by these new operator services companies. At the same time, the bill establishes reasonable ground rules for the promotion of competition in the operator services market.

The need for this bill is well known by any consumer that has attempted to make an operator-assisted call from a hotel, airport, hospital, or other public location over the past few years. Four years ago, several new companies entered the market to provide telephone operator services in competition with AT&T. These new companies, known as "alternate operator services", or "AOS", companies, often engaged in unfair and deceptive practices that generated thousands of complaints by disgruntled consumers. According to these consumer complaints, these AOS companies often refused to identify themselves, charged rates significantly higher than the rates that consumers expected to be charged, blocked consumers from reaching their carrier of choice through the 950 or 800 access codes, billed for calls that were never answered, and, when consumers asked to be transferred to AT&T, issued bills that indicated the calls were made from locations that were hundreds of miles away from the consumer's actual location.

In 1988, the Telecommunications Research and Action Center, a consumer group known as TRAC, filed a compliant with the FCC against five AOS companies. In ruling on this complaint, the FCC declared that blocking of access was illegal and ordered the carriers to stop blocking access to other carriers. The FCC declined, however, to take any further action. It refused to regulate or even investigate these carriers' rates, and it refused to adopt rules or initiate a rulemaking proceeding to govern the entire operator services industry. The FCC further permitted the industry to apply for waivers of the nonblocking requirements, and virtually all the carriers submitted waiver requests.

After the FCC's ruling, the FCC continued to receive more complaints about AOS companies than about any other problem. Congress stepped forward to respond to these concerns. Last year the House took the lead and passed legislation sponsored by Congressman COOPER to establish reasonable regulations to govern this industry and protect the consumer. The House bill was a significant achievement that reflected a great deal of hard work and compromise.

In the Senate, Senator DIXON introduced a bill that was very similar to the House-passed bill, and Senator BREAUX introduced a companion bill to the House-passed bill. After a hearing on February 7 and several additional rounds of negotiating, the Senate Commerce Committee was able to report a substitute bill to S. 1660 by voice vote on June 27 of this year. That substitute will made only small changes to the strong foundation laid by the House.

After several additional rounds of negotiations among the industry participants and the FCC, we have emerged with a consensus bill that is supported by almost all the members of the industry and the key sponsors of legislation in the Senate and the House. I would, in particular, like to note that the FCC now supports this legislation and has expressed its commitment to resolving the problems in the operator services industry. In fact, the FCC has been very coopeative and helpful in offering suggestions for improving the bill. The bill now includes several provisions that should assist the FCC in taking action to protect consumers of operator services. I fully expect that the FCC will act in good faith to carry out the provisions of this bill as expeditiously as possible. I also expect that the FCC will act quickly on several petitions that are now pending at the commission that are not specifically addressed in this bill.

Senator HOLLINGS, Senator DANFORTH, and Senator PACKWOOD have all contributed to the drafting of this bill and have indicated their support. Of course, Senators BREAUX and DIXON made significant contributions by introducing the two operator services bills and by continuing to work on the drafting of this substitute. Several other Senators have worked closely on this bill, including Senators ROBB, KOHL, BURNS, LOTT, GORTON, and PRESSLER.

I would also like to commend the chairman of the House Subcommittee on Telecommunications and Finance, Mr. MARKEY, the ranking Republican member of that committee, Mr. RINALDO, and the original sponsor of this legislation in the House, Mr. COOPER, for their leadership in recognizing the need for this legislation early on and for crafting a balanced piece of legislation that went 90 percent of the way toward solving the problems in this industry.

In short, this bill reflects hours of hard work by both Houses of Congress and on both sides of the aisle. I appreciate the spirit of cooperation shown by all these members and their staff. It is my hope and expectation that this substitute can be passed by the Senate today and taken up by the House shortly thereafter. I believe that this substitute deserves the strong support of all the members, and I urge its passage.

Mr. HOLLINGS. Mr. President, I rise today to support the substitute amendment being offered by Senator INOUYE to S. 1660, the Telephone Operator Consumer Services Improvement Act of 1990. The operator services industry is the latest example of the deregulation gone mad approach to public interest regulation. It used to be that you could pick up a telephone, dial "0", and make your telephone call with the assurance that your rates would be reasonable and your service quality high.

Today, the consumer has no such assurance. You can dial "0" in an emergency and find that no one picks up the line. You can place a long distance call from one State and be billed for a call from another State. You can find that your charges are four times higher than they used to be. And you can be charged for calls that were never answered.

I applaud the efforts of Senator INOUYE, Senator BREAUX, and Senator DIXON for taking up this cause. It is

time that we get back to ensuring that the public interest includes the interests of the telephone consumer as well as the interests of the telephone industry.

At the same time, there is no reason to penalize the entire operator services industry for the misguided actions of a few competitors. Consumers are not complaining about the rates and practices of AT&T. It does not seem fair to me to put the burden on AT&T to solve their problems.

I thus believe that the approach taken by this bill, to refer the difficult issue of unblocking and 800 numbers to the FCC, is the proper resolution. The new administration at the FCC has indicated that it is ready to work with Congress and to establish reasonable regulations to protect the consumer and to promote competition. I think it is time to let this FCC do its job.

Once again, I express my appreciation for the hard work of Senator INOUYE and the other Senators on the committee who have worked to craft this consensus bill. I urge my colleagues to support the passage of this substitute and of S. 1660, as amended.

Mr. BREAUX. Mr. President, for generations after the introduction of Alexander Graham Bell's marvelous invention, the regulated telephone industry became one that Americans could rely on for reliable, near-impeccable service at fair prices. You placed your call from anywhere in the country, at a hotel or motel, on the side of a country road or major highway, in a hospital, airport, train or bus depot, at a high school or university and you knew what to expect. From any place you called, you knew what to expect in rates and service. In fact you rarely consciously considered per-minute rate charges. You were so familiar with the service that you could approximate the cost of a call by its total time.

No more. Now it is a case of transit telephone user beware. The aftermath of the deregulation of long-distance telephone service in 1984 has brought hundreds of new telephone service providers in various markets. With them have come, in the name of competition, varying service offerings at unfamiliary, usually higher, costs to consumers. Many traveling telephone users calling homes or businesses have subsequently suffered telephone bill rate shock.

A most recent example is illustrated in a letter I received from a constituent just a few days ago on September 13. She told me that her husband is on the road for 8 to 10 months of the year. he calls home frequently. The telephone, she says, "is the lifeline to our marriage." They had not had problems with the amounts of their long-distance bills until 2 or 3 months ago. For an unexplained reason, her recent billings were from various telephone companies other than her chosen carrier, AT&T.

My constituent's bitter complaint is that she is charged on her August 4 billing $208.66 for calls that, according to her AT&T comparison, would have cost $65.28. The difference is over 200 percent. This family had a similar experience on August 29, receiving charges totaling $80.90 which would have been $26.19 at AT&T rates. I have copies of these bills, including the AT&T rate comparisons.

This kind of problem repeated hundreds of times around the country is what prompted me to introduce S. 1660, the basis of the Senate Commerce Committee substitute which will be voted out of the Senate today. In fact, over 4,000 similar consumer complaints were filed in the FCC from January 1988 through February 1990. And, the stream of complaints is still flowing.

The House of Representatives first addressed this issue after nearly a year of negotiations with consumer and telephone industry representatives. By voice vote the resulting legislation, H.R. 971, the Telephone Operator Services Consumer Protection Act, cleared the House in September 1989. Significant compromises were forged in several knotty issues. I introduced in the Senate the companion bill, S. 1660, the Telephone Operator Consumer Services Improvement Act. S. 1660 is intended to curb abusive pricing and billing practices of some operator service provider [OSP] long-distance telephone companies.

My constituent complains that she has been stripped of her rights to use the service which she requested in using her calling card. S. 1660 will protect a consumer's right to choose, yet avoid a premature imposition of rates and commissions penalties.

Among other important provisions, it requires OSP's to identify themselves to callers, and upon request at no cost to the consumer, give rates, billing procedures, and procedures for filing complaints. OSR's will be prohibited from billing a long-distance telephone call to a billing card number which is issued by another OSP unless the call is billed at a rate no greater than that other OSP's rate for that call. OSP's must file their rates at the FCC, and they are required to justify questionable charges.

Within 18 months, S 1660 requires that telephone for transient use such as on highways, in motels, hotels, airports, and hospitals must be technically capable of connecting callers to long distance carriers of choice. Meanwhile, S. 1660 would prohibit the blocking of access to chosen carriers. If a no-blocking law cannot be enforced at the FCC, penalties such as denials of commissions on telephone service collections paid by OSP's to hotels and motels, et cetera, would then be in order.

Moreover, criminal penalties for willful and knowing violations of the Communications Act, consisting of fines of up to $10,000 or imprisonment for up to a year may apply. Violators may also be subjected to forfeiture penalties of up to $100,000 a day for willful or repeated failure to comply with statutory provisions or FCC Commission rules, regulations or orders.

OSP owners have made major investments in operations and equipment, and some provide enhanced services and job opportunities in their communities. S. 1660 is more than a consumers benefits bill; it offers OSP's an opportunity to improve operations and prove consumer acceptance in the marketplace.

The Congress will know soon enough whether in fact there is industry compliance with this much-needed legislation. S. 1660 requires the FCC to conduct a 9-month study of whether additional regulation is needed. If OSP industry improvements do not materialize, I will support more stringent regulation.

I want to thank Senate Communications Subcommittee chairman, Senator INOUYE and the committee staff, particularly John Windhausen and William Heyer, for long hours of extraordinarily effective work that they contributed in the successful effort to move this legislation to this point of passage.

Mr. BURNS. Mr. President, I rise today in support of S. 1660, the Telephone Operator Services Improvement Act of 1990.

Throughout this past year, my colleagues on the Senate Commerce Committee and I have worked diligently to formulate a measure that not only will provide a foundation to promote competition in operator-assisted services, but will preserve the needs and interests of consumers using these telephone services.

It is a well established fact that multiple providers on any communications service ultimately will bring benefits to the public in the form of new services and cheaper rates. Because the operator service industry is so new, these benefits have been slower in coming. Before the advent of alternative operator service providers, as they were first known, consumers knew who the operator was and how to reach them since there was only one provider, AT&T. However, new providers have resulted in an inevitable confusion as consumers struggle to understand how best to utilize the new services. As this transition process occurs, more and more consumers are beginning to learn of operator service providers, [OSP's], and the varied benefits and innovations they may offer.

Such a transition process is not unique to the communications industry. The divestiture of AT&T clearly has brought the American public innovative telecommunication services, lower prices, and spurred competition in the long-distance field. Through MCI, US Sprint, ITT, and hundreds of other smaller long-distance carriers, the American public has been granted

the freedom to choose and as a result of this freedom, competition has flourished. In the end, it is hoped that a market of competitive providers will one day lead to a more fully deregulated regulatory structure. All of us would welcome that. While the battle between AT&T and new competitors has been a long and difficult one, as a whole the American public is reaping the benefits of competition.

The same principle holds true for competition in the operator-assisted services. While we all agree there have been problems with the operator service industry, just as there were in the newly deregulated long-distance industry, the array of new services and state-of-the-art technology being offered by many operator service companies in just 3 short years of existence is phenomenal. If competition had not entered this marketplace, consumers would be the losers.

Mr. President, there have been some critical problems with the operator service industry and if we are to promote competition, these problems need to be addressed. I am very pleased to see that S. 1660 will require the FCC to help resolve many problems and to monitor industry compliance. One particular concern I have is for consumers to continue to have a choice. Individuals who call from any phone in the country should have the right to use the carrier of their choice—either the operator service company provided by that particular phone or any any other carrier. The legislation establishes this principle, and it is my hope that the FCC will make it workable as implementing regulations are issued.

We have all heard frustrating stories of customers being denied access to the carrier of their choice while traveling. There are several reasons why this may occur. First, there may be purely technical problems preventing connection to a particular carrier. Second, the carrier of choice may not make available its data base to the operator service company. Without access to this data base, an operator service provider cannot validate and bill the card number and as a result must deny the caller use of the carrier. Third, at times the carrier of choice may deny the transfer of a call from an operator service provider even though the caller wants to access that carrier. Fourth, not all carriers provide a uniform method of access for their customers to reach them. These access problems need to be resolved, and I strongly urge the FCC to investigate universally available solutions that will facilitate ease of access.

Finally, I would like to elaborate my concerns surrounding the current billing, collection, and validation arrangements in the operator service industry, an issue which was left unaddressed in S. 1660. During the discussion on the legislation, I became aware of the disparities in costs and availability of billing and validation services between AT&T and other operator service providers. I understand several local exchange carriers [LEC's] which provide billing, validation and collection services to AT&T do not offer those same services to other OSP's at any price. The LEC's that do provide these services to OSP's sometime charge them a significantly higher amount than they do to AT&T. OSP's are totally dependent on the LEC's for calling card validation, billing and the collection of calls. The inability to obtain such services causes many competitive problems that need to be corrected if we expect consumers to use all OSP services.

I believe billing and collection disparity raises the question of fair competition, and any solution that attempts to satisfy the customer, must address this inequity. Again, I would encourage the Commission to consider this issue in the context of the rulemaking required in the bill.

While it is my hope that this legislation will address the problems and concerns surrounding the operator service industry, the need for continual oversight remains. If any abuses persist by operator service companies, the Commisson may find it necessary to use the authority given by this bill to crack down on the bad players. I, for one, believe Congress has an important role to play in providing continuing oversight in this industry.

In closing, I want to express my support for this measure. I want to thank my colleagues, particularly Chairmen HOLLINGS and INOUYE, for their diligence on this complex issue and commend the staff for their hard work in piecing together a bill that provides consumers with the necessary information to make informed choices, while allowing a new industry to develop in a competitive marketplace. Since the bill will cover every company providing operator services, we are guaranteed upon implementation of the bill's terms, many of the problems plaguing consumers of operator services should disappear. This will be a welcome development. I also want to thank the operator service industry, the consumer groups, and the Federal Communications Commission for their assistance and willingness to work with us on reaching an acceptable compromise.

THE PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Hawaii.

The amendment (No. 2924) was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

Mr. BRYAN. Mr. President, I move to reconsider the votes by which the amendments were agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

Mr. BRYAN. Mr. President, I ask unanimous consent that the Commerce Committee be discharged from further consideration of H.R. 971, the House companion; that the Senate then proceed to its immediate consideration; that all after the enacting clause be stricken and that the text of S. 1660, as amended, be inserted in lieu thereof; that the bill be advanced to third reading and passed; and that the motion to reconsider the passage of the bill be laid upon the table and that S. 1660 then be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 971), as amended, was passed.

ORDERS FOR TUESDAY, OCTOBER 2, 1990

Mr. BRYAN. Mr. President, on behalf of the majority leader, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10 a.m., Tuesday, October 2; that following the time for the two leaders, there be a period for morning business not to extend beyond the hour of 10:30 a.m., with Senators permitted to speak therein for up to 5 minutes each, and that Senator BIDEN be recognized for up to 15 minutes; and that the Senate stand in recess between the hours of 12:30 and 2:15 p.m., Tuesday, in order to accommodate the respective party conferences.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTENT TO PROCEED TO S. 3037, THE MONEY LAUNDERING BILL

Mr. BRYAN. Mr. President, the majority leader asked me to announce for the information of Senators that at 10:30 tomorrow morning, it is his intention to seek consent to proceed on Calendar No. 819, S. 3037, the money laundering bill.

RECESS UNTIL 10 A.M. TOMORROW

Mr. BRYAN. Mr. President, there appears to be no further business to come before the Senate today, so I now ask unanimous consent that the Senate stand in recess, under the previous order, until the hour of 10 a.m., Tuesday, October 2, 1990.

There being no objection, the Senate, at 6:57 p.m., recessed until Tuesday, October 2, 1990, at 10 a.m.