

State of Florida



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-

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OCT -3 AM 11:18  
COMMISSION CLERK

**DATE:** OCTOBER 3, 2002

**TO:** DIRECTOR, DIVISION OF THE COMMISSION CLERK  
ADMINISTRATIVE SERVICES (BAYÓ)

**FROM:** DIVISION OF COMPETITIVE MARKETS & ENFORCEMENT (M. WATTS) *MWA*  
OFFICE OF THE GENERAL COUNSEL (J. ELLIOTT) *JAE BR*

**RE:** DOCKET NO. 020646-TX - COMPLIANCE INVESTIGATION OF CAT COMMUNICATIONS INTERNATIONAL, INC. FOR APPARENT VIOLATION OF RULE 25-4.110(16), F.A.C., CUSTOMER BILLING FOR LOCAL EXCHANGE TELECOMMUNICATIONS COMPANIES.

**AGENDA:** 10/15/02 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE

**CRITICAL DATES:** NONE

**SPECIAL INSTRUCTIONS:** NONE

**FILE NAME AND LOCATION:** S:\PSC\CMP\WP\020646.RCM

CASE BACKGROUND

- October 15, 1999 - CAT Communications International, Inc. (CCI) obtained Florida Public Service Commission alternative local exchange telecommunications company (ALEC) certificate number 7160.
- May 30, 2002 - Ms. Bridget Derr, Florida Telephone Services, LLC (FTS), filed a complaint (Attachment A) via facsimile on behalf of a prospective customer against CCI claiming that CCI placed a freeze on the customer's local service apparently without the customer's authorization.
- June 3, 2002 - Upon investigation, staff found that the Commission had received 25 consumer complaints against CCI regarding the local service freeze and the customer's ability to change carriers.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

- June 4, 2002 - Staff sent a certified letter (Attachment B) to CCI explaining the requirements of the Florida Administrative Code, Florida Statutes, and the FCC rules regarding preferred carrier freezes and outlining the actions that CCI needed to take to come into compliance with the Florida regulations.
- June 6, 2002 - Ms. Bridget Derr, FTS, again requested staff's assistance in alleviating the difficulties it encountered in attempting to convert service for two additional prospective customers due to CCI's apparent unauthorized local service freezes (Attachment C).
- June 26, 2002 - CCI responded to staff's June 4, 2002, letter with a description of and rationale for its policies regarding local service freezes (Attachment D). In its letter, CCI declined to remove the local service freezes from its active customers.
- July 2002 through August 2002 - staff and CCI communicated via telephone and letter regarding the issue of unauthorized local service freezes. During this time, CCI submitted a proposed settlement letter with two subsequent amendments after discussions with staff. The letters are included as Attachments E-G.
- September 10, 2002 - CCI sent a letter to Florida Telephone Services, LLC (FTS), with a courtesy copy to the Commission, attempting to persuade FTS to work with CCI directly to resolve problems regarding local service freezes instead of involving the Commission (part of Attachment H).
- September 13, 2002 - FTS responded to CCI, with a courtesy copy to the Commission, explaining the problems that new FTS customers had reported to it while attempting to switch from CCI because of the apparent unauthorized local service freezes imposed by CCI (Attachment H). In the letter, FTS denied that it advised its customers to contact the Commission to complain about CCI's apparent unauthorized local service freezes.

The Florida Public Service Commission is vested with jurisdiction over this matter pursuant to Sections 364.285, 364.337 and 364.603, Florida Statutes. Accordingly, staff believes the following recommendations are appropriate.

**DISCUSSION OF ISSUES**

**ISSUE 1:** Should the Commission order CAT Communications International, Inc. to remove local service freezes, at no cost to its customers, on all active customers' lines for apparent violation of Rule 25-4.110(16), Florida Administrative Code, and order CAT Communications International, Inc. to notify all active customers in writing that local service freezes have been removed and that, upon request, a local service freeze is available at no cost to the customer?

**RECOMMENDATION:** Yes. Staff recommends that the Commission should order CAT Communications International, Inc. to do the following to remedy its apparent violation of Rule 25-4.110(16), Florida Administrative Code:

1. Identify by telephone number all customer lines which have a local service freeze assigned;
2. Submit local service requests (LSRs) to the appropriate underlying local exchange company to remove all local service freezes at no cost to its customers; and
3. Notify all active customers in writing that a local service freeze is available at no cost to the customer. The letter should clearly state that the option for a local service freeze is exclusively the right of the customer.

If the Proposed Agency Action Order is not protested within 21 calendar days of issuance, the Commission's order will become final upon issuance of the Consummating Order. The company should be required to submit a written report to the Commission no later than 30 calendar days after the issuance of the Consummating Order. The company's written report should contain the following:

- a. A list of the telephone numbers on which the company had placed a local service freeze;
- b. A list of the purchase order numbers, by telephone number, for which the company submitted an LSR to the underlying local exchange companies to remove the local service freezes;
- c. A copy of the notification sent to CCI's customers in accordance with 3. above;
- d. A copy of the company's current letter of authorization; and
- e. A statement that CCI does not require a local service freeze as a condition of service.

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If the Proposed Agency Action Order is not protested within 21 calendar days of issuance, and if the company fails to comply with the terms of the Proposed Agency Action Order, then ALEC certificate number 7160 should be canceled for apparent failure to comply with Rule 25-4.110(16), Florida Administrative Code, and with the Commission's decision from this recommendation, and the company should be required to immediately cease and desist providing ALEC telecommunications services in Florida. (M. Watts/J. Elliott)

**STAFF ANALYSIS:** Section 364.603, Florida Statutes, Methodology for Changing Telecommunications Provider, states in part:

...provide for the notification to subscribers of the ability to freeze the subscriber's choice of carriers at no charge...

Rule 25-4.110(16), Florida Administrative Code, which implements the Section 364.603, Florida Statutes, identified above, states:

(16) Companies that bill for local service must provide notification with the customer's first bill or via letter, and annually thereafter that a PC Freeze is available. Existing customers must be notified annually that a PC Freeze is available.

Staff has consistently interpreted Section 364.603, Florida Statutes, and Rule 25-4.110(16), Florida Administrative Code, to mean that a preferred carrier (PC) freeze is the customers' option, not the service providers'. Staff has previously contacted other ALECs that it found to be imposing apparent unauthorized local service freezes and requested that the companies remove them and provide proof to staff that they had done so. In each case (Delta Phones, Inc.; Source One Communications, Inc.; Choctaw Communications, Inc.; Budget Phone, Inc.), the companies have complied with staff's request.

Additionally, in Docket No. 020460-TX, the Commission issued Order No. PSC-02-0925-PAA-TX on July 10, 2002, approving FTS's settlement offering to remove the unauthorized local service freezes from its customers' accounts. Staff opened that docket because FTS had refused to comply with staff's repeated requests that it remove the unauthorized freezes. Because CCI has declined

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to remove the local service freezes, staff is recommending in this docket that the Commission order CCI to take the same action that FTS took to resolve the local service freeze issues in Docket No. 020460-TX. This will ensure a consistent approach in resolving local service freeze issues within the ALEC community.

As presented in the Case Background, staff has received numerous complaints from customers and other certificated ALECs regarding CCI's practice of placing local service freezes on customers lines. Staff provided notice (Attachment B) to CCI that PC freezes should not be placed on customers' lines unless specifically authorized by the respective customer or that CCI should not place conditions on its local service such that a PC freeze is a requirement to obtain service. In the letter, staff informed CCI that its practice of placing PC freezes on customers' lines is contrary to the intent of Rule 25-4.110(16), Florida Administrative Code. Staff stated that CCI should remove the freezes on lines of current customers and then send notification to the customers that a freeze is available. Staff required CCI's response describing actions taken to resolve the problem by June 28, 2002.

In its response (Attachment D) to staff's letter, CCI states that its current application form lists a charge for the removal of the local service freeze, although Florida customers have not been charged for the freeze removal in quite some time. CCI also states that it will eliminate the reference to a charge for local service provider freeze removal on its application form with its next printing. However, CCI believes that it is not in violation of Florida's rules and refuses to remove the local service freezes from its customers.

In each of CCI's settlement proposals (Attachments E-G), CCI offers explanations of why it automatically places local service freezes on its customers' accounts. However, CCI continues to refuse to remove the local service freezes and obtain proper authorization to reinstate them as staff has requested.

Staff believes that CCI, by requiring a PC freeze as a condition of service, is operating in apparent violation of Rule 25-4.110(16), Florida Administrative Code. As a result, when a competing local service provider places an order with the underlying local exchange company to acquire the customer, the order is rejected because there is a freeze on the line.

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Based on the above, staff recommends that the Commission should order CAT Communications International, Inc. to do the following to remedy its apparent violation of Rule 25-4.110(16), Florida Administrative Code:

1. Identify by telephone number all customer lines which have a local service freeze assigned;
2. Submit local service requests (LSRs) to the appropriate underlying local exchange company to remove all local service freezes at no cost to its customers; and
3. Notify all active customers in writing that a local service freeze is available at no cost to the customer. The letter should clearly state that the option for a local service freeze is exclusively the right of the customer.

If the Proposed Agency Action Order is not protested within 21 calendar days of issuance, the Commission's order will become final upon issuance of the Consummating Order. The company should be required to submit a written report to the Commission no later than 30 calendar days after the issuance of the Consummating Order. The company's written report should contain the following:

- a. A list of the telephone numbers on which the company had placed a local service freeze;
- b. A list of the purchase order numbers, by telephone number, for which the company submitted an LSR to the underlying local exchange companies to remove the local service freezes;
- c. A copy of the notification sent to CCI's customers in accordance with 3. above;
- d. A copy of the company's current letter of authorization; and
- e. A statement that CCI does not require a local service freeze as a condition of service.

If the Proposed Agency Action Order is not protested within 21 calendar days of issuance, and if the company fails to comply with the terms of the Proposed Agency Action Order, then ALEC certificate number 7160 should be canceled for apparent failure to comply with Rule 25-4.110(16), Florida Administrative Code, and with the Commission's decision from this recommendation, and the company should be required to immediately cease and desist providing ALEC telecommunications services in Florida.

**ISSUE 2:** Should this docket be closed?

**RECOMMENDATION:** If no person, whose substantial interests are affected by the Commission's proposed agency action, files a protest of the Commission's decision on Issue 1 within the 21 day protest period, the Commission's Proposed Agency Action Order will become final upon issuance of a Consummating Order. If the Commission's Order is not protested, CCI will have 30 calendar days after issuance of the Consummating Order to submit a written report to the Commission demonstrating that it has complied with the provisions of the Commission's Order. If staff determines that CCI has complied with the provisions of the Commission's Order, then this docket should be closed administratively. If CCI fails to demonstrate that it has complied with the provisions of the Commission's Order, then ALEC certificate number 7160 should be canceled, the company should be required to immediately cease and desist providing ALEC telecommunications services in Florida, and this docket should be closed administratively. (J. Elliott)

**STAFF ANALYSIS:** If no person, whose substantial interests are affected by the Commission's proposed agency action, files a protest of the Commission's decision on Issue 1 within the 21 day protest period, the Commission's Proposed Agency Action Order will become final upon issuance of a Consummating Order. If the Commission's Order is not protested, CCI will have 30 calendar days after issuance of the Consummating Order to submit a written report to the Commission demonstrating that it has complied with the provisions of the Commission's Order. If staff determines that CCI has complied with the provisions of the Commission's Order, then this docket should be closed administratively. If CCI fails to demonstrate that it has complied with the provisions of the Commission's Order, then ALEC certificate number 7160 should be canceled, the company should be required to immediately cease and desist providing ALEC telecommunications services in Florida, and this docket should be closed administratively.

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P.11



**Florida Telephone Services**

1667 S. HWY 17-92 Suite 101  
Longwood, FL 32750  
Office (407) 331-8622  
Fax (407) 331-9429

**FAXED**  
5/30/02

May 30, 2002

Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399

RE: FTS Customer, Tina Wagner

Dear Madam/Sir:

Florida Telephone Services ("FTS") hereby files a complaint on behalf of Tina Wagner ("Customer") stating that she would like to transfer her residential phone service to FTS from Cat Communications Inc ("CCI"), but they have a freeze on her phone line.

As per the Customer's request, we tried to switch her to our platform. The response that we received from Sprint stated "152 REJECT\*\*\*2\* THERE IS A LOCAL SVC FREEZE ON THEIR ACCT AND THEY CANNOT BE CONVERTED UNTIL THIS IS REMOVED" (See Attachment I). We are requesting that CCI remove the service freeze and not disconnect the customer in order for the customer's service to be converted to FTS' platform.

Please feel free to contact me directly with any further questions or concerns at (407) 331-8622 ext. 709 or via email at [bridget@fstelecom.com](mailto:bridget@fstelecom.com).

Sincerely,

A handwritten signature in black ink that reads "Bridget Derr". The signature is written in a cursive, flowing style.

Bridget Derr  
Accounting and Claims Department  
1667 S. Highway 17-92  
Suite 101  
Longwood, FL 32750





COMMISSIONERS:  
LILA A. JABER, CHAIRMAN  
J. TERRY DEASON  
BRAULIO L. BAEZ  
MICHAEL A. PALECKI  
RUDOLPH "RUDY" BRADLEY

STATE OF FLORIDA



DIVISION OF COMPETITIVE MARKETS &  
ENFORCEMENT  
WALTER D'HAESELEER  
DIRECTOR  
(850) 413-6600

## Public Service Commission

June 4, 2002

VIA CERTIFIED LETTER AND FACSIMILE 540-444-2133

Ms. Debra Waller  
CAT Communications  
P. O. Box 6129  
Roanoke, VA 24017-0129

**Re: Local Service Freezes**

Dear Ms. Waller:

The purpose of this letter is to bring to your attention a problem regarding the placement of local service freezes on customers' local access lines. Since January 2002 our Division of Consumer Affairs reports that it has received 25 complaints regarding the local service freeze and the customer's inability to change carriers.

The Commission's Rule 25-4.110 (16), Florida Administrative Code, requires that a company billing for local service must provide notification with the customer's first bill or via letter, and annually thereafter, that a freeze is available and that existing customers must be notified annually that a freeze is available. Staff interprets the rule as requiring that the freeze be at the customer's option. In addition, it is unclear to staff if CAT Communications charges the customer to place or remove the local service freeze. Section 364.603, Florida Statutes, requires that the subscriber must be notified of the ability to freeze his choice of carrier at no charge.

In addition, let me refer you to the following provisions taken from the FCC's Rule 64.1190, Preferred Carrier Freezes:

- (d) Solicitation and imposition of preferred carrier freezes.
- (1) All carrier-provided solicitation and other materials regarding preferred carrier freezes must include:
- (i) An explanation, in clear and neutral language, of what a preferred carrier freeze is and what services may be subject to a freeze;
  - (ii) A description of the specific procedures necessary to lift a preferred carrier freeze; an explanation that these steps are in addition to the Commission's verification rules in Sections 64.1120 and 62.1130 for changing a subscriber's preferred carrier selections; and an explanation that the subscriber will be unable to make a change in carrier selection unless he or she lifts the freeze;
  - (iii) An explanation of any charges associated with the preferred carrier freeze. (Note: Florida Statutes require that there be no charge for the freeze)

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Ms. Debra Waller  
Page 2  
June 4, 2002

(3) Written authorization to impose a preferred carrier freeze. A local exchange carrier may accept a subscriber's written and signed authorization to impose a freeze on his or her preferred carrier selection. Written authorization that does not conform with this section is invalid and may not be used to impose a preferred carrier freeze.

Perhaps this reference to the FCC rules may provide additional guidance to you in considering your approach to freezes on current accounts. To resolve this matter, CAT Communications should take the following actions:

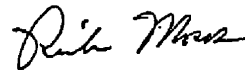
1. Identify by telephone number, all customer lines which have a local preferred carrier (PC) freeze assigned.
2. Submit local service requests (LSRs) to the appropriate underlying local exchange company (Sprint, Verizon, BellSouth) to remove all PC freezes.
3. Notify all customers, via letter, that CAT Communications has removed the local PC freeze on its customers' lines. The letter should include an explanation of the local PC freeze and should provide instructions about obtaining a local PC freeze. The letter should clearly state that the option for a local PC freeze is exclusively the right of the customer.

No later than June 28, 2002, CAT Communications should provide a written report to me and it should include the following:

- a. A list of the telephone numbers on which CAT Communications had placed a local PC freeze prior to receiving this correspondence.
- b. A list of the purchase order numbers, by telephone number, for which CAT Communications submitted a LSR to the underlying carriers.
- c. A complete list of telephone numbers for customers that have requested a PC freeze in response to CAT Communications' letter identified in 3. above.
- d. A copy of a sample letter that was mailed to your customers.
- e. A copy of the company's current letter of authorization.
- f. A statement that CAT Communications does not require a local PC freeze as a condition of service.

Should you have any questions, I can be reached at 850-413-6582 and my facsimile number is 850-413-6583.

Sincerely,



Rick Moses  
Chief, Bureau of Service Quality

CATS#459086C

DOCKET NO. 020646-TX  
DATE: August 8, 2002

ATTACHMENT C

JUN 06 2002 10:21AM HP LASERJET 3200

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*Florida Telephone Services*

1667 S. Highway 17-92  
Suite 101  
Longwood, FL 32750  
(407) 331-8622

# Fax

<b>To:</b> FL PSC	<b>From:</b> Bridget Derr
<b>Fax:</b> 850-413-6585	<b>Pages:</b> 4
<b>Phone:</b> 850-413-6584	<b>Date:</b> May 17, 2002
<b>Rec:</b>	<b>CC:</b> 850-413-6585, Ray Kennedy

Urgent     For Review     Please Comment     Please Reply     Please Recycle

◆ **Comments**

In the event that you require additional information, please feel free to contact me at 407-331-8622 ext. 709.

DOCKET NO. 020646-TX  
DATE: August 8, 2002

ATTACHMENT C

JUN 06 2002 10:21AM HP LASERJET 3200

1 p.2



**Florida Telephone Services**  
1667 S. Hwy 17-92 Suite 101  
Longwood, FL 32750  
Office (407) 331-8622  
Fax (407) 331-9429

June 6, 2002

Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399

RE: Cat Communications

Dear Madam/Sir:

Florida Telephone Services ("FTS") has had difficulty in converting service for the following phone numbers as Cat Communications ("CCI") currently has a service freeze on their lines:

305-696-3740  
407-999-2684

We are respectfully requesting that CCI remove the local service freeze from these lines so that their service can be ported over to our platform. We also request, in addition, that these lines not be disconnected as they are changing telephone service providers.

Please feel free to contact me directly with any further questions or concerns at (407) 331-8622 ext. 709 or via email at [bridget@fltelecom.com](mailto:bridget@fltelecom.com).

Sincerely,

A handwritten signature in black ink that reads "Bridget Derr". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Bridget Derr  
Accounting and Claims Department  
1667 S. Highway 17-92  
Suite 101  
Longwood, FL 32750

DOCKET NO. 020646-TX  
DATE: August 8, 2002

ATTACHMENT C

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ON Details

wysiwyg://431/https://iens.bellsouth.com...nsDispatchServlet?source=lkRetrievePo

 **BELLSOUTH**

FLORIDA TELEPHONE SVCS CUS 3312  
531V17209 v 00

**Local Exchange Navigation System**

View LSR/Order Information **P O N Details**

PON	Version	Date Submitted
531V17209	00	2002-06-04

2002-06-04 UNABLE TO HANDLE REQUEST, ENDUSER ACCOUNT FROZEN

[References](#)

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6/5/2002

PON for 407-999-2684

DOCKET NO. 020646-TX  
DATE: August 8, 2002

ATTACHMENT C

JUN 06 2002 10:22AM HP LASERJET 3200

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PON Details

wysiwyg://434/https://ems.bellsouth.com...nsDispatchServlet?source=lkRetrievePe



FLORIDA TELEPHONE SVCS CUS 8312  
530V17186 v 00

**Local Exchange Navigation System**

View LSR/Order Information **P O N Details**

PON	Version	Date Submitted
530V17186	00	2002-06-04

2002-06-04 UNABLE TO HANDLE REQUEST, ENDUSER ACCOUNT FROZEN

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JUN 06 2002 10:22AM  
Z831212

6/5/2002

PON for @ 305-696-3740



1-888-477-1224 • Fax: (540) 265-6754  
P.O. Box 6129, Roanoke, VA 24017-0129

June 26, 2002

2002 JUN 27 PM 3:16  
DIVISION OF  
COMPETITIVE SERVICES

Mr. Rick Moses  
Public Service Commission of Florida  
2540 Shumard Oak Blvd  
Tallahassee, FL 32399-0850

Re Local Service Freezes

Dear Mr. Moses:

We are in receipt of your letter dated June 4, 2002 regarding freezes. We are not sure from the letter and the rules you quote if we are addressing the state mandated Local Service Provider (LSP) freezes or the FCC mandated Preferred Interexchange Carrier (PIC) freezes. So we will address both issues.

We are enclosing a copy of the application that each customer receives upon the request for information regarding our company. Also, these applications are in the new customer packets that are mailed out shortly after receipt of the customer's payment for service.

This form lists the local service provider freeze. It also indicates there is a charge for removal. The reference to a charge will be eliminated with the next printing. Even though a charge is referenced, since CCI does not consider the LSP freeze as a condition of service, the customer has not been charged in Florida for quite some time.

In the last six months, a number of customers were charged for freeze removal. An agent authorized, at that time, to collect payments for CCI found it more profitable to migrate a customer's service to another provider rather than accept payments. The migration of the account allowed him to earn the commission plus he was collecting an additional \$10.00 for freeze removal. Unknown to CCI this had been a practice of his in the past and therefore he is no longer a CCI payment center. We were never a party to this deception, never saw the payments nor authorized or received the \$10.00 that he collected for the freeze removal. Some customers did not know they had been switched. Some customers continued to pay CCI and ended up without service because the new company took their service down for nonpayment. Having LSP freezes is a good way to keep this from happening. In order for the customer's service to be switched the customer would have had to know about it and authorize the removal of the freeze. We did file a complaint regarding this matter.

We realize that having a freeze on an account can result in a delay of 24 to 48 hours on the migration of an account. This should not present much of a problem except that most of the customers that have filed these complaints do not want to contact us because of the high



Rick Moses  
6/26/2002  
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outstanding balance they have with us. They also wait until the last day on their disconnection notice to begin migration.

These customers have reason to know there is a freeze on their account. Some of them have called us and asked that the freeze be removed, which we will do. At that time we do try to work out payment arrangements with them for the outstanding balance as any ILEC/ALEC would do. They then call you and inform you that we said they had to pay the balance before we would release the line. This is total misinformation.

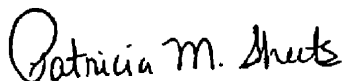
If it is the Preferred Interstate Carrier (PIC) freeze you are questioning. CCI does not allow long distance to be attached to its lines. Our application, again, clearly states we are selling local phone service only. Our customers can have long distance two ways: (1) they can purchase a prepaid block of long distance through CCI or (2) they can use prepaid calling cards. Since CCI does not allow long distance to be attached to the line, we place a PIC of none and none on the account blocking a long distance carrier of any type and freeze this PIC information. We also block third party calls and access to 900 and 700 numbers. This is the way we provision service. We have answered complaints from Florida where the customer wants this freeze removed. It is a freeze that we do not remove. Many of our customers have gotten into trouble previously with toll charges they are unable to pay. Our service provides them with the local service they need without the risks of incurring large toll charges they cannot pay.

Another problem that CCI has encountered regarding freezes is that the ILECs themselves do not understand the blocks on the account. We have had one ILEC in particular who kept refusing to migrate a customer's service because of a freeze. The "freeze" they were seeing as a local service provider freeze was actually the long distance freeze. It took quite a few conversations with the ILEC involved to finally resolve this issue.

Find attached our letter that is sent to Florida Customers explaining our LSP freeze. Since we are not in violation of Florida rules and regulations regarding local service provider freezes, we feel that we should not have to provide you with confidential information on our customer base. Likewise, we are not abusing the use of the common LSP freeze and feel that is discriminatory for you to demand that we remove it from all of our customers.

We reviewed the complaints we received since January and have included a summary sheet of those complaints based on our findings. Please feel free to contact us at 540-444-2158 with any questions.

Sincerely,



Patricia M. Sheets  
Vice President Regulatory Affairs

17 PMS/dw  
Enclosures

Yes, **CCI** COMMUNICATIONS INTERNATIONAL I authorize to provide me with residential phone service at the address below.

Name \_\_\_\_\_  
 PLEASE PRINT First Name Middle Initial Last Name

Address \_\_\_\_\_ Apt. # \_\_\_\_\_ Bldg.# \_\_\_\_\_ Floor # \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Emergency Contact Phone # (\_\_\_\_\_) \_\_\_\_\_ Contact's Name \_\_\_\_\_  
 (In case we need to contact you about your new telephone service)

Have you ever had phone service at this address before? (circle one) Yes No

If yes, please list your previous telephone number (\_\_\_\_\_) \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

I have read, or have had read to me, the agreement on the back of this application. By signing this application, I authorize CCI, Inc. to arrange for local telephone service at my address listed above. I will check my receipt for accuracy. *LifeLine* and *LinkUp* services are available for qualifying subscribers. Contact your social services agency for details.

**Please Note:** This payment center is only responsible for taking payments and applications and can not answer questions concerning your telephone service. For more information and to make certain that CCI service is available in your area, please call our Customer Service Department Toll-Free at 1-888-989-2900

CCI accepts no responsibility for information regarding your service unless provided directly by CCI.

**NOTE:** Please allow 5 to 10 business days (under normal conditions) for your new service to be activated.

\* State, Local and some Federal taxes are not included with your initial order and will be added to your first telephone bill. A \$18 installation charge will be applied to your first bill.

Phone jack installation and/or inside wiring or repair, necessary for service connection, are the complete financial responsibility of the customer. Terms apply to new customers only. Call to make sure service is available in your area.

**BASIC LOCAL PHONE SERVICE** only **\$39.95**

OPTIONAL MONTHLY SERVICES		Use This Space To Total Your Payment.
<input type="checkbox"/> 24 Hour Waiting	\$4.00	↓
<input type="checkbox"/> 24 Hour Call Transfer	\$4.00	
<input type="checkbox"/> 24 Hour Call Forwarding	\$4.00	
<input type="checkbox"/> 24 Hour Call Forwarding	\$4.00	
<input type="checkbox"/> 24 Hour Call Forwarding	\$4.00	
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<input type="checkbox"/> 24 Hour Call Forwarding	\$4.00	

**TOTAL OPTIONAL MONTHLY SERVICES** \$ \_\_\_\_\_

**LONG DISTANCE & REGIONAL CALLING**  
 Prepaid USA Regional and International (International rates vary depending on country)  
 1:00 Minutes \$ \_\_\_\_\_

**BASIC MONTHLY SERVICE** \$ 39.95

**FEDERAL TAX (Guaranteed Line Service)** \$ 5.00

**SAFE-WAY PROTECTION PLAN**  
 90 Day Safe-Way Service Guarantee  
 FREE with your first month of service \$ FREE

Please agree to pay for most phone services as a result of involuntary unemployment, disability or death. A \$1.25 monthly charge will be added to future bills for the SafeWay service unless cancelled by you. Call for details.

**\*TOTAL PAYMENT** \$ \_\_\_\_\_

CASH ONLY

**Call Customer Service 1-888-477-1224**

13-CCI-10

White Copy Agent • Yellow Copy Customer

**Get Connected With The Best!**

**No Deposits!  
 No Credit Checks!**



**CUSTOMER SERVICE AGREEMENT**

This document describes the conditions in which Cat Communications International, Inc. (henceforth referred to as "CCI") will provide service and the conditions in which it will disconnect service. This constitutes the contract between the subscriber and CCI, the underlying carrier of this service. You understand the following:

(1) By signing this document, you are entering into a contractual agreement for local phone service with CCI as your carrier. You agree to allow CCI to act as your representative in all negotiations with any Local Exchange Carrier or telecommunications service provider. Long distance and toll calls are not included in your basic monthly local phone service unless specifically indicated. You authorize CCI to handle all negotiations for service requests at the address you have given in this agreement and for the phone number that CCI has given you. This authorization does not prevent you from changing carriers. You agree to read this document in full and to sign it only after you have read it, or have had it read to you, and you have fully understood it.

(2) You request CCI to install phone service at your correct address. CCI needs you to sign a copy of this Customer Service Agreement prior to installation.

(3) CCI is not responsible for any delay or failure by any Local Exchange Carrier to process orders for service or for any internal problems such as wiring or jack installation at your residence.

(4) In some areas you will be required to pay an installation charge not to exceed \$20. Should your service be suspended or disconnected (including voluntary disconnection requested by you), you will be charged a Reconnection Fee of forty dollars (\$40) or the Tariff Limit whichever is less. If you pay your bill late you will be responsible for a late charge not to exceed Ten Dollars (\$10) or the Tariff Limit whichever is less. In North Carolina a Late Charge of one percent (1%) of the outstanding balance may be charged to your account if the balance due is not paid within twenty five (25) days of the billing date. In North Carolina the Reconnection Fee is thirty dollars (\$30).

(5) There are no service charges for adding features to your new phone service when you first place your order. However, to add additional features or remove local service or provider freezes after you are connected, there is a Ten Dollar (\$10) service charge per order or the Tariff Limit, whichever is greater. All charges for service of any kind will begin the 1st day of that service. Your telephone bill will be due in full on the 5th or the 20th day of each month, depending on which due date you have chosen. You agree to pay the current fee that CCI is charging for your basic telephone service. This fee does not include all taxes, fees, or surcharges imposed by State, Federal and Local authorities, and you understand you will be responsible for these additional charges. The first month of your Gateway Protection Plan 90 Day Service Guarantee is FREE. You will be billed \$4.00 per month beginning with your second month of service. If you DO NOT want this valuable benefit, you must provide CCI with notification of your desire to cancel this coverage.

(6) The bill for your prepaid service, as well as any past due amounts you owe, will be mailed to you no less than fifteen (15) days prior to your due date. You may make your payment at any authorized CCI payment center or mail your payment directly to: CCI, Inc. at P.O. Box 6129, Roanoke, VA 24017-0129. There is no Grace Period. If CCI does not receive your payment on or before your due date, you will be sent a Termination Notice. If payment is not received within five (5) calendar days of the mailing of this notice, your telephone service may be suspended or disconnected.

(7) CCI's Local Service allows unlimited local calls (except in areas of measured service or Community Calling Plans) from your home telephone. You will have access to all 1-800 toll-free numbers and 911 emergency services. You will not be able to dial long distance using 1+ or 0+, dial 1-900, 1-700 or 1-976 toll calls, use Directory assistance, or third party billing, or make or accept collect calls.

(8) Your telephone service may be suspended or disconnected for the following reasons, among others: A) Your monthly bill has not been paid on time or in full. B) Charges not authorized by CCI have been billed to your telephone number. C) If local telephone service is offered on a per call (Message Basis) or a per minute (Measured Basis), CCI reserves the right to suspend or disconnect your service immediately, or as soon as your state's regulation allows, if you exceed the number of local calls or minutes included in the basic monthly local service package unless CCI receives immediate payment for the excess calls. CCI reserves the right to change your local service (if you exceed the number of local calls or minutes allotted you) to a different unlimited local calling plan which normally results in a higher monthly charge. If you are suspended or disconnected due to excessive local phone calls, you will be responsible for the applicable reconnection fee in addition to any other applicable charges.

(9) If your service is accidentally disconnected due to the fault of CCI you will be credited a prorated amount of your monthly service payment equal to the dollar amount for the service which you did not receive (or whatever credit amount may be required by your state's regulations), as reflected in the records of CCI. If your service is accidentally disconnected for any reason, you will hold CCI harmless against any claims that may arise from direct or indirect damages that may occur as a result of such a disruption of service, including but not limited to your inability to call or access 911 emergency services.

(10) CCI places toll restrictions on local phone service. Such toll restrictions are not 100% effective. Any type of charges that you may make to your telephone service will be your sole responsibility and will be charged directly to you. Any charges such as, but not limited to, any type of Directory Assistance such as 411, 1-900, 1-976 or any unauthorized long distance charges including dial around calling (10-10-xxx) will be your sole responsibility. CCI will not impose charges of late fees for calls charged to your bill which should have been properly blocked by the incumbent local exchange carrier (ILEC).

(11) There will be a \$20 cancellation fee if you should choose to cancel your new service after the order has been submitted to CCI. There will be no service refunds once your service is connected. In North Carolina there is no fee for canceling your service.

(12) If you wish to pay your account monthly by "automatic debit", then by signing this agreement you are authorizing CCI to initiate Debit/Credit entries to your account at the financial institution through which you make payments to CCI for all payments due CCI. You may cancel authorization by providing written notice to CCI at least five (5) business days prior to the payment due date. You understand canceling your authorization does not relieve you of the responsibility of paying your account in full. CCI's ACH Registrar Number is 9541124703. This ACH authorization is not applicable in North Carolina.

(13) Questions about your service, including repairs, are to be directed to the offices of CCI at 1-(888) 532-7693. Any repair or service performed on your line will be done at your own risk and expense. If you wish to request disconnection of your service you must submit the request in writing to: CCI, Inc., P.O. Box 6129, Roanoke, Virginia 24017-0129 or Fax: 1-888-480-6224.

LCA 11/01



Dear Valued Customer:

CAT Communications International, Inc. (CCI) would like to thank you for your patronage.

In an effort to keep you informed about your service we will outline some of your account information and options available to you our customer.

At CCI we feel it is your right and privilege to have your local telephone service provided by the company of your choice. To better serve your needs, CCI places a local service provider freeze on your account. There is no charge for the placement or removal of this freeze. Because you must authorize CCI to remove this freeze prior to another provider migrating your service, it keeps your service from being moved over to another provider without your knowledge.

Also, we would like to take this time to remind you that you can have your name placed on the "No Sales Solicitation" list. To find out more about this visit the Florida Department of Agriculture's web site at [www.doacs.state.fl.us](http://www.doacs.state.fl.us) or call them at 1-800-HELP-FLA (800-435-7352).

If you have any questions about the items discussed here or anything else regarding your account contact CCI at 1-888-477-1224.

Sincerely,

Your Friends at CCI

P. O. Box 6129

Roanoke, VA 24017

888-477-1224

2002 Complaint Review

The Complaints received since January have been reviewed the following has been determined:

Most of the complaints where there seemed to be trouble with the customer migrating involved Florida Telephone Service. Several of those complaints the ILEC told us there was no freeze and told FTS there was a block on the account so they could not have the line(?).

We had five complaints that said the line was "blocked" and when we processed a freeze removal we were told the feature was not on the line. We spoke with one of those customers who told us she was trying to add long distance. We explained she could not do that. Shortly after that she migrated her line. We wonder if others were trying to add long distance not change local providers?

Two of the complaints the service had gone down prior to the complaint so the line was not frozen, it was disconnected.

One complaint the customer paid to have her service unsuspended on 12/31/01 at 10:00 p.m. We were not back in the office until 01/02/02 to even begin reconnection. By then she asked to have the service disconnected we did so, but she filed a complaint anyway.

In another complaint that involved Florida Telephone Service, the customer had migrated before we received the complaint that he could not migrate because of a freeze!

We also found 5 complaints that involved the agent we refer to in our letter. One complaint even stated that the agent told her to pay the \$10.00 and contact the PUC!



ORIGINAL

1-888-477-1224 • Fax: (540) 265-6754  
P.O. Box 6129, Roanoke, VA 24017-0129

August 1, 2002

2002 AUG -2 PM 3: 08  
DIVISION OF  
COMPETITIVE SERVICES

Ray Kennedy  
Florida Public Service Commission  
2540 Shumard Oak Blvd  
Tallahassee, FL 32399

Response to Docket 020646-TX

Dear Mr. Kennedy:

CAT Communications International, Inc. ("CCI") hereby responds to the above referenced docket filed by the Florida Public Service Commission for apparent violation of Rule 25-4.110(16), F.A.C.

It is CCI's desire to resolve this matter in a way that assures customers of the ability to migrate service at will while protecting the customer from unanticipated loss of service because of slamming by other companies.

It has been the experience of CCI based on other states, Michigan in particular, but Ohio and New York also, that a local service provider freeze is a benefit to customers. Such a freeze prohibits the transfer of service to another carrier without the customer's knowledge. Why is this freeze even allowed by the Commission and the ILEC's if "slamming" is not such a huge issue?

While most carriers are rule abiding and operate with other companies in good faith, this cannot be said for all of them. Some companies, through their own efforts or the efforts of outside contractors, slam customer's local service. Sometimes telephone conversations that took place prior to the customer choosing their current provider are used to "justify" the slamming. Often customers are unaware that they have service with a different provider until their service becomes suspended. Unlike long distance, which can be supplemented with a calling card or dial around features; when basic dial tone is suspended the customer is totally without phone service. Since many of these customers have service with resellers, reconnection can take as long as 48 hours. On other occasions the customer may have to be disconnected and reconnected which can take up to ten days. Homes with medical emergencies can ill afford this delay.

AUS \_\_\_\_\_  
CAF \_\_\_\_\_  
CMP \_\_\_\_\_  
COM \_\_\_\_\_  
CTR \_\_\_\_\_  
ECR \_\_\_\_\_  
GCL \_\_\_\_\_  
OPC \_\_\_\_\_  
MMS \_\_\_\_\_  
SEC   1    
OTH \_\_\_\_\_

While many providers have attempted to use a local service provider freeze to "hold accounts hostage" for past due funds, we do not. All CCI ever requires for removal is a telephone call.

DOCUMENT NUMBER-DATE

08224 AUG-6 8

Kennedy  
August 1, 2002  
Page 2

Customers have been reluctant to call because of their outstanding balance and experiences with other companies that attempted to hold their accounts hostage for payment. So they never request the freeze removal they just filed a complaint. In all cases a freeze removal order was processed immediately. Many customers were also sent directly to the PUC by the provider they wished to transfer to without ever telling the customer to contact us – or having a three way with the new provider and CCI so that CCI could immediately release the line.

One problem that will also arise out of a company's inability to protect its customers is an increase in rates for the customer, an outcome that is in direct opposition to the competitiveness that it appears the Commission is trying to foster with the freeze removal.

Many providers do not wish to bear the expense of initiating service, therefore they will only transfer service, or offer such enticing rates for a transfer that the customer cannot resist. Often times there are hidden charges for this type of service that a customer is unaware of until they have transferred. Rather than encouraging competition such action causes companies with lower installation fees to raise them. All customers suffer when that occurs.

As an alternative to opening its customers to the rape of unscrupulous providers CCI proposes that we be allowed to send notification to each of our customers restating that they have this freeze on their line outlining why we provide the freeze. We will also restate that all it takes is a phone call to remove the freeze, even if they have a balance, as well as provide the opportunity for customers who want the freeze removed at that time to call in or simply return the letter in the postage paid envelope that will be provided.

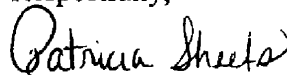
The rule states:

Companies that bill for local service must **provide notification** with the customer's **first bill** or **via letter**, and **annually** thereafter that a PC Freeze is available. Existing customers must be notified annually that a PC Freeze is available.

CCI feels it has more than met the requirements of this regulation. We outline the freeze in our sales script, we have the freeze noted on our application and it is restated on the back of our bill, not just the first bill but every bill. We will also continue to advise all future customers about the freeze at the time they initiate service and request that they respond affirmatively before we place the freeze on their line.

A copy of the proposed letter, our application, our billing paper and a copy of the sales script are attached.

Respectfully,



Patricia Sheets  
Vice President Regulatory Affairs

PMS/dw  
Enclosures

SAMPLE LETTER  
(To be sent on letterhead)

Dear Valued Customer:

As you are already aware CCI has in place a local service provider on your accounts. While this freeze is often misunderstood and thought to be a way to hold accounts hostage for payment, that is not CCI's intent.

CCI uses this freeze as a protection for you, our customer, against slamming. Slamming of local service is becoming a big problem across the nation.

The only requirement for the removal of the freeze is for you, our customer, to request its removal. We will promptly remove it, even if you have an outstanding balance.

If you wish it removed at this time just fill out the requested information and mail this letter back in the enclosed envelope.

Thank you for your patronage. We look forward to continuing to provide you with quality service.

Sincerely,

CAT Communications International, Inc.

Name (please print): \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Please remove the local service provider freeze from my account at this time.

Signature: \_\_\_\_\_



**DEBIT/CREDIT CARD PRE-AUTHORIZATION**

I hereby authorize Cat Communications International, to initiate debit/credit entries to my account for all payments due on the due date as indicated on my monthly statement. This authority is to remain in full force and effect until CCI, Inc. has received written notification from me of its termination in such time and in such a manner as to afford Cat Communication International at least five (5) business days prior to the payment due date. I further understand that canceling my authorization does not relieve me of the responsibility of paying my account in full.

Account Name: \_\_\_\_\_ Account Number: \_\_\_\_\_ Phone # \_\_\_\_\_

Credit/Debit Card Number: \_\_\_\_\_ Expiration Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

\*\*\*\* If credit card is issued to someone other than the CCI customer listed above, please complete the following:\*\*\*\*

Credit/Debit Card Billing Name \_\_\_\_\_ Address \_\_\_\_\_

Signature of Cardholder \_\_\_\_\_ Date \_\_\_\_\_

**HELPFUL INFORMATION ABOUT YOUR BILL AND CCI TELEPHONE SERVICE**

**Federal Subscriber Line Charge:** Ordered by the Federal Communications Commission, Washington, DC, a part of the Federal Government to help local phone companies expand phone service into areas without available service by providing telephone wires, poles and equipment to connect to the telephone network.

**Universal Service Fund Fee:** Ordered by the Federal Government in order to provide emergency services to different groups including libraries, schools and rural areas.

**Local Number Portability Charge:** Ordered by the Federal Communications Commission, Washington, DC, a part of the Federal Government, to provide funds for telephone number portability.

**Emergency 911 Tax:** A tax imposed by your local governments to pay for the highly sophisticated emergency response communications system that identifies and pinpoints the location of the caller.

**Federal Excise Tax:** This is a general tax ordered by the Federal Government, which goes to the U.S. Treasury Department.

**Relay Center Fee:** Ordered by the Federal Government to provide services to the hearing and/or speech impaired.

**State & Local Sales Taxes:** Various taxes ordered by your State or Local government or general purposes. For an explanation of the taxes or fees imposed in your local area please contact your Utility Commission for a brochure explaining your telephone bill or visit their website for this and other useful information.

**Safe\*Way Protection Plan**  
Your first month of CCI's exclusive Safe\*Way Protection Plan is absolutely free. With CCI's Safe\*Way Protection Plan (SPP), if you involuntarily lose your job or become disabled, CCI will continue your Basic Service for up to three (3) full months. Certain conditions apply. Please read your SPP brochure for details. A charge of \$4.00 per month per line for continued Safe\*Way Protection coverage will be applied to your next month's bill. If you need more information about CCI's Safe\*Way Protection Plan or wish to cancel your membership please call toll-free 1-888-477-1224.

**Extended Dialing Plans**  
Please contact CCI concerning available Community Choice Calling Plans if such an extended calling area program is available in your area. You could save money by choosing Plan C. Plan C offers unlimited calls to your Community choice area for one low price.

**"Slamming" Protection**  
In areas where it is available, a local service provider freeze is placed on your line to protect against "slamming". To have this freeze removed, please call CCI at 1-888-477-1224.

**Please Note - Virginia Residents**  
Services identified by an asterisk (\*) are regulated by the Virginia State Corporation Commission. Nonpayment of these items will result in disconnection of your local telephone service.

**\$39.95/\$10/\$10  
All Other States**

Thank you for calling CCI. This is \_\_\_\_\_ . May I help you?

Is this your first time calling? May I have your first name (spelling), last name (spelling), address (spelling), and zip code? How did you hear about CCI? (If a promotion or coupon, ask them does it have an offer code on the coupon?) May I have the name and number of anyone else you would like to have access to your account? **(Ex: Relative, neighbor, etc.)** Do you have a number where we could contact you if we have any questions regarding your account? Have you ever had service at your current address? What is/was that telephone number?

**(If customer is hesitant to give name, continue)**

Having your phone connected with CCI is very easy. We have no worries about past due bills, no credit checks or deposits, just pre-paid phone service.

For just \$39.95 plus the \$6 FCC charge and your state and local taxes CCI will provide you with prepaid unlimited monthly local phone service. You will need to pay a small installation charge of \$10 with your initial payment and you will be billed \$10 on your first bill. (For **Florida** customers only, "At no additional cost we provide a local carrier freeze to our customers. This protects your account from slamming. At your request the freeze will be removed at no charge.")

**For migration**

For just \$39.95 plus the \$6 FCC charge and your state and local taxes CCI will provide you with prepaid unlimited monthly local phone service. You will need to pay a small installation charge of \$10 with your initial payment and you will be billed \$10 on your first bill. Because you are migrating your number, CCI has a special offer for you 1-hour of free long distance for 3 months. (If customer has LD Summer promotion, customer will receive an addition 1-hour of free long distance.)

With CCI there are a few ways to lower your phone bill and help you save money. With the "Cat Club," if you make your first six (6) payments on time and in a row, we'll take your basic service down to \$34.95 plus taxes. If you make the next three (3) payments on time and in a row, we will lower your basic monthly rate to \$29.95 plus taxes. If you are late with a payment, you will go back to the previous level. For example: If your basic service was \$29.95 and you were late with one payment, your basic service would go back up to \$34.95, not full price. To bring it back to \$29.95, you need to make 3 payments on time and in a row.

You can also reduce your bill through our Tel-A-Friend Program. If you refer someone to CCI and they become a customer, you'll receive a \$10 credit toward your next phone bill, and your friend will give a \$5 credit toward their first phone bill. There is no limit to the number of people you can refer.

CCI automatically signs you up for our Safe\*Way Protection Plan (SPP). This plan guards against involuntary unemployment or disability. It can't be a pre-existing condition. It would cover your basic service for up to 3 full months and the first month is free. It's only \$4 a month thereafter.

**(If name and address were not entered earlier, enter now)**

To get you started, you need to make your first month's payment of \$ \_\_\_\_\_, which pays for your first month of basic service plus the \$6 FCC charge. You will see the one-time \$10 installation charge on your first bill.

**(Credit or debit card payment)**

If you pay by Discover, Visa, or MasterCard or debit card with the Visa or MasterCard logo, and you make all of your future payments with credit card or debit card, you will receive free call waiting for life. Would you like to pay with a credit card?

Please call us back in 3 – 4 business days. At that time we can give you your new telephone number and get everything started. It does take up to 10 business days for connection from the time that we receive your payment. You will need your account number when you call CCI in the future your account number is \_\_\_\_\_.

Is there anything else I can help you with? Thank you very much for calling CCI...we look forward to having you as a customer.

**(If customer says they don't have a credit or debit card,  
F4 pulls up the list of payment centers)**

Let's find a payment center in your area....

After you have made your payment at the payment center...please call us back in 3 – 4 business days. For verification purposes, you may need your receipt. At that time we can give you your new telephone number and get everything started. It does take up to 10 business days for connection from the time that we receive your payment. When you make your payment at the pay station and when you call CCI back to get your new telephone number, you will need this account number, \_\_\_\_\_.

Is there anything else I can help you with? Thank you very much for calling CCI...we look forward to having you as a customer.



ORIGINAL

1-888-477-1224 • Fax: (540) 265-6754  
P.O. Box 6129, Roanoke, VA 24017-0129

Sent Via Facsimile and Airborne

August 9, 2002

Florida Public Service Commission  
Attention: Blanca Bio  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399

RECEIVED FPSC  
02 AUG 12 AM 10:12  
COMMISSION  
CLERK

Response to Docket 020646-TX

Dear Staff:

In response to Staff's rejection of CCI's settlement offer referencing docket #020646-TX alleging that CCI is in violation of Rule 25-4.110(16), F.A.C., CCI would like to respectfully submit an amended settlement offer as follows:

We are currently and will continue to include in every Florida customer's bill every month a reminder there is a local freeze on their service and that the freeze can be removed without charge by simply calling toll-free CCI or by simply mailing to CCI the prepaid reminder notice concerning the freeze.

In addition to these monthly mailing notices, CCI also proposes to initiate multiple calling campaigns to current Florida customers in order to additionally notify them that a freeze is on their service and that the freeze may be removed without charge by simply informing a CCI customer service representatives of such a desire. The customers would be able to do so by simply pressing a key to talk directly to one of our operators.

Staff will attest by the "report card", which will be faxed to you on Monday, of complaints filed against CCI during the last two years that CCI has provided a very high level of customer service. Staff can see the issues of the local service freeze did not become an issue until a competitor began to urge customers to complain directly to the Commission in lieu of simply asking CCI to remove the freeze (which we have done promptly and continue to do without question whenever a customer so requests). Staff will testify that many of the complaints came from customers who were advised by Florida Telephone Service to contact the Commission without ever having contacted CCI. Many complaints were filed by persons who were not even CCI customers.

- AUS \_\_\_\_\_
- CAF \_\_\_\_\_
- CMP \_\_\_\_\_
- COM \_\_\_\_\_
- CTR \_\_\_\_\_
- ECR \_\_\_\_\_
- GCL \_\_\_\_\_
- OPC \_\_\_\_\_
- MMS \_\_\_\_\_
- SEC   I
- OTH \_\_\_\_\_

DOCUMENT NUMBER 020646-TX  
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FPSC-COMMISSION CLERK

everything possible to inform the customers at the inception of service about the local service freeze including written statements in the Letters of Authorization and whenever the customer contacts our call center. The history of slamming with long distance service is well known. With the advent of more local service competition slamming with local service has become a serious issue. Without the freeze more and more local customers will be slammed and be subjected to high-pressure sales techniques.

CCI appreciates Staff's concern for the protection of customer choice but customer choice is, in fact, enhanced by the very existence of the freeze. CCI would respectfully urge Staff to investigate the aggressive local slamming MCI and Z-Tel corporations have employed in Michigan and Illinois as examples of what can happen to customers' choices when their local service is slammed.

Given that CCI has made it extraordinarily easy for any customer to have the freeze removed without cost or inconvenience and given the fact that there is clearly a reasonable argument that the non-existence of a freeze on local service in fact reduces customer choice by encouraging slamming, CCI would hope there might be some room for compromise between two positions both of which have the best interests of the customer in mind. CCI would like to state that as the historic price leader (our customers pay as little as \$29.95 a month) in this area of phone service CCI has no need for local service freezes to "lock in" customers; we are very confident our superior service and pricing will gain us extensive customer loyalty. What we do fear are deceptive high-pressure sales tactics employed by some local service providers on unwary customers and especially credit-challenged customers who may be more vulnerable to such sales efforts. We feel the elimination of the freeze will do just the opposite of what the Staff intends in the way of protecting customers' choice.

CCI still firmly believes that we are not in violation of the rule that states:

"Companies that bill for local service must provide notification with the customer's first bill or via letter, and annually thereafter that a PC Freeze is available. Existing customer must be notified annually that a PC Freeze is available."

This rule states simply that the customers must be notified as to the existence of such a device as a freeze. Indeed, this very rule would seem to have been implemented so as to inform customers that they can protect their service against "slamming" whether it be long distance or local. Why would anyone wish to make the imposition of a freeze more difficult when the freeze is a device designed to protect customers' choices? Do a handful of complaints encouraged by a competitor outweigh the initial logic behind the issuance of this very rule designed to protect customers from "slamming"?

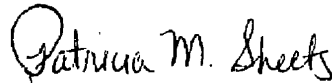
In a telephone conversation, Staff had voiced a concern of a non-paying customer's opportunity to have a freeze removed. CCI does not operate on a prepaid billing platform. We mail bills giving the customers a five-day grace period. After the grace is up we mail a termination notice giving another extension of time with a service ending date, which is always on a Friday. We start suspension process on the next Wednesday

following the Friday date if we have had no response from the customer. Our customer would, even taking the time restraints down to the limit, still have time to have their freeze removed and transfer service to another provider.

CCI would appreciate a review of the issues brought forth in this letter and hope that Staff will consider the serious slamming ramifications the removal of local service freezes will have on customers least able to protect their rights as users of telephone services. CCI respectfully submits, however, if Staff is adamant about its position on local service freezes, Staff would want to be certain that no local provider in the state be allowed to employ the freeze. The Commission could easily mandate an end to such a service by the ILECs. We are certain that the Staff and the Commission would not want to impose on just one or two local service providers a requirement which it would not impose on **all** such providers.

We look forward to Staff's reply and are committed to every cooperative effort to reach an accord on this issue.

Sincerely,



Patricia M. Sheets  
Vice President Regulatory

Sent VIA Facsimile and Airborne  
August 29, 2002

ORIGINAL

**Cat Communications International, Inc.**

**PUC Complaint "Report Card"**

Submitted to be included

with settlement offer

dated August 9, 2002.

AUS \_\_\_\_\_  
CAF \_\_\_\_\_  
CMP \_\_\_\_\_  
COM \_\_\_\_\_  
CTR \_\_\_\_\_  
ECR \_\_\_\_\_  
GCL \_\_\_\_\_  
OPC \_\_\_\_\_  
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SEC   I   \_\_\_\_\_  
OTH \_\_\_\_\_

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09204 AUG 30 02

FPSC-COMMISSION CLERK

CCI would like to present their PUC Complaint "Report Card" for review and also would like for it to accompany our latest settlement offer dated August 9, 2002. We would like to especially call attention to the fact that there were almost no freeze related complaints in 2001. You will find that CCI complaints really started when a flourish of freeze related complaints against another CLEC operating in the state of Florida started surfacing and they were having to respond to the PUC's docket. At that time they were advising customers that had CCI service that were wanting to migrate over to them to call the Commission to have the freeze removed in lieu of calling CCI and making the request. CCI never had an opportunity to process an order to remove the freeze prior to the complaint, therefore not allowing the freeze and removal to work as we know it can. We are currently operating in 23 states and the District of Columbia and we process freeze removals in most states. Ameritech (ILEC) does not have a local service provider freeze and we cannot use it in their footprint. Also please make note of how the complaints have drastically decreased since you opened up a docket against CCI.

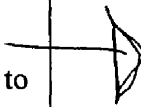
We do thank you for your time involved in reviewing all of this information.

**CCI Florida PUC Complaints "Report Card"**

**2001**

Non-Freeze Related Complaints	Freeze Related Complaints
<b>363347T</b> - 02/20/01 - Customer reporting that CCI would not disconnect her service. She had never called and requested but was disconnected on 2/21/01 for an NSF check.	<b>423841T</b> - 12/12/01 - Customer wanting to switch service. Freeze removal order placed on 12/12 and completed on 12/13.
<b>379522T</b> - 05/14/01 - Customer was requesting a full refund. Verizon GTE was having problems with orders in Tampa not being completed in their system and they were at a standstill for several months. Customer was given a full refund.	
<b>388060T</b> - 07/02/01 - Customer stated that she had requested disconnection in May. At the time of responding to the complaint, customer had had no contact with CCI since March and she was disconnected for non-payment on 07/06/01.	
<b>392415T</b> - 07/19/01 - Customer looking for refund check that was issued but stolen. CCI was waiting for stop payment confirmation from the bank before reissue could be completed.	
<b>394419T</b> - 07/30/01 - Customer's complaint due to delay in restoring phone	



<p>service after payment was made. CCI never requested service to be suspended. Sprint took service down because they saw it as an abandoned station, they had a retail customer requesting service at the same location. We could not call the customer but did write to her and heard nothing back.</p>	
<p><b>395050T</b> - 08/01/01 - Customer requested residential service in a commercial location. He complaint consisted of request of a refund and to cease billing. CCI's request for service connection was completed by BellSouth and then when they realized that it was residential service installed at a commercial site, they disconnected it. In the CCI system the account was not disconnected immediately. Billing was stopped, but due to a fraudulent application and a completed installation, refund request could not be fulfilled.</p>	
<p><b>395818T</b> - 08/06/01 - Customer reporting delay in installation. Installation was completed the day that complaint was received.</p>	
<p><b>399820T</b> - 08/22/01 - Customer ordered service but it was not working. Customer's order was processed as a migration. Order was completed by GTE and after completion they honored a suspension from the previous supplier of phone service. Upon realizing the problem, GTE was contacted and service was restored.</p>	
<p><b>401776T</b> - 08/31/01 - Customer (Theresa Dunham) had stated that CCI would not allow her to switch her service. Phone number provided on complaint belonged to Theresa Ford and therefore we could not discuss the account.</p>	

**2002**

Non-Freeze Related Complaints	Freeze Related Complaints
<p><b>439910T</b> - 02/28/02 - Customer complaining that CCI would not disconnect service. It was explained to customer that we required a faxed request for disconnect.</p>	<p><b>427919T</b> - 01/04/02 - Customer requesting that freeze be removed. Customer never requested CCI to remove the freeze, they went straight to the PUC. Upon receipt of</p>

<p>Once this was provided service was terminated.</p>	<p>complaint, CCI processed order to remove the freeze on 1/10/02. Customer never migrated service nor made any additional payments. Account was suspended on 2/21/02 and disconnected on 2/22/02.</p>
<p><b>444399T</b> - 03/21/02 - Customer's situation involved disconnection requests. CCI had received a request by phone on 3/11 to disconnect service. Requested notice in writing but that we would suspend awaiting receipt. Upon suspension, call was received stating that payment was made and disconnect was not desired. CCI restore service only to receive a request to disconnect service due to a change in providers.</p>	<p><b>427766T</b> - 01/04/02 - Customer advised by payment agent to call the PUC and request freeze to be removed. Order was processed that day to remove freeze. Customer never migrated service nor made any additional payments. We suspended service on 03/01/02 and disconnected completely on 04/17/02.</p>
<p><b>453293T</b> - 05/03/02 - Complaint rests on customer's request for disconnection so that she can switch to another company. CCI had not received this request from customer, only call questioning bill. Account disconnected on 8/6/02.</p>	<p><b>429471T</b> - 01/11/02 - Customer questioning billing and requesting freeze be removed. Customer had not contacted us regarding billing questions or freeze removal. Upon receiving complaint, records of account were pulled and there was no freeze on the account (must have been told this be agent). Customer did migrate service, exact date unknown.</p>
<p><b>458808T</b> - 06/03/02 - Customer complaining of intermittent service. GTE has confirmed that it is an inside wiring problem and per our tariff this wiring is the customer's responsibility.</p>	<p><b>429179T</b> - 01/10/02 - Customer had called in on 1/08/02 requesting disconnect. We had requested this in writing, which is our policy. Upon receipt of complaint, freeze removal was processed and customer switched providers.</p>
<p><b>474122T</b> - 06/28/02 - Customer disputing bill. They had migrated to another telephone company and our bill had been mailed prior to receipt of change of service notice.</p>	<p><b>430768T</b> - 01/17/02 - Customer had contacted CCI on 1/17 and requested freeze to be removed. Somehow customer had been misinformed because there was no freeze on his account to be removed. Customer finally migrated service as of 2/12/02. No payments were made towards account past 1/14/02.</p>
<p><b>483827T</b> - 08/15/02 - Customer complaining about delay in connection. Responded back that problem lies in BellSouth holding a pending order at an address where a balance was owed. BellSouth has since processed our order and service has now been working since</p>	<p><b>429608T</b> - 01/14/02 - Customer claims that she had advised CCI that she was changing carriers and account was disconnected. CCI shows no sign of customer calling on 12/3/01 to have freeze removed. Account was suspended for non-payment on 12/29/01. At that time</p>

8/24/02.	customer requested freeze to be removed but account would need to be restored first. Customer had made a partial payment but not enough for restoral and on 01/04/02 requested that account be completely disconnected. Disconnection was completed on 01/14/02.
	<b>427908T</b> - 01/04/02 - Customer requesting line to be disconnected. Customer had called this day and requested freeze removal. At this time we were charging a \$10 fee to make changes to customer's accounts. This was explained to her and then she called back and asked that we disconnect her service. Written request for disconnection was received on 01/07/02 and order was processed and disconnected on 01/08/02.
	<b>432456T</b> - 01/25/02 - Customer had called CCI stating that she went with another company in December and was requesting freeze removal. We attempted to process a freeze removal on 1/25/02 but order was returned stating we were not the provider on the account.
	<b>432660T</b> - 01/28/02 - Customer had been a product of an agent (NY Extensions) slamming customers without their knowledge. Customer's freeze was removed and they did move service to another provider.
	<b>499393T</b> - 01/31/02 - Customer complaining that she needs freeze removed to switch to Florida Telephone Service. We have no record of customer requesting removal. Upon receipt of request from PUC, freeze was removed and customer migrated service on 2/11/02.
	<b>435518T</b> - 02/08/02 - Customer requested freeze be removed. Order processed on 2/08 to remove freeze and completed on 2/12. Customer migrated service on 2/14.
	<b>437450T</b> - 02/18/02 - Customer had called on 2/18 to have freeze removed. Account had already been suspended on 2/13, no payment had been received since 12/26.

	<p>Due to the fact that customer was wishing to have service with Florida Telephone Service we processed a disconnect so that he could get his new service initiated.</p>
	<p><b>441557T</b> - 03/07/02 - Customer called requesting freeze removal. Customer was instructed by the other carrier to file a complaint with the PUC. At the time complaint was received, customer's request was already being processed. Freeze removal was completed on 3/11. Customer is still active with CCI and never transferred service.</p>
	<p><b>442180T</b> - 03/11/02 - Another complaint involving customer who never called CCI requesting freeze to be removed. Conversation with customer explaining bill on 3/6 but no freeze removal was requested. Freeze removal completed by BellSouth on 3/12.</p>
	<p><b>443391T</b> - 03/18/02 - Winning CLEC advised customer to file complaint to have freeze removed. Customer never spoke to CCI with this request. Freeze was removed on 3/18 and customer migrated to Florida Telephone Service on 3/25.</p>
	<p><b>445234T</b> - 3/25/02 - Florida Telephone Service advised customer that they could not switch her service due to a freeze on her account. Customer had called questioning her bill but never mentioned a freeze. Upon placing an order on 3/25 to remove a freeze, our order was returned to us because there was no freeze on customer's account.</p>
	<p><b>449575T</b> - 04/16/02 - Customer stating CCI will not release her line so she can port her service to Florida Telephone Service. The last contact CCI had with this customer was when they made a payment commitment on 3/29/02 to pay their outstanding balance. Upon receipt of complaint freeze was removed just as it would have been if customer had called us first.</p>
	<p><b>449577T</b> - 04/16/02 - Another customer</p>

	<p>being told by Florida Telephone Service to file a PUC complaint to get line released. On 3/29 customer had called requested disconnection, then called back and requested freeze removal. Disconnection was stopped and freeze removal was placed with BellSouth on 04/04/02 order #CY81Y0H8. Customer migrated service on 05/04/02.</p>
	<p><b>451141T</b> - 04/23/02 - Florida Telephone Service advised customer to file complaint to have service ported to them. Customer never made call requesting removal. Last conversation CCI had with customer was concerning cable outage on 04/01/02. Freeze removal order placed on 04/23/02 and customer's migration was processed on 04/25..</p>
	<p><b>451310T</b> - 04/24/02 - Another PUC complaint for freeze removal where customer never contacted CCI with the request. CCI did speak with the customer regarding bill on 04/18/02 and customer made a payment commitment. Freeze removal processed on 04/25/02. Customer never migrated service and service was disconnected on 6/10.</p>
	<p><b>451518T</b> - 04/25/02 - Broken record of complaints stemming from Florida Telephone Service advising customers to file PUC complaints to have freezes removed. No contact on this account from customer since last payment made on 04/05/02. Freeze removal processed on 04/25/02 and customer migrated service on 05/06/02. We were cited by the Commission on this one for not responding in a timely fashion, but we did forward a copy of our email response that went out on 04/29/02.</p>
	<p><b>454113T</b> - 05/08/02 - Customer filing complaint requesting company remove freeze. Customer had made payment commitment on 4/26 for 5/4. Called on 5/8 to extend commitment but was advised that we could not guarantee his service would</p>

	<p>not be suspended since he had missed his commitment. No mention was made regarding freeze removal. Freeze was removed effective 05/10.</p>
	<p><b>458348T</b> - 05/30/02 - Customer filing complaint that she had been trying for a month to have CCI release the freeze on her line. Again the only mention of freeze removal was on this complaint. Customer had spoken with our representatives on 05/06/02 and made a payment commitment for 05/26/02. Freeze removal was processed on 05/30/02.</p>
	<p><b>459645T</b> - 06/06/02 - Customer advised that they had contacted CCI to port her service to Florida Telephone Service and CCI will not release her line. By now I think that everyone would agree that had the customer called, which they did not, CCI would have gladly removed the freeze to avoid any further complaints. But obviously these customers are being used to make a point. Freeze removal request was honored and customer moved service.</p>
	<p><b>460388T</b> - 06/10/02 - Customer states that they were switching to another ALEC and service was disconnected. Requested restoral and freeze removal. Customer had made payment arrangement for 5/4. Upon missing that commitment she spoke with a representative on 5/9 and made a 2nd commitment for 5/18. When this payment was not received suspension order was processed on 5/24 and subsequent disconnection order on 6/7. Ample time was given to customer to have a freeze removal processed and service migrated prior to suspension.</p>
	<p><b>461755T</b> - 06/17/02 - Customer filing complaint to have freeze removed. Customer never contacted CCI with request. Freeze removal processed on 6/17. Florida Telephone Service processed migration on 6/21/02.</p>
	<p><b>472810T</b> - 06/24/02 - Customer requesting freeze removal. This customer did contact</p>

	<p>CCI on 6/18 requesting freeze removal. Order was submitted on 6/19 and confirmed back with a due date of 6/21. There should have been no reason on the filing date as to why customer could not migrate to Florida Telephone Service at that time. They did migrate on 6/24/02.</p>
	<p><b>474159T</b> - 06/28/02 - Customer requesting freeze removal. Customer never called CCI requesting removal. Freeze removal order placed on 7/1 and date due of 7/9 received from Sprint.</p>
	<p><b>475517T</b> - 07/08/02 - ALEC advising customer there is a freeze on his line and to request removal of this freeze. Customer never called requesting freeze removal. We did speak with the customer on 6/28 and they made a payment arrangement for 7/6 which was not kept. Freeze removal was processed on 7/8 and customer migrated service on 7/10.</p>
	<p><b>476830T</b> - 07/12/02 - Customer wanting freeze removed. States that she was told by CCI she needed to pay \$78 for this to be done. Customer had contacted CCI on 6/10 and requested to have a feature added. It is CCI's practice that an account must be up to date before orders adding features can be processed. At the time of her call her 6/1 bill was past due and we would have made the request for it to be paid. Never did we receive a phone call requesting freeze removal, but it was placed once request was received via this complaint. Freeze removal was processed and completed by the LEC on 7/12/02.</p>
	<p><b>477716T</b> - 07/17/02 - Customer requesting freeze be removed to migrate service to Florida Telephone Service. No conversation with the customer since a credit card payment was made on the account on 6/19. Freeze removal request processed on 7/17 and completed on 7/18.</p>
	<p><b>478017T</b> - 07/18/02 - Florida Telephone Service migration advising customer to complain to the PUC to have freeze</p>

	removed. Customer made payment on 6/14 which shorted that bill for service from 5/15 to 6/14 by \$30. Commitment was made for a payment of \$71.33 to be paid by 7/13. Since no payment was received by 7/18 account was suspended. This suspension was for a payment that was actually due on 6/15 so they have received a grace period of over 30 days. Suspension order had already been placed when complaint was received. (YOUR COMPANY ACTIVITY REPORT RECEIVED 8/26 SHOWS WE HAVE NOT RESPONDED TO THIS COMPLAINT. CALLED AND SPOKE WITH PAUL LOWRY AND HE ADVISED OUR RESPONSE WAS IN ANOTHER DEPT'S HANDS AND HE WOULD RETRIEVE IT FROM THEM.)
	483290T - 08/13/02 - Customer wanting to switch to another carrier and needs freeze removed. Customer had called on 8/6 requesting freeze removal and order was processed on 8/07. Migrated service on 8/14.

"Report Card" Recap

2001

Non-Freeze Related	Freeze Related
9	1

2002

Non-Freeze Related	Freeze Related			
# of complaints	# of complaints	Reasons for complaints	*# of complaints for reason shown	**FTS associated complaints
6	34	Customer never contacted CCI with freeze removal request	21	10
		Customer never ended up	3	



		migrating after freeze was removed		
		Freeze not even on account	3	
		Customer request showing confusion between freeze removal and disconnection - necessary to wait for validation before processing	2	
		Customer account already suspended at time of freeze removal request	4	2
		Customer product of slamming of agent - NY Extensions	1	
		Customer had contacted CCI and freeze removal was already in progress	3	1

\*Complaints may qualify for two different categories.

\*\*These are only the known Florida Telephone Services affiliated complaints. Many others were not identifiable as to whom the ALEC or "other carrier" was.



**Florida Telephone Services**  
1667 S. Hwy 17-92 Suite 101  
Longwood, FL 32750  
Office (407) 331-8622  
Fax (407) 331-9429

September 13, 2002

Rick Moses  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

RE: CCI

Dear Mr. Moses:

Enclosed is a copy of a letter sent as a response to Cat Communications International ("CCI"). I wasn't sure to whom they sent their original letter regarding this issue within the Florida Public Service Commission, but as you are somewhat involved in the issues addressed in the letters, I thought you might have an idea where these letters need to go.

I have also included a copy of the letter that they sent to my attention, for your records. In the event that you have any questions or require additional information, please feel free to contact me by email ([bridget@fstelecom.com](mailto:bridget@fstelecom.com)) or directly at (407) 331-8622 extension 709.

Your time and attention in this matter is appreciated.

Sincerely,

A handwritten signature in black ink that reads "Bridget Derr". The signature is written in a cursive, flowing style with a long horizontal line extending to the right.

Bridget Derr  
Accounting and Claims Department  
Florida Telephone Services, LLC

COMPETITIVE SERVICES  
DIVISION OF  
2002 SEP 18 AM 9:10



**Florida Telephone Services**  
1667 S. Hwy 17-92 Suite 101  
Longwood, FL 32750  
Office (407) 331-8622  
Fax (407) 331-9429

2002 SEP 18 AM 9:10  
DIVISION OF  
COMPETITIVE SERVICES

September 13, 2002

Patricia M. Spencer  
Cat Communications International  
P.O. Box 6129  
Roanoke, VA 24017-0129

RE: Local Service Freeze

Dear Ms. Spencer:

I thank you for your letter dated September 10, 2002, addressing your position on local service freezes. We too have always wanted to deal directly with other CLECs to resolve service issues without hassle to the Florida Public Service Commission. In fact, this is the method we prefer to use with everyone, including your company.

We do not instruct our customers to contact the Florida Public Service Commission to request local service freeze removal, as your letter infers. The number to the Florida Public Service Commission is only provided when a Customer requests the information. Instead we instruct our customers to contact the CLEC that they currently have service, and request the removal of the local service freeze. Unfortunately, our customers are usually told that the freeze has been removed and discover their line has been disconnected within the next two days. We, during that two-day period, are struggling to transfer the customer to our platform, and find the freeze still intact and cannot transfer the customer over before the line is disconnected.

In fact a similar situation occurred as recently as last week. We did instruct a new customer to contact your company to request the removal of a local service freeze from her line. We had to explain to our customer what a local service freeze was, because she had no idea:

1. what a local service freeze was;
2. that there was a service freeze on her line; and
3. that it would prevent her from changing to another local telephone provider.

She contacted your company and requested the local service freeze be removed. In addition, she informed us that she had contacted the Florida Public Service Commission and was assigned complaint number 486705T. We hoped that we would be able to transfer her line over in a timely manner, as CCI had notified her that the freeze had been

9/13/2002

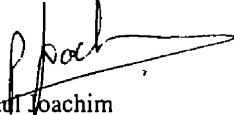
1

removed and she had in her possession a letter from CCI stating that her line would not be disconnected until September 6, 2002 (see Attachment I).

She notified our company on September 4, 2002, that her line had been disconnected prior to this date. As much as we did not wish it, we instructed her to pay the balance so that her line could be connected as a new activation. She had to pay a difference of \$50.00 to do this. While this is only one case, there have been numerous cases similar to this one in the past.

I do appreciate your honesty and the sincerity of your letter. We would be delighted to accept such a situation as you have outlined in your letter as soon as you instruct your operations/service department to operate under these conditions. In the event that you have any questions or would like additional information, please feel free to contact me at 407-331-9170.

Sincerely,



Paul Joachim  
Senior Manager

cc: Florida Public Service Commission

# Attachment I



1-888-920-0400, Fax: 1-540-265-8754  
P.O. Box 6129, Roanoke, VA 24017-0129

**TERMINATION NOTICE OF PHONE SERVICE**

ELLEN MOUTELL  
8383 N.E. 2ND COURT  
MIAMI, FL 33138

388209

Phone Number: 305-754-8436

Please disregard this notice if payment has been made.

This notice is to inform you, the owner of the phone number listed above, that your service provided by Cat Communication International, Inc. (CCI) is scheduled for suspension on the TERMINATION DATE shown below.

You may stop this process by making full payment on or before the TERMINATION DATE shown below.

If suspension of phone service occurs on this account, a \$30.00 Reconnection Fee, any outstanding balance, and the next month's payment in advance will be required before phone service is reconnected. Reconnection may take up to three (3) business days.

Please call our customer service department if you have any questions pertaining to this TERMINATION NOTICE.

Account ID: 388209 Phone Number: 305-754-8436

Current Amount Due: \$73.29

Termination Date: 9/6/2002

**BILLING DEPARTMENT TOLL FREE NUMBER: 888-920-0400**

This is an official notice required by the State Utility Commission regarding disconnection or suspension of local phone service.

**ATTENTION! BAIGETTE**



2002 SEP 18 AM 9:10  
1-888-477-1224 • Fax: (540) 265-6754  
P.O. Box 6129, Roanoke, VA 24017-0129  
PRESIDENT  
COMPETITIVE SERVICES

September 10, 2002

Florida Telephone Services  
Attention: Bridget Derr  
1667 S. Highway 17-92  
Suite 101  
Longwood, FL 32750

Dear Ms. Derr:

We are receiving multiple complaints from the Florida Public Service Commission representing mutual customers of ours. We would like to resolve these issues without having to always involve the Commission.

It appears in many instances that customers are wishing to migrate their local phone service from CCI to you. Our customers currently, as you well know, have a local service provider freeze on their accounts. Your company is advising customers to go straight to the Commission to request the freeze removal.

We are requesting that instead you have the customer call CCI (888-477-1224) and request the freeze to be removed. We have a full process in place, we do not hassle the customer over any unpaid bills and we do not keep their line "hostage". Under normal circumstances (I'm certain you will agree that in dealing with the ILECs we cannot always guarantee), we will have the freeze removed in 24 hours. These orders are time-sensitive in many cases with automated processing of suspensions for non-payment and by eliminating the PSC involvement (the middleman in this instance) the customer will experience quicker results.

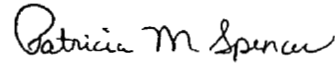
The freeze is used, as I am sure you do, to make certain that the customer is not slammed by some of the unscrupulous providers that are transferring customer's service without authorization. We are experiencing this heavily in the Ameritech footprint where these companies know that the ILEC (Ameritech) does not offer a local service provider freeze. We have three such companies, one of which has been fined \$240,000 in the state of Florida for slamming. The largest problem we experience with a slamming involves the customer thinking they are still our customer, we are billing them also thinking they are still with us and then the "winning CLEC" suspends their service for non-payment.

We are operating in 23 states and the District of Columbia and use the local service provider freeze in most states where the ILEC offers it. We have the agreement with

other competitors that should a customer request the freeze to be removed, we will place an order and that allows a migration order to be processed. We are not having this problem in any other states. We ask that you give us the opportunity to show you that the freeze is not a service that we want to abuse; we only want it to allow us to protect our customer from slamming. We all know that many of our customers are going to move from provider to provider and we find that they also make a circle back to us one day.

Please call me at 540-444-2158 should you have any questions at all. We look forward to working with you on these situations. We have found that there is great worth in working with our competitors and supporting each other. We also belong to an organization, NALA that you might be interested in joining where we join together to battle against the ILECs and are quite successful with the many problems that we experience. I look forward to speaking with you.

Sincerely,



Patricia M. Spencer  
Vice President Regulatory

cc: Florida Public Service Commission