



# Public Service Commission

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DATE: February 5, 1998

TO: BLANCA BAYO, DIRECTOR OF RECORDS AND REPORTING

FEB 05 1998

FROM: DIANA W. CALDWELL, DIVISION OF APPEALS

10:20  
FPSC - Records/Reporting

RE: DOCKET NO. 970882-TI

*DWC*  
98-0200A PHD-TI

FILE NAME: PH0882A.DWC

Attached is an order to be issued as soon as possible.

DWC  
Attachment

cc: Wanda Terrell

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 970882-TI  
ORDER NO. PSC-98-0200A-PHO-TI  
ISSUED: February 5, 1998

MODIFICATION TO PREHEARING ORDER

Prehearing Order No. PSC-98-0200-PHO-TI issued on February 2, 1998, is amended to correct AT&T positions of the issues that were inadvertently misstated.

IX. ISSUES AND POSITIONS

The following issues will be determined at the hearing.

ISSUE 1: Should the Commission adopt new rule 25-24.845, Florida Administrative Code, as proposed by the Commission at the December 16, 1997, agenda conference?

POSITION:

AT&T: The Commission should not impose the requirements of Rule 25-4.110 (10) - (13) on ALECs because they are unnecessary in a competitive environment. Customers may freely switch providers if they are dissatisfied with ALEC billing practices. The Commission should impose the requirements of Rule 25-4.118 only as modified pursuant to AT&T's suggestions, below.

ISSUE 2: Should the Commission adopt the proposed amendments to Rule 25-4.003, F.A.C., as proposed by the Commission at the December 16, 1997, agenda conference?

POSITION:

AT&T: AT&T does not oppose the proposed changes.

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**ISSUE 3:** Should the Commission adopt the proposed amendments to Rule 25-24.110, F.A.C., as proposed by the Commission at the December 16, 1997, agenda conference?

**POSITION:**

AT&T: No. Instead, the Commission should make the following changes to the proposed rule:

(1) Subsection (10) should be effective no sooner than six months after the rule is formally adopted and becomes effective, rather than retroactively. Changes to billing systems will require time for programming and implementation.

(2) Delete the requirement in Subsection (10) that each provider's certificate number be printed on the customer bill. This would impose costs without accomplishing additional consumer protection or impose costs that are unreasonable in view of the ability substantially to accomplish the objective of the rule at a lower cost. The correct certificated name is all that is necessary to "track" the provider.

(3) Delete Subsection (11)(a) 3., which requires a billing block option to be validated by a customer-specific PIN number. This requirement would impose massive implementation and operational costs without accomplishing additional consumer protection, since the rules currently prohibit disconnection of services for nonpayment of nonregulated charges. Further, there is no competent, substantial evidence available that such an option is available, can be developed, or that it would offer a reasonable solution to the problem of "cramping." Requiring non-regulated charges to be billed on pages separate from regulated charges would adequately address this issue, since customers could readily identify such charges and in any event are not subject to loss of service for failure to pay such charges.

Requiring that the PIN be transmitted from the LEC to the IXC, from the IXC to the third-party billing entity and from the third-party billing entity back to the LEC would require major revisions to already complex systems and would not provide any additional security to consumers. In fact, sharing the consumer's PIN among many different entities would reduce, rather than enhance, security.

Additionally, unless third party providers have a means to determine if there is a billing block option and then validate a PIN prior to providing a service, the rule will encourage fraud in an industry whose consumers already bear the costs of high toll fraud losses.

The following scenarios are all probable under this rule: a member of a household is not able to accept a collect call because s/he doesn't know the PIN; a consumer accepts a collect call or requests that a service be billed on his or her LEC bill, but provides an incorrect PIN and thereafter refuses to pay the charges; an unscrupulous provider obtains the customer's PIN in connection with a valid transaction and then proceeds to use the PIN to "cram" other items on the bill.

(4) Subsection (12) should be revised to allow companies to notify customers of the PIC freeze option either by letter or on their bill, and should additionally be revised to allow companies the option of providing to customers their own form that includes the information found on Form PSC/CAF 2, rather than the form itself. AT&T has thousands of customer service representatives who deal with customers from all over the country. Imposition of a specific form unique to one state is burdensome from a process management and training perspective and thus reduces, rather than increases, AT&T's ability to provide quick, accurate, and effective customer service.

Additionally, the rule is seriously deficient unless it also requires the carrier that applies a PIC freeze to send written notification to that effect, separate from the customer's bill.

(5) Subsection (13) should be revised to allow companies to notify customers of a change in provider either by placing the notice on the bill or providing a bill insert. Companies should be allowed a minimum of six months to implement this requirement.

**ISSUE 4:** Should the Commission adopt the proposed amendments to Rule 25-24.118, F.A.C., as proposed by the Commission at the December 16, 1997, agenda conference?

**POSITION:**

AT&T: No. Instead, the Commission should make the following changes to the proposed rule:

(1) Subsection (2)(b): Delete the requirement that the customer make an individual inbound call on each line that s/he wants to have switched, which increases the number of telephone calls that must be made to switch providers, and prevents customers from making such phone calls from other locations, such as work. Additionally, the ANI would not be captured for customers transferred from one service center to another.

(2) Subsection (2)(d): This section essentially requires a customer to make a PIC change twice. First the customer makes the change request, after which s/he receives an informational package, and then the customer must again request the change via the postcard. There is no evidence that the current process (allowing the customer to change his mind and 'deselect' a company via postcard) is insufficient or that customers desire this change.

(3) Subsection (4): The rule should not prohibit companies from using clearly identifiable, non-deceptive LOAs that also include a check. FCC rules clearly allow use of such inducements.

(4) Subsection (5): This section should be amended to require the provider either to receive the signed LOA or have obtained third party verification prior to the change

(5) Subsection (8): The Commission should require companies to rebate charges for up to 30 days after the customer receives his first bill.

There are several problems with the requirement that companies provide consumers with 90 days' free service. First, by doing more than making customers whole, the provision constitutes an award of damages, which is beyond the Commission's jurisdiction. Second, rather than encouraging customers to be alert to unauthorized charges, it encourages the opposite. Customers have a legal obligation to examine their bank and credit card statements in a timely manner in order to be entitled to a remedy, and there is no reason to provide an exception for telephone bills. Third, the requirement will substantially increase regulatory costs by encouraging frivolous complaints.

(6) Subsection (11): The requirement that customers be notified of PIC freeze availability during both telemarketing and verification is redundant and increases costs. All such

notification should be handled in the first instance by customer service personnel; third party verifiers should be limited to verifying customer acceptance of the PIC freeze option.

(7) Subsection (12): The requirement that providers send a letter notifying the customer that it will be providing his service is duplicative; particularly so in cases where the company has completed third party verification or has sent the informational package referenced in Rule 25-4.118(2)(d).

(8) Subsection (13): The requirement that companies provide the customer a copy of the authorization relied upon within 15 days should be modified to require that companies provide a copy of any written authorization within 30 days.

(9) Subsection (14): This section imposes a number of requirements modeled on LEC customer service rules. These requirements are unnecessary in a competitive environment, where customers may switch providers when they believe they are receiving poor service. The Commission can better serve customers by facilitating selection and de-selection of providers, which will allow immediate redress for perceived poor service.

**ISSUE 5:** Should the Commission adopt the proposed amendments to Rule 25-24.490, F.A.C., as proposed by the Commission at the December 16, 1997, agenda conference?

**POSITION:**

AT&T. The Commission should not impose the requirements of Rule 25-4.110 (10) - (13) on IXCs because they are unnecessary in a competitive environment. Customers may freely switch providers if they are dissatisfied with IXCs billing practices. The Commission should impose the requirements of Rule 25-4.118 only as modified pursuant to AT&T's suggestions, above.

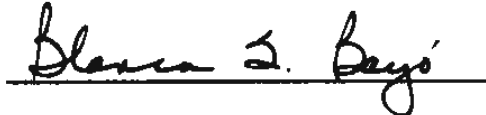
It is therefore,

ORDERED that the Order No. PSC-98-0200-PHO-TI is modified as prescribed herein. It is further

ORDERED that the Prehearing Order is reaffirmed in every other respect.

ORDER NO. PSC-98-0200A-PHO-TI  
DOCKET NO. 970882-TI  
PAGE 6

By Direction of the Florida Public Service Commission, this  
5th day of February, 1998.



BLANCA S. BAYO, Director  
Division of Records and Reporting

(S E A L)

DWC

**NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW**

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code, if issued by a Prehearing Officer; (2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or (3) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060,

ORDER NO. PSC-98-0200A-PHO-TI  
DOCKET NO. 970882-TI  
PAGE 7

Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.