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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In re: Proposed Amendments to Rule 25-4.110, F.A.C., Customer Billing for Local Exchange Telecommunications Companies.	Docket No. 990994-TP Filed: September 15, 1999

AT&T's Preliminary Comments

AT&T Communications of the Southern States, Inc. (AT&T) hereby files its preliminary comments on the draft rules circulated by the Staff of the Florida Public Service Commission.

AT&T supports the Commission's goal of making customer bills easy to read and understand, and believes that all customer bills should meet the following requirements:

- Bills should be organized to be readable and present important information clearly and conspicuously;
- Bills should include full and non-misleading descriptions of all charges; and
- Bills should clearly and conspicuously disclose all information necessary for consumers to make inquiries about charges on their bills.

AT&T's bills currently meet these requirements. Rather than prescribe specific (and costly) bill formats, the Commission should work with the telecommunications industry to adopt a rule that will allow each company to meet the above standards in the way most compatible with its current billing systems.

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With regard to the draft rules, AT&T concurs with and adopts the comments filed by the FCCA and TRA. AT&T agrees that the Commission must carefully balance appropriate consumer protection against the consumer benefits of a fully competitive market, avoiding overly burdensome

and expensive regulation which would affect the ability of carriers to serve Florida consumers. AT&T also agrees that rules adopted in this docket must be narrowly drawn to deal with specifically identified problems, with careful consideration to the expense which burdensome regulations will impose on the telecommunications industry.

In addition to adopting the comments of FCCA and TRA, AT&T makes the following comments on individual draft rules.

25-4.110 Customer Billing

Subsection (a): Among other things, this subsection requires billing parties to list the originating party's toll-free number. The purpose of this requirement appears to be to inform customers how they can get in touch with their Information Service provider, presumably to question or contest charges. LECs and IXCs, however, frequently have contractual arrangements with Information Service providers under which the LEC/IXC responds to queries and adjusts bills. In such cases, it would be appropriate to list the toll-free number of the agent in order to help the customer obtain information or a bill adjustment as quickly as possible. Alternate language is suggested below.

This subparagraph also requires billing parties to indicate in boldface type the name of originating parties whose name did not appear on a customer's previous bill. This requirement would be burdensome and costly; it would require programming the capability to "check" each customer's prior bill and compare originating parties in order to differentiate the typeface for new providers. AT&T suggests that this requirement also is unnecessary if the listing for each originating party is clear and conspicuous, such that customers easily may identify each originating

party and its toll-free number. There are many ways to make listings clear and conspicuous besides boldface type, and billing parties should have the flexibility to address this issue in the manner that is least expensive and most compatible with their existing systems.

> (a) There shall be a heading for each originating party which is billing to that customer account, for that billing period. The heading shall provide the originating party's name and a toll-free customer service number for the originating party or its agent. If the originating party is a certificated telecommunications company, the certificated name must be shown. The name of every originating party must be shown clearly and conspicuously. ~~Any originating party not appearing on the previous bill for that customer account must be denoted in conspicuous bold face type.~~

Subsection (2) (c) 1 sets forth three subheadings which must be used to describe charges billed by each originating party. Not only would this requirement prove extremely costly to implement, particularly for companies that have national billing systems, but it also would prove confusing in practice to billing parties as well as consumers. For example, charges for calls placed to 900 numbers logically could be placed under any of the three categories: FCC, Federal Trade Commission and Florida PSC rules govern many aspects of 900 service provision, yet such charges are usually considered "nonregulated."

Other charges (such as a monthly minimum fee in connection with a long distance plan) are imposed in connection with rate plans that allow customers to place both interstate and intrastate

calls at specified rates, yet are not apportioned as "federal" or "state" for billing purposes. Placing such charges in one or the other category would be misleading to consumers because it would not accurately describe the charge. Dividing the charge between two categories, on the other hand, could lead customers to assume, mistakenly, that they are separate charges for separate services. This requirement may limit the ability of companies to provide integrated bundles of services that customers desire, and should be deleted.

Additionally, this rule would require long distance companies to separate out intrastate from interstate calls and place them under different subheadings, although there has been no suggestion that the current format has ever proven misleading or confusing to consumers. Again, the likely result is longer, more confusing bills, and greater expense. *AT&T suggests the following alternate* language:

(c) 1. Taxes, fees and surcharges in connection with billed amounts must be separately labeled and shown ~~immediately below the following distinct subheadings~~ under each originating party heading.~~:~~

~~a. Taxes and Fees for Florida Regulated Service;~~

~~b. Taxes, Fees, and Surcharges for Federal Regulated Service; and~~

~~c. Taxes, Fees and Surcharges for Nonregulated Service.~~

Subsection (2) (c) 2 requires companies to itemize taxes for "Florida Regulated Services" under seven specified categories. This requirement would be inordinately expensive to implement, particularly for companies with national billing systems. Florida bills would require separate programming and processing, the cost of which ultimately would be passed to Florida consumers.

The resulting complexity would serve to make bills more confusing. This requirement should be deleted.

Subsection (2) (c) 3: AT&T does not object to the requirement that companies use terminology for taxes, fees and surcharges associated with Federal Regulated Services that is consistent with that developed by the FCC. In the absence of FCC-developed terminology, however, the rule requires companies to use Commission-imposed names for these federally-mandated charges. The imposition, collection and naming of these charges is beyond the Commission's jurisdiction. [1] Additionally, this requirement interferes seriously with companies' First Amendment right to communicate with their customers, and also would be inordinately expensive, particularly for companies with national billing systems. Again, Florida bills would require separate programming and processing, the cost of which ultimately would be passed to Florida consumers.

AT&T suggests the following changes to this subsection:

(c) ~~2. Taxes and Fees for Florida Regulated Services must use the following standard terminology:~~

~~a. County Franchise Fees;~~

~~b. Municipal Franchise Fees;~~

~~c. County Local Option Sales Tax;~~

~~d. County Utility Tax;~~

1 Although the FPSC has no authority to impose naming conventions on federally-mandated charges, AT&T notes that the names included in this subsection do not appear to be in common use. Additionally, the proposed term "Federal Long Distance Access Fee" is incorrect and misleading. Access fees are imposed by LECs upon IXCs for access and use of local lines; as such, they are fees for local access, not fees for long distance access.

~~e. Municipal Utility Tax;~~

~~f. Florida Gross Receipts Tax; and~~

~~g. Florida Sales Tax.~~

2 ~~3~~. The terminology for Federal Regulated Service Taxes, Fees, and Surcharges must be consistent with FCC terminology. If the FCC has not developed standard terminology, descriptive terms must be used which are not misleading. ~~then following terms must be used:~~

~~a. Federal Long Distance Access Fee;~~

~~b. Federal Universal Service Fee;~~

~~c. Federal Number Portability Fee;~~

~~d. Federal Excise Tax.~~

Subsection (2)(d): This subsection requires bills to include the statement "Written itemization of local billing available upon request." AT&T is concerned that this statement could, inadvertently, confuse customers rather than enlighten them. If the customer's bill already includes written itemization of all charges, customers would be led to believe that there is additional information available, when in fact no additional information exists.

This message also could be confusing to customers who have selected product offerings that do not include itemization, typically in return for a special rate. For example, many LECs impose an additional charge for itemization of intraLATA calls.[2] The "written itemization" message on the bills of these customers could well lead them to believe that such itemization would be available at

2 Cellular customers are quite familiar with the availability of billing options, and have the option of

no charge. This requirement should be eliminated.

Subsection (15): This existing subsection requires companies to notify customers that a PC freeze is available. When this requirement was instituted, the Commission stated that it applied only to companies that bill customers for local service. AT&T requests that the rule be clarified as follows:

> (15) Companies that bill for local service must notify customers ~~The customer must be notified~~ via letter or on the customer's first bill and annually thereafter that a PC Freeze is available.

25-4.113 Refusal or Discontinuance of Service by Company.

AT&T agrees with FCCA and TRA that Lifeline customers who cannot pay their toll bills should be required to install toll blocking to avoid incurring large charges which they cannot pay.

25-4.114 Refunds

AT&T concurs in the FCCA/TRA comments with regard to refunds.

25-4.119 Information Services

Subsection (2): AT&T agrees with FCCA/TRA that this subsection should be clarified to indicate that the LEC must place contract or tariff obligations upon the originating party. As presently written, the rule implies that the LEC or other billing party must monitor the originating party's activities, which would be impossible.

Subsection (2)(i): AT&T can locate no statutory authority for the prohibition against billing

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purchasing cellular service with or without call itemization.

for Information Service providers who fail to obtain third party verification of service requests, and therefore reserves the right to comment further on this issue in the event any such authority is identified. Generally, however, this section is beyond the Commission's jurisdiction, in that it seeks to impose specific verification obligations on persons not regulated by the commission. The section is especially overreaching in regard to payment by unregulated parties to other persons outside the commission's jurisdiction, and should be deleted entirely.

Additionally, the requirement that a new information service provider's toll-free number appear on the customer's first bill is unnecessary, since Rule 25-4.110(2)(a) requires all originating parties to provide, and billing parties to include on customer bills, a toll free number for each originating party that bills a customer.

Subsection (3) requires billing parties to offer subscribers the option to be billed only for regulated telecommunications products and services, and to share these customers' telephone numbers with parties for whom the billing party bills. This requirement is problematic for a number of reasons.

First, the rule concentrates on blocking the billing function, rather than blocking use of the service. It is enormously more efficient and cost-effective to block the ability to place 900/976 calls than it would be to implement the practice outlined in the rule, which would allow customers to continue to dial 900/976 calls while opting not to receive a bill from their telecommunications service provider. The rule would increase problems associated with 900/976 calls, rather than reduce them. Additionally, the requirement is inconsistent with Section 364.604(3), which only requires billing parties to provide a free option to block 900/976 calls.

Also, it is not clear what charges could and could not be billed if a customer elected the "no-bill" option, since there is no general agreement about what constitutes a "regulated service".

The requirement that billing parties share with their contract billing and collection customers the telephone numbers of subscribers electing the blocking option is particularly troublesome and raises serious concerns about customer privacy. Telecommunications companies go to great lengths to protect the privacy of their customers, and in fact are prohibited from revealing such information by the terms of Section 364.24(2), F.S. Further, customer records are confidential and proprietary business information, which is protected from disclosure.

Subsection (4)(a): The requirement to "automatically adjust charges" upon a customer's assertion that s/he has no knowledge of the charges or what they were for is not only unnecessary, but can be expected to increase fraud and uncollectibles. It is all to common to find that a member of a household made 900/976 calls, yet initially denied knowledge of the charges when the bill arrived. AT&T is aware of no cases in which 900/976 calls were billed to customers without such calls being made, and existing customer protections (which require bill adjustments for non-receipt of price advertisement, misrepresentation, customer confusion, poor quality and so forth) are sufficient to protect customers whose expectations were not met.

Subsection (6): Telecommunications companies currently are prohibited from attempting to collect for disputed 900/976 charges. This subsection is overly broad, in that it would extend this prohibition to originating parties and their agents that are not telecommunications companies, and who therefore are not regulated by the Commission. AT&T suggests that this language be amended as follows:

(6) Telecommunications companies ~~LECs and originating parties or its agents~~ billing Information Service charges to a customer in Florida shall not:

Safe Harbor

AT&T agrees with FCCA/TRA that any cramming rules should include a "safe harbor" provision, and that such language should patterned after rule 25-4.118(13)(a).

Conclusion

AT&T requests the opportunity to work with Staff and the telecommunications industry to develop common billing standards rather than specific (and expensive) bill formats. AT&T also requests the opportunity to file additional comments following the upcoming Commission workshop.

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