SENATE, No. 4960

STATE OF NEW JERSEY

222nd LEGISLATURE

INTRODUCED NOVEMBER 23, 2026

Sponsored by:
Senator BRITNEE N. TIMBERLAKE
District 34 (Essex)

SYNOPSIS

"Automatic Utility and Communications Service Credit Act"; requires certain telecommunications utilities to provide credits for service outages of longer than three hours.

CURRENT VERSION OF TEXT

As introduced.

AN ACT concerning bill credits for telecommunications service outages, designated as the Automatic Utility and Communications Service Credit Act, amending P.L.1987, c.422 and P.L.1991, c.428, and supplementing Title 48 of the Revised Statutes.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. Section 1 of P.L.1987, c.422 (C.48:5A-11a) is amended to read as follows:

1. a. **[**The**]** Prior to the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), the director, with the approval of the board, shall adopt rules and regulations providing for a credit or rebate for outages of cable television service **[**which**]** that are six or more hours in duration. The amount of the credit or rebate shall be in one day units, prorated on the basis of the subscriber's monthly rate for each service so interrupted. In order to obtain a credit or rebate, a subscriber shall notify by telephone or in writing the cable television company, the Office of Cable Television or other designated complaint officer within 30 days after any such outage. The regulations may provide for appropriate exceptions and limitations.

b. **[**The**]** Prior to the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), the director shall permit any cable television company that has a service outage lasting six or more hours in duration **[**,**]** to provide to its subscribers other forms of compensation, in lieu of a credit or rebate, to compensate subscribers for the loss of service caused by the outage. Nothing in **[**this section**]** this subsection shall authorize a cable television company to require a subscriber to accept an alternative form of compensation in lieu of a credit or rebate to which the subscriber is entitled pursuant to subsection a. of this section.

c. After the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), the director, with the approval of the board, shall adopt rules and regulations providing for a credit for complete outages of cable television service that are three or more hours in duration. The amount of the credit shall be in one day units, prorated at one thirtieth of the subscriber's monthly bill for every three hours of complete outage of cable television service. The cable television company shall automatically apply the credit on the subscriber's next bill statement.

d. As used in this section, "complete outage" means a total interruption of cable television service that prevents the subscriber

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

from using the cable television service for the service's intended purpose. "Complete outage" does not include outages due to non-emergency inclement weather, subscriber equipment failure, subscriber nonpayment, scheduled maintenance with advance notice to the subscriber, and acts of war or terrorism.

e. It shall be considered an unlawful practice and a violation of P.L.1960, c.39 (C.56:8-1 et seq.) for a cable television company to fail to apply bill credits as established in subsection c. of this section for their respective subscribers that have experienced a complete outage of cable television service for three or more hours in duration.

f. In addition to any legal or equitable relief pursuant to subsection e. of this section, a cable television company, who violates the provisions of this section shall be liable to a civil penalty of $1,000 per affected subscriber and up to $25,000 per each instance of complete outage, which shall be collected by the board in a summary proceeding before a court of competent jurisdiction pursuant to the provisions of the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

(cf: P.L.2013, c.97, s.1)

2. Section 4 of P.L.1991, c.428 (C.48:2-21.19) is amended to read as follows:

4. a. (1) Notwithstanding the provisions of R.S.48:2-18, R.S.48:2-21, section 31 of P.L.1962, c.198 (C.48:2-21.2), R.S.48:3-1, subsections e. through h. of this section, or any other law to the contrary, the board shall not regulate, fix, or prescribe the rates, tolls, charges, rate structures, terms and conditions of service, rate base, rate of return, and cost of service, of competitive services.

(2) The board shall not require the local exchange telecommunications company or interexchange telecommunications carrier to file and maintain tariffs for retail competitive services **[**,**]** but shall require any terms and conditions of retail competitive services to be made available for public inspection on the Internet website of any local exchange telecommunications company or interexchange telecommunications carrier providing those services, and a printed copy of those terms and conditions shall be provided upon the request of a customer. Nothing in this section shall affect the ability of a local exchange telecommunications company or interexchange telecommunications carrier, in their discretion, to file tariffs with the board.

b. The board **[**is authorized to**]** may determine, after notice and public hearing, whether a telecommunications service is a competitive service. In making that determination, the board shall develop standards of competitive service which, at a minimum, shall include: evidence of ease of market entry; presence of other competitors; and the availability of like or substitute services in the relevant geographic area. A final decision or order pursuant to this

subsection shall be made within 12 months of the final public hearing held to determine whether a telecommunications service is a competitive service. If the board has not adopted a final decision or order within 12 months of the final public hearing, the board shall hold an additional public hearing before adopting a final decision or order. The board shall not make a determination pursuant to this subsection unless a public hearing has been held in the previous 12 months to determine whether a telecommunications service is a competitive service.

c. The board may determine, by rule, order, or in accordance with the provisions of a plan filed pursuant to subsection a. of section 3 of P.L.1991, c.428 (C.48:2-21.18), ⟦what⟧ which reports are necessary to monitor the competitiveness of any telecommunications service.

d. The board ⟦shall have the authority to⟧ may reclassify any telecommunications service that ⟦it⟧ the board has previously found to be competitive if, after notice and public hearing, ⟦it⟧ the board determines that sufficient competition is no longer present, upon application of the criteria set forth in subsection b. of this section. Upon that reclassification, the provisions of subsection a. of this section shall no longer apply, and the board may determine ⟦such⟧ rates for ⟦that⟧ the telecommunications service ⟦which it⟧ that the board finds to be just and reasonable. The board, however, shall continue to monitor the telecommunications service and, whenever the board shall find that the telecommunications service has again become sufficiently competitive pursuant to subsection b. of this section, the board shall again apply the provisions of subsection a. of this section. A final decision or order pursuant to this subsection shall be made within 12 months of the final public hearing held to determine whether a telecommunications service is a competitive service. If the board has not adopted a final decision or order within 12 months of the final public hearing, the board shall hold an additional public hearing before adopting a final decision or order. The board shall not make a reclassification pursuant to this subsection unless a public hearing has been held in the previous 12 months to determine whether a telecommunications service is a competitive service.

e. Notwithstanding the provisions of subsection a. of this section to the contrary, the following safeguards shall apply to the offering of any competitive service by a local exchange telecommunications company:

(1) the local exchange telecommunications company shall unbundle each noncompetitive service ⟦which⟧ that is incorporated in the competitive service and shall make all noncompetitive services separately available to any customer under tariffed terms and conditions, including price, that are identical to those used by

the local exchange telecommunications company in providing [its] the company's competitive service;

(2) the rate [which] that a local exchange telecommunications company charges for a competitive service shall exceed the rates charged to others for any noncompetitive services used by the local exchange telecommunications company to provide the competitive service;

(3) tariffs for competitive services that may be filed with the board shall either be in the public records [,] or, if the board determines that the rates are proprietary, shall be filed under seal and made available under the terms of an appropriate protective agreement, such as those used in cases before the board; [and]

(4) nothing in P.L.1991, c.428 (C.48:2-21.16 et seq.) shall limit the authority of the board, pursuant to R.S.48:3-1, to ensure that local exchange telecommunications companies do not make or impose unjust preferences, discriminations, or classifications for noncompetitive services [.] ; and

(5) the local exchange telecommunications company shall provide a bill credit to a customer that experienced a complete outage of service for three or more hours in duration, which bill credit shall be prorated at one thirtieth of the customer's monthly bill for every three hours of complete outage of service and shall be automatically applied to the customer's next bill statement.

f. As used in this section, "complete outage" means a total interruption of service that prevents the customer from using the service for the service's intended purpose. "Complete outage" does not include outages due to non-emergency inclement weather, customer equipment failure, customer nonpayment, scheduled maintenance with advance notice to the customer, and acts of war or terrorism.

g. It shall be considered an unlawful practice and a violation of P.L.1960, c.39 (C.56:8-1 et seq.) for a local exchange telecommunications company to fail to apply bill credits as established in this section, for the company's respective customers that have experienced a complete outage of service for three or more hours in duration.

h. In addition to any legal or equitable relief pursuant to subsection g. of this section, a local exchange telecommunications company who violates the provisions of paragraph (5) of subsection e. of this section shall be liable to a civil penalty of $1,000 per affected customer and up to $25,000 per each instance of complete outage, which shall be collected by the board in a summary proceeding before a court of competent jurisdiction pursuant to the provisions of the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

(cf: P.L.2017, c.77, s.1)

3. Section 5 of P.L.1991, c.428 (C.48:2-21.20) is amended to read as follows:

5. a. For purposes of subsection a. of section 4 of [this act] P.L.1991, c.428 (C.48:2-21.19), telecommunications services provided by interexchange telecommunications carriers are deemed to be competitive services.

b. Nothing in this act shall affect the board's authority to determine whether and under what terms and conditions it will permit interexchange telecommunications carriers to offer intraLATA services within the State.

c. The board may establish service quality standards for interexchange telecommunications carriers and nothing in this act shall limit the authority of the board to promulgate service quality standards for interexchange telecommunications carriers or to resolve complaints regarding the quality of interexchange telecommunications carrier service.

d. Nothing in the act shall limit the authority of the board to determine whether an interexchange telecommunications carrier should be extended the privilege of operating within this State.

e. The board shall require an interexchange telecommunications carrier to provide a bill credit to a customer that experienced a complete outage of service for three or more hours in duration, which bill credit shall be prorated at one thirtieth of the customer's monthly bill for every three hours of complete outage of service and shall be automatically applied to the customer's next bill statement.

f. As used in this section, "complete outage" means a total interruption of service that prevents the customer from using the service for the service's intended purpose. "Complete outage" does not include outages due to non-emergency inclement weather, customer equipment failure, customer nonpayment, scheduled maintenance with advance notice to the customer, and acts of war or terrorism.

g. It shall be considered an unlawful practice and a violation of P.L.1960, c.39 (C.56:8-1 et seq.) for an interexchange telecommunications carrier to fail to apply bill credits as established in this section, for the carrier's respective customers that have experienced a complete outage of service for three or more hours in duration.

h. In addition to any legal or equitable relief pursuant to subsection g. of this section, an interexchange telecommunications carrier who violates the provisions of subsection e. of this section shall be liable to a civil penalty of $1,000 per affected customer and up to $25,000 per each instance of complete outage, which shall be collected by the board in a summary proceeding before a court of competent jurisdiction pursuant to the provisions of the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

(cf: P.L.1991, c.428, s.5)

4. (New section) a. As used in sections 4 and 5 of P.L. , c. (C. and C.) (pending before the Legislature as this bill):

"Board" means the New Jersey Board of Public Utilities or its successor.

"Complete outage" means a total interruption of service that prevents the customer from using the service for the service's intended purpose. "Complete outage" does not include outages due to non-emergency inclement weather, customer equipment failure, customer nonpayment, scheduled maintenance with advance notice to the customer, and acts of war or terrorism.

"Direct broadcast satellite service" means radiocommunication service in which signals transmitted or retransmitted by broadcasting-satellite service space stations in the 12.2-12.7 GHz band are intended for direct reception by customers or the general public.

"Direct broadcast satellite service provider" means any person, business, or organization qualified to do business in this State that provides customers with direct broadcast satellite service.

"Internet service provider" means any person, business, or organization qualified to do business in this State that provides customers with the ability to connect to the Internet through equipment that is located in this State.

"Wireless telephone provider" means a wireless carrier that provides wireless telephone service to customers within the State.

b. Notwithstanding any law, rule, regulation, or order to the contrary, the board shall require each direct broadcast satellite service provider, internet service provider, and wireless telephone provider to provide a bill credit to the provider's respective customers that have experienced a complete outage of service for three or more hours in duration, which bill credit shall be prorated at one thirtieth of the customer's monthly bill for every three hours of complete outage of service and shall be automatically applied to the customer's next bill statement.

5. (New section) a. It shall be considered an unlawful practice and a violation of P.L.1960, c.39 (C.56:8-1 et seq.) for a direct broadcast satellite service provider, internet service provider, and wireless telephone provider to fail to apply bill credits as established in sections 4 of P.L. , c. (C.) (pending before the Legislature as this bill) for the provider's respective customers that have experienced a complete outage of service for three or more hours in duration.

b. In addition to any legal or equitable relief pursuant to subsection a. of this section, each direct broadcast satellite service provider, internet service provider, and wireless telephone provider who violates the provisions of section 4 of P.L. , c. (C.) (pending before the Legislature as this bill) shall be liable to a civil

penalty of $1,000 per affected customer and up to $25,000 per each instance of complete outage, which shall be collected by the board in a summary proceeding before a court of competent jurisdiction pursuant to the provisions of the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

6. This act shall take effect on the first day of the sixth month next following enactment. However, the Board of Public Utilities may take any anticipatory administrative action in advance as shall be necessary for the implementation of this act.

STATEMENT

This bill, which is designated as the "Automatic Utility and Communications Service Credit Act," establishes and amends certain telecommunications bill credits for service outages. Under the bill, every: (1) cable television company; (2) direct broadcast satellite service provider; (3) internet service provider; (4) local exchange telecommunications company; (5) wireless telephone provider; and (6) interexchange telecommunications carrier (collectively, "telecommunications companies"), is required to provide a bill credit to a customer or subscriber that experienced a complete outages of service for three or more hours in duration, which bill credit is to be prorated at one thirtieth of the customer's or subscriber's monthly bill for every three hours of complete outage of service and is to be automatically applied to the customer's or subscriber's next bill statement.

The bill further specifies that a failure to apply a bill credit by a telecommunications company is to be a violation of the New Jersey Consumer Fraud Act. Additionally, the bill provides that a telecommunications company is to be liable, in addition to any legal or equitable remedy under the New Jersey Consumer Fraud Act, to a civil penalty of $1,000 per affected customer or subscriber and up to $25,000 per each instance of complete outage, which is to be collected by the Board of Public Utilities in a summary proceeding before a court of competent jurisdiction.

Under the bill, a "complete outage" means a total interruption of service that prevents the customer or subscriber from using the service for the service's intended purpose but does not include outages due to: non-emergency inclement weather; customer or subscriber equipment failure; customer or subscriber nonpayment; scheduled maintenance with advance notice to the customer or subscriber; and acts of war or terrorism.