

# STATE OF NEW YORK

3202--A

2017-2018 Regular Sessions

## IN SENATE

January 20, 2017

Introduced by Sen. ALCANTARA -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications -- recommitted to the Committee on Energy and Telecommunications in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the public service law and the general business law, in relation to consumer protections against cramming

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The opening paragraph of section 92-d of the public service  
2 law, as separately amended by chapters 546 and 547 of the laws of 2000,  
3 is amended to read as follows:

4 Each local exchange telephone company shall inform its customers of  
5 the provisions of section ninety-two-i of this article, sections three  
6 hundred ninety-nine-p ~~[and]~~, three hundred ninety-nine-z and three  
7 hundred ninety-nine-pp of the general business law, and article ten-B of  
8 the personal property law, as such provisions relate to the rights of  
9 consumers with respect to cramming, telemarketers, sellers, the no tele-  
10 marketing sales call statewide registry and automatic dialing-announcing  
11 devices, by means of:

12 § 2. The public service law is amended by adding a new section 92-i to  
13 read as follows:

14 § 92-i. Cramming prohibited. 1. For the purposes of this section,  
15 "cramming" means the inclusion and imposition of charges on the invoice  
16 or bill of a customer from a telephone corporation at the request of a  
17 third party or billing aggregator that (a) were not authorized by the  
18 customer, or (b) if authorized, were obtained through misleading or  
19 deceptive means.

20 2. A customer shall not be liable for charges appearing on the invoice  
21 or bill of a telephone corporation that are the result of cramming. No

EXPLANATION--Matter in italics (underscored) is new; matter in brackets  
[-] is old law to be omitted.

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1 charges for any products or services, other than those provided by the  
2 telephone corporation, its affiliates, a third party video provider with  
3 whom a telephone corporation or its affiliate jointly market services,  
4 or otherwise permitted by law, shall be included on any bill or invoice  
5 of a customer, unless the third party requesting the payment of such  
6 charges retains and provides upon request valid proof that:

7 (a) the customer was provided with clear and conspicuous disclosure of  
8 all material terms and conditions of the product or service being  
9 offered, including but not limited to all initial and recurring charges  
10 and the fact that such charges shall appear on the customer's telephone  
11 bill;

12 (b) after receiving clear and conspicuous disclosure as provided in  
13 paragraph (a) of this subdivision, the customer explicitly consented to  
14 the nature and amount of such charges; and

15 (c) the third party offering the product or service or an agent of  
16 such third party provided the customer with a toll-free telephone number  
17 the customer may call and an address to which the customer may write to  
18 resolve any billing dispute.

19 3. Any charges for third party products or services that are included  
20 on a bill or invoice by a telephone corporation without the consent of  
21 the customer having been obtained as provided in subdivision two of this  
22 section shall be void and unenforceable, and shall be removed from the  
23 bill or invoice upon notice from such customer.

24 4. The commission shall supervise and ensure compliance with the  
25 provisions of this section, and may promulgate any rules and regulations  
26 it deems necessary or desirable to ensure such compliance, including but  
27 not limited to any additional requirements for verification of customer  
28 orders and any additional standards that third parties or agents must  
29 meet to be authorized to receive payment through the inclusion of charg-  
30 es on bills or invoices of telephone corporations. Any failure by a  
31 telephone corporation to comply with the provisions of this section may  
32 be redressed as provided in subdivision three of section ninety-six of  
33 this article or as otherwise authorized by law.

34 § 3. The general business law is amended by adding a new section 390-  
35 bb to read as follows:

36 § 390-bb. Cramming prohibited. 1. For the purposes of this section,  
37 "cramming" means the inclusion and imposition of charges on the invoice  
38 or bill for telephone service to a customer from a cable television  
39 company, as defined in section two hundred twelve of the public service  
40 law, that provides telephone service to customers in New York, at the  
41 request of a third party or billing aggregator that (a) were not author-  
42 ized by the customer, or (b) if authorized, were obtained through  
43 misleading or deceptive means.

44 2. A customer shall not be liable for charges appearing on the invoice  
45 or bill of a cable television company for telephone service that are the  
46 result of cramming. No charges for any products or services, other than  
47 those provided by the cable television company, its affiliates, a third  
48 party video provider with whom a cable television company or its affil-  
49 iate jointly market services, or otherwise permitted by law, shall be  
50 included on any bill or invoice for telephone service, unless the third  
51 party requesting the payment of such charges retains and provides upon  
52 request valid proof that:

53 (a) the customer was provided with clear and conspicuous disclosure of  
54 all material terms and conditions of the product or service being  
55 offered, including but not limited to all initial and recurring charges

1 and the fact that such charges shall appear on the customer's for tele-  
2 phone service bill;

3 (b) after receiving clear and conspicuous disclosure as provided in  
4 paragraph (a) of this subdivision, the customer explicitly consented to  
5 the nature and amount of such charges; and

6 (c) the third party offering the product or service or an agent of  
7 such third party provided the customer with a toll-free telephone number  
8 the customer may call and an address to which the customer may write to  
9 resolve any billing dispute.

10 3. Any charges for third party products or services that are included  
11 on a bill or invoice for telephone service by a cable television company  
12 without the consent of the customer having been obtained as provided in  
13 subdivision two of this section shall be void and unenforceable, and  
14 shall be removed from the bill or invoice upon notice from such custom-  
15 er.

16 § 4. Subdivision 1 of section 227-a of the public service law, as  
17 added by chapter 83 of the laws of 1995, is amended to read as follows:

18 1. Every cable television company, and all officers, agents and  
19 employees of any cable television company shall obey, observe and comply  
20 with every order, direction or requirement made by the commission, under  
21 authority of this article, so long as the same shall be and remain in  
22 force. Except as provided in subdivision two of this section, any cable  
23 television company which shall violate any provision of this article or  
24 section three hundred ninety-bb of the general business law, or which  
25 fails, omits or neglects to obey, observe or comply with any order or  
26 any direction or requirement of the commission, shall forfeit to the  
27 people of the state of New York a sum to be set by the commission not to  
28 exceed one thousand dollars for each and every offense; every violation  
29 of any such order or direction or requirement, or of this article or  
30 section three hundred ninety-bb of the general business law, shall be a  
31 separate and distinct offense, and, in case of a continuing violation,  
32 every day's continuance thereof shall be a separate and distinct  
33 offense.

34 § 5. This act shall take effect on the one hundred eightieth day after  
35 it shall have become a law. Effective immediately, the addition, amend-  
36 ment and/or repeal of any rule or regulation necessary for the implemen-  
37 tation of this act on its effective date are authorized to be made and  
38 completed on or before such effective date.