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February 5, 2002

BY HAND DELIVERY
Ms. Blanca Bayó, Director
The Commission Clerk and Administrative Services
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Docket No. 010774-TP

Dear Ms. Bayó:

Enclosed for filing on behalf of AT&T Communications of the Southern States, LLC are an original and fifteen copies of the Comments of AT&T Communications of the Southern States, LLC in the above referenced docket.

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

Thank you for your assistance with this filing.

Sincerely yours,

Tracy W. Hatch

TWH/amb
Enclosures
cc: Claudia Davant DeLoach, Esq.
Parties of Record

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of the Citizens of the State of Florida to initiate rulemaking which will require telephone companies to give customers reasonable notice before customers incur higher charges or change in services, and allow them to evaluate offers for service from competing alternative providers.	Docket No. 010774-TP Filed February 5, 2002

COMMENTS OF AT&T COMMUNICATIONS OF THE SOUTHERN STATES, LLC

Pursuant to the request of Staff at the last workshop held in this matter, AT&T Communications of the Southern States, LLC (AT&T), files these comments regarding proposals for a rule which would require advance notice of rate changes.

AT&T concurs in and endorses the comments filed by the Florida Competitive Carriers Association (FCCA). AT&T also offers the following additional comments.

Whether a Rule is Needed

The long distance market in Florida has been fully competitive for at least the last fifteen years. In all this time the industry's customer relations practices have varied considerably from carrier to carrier. Over this period of time the long distance industry has made thousands of rate changes both to increase rates and to decrease rates. Despite the passage of time, the variety of carriers' practices, the multitude of rate changes, the amount of customer dissatisfaction appears to be insignificant. This is born out by the consumer information that staff has compiled so far.

A close examination of this information shows that from July of 2000 through August of 2001, the total number of complaints received by the Commission and relied upon to support the need for a rule is 19. Some of these do not pertain to rate changes for existing

service but issues over rates to be charged upon initiation of service. Most of these complaints deal with interstate services and could not be affected by any proposed rule. The information collected thus far does not support the existence of a problem the needs to be remedied.

The Commission has long advocated and supported long distance competition. The Commission has put in place mechanisms that have helped to foster competition. As a result, competition in the long distance market in Florida has worked well. In view of the dearth of complaints or other objective factual support to make a change, it appears clear that the market place is working. In a competitive market, customers discipline the providers of services for failure to adequately provide services. That is the situation that exists today and has existed for the last fifteen years. This is as it should be. The Commission should continue to foster competition and resist the urge by the Office of Public Counsel interfere with the competitive process where no clear problem is apparent.

Any rule change that requires carriers to change their existing behavior will inevitable impose costs on carriers. The costs of OPC's proposal far exceed the Staff proposal. However, the costs of either proposal as drafted outweigh the alleged benefit to be obtained when examined against that lack of any significant support that there is a problem to be remedied. This is particularly true in view of the strictures governing rule-making in Chapter 120, Florida Statutes, in particular Section 120.52(8)(g), Florida Statutes[1]. The proposals put forth so far have not been justified by any objective factual demonstration of need. Further, these proposals would impose additional costs on carriers that are already struggling financially.

[1] Section 120.52(8)(g), provides that an agency has engaged in an "invalid exercise of delegated legislative authority" when it adopts a rule which "imposes regulatory costs on the regulated person . . .which could be reduced by the adoption of less costly alternatives...." See also, §§ 120.54(1)(d), 120.541(1)(b).

OPC Draft Proposal

AT&T adopts and incorporates FCCA's comments on OPC Draft Proposal.

Staff's Draft Proposal

AT&T supports and adopts FCCA's comments on the Staff Draft Proposal. AT&T again states there is no need for a rule in this instance. However, if the Commission proceeds to adopt a rule, in addition to the change requested by FCCA, AT&T respectfully submits that, in order to permit the appropriate flexibility for carriers to accomplish the purpose of the rule without unneeded regulatory restriction, there should be one additional change. AT&T currently operates pursuant to customer agreements with all of its customers for interstate services. These agreements set forth the terms and conditions under which services are provided. In particular, the agreements provide for advance notice for rate changes in various ways. Each customer is provided a copy of the agreement. In some consumer market segments, these agreements are endorsed by the customer through service initiation and subscription to AT&T's services but are not physically signed by the customer. AT&T submits that paragraph (d) of the Staff's proposed draft should be modified to eliminate the "signed by the customer" language. The AT&T Consumer Services Agreement clearly provides for notice to customers. Customers are made aware of the agreement upon initiation of service and each customer is provided a copy of the agreement. In this instance, since the customer clearly has initiated service with AT&T and AT&T has apprised the customer of his rights and obligations through the copy of the agreement, the addition of a customer signature to the agreement adds little. Adding AT&T's intrastate services to the existing interstate consumer services agreement would reduce any confusion of the customers about requirements for differing jurisdictions and would be the least cost alternative as required Chapter 120, Florida Statutes.

CONCLUSION

No justification has been put forward for the type of rule under consideration in this docket. AT&T maintains that no rule is needed. To quote the old adage, "If it ain't broke, don't fix it." Clearly in this case, "it ain't broke." However, to the extent that the Commission does go forward with a rule, it should be as flexible as possible allowing carriers to be innovative and differentiate themselves in the market.

WHEREFORE, AT&T submits these comments on the two rule proposals and requests that the Commission adopt no rule in this matter and close this docket.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of AT&T Communications of the Southern States, LLC's Comments in Docket 010774-TP has been served on the following parties by Hand Delivery (*) and/or U. S. Mail this 5th day of February, 2002.

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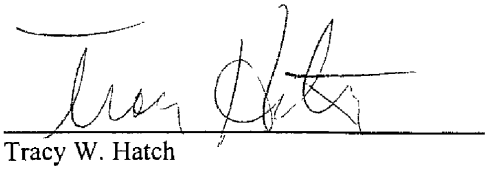

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