

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Proposed Rule 25-24.845, )  
F.A.C., Customer Relations; )  
Rules Incorporated, and Proposed )  
Amendments to Rules 25-4.003, )  
F.A.C., Definitions; 25-4.110, )  
F.A.C., Customer Billing; 25- )  
4.118, F.A.C., Interexchange )  
Carrier Selection; 25-24.490, )  
F.A.C., Customer Relations; )  
Rules Incorporated. )

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Docket No. [REDACTED]

Filed: January 15, 1998

**THE FLORIDA COMPETITIVE CARRIERS  
ASSOCIATION'S PREHEARING STATEMENT**

The Florida Competitive Carriers Association (FCCA), pursuant to Order No. PSC-98-0006-PCO-TI, files its Prehearing Statement.

**A. APPEARANCES:**

Joseph A. McGlothlin and Vicki Gordon Kaufman, McWhirter, Reeves, McGlothlin, Davidson, Rief and Bakas, 117 South Gadsden Street, Tallahassee, Florida 32301

On Behalf of the Florida Competitive Carriers Association.

**B. WITNESSES:**

None.

**C. EXHIBITS:**

It is FCCA's understanding that any comments that it may file on January 23, 1998 will become part of Exhibit 1 to this proceeding.

**D. STATEMENT OF BASIC POSITION:**

It is FCCA's basic position that there are lower cost regulatory alternatives than the rules proposed by the Commission available to address the slamming issue. Two lower cost regulatory alternatives are attached to FCCA's Prehearing Statement and

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have also been filed separately with the Commission pursuant to §120.541(1)(a), Florida Statutes. Either of these two alternatives will allow the Commission to take action on issues related to unauthorized changes of carriers while imposing significantly fewer economic and regulatory burdens on the industry to the detriment of competition.

Lower cost alternative #1 involves the Commission's adoption of the Federal Communications Commission's (FCC) soon to be promulgated rules on the subject. Adoption of the FCC's rules would ensure that carriers who do business on a nationwide basis are not subject to differing and expensive requirements in each of the 50 states, requiring costly adjustments to billing and operations systems. National uniformity will result in much lower costs to carriers (and ultimately the public) and should be adopted by the Commission in this instance.

Lower cost alternative #2 takes the rule as proposed by the Commission and makes modifications which do not interfere with its efficacy but which significantly reduce the cost of implementation. These modifications are set out in the attached rule and include:

(1) A rule implementation date of January 1, 1999, or six months after rule adoption, whichever is later, to allow carriers time to make the changes to their systems necessary to implement the rule;

(2) Clarification that the scope of the rule does not encompass unregulated services;

(3) Notification of the availability of a PIC freeze mechanism, via bill or letter; and, requirement of separate forms for a local provider PIC freeze and for a local toll or toll PIC freeze (this will require changes to the proposed PIC freeze form);

(4) No later than January 1, 1999, or six months after rule adoption, whichever is later, a requirement that a carrier notify a customer of a provider change on or within the bill;

(5) Modification of proposed third party verification requirements, including period of retention;

(6) Modifications to the provisions governing the credit to be received by customers;

(7) Deletion of live operator requirements;

(8) Some language was simply added or deleted for clarification.

Changing the proposed rule in these ways will reduce regulatory costs while accomplishing the Commission's objectives.

#### **E. STATEMENT OF ISSUES AND POSITIONS:**

1. **ISSUE:** Should additional safeguards be adopted by the Commission to protect consumers from slamming? If so, what safeguards should be adopted?

**FCCA:** If the Commission decides to adopt additional safeguards as to slamming, it should adopt either Alternative # 1 or # 2 proffered by the FCCA. Either of these alternatives will address the slamming issue with a much lower regulatory cost to the industry and the ultimate consumer.

**E. STIPULATED ISSUES:**

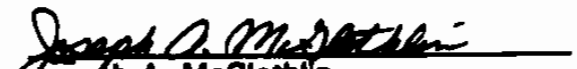
None at this time.

**G. PENDING MOTIONS:**

None at this time.

**H. OTHER MATTERS:**

None at this time.

  
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**FLORIDA COMPETITIVE CARRIERS ASSOCIATION  
ALTERNATIVE 1**

To accomplish the objectives of the rule proposed by the Commission in Order No. PSC-97-1615-NOR-TI issued on December 24, 1997, through means that would impose lower regulatory costs, the Florida Competitive Carriers Association (FCCA) proposes an alternative to the proposed rule language. That alternative is adoption of the Federal Communications Commission's (FCC) soon-to-be adopted slamming rule.

**FLORIDA COMPETITIVE CARRIERS ASSOCIATION'S  
ALTERNATIVE 2**

To accomplish the objectives of the rule proposed by the Commission in Order No. PSC-97-1615-NOR-TI, issued on December 24, 1997, through means that would impose lower regulatory costs, the Florida Competitive Carriers Association (FCCA) proposes an alternative to the proposed rule language. FCCA's alternative is intended to retain those measures of the proposed rule that will effectively strengthen the effort to curb abuse, while eliminating or modifying the measures which would (a) impose costs without accomplishing additional consumer protection or (b) impose costs that would be unreasonable in view of the ability to achieve corresponding benefits at lower cost. In written comments to be filed on January 23, 1998, FCCA will explain the deficiency or excess FCCA sees in each provision of the proposed rule it seeks to modify and elaborate on why its alternative will serve the Commission's purpose at lower cost.

FCCA's Alternative 2 consists of the Commission's proposed rule, modified as follows (in the rule language that follows, the Commission's proposed rule is the baseline version; FCCA's suggested alternative to the proposed rule is shown in the form of strike-throughs and additions)<sup>1</sup>. Any rule revisions should become effective on January 1, 1999, or six months after rule adoption, whichever is later.

1. Beginning at page 23, modify proposed rule 25-4.110(10) as follows:

(10) After January 1, ~~1999~~ 1998, or six months after the date the adoption of this rule becomes final, whichever is later, all bills produced shall clearly and conspicuously display the following information for each service billed in regard to each company claiming to be the customer's presubscribed provider for local, local toll, or toll service:

(a) The name of the certificated company, ~~and its certificate number~~;

2. Beginning at page 23, modify proposed rule 25-4.110(11) as follows:

(11) This section applies to LECs that provide transmission services or bill and collect on behalf of other providers including pay per call providers. Pay Per Call services are defined as switched telecommunications services between locations within the State of Florida

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<sup>1</sup>FCCA's proposed modifications are keyed to the rule as proposed in Order No. PSC-97-1615-NOR-TI, issued December 24, 1997.

which permit communications between an end use customer and an information provider's program at a per call charge to the end user/customer. Pay Per Call services include 976 services provided by the LECs, 900 services provided by IXCs, and other miscellaneous non-regulated charges on behalf of other providers.

(a) Charges for Pay Per Call and other non-regulated services, shall be segregated from charges for regular long distance or local charges by appearing separately under a heading that reads as follows: "Pay Per Call and other nonregulated charges." The following information shall be clearly and conspicuously disclosed on each section of the bill containing Pay Per Call service (900 or 976) charges:

3. Beginning at page 24, modify proposed rule 25-4.110(11)3 as follows:

3. End Users/customers can obtain a free billing block option from the LEC to block all charges from a non-regulated third party. Bills submitted by non-regulated third parties with the subscriber's LEC-specific personal identification number will validate the subscribers authorization of the charges and supersede the billing block option. The subscriber is responsible for all such charges.

4. Beginning at page 30, modify proposed rule 25-4.110(12) as follows:

(12) The customer must be noticed in on his first bill or letter and annually thereafter that a PIC Freeze is available and may contact the provider to obtain the form for freezing the local exchange service choice (FORM -----) or the form for freezing the toll and/or local toll provider (FORM -----). These two forms are FORM-PSC/CAF-2 (XX/XX). ~~A copy of FORM-PSC/CAF-2 (XX/XX)~~, which is incorporated into this rule by reference, and may be obtained from the Commission's Division of Consumer Affairs. Existing customers must be notified by January 1, 1999, and annually thereafter that the two PIC Freeze forms are ~~is~~ available and may contact the provider to obtain FORM ----- and/or FORM ----- FORM-PSC/CAF-2 (XX/XX).<sup>2</sup>

5. Beginning at page 30, modify proposed rule 25-4.110(13) as follows:

(13) The customer must be given notice on the first or second page of his next bill or with the bill in conspicuous bold fact type when his provider of local, local toll, or toll service has changed beginning no later than

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<sup>2</sup>FCCA will supply suggested forms with its January 23 comments.



January 1, 1999, or six months after the date the adoption of this rule becomes final, whichever is later.

6. Beginning at page 31, modify proposed rule 25-4.118(2)(b) as follows:

(b) the company has received a customer-initiated call, and has obtained the following:

1. The customer's consent to record the requested change;

2. An audio recording of the information set forth in (3)a. through e. and is verified through a qualified, independent firm which is unaffiliated with the company claiming the subscriber; and

7. Beginning at page 31, modify proposed rule 225-4.118(2)(b)(3) by deleting subpart (3) in its entirety, as follows:

~~3. A recording of the originating telephone number on which the provider is to be changed via automatic number identification.~~

8. Beginning at page 33, modify proposed rule 25-4.118(3)(b) as follows:

(b) Statement clearly identifying the certificated name of the provider and the service to which the customer wishes to subscribe, ~~whether or not it uses the facilities of another company.~~

9. Beginning at page 36, modify proposed rule 25-4.118(5) as follows:

(5) A prospective provider must have received the signed LOA or third party verification before initiating the change.

10. Beginning at page 36, modify proposed rule 25-4.118(6) as follows:

(6) LOAs and audio recordings shall be maintained by the provider for a period of six months ~~one-year~~.

11. Beginning at page 36, modify proposed rule 25-4.118(8) as follows:

(8) Charges for unauthorized provider changes and all charges billed on behalf of the unauthorized provider for the first 30 ~~90~~ days or first three billing cycles, whichever is longer, shall be credited to the customer by the company responsible for the error within 45 days of notification. ~~After the first 90 days up to 12 months, charges over the rates of the preferred company will be credited to the customer by the company responsible for the error within 45 days of notification.~~ Upon notice from the customer of an unauthorized provider change, the LEC shall change the customer back, or to another company of the customer's choice. The change must be made within 24 hours excepting Saturday, Sunday, and holidays, in which case

the change shall be made by the end of the next business day.

12. Beginning at page 38, modify proposed rule 25-4.118(12) as follows:

(12) Upon completion of the verification process outlined in this section, the provider must send a letter notifying the customer that it will be providing his service within 15 days.

13. Beginning at page 38, modify proposed rule 25-4.118(13) by deleting subpart (13) in its entirety, as follows:

~~(13) A provider must provide the customer a copy of the authorization it relies upon for the switch within 15 days of request.~~

14. Beginning at page 38, modify proposed rule 25-4.118(14) by deleting subpart (14) in its entirety, as follows:

~~(14) Each company shall provide a live operator to answer incoming calls 24 hours a day, 7 days a week, or shall record end user complaints. A combination of live operators and recorders may be used. If a recorder is used, the company shall attempt to contact each complainant no later than the next business day following the date of recording. A minimum of 95 percent of all call attempts shall be completed to a company's toll-free customer~~

~~service number. Station busies will not be counted as  
completed calls. The term "answer" as used in this  
subsection means more than an acknowledgment that the  
customer is waiting on the line. It shall mean the provider  
is ready to render assistance or accept the information  
necessary to process the call.~~

15. Beginning at page 43, modify proposed rule 25-24.490(1) by deleting the reference to Subsection (10) under the column captioned "Portions Applicable" to Section 25-4.110.

## **CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of FCCA's foregoing Prehearing Statement has been furnished by United States mail or hand delivery(\*) this 15th day of January, 1998:

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