

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE

February 2, 2012

1:40 p.m.

MEMBERS PRESENT

Senator Dennis Egan, Chair
Senator Linda Menard
Senator Bettye Davis
Senator Cathy Giessel

MEMBERS ABSENT

Senator Joe Paskvan, Vice Chair

COMMITTEE CALENDAR

SENATE BILL NO. 122

"An Act relating to real estate transfer fees and increasing the length of time title records must be maintained by a title plant."

- HEARD & HELD

SENATE BILL NO. 138

"An Act relating to the inclusion of the charges of a vendor of goods or services on the bills of certain telecommunications carriers; and adding an unlawful act to the Alaska Unfair Trade Practices and Consumer Protection Act."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 122

SHORT TITLE: REAL ESTATE TRANSFER FEES/TITLE PLANTS

SPONSOR(S): LABOR & COMMERCE

04/08/11	(S)	READ THE FIRST TIME - REFERRALS
04/08/11	(S)	CRA, L&C
01/24/12	(S)	CRA AT 3:30 PM BELTZ 105 (TSBldg)
01/24/12	(S)	Heard & Held
01/24/12	(S)	MINUTE(CRA)
01/31/12	(S)	CRA AT 3:30 PM BELTZ 105 (TSBldg)
01/31/12	(S)	Moved CSSB 122(CRA) Out of Committee
01/31/12	(S)	MINUTE(CRA)

02/01/12 (S) CRA RPT CS 4DP NEW TITLE
02/01/12 (S) DP: OLSON, KOOKESH, MENARD, WAGONER
02/02/12 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 138

SHORT TITLE: THIRD-PARTY CHARGES ON TELEPHONE BILLS

SPONSOR(S): WIELECHOWSKI, DAVIS, EGAN

01/17/12 (S) PREFILE RELEASED 1/6/12
01/17/12 (S) READ THE FIRST TIME - REFERRALS
01/17/12 (S) L&C, JUD
02/02/12 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

DANA OWEN, Staff
Senate Labor and Commerce Committee
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Explained the CSSB 122(CRA).

LINDA HALL, Director
Division of Insurance
Department of Commerce, Community and Economic Development
(DCCED)
Juneau, AK

POSITION STATEMENT: Explained provisions of CSSB 122(CRA).

CRYSTAL PELTOLA, Vice President and General Manager
Alaska USA Title Agency
Anchorage, AK

POSITION STATEMENT: Supported CSSB 122(CRA) as written.

RAYMOND DAVIS, Vice President
Old Republic National Title Insurance Company
Seattle, WA

POSITION STATEMENT: Supported CSSB 122(CRA).

SENATOR WIELECHOWSKI
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Sponsor of SB 138.

THOMAS PRESLEY, Intern
Senator Bill Wielechowski
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Explained SB 138 for the sponsor.

MARIE DARLIN

AARP

Juneau, AK

POSITION STATEMENT: Supported SB 138.

NORMAN PHIPPS, CFO

Billing Services Group (BSG)

San Antonio, TX

POSITION STATEMENT: Opposed SB 138.

MATT WALLACE, Executive Director

Alaska Public Interest Research Group (AKPIRG)

Anchorage, AK

POSITION STATEMENT: Supported SB 138.

STUART GOERING, Assistant Attorney General

Civil Division

Commercial and Fair Business Section

Department of Law (DOL)

Juneau, AK

POSITION STATEMENT: Offered to answer questions on SB 138, as related to RCA oversight issues.

CINDY DRINKWATER, Assistant Attorney General

Civil Division

Consumer Protection Unit

Department of Law (DOL)

Anchorage, AK

POSITION STATEMENT: Offered to answer questions on SB 138.

HOWARD WALTZMAN, partner

Mayor Brown LLP and

Outside counsel to the Billing Services Group

Washington, D.C.

POSITION STATEMENT: Commented on SB 138.

ACTION NARRATIVE

[1:40:37 PM](#)

CHAIR DENNIS EGAN called the Senate Labor and Commerce Standing Committee meeting to order at 1:40 p.m. Present at the call to order were Senators Giessel, Davis and Egan.

SB 122-REAL ESTATE TRANSFER FEES/TITLE PLANTS

[1:41:45 PM](#)

CHAIR EGAN announced SB 122 to be up for consideration.

[1:41:56 PM](#)

DANA OWEN, staff to the Senate Labor and Commerce Committee, said they received a committee substitute (CS) for SB 122 from the Community and Regional Affairs Committee, which contains only the second section of the original bill. So, he wanted to explain what that was about.

He explained that currently in Alaska law it is possible to have a transfer fee covenant when a title is exchanged on a piece of land. These kinds of covenants have been outlawed in 41 other states. Interestingly the first instance he could find of that being prohibited is in New York where the courts outlawed it and termed it "a vestige of feudalism."

MR. OWEN said a real estate transfer fee covenant is a covenant attached to a deed that mandates a fee be paid back to that first owner who put the requirement into the title every time the title changes hands. It seems like good public policy to outlaw them, and that's what this bill would do.

He said the title community in Alaska is deeply divided over the provisions in the first section of the bill, and he is still searching for the answer. Linda Hall, the Division of Insurance director had been in conversations with them and himself to try and find some kind of accommodation, but they were not ready for that today.

SENATOR GIESSEL asked if they are dealing with version B and had referenced the original bill as well.

MR. OWEN answered yes.

[1:44:53 PM](#)

SENATOR MENARD joined the committee.

[1:45:00 PM](#)

At ease from 1:45:00 to 1:45:44 p.m.

[1:45:44 PM](#)

SENATOR GIESSEL moved to adopt CSSB 122(CRA), version 27-LS0789\B.

CHAIR EGAN objected for discussion purposes.

SENATOR DAVIS asked Ms. Hall to explain the bill to her.

[1:47:30 PM](#)

MR. OWEN clarified that the bill before the committee is the Senate Community and Regional Affairs (CRA) version that took out the first section of the original bill. The reason he brought it up is that changes would be forthcoming, but he didn't know what they would be.

LINDA HALL, Director, Division of Insurance, Department of Commerce, Community and Economic Development (DCCED), explained that the CS, version B, is identical to section 2 in version A. That made a difference in the length of time title records have to be kept. There is some discussion going on about what an appropriate amount of time is, so section 1 was removed leaving only section 2 at this point. She thought section 2 was good public policy, because it does away with what would be an additional cost for certain consumers every time a property changes hands.

MS. HALL said she supported this version of the bill, but if it changes again she would have to reconsider.

CHAIR EGAN, on behalf of the entire Labor and Commerce Committee, thanked Ms. Hall for all her years of service to the State of Alaska and said they really hate to see her announce her retirement.

MS. HALL thanked him for the compliment.

[1:50:53 PM](#)

CRYSTAL PELTOLA, Vice President and General Manager, Alaska USA Title Agency, Anchorage, said they started the company four years ago and have five branches throughout the state. She supported CSSB 122 (CRA) as written. She said prohibiting the transfer fee tax is good for consumers.

SENATOR GIESSEL asked if she was revoking her letter of January 24 that expressed concerns and opposition to SB 122, the first version.

MS. PELTOLA replied yes, and added if section 1 is reinserted she would still oppose it.

[1:52:51 PM](#)

RAYMOND DAVIS, Vice President, Old Republic National Title Insurance Company, Seattle, Washington, supported CSSB 122(CRA).

He said Old Republic is licensed to do business in Alaska and works with Title agencies such as Alaska USA Title Agency and others. He agreed with Ms. Peltola that prohibiting transfer fees is good public policy, and a bill like this has been adopted in most states in the last couple of years. He explained that for lack of a better phrase, it was kind of a "scheme" created several years ago by an organization back East that put packages together for real estate developers who developed some properties and sold the lots; in fine print the deed said any time that property was sold in the future they would get anywhere from .5 percent to 1 percent of the sales price back. It was "sneaky and unfair."

MR. DAVIS said the current title licensing laws "work just fine now." Their concern was that any industry proponents of the legislation were seeking to restrict competition and potentially put current companies out of business. He said they support open markets, and licensing should be restricted to issues that protect the public and not to protect the guys in business against other people that want to come in.

CHAIR EGAN asked, "So, you're not opposed to us eliminating section 1 out of the bill?"

MR. DAVIS replied no, section 1 should be eliminated.

[1:57:18 PM](#)

SENATOR DAVIS said people who testified are in agreement and asked if anyone opposed this legislation.

CHAIR EGAN replied there was no opposition right now; but the committee normally holds a bill after hearing it the first time and he was going to hold SB 122 for now.

SB 138-THIRD-PARTY CHARGES ON TELEPHONE BILLS

[1:58:12 PM](#)

CHAIR EGAN announced SB 138 to be up for consideration [SB 138, version 27-LS1002\D, was before the committee].

[1:58:23 PM](#)

SENATOR WIELECHOWSKI, sponsor of SB 138, said this bill would ban the practice of placing unauthorized charges on telephone bills. Many people don't know about this, and he didn't either until it was brought to his attention, but this is a multi-billion dollar industry that harms small businesses, governments and individuals. He said this is a consumer protection bill to

protect people from unauthorized cramming of charges onto their telephone bills.

He said the intent of this bill is not to ban all cases of third party billing; there are legitimate cases when people want to place other bills on their telephone bill. The intent of this is to target those services and vendors who do not obtain approval from customers before charging their bill.

SENATOR WIELECHOWSKI explained that the industry for unauthorized charges on telephone bills is large. The process for charging bills is often made intentionally complex, and the dispute process is extremely difficult. They will hear stories about people who have had charges placed on their phone bills who have spent hundreds of thousands of dollars trying to remove companies and who have taken months to have those charges removed.

He said this is a big problem in the Lower 48 and doesn't seem to be as big in Alaska where this is more of a preventative measure. But it is probably happening here to some extent, and he said people should check their phone bills. Vermont, Minnesota, New York and Virginia have passed similar laws.

[2:01:12 PM](#)

THOMAS PRESLEY, Intern for Senator Wielechowski, said SB 138 bans the practice of adding unauthorized third-party charges to consumers' telephone bills. He explained that cramming began in the 1990s and it was an unintended consequence of regulatory action that opened telephone bills to other charges. Following a spike in complaints, regulatory agencies opted for a voluntary approach by telecommunications companies to end the practice. However, current evidence indicates that telecommunications companies place approximately 300 million third-party charges on customers' telephone bills, equaling over \$2 billion per year.

One example of cramming is of a woman who noticed charges on her phone bill, and when she called to dispute them, she was told her husband authorized the service, but he had been dead for 13 years. Clearly authorization was not obtained.

MR. PRESLEY said that cramming occurs either by never interacting with customers or by using abusive marketing techniques to get customers to give them their telephone numbers. The consumer's phone number then becomes a form of tacit authorization.

[2:02:44 PM](#)

He said that satellite TV and long distance coverage charges are legitimate, but these services contract directly with telephone companies. The process for contracting cram services onto bills is different. Of 500 people with crammed charges who responded to inquiries, not a single person or business stated they had authorized charges. Unauthorized charges occur for bank vaults, elevators, 911 systems, fire alarms, governmental agencies and schools. Obvious examples are of a modem incurring charges for voice mail and of an emergency line incurring charges for online diet services.

MR. PRESELY said a telephone auditing company found more than 800 third-party vendors placed unauthorized charges on its clients' telephone bills. Consumers used words like fraud, theft and stealing to describe their experience. An FCC graphic indicated that 15 to 20 million Americans households receive cram charges on their landline bills each year, but very few customers, 1 in 20, are aware of the charges.

MR. PRESELY presented a graphic of the complexity of cramming charges. One third-party vendor, My S&S Voice Mail Service showed only 975 unique numbers dialed into their service. At the time at least 97,000 customers were enrolled in their service. Another was an on-line photo storage service with 64,000 telephone customers enrolled and less than 2 percent of them uploading their photos or took advantage of the service. And the US Senate committee staff was the first to log onto a casual gaming service offered by Easy Phone Bill despite its having enrolled more than 20,000 customers and earning almost \$1 million.

He said the way it works is that hub companies subcontract out enrollment and authorization to lead generators, companies paid exclusively to obtain enrollments. The lead generator passes a phone number along to the hub companies who in turn pass these onto the billing aggregators through third-party vendors. Charges are only then forwarded onto telephone bills. Third-party vendors offer services like electronic fax, photo storage, and online backup. To gain access to bills, they contract with billing aggregators. Despite their offers many third-party vendors are actually front companies. This relationship allows hub companies which can have hundreds of front companies beneath them to shift enrollments to other vendors to mask large numbers of complaints. Billing aggregators, the entities which contract with phone companies to access bills, act as intermediaries between phone companies and third-party vendors.

[2:06:02 PM](#)

DaData, one hub company interviewed by the US Senate staff, appears to have inter-relatedness with 40 third-party vendors for which they claim to provide "support services including marketing, quality control, customer service, billing regulatory and accounting services." DaData eventually admitted that they controlled the actual electronic fax service offered by 25 of their clients. He provided a list of the 45 companies who offer electronic fax service yet appear to be entirely operated by DaData.

[2:06:59 PM](#)

He said the US Senate staff interviewed the president of WVM Network and he admitted that he "only signed his name to documents and knew nothing about the company." By having a hub company with smaller entities beneath it you can shift the complaint threshold making it difficult to track, dispute and remove charges.

MR. PRESELY reiterated that disputing cram charges is difficult and cost consuming. A national retail chain reported \$550,000 in unauthorized charges on its telephone bills over the past decade. The retail chain estimated it had spent \$400,000 in resources battling unauthorized third-party charges. One customer said it was his fifth time having charges added to his bill and every time he has spent at least a half hour getting the services removed.

Of the almost 20,000 customer calls for another third-party vendor, More International, about 9,000 were categorized as "issue credit" and 4,000 as "cancelation." Of the calls to DaData-related vendors, about 202,000 were categorized as "cancelation."

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MR. PRESLEY said section 1 of SB 138 enforces truth in billing guidelines; it requires carriers to disclose detailed information on the bill, precludes carriers from billing customers without including details of third-party billing services and forbids a carrier from discontinuing service to customers who use the contact information to dispute or contest a charge. Section 2 adds a paragraph to the list of unlawful acts and practices under the Consumer Protection statutes. Section 3 creates a new section that precludes a carrier from billing for another vendor of goods and/or services unless the services fall under a list of exemptions. Section 4 adds the new

unlawful act or practice from section 2 to the exclusive jurisdiction of the state, a regulatory board or a commission.

2:09:10 PM

CHAIR EGAN said he was a victim of this practice when he answered a travel questionnaire and started getting charges on his VISA bill; he had a heck of a time getting it off his bill.

SENATOR GIESSEL moved to bring CSSB 138(), labeled 27-LS1002\E, before the committee.

CHAIR EGAN objected to take public testimony.

2:10:49 PM

MARIE DARLIN, AARP, noted their letter of support for SB 138. She said consumer protection is one of the things they are concerned about and a lot of this kind of activity is directed toward seniors and retirees who aren't necessarily paying that much attention to their telephone bills. Getting ahead of it is a good idea.

2:12:50 PM

NORMAN PHIPPS, CFO, Billing Services Group (BSG), San Antonio, Texas, said they are the country's largest provider of third-party billing services and work closely with service providers and local telephone companies to have charges aggregated onto a single phone bill for consumers. He said he was joined by BSG's general counsel, Kelly Cubetta, whose responsibilities include overseeing regulatory and compliance matters for the company.

He stated that BSG shares the committee's commitment to protecting consumers from cramming. He said as this bill is considered, it is important to understand how third-party billing works and the steps industry has already taken to prevent cramming.

MR. PHIPPS explained that third-party billing is fundamentally about consumer choice. Each year thousands of Alaskans choose to have charges for various services provided by multiple competitors aggregated onto a single phone bill. The services include long distance, operator services, collect calling, computer technical support and charitable contributions. There are many reasons consumers make this choice; for one, it provides them with access to the services of many different competitors to which they wouldn't otherwise have access. This means they have more choices among service offerings and providers. This broader market place leads to greater cost

competition and lower prices for services. He said consumers appreciate the simplicity and convenience of viewing, paying and managing a single bill rather than many different bills from many different providers. They can see all of their charges in one place and pay for all services through a single check or other method of payment. And unlike credit cards, this method of payment is free of interest.

He explained when consumers buy a service, they authorize the provider of that service to have charges placed on their telephone bill. The provider then submits the charge to a third-party billing services company, like BSG (also called a billing aggregator), which works with the local phone company to have charges included on the consumers' telephone bill. The billing aggregator is responsible for accounting, record formatting and data transmission to have charges included on a consumer's phone bill. He is also responsible for reviewing sales, marketing, verification, fulfillment and inquiry processes. The phone bill is sent to the consumer and the consumer sends payment back to the phone company. The phone company works with the billing aggregator to ensure service providers are paid. Without third-party billing, consumers would have access to fewer services and fewer providers; their costs would likely go up and they would suffer the headache of having to manage multiple bills. Just as shop keepers fight hard to stop shoplifters from pillaging their stores, BSG has fought hard to stop crammers since incorporation almost 23 years ago. They have many checks and balances in place to thwart cramming.

[2:16:22 PM](#)

He said their efforts to prevent cramming begin as soon as a provider applies to become an approved merchant with BSG. With their initial application BSG begins a 100-point review process, which includes an evaluation of the provider's board and executives, a visit to its locations and an evaluation of the provider's sales processes. They also ensure that the provider has a system in place to supply consumers with terms and conditions of each sale and to document consumers' consent to the purchase of these services. It is a very extensive process which often takes up to nine months to complete.

After a provider is approved, they closely analyze the first file of transactions they send for inclusion on consumers' phone bills. From this first file, they select a random sample of charges and confirm that every charge in the sample was authorized. If they are unable to confirm authorization for any charge in that sample, they reject the provider, and no charges

are submitted to the telephone company. Even after a provider is accepted, they continue to monitor its performance each month, evaluating inquiries they receive through their customer service centers, regulatory bodies, and the local telephone companies. Any provider that exceeds their inquiry thresholds is closely evaluated and their most recently refunded transactions are tested. If a provider fails these tests, the relationship is terminated immediately.

MR. PHIPPS said in addition to their own processes, they are committed to helping consumers recognize and join their fight against cramming. In that effort, BSG spearheaded a coalition that launched Knowyourphonebill.org that educates consumers about how to read their phone bills and how to investigate any charges that may be unfamiliar to them. With these best practices, they have achieved remarkable results. Of the 8 million households for which they provide third-party billing nationally, less than .25 percent inquired about charges included on their bill. Additional investigation frequently finds that charges were in fact authorized, so that actual cramming is a very small portion of the total number of these complaints. In Alaska, the incidence of inquiries is even lower. In 2011, BSG processed 13,536 transactions; of that number they receive just 14 inquiries and from consumers and about charges on their bill, .10 percent of all records. Of these 14 inquiries, not a single customer claimed they had no knowledge of the charge that was included on their bill.

MR. PHIPPS said they applaud the Senate's goals of stopping cramming and as the industry leader they have fought hard against it and they have been successful. They would applaud other third-party billing companies who would adopt the same best practices to achieve the same results.

However, Mr. Phipps said, a portion of the Senate's bill does raise concerns. While SB 138 appears to permit third-party billing for telecommunications offered under tariff, customer initiated direct dial, dial around services and operator assisted calls, the legislation would prohibit billing for other services unless "the vendor has provided the telecommunications carrier with verification of the customers express authorization." Such a requirement would be contrary to how third-party billing works. They work with hundreds of service providers that are too small to maintain their own billing and collection platforms and do not have systems that connect directly with local exchange carriers. Creating the infrastructure necessary to comply with this bill would be

extremely costly for these small businesses and would either negate the cost savings they are able to provide to consumers or result in these small business being forced to shut down. In addition, the local telephone companies are not equipped with the resources to receive and review the authorizations prior to billing. In the end there would be little to no consumer protection added as a result of this legislation. Thousands of consumers across Alaska, many of whom depend on these services to connect with their loved ones and save money, would lose the benefits of competition, a greater variety of services, lower costs and convenience. This is simply too high a cost to ask Alaska's citizens to pay.

He said there are unscrupulous actors out there and BSG supports the goal of preventing them from engaging in cramming, but the best way to do that would be to have the industry investigate new ways to adopt proven best practices and not through legislation that would needlessly punish Alaska's consumers and businesses.

CHAIR EGAN asked if he opposed SB 138.

MR. PHIPPS answered yes, in its current form.

[2:22:11 PM](#)

MATT WALLACE, Executive Director, Alaska Public Interest Research Group (AKPIRG), Anchorage, said they supported SB 138. He said that cramming is insidious, because people are often unaware of these charges. Many of these charges are very easy to miss, like a voice mail service. Those services often provide no real value to the consumer, and because they look like they may be part of the regular phone bill, they are easy to miss.

[2:23:46 PM](#)

He emphasized that many consumers have great difficulty in disputing charges that are either unauthorized or whose authorization is in question, another reason that addressing this practice head on is important. He said this bill focuses on eliminating the practice and not just on additional disclosures which would have a more limited impact.

[2:24:34 PM](#)

STUART GOERING, Assistant Attorney General, Commercial and Fair Business Section, Department of Law (DOL), said his primary responsibility is advising and representing the Regulatory Commission of Alaska (RCA), and it has responsibility for overseeing telecommunications carriers in Alaska among other

things. His primary reason for being online was to answer questions as they might relate to RCA duties, but not to take a position. He said he had been working with the sponsor for a long time and he had been very responsive to his comments. The CS reflects a number of his comments.

2:26:03 PM

SENATOR GIESSEL said she understood that the Federal Communications Commission (FCC) has an open docket on this issue and asked if he knew what the timeline for their decision was.

MR. GOERING replied that he was aware that the FCC has a docket, but he didn't think they had a timeline for its resolution. He noted that the Federal Trade Commission (FTC) has also opened an investigation of this practice, as well, but he didn't know of a timeline for that either.

2:26:55 PM

CINDY DRINKWATER, Assistant Attorney General, Consumer Protection Unit, Department of Law (DOL), said she was available to answer questions on SB 138.

HOWARD WALTZMAN, partner, Mayor Brown LLP, outside counsel to BSG, Washington, D.C., said the presentation refers to the US Senate Commerce Committee report on cramming. That report was rather limited in scope and relied on a lot of anecdotal evidence. A telephone survey that was limited to customers of three third-party service providers and their affiliates who were the ones that had been accused of cramming. So, the notion that anything discerned from it is indicative of industry as a whole is not accurate. He also said the FCC's 15 to 20 million person figure for cramming seems to be extremely high given the number of people who subscribe to third-party billing services.

2:29:15 PM

CHAIR EGAN commented as an FCC licensee for over 40 years, it seems to him that when the FCC opens a docket there's an issue; and in this case the FTC had opened a docket as well. Obviously consumers have complained, and they are trying to get a handle on unscrupulous people.

MR. WALTZMAN said there are unscrupulous actors in this field as in others. He explained the FCC opened a docket largely to refresh an activity that had been going on since the early 90s. It hasn't had any major action since 1999. With the existence of cramming, the FCC decided to seek comment on a number of proposals, some of which they specifically endorsed as to

whether or not these proposals would help reduce cramming even further. He said the FTC doesn't have a formal open proceeding and both have gone after specific bad actors and brought enforcement action against them. He didn't view the existence of the FCC docket as indicative of an epidemic in this area. Looking at the evidence presented during the FCC's comment cycle in 2011, he saw that the actual incidents of cramming were extremely low.

[2:31:31 PM](#)

SENATOR WIELECHOWSKI said he wanted to make it clear that he supports legitimate third-party charges, and it's not his intent to ban them. He was trying to get to the unauthorized ones. However, a gentleman from San Antonio suggested that industry adopt best practices, but that was tried and didn't work. So, it's up to the legislatures of the states to protect the people. Many charges are legitimate, but he has seen evidence that many aren't.

He said this bill does two things: it requires phone companies to clearly identify where charges come from because that is one of the big problems, and it requires express authorization for specific charges rather than if you accept that free sample and they take that as an authorization to charge you \$49.95 a month under something that says voice mail or electronic fax servicing. That is inappropriate and should not be tolerated.

SENATOR WIELECHOWSKI said he is happy to work with legitimate third-party agents who have concerns and he is not trying to harm any legitimate small businesses. On that subject, he said someone said this would hurt small business because they don't have the accounting practices set up, but that's the point. They have seen evidence that dozens of small businesses have been set up, and it's all a ruse. The purpose is to go out and use them as shields so you can't identify who is actually charging you.

SENATOR GIESSEL asked how many states are enacting this legislation.

MR. PRESELY replied Vermont, Virginia, New York and Minnesota.

SENATOR GIESSEL asked the status of the FCC and FTC dockets.

SENATOR WIELECHOWSKI replied they would get that for her.

CHAIR EGAN held testimony open until the next hearing.

SENATOR WIELECHOWSKI said he didn't object to that.

[SB 138 was held in committee.]

[2:36:37 PM](#)

Finding no further business to come before the committee, Chair Egan adjourned the Senate Labor and Commerce Standing Committee meeting at 2:36 p.m.