

ASSEMBLY CONSUMER AFFAIRS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5055

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 2, 2021

The Assembly Consumer Affairs Committee reports favorably and with committee amendments Assembly Bill No. 5055.

As amended and reported by the committee, this bill provides that a customer of a “voice communications service,” as that term is defined in the bill, is not to be liable for charges appearing on the customer’s voice communications service bill that are the result of a practice known as “cramming.” “Cramming” is defined in the bill as the practice of placing charges on a customer’s voice communications service bill at the request of a third party or billing aggregator that the customer did not order or authorize or, if authorized by the customer, authorization was obtained through misleading or deceptive means.

The bill prohibits a charge for any product or service, other than those provided by the voice communications service company, its affiliates, a third party video provider with whom a voice communications service company or its affiliate jointly market services, or otherwise permitted by law, from being included on a bill of a customer, unless the third party requesting the payment of the charge retains and provides to the Board of Public Utilities (BPU) upon request valid proof that:

- 1) the customer was provided with clear and conspicuous disclosure of all material terms and conditions of the product or service being offered including, but not limited to, all initial and recurring charges and the fact that the charges are to appear on the customer’s bill;
- 2) after receiving clear and conspicuous disclosure, the customer explicitly consented to the nature and amount of the charges; and
- 3) the third party offering the product or service or an agent of the third party provided the customer with a toll-free telephone number the customer may call and an address to which the customer may write to resolve any billing dispute.

The bill provides that any charge for a third party product or service that is included on a bill by a voice communications service company without the consent of the customer having been obtained,

as provided in the bill, are to be void and unenforceable, and are to be removed from the bill upon notice from the customer.

The bill provides that a voice communications service company that bills for charges for which customer consent is required pursuant to the provision of the bill is to annually provide notice to its customers in this State of the provisions of the bill in a form and manner determined by the BPU.

Finally, the bill provides that except as expressly authorized by the bill, the provisions of the bill are not to be construed to modify the regulatory authority of the board over Voice over Internet Protocol Service.

COMMITTEE AMENDMENTS

The committee amended the bill to:

1) clarify that “customer” means a residential customer with a billing address in this State who subscribes to a voice communication service for a fee;

2) clarify that the requirement that a voice communication service company provide notice to its customers regarding the provisions of this bill, applies only to voice communication companies that bill for charges for which customer consent is required pursuant to the provisions of the bill; and

3) provide that except as expressly authorized in this bill, the provisions of the bill are not to be construed to modify the regulatory authority of the BPU over Voice over Internet Protocol Service.