JAMES MEZA III General Counsel - Florida

BellSouth Telecommunications, Inc. 150 South Monroe Street Room 400 Tallahassee, Florida 32301 (305) 347-5558

June 2, 2006

Mrs. Blanca S. Bayó Director, Division of the Commission Clerk and Administrative Services Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850

undocketed

## In re: Florida Public Service Commission Letter of May 17, 2006 Regarding Unauthorized Charges Billed by Third Parties, known as Cramming

Dear Ms. Bayo:

Enclosed is an original and fifteen copies of BellSouth Telecommunications, Inc.'s Request for Specified Confidential Classification, which we ask that you file in the captioned matter.

Sincerely,

Fames Mega III/RN James Meza III

bames mez

cc: All Parties of Record Jerry D. Hendrix E. Earl Edenfield, Jr. Melinda Watts

DOCUMENT NUMBER-DATE

04784 JUN-28

**FPSC-COMMISSION CLERK** 

#### FLORIDA PUBLIC SERVICE COMMISSION

)

In Re:

Florida Public Service Commission Letter)Of May 17, 2006 Regarding Unauthorized Charges)Billed by Third Parties, known as Cramming)

Filed: June 2, 2006

### BELLSOUTH TELECOMMUNICATIONS, INC.'S REQUEST FOR SPECIFIED CONFIDENTIAL CLASSIFICATION

BellSouth Telecommunications, Inc. ("BellSouth"), pursuant to Rule 25-22.006, Florida Administrative Code and Section 364.183, Florida Statutes, files this Request for Specified Confidential Classification.

1. On May 17, 2006 the Staff of the Florida Public Service Commission ("Staff") issued a letter to BellSouth regarding unauthorized charges being placed on consumer's local telephone bills by third parties.

2. On June 2, 2006 BellSouth Telecommunications, Inc. responded via letter to the Staff's May 17, 2006 letter. Certain information in BellSouth's letter contains confidential business information of both BellSouth and third-parties, because it relates to the terms and conditions associated with the provision of service by BellSouth as a billing agent to the third-parties. Further, the contract between the parties contains a confidentiality provision that prohibits BellSouth from publicly disclosing the subject information.

3. Because the information provided in BellSouth's response contains proprietary information, and because BellSouth is required by its contract with third-parties to keep the terms and conditions of said contract confidential, BellSouth is now filing this Request for COUMPACE NUMBER

04784 JUN-28 FPSC-COMMISSION CLERK Specified Confidential Classification pursuant to Section 364.24 and Section 364.183, *Florida Statutes*. Accordingly, it should be held exempt from the public disclosure requirements of Section 119.07, Florida Statutes.

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3. Attachment A to BellSouth's Request for Confidential Classification contains an explanation of the proprietary information and identifies the location of the information designated confidential.

4. Attachment B to BellSouth's Request for Confidential Classification is redacted copies of the document containing the confidential information.

5. Attachment C to BellSouth's Request for Confidential Classification is a highlighted copy of the document containing the confidential information.

6. The original of this Request was filed today with the Division of the Commission Clerk and Administrative Services and a copy was served on the Parties.

WHEREFORE, based on the foregoing, BellSouth respectfully requests that, pursuant to Section 364.183, Florida Statutes, the Commission enter an order declaring the information described above to be confidential, proprietary business information that is not subject to public disclosure.

Respectfully submitted this 2<sup>nd</sup> day of June, 2006.

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ames Meja III RN JAMES MEZA, III

c/o Nancy H. Sims 150 So. Monroe Street, Suite 400 Tallahassee, FL 32301 (305) 347-5558

Indenfield & IPN E. EARL EDENFIELD, Jr.

Suite 4300, BellSouth Center 675 W. Peachtree St., NE Atlanta, GA 30375 (404) 335-0763

COUNSEL FOR BELLSOUTH TELECOMMUNICATIONS, INC.

### ATTACHMENT A

BellSouth Telecommunications, Inc. FPSC May 17, 2006 Letter Request for Confidential Classification Page 1 of 1 6/2/06

## REQUEST FOR CONFIDENTIAL CLASSIFICATION OF BELLSOUTH'S JUNE 2, 2006 LETTER IN RESPONSE TO STAFF MAY 17, 2006 LETTER REGARDING UNAUTHORIZED BILLING

#### **Explanation of Proprietary Information**

1. This information contains confidential, proprietary business information of BellSouth and third-parties. BellSouth is contractually required to keep this information confidential and not publicly disclosure the information.

Page:	Lines	Reason
1	14, 17-20	1
2	1-23, 35-42	1
3	1-22, 27-40	1
4	12-16	1

#### ATTACHMENT B

BellSouth Telecommunications, Inc. FPSC May 17, 2006 Letter Request for Confidential Classification Page 1 of 1 6/2/06

# REQUEST FOR CONFIDENTIAL CLASSIFICATION OF BELLSOUTH'S JUNE 2, 2006 LETTER IN RESPONSE TO STAFF MAY 17, 2006 LETTER REGARDING UNAUTHORIZED BILLING

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**TWO REDACTED COPIES FOR PUBLIC DISCLOSURE** 

BellSouth Telecommunications, Inc. 150 South Monroe Street Suite 400 Tallahassee, Florida 32301

Nancy.Sims@BellSouth.com

Nancy H. Sims Director Regulatory & External Affairs

(850) 577-5555 Fax (850) 222-8640

June 2, 2006

Melinda Watts Bureau of Telecommunications Service Quality, Certification and Enforcement 2540 Shumard Oak Blvd Tallahassee, FL 32399-0850

RE: May 17, 2006 Letter

Dear Ms. Watts:

This letter is in response to your May 17, 2006 letter requesting information regarding what actions BellSouth Telecommunications, Inc. (BellSouth) is taking to ensure that charges from OAN and The Billing Resource, formally Integretel, are legitimate. Portions of

As a convenience to customers, BellSouth offers a "combined" monthly bill that includes charges for BellSouth's local calling service, as well as charges from other third-party companies, such as clearinghouses (i.e. billing aggregators for multiple carriers and other service providers) or other service providers ("Third-Party" or "Third-Parties").<sup>1</sup> These Third-Parties generally provide BellSouth end users with long distance and non-toll services (e.g., internet access, voicemail) independent of BellSouth.

In cases where Third-Party charges are included on the BellSouth bill, BellSouth performs administrative services for these companies by acting as a billing agent. The terms and conditions under which BellSouth offers these services to Third-Parties,

include terms

and conditions specifically aimed at preventing unauthorized Third-Party charges from appearing on BellSouth's end user's bills.

<sup>1</sup> For purposes of this response, the term Third-Parties means clearinghouses as well as those carriers and service providers billing under a clearinghouse ("sub-carrier").



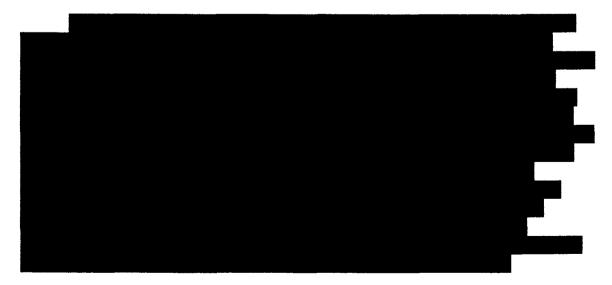
Before billing a non-toll service program on behalf of any Third-Party, BellSouth will review this information and, if acceptable, notify the carrier that the new or revised service program for which BellSouth will be the billing agent has been accepted. Only then will the service program charges be placed on an end user's telephone bill. While this review process will not eliminate all end user complaints of unauthorized charges (e.g., buyer's remorse, authorization from other household members), it allows BellSouth an opportunity to verify the legitimacy of the service program and also gives BellSouth an opportunity to provide feedback to the carrier on any service program materials that may result in end user confusion.

In addition to requiring compliance with this service program approval process, the BellSouth contracts with Third-Parties preclude





In accordance with FPSC Rules, when an end user notifies BellSouth that non-toll Third-Party charges are unauthorized, BellSouth (a) immediately removes the charges from the end user's bill; and (b) notifies the end user that the end user may elect to have these types of third party charges blocked on their BellSouth bill.



BellSouth's Billing and Collection (B&C) Operations group works closely with all Third-Parties, regardless of the Third Party's performance, by monitoring the trend of

unauthorized non-toll charges and informing Third-Parties of negative trends of unauthorized charges and/or specific types of customer complaints on an as-needed basis. In addition, the B&C Operations group has access to daily reports detailing occurrences of unauthorized billing by Third-Parties and uses this information to proactively investigate complaints prior to a Third-Party meeting or exceeding its threshold. Examples of actions taken by BellSouth when BellSouth has identified a spike or upward trend in the numbers include, initiating a meeting with the carrier to discuss the complaints, requesting the carrier to perform a root-cause analysis, asking the carrier to develop an action plan to reduce the number of complaints, reviewing marketing materials from Third-Parties to identify any misleading advertising, and discontinuing billing for a particular Third-Party.



BellSouth takes its obligations to comply with the FPSC Rules regarding cramming seriously and submits that it is in full compliance with all applicable rules and regulations. If you have any further questions or need any additional information, please do not hesitate to contact me or MaryRose Sirianni at (850) 577-5553.

Yours truly,

Namy H. Seme Mrs

**Director - Regulatory Relations** 

BellSouth Telecommunications, Inc. 150 South Monroe Street Suite 400 Tallahassee, Florida 32301

Nancy.Sims@BellSouth.com

Nancy H. Sims Director Regulatory & External Affairs

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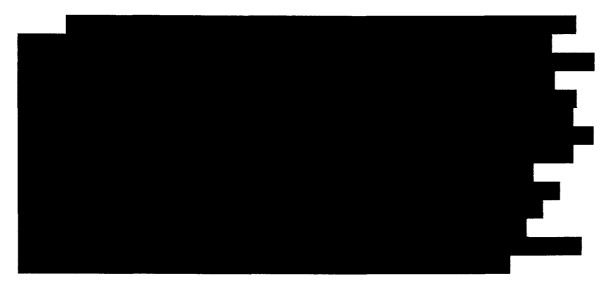
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Yours truly,

Namy H. Seme MRS

**Director - Regulatory Relations** 

## ATTACHMENT C

BellSouth Telecommunications, Inc. FPSC May 17, 2006 Letter Request for Confidential Classification Page 1 of 1 6/2/06

# REQUEST FOR CONFIDENTIAL CLASSIFICATION OF BELLSOUTH'S JUNE 2, 2006 LETTER IN RESPONSE TO STAFF MAY 17, 2006 LETTER REGARDING UNAUTHORIZED BILLING

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# **ONE HIGHLIGHTED COPY**