

CHAPTER 714A

PAY-PER-CALL SERVICE

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714A.1 Definitions.

As used in this chapter:

1. “*Advertisement*” means advertisement as defined in section 714.16, subsection 1, paragraph “a”. However, for purposes of this chapter, advertisement does not include a residential listing or a listing in any section of the directory in which businesses or professions are listed alphabetically rather than grouped by subject category, or a standard listing in the subject category section of a telephone directory. Advertisement also does not include a display advertisement or a listing which is made to appear more conspicuous than other listings in the subject category section of a telephone directory, provided that such display advertisement or listing includes a conspicuous disclosure that the call is a pay-per-call service and refers a reader in a clear and conspicuous manner to a page number of the directory where the reader may find an explanation of pay-per-call services. Such explanation of pay-per-call services shall include all of the following:

- a. The disclosure and preamble requirements under the law.
- b. The availability and costs of blocking options, if any.
- c. Whether a consumer’s phone service may be terminated for failure to pay for pay-per-call services.
- d. The procedures for handling consumer inquiries and complaints.

2. “*Amount of time necessary to complete a call*” means for purposes of a fixed length call, the total length of the call in minutes, and for purposes of a variable length call, a reasonable, good faith estimate in minutes of the likely length of the call.

3. “*Merchandise*” means merchandise as defined in section 714.16, subsection 1, paragraph “i”.

4. a. “*Pay-per-call service*” means electronic communications products and services which are provided to end users by information or service providers, and which meet all of the following requirements:

(1) The end users send or receive information, services, or communications whose general subject matter is determined or influenced by the service provider.

(2) The end users send or receive the information, services, or communications via a telephone connection using audio input which is not modulated or demodulated by the end user.

(3) The charge to the end user for the information, services, or communications is determined by the information or service provider and is made on a per-call or per-minute basis.

b. (1) Where the requirements under paragraph “a” are met, pay-per-call service includes, but is not limited to, the following:

- (a) Information retrieval from a remote database.
- (b) Information collection for polling and data entry.
- (c) Services offered for public entertainment in which users participate in or listen to a conversation.

(2) Pay-per-call service does not include electronic communication for the purpose of conducting financial transactions, or any service the price of which is established pursuant to a tariff approved by a regulatory agency.

5. “*Person*” means person as defined in section 714.16, subsection 1, paragraph “j”, and includes a long distance company and local exchange company as defined in section 477.10.

91 Acts, ch 171, §1

714A.2 Disclosure of charges.

With respect to each pay-per-call service, the call shall contain an introductory disclosure message that specifies clearly, and at the same audio volume of the ensuing program, if the charge for the call is on a flat rate basis, the total charge for the call, or if charged on a per-minute basis, the charge per minute for the call, the charge for each additional minute, and the amount of time necessary to complete the call, and all other fees, and which informs the caller of the option to disconnect the call at the end of the introductory message without incurring a charge. However, an introductory message is not required if the total charge for the call is one dollar or less.

91 Acts, ch 171, §2

714A.3 Advertisements.

Advertisements for pay-per-call service shall clearly state if the charge for the service is on a flat rate basis, the total charge for the call or, if charged on a per-minute basis, the charge per minute for the call, the charge for each additional minute, and the amount of time necessary to complete the call. Additionally, if in order to obtain the full advertised services or other merchandise, a caller will be required to make any payments in addition to the cost of the initial call, that fact shall be disclosed, along with the amounts of such additional payments. If the advertisement is oral, all cost information must be disclosed clearly and at the same audio volume of the ensuing program prior to providing the pay-per-call number and each time the number is mentioned.

91 Acts, ch 171, §3

714A.4 Billing and collection.

A person shall not bill or collect for a pay-per-call service if such person has actual knowledge of the failure of the pay-per-call service to comply with the requirements of this chapter. A person shall cease billing and collecting for a pay-per-call service which fails to comply with the requirements of this chapter as soon as practicable, but in no event more than thirty days, after acquiring knowledge of the noncompliance. Billing and collection contracts shall contain a provision which refers the pay-per-call service to chapter 714A, which provides for an introductory disclosure message and the requirements for such message.

Additionally, a person shall not bill or collect a charge for a pay-per-call service unless the call for which the charge is being made is completed.

91 Acts, ch 171, §4

714A.5 Enforcement.

A violation of this chapter is an unfair or deceptive trade practice and is subject to the provisions of section 714.16, except that the remedies and penalties provided pursuant to that section shall not be applied to a newspaper, magazine, publication, directory, or other print media in which an advertisement appears, or to a radio station, television station, or other electronic media which disseminates the advertisement, and no other penalty or cause of action under this chapter shall accrue against the media in or by which the advertisement appears or is disseminated, where the particular advertisement is not sponsored by the media, unless the media also performs the billing or collecting for the pay-per-call service.

91 Acts, ch 171, §5