

*WV*  
*OB*  
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# Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

## -M-E-M-O-R-A-N-D-U-M-

RECEIVED-FPSC  
NOV-4 PM 12:02  
RECORDS AND REPORTING

**DATE:** NOVEMBER 4, 1999

**TO:** DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYÓ)

**FROM:** DIVISION OF LEGAL SERVICES (CLEMONS) *AMC*  
DIVISION OF COMMUNICATIONS (BIEGALSKI) *KB*

**RE:** DOCKET NO. 991402-TI - INITIATION OF SHOW CAUSE PROCEEDINGS AGAINST U.S. REPUBLIC COMMUNICATIONS, INC. FOR APPARENT UNLAWFUL BILLING PRACTICES

**AGENDA:** 11/16/99 - SHOW CAUSE - INTERESTED PERSONS MAY PARTICIPATE

**CRITICAL DATES:** NONE

**SPECIAL INSTRUCTIONS:** NONE

**FILE NAME AND LOCATION:** S:\PSC\CMU\WP\991402.RCM

### CASE BACKGROUND

- April 2, 1997 - U.S. Republic Communications, Inc. (U.S. Republic) received Certificate Number 4836 to provide intrastate interexchange telecommunications service in Florida.
- May 11, 1998 through October 29, 1999 - The Commission's Division of Consumer Affairs (DCA) determined there are 269 consumer complaints regarding unauthorized charges on telephone bills.
- January 29, 1999 - U.S. Republic reported gross intrastate revenues of \$1,012,971.46 on its 1998 regulatory assessment fee form.

DOCUMENT NUMBER-DATE

~~13576~~ NOV-4 99

FPSC-RECORDS/REPORTING

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission order U.S. Republic Communications, Inc. to show cause why it should not be fined \$2,000 per violation for a total of \$538,000 or have Certificate Number 4836 canceled for apparent unlawful billing practices in violation of Section 364.10(1), Florida Statutes?

RECOMMENDATION: Yes. The Commission should order U.S. Republic to show cause in writing within 21 days of the issuance date of the order why it should not be fined \$2,000 per violation for a total of \$538,000 or have its certificate canceled for apparent unlawful billing practices in violation of Section 364.10(1), Florida Statutes. Any collected fine monies should be forwarded to the Office of the Comptroller for deposit in the state General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. **(Biegalski)**

STAFF ANALYSIS: DCA received its first unauthorized billing complaint for internet website design against U.S. Republic on May 11, 1998. Through October 29, 1999, DCA closed a total of 269 similar consumer complaints against U.S. Republic as apparent unauthorized charges infractions.

The apparent unauthorized charges are initiated through a telemarketing call which solicits internet web site design and hosting services. The monthly charge billed on the consumer's local telephone bill is approximately \$24.95. (Attachment A, Pages 6-15) Through the investigation of the consumer complaints received by DCA, staff has determined that the consumers did not authorize these charges.

U.S. Republic states in its responses to the consumer complaints that it received authorization for the internet web site design charge via third party verification. (Attachment B, Pages 16-17) Nevertheless, U.S. Republic has issued full credits to consumers for the charges incurred. During staff's telephone conversation with U.S. Republic on September 20, 1999, staff requested copies of the third party verification, but to date, the verification has not been received. U.S. Republic respectfully requests that the Commission not penalize it for not providing copies of the third party verifications, since it claims that web page service is not an aspect of the telecommunications industry currently regulated by this Commission or any other regulatory body.

Section 364.604 (2), Florida Statutes, addresses unauthorized charges on telephone bills, or cramming, and states:

(2) A customer shall not be liable for any charges for telecommunications or information services that the customer did not order or that were not provided to the customer.

Through the implementation of Section 364.604(2), Florida Statutes, the Florida Legislature expressed its intent that telephone customers should not have to pay for services they did not authorize. Although the provision limits its application to telecommunications and information services, staff believes it is helpful in this case for purposes of legislative intent. Given this legislative intent and the number of consumer complaints, staff believes it is appropriate to take action against the company, pursuant to Section 364.10(1), Florida Statutes.

Section 364.10(1), Florida Statutes, states in pertinent part:

(1) A telecommunications company may not make or give any undue or unreasonable preference or advantage to any person or locality or subject any particular person or locality to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

Staff believes that U.S. Republic is giving an "undue advantage" to some of its customers in that it is only issuing refunds to customers who call in to the company, the LEC, or to the Commission and complain of the unauthorized charges. In addition, based upon the complaints received by DCA, it appears that U.S. Republic is targeting small businesses throughout Florida, thereby subjecting those customers to an "undue disadvantage".

The company itself recognizes the consumer complaints as billing problems and has requested that staff treat it as such. The apparent violations indicate that U.S. Republic has not established sufficient safeguards to protect consumers from unauthorized charges on their telephone bills. Therefore, staff believes that U.S. Republic's conduct in providing telecommunications services is in apparent violation of Section 364.10 (1), Florida Statutes.

By Section 364.285, Florida Statutes, the Commission is authorized to impose a penalty of not more than \$25,000 for each day a violation continues, if such entity is found to have refused

DOCKET NO. 991402-TI  
DATE: November 4, 1999

to comply with or to have willfully violated any lawful rule or order of the Commission, or any provision of Chapter 364.

Utilities are charged with knowledge of the Commission's rules and statutes. Additionally, "[i]t is a common maxim, familiar to all minds, that 'ignorance of the law' will not excuse any person, either civilly or criminally." Barlow v. United States, 32 U.S. 404, 411 (1833).

Staff believes that U.S. Republic's apparent conduct in billing unauthorized charges on consumer telephone bills has been "willful" in the sense intended by Section 364.285, Florida Statutes. In Order No. 24306, issued April 1, 1991, in Docket No. 890216-TL titled In re: Investigation Into The Proper Application of Rule 25-14.003, F.A.C., Relating To Tax Savings Refund for 1988 and 1989 For GTE Florida, Inc., having found that the company had not intended to violate the rule, the Commission nevertheless found it appropriate to order it to show cause why it should not be fined, stating that "In our view, willful implies intent to do an act, and this is distinct from intent to violate a rule." Thus, any intentional act, such as U.S. Republic's conduct at issue here, would meet the standard for a "willful violation."

Based upon the foregoing, staff believes there is sufficient cause to order U.S. Republic to show cause in writing within 21 days of the issuance date of the order why it should not be fined \$2,000 per infraction for a total of \$538,000 or have its certificate canceled for its apparent violations of Section 364.10 (1), Florida Statutes.

DOCKET NO. 991402-TI  
DATE: November 4, 1999

ISSUE 2: Should this docket be closed?

RECOMMENDATION: If staff's recommendation in Issue 1 is approved, then U.S. Republic will have 21 days from the issuance of the Commission's show cause order to respond in writing why it should not be fined in the amount proposed or have its certificate canceled. If U.S. Republic timely responds to the show cause order, this docket should remain open pending resolution of the show cause proceeding. If the fine is paid, it should be forwarded to the Office of the Comptroller for deposit in the General Revenue Fund pursuant to Section 364.285(1), Florida Statutes, and this docket should be closed. Staff recommends that if U.S. Republic fails to respond to the Order to Show Cause, and the fine is not received within ten business days after the expiration of the show cause response period, U.S. Republic's certificate should be canceled and this docket closed. **(Clemons)**

STAFF ANALYSIS: If staff's recommendation in Issue 1 is approved, then U.S. Republic will have 21 days from the issuance of the Commission's show cause order to respond in writing why it should not be fined in the amount proposed or have its certificate canceled. If U.S. Republic timely responds to the show cause order, this docket should remain open pending resolution of the show cause proceeding. If the fine is paid, it should be forwarded to the Office of the Comptroller for deposit in the General Revenue Fund pursuant to Section 364.285(1), Florida Statutes, and this docket should be closed. Staff recommends that if U.S. Republic fails to respond to the Order to Show Cause, and the fine is not received within ten business days after the expiration of the show cause response period, U.S. Republic's certificate should be canceled and this docket closed.

Name ANDERSON ELECTRONICS

Company U.S. REPUBLIC COMMUNICATIONS, INC.

Request No. 265194R

Address 2252 S RIDGEWOOD AVE

Attn. Jennifer Goldston265194R

By NCS Time 12:02 PM Date 06/24/1999

City/Zip Daytona Beach 32119 County VOL

Consumer's Telephone # (904)-767-1110

To CO Time FAX Date 06/24/1999

Account Number \_\_\_\_\_

Can Be Reached \_\_\_\_\_

Type B Form Phone

Caller's Name FREDRICK P. HONADIE

Note \_\_\_\_\_

Category IS-09

Informal Conf. \_\_\_\_\_

Infraction \_\_\_\_\_

Closed by NCS Date 07/09/1999

Reply Received T

Inquiry taken N. Cortijo-Simmonds/he  
Customer states that he is receiving a bill for a service that he did not authorize or request. He states he request immediate termination of the service. Please investigate this matter, contact the customer and provide me with a detailed written report including LOA and applicable credits for activation, monthly and service fees.

07/09/99 Received report stating that a credit of \$124.75. Closing case as cramming. Sending to ewe to draft letter.

**CONSUMER REQUEST**

**FLORIDA PUBLIC SERVICE COMMISSION**

2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FL. 32399-0850  
850-413-6100

PLEASE RETURN THIS FORM WITH REPORT OF ACTION TO:

NANCY CORTIJO-SIMMONDS

DUE: 07/09/1999

STATE OF FLORIDA

Commissioners:  
JOE GARCIA, CHAIRMAN  
J. TERRY DEASON  
SUSAN F. CLARK  
JULIA L. JOHNSON  
E. LEON JACOBS, JR.



DIVISION OF CONSUMER AFFAIRS  
BEVERLEE DEMELLO  
DIRECTOR  
(850) 413-6100  
TOLL FREE 1-800-342-3552

## Public Service Commission

July 19, 1999

Mr. Fredrick P. Honadie  
Anderson Electronics  
2252 South Ridgewood Avenue  
Daytona Beach, FL 32119

Dear Mr. Honadie:

This is a follow-up to your recent inquiry concerning U. S. Republic Communications, Inc., charges on your telephone bill.

Documentation provided to the Florida Public Service Commission (PSC) indicates that a credit of \$124.75 has been issued. This credit should appear in one to three billing cycles.

The PSC has issued a warning about an emerging telephone service scam known as "cramming" -- when charges for telephone services are added or "crammed" on to phone bills without the subscriber's knowledge or consent.

*"We must be on the lookout for and take action against cramming,"* said PSC Chairman Joe Garcia. *"We have heard from consumers about all kinds of phone charges mysteriously popping up on their bills."*

The Commission is currently considering rule amendments which will provide additional safeguards to subscribers by making a "billing block" option available to prevent unauthorized cramming charges on their local phone bills.

Thank you for this opportunity to address your concerns. If you have any questions or need further assistance, please contact me toll free at 1-800-342-3552, by fax toll free at 1-800-511-0809, or by e-mail at [ncortijo@psc.state.fl.us](mailto:ncortijo@psc.state.fl.us).

Sincerely,

A handwritten signature in black ink, appearing to read "Nancy Cortijo-Simmonds".

Nancy Cortijo-Simmonds  
Regulatory Specialist I  
Division of Consumer Affairs

NCS:ewe

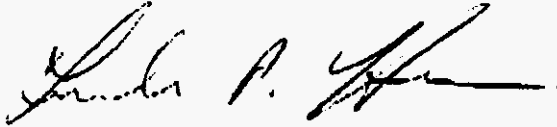
Anderson Electronics  
2252 S. Ridgewood Ave.  
S. Daytona, FL 32119  
904-767-1110

Fredrick Price Honadle  
6-21-1999

Nancy Simmonds:

I contacted US Republic today and they said they would cancel the web sight (the account) and refund my money. I was billed \$24.95 3 times. They said the web site was authorised by Rodney Krastel. Rodney has no association with this company. As long as US Republic credits my business phone account with Bell South, no further action is necessary.

Thank you,  
Fredrick Price Honadle (Owner of Anderson Electronics)







ANDERSON ELECTRONICS OF SOUTH DAYTONA  
ACCOUNT Number: 904 767-1110 223 0569  
Bill Period Date: JUN 11, 1999

For U.S. REPUBLIC COMM. Billing Questions, Call 1 800 480-9080

**Detailed Statement of Charges**

<u>Miscellaneous Charges and Credits</u>		<u>Amount</u>
<i>Date</i>		
1. 05/30	WEBSITE MONTHLY FEE .....	24.95
Total Miscellaneous Charges and Credits .....		24.95
<u>Taxes</u>		<u>Amount</u>
<u>Taxes on Regulated Services</u>		
2.	Federal Tax .....	.75
3.	State Tax .....	1.75
4.	City Tax .....	1.75
Total Taxes on Regulated Services .....		4.25
Total Taxes .....		4.25
Total U.S. REPUBLIC COMM. Current Charges .....		29.20

U.S. REPUBLIC COMM. Messages

DUE TO BELL SOUTH SYSTEM MODIFICATIONS, MISCELLANEOUS CHARGES BILLED BY U.S. REPUBLIC MAY HAVE BEEN DELAYED. WE REGRET ANY INCONVENIENCE THIS MAY CAUSE.

This portion of your bill is provided to you by U.S. REPUBLIC COMM.  
There is no connection between BellSouth and U.S. REPUBLIC COMM.



ANDERSON OCEANSIDE TV INC  
ACCOUNT Number: 904 767-1110 222 0563  
Bill Period Date: Jun 11, 1999

For U.S. REPUBLIC COMM. Billing Questions, Call 1 800 480-9080

**Detailed Statement of Charges**

<u>Miscellaneous Charges and Credits</u>		<u>Amount</u>
<u>Date</u>		
1. 02/27	WEBSITE MONTHLY FEE .....	** 74.95
2. 03/30	WEBSITE MONTHLY FEE .....	** 24.95
<b>Total Miscellaneous Charges and Credits .....</b>		<b>49.90</b>
<u>Taxes</u>		<u>Amount</u>
<u>Taxes on Unregulated Services</u>		
3.	Federal Tax .....	** 1.53
4.	State Tax .....	** 3.59
5.	Florida Gross Receipts Surcharge .....	** 1.24
6.	City Tax .....	** 3.58
<b>Total Taxes on Unregulated Services .....</b>		<b>9.94</b>
<b>Total Taxes .....</b>		<b>9.94</b>
<b>Total U.S. REPUBLIC COMM. Current Charges .....</b>		<b>59.84</b>

U.S. REPUBLIC COMM. Messages

DUE TO BELLSOUTH SYSTEM MODIFICATIONS, MISCELLANEOUS CHARGES BILLED BY U.S. REPUBLIC MAY HAVE BEEN DELAYED. WE REGRET ANY INCONVENIENCE THIS MAY CAUSE.

Public Sewer Commis  
1-800-342-3552

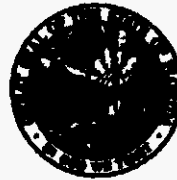
281-491-2383 Fax  
US Republic  
4800 Sugar Grove Blvd  
Sweet # 500  
Stafford Texas 77477

\*\* Unregulated Charge

The amount of your bill is prepared as a service of U.S. REPUBLIC COMM. If there is an error, please contact U.S. REPUBLIC COMM.

AV A000028

Request No. 268218T Name SERVICEMASTER MAINTN Business Name \_\_\_\_\_



FLORIDA PUBLIC SERVICE COMMISSION  
CONSUMER REQUEST  
2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FL. 32399-850  
850-413-6100

PLEASE RETURN THIS FORM  
WITH REPORT OF ACTION TO:  
Tarrah Gordon

# Public Service Commission

DATE DUE: 08/03/1999

Name <u>SERVICEMASTER MAINTN</u>	Company <u>U.S. REPUBLIC COMMUNICATIONS,</u>	Request No. <u>268218T</u>
Business Name _____	Attn. <u>Jennifer</u>	By <u>TVG</u> Time <u>13:10</u> Date <u>07/19/1999</u>
Service _____	Consumer's Telephone # <u>(941)-591-4794</u>	Type <u>IS-09</u> Phone <u>PHONE</u>
Address <u>UNIT 7 5601 YAHL</u> County <u>Collier</u>	Response Needed From Company? <u>Y</u>	Can be Reached _____
City/Zip <u>Naples</u> <u>34109-</u>	Note _____	Apparent Rule Violation <u>N</u>
Account Number _____	Informal Conf. <u>N</u> Outreach <u>OTHER</u>	Closed by <u>TVG</u> Date <u>07/29/1999</u>
Caller's Name <u>JAMES HUBER</u>	Mailing Address: <u>UNIT 7 5601 YAHL</u> Mail City: <u>NAPLES</u> St: <u>FL</u> Reply Received <u>/ /</u>	Mail Zip: <u>34109-</u>

Customer is being billed for unauthorized services and/or unknown charges. Customer has tried to resolve this matter.

Please investigate this issue, contact the customer and provide me with a detailed written report to include the following information: any applicable credits as well as any LOA and/or tape authorization you have on record for this customer regarding the use of the services in dispute. The customer states that he has been billed improperly for the past six months for an unauthorized web page.

Discontinue billing this customer immediately.

Inquiry taken by T. Gordon

07/28/1999 Received report. The company has agreed to issue an adjustment of \$49.90 plus tax to the LEC to credit the remaining balance of charges incurred on the Company's service. TGORDON

Request No. 268218T Name SERVICEMASTER MAINTN Business Name \_\_\_\_\_

07/29/1999 Case closed with letter. Please see the above note. TGORDON

VARTEC  
NEW CRAMMING  
\$49.90 BLUE TAX

-12-

Request No. 268218T

Name SERVICEMASTER MAINTN ,

Business Name

PAGE NO: 2

DOCKET NO. 991402-TI  
NOVEMBER 4, 1999

ATTACHMENT A

STATE OF FLORIDA

Commissioners:  
JOE GARCIA, CHAIRMAN  
J. TERRY DEASON  
SUSAN F. CLARK  
JULIA L. JOHNSON  
E. LEON JACOBS, JR.



DIVISION OF CONSUMER AFFAIRS  
BEVERLEE DEMELLO  
DIRECTOR  
(850) 413-6100  
TOLL FREE 1-800-342-3552

## Public Service Commission

August 9, 1999

Mr. James Huber  
Servicemaster Maintenance  
5601 Yahl - Unit #7  
Naples, FL 34109

Dear Mr. Huber:

This is a follow-up to your recent inquiry concerning U. S. Republic Communications, Inc., charges on your telephone bill.

Documentation provided to the Florida Public Service Commission (PSC) indicates that a credit of \$49.90 has been issued. This credit should appear in one to three billing cycles.

The PSC has issued a warning about an emerging telephone service scam known as "cramming" -- when charges for telephone services are added or "crammed" on to phone bills without the subscriber's knowledge or consent.

*"We must be on the lookout for and take action against cramming,"* said PSC Chairman Joe Garcia. *"We have heard from consumers about all kinds of phone charges mysteriously popping up on their bills."*

The Commission is currently considering rule amendments which will provide additional safeguards to subscribers by making a "billing block" option available to prevent unauthorized cramming charges on their local phone bills.

Thank you for this opportunity to address your concerns. If you have any questions or need further assistance, please contact me toll free at 1-800-342-3552, by fax toll free at 1-800-511-0809, or by e-mail at [tgordon@psc.state.fl.us](mailto:tgordon@psc.state.fl.us).

Sincerely,

A handwritten signature in black ink that reads "Tarrah V. Gordon".

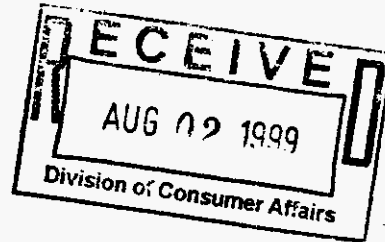
Tarrah V. Gordon  
Regulatory Specialist I

# USRepublic

July 28, 1999

VIA E-MAIL ON JULY 28, 1999 and  
VIA FIRST CLASS U.S. MAIL

**Ms. Tarrah Gordon**  
Division of Consumer Affairs  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850



RECEIVED  
FLORIDA PUBLIC  
SERVICE COMMISSION  
99 AUG - 1 AM 11:04  
MAIL ROOM

Re: Complainant Servicemaster Maintenance (James Huber)  
Request Number 268218T  
Telephone Number (941) 591-4794

Dear Ms. Gordon:

U.S. Republic Communications, Inc. ("USRC") has examined the issues raised by the above-noted complainant in his recent communication with the Florida Public Service Commission ("Commission"). It is USRC's intent that the information provided herein will adequately respond to the complainant's concerns as they relate to the Company.

USRC is a Texas-based company that offers both long distance services utilizing the AT&T network as well as internet web site design and hosting services to consumers in numerous states, including Florida. The Company contracts with professional telemarketing teams around the country to reach the public and build upon its customer base. The sales scripts that are utilized by the Company's telemarketing teams are continuously scrutinized and reviewed by USRC's experienced management team. Through these sales scripts, the Company intends to provide the most complete and accurate information regarding the Company's services to its customers and potential customers to allow them to make the most educated consumer decisions possible.

The complainant has indicated that Servicemaster Maintenance was billed by USRC for a service which was not authorized or requested. Internal records indicate that a Company sales representative contacted Servicemaster Maintenance at telephone number (941) 591-4794 on January 7, 1999 to discuss USRC's web page service. On that date, Sherry Blackman presented herself as the manager and an authorized decision maker for the business and selected the internet web page service offered by the representative. Her request was confirmed by an independent third party verification company, Voicelog, and confirmation of the selection of USRC's web page service was sent to Servicemaster Maintenance on January 17, 1999 for Ms. Blackman's review. The confirmation packet includes the terms and conditions of the web page service and also provides Company contact information for the customer's reference.

As a result of Ms. Blackman's selection of USRC's web page service on January 7, 1999, USRC developed a web page for the business on the internet. The account for this service was installed on January 17, 1999 and was canceled by the Company on June 14, 1999 pursuant to the complainant's request. Please note that USRC's internet web page service is free for the first thirty days after the account is established and active. Thereafter, the customer is billed \$24.95, plus applicable tax, per month on the business' local

telephone statement or via direct invoice from USRC for the continued existence of the web page. As such, Servicemaster Maintenance was billed a total of \$99.80, plus applicable tax, for USRC's web page service from February 16, 1999 through June 15, 1999.

According to internal records, the complainant contacted the Company's Customer Solutions Department on June 14, 1999 to cancel the web page service and to state that Ms. Blackman was not authorized to order the service on behalf of the business. Please note that USRC always inquires about who the authorized individual is and then accepts the response as valid. It is not feasible for USRC to investigate the truthfulness of the individual stating he/she is authorized to make decisions regarding the business. However, a Company representative issued a goodwill adjustment in the amount of \$49.90, plus applicable tax, to the business' local telephone account on June 14, 1999 to credit the web page charges incurred on USRC's service in April 1999 and May 1999. This adjustment should appear on one of the business' two local telephone statements following the issue date of the adjustment.

Due to the above-mentioned facts, the Company maintains that proper authorization for the initiation of USRC's web page service was obtained from Ms. Blackman on January 7, 1999, and that the Company correctly billed the business for services rendered. However, in an effort to resolve this matter, USRC is issuing a final adjustment in the amount of \$49.90, plus applicable tax, to the business' local telephone account to credit the remaining balance of charges incurred on the Company's service. This adjustment should appear on one of the business' next two local telephone statements.

It is important to note that the web page service described above is not an aspect of the telecommunications industry which is currently regulated by the Commission or any other regulatory body. As such, third party verification and audio proof thereof in transactions involving web page service solicitations should not be required of the Company. Regardless of this fact, USRC does pursue third party verification with every sale of its web page service. USRC respectfully requests that the Commission not penalize the Company for not providing a third party verification tape in this situation, as the tape is not required under current Florida Public Service Commission Rules. Additionally, the Company respectfully requests that this complaint be closed by the Commission as a billing or service dispute and not as "cramming" as the internet web page service offered by USRC was authorized by Sherry Blackman on January 7, 1999.

USRC regrets any inconvenience this matter may have caused and appreciates the opportunity to address and resolve the complainant's billing concerns with the Company. If you have any questions or additional information regarding this issue, please contact the undersigned directly at (972) 230-7330.

Respectfully submitted,



Jennifer Goldston  
Senior Regulatory Analyst

cc: Servicemaster Maintenance  
Attn: James Huber  
5601 Yahl Unit 7  
Naples, Florida 34109

Becky Gipson  
Manager, Regulatory Affairs

# USRepublic

communications, inc.

July 21, 1999

VIA E-MAIL ON JULY 21, 1999 and  
VIA FIRST CLASS U.S. MAIL

Ms. Elsie Akanbi  
Division of Consumer Affairs  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850



RECEIVED  
JUL 26 9 15 AM '99  
ADMINISTRATIVE  
MAIL ROOM

Re: Complainant Keystone Heights Animal Hospital  
Request Number 267491T  
Telephone Number (352) 473-4966

Dear Ms. Akanbi:

U.S. Republic Communications, Inc. ("USRC") has examined the issues raised by the above-noted complainant in his recent communication with the Florida Public Service Commission ("Commission"). It is USRC's intent that the information provided herein will adequately respond to the complainant's concerns as they relate to the Company.

USRC is a Texas-based company that offers both long distance services utilizing the AT&T network as well as internet web site design and hosting services to consumers in numerous states, including Florida. The Company contracts with professional telemarketing teams around the country to reach the public and build upon its customer base. The sales scripts that are utilized by the Company's telemarketing teams are continuously scrutinized and reviewed by USRC's experienced management team. Through these sales scripts, the Company intends to provide the most complete and accurate information regarding the Company's services to its customers and potential customers to allow them to make the most educated consumer decisions possible.

The complainant has indicated in his communication with the Commission that Keystone Heights Animal Hospital was billed by USRC for a service that was not authorized or requested. Internal records indicate that a Company sales representative contacted Keystone Heights Animal Hospital at telephone number (352) 473-4966 on December 30, 1998 to discuss USRC's web page service. On that date, Brenda Callahan presented herself as the receptionist and an authorized decision maker for the business and selected the internet web page service offered by the representative. Her request was confirmed by an independent third party verification company, Voicelog, and confirmation of the selection of USRC's web page service was sent to Keystone Heights Animal Hospital on January 7, 1999 for Ms. Callahan's review. The confirmation packet includes the terms and conditions of the web page service and also provides Company contact information for the customer's reference.

As a result of Ms. Callahan's selection of USRC's web page service on December 30, 1998, USRC developed a web page for the business on the internet. The account for this service was installed on January 13, 1999 and was canceled by the Company on July 13, 1999 pursuant to Dr. Parish's request. Please note that USRC's internet web page service is free for the first thirty days after the account is established and active. Thereafter, the customer is billed \$24.95, plus applicable tax, per month on the business' local telephone statement or via direct invoice for the web page service. As such, Keystone Heights Animal



Hospital was billed a total of \$124.75, plus applicable tax, for USRC's web page service from February 12, 1999 through July 11, 1999. Please note that the business *may* receive a future bill with USRC web page fees for the charges incurred on the Company's service from July 12, 1999 to August 11, 1999.

Internal records indicate that Dr. Parish contacted the Company's Customer Solutions Department on July 13, 1999 to cancel the web page service. At that time, he reported that Ms. Callahan was not an authorized decision maker for the business. Please note that USRC always inquires about who the authorized individual is and then accepts the response as valid. It is not feasible for USRC to investigate the truthfulness of the individual stating he/she is authorized to make decisions regarding the business.

Due to the above-mentioned facts, the Company maintains that proper authorization for the initiation of the Company's web page service was obtained from Brenda Callahan on December 30, 1998, and that the Company correctly billed the business for services rendered. However, in an effort to resolve this matter, the Company issued a goodwill adjustment to the business' local telephone account on July 13, 1999 to fully credit the charges incurred on USRC's service. The adjustment totaled \$124.75, plus applicable tax, and should appear on one of the business' next two local telephone statements. In the event that future charges are incurred on USRC's web page service from July 12, 1999 through August 11, 1999, the Company will fully credit these charges in accordance with the current goodwill adjustment.

It is important to note that the web page service described above is not an aspect of the telecommunications industry which is currently regulated by the Commission or any other regulatory body. As such, third party verification and audio proof thereof in transactions involving web page service solicitations should not be required of the Company. Regardless of this fact, USRC does pursue third party verification with every sale of its web page service. USRC respectfully requests that the Commission not penalize the Company for not providing a third party verification tape in this situation, as the tape is not required under current Florida Public Service Commission Rules. Additionally, the Company respectfully requests that this complaint be closed by the Commission as a billing or service dispute and not as "cramming" as the internet web page service offered by USRC was authorized by Brenda Callahan on December 30, 1998.

USRC regrets any inconvenience this matter may have caused and sincerely appreciates the opportunity to address and resolve the complainant's billing concerns with the Company. If you have any questions or additional information regarding this issue, please contact the undersigned directly at (972) 230-7330.

Respectfully submitted,



Jennifer Goldston  
Senior Regulatory Analyst

cc: Keystone Heights Animal Hospital  
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Keystone Heights, Florida 32656

Becky Gipson  
Manager, Regulatory Affairs