

CHAPTER 26. SUBSTANTIVE RULES APPLICABLE TO TELECOMMUNICATIONS SERVICE PROVIDERS.

Subchapter B. CUSTOMER SERVICE AND PROTECTION.

§26.34. Telephone Prepaid Calling Services.

- (a) **Purpose.** The provisions of this section are intended to prescribe standards for the information a prepaid calling services provider must disclose to customers regarding the rates and terms of service for prepaid calling services offered in this state.
- (b) **Application.** This section applies to any “telecommunications utility” as defined by §26.5 of this title, relating to Definitions. This section does not apply to a deregulated company holding a certificate of operating authority, or to an exempt carrier utility that meets the criteria of Public Utility Regulatory Act (PURA) §52.154. This section also does not apply to a credit calling card in which a customer pays for a service after use and receives a monthly bill for such use.
- (c) **Liability.** A prepaid calling services company is responsible for ensuring, either through its contracts with its network provider, distributors and marketing agents or other means, that:
- (1) end-user purchased prepaid calling service remains usable in accordance with the requirements of this section; and
 - (2) compliance requirements of all disclosure provisions of this section are met.
- (d) **Definitions.** The following terms used in this section have the following meanings, unless the context indicates otherwise:
- (1) Access telephone number -- The number that allows a prepaid calling services customer to access the services of a telecommunications utility to place telephone calls.
 - (2) Billing increment -- A unit of time used to charge customers for prepaid calling services.
 - (3) Personal identification number (PIN) -- A number assigned as an authorization code that ensures system security for a prepaid calling services customer and allows the prepaid calling services company to track minutes used.
 - (4) Prepaid calling services account -- An amount of money paid by a customer in advance to access the services of a telecommunications utility to place telephone calls. When the customer makes completed telephone calls, the value of the account decreases at a predetermined rate.
 - (5) Prepaid calling card -- A card or any other device purchased to establish a prepaid calling services account.
 - (6) Prepaid calling services -- Any telecommunications transaction in which:
 - (A) a customer pays in advance for telecommunications services;
 - (B) the customer’s prepaid calling services account is depleted at a predetermined rate as the customer uses the service; and
 - (C) the customer must use a PIN and an access telephone number to use the telecommunications services.
 - (7) Prepaid calling services company -- A company that provides prepaid calling or other telecommunications services to the public using its own telecommunications network or resold telecommunications services, or distributors who purchase PINs or telecommunications services to resell to the end-user customer.
 - (8) Recharge -- A transaction in which the value of the prepaid calling services account is renewed. The customer must be informed verbally or electronically of the new rates and surcharges at the time of recharge.
 - (9) Surcharge -- any fee or cost charged against a prepaid calling services account in addition to a per-minute rate or billing increment including connection, payphone, and maintenance fees.

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- (e) **Billing requirements for prepaid calling services.**
- (1) Billing increments must be defined and disclosed in the prepaid calling services company's published tariffs or price list on file with the commission, on any display at the point of sale, on any prepaid calling card, or on any prepaid calling card packaging.
 - (2) A prepaid calling services account may be decreased only for a completed call. Station busy signals and unanswered calls are not completed calls and must not be charged against the account.
 - (3) A surcharge must not be levied more than once on a given call.
 - (4) Prepaid calling services companies must not reduce the value of a prepaid calling services account by more than the company's published domestic tariffs or price list on file with the commission and any surcharges filed at the commission. Domestic rates and surcharges must be disclosed at the time of purchase. Current international rates must be disclosed at the time of purchase with an explanation, if applicable, that these prices may be subject to change.
 - (5) The prepaid calling services account may be recharged by the customer at a different domestic rate from the original domestic rate or the last domestic recharge rate provided that the new domestic rate and any domestic or international surcharges conform with the company's published tariff or price list on file with the commission at the time of recharge. The customer must be informed of the rates at the time of recharge. A prepaid calling services company must keep internal records of changes to its international rates and must provide customers with the appropriate international rate information through a toll-free telephone number. International prepaid calling services rates must be updated annually in accordance with §26.89 of this title, relating to Information Regarding Rates and Services of Nondominant Carriers.
 - (6) Upon verbal or written request, prepaid calling services companies must be capable of providing a customer the following call detail data information at no charge:
 - (A) Dialing and signaling information that identifies the inbound access telephone number called;
 - (B) The number of the originating telephone;
 - (C) The date and time the call originated;
 - (D) The date and time the call terminated;
 - (E) The called telephone number; and
 - (F) The PIN or account number associated with the call.
 - (7) Prepaid calling services companies must maintain call detail data records for at least two years.
- (f) **Written disclosure requirements for all prepaid calling services.**
- (1) **Information required on prepaid calling cards.** Cards must be issued with all information required by subparagraphs (A) and (B) of this paragraph in at least the same language in which the card is marketed. Bilingual cards are permitted provided that the information required by subparagraphs (A) and (B) of this paragraph is printed in both languages.
 - (A) At a minimum, a card must contain the following information printed in a legible font no smaller than eight-point:
 - (i) The toll-free number as required by subsection (i) of this section;
 - (ii) The maximum rate per minute must be shown for local, intrastate, and interstate calls. International call prices must be provided to the customer through a toll-free number printed on the card. If the cost for a one minute call is higher than the maximum rate per minute, it must be printed on the prepaid calling card; and

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- (iii) The words “VOID” or “SAMPLE” or sequential numbers, such as “999999999” on both sides of the card if the card was produced as a “non-active” card so that it is obvious to the customer that the card is not useable. If the card is not so labeled, the card is considered active and the issuing company must honor it.
- (B) At a minimum, a card must contain the following information printed in legible font no smaller than five-point:
 - (i) The value of the card and any applicable surcharges must be expressed in the same format such as a card whose value is expressed in minutes must express surcharges in minutes. If the value of a card is expressed in minutes, the minutes must be identified as domestic or international and the identification must be printed on the same line or next line as the value of the card in minutes;
 - (ii) The prepaid calling services company’s name as registered with the commission. A “doing business as” name may only be used if officially filed with the commission. The language must clearly indicate that the company is providing the prepaid calling services;
 - (iii) Instructions on using the card correctly; and
 - (iv) Expiration date or policy, if the card cannot be used after a date certain. If an expiration date or policy is not disclosed on the card, it will be considered active indefinitely.
- (2) **Information required at a point of sale.** All the following information must be legibly printed on or in any packaging in a minimum eight point font and displayed visibly in a prominent area at the point of sale so that the customer may make an informed decision before purchase. Bilingual information may be made available provided that the information in subparagraphs (A)-(I) of this paragraph is printed in both languages.
 - (A) A listing of applicable surcharges;
 - (B) The company’s name as registered with the commission. A “doing business as” name may only be used if officially filed with the commission. The language must clearly indicate that the company is providing the prepaid calling card services;
 - (C) The toll-free number as required by subsection (i) of this section;
 - (D) The billing increment expressed in minutes or fractions of minutes and maximum charge per billing increment for prepaid calling card services for local, intrastate, interstate, and international calls will be provided to the customer through a toll-free number printed on the card;
 - (E) The expiration policy, if the card cannot be used after a date certain. If an expiration date is not disclosed at the time of purchase, the prepaid calling services will be considered active until the prepaid calling services account is completely depleted;
 - (F) The recharge policy, if applicable. If an expiration date is not disclosed at the time prepaid calling services are recharged, the services will be considered active until the prepaid calling services account is completely depleted;
 - (G) The policy for rounding billing increments, if applicable;
 - (H) A statement that if a customer is unable to resolve a complaint with the company that the customer has the right to contact the state regulatory agency which has jurisdiction within the state where the prepaid calling services were purchased; and
 - (I) A statement that:
 - (i) Notifies a customer of the customer’s extent of liability for lost or stolen cards, if there is liability; and
 - (ii) Warns a customer to safeguard the card against loss or theft.

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- (3) If a customer asks a prepaid calling services company how to file a complaint, the company must provide the following contact information: PUCT, Consumer Protection Division, P.O. Box 13326, Austin, Texas 78711-3326; phone: (512) 936-7120 or in Texas (toll-free) 1-888-782-8477;; e-mail address: consumer@puc.texas.gov; Internet address: www.puc.texas.gov; and Relay Texas (toll-free): 1-800-735-2989.
- (g) **Verbal disclosure requirements for prepaid calling services.** Prepaid calling services companies must provide an announcement:
- (1) At the beginning of each call indicating the domestic minutes, billing increments, or dollars remaining on the prepaid calling services account or prepaid calling card; and
- (2) When the prepaid account or card balance is about to be completely depleted. This announcement must be made at least one minute or billing increment before the time expires.
- (h) **Registration requirements for prepaid calling services companies.** All prepaid calling services companies must register with the commission in accordance with §26.107 of this title (relating to Registration of Interexchange Carriers (IXCs), Prepaid Calling Services Companies (PPC), and Other Nondominant Telecommunications Carriers.
- (i) **Business and technical assistance requirements for prepaid calling services companies.** A prepaid calling services company must provide a toll-free number with a live operator to answer incoming calls 24 hours a day, seven days a week or electronically voice record customer inquiries or complaints. A combination of live operators or recorders may be used. If a recorder is used, the prepaid calling services company must attempt to contact each customer no later than the next working day following the date of the recording. Personnel must be sufficient in number and expertise to resolve customer inquiries and complaints. If an immediate resolution is not possible, the prepaid calling services company must resolve the inquiry or complaint by calling the customer or, if the customer requests, in writing within ten working days of the original request. In the event a complaint cannot be resolved within ten days of the request, the prepaid calling services provider must advise the complainant in writing of the status and subsequently complete the investigation within 21 days of the original request.
- (j) **Requirements for refund of unused balances.** If a prepaid calling services company fails to provide service at the rates disclosed at the time of initial purchase or at the time an account is recharged, or fails to meet technical standards, the prepaid calling services company must either refund the customer for each unused prepaid calling service or provide equivalent service.
- (k) **Requirements when a prepaid calling services company terminates operations in this state.**
- (1) When a prepaid calling services company expects to terminate operations in this state for any reason, the company must at least 30 days prior to the termination of operations:
- (A) Notify the commission in writing:
- (i) That operations will be ending;
- (ii) Of the date of the termination of operations; and
- (iii) That the company certifies that the actions required by this subsection have been completed;
- (B) Notify each customer at the address on file with the company, if applicable, that operations will be ending the date of the termination of operations, and explain how customers may receive a refund or equivalent services for any unused services;
- (C) Announce the termination of operations at the beginning of each call, including the date of termination and a toll-free number to call for more information; and
- (D) Provide to customers via its toll-free customer service number the procedure for obtaining refunds and continue to provide this information for at least 60 days after the date the company terminates operations.

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- (2) Within 24 hours after ceasing operations, the prepaid calling services company must deliver to the commission a list of names, if known, and account numbers of all customers with unused balances. For each customer, the list must include the following:
 - (A) The identification number used by the company for billing and debit purposes; and,
 - (B) The unused time, stated in minutes, as applicable, and the unused dollar amount of the prepaid calling services account.

- (l) **Date of compliance for prepaid calling card services companies.** Prepaid calling service offered for sale in the state of Texas and each prepaid calling services company must be in compliance with this rule within six months of the effective date of this section.

- (m) **Compliance and enforcement.**
 - (1) **Administrative penalties.** If the commission finds that a prepaid calling services company has violated any provision of this section, the commission will order the company to take corrective action, as necessary, and the company may be subject to administrative penalties and other enforcement actions under PURA, Chapter 15.
 - (2) **Enforcement.** The commission will coordinate its enforcement efforts against a prepaid calling services company for fraudulent, unfair, misleading, deceptive, or anticompetitive business practices with the Office of the Attorney General to ensure consistent treatment of specific alleged violations.