

(S. B. 1019)

(No. 174-2015)

(Approved October 21, 2015)

AN ACT

To add a new Section 16 to Chapter III of Act No. 213-1996, as amended, known as the “Puerto Rico Telecommunications Act of 1996,” in order to prohibit telecommunications, cable, and DBS companies from imposing interests, surcharges, or any other penalty on account of a late payment for telecommunications services that are billed in advance and have not yet been provided.

STATEMENT OF MOTIVES

The use of telecommunications services, mobile phones, and cable television programming has proliferated throughout the years. This has given way for the continuous growth of companies engaged in providing such services. According to the statistics of the Telecommunications Regulatory Board, there were 3,085,146 active mobile phone lines and 268,093 cable television subscribers in Puerto Rico as of December 2013.

Telecommunications and cable television companies have developed myriad contract terms for their customers. Such terms include the advanced billing of the basic rent, the SUT, the universal service charge, and any other recurring fixed charges for the next cycle, which are usually equivalent to a month, for which the customer is generally granted twenty (20) days to pay. Despite the fact that they employ advanced billing, some telecommunications and cable television companies impose interests, surcharges, and other penalties for late payment even though the cycle has not ended and they have been billed in advance.

To allow this practice to continue goes against the best interests of Puerto Rican consumers as they are being penalized on account of a late payment for services they have yet to fully enjoy. Therefore, for the purpose of safeguarding the best interests of Puerto Rican consumers, this Legislative Assembly approves this measure to prohibit telecommunications, cable television, and DBS companies from imposing, interest, surcharges, or any other penalty on account of a late payment for telecommunications services that are billed in advance and have not yet been provided.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF PUERTO RICO:

Section 1.- A new Section 16 is hereby added to Chapter III of Act No. 213-1996, as amended, known as the “Puerto Rico Telecommunications Act of 1996,” to read as follows:

“Chapter III- Regulation and Supervision

Section 16.- Limit to the Imposition of Interests, Surcharges, and Penalties on Account of a Late Payment for Services Billed in Advance.

(a) No telecommunications, cable television, or DBS company shall impose on its subscribers any interests, surcharges, or any other penalty on account of a late payment for telecommunications services that are billed in advance until the billing cycle which was billed in advance has closed.

(b) Notwithstanding the provisions of subsection (a) of this Section, telecommunications, cable television, and DBS companies may impose interests, surcharges, or any other reasonable penalty for services that have been rendered and billed once the bill is past due.”

Section 2.- This Act shall take effect immediately after its approval.