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September 13, 1999

VIA HAND DELIVERY

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
The Florida Public Service Commission
2540 Shumard Oaks Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 990994-TP - Proposed Amendments to Rule 25-4.110, F.A.C.,
Customer Billing for Local Exchange Telephone Companies

Dear Ms. Bayo,

Enclosed for filing in the above-referenced docket are the original and 15 copies of the preliminary comments of MCI WorldCom, Inc.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance in this matter.

Sincerely,

Donna Canzano McNulty
Donna Canzano McNulty

- AFA 3 Enclosures
- APP cc: Diana Caldwell, staff counsel
- CAE _____
- CMU _____
- CTR _____
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FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed Amendments to)
Rule 25-4.110, F.A.C.,)
Customer Billing for Local)
Exchange Telephone Companies)
_____)

Docket No. 990994-TP

Filed: September 13, 1999

COMMENTS OF MCI WORLDCOM, INC.,
AND ITS OPERATING SUBSIDIARIES

MCI WorldCom, Inc., and its operating subsidiaries, (MCI WorldCom) files its comments on the proposed rules.

Introduction

MCI WorldCom recognizes that telecommunications companies have an obligation to provide their customers with the information they need to make informed choices. Unlike the monopoly incumbent local exchange carriers (ILECs) MCI WorldCom has never been guaranteed a customer base. From its inception, MCI WorldCom has had to compete for, and earn, every one of its customers. Clear communications with customers, in the form of bills, marketing messages, advertisements, and information delivered by account teams or customer service representatives, are essential for a telecommunications company to compete successfully in today's telecommunications marketplace. That is why MCI WorldCom has spent millions of dollars and thousands of person hours surveying customers, training customer service representatives and account teams, updating billing formats, and developing national marketing messages to ensure that customers know and understand what MCI WorldCom services, promotions, rates, and charges are available, and to ensure that our customers can contact us with any questions and concerns.

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The marketplace is the most effective means for protecting consumer interests. For example, the long distance industry is competitive and consequently, consumers have many choices of providers and switch their providers often. Telecommunications companies that do not communicate effectively with their customers will lose those customers.

As the Commission begins this rulemaking process, it must carefully balance appropriate consumer protection against the consumer benefits of a fully competitive market. Section 364.01(4), Florida Statutes, mandates that the Commission is to promote competition without unnecessary regulatory constraints. This Commission should not promulgate additional rules that would increase individual carrier's costs by millions of dollars annually - costs that ultimately would be borne by end users in the form of higher rates. Some of the proposed rules are quite broad and appear to go well beyond addressing the problem of cramming. The burden of the additional costs of complying with the proposed rules appears to significantly outweigh the benefits. MCI WorldCom's preliminary comments to the proposed rule changes follow.

Comments on Specific Proposed Rules

25-4.110 - CUSTOMER BILLING

MCI WorldCom recommends two modifications to Section 25-4.110(2)(a). First, MCI WorldCom recommends that the rule be modified to allow the toll-free customer service number of the originating party or its agent to be included in the heading. Section 364.604(1) specifically provides that the "toll-free number of the originating party **or its agent** must be answered by a customer service representative or a voice response unit." (Emphasis added) This is particularly important to MCI WorldCom, because it provides

casual calling services. Casual calling services include dial-around services, such as 10-10-220, the acceptance or the use of a collect call, directory assistance, operator assisted calls, other tariffed casual calling by the customer, or charges required by regulatory and government authorities. MCI WorldCom has contracts with the local exchange companies (LECs) to bill on its behalf for casual calling services. The LECs have full contractual authority to adjust casual charges on customer disputes and do so now. To avoid customer confusion, it is imperative to allow MCI WorldCom to place the agent's customer service number on the bill rather than MCI WorldCom's. Otherwise, the customer would need to place two calls rather than one to resolve a complaint: 1) to MCI WorldCom who would need to refer the consumer to the billing agent, because MCI WorldCom does not have visibility to the casual charges; and 2) to the billing agent, who does have the necessary information to assist the customer, and the authority from MCI WorldCom to resolve the complaint.

Accordingly, MCI WorldCom recommends that staff's proposed language be clarified as follows:

...The heading shall provide the originating party's name and toll-free customer service number of the originating party or its agent....

Second, the requirement that any originating party not appearing on the previous bill for that customer account be denoted in conspicuous bold face type is overly burdensome, costly, and could lead to customer confusion. Currently, neither MCI WorldCom nor the LECs have the electronic ability to look through previous bills to determine if a provider is new to that bill. Also, the requirement to list all providers that had not been on the previous bill would add to customer confusion, since it would require

service providers that were not truly "new" to be listed if there had been no use of that service for a month, even if the customer used it before. A more appropriate alternative follows:

The name of the originating party must be shown clearly and conspicuously.

25-4.110(2)(c)1 - This section of the proposed rule appears to require companies to provide different subheadings for intrastate calls than interstate calls. This could lead to a lot of customer confusion since the bills are not currently configured this way, and impose significant costs to the companies. Again, Section 364.01(4), Florida Statutes, mandates that the Commission is to promote competition without unnecessary regulatory constraints.

25-4.110(2)(c)2 - This subsection requires the use of specific terminology for Florida regulated services and a list of specified fees and taxes. This would require a separate program for Florida bills and the cost would be significant. Also, Section 364.01, Florida Statutes, mandates the Commission to promote competition without unnecessary regulatory constraints. Moreover, the First Amendment allows telecommunications companies to communicate with their customers in a truthful, non-misleading way, which includes naming services, charges, or fees, as well as writing invoice messages.

25-4.110(2)(c)3 - MCI WorldCom agrees with the proposed rule to the extent that terminology for federally regulated service taxes, fees and surcharges should be consistent with FCC terminology. Indeed, the nomenclature for these terms is currently

subject to rulemaking by the FCC. In the event, however, the FCC has not developed terms, the proposed rule mandates the use of specific names of federal charges, which this Commission does not have the authority to impose. Moreover, as discussed above, there are First Amendment and statutory considerations that prohibit the adoption of this section of the proposed rule. As an alternative, MCI WorldCom recommends that the proposed language be modified to state that billing parties should be required to use terms that are descriptive and not misleading, and thus this Commission could accomplish its goal without exceeding its authority.

25-4.110(15) - MCI WorldCom would like to reiterate that this rule applies to whomever is billing local service.

25-4.110(16) - MCI WorldCom would like to clarify that this only applies to billing entities billing for another service provider, and only have the requirement be that the PIC-ed service providers for that billing cycle be highlighted.

25-4.114 - MCI WorldCom concurs in the comments of the FCCA and TRA.

25-4.119 MCI WorldCom generally concurs in the comments of the FCCA and TRA and adds comments as follows.

25-4.119(2)(i and j) - This section seeks to impose stringent third party verification procedures that are overly burdensome and beyond the Commission's jurisdiction. There

is no specific statutory authority cited for this proposed subsection of the rule. Also, MCI WorldCom recommends that this rule be clarified to mean "the party originating the information service charge" (for example, the 900 information service provider providing the service, and not the IXC through which the 900 information service provider bills).

MCI WorldCom reserves its right to comment on this section at a later date.

25-4.119(3) - The sentence that states that each subscriber shall have the option to be billed only for regulated telecommunications products and services is overbroad. This proposed rule pertains to information services only. Since it is clear that this rule pertains only to information services and since the rule includes a requirement that LECs provide blocking of information services upon request, this sentence should be deleted from the proposed rule.

Another problematic area of this section is the requirement that telephone numbers of subscribers electing the blocking option are to be provided to billing and collection customers. This requirement is inconsistent with Section 364.24(2), Florida Statutes, which makes it a misdemeanor for a person employed by a telecommunications company to intentionally disclose customer account records except for customer consent, billing purposes, or as required by subpoena, court order, or as otherwise allowed by law. Moreover, this type of customer information is proprietary business information.

Finally, there is no business purpose for this proposed requirement. If the LEC is providing blocking of all information services at the customer's request, than that customer would be entirely unable to make these types of calls. The LECs billing and

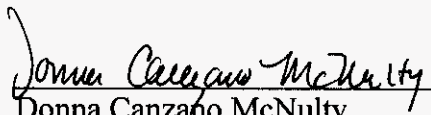
collection customers would not send 900 traffic for billing to the LEC, and so would have no need to know which of its customers have requested the information services blocking.

25.4.119(4)(a) - This is beyond the scope of the statute. Moreover, this could lead to massive fraud. The real question is whether the customer dialed the number. Also, the billing agent should have the opportunity to research the customer's denial of the charge prior to a credit. Other parts of the rule offer protection to consumers in these instances.

Safe Harbor - MCI WorldCom concurs with the comments of the FCCA and TRA.

Conclusion

Several of the proposed rules need to be clarified or revised as discussed in the comments. Certain proposed sections appear to go beyond addressing the problem of cramming, and for others, there are least cost alternatives available to achieve the same goal. MCI WorldCom suggests that the staff and the industry work together at the upcoming workshop and through additional comments, if necessary, to form rules that will deter cramming that are narrowly drawn and capable of implementation.



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