

# HOUSE . . . . No. 215

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By Mr. Dale of Watertown, petition of Wycliffe C. Marshall that certain contracts of telephone companies for services rendered be made subject to approval by the Department of Public Utilities, Power and Light.

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## The Commonwealth of Massachusetts

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In the Year One Thousand Nine Hundred and Thirty-Four.

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An Act subjecting to Approval of the Department of Public Utilities Certain Contracts of Telephone Companies for Services rendered.

1 *Whereas*, The deferred operation of this act would  
2 tend to defeat its purpose, therefore it is hereby  
3 declared to be an emergency law, necessary for the  
4 immediate preservation of the public welfare.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 Chapter one hundred and sixty-six of the General  
2 Laws is hereby amended by inserting after section  
3 fifteen a new section designated as section fifteen B,  
4 as follows: —

5 *Section 15B.* No telephone company shall, with-  
6 out the approval of the department, hereafter enter  
7 into a contract with a company related to it as an  
8 affiliated company, as defined in section fifteen A,  
9 covering a period in excess of four months, by virtue  
10 of which any compensation is to be paid by the said

11 telephone company in whole or in part for services  
12 rendered by such affiliated company, unless such  
13 contract contains a provision subjecting the amount  
14 of compensation to be paid thereunder to review and  
15 determination by the department in any proceeding  
16 brought before it about the charges for telephone  
17 service by said telephone company. In any such pro-  
18 ceeding the department may review and determine  
19 the amount of compensation to be thereafter paid  
20 under a contract containing such provision for  
21 review, and, if it appears that the amount agreed  
22 on is excessive, the department may declare the  
23 said contract to be terminated forthwith, even if  
24 no bad faith be found.

25 Said above compensation shall not be included  
26 in the operating expenses of the said telephone  
27 company until the department has reviewed, after  
28 notice and a public hearing, and determined the  
29 amount of compensation to be thereafter paid  
30 under the said contract. The department shall  
31 have the power to decrease the amount of com-  
32 pensation to be paid under the said contract to  
33 an amount consistent with the public interest.

34 Any said contract which is not so reviewed and  
35 approved by the department, with or without a  
36 change in its terms as determined by the depart-  
37 ment, shall be null and void for all purposes.

38 Upon an information in equity in the name of  
39 the attorney general, at the relation of the depart-  
40 ment of public utilities, the supreme judicial court  
41 may restrain any foreign corporation from assum-  
42 ing or exercising any corporate rights, privileges or  
43 franchises in this commonwealth until this section  
44 has been complied with by said foreign corporation.