and I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rule and pass the bill, H.R. 1606, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

Mr. VENTO. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs be discharged from further consideration of the Senate bill (S. 737) to authorize the Secretary of the Interior to acquire certain lands adjacent to the boundary of Rocky Mountain National Park in the State of Colorado and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

Mr. LAGOMARSINO. Reserving the right to object, Mr. Speaker, and I shall not object, I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Speaker, I appreciate the gentleman's yielding to me.

This simply will substitute the language of the bill we just passed for the Senate measure, and we will pass the Senate bill. The bills crossed during the process of our deliberations, and this obviously would facilitate the enactment of the measure that we seek to have approved.

Mr. LAGOMARSINO. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 737

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) the Secretary of the Interior (hereinafter referred to as "the Secretary") is authorized to acquire, by donation, lands or interests therein within the area generally depicted as "Proposed Park Additions" on the map entitled, "Proposed Park Additions, Rocky Mountain National Park", numbered 121-80, 106-A and dated May 1989 which map shall be on file and available for public inspection in the Office of the National Park Service, Department of the Interior. Upon acquisition of such lands, the Secretary shall revise the boundary of Rocky Mountain National Park to include such lands within the park boundary and shall administer such lands as part of the park subject to the laws and regulations applicable thereto.

(b) Upon acquisition of such lands by the Secretary, the Secretary of Agriculture shall revise the boundary of the Roosevelt National Forest to exclude such lands from the national forest boundary.

(c) Notwithstanding the provisions of 16 U.S.C. 192b, the Secretary shall not have the authority to acquire the lands identified in Tract 1127 and 1127B4, Section 23, Township 3 North, Range 73, by the County of Boulder in the State of Colorado, except with the willing consent of the owner thereof, unless said property is being developed or is officially proposed to be developed in a manner which would substantially change its use as a single family residence.

MOTION OFFERED BY MR. VENTO

Mr. VENTO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. VENTO moves to strike out all after the enacting clause of the Senate bill, S. 737, and to insert in lieu thereof the provisions of H.R. 1606, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "An Act to adjust the boundary of Rocky Mountain National Park."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 1606) was laid on the table.

□ 1330

## TELEPHONE OPERATOR SERVICE CONSUMER PROTECTION ACT OF 1989

Mr. MARKEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 971) to require the Federal Communications Commission to prescribe rules to protect consumers from unfair practices in the provision of operator services, and for other purposes, as amended.

The Clerk read as follows:

H.R. 971

*Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE.

This Act may be cited as the "Telephone Operator Service Consumer Protection Act of 1989".

SEC. 2. FINDINGS.

The Congress hereby 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 customers have no choices in selecting a provider of operator services, and often customers' attempts to reach their preferred long distance carrier by 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 1989, the Federal Communications Commission received over 2,000 consumer complaints about operator services;

(8) these 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 servicing 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; and

(9) 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. RULEMAKING REQUIRED.

(a) INITIATION OF PROCEEDINGS.—The Commission shall, within 30 days after the date of the enactment of this Act, initiate a proceeding pursuant to title II of the Act to establish regulations to protect consumers who use operator services to place interstate telephone calls from unfair and deceptive practices and to ensure that consumers have the opportunity to make informed choices in making such calls.

(b) TIMING AND CONTENTS AND REGULATION.—The regulation required by subsection (a) shall—

(1) be prescribed not later than 120 days after the date of enactment of this Act;

(2) contain provisions to implement each of the requirements of section 4(a);

(3) for purposes of administration and enforcement, be treated as regulations prescribed by the Commission pursuant to title II of the Act; and

(4) take effect not later than 90 days after the date of issuance of such regulations.

SEC. 4. MINIMUM REQUIREMENTS.

(a) REGULATION REQUIREMENTS.—The regulations required by section 3 shall, at a minimum—

(1) require that the provider of the operator services—

(A) identify itself, audibly and distinctly, to the consumer prior to the consumer incurring any charges; and

(B) permit the consumer to terminate the telephone call at no charge;

(2) require that the provider of operator services ensure, by contract or tariff, that each aggregator post on or near the telephone instrument, in plain view of consumers—

(A) the name, address, and toll-free telephone number of the provider; and

(B) a written disclosure that consumers have 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;

(3) require that the provider of operator services disclose immediately to the consumer, upon request—

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

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

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

(4) require that the provider of operator services—

(A) neither require nor participate in the blocking of any consumer's access to the interstate common carrier of the consumer's choice; and

(B) assure, by contract or tariff, that its aggregators neither require nor participate in the blocking of access to such interstate common carriers, except that the Commission may grant limited, temporary waivers to particular providers of operator services for a particular access code upon a showing that such waiver is necessary to prevent fraud;

(5) require—

(A) that any equipment manufactured or imported more than 18 months after the date of enactment of this Act and installed by any aggregator shall be technologically capable of providing consumers with access to interstate interexchange carriers through the use of access codes approved by the Commission;

(B) that existing equipment used by aggregators be upgraded to comply with the requirements imposed pursuant to subparagraph (A) of this paragraph, except that the Commission may waive such requirements by rule or order with respect to any class or category of equipment if the Commission determines that the benefits of applying such requirements to such equipment do not justify the cost; and

(C) any others actions or measures that the Commission considers necessary to ensure that aggregators are not exposed to undue risk of fraud;

(6) establish requirements that—

(A) prohibit the provider of operator services from knowingly charging for uncompleted telephone calls;

(B) prevent, after consideration of the advice of the carrier liaison committee convened by the Commission by its order of February 27, 1989, consumers from being charged for a distance that is more than the distance, in a straight line, between the calling party's points of origination and termination of the telephone call; and

(C) require that any consumer billing an interexchange telephone call on a billing card which (i) is provided by an interstate interexchange common carrier, and (ii) permits the identification of that carrier, is billed at a rate not greater than the rate of that common carrier for that call, unless the calling party requests a special service that is not available under tariff from that common carrier or consent to a different change;

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

(8) establish a policy for requiring common carriers to make public information about recent changes in operator services and choices available to consumers in that market.

(b) CONSIDERATION OF COMPENSATION.—In conducting the rulemaking required by section 3, 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 carriers other than the designated provider of operator services for such telephones.

SEC. 5. DETERMINATIONS OF RATE COMPLIANCE.

(a) FILING OF INFORMATIONAL TARIFF.—The Commission shall require each provider of operator service to file, within 30 days after the date of enactment of this Act, and to maintain and keep open for public inspection, an informational tariff specifying rates, terms, and conditions, and including commissions, surcharges, or other fees which are collected from consumers, with respect to calls for which operator servcies are provided.

(b) REVIEW OF INFORMATIONAL TARIFFS.—If the rates and charges filed by any provider of operator services under subsection (a) appear upon review by the Commission to be unjust or unreasonable, the Commission shall require such provider of operator services to demonstrate that its rates and charges are just and reasonable and reflect the reasonable costs of providing service, plus a reasonable profit.

(c) PROCEEDING REQUIRED.—(1) Within 30 days after the date of enactment of this Act, the Commission shall initiate a proceeding—

(A) to monitor operator services rates;

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

(C) to assess, both in the aggregate/and by individual providers of operator services, operator service rates, costs of services, incidences of service complaints, and service offerings; and

(D) to consider the effect that commissions and surcharges have on the overall rates charged to consumers.

(2) Not later than 9 months after the commencement of such proceeding, the Commission shall report to Congress on findings and conclusions of such proceeding. The Commission shall, during the pendency of such proceeding, provide the Congress with quarterly interim reports on the activities and progress to date.

(3) The requirement of subsection (d) shall not apply if, on the basis of the proceeding under paragraph (1) of this subsection, the Commission makes (and includes in the report required by paragraph (2)) 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.

(d) IMPLEMENTING REGULATIONS.—Unless the Commission makes the determination described in subsection (c)(3), the Commission shall, within 90 days after submission of the report required by subsection (c)(2), complete a proceeding pursuant to title II of the Act to establish regulations for implementing the requirements of such title (and subsections (a) and (b) of this section) that rates and charges for operator services be just and reasonable.

SEC. 6. DEFINITIONS.

As used in this Act:

(1) The term "Commission" means the Federal Communications Commission.

(2) The term "the Act" means the Communications Act of 1934.

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

(4) The term "operator services" means any interstate telecommunications service 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 a carrier-specific access code number used by the consumer, with billing to an account previously established with the carrier by the consumer.

(5) 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.

The SPEAKER pro tempore (Mr. SKAGGS). Pursuant to the rule, a second is not required on this motion.

The gentleman from Massachusetts [Mr. MARKEY] will be recognized for 20 minutes, and the gentleman from New Jersey [Mr. RINALDO] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 971, the Telephone Operator Services Consumer Protection Act of 1989.

H.R. 971, which was introduced by the gentleman from Tennessee [Mr. COOPER], is important legislation that addresses consumer abuses that have occurred in some segments of the operator services industry. I think we can all agree that the breakup of AT&T has produced mixed results, although it has stimulated competition and led to lower prices in some telecommunications markets, but it has also caused consumer confusion and frustration.

The operator services industry is a case in point. The subcommittee's investigation of the newly competitive operator services providers industry has revealed a litany of consumers' complaints.

In response to those concerns, the Subcommittee on Telecommunications and Finance and the Committee on Energy and Commerce have unanimously passed a substitute to H.R. 971. This legislation establishes regulation through which the Federal Communications Commission can protect consumers from price gouging and other unfair business practices perpetrated by a few of the industry's fast-buck artists without jeopardizing the investments and legitimate business interests of other providers in this nascent industry.

First, this legislation ensures that consumers have sufficient information to make knowledgeable decisions about operator services providers. Under this legislation, all operator service providers will be required to clearly identify themselves at the start of every call, and upon request, will provide information regarding their prices, billing practices, and complaint procedures.

In addition, the bill prohibits blocking which denies a caller access to the long-distance company of their choice and, second, for the first time, each operator service provider will be required to file an information tariff containing rates, charges, and terms and conditions with the FCC. If after review by the FCC the rates appear to be unjust and unreasonable, the Commission will require each OSP to demonstrate that its prices reflect the reasonable cost of providing the service

plus a reasonable profit and, third, the legislation requires the FCC to begin a proceeding to monitor the operator service industry and, after a 9-month study, determine whether additional regulation is necessary.

The industry and competition will be given a chance to rid itself of the existing abuses, but if it fails, regulation will be imposed.

H.R. 971 applies to all providers of interstate operator services including AT&T, competitive interexchange carriers and all other who provide such services. Since the legislation encompasses all of these providers, the FCC will be able to develop policies that protect the interests of consumers while promoting competition.

Mr. Speaker, I thank and applaud the representatives of TRAC, the Telecommunications Research Action Council, the National Association of State Regulatory Utility Commissions, the Communications Workers of America, and the operator provider service industry for their cooperation in developing this compromise. These parties assisted the subcommittee in shaping legislation that will eliminate the bad apples from the industry before they spoil the entire barrel.

I also commend once again the gentleman from Tennessee [Mr. COOPER] for his leadership in bringing this issue to the Nation's attention, and I applaud the constructive efforts of the gentleman from Texas [Mr. BRYANT], the gentleman from Texas [Mr. FIELDS], and other subcommittee colleagues who have worked with the gentleman from Tennessee [Mr. COOPER] in drafting the legislation.

Mr. Speaker, I also have to point out the work of the gentleman from Michigan [Mr. DINGELL] and especially the gentleman from New Jersey [Mr. RINALDO], the ranking minority member of our subcommittee, who has made it possible for us to construct a resolution of this issue at this time on a bipartisan basis.

Mr. Speaker, this is a good bill. It ensures that consumers are protected from unfair practices while, at the same time, allowing those same consumers to enjoy the benefits of the breakup of AT&T through the divestiture. It will help to ensure that there are lower prices that are provided in a truly competitive marketplace, and this bill is again the product of a bipartisan effort in our committee to ensure that we do move forward in this nonideological arena in a fashion that does in fact ensure that we have a competitive consumer-oriented telecommunications marketplace.

Mr. Speaker, I reserve the balance of my time.

Mr. RINALDO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the principal Republican cosponsor of H.R. 971, I am especially pleased that the House is considering this needed legislation on telephone operator services.

Telecommunications is one of the fastest growing parts of our economy. Therefore, it is important that any legislation in this area must balance two important goals: encouraging competition and protecting consumers. This bill is another product of the telecommunications subcommittee's ongoing efforts to accomplish both of those goals.

I am sure every Member of the House has a horror story about being unable to use his long-distance calling card from a payphone, or being billed at an astronomical rate for a relatively inexpensive call. This is due to the development of the operator services industry, which has just become competitive since the 1984 breakup of the Bell system. Many of these new companies offer valuable services at competitive prices. However, the industry has been plagued by a few bad apples that have taken advantage of consumers by charging outrageously expensive rates. Usually, you do not find out about them until it is too late—in next month's phone bill.

Of course, the FCC has jurisdiction over the telephone industry, including operator services. The FCC assured the committee that it was informally monitoring operator services rates. But, despite an incredible 2,000 complaints about operator services just last year, the Commission did not even formally investigate the causes of higher A.O.S. rates.

After its own investigation, the committee concluded that the Commission's actions were wholly inadequate, and that passage of H.R. 971 was necessary. Through this bill, Congress will direct the Commission to evaluate operator services rates and to assure that consumers have an informed choice when they are using these services. The bill ensures that operator services users will be fully informed about their rates before they make the call—not a month later in their telephone bill.

The legislation also will correct a variety of technological problems in the industry that now prevent consumers from having a full and fair choice of long distance services. The legislation ensures that the difficult problems of call blocking and call splashing will be resolved. It ensures that the FCC will collect all the information necessary to monitor operator services rates. The committee intends that competitive incentives, not intrusive regulation, will be the primary force that keeps operator services prices down.

I commend the bill's principal sponsor, the gentleman from Tennessee Mr. COOPER, and the subcommittee chairman, Mr. MARKEY, for their willingness to work out solutions on a bipartisan basis to the problems in this infant industry. This bill is carefully crafted to be both a boon to competition in the operator services industry and a benefit to consumers who use these services.

I urge the House to support H.R. 971, as amended.

Mr. Speaker, I reserve the balance of my time.

□ 1340

Mr. MARKEY. Mr. Speaker, I yield 6 minutes to the gentleman from Tennessee [Mr. COOPER], the principal sponsor of this legislation.

Mr. COOPER. Mr. Speaker, last February, I introduced legislation that would, for the first time, place controls on a new breed of telephone company called operator service providers or alternative operator service [AOS] companies. This industry targets public pay telephones and hotel room telephones to switch to their service. They offer operator assistance in routing and billing long distance calls. But their emergence brought a plague of consumer complaints and technical problems. My bill, which is now before the House, sets standards to protect consumers from abuses.

The legislation is needed because the FCC has not begun a rulemaking to set standards for the industry, and it has done nothing to ensure that consumers are charged fair rates. While this bill isn't as tough as I would like, it should give the Commission appropriate policy direction to bring stability to this struggling market.

The bill before us today is a compromise. It gives consumers proper warnings and posted notices to see before they use operator services. It also gives them the freedom and information needed to make their own choices among providers from any public phone.

With passage of this bill, the FCC will have broad authority to ensure that providers charge just and reasonable rates. In the short term, providers will file their rates for FCC review for the first time ever. If any individual provider's rates appear to be unjust or unreasonable, the Commission is directed to order that carrier to come in and justify its rate. There will be no excuse for the FCC to allow any carrier to charge outrageous rates.

In the near term, we will require the Commission to take a hard look at the rates and practices of providers to see whether competition in the market is protecting consumers. If overall industry rates and practices do not improve over the next 9 months, the legislation directs the Commission to conduct an expedited 90-day rulemaking on how to regulate the entire industry's rates.

This compromise gives the industry flexibility to voluntarily remedy its problems of high rates before industrywide rate regulation is implemented. It takes them up on the assurance that they can and will eliminate abuses themselves. If they don't live up to that promise, and if the problems of high rates turn out to be chronic, it gives consumers the protection of knowing that the FCC will

impose industrywide rate protections by a date certain.

It has been quite a challenge over the past few months to sort through the details of these problems. We made great progress under the leadership of Chairman ED MARKEY and ranking member MATTY RINALDO. I thank them for their support and for the time and expertise of their staff members, Gerry Salemme and Terry Haines, who did an outstanding job in helping the committee learn about the problems and find their solutions. Additionally, we all owe a great debt of gratitude to Steve Cope in the Office of the Legislative Counsel for his diligent work in drafting these provisions.

I appreciate the strong support of my colleagues on the Telecommunications and Finance Subcommittee. I want to thank the original cosponsors of the bill, Mr. SWIFT and the late Mr. Leland, as well as our other cosponsors, Mr. SLATTERY, Mr. BOUCHER, and Mrs. COLLINS. I also want to thank Chairman JOHN DINGELL, who saw the importance of this issue before many of the rest of us were aware that alternative operator services existed. In a letter a year and a half ago, he admonished the FCC to get more active in protecting consumers from abuses by unscrupulous operator services. His leadership and the expertise of David Leach were an invaluable resource in achieving such a strong bill.

I appreciate, in particular, the help of another cosponsor, Mr. WISE, who helped bring needed attention to this issue by convening hearings before the House Government Operations Subcommittee on Government Information, Justice, and Agriculture, which he chairs.

Finally, I appreciate the ideas of Caroline Chambers at the National Association of Regulatory Utility Commissioners, David Waggonhauser of the Telecommunications Research and Action Council and John Morgan and Barbara Easterling at the Communications Workers of America. They gave me early guidance in crafting the original bill, and they helped set priorities for the compromise bill now before us. Danny Adams, Dan Dutko, Al Kramer, Brad Mutschelknaus, Steve Perry, and Paul Smith spent long hours helping us understand the inner workings of a very complicated business.

As a final word, Mr. Speaker, I want to admonish this industry to cooperate with the goals of this bill. Our efforts to clean up this industry are limited compared with the opportunities your companies face every day to bring simple, affordable, efficient telephone service to consumers. I'm convinced that there are many ways providers can voluntarily improve their performance far beyond the requirements of this bill. In particular, I was disappointed recently to hear that AT&T, which controls well over 80 percent of the operator service market, declined to offer an 800 number as a backup form of access for its customers. In my mind, that solution would have immediately solved a common problem for millions of customers, a problem that will take much longer for this legislation to cure. This sort of policy contributes to the frustration and confusion consumers are facing, and I believe our telephone companies should do better than that.

I am proud of this legislation. It marks the start of a year-long remedy that will yield many long term benefits for consumers. I urge my colleagues to support it today.

Mr. MARKEY. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia [Mr. BOUCHER].

Mr. BOUCHER. Mr. Speaker, I thank the gentleman from Massachusetts for yielding time to me. It is my pleasure to rise in support of this legislation.

I commend the gentleman from Tennessee for his excellent work in drafting legislation which remedies a clear abuse in the provision of operator services for long distance calls.

I first became aware of the existance of alternate operator services when I was contacted by a constituent who had been charged excessive rates by a telephone service he had never heard of. Under the current practice, a long distance customer, typically using a pay phone or a phone in a hotel room, is connected to an alternative operator service which charges for its service on amount that may exceed the cost of the long distance call.

Where charges may be quite large. In the example brought to me by my constituent, the total of operator and long distance carrier charges was $40 for a call of less than 12 minutes.

Not all special operator services are good. Some useful innovations such as multi-lingual services, enhanced emergency services, and the ability to use major credit cards for telephone calls have resulted.

But consumers today are being connected to special operators without their knowledge. They are being required tp pay for the overhead costs of a special service they will never use.

The gentleman from Tennessee will solve that problem by making sure that the consumer knows when he has been connected to a special operator service, knows the rates he will be charged, and have the ability to do business with the operator employed by his regular long distance carrier if he chooses to do so.

By passing this legislation, we can assure the continuation of alternative operator services and the innovations they will continue to bring to the long distance market. But we will make sure that people are not charged for services they don't want and are not using.

Mr. MARKEY. Mr. Speaker, I yield 2 minutes to the gentleman from West Virginia [Mr. WISE].

□ 1350

Mr. WISE. Mr. Speaker, I thank the gentleman from Massachusetts whose subcommittee and leadership have made this bill possible.

Mr. Speaker, I also want to thank very much the gentleman from Tennessee [Mr. COOPER] and the gentleman from New Jersey [Mr. RINALDO] for what they have done to move this legislation forward.

Mr. Speaker, our subcommittee, the Subcommittee on Government Information, Justice, and Agriculture, conducted hearings on the abuse of the AOS system and it has been well documented already as to what some of those problems were.

I think it is significant what this legislation does. The most important thing I think is it simply requires operators to identify themselves as AOS operators so when you are sitting in a hotel room or that hospital room, that airport, wherever, and you are using a phone that has a contract with an AOS service, that you are being protected, that you know that that service is there and that you have a right to request your ordinary operator, whatever that company might be.

Also the fact that certain practices are now prohibited. Finally, I think most significant is that this will mandate some form of regulation if the situation does not improve, if the FCC does not provide the oversight necessary.

One of the most important areas in the area of blocking and splashing. Now to sports enthusiasts that may sound like a water polo match. To telephone users and consumers it means abusive consumer practices. This legislation by eliminating blocking and splashing will save I think countless and untold dollars to those telephone consumers.

Mr. Speaker, this is an important piece of legislation. It protects those in the most vulnerable situations, when you are in a situation where you cannot bargain; most of the time you do not know you have the right to bargain, you are in a hotel room using a public phone of some type and you did not know you had the right to bargain. Indeed you did not know that you were being charged an amount over and above the regular long-distance rate.

Mr. Speaker, I want to thank very much all of those on the Committee on Energy and Commerce who have made this possible, and I look forward to getting this bill finally enacted because I think it is an important form of rate relief.

Mr. MARKEY. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, I do so only so that I may conclude comment on this particular piece of legislation.

In addition to the names of the staff people whom Mr. COOPER referred to, Mr. Haines, Mr. Leach, and Mr. Salemme, I think we also have to add the

name of Mr. Forrester, the staff person on Mr. COOPER's staff who worked long and ably to construct this legislation.

We have, we believe, working as well with Mr. WISE over in the Committee on Government Operations, constructed a piece of legislation which is going to seriously reform the way in which this industry conducts itself.

We think that there is need for legislation at this point. We hope that we can avoid the need for additional regulation or for legislation, although we reserve the right to monitor this situation next year and the year thereafter and to revisit the subject.

Once again I think the minority, led by Mr. RINALDO, and Mr. LENT, have been able to work together with the majority in constructing this legislation. We are quite proud of it. We hope that the House accepts it today.

Mr. SLATTERY. Mr. Speaker, I rise in support of H.R. 971, the Telephone Operator Service Consumer Protection Act. I would like to take this opportunity to commend the author of this legislation, Representative JIM COOPER, and the chairman of the Telecommunications and Finance Subcommittee, Representative ED MARKEY, for the tremendous amount of effort they have put into developing this measure and for bringing it to the full House on such a rapid schedule. With enactment of this measure, Congress will have moved quickly and effectively to nip in the bud the problems presented by unregulated alternative operator services before they become a widespread aggrivation for the consuming public. As a member of the Telecommunications and Finance Subcommittee, these problems have been of great concern to me and, for this reason, I am cosponsoring H.R. 971.

In my home State of Kansas, a recent example has demonstrated the need for enactment of H.R. 971. The Kansas Corporation Commission [KCC] recently issued a warning to the owners of public pay telephones against marketing agents for NTS. Complaints filed with the KCC allege that marketing agents enter businesses that own pay phones and identify themselves as being from the phone company, phrasing that leads phone-owners to believe NTS representatives are from Southwestern Bell or AT&T. According to KCC staff, the representatives then check the phones and ask store personnel to sign a document that they say will certify the phone has been inspected. The document, however, is actually a contract that allows the firm to switch long-distance service from the one being used by the phoneowner to NTS.

As a result of the court-ordered divestiture of AT&T, the telephone operator service long-distance market has been opened to competition, so that new telephone companies are providing services to businesses, institutions, and owners of pay telephones. This has not necessarily resulted in better, less expensive phone service, however. Between January 1988 and February 1989, the Federal Communications Commission received more than 2,000 complaints regarding alternative operator services and numerous others have been received by State utility regulators and State and Federal legislators. Complaints center on the fact that consumers are unaware of the existence of the numerous new phone companies, their functions and methods of doing business. In many cases, consumers have complained that they were not informed by either the telephone owner or the telephone operator that their call was not handled by traditional providers, like AT&T, and that additional costs were to be incurred. Adding to the confusion is that fact that credit cards, yet they bill the calls at their own, significantly higher rates. In addition, consumer attempts to reach their preferred long-distance carrier by prearranged access numbers often are blocked by the telephone equipment.

H.R. 971 would require that each operator service file, maintain and keep open for public inspection informational tariffs which specify the rates, terms, and conditions for their services. The Federal Communications Commission would be granted the power to force the operator services to demonstrate that any excessive rates reflect a reasonable cost of service plus a reasonable profit.

In addition, H.R. 971 would require operator services to:

First, audibly identify themselves to the consumer prior to the consumer incurring any charges and permit the consumer to terminate the call at no charge;

Second, ensure that the operator service post on or near the telephone, in plain view of customers, the name, address, and toll-free number of the operator service, and a disclosure that the caller has the right to access their preferred interstate phone company;

Third, disclose, on request, its rates, collection methods, and complaint resolution practices to the consumer;

Fourth, refrain from blocking access to the consumer's preferred phone company; and

Fifth, charge rates that are just and reasonable, as required by Federal telecommunications statutes.

I urge my colleagues to join with me in supporting H.R. 971.

Mr. RINALDO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MARKEY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SKAGGS). The question is on the motion offered by the gentleman from Massashusetts [Mr. MARKEY] that the House suspend the rules and pass the bill, H.R. 971, as amended.

The question was taken; and (two thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

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## GENERAL LEAVE

Mr. MARKEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 971 just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

## INTERNATIONAL SECURITIES ENFORCEMENT COOPERATION ACT OF 1989

Mr. MARKEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1396) to amend the Federal securities laws in order to facilitate cooperation between the United States and foreign countries in securities law enforcement, as amended.

The Clerk read as follows:

H.R. 1396

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

*SECTION 1. SHORT TITLE; TABLE OF CONTENTS.*

*(a) SHORT TITLE.—This Act may be cited as the "International Securities Enforcement Cooperation Act of 1989".*

*(b) TABLE OF CONTENTS.—*

*Sec. 1. Short title; table of contents.*

*Sec. 2. Release of records by the Commission.*

*Sec. 3. Sanctions against broker or dealer, associated person, or persons seeking association.*

*Sec. 4. Definition of foreign financial regulatory authority.*

*Sec. 5. Sanctions against investment advisers or persons associated or seeking association with a registered investment adviser or investment company.*

*Sec. 6. Definitions of foreign securities authority and foreign financial regulatory authority.*

*Sec. 7. Reimbursement of expenses incurred in an investigation undertaken at the request of a foreign securities authority.*

*SEC. 2. RELEASE OF RECORDS BY THE COMMISSION.*

*(a) AMENDMENT.—Section 24 of the Securities Exchange Act of 1934 (15 U.S.C. 78x) is amended—*

*(1) in subsection (b) by striking "Nothing in this subsection shall authorize the Commission to withhold information from the Congress."; and*

*(2) by adding at the end thereof the following new subsections:*

*"(c) The Commission may, in its discretion and upon a showing that such information is needed, provide all 'records' (as defined in subsection (a)) and other information in its possession to such persons, both domestic and foreign, as the Commission by rule deems appropriate if the person receiving such records or information provides such assurances of confidentiality as the Commission deems appropriate.*

*"(d) Except as provided in subsection (e), the Commission shall not be compelled to disclose records obtained from a foreign securities authority if (1) the foreign securities authority has in good faith determined and represented to the Commission that public disclosure of such records would violate the laws applicable to that foreign securities authority, and (2) the Commission obtains such records pursuant to (A) such procedure as the Commission may authorize for use in connection with the administration or enforcement of the securities laws, or (B) a memorandum of understanding. For purposes of section 552 of title 5, United States Code, this subsection shall be considered a statute described in subsection (b)(3)(B) of such section 552.*

*"(e) Nothing in this section shall—*

*"(1) alter the Commission's responsibilities under the Right to Finance Privacy Act (12 U.S.C. 3401 et seq.), as limited by section 21(h) of the Securities Exchange Act (15*