

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

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In The Matter of	:	DOCKET NO. 910060-TP
Amendment of Rule 4.100	:	<u>HEARING</u>
F.A.C., pertaining to	:	
customer billing	:	<u>VOLUME II</u>

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FPSC, Hearing Room 106
101 East Gaines Street
Tallahassee, Florida

Tuesday, October 8, 1991

FPSC-RECORDS/REPORTING

Met pursuant to adjournment at 1:12 p.m.

BEFORE: COMMISSIONER MICHAEL MCK. WILSON
 COMMISSIONER J. TERRY DEASON
 COMMISSIONER SUSAN F. CLARK

APPEARANCES:

(As heretofore noted.)

REPORTED BY: CAROL CAUSSEAU, CSR, RPR
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1 COMMISSIONER CLARK: Have you thought about
2 using Caller ID to get that? Is that not available?

3 MR. RYDER: Oh, we have the service -- we
4 actually do have the telephone number, it's just a
5 question of being able to match that to the customer
6 record, that's the missing link.

7 COMMISSIONER CLARK: And the only way to get
8 that is the local exchange company?

9 MR. RYDER: Exactly.

10 ROSE LLAUGET

11 appeared as a witness on behalf of GTE and testified as
12 follows:

13 MS. LLAUGET: Rose Llauget, I'm Manager Area
14 IC Account Management. I formerly was the corporate
15 spokesperson for the 976/900 information provider
16 industry, so they drag me out every now and then as a
17 witness.

18 Some of my thunder has been stolen, I guess,
19 with Albert Angel's and Dave Ryder's comments. And
20 we've lived through a lot in the 900 industry/976
21 industry, and I know a lot of it's been said and
22 there's a lot of concerns about protecting the
23 consumers.

24 And I just want to tell you that GTE has been
25 in the 976 business since 1986. And we have in place

1 many rules and regulations which support your concerns
2 and issues and some of the goals of the rulemaking
3 procedures.

4 Golly, Geez, I'm glad this is informal.

5 The pay-per-call services has had a colorful
6 past. We've lived through the Dial-A-Porn industry and
7 the abusers of the callers, especially the one that --
8 OmniCall generated from Seattle, Washington, which was
9 the DTMF over the television to lure kids that couldn't
10 even dial the telephone to place the \$9.99 children's
11 programs. But we've come a long way.

12 There's been many organizations that have
13 gotten together like the NAIS and developed rules by
14 which the industry to live by them. They, themselves,
15 have put in many, many procedures to try to weed out
16 the unscrupulous providers.

17 And, as was said before in one of the
18 hearings, you know, we don't want to throw the baby out
19 with the bath water. And GTE has been one of the
20 supporters of the information provider industry because
21 we feel that it is a valid service. However, it's been
22 perpetrated by unscrupulous providers and it has gotten
23 a lot of attention from media. It's been a hotly
24 debated item among Commissions but we think that
25 there's two purposes here that we want to accomplish in

1 the rulemaking.

2 GTE does have a lot of supporting regulations
3 and rules in their contract and tariffs that we feel
4 that are even far greater protections and parachutes
5 for both the end user customer and the information
6 providers themselves.

7 We recognize our responsibility to insure the
8 protection of the end user. However, we also recognize
9 the necessity of not competitively disadvantaging our
10 home boy IP. Many of the things that you're going to
11 do here today are only going to be in effect and have
12 jurisdiction on intrastate 900/976 service providers.
13 These could, if we put too many constraints on them, we
14 could, in fact, disadvantage them with the majority of
15 the 900 industry information providers who are under
16 the jurisdiction of the FCC.

17 We don't want to inhibit the growth of the
18 pay-per-call industry as well, but we do want to ensure
19 that the end user is aware of the charges and is duly
20 protected.

21 We feel that we've had a balance of this in
22 that we do have end user protections in place. We put
23 in 1+ all 976 to ensure anybody making a call to the
24 976 services figures if there's a 1 and a 976, then
25 there's probably a charge associated with it,

1 especially since 80% of our calls come from a local
2 calling area.

3 No. 2, there's blocking, either customer
4 requested or in the case of abuses that we can initiate
5 at no charge the blocking, and there is an effort
6 underway to eliminate the \$10 NRC. Of course, we would
7 have to file supporting tariff changes.

8 Also in our advertising guidelines, the rules
9 that we see as written in the request for rulemaking
10 could be taken further in that, first of all, our
11 advertising guidelines say that the customer must
12 disclose the price, whether it be a price per call or a
13 per-minute rate, plus toll, if any, because with 976
14 charges, there is additional toll charges.

15 In all children's programs, we've recognized
16 the unique need to address any program that is targeted
17 at children and we have separate rules for children's
18 advertising. So that not to constrict those types of
19 programs that are really directed at adults. And I
20 don't mean adult services, I mean stock market quotes,
21 the services that -- information that the children
22 would not normally be the target market for. And also
23 cross-advertising needs to be addressed and we do
24 address that. That is, cross-advertising is
25 advertising another program on a 1-976 number. In

1 other words, when you finish dialing my program, I say,
2 "Now if you want more information call this number."
3 And we treat that as cross-advertising and therefore it
4 must have the same rules and regulations as all
5 advertising.

6 And also we do have a policy on content which
7 we have appreciated from the start -- the support of
8 the Commission. Many companies, like in California,
9 have not had the support of their Commissions and have
10 been made to put up programs that it did not want to
11 associate with. However, they said you must remain
12 content neutral, and the Commission has always given us
13 the permission to not bill and collect for those
14 services, and that has saved Florida from many of the
15 unscrupulous providers and those providers of
16 Dial-A-Porn. And I don't mean soft core porn, I mean
17 hard core -- pretty nasty stuff out there that I would
18 not, personally, want my kids associated with. And we
19 do have corrective action both against the IP and the
20 IC, in that if the information provider directly
21 violates any of our contract provisions or our tariff
22 provisions, we will, in fact, reach out and dun
23 someone. We will take them out of service after giving
24 them appropriate warning.

25 As far as the IC goes, we would, in fact,

1 tell them that the service being provided is in
2 violation of our billing and collections agreement and
3 again we would ask them to take action on their IP.
4 Nine times out of 10 the interexchange carriers have in
5 place contracts which state the types of services the
6 information provider can and cannot do. As you know,
7 there's only three carriers today providing 900
8 service. As of September 12, the Chapter 11 bankruptcy
9 of Telesphere, they have announced that they are out of
10 the 900 business. And also, Sprint has decided to get
11 out of some, what's classified, I guess, as scopes,
12 soaps and jokes. So there's a change in the industry
13 itself.

14 There's also in information provider and IXC
15 supporting insurance for allowing them a competitive
16 marketplace. We feel the 1+ also helps the information
17 provider in sustaining calls, valid calls. The content
18 policy; they want to see these people that have the
19 hard core porn and questionable programming eliminated
20 as well, because they've had to pay the price. I
21 understand that Dave Ryder's been -- had to go through
22 so many hoops with so many phone companies because
23 someone before him has come in and burned them. Once
24 burned twice shy, so Dave Ryder and the people that
25 provide good programming have paid the price.

1 Advertising guidelines as well. They don't
2 want you to call their programs unless you know there
3 is a cost because again, they can pick up the phone and
4 call the phone company and say, "I didn't know there
5 was a cost." Now advertising guidelines was much, much
6 more important years ago because there have been
7 information providers that have come into my market and
8 they've had a business card like this and they've had
9 the information provider number on here, and the price
10 was disclosed on the opposite side.

11 There's also been TV advertisement that did
12 not have any contrast, IRE contrast, so they would have
13 the telephone number there, but they would blend it so
14 there wasn't any contrast or wasn't any blocking around
15 it that you could not see it. That price could have
16 been as big as the telephone -- I mean, as the
17 telephone number, but you couldn't have seen it.

18 All of these things have led to the "clear
19 and conspicuous" terminology because you can give
20 numerous guidelines, but if that information provider
21 is unscrupulous, he's going to find a way around it.
22 And that's why the "clear and concise" or "clear and
23 conspicuous" was adopted so that there was more ability
24 to make a judgment call either by the LEC or by the IC.

25 And blocking, of course, they would like us

1 to block anybody that's abusing it because ultimately
2 they're the ones that's paying the price. There is no
3 one that's going to suffer like end users because if we
4 lose money, it's recoured back to the information
5 provider or interexchange carrier. If there's a denial
6 or an uncollectible, that means the phone was
7 disconnected for nonpayment either by the GTE -- or
8 disconnected, I'm sorry, either by GTE for nonpayment
9 or by the customer, and that final bill was not paid
10 and there happens to be 900 or 976 calls on that bill.
11 Those are called uncollectibles and they're recoured
12 back to the ICs or IPs, depending on the 976 or 900
13 service.

14 So, as you see, we have a lot of things in
15 place that support what the Commission's efforts is in
16 protecting the end users but also allowing the
17 information providers to operate in our area without
18 being unduly constricted.

19 There are a few things that came up in the
20 rulemaking and it's been said already, so I'm going to
21 back away from a few, but I did want to just reaffirm
22 some of the things that both Mr. Ryder and Mr. Angel
23 said, and we agree with the segregation of the charges.
24 We feel that a customer should know the difference
25 between 900/976, but also all unregulated charges. And

1 if, in fact, we are going to advise them on the bill,
2 "Here are your unregulated charges," then in fact the
3 notice down at the bottom of the bill or in that
4 section of the bill would reaffirm these are
5 nonregulated. You have a note down here that says you
6 don't have to pay nonregulated charges, or your phone
7 service is not subject to disconnect for nonpayment.
8 So, I think in fact on one hand, we are educating the
9 customer on that same bill, but also we're giving them
10 the admonishment that they can't be disconnected.

11 We have in the past done our education
12 through bill stuffers. We've also taken out ads in the
13 newspaper because we don't want people that aren't
14 going to pay for the calls to place those calls. And I
15 think the information providers have been the subject
16 of abuses. I've seen people move into trailer parks
17 and place the orders for phone service and move to the
18 next trailer. Of course, we're looking at addresses so
19 they just move to the next trailer. This phone was
20 disconnected and they didn't pay the bill and there's
21 \$3,000 worth of 900 or 976 calls on it. Or they've
22 taken their name and it was John George, and the next
23 week they're George John and place the order for the
24 phone, so we're not able to match the name. So when
25 you look at the consumers as a whole, we're not talking

1 about the consumers that are the upright, upstanding,
2 you know, people that pay their bills all the time. We
3 are looking for the people that want to abuse 976 or
4 900 service. And that, I think, was what was the point
5 we were trying to make. We don't think that the little
6 old lady in tennis shoes that we're always talking
7 about up here at the Commission is going to look at her
8 phone bill and say, "Oh, I don't have to pay the call,
9 so I'm going to call Horoscope 20 times a day." We
10 don't think that's going to happen. But we do feel
11 that if there is the repetitive notice that you don't
12 have to pay your bill, then I think it does kind of
13 give someone indication that they can make the calls
14 and not pay for it. And I think that's what the
15 reservation from the information providers' side of the
16 house is when it comes to the notice.

17 And I do like nonregulated rather than
18 singling out one's service because I think most of the
19 phone companies are realizing that they do have a
20 resource in billing capabilities and are going to try
21 to get the most bang for their bucks and bill on an
22 ongoing basis for various and sundry services. And so,
23 I think then this would avoid having to readdress the
24 issue at a later date.

25 Children's programs; we don't feel that the

1 preamble -- first off, let me clarify something on the
2 preamble. We would, too, also like to make it known
3 that there is a time constraint that we are faced with
4 here at GTE as well. The same thing with Southern
5 Bell. If you give us a variable time frame, we would
6 rather you set something like during the preamble or
7 within 18 seconds. And if we make sure that in the
8 preamble that they do have to give the price of the
9 call, that we're going to accomplish what we need to
10 accomplish, but no one has any question that billing
11 will begin after 18 seconds. If it's 24 seconds --
12 where do we stop it? The person with a 16-second
13 preamble that says, "Oh, the pick for tonight is the
14 Browns," and somebody hangs up and we've had to put
15 this finite figure there, we might rate his call as
16 zero. So we would rather all calls -- billing starts
17 at 18 seconds. So you must have a preamble that gives
18 the cost of the call and time to hang up within 18
19 seconds, if 18 seconds is a good time. I know some
20 people would like to see that shorter. 18 seconds is a
21 long time, and I know I can say a lot in 18 seconds but
22 some people can't. (Laughter) But I think that's
23 because I was born in the north, but I was just reared
24 in the south. So I'm bilingual. (Laughter)

25 So anyway --

1 COMMISSIONER WILSON: We understand.

2 WITNESS LLAUGET: When I go to New York, I
3 have to talk like this, okay?

4 Another thing that we want to bring up is
5 that we did make the point that we do have a separate
6 guideline for children's programs. And I think it's
7 necessary and we did find it necessary that to ensure
8 that anything targeted at children, children know they
9 have to have their parents' permission.

10 The way the rules are written, my concern is
11 if somebody has a \$2.99, program that they don't have
12 to have a preamble. I think there should be a preamble
13 on every children's program. There should not be any
14 enticement of a gift or premium, there should not be
15 any enticement to call back over and over again, and
16 any cross-advertisement must contain the preamble or
17 eliminate cross-advertisement altogether. If you're
18 calling the bunny rabbit, why should you be told to
19 call the Teenage Mutant Ninja Turtle at the end? But
20 yet, I think if I'm calling -- if I'm advertising a
21 stock quote, I think consideration should be given of
22 making it an admonishment, "Hi, this is the Wall Street
23 Journal and we'd like you to call us and find out the
24 latest stock quotes. Remember you've got to have your
25 parent's permission before placing the call." I mean,

1 unless we have the little nerd, you know, with the
2 glasses and the computer -- you know, I'm just thinking
3 that we need to think about that rule before we make
4 everyone suffer because we're trying to reach the
5 people that are targeting children.

6 There should also be a limit on children's
7 calls. \$5 is a lot of money.

8 COMMISSIONER WILSON: Are there 900 or 976
9 calls that can have the preamble and be completed
10 conveying all the information that's available in under
11 18 seconds?

12 WITNESS LLAUGET: (Nods head up and down.)

13 COMMISSIONER WILSON: So for somebody
14 offering a service, or selling a service, has to make
15 sure that their call lasts at least 18 seconds or they
16 don't get to bill for it?

17 WITNESS LLAUGET: What they would have to do
18 is if you set a guideline, bang, that if that billing
19 system must have, you know, a threshold before it picks
20 up billing on all calls, which, in our case it must,
21 because that's what we're going to have to do is screen
22 for length of call, that your information provider be
23 well aware of this. Because you could pick up the
24 phone and say, "Hi, this is Sports Talk. This call
25 costs \$5.25 and you may hang up at any time." If you

1 don't want to incur the charges, and then stop, hang up
2 three seconds, "Tonight's pick is the Browns."

3 Now, I've just done 18 seconds or less and
4 that call is free. I think there was -- I was made
5 aware of, and I can't speak gospel for this because I
6 didn't see it in any print or anything, but there was
7 an information provider that had a \$50 sports pick call
8 in Atlanta, and I think it was on AT&T's lines, and the
9 gentleman didn't realize this, and all of his calls was
10 rated zero. So he lost at the a lot of money. So I
11 guess there's two things --

12 COMMISSIONER WILSON: He should probably get
13 somebody from the deep south to read his message. That
14 way it would take at least 18 seconds.

15 WITNESS LLAUGET: Absolutely. Any other
16 questions or should I go on?

17 COMMISSIONER WILSON: No, go ahead.

18 WITNESS LLAUGET: I think the prominent
19 disclosure of all prices, either of fixed or first,
20 additional, is a good idea. And we do do it with GTE
21 and we support it. In other words, if the call is \$5
22 per call, it should say "\$5 per call."

23 If it's \$5 for the first minute and 25 cents
24 for each additional minute, that should be made clearly
25 and concisely.

1 There should also be some consideration given
2 to those calls that incur other charges. In other
3 words, there's a credit card scheme out there that it
4 cost you not only \$39.95 for the call, but the credit
5 card is a guaranteed credit card that costs \$300 for
6 you to guarantee the card, plus it costs \$69 and some
7 odds cents for you to get the application processed.

8 I have been successful in turning down those
9 programs because I said that you have to disclose the
10 complete cost of the call and GTE has refused to put
11 those people up because they would not say it costs
12 \$39.95 plus \$69.95 to get it, you know, processed. And
13 if these people had \$300 to secure a credit card, they
14 probably wouldn't be calling this number anyway.

15 The name of the information provider is
16 another point that was brought up on the bill. When a
17 telephone company contracts to do billing and
18 collections, either for an information provider or
19 directly with an IXC for 900 service or any of their
20 services, they have the opportunity -- on 976 it's not
21 an option. We definitely will do it with inquiry. On
22 the other side of the house with any carrier, we will
23 do it with or without inquiry.

24 What that means is that we will function as
25 the point of contact between the customer and the bill

1 generator. So if you have a question on that bill and
2 I am doing the inquiry, you will see my 900 -- my 800
3 number up there -- 900 -- dial 1-900 for Rose. Okay,
4 but you will see that number up there, so I am
5 functioning as the point of contact. So if that
6 customer does have any questions in reference to my
7 local service, GTE's local service, or any of the calls
8 that are billed by GTE, then they would call GTE and
9 that's the number they'd see.

10 If the person does their own inquiry, like in
11 the case of, I believe AT&T, you will see AT&T's number
12 at the top of their section of the bill containing
13 their services. And that's why the information
14 provider's name isn't there. We are functioning as the
15 billing and collecting company and performing that
16 service. However, if the customer requests the name of
17 the information provider, it will be given to them,
18 either by GTE or the LEC or through the IXC carrier.

19 There was some discussion about merchandise
20 sales and I think my statement with the credit card in
21 disclosing the full price would cover this one as well.
22 If the cost of the call is disclosed as it should be
23 with the advertising guidelines, if there are any
24 additional charges, those should be disclosed as well
25 on merchandise sales. Personally, GTE does not put up

1 those types of services. Our tariff is for recorded
2 information only on 976. However, there are some 900
3 companies that will bill for widgets.

4 One of the things that kept coming up and
5 coming up was the 18-year-old buying the cigarettes or
6 the kid being taken for a ride because he hasn't been
7 told, you know, his parents had permission. Everything
8 leads back to the dispute resolution. If there is
9 anything on that bill the customer has question about,
10 whether the child has purchased it or the adult has
11 purchased it and it wasn't within the guidelines as set
12 forth, they have the ability to call and we will adjust
13 the bill. The first-time forgiveness policy isn't just
14 one bill, it's a first-time forgiveness. If they get
15 the bill and there's a time lapse in between the bill
16 cutoff date and when they were rendered the bill and
17 they called us, we will give them another adjustment on
18 the forwarding month. If my kid makes the call, and I
19 don't get my bill until the 10th, the bill cutoff was
20 the 6th, he had six days -- from the 6th to the 10th to
21 make more calls. We will recognize that as a one-time
22 forgiveness. Not just one month, it's not limited to
23 one month. But at that time the subscriber is offered
24 blocking and also advised that no future adjustments
25 would apply. That does not mean that if he got

1 disconnected from a 900 or he was confused about the
2 price or any of those other reasons that we could not,
3 in fact, use judgment and adjust the bill for a valid
4 reason.

5 COMMISSIONER WILSON: Your comment earlier
6 about providing the name of the 900 service provider --

7 WITNESS LLAUGET: Correct.

8 COMMISSIONER WILSON: -- when you are, in
9 fact, operating as the -- doing the billing collect and
10 the inquiry function, what -- is there anything in our
11 rule that you would change to recognize that? The rule
12 already recognizes that --

13 WITNESS LLAUGET: Right, but it --

14 COMMISSIONER WILSON: -- you need to show the
15 name of the 900 service, the service program name, the
16 IXC that provides the transport and then a local or
17 toll free number.

18 WITNESS LLAUGET: It seemed that Mr. Twomey
19 had questioned there that the information provider's
20 name did not appear on the bill. And that -- I was
21 just explaining the reasoning behind that. It wasn't
22 to try to conceal the information provider's name, but
23 it was just -- there's only so many characters in an
24 EMI format, in our record format, that you can use, and
25 normally we put the name of the program. So it helps

1 the end user, the customer, to tie it back to that
2 service. If we put "stock quote," they'll understand
3 they got a stock quote. But if we put "Ryder
4 Communications," that doesn't give them a clue because
5 Ryder could have 400 programs, or give Ryder
6 Communications' name and phone number on the bill,
7 because if you're billing for 900 services and they are
8 a user of 900, they could have twelve 900 calls on
9 there and you would have to have 12 information
10 providers' names and numbers.

11 I feel like I'm walking a fine line, because
12 I am with GTE; however, I was active in the industry
13 and we've come a long way and fought a lot of battles.
14 So I kind of feel like I'm caught in-between, and it
15 seems like I am.

16 I think that's all I have, really. I just --
17 the rules, as written, we agree with the intent behind
18 them. We just feel that there could be some fine
19 tuning to make sure that we're clarifying some of the
20 points. And also making sure that we not only protect
21 the end-user customer but also we allow our information
22 providers who operate here in the state of Florida some
23 equal footing in the competitive, the highly
24 competitive, information provider industry.

25 That's all I have. Questions?

1 COMMISSIONER WILSON: Any questions anybody
2 has of this witness?

3 COMMISSIONER DEASON: I have a question right
4 here. How do you segregate on your bills between
5 regulated and unregulated services?

6 WITNESS LLAUGET: I'm not an expert and we
7 were discussing this at lunch. So currently today
8 there isn't really the two different categories. At
9 the end of the GTE's toll calls, all the 900 services
10 are lumped and in the IC bills, they send us all their
11 tapes and we run them, the 900 services are
12 intermingled.

13 COMMISSIONER DEASON: Well, I thought you
14 testified earlier that it should be segregated. So
15 you're recommending something that you're not doing
16 now?

17 WITNESS LLAUGET: Well, I was going with the
18 rule. I said the rule was a good idea, I believe, that
19 yes, that could happen and it would help the end user
20 understand the difference between regulated and
21 nonregulated charges, so we would in fact be doing what
22 we wanted to do and tell them these are nonregulated
23 and that you can't be disconnected for nonregulated
24 charges.

25 COMMISSIONER DEASON: And you would include

1 all nonregulated services and not distinguish only 900
2 and 976?

3 WITNESS LLAUGET: I'm not the technical
4 expert on that, so I would have to turn the floor over
5 to our expert.

6 COMMISSIONER DEASON: Well, I'll just ask the
7 question at the right time then.

8 MR. BERLINGERI: To address this, I guess
9 basically, my name is James Berlingeri.

10 In response to the particular question, it
11 hinges on what came up earlier in that what are you
12 defining as regulated and unregulated?

13 If it's a tariffed item, then through the
14 process of identifying those tariffed items to the
15 particular provider that's doing the billing of those
16 tariffed items, which, in our case would be GTE, we
17 could then associate those charges to that provider and
18 break them between regulated and nonregulated using
19 particular codes on our tables. Okay?

20 A similar situation is in Pennsylvania where
21 they distinguish between basic and nonbasic services,
22 okay? And what that requires is that they break out
23 their items that they're charging for by the different
24 provider IDs that would distinguish basic from
25 nonbasic. Okay, but when you start talking about

1 nonregulated, that throws in another picture which
2 would be SSP billing, what we call our separate
3 subsidiary billing, which will allow a customer to go
4 to a phone mart, purchase some type of a unit, but be
5 charged on a regulated bill for it. So there's a lot
6 of issues floating around hinging upon what the
7 definition is related to regulated and unregulated.

8 COMMISSIONER WILSON: Well, what about
9 Commissioner Clark's idea, which I take to say
10 basically you would group all the charges together that
11 you can have your phone cut off for if you don't pay
12 them, and just tell the customer, "Pay these or else
13 lose your phone service." And the presumption would be
14 there then that if they did pay that, they would keep
15 their phone and that's the ones that you have to pay --

16 MR. BERLINGERI: Right.

17 COMMISSIONER WILSON: -- in order to maintain
18 phone service.

19 MR. BERLINGERI: I think in our company, we --

20 COMMISSIONER WILSON: There's probably going
21 to be fewer of those than there are of all this other
22 stuff.

23 MR. BERLINGERI: True. I believe that the
24 way we accomplish that today is through our treatment
25 process, because usually you're not explaining to the

1 customer something because it's an exception. What
2 we're talking about is an exception to the customer
3 that's not paying his bill. So you don't explain that
4 to the customer up front. You take care of that
5 through your treatment process related to billing, in
6 that if the customer has not made his payment within a
7 certain period of time, he therefore then gets issued a
8 treatment notice, and on the notice itself, you can
9 inform them of which charges should be paid in order to
10 maintain his local service. Something like that could
11 be addressed.

12 COMMISSIONER WILSON: Sure.

13 MS. KAMPERT: Debbie Kampert with GTE.

14 One thing we wanted to make sure. We haven't
15 discussed the segregation exactly the presentation of
16 nonregulated charges. So I don't know that our
17 witnesses have come prepared to totally talk about what
18 if we did this in this environment. That really hasn't
19 been discussed during this proceeding. So we may not
20 be able to answer all of your questions, and especially
21 not give you time frames especially if it includes any
22 billing changes. We can certainly talk about how it
23 looks on the bill today. James can talk about possibly
24 timing on billing changes or things that are in the works.

25 COMMISSIONER WILSON: Okay.

1 MR. BERLINGER: I just kind of jumped up here
2 in the middle so if you want me to start with what I
3 was about to say or do you want to follow up with
4 questions for Rose?

5 COMMISSIONER WILSON: Well, I think the
6 reason the question came up here is she emphasized the
7 -- the benefits she saw between segregating the bill
8 between regulated and nonregulated because there are
9 consequences that flow from each one. And having them
10 grouped on a bill, makes it, I would think, fairly
11 clear to a customer or consumer who's looking at the
12 bill, these are the charges that if you're going to use
13 a regulated/nonregulated category and you group them in
14 those groups, they can see that I've got to pay these,
15 and my phone service stays on. And if I have a problem
16 with these, then I'm not going to lose my phone service
17 because I have a \$29.95 1-900 number on there.

18 MR. BERLINGER: That's correct.

19 COMMISSIONER WILSON: I mean, we're going to
20 presume a certain amount of personal responsibility on
21 the part of a customer because I don't think you can do
22 everything for somebody. But you need to give enough
23 information that to a reasonably inquiring mind, they
24 could look at the bill and determine which charges were
25 the ones that ought to be paid, and the ones that are

1 not part of that regulated service for which they can
2 lose their connection with the network.

3 MR. BERLINGER: I agree. And I think bottom
4 line what we've established here today is that
5 primarily the first item you look for is the total
6 amount due. And if that falls within a relative amount
7 to what you expect, normally you don't bother reading
8 anything else on your bills. It's evidenced by the
9 answers to the questions of how it appears and so forth
10 that's come up in the discussions today. But it's
11 appropriate we put it there in these situations that
12 we're talking about where we can to identify to a
13 customer when they do incur these charges, how they can
14 take action to remedy that.

15 COMMISSIONER WILSON: You don't segregate --
16 or do you know enough, do you recall enough about it --
17 you don't segregate your bills strictly between
18 regulated and nonregulated, do you?

19 MR. BERLINGER: I do not believe so at this
20 particular time that it's specified that way, so that
21 you can easily determine that, but I --

22 MS. KAMPERT: No, we do not.

23 COMMISSIONER WILSON: I didn't think you did.

24 MR. BERLINGER: I'm primarily working with
25 the new billing system and what we're promoting or

1 pursuing there -- and the issue of this regulated/
2 nonregulated is one that is coming up.

3 COMMISSIONER WILSON: When you say "new
4 billing system," is this an entire new billing system
5 or one just related to the adjustments you have to make
6 because of the 900 service?

7 MR. BERLINGER: It's one that's replacing the
8 existing billing system.

9 COMMISSIONER WILSON: And is that going to
10 give you a lot more flexibility in the design of your
11 bill at shorter notice than has apparently been required
12 in the past where the usual estimate is two years and, you
13 know, \$1.5 million to change one line on the bill?

14 MR. BERLINGER: Yes. (Laughter)

15 And I will say that with a caveat. And that
16 being -- (Laughter)

17 That has to -- you have to understand the
18 situation we're in right now, which is the
19 implementation and conversion schedule, and we're doing
20 this nationwide. And the resources that support those
21 changes and these activities related to the changing
22 the billing system are dedicated to supporting the
23 implementation across the country.

24 We have an implementation schedule which
25 consists of 15 different environments that will be

1 converting to the new system. We have converted two
2 areas today, Pennsylvania and Kentucky. We're starting
3 conversion of Ohio, and Florida is due to convert in
4 the mid-November time frame, which falls in line with
5 the date that was suggested that might come about with
6 the implementation, which brought up the issue that
7 we're concerned about, trying to make this change in
8 time to meet that date given the circumstances we're in
9 with implement and conversion. And I believe that was
10 remedied by the Staff when they suggested the potential
11 of having a waiver, and we would pursue that option in
12 explaining --

13 COMMISSIONER WILSON: Well, one of the things
14 that has been raised by the generic discussion about
15 nonregulated charges is that if you -- one of the
16 reasons people will use the telephone company for
17 billing is because very often there's not a continuing
18 contact between the customer and whoever the provider
19 of service is; it's casual or infrequent. And so the
20 cost of billing by an individual to an individual by a
21 provider where you don't have this long-term
22 relationship I know can be very costly. So the
23 telephone company, as you get increased information
24 services and a number of not only 900 and 976 but other
25 kinds of services that may enter into the universe of

1 available services, for those casual contacts you're
2 going to get more billing.

3 So I'm concerned that we not do something
4 that's real short term here, but that we're thinking
5 down at that point where you're going to have maybe
6 more unregulated, nonregulated services and people that
7 you're billing for, and the need to have that
8 segregation may, in fact, being greater in the near
9 future than it, in fact, is today. And if we can
10 foresee that a little bit and not have to come back
11 here in another year to cope with some other new
12 problem that's cropped up, or in two years to try to
13 address that, I think that would probably be beneficial
14 both for our time and everyone else who is involved.

15 MR. BERLINGER: And that's correct, and
16 that's the direction we were taking with the new
17 system.

18 COMMISSIONER WILSON: Would your new system
19 allow the segregation of regulated and nonregulated?

20 MR. BERLINGER: Yes.

21 COMMISSIONER WILSON: And in Pennsylvania, is
22 that where you said --

23 MR. BERLINGER: Yes.

24 COMMISSIONER WILSON: -- had the
25 basic/nonbasic, you're, in fact, doing that with your

1 billing system now or are in the process of doing that?

2 MR. BERLINGER: And that hinges on what
3 they're calling "basic" and "nonbasic" and how it
4 relates to what we're calling "nonreg."

5 MS. KEMPER: What do they call "basic?"

6 MR. BERLINGER: I don't know if it's a
7 clear-cut distinction.

8 COMMISSIONER WILSON: They just cut your
9 phone off; don't cut your phone off.

10 MR. BERLINGER: Right. And that was the
11 intent, I think, behind breaking those two together.
12 An example of that would be the touch call services and
13 call forwarding features that are available followed to
14 your nonbasic area; whereas, your dial tone service
15 would be your basic area on the bill. So you do have
16 the ability to have that segregation.

17 COMMISSIONER WILSON: Well, in Florida if you
18 don't pay your call forwarding and call waiting and
19 that sort of thing, that's part of your regulated phone
20 bill.

21 MR. BERLINGER: Right. That's what I was
22 getting to about the definition, because it's a
23 tariffed item and so that falls under that -- what we
24 have to get is that definition in order to make the
25 distinction to let the billing system do that.

1 COMMISSIONER WILSON: Commissioner?

2 COMMISSIONER CLARK: I have a question.

3 I was just noticing on this Southern Bell
4 bill that it -- one of the first things it says is that
5 a "1.5% late payment charge will apply to any unpaid
6 balance." That's only -- that would only be the
7 regulated services for GTE, is that right? You would
8 only -- you don't add that to your 976 or 900 services,
9 do you?

10 MR. BERLINGER: It would be determined based
11 upon what the requirement and rules are for charging
12 that late payment. I don't really know the extent --

13 MS. CASWELL: I think he may not be the
14 correct witness for that question.

15 COMMISSIONER CLARK: It doesn't matter --

16 MS. KAMPERT: Total amount due. It's going --

17 COMMISSIONER CLARK: So, in other words,
18 you're adding an interest charge to what they owe to
19 the information provider.

20 MS. KAMPERT: That is true.

21 COMMISSIONER CLARK: I think we may have more
22 things that we need to address than we know about.

23 MS. LLAUGET: There is purchases of accounts
24 receivable.

25 THE REPORTER: I'm sorry. I can't hear you.

1 COMMISSIONER WILSON: We can't --

2 MS. LLAUGET: I'm sorry. There's purchase of
3 an accounts receivable in this. In other words, we
4 paid already, normally, before we collected the money
5 actually, we've paid it to the information providers or
6 the long distance carriers for dollars that we're
7 collecting for them. So it's not like it wasn't our
8 money that we're charging the 1.5% on it.

9 COMMISSIONER CLARK: Do you go back and get
10 the 1.5% when it's uncollectible from the information
11 providers?

12 MS. LLAUGET: I don't --

13 COMMISSIONER WILSON: Where you purchased
14 account receivable.

15 MS. LLAUGET: Right,

16 COMMISSIONER WILSON: And they are
17 uncollectible.

18 MS. LLAUGET: Right.

19 COMMISSIONER WILSON: Do you recourse them
20 back?

21 MS. LLAUGET: Right.

22 COMMISSIONER WILSON: All right. Is there
23 any compensation for the late payment fee that you
24 might otherwise have charged?

25 MS. LLAUGET: No. No. Because they are

1 uncollectible. Now, uncollectible mean they are off
2 the record.

3 COMMISSIONER WILSON: Right.

4 MS. LLAUGET: Okay. And we don't remit to
5 them the 1.5% either.

6 COMMISSIONER WILSON: Where you purchased
7 accounts receivable and you collect a 1.5% late
8 payment, you obviously keep that.

9 MS. LLAUGET: Right.

10 COMMISSIONER WILSON: Because you're dealing
11 with the time value of your money over that period of
12 time.

13 MS. LLAUGET: Right. But if that account
14 goes out and those are then deemed uncollectible, we
15 do, in fact, recourse them back to either the IP or the
16 interexchange carrier.

17 COMMISSIONER WILSON: Do you deal with all
18 900/976 or pay-per-call providers on a purchase of
19 accounts receivable basis?

20 MS. LLAUGET: The 976 -- I mean, I'm sorry.
21 On the long distance carriers, we deal with them on a
22 purchase of accounts receivable basis. On 976 it's not
23 called that but in essence we pay them at the -- we
24 total the calls that are due, let's say for January.
25 By the end of February, we've paid them whether or not

1 we've collected the money or not, so it actually is
2 sort of a purchase of accounts receivable but it's not
3 called that. It's just we do billing and collection
4 and pay them based on the end of the month of the
5 amount of dollars we billed.

6 COMMISSIONER DEASON: In which situations do
7 you actually purchase accounts receivable?

8 MS. LLAUGET: In the long distance carrier
9 arena.

10 COMMISSIONER WILSON: So you view the 900 as
11 just a part of the IXC accounts --

12 MS. LLAUGET: MTS -- Yes, right.

13 COMMISSIONER WILSON: -- that you deal with.

14 MS. LLAUGET: Exactly. 0+, 1+, 900, all of
15 it. It comes all together.

16 COMMISSIONER DEASON: And so in a situation
17 when a 1-900 call is deemed uncollectible and you have
18 already purchased that account receivable, what action
19 do you take at that point?

20 MS. LLAUGET: We write it off as an
21 uncollectible and we charge it back to the carrier.

22 COMMISSIONER DEASON: So you're made whole?

23 MS. LLAUGET: Yeah. Absolutely. Yeah.
24 There was a comment made that the loss is either by
25 uncollectibles or deny or disputed calls would be

1 amortized over the rate base. I don't think that was
2 the exact word that was used, but -- or the ratepayers,
3 but it's not true. We're made whole. The phone
4 company is made whole for even the charges for doing
5 the service.

6 COMMISSIONER CLARK: Let me ask you that, and
7 -- if that's completely true, if you went for two
8 months without money and you're not charging them 1.5%,
9 then you're not made whole?

10 MS. LLAUGET: No.

11 COMMISSIONER CLARK: You've lost --

12 COMMISSIONER WILSON: Not on uncollectibles.

13 MS. LLAUGET: Not on the late payment 1.5%
14 but we're not getting our own 1.5% either, that's true.
15 If they don't pay their bill for two months, and all of
16 a sudden they pay it, we get the 1.5% of the late pay.
17 But if the account goes uncollectible, I mean, it's
18 uncollectible if the person skipped.

19 COMMISSIONER DEASON: So you lose your time
20 value of money for that period.

21 MS. LLAUGET: We lose ours, too, and we
22 recourse any of the charges to the carrier whether it
23 be 0+, 1+, or 900 back to them and back to the IPs we
24 recourse any 976 uncollectible dollars. But no, 1.5%,
25 you're right.

1 COMMISSIONER WILSON: Any other questions?
2 Questions?

3 MR. McLEAN: Yeah. Just briefly -- for you
4 ma'am.

5 CROSS EXAMINATION

6 BY MR. McLEAN:

7 Q This is -- this service that you provide to
8 the IPs is a tariffed item?

9 A To the IPs directly?

10 Q Yes, ma'am.

11 A Yes, it is. To the IXCs interstate is
12 detariffed. Intrastate billing and collection is
13 tariffed.

14 Q Your description seems to imply a great deal
15 of flexibility in the terms of the -- and you've used
16 the term several times, "contracts" to deal with IP.
17 Is that consistent with a tariff? I mean, it seems --

18 A Absolutely. The tariffs shall prevail; on
19 either contract with the IXC or the IPs the tariff
20 shall prevail.

21 Q Is your company very tightly constrained by
22 the tariff?

23 I'll tell you what my point of confusion is.
24 The tariffed items, usually you don't have that much
25 leeway, I mean, you apply them like the tariff says.

1 Yet there seems to be a tremendous amount of
2 flexibility here.

3 A No. I'm sorry if I alluded to that because I
4 didn't mean to.

5 The tariff, as far as 976 goes, the contract
6 is just enforcing the additional provisions such as
7 advertising and what we will or won't do and
8 reaffirming pretty much everything that's in the
9 tariff. So the contract is consistent with the tariff.

10 On the other side of the fence, we have half
11 tariffed/half not. Because we have tariffed rates for
12 billing and collection under intrastate and we have
13 rules and guidelines that we adhere to. But on the
14 other side of the fence, we have the interstate. So
15 when we receive calls from a carrier there is a mixed
16 bag.

17 Q I have the impression then when you're doing
18 intrastate that as a practical matter you have a fairly
19 free hand to negotiate with the providers whatever
20 terms you see fit.

21 A I don't think so. Let me assure you GTE will
22 be --

23 COMMISSIONER WILSON: I may be missing
24 something, but I didn't get that impression at all. So
25 maybe you can tell me what you formed that impression

1 from.

2 MR. McLEAN: Well, I'm not sure exactly what
3 specific gives me that impression but the fact that the
4 witness uses contracts and that the comments used the
5 term "contract" over and over and over again. And if a
6 provider doesn't do the things quite the way GTE wants
7 them to do it, then GTE tells them to do it differently or
8 they refuse service and so forth, doesn't sound to me like
9 a typical tariff item. Tariffs are kind of a surrogate
10 for contracts, in my thinking. Maybe that's not true.

11 WITNESS LLAUGET: We can have stipulations
12 over and above the tariff in some cases such as the
13 advertising guideline. Such as putting down the
14 telephone number in the contract that -- that we're
15 contracting with them for, so there is an associated
16 contract, but it would operate under the guidelines of
17 the tariff. If there was any conflict between the two,
18 the tariff would -- the tariff would prevail. And that
19 is stipulated in both documents.

20 Q Sure. No doubt.

21 Well, the impression I have is that you think
22 this is a pretty good rule, but you say two things:
23 First of all, GTE is probably in many respects even
24 more restrictive than the rule is.

25 A Correct.

1 Q And the second thing you seem to say is, this
2 rule seems spills over into the business of unfairly
3 restricting Florida providers.

4 A In some instances I believe that because
5 people such as Dave Ryder who is an information
6 provider that chooses maybe to home his 900 service out
7 of Florida, could actually pick up his toys and use his
8 New York switch and the heck with the rules.

9 Q Why is that of concern to GTE?

10 A It's not of concern to GTE. I was speaking
11 -- that's why I said I was going a fine line because I
12 have been involved with the industry.

13 But, again, I'd like to keep Dave Ryder doing
14 his business on 976 in Tampa. And, yes, that is a
15 concern because I do make money on the 976 billing and
16 collections. On 900 I don't. I could have used 976, I
17 guess, as well. Dave Ryder could pick up his toys and
18 start doing 900 instead of 976.

19 Q Is there anything that prohibits GTE from
20 engaging and providing the information themselves?

21 A I'm a little shaky on that one. I think
22 Debbie Kampert would be able to address the rule that was
23 relaxed for the Bell System and I think we'd probably
24 follow under that. But I can't address it.

25 MS. CASWELL: We -- no, we can't. To my

1 knowledge, we can't do information services.

2 MR. McLEAN: Is there any plan to do so if
3 you were permitted to do so?

4 MS. CASWELL: To my knowledge we have no
5 plans to do so.

6 MR. McLEAN: Okay. No further questions.

7 CROSS EXAMINATION

8 BY MR. TWOMEY:

9 Q To whoever is the appropriate witness from
10 your company. But first of all, who gives you
11 permission or who has given you permission to charge
12 your telephone customers late payments or interest for
13 unregulated services?

14 A I think we were looking at the total amount
15 due, and I don't know if there is any distinction made
16 between the services. I can't answer that question.

17 MR. TWOMEY: Can anybody that --

18 MS. KAMPERT: Without having the tariff right
19 in front of me, talking about the late payment, I think
20 the tariff basically says we can charge 1.5% on the
21 unpaid balance. And right now our unpaid balance will
22 include 900, you know, all the total charges.

23 MR. TWOMEY: I see. So if that's what the
24 tariff says, then the Commission has approved that and
25 if the Commission wishes that to continue, it might be

1 something they would want to address?

2 MS. KAMPERT: That's correct.

3 Q Okay. With respect to the purchasing of
4 accounts receivable, are you better situated from GTE's
5 perspective in terms of the bottom line if you collect
6 on the accounts receivable. Because you buy the
7 accounts receivable at discount, do you not?

8 A It's based on a Julian calendar day, and I'm
9 just really not -- I'm able to explain it to you in
10 detail, but there is a calculation there.

11 Q You don't pay face value for the accounts.

12 A Yes and no. We receive a tape from them and
13 there is a dollar amount accepted on the tape, and then
14 we pay that amount, but it's based on a Julian calendar
15 day. So I really can't be the expert on that.

16 Q Okay. Maybe we'll ask somebody else.

17 But are you aware of whether or not if you
18 collect on the accounts receivable, you're better off
19 financially than if you have to recourse any of the
20 amounts as the uncollectibles?

21 A It would be very hard for us to implement it
22 that way for the simple reason uncollectibles usually have
23 a 90-day to 120-day lag before they are deemed
24 uncollectible.

25 Adjustments are issued on a going-forward

1 basis. So it could, in fact, if I received it on the
2 first of the month, a tape, and I spun the tape on a
3 bill on the 30th of the month and that person didn't
4 call me until the 30th of the next month, it would be
5 very hard for me to keep track of it. So those are
6 done in the arrears. The payment is made up front but
7 the collectibles and investments are made in arrears.

8 There is, however, on the uncollectibles a
9 percentage withheld from all IXCs going forward. And
10 this is an estimated percentage based on what we call a
11 true-up. And every six months there is a true-up. So
12 if I held 14% from Telesphere -- and I can use them
13 because they are out of that business, I guess -- if I
14 held 14% and their true-up showed 6%, then I would, in
15 fact, owe them 8% at the next true-up. And then I
16 would go down to somewhere of 8 or 10%, depending on
17 the calculation.

18 And in reverse, they could be holding my
19 money. I could be charging them 6% but going forward
20 they owe us 10%, so they have held the money and they
21 have to pay me the difference on the true-up. But come
22 next six months, I'm going to jack that up to make sure
23 I'm covered.

24 Q Sure. If I understood that correctly, then
25 you have the motivation, do you not, to attempt to

1 sustain as a company as many of these charges as
2 possible and collect the money from your customers
3 without having to resort to the uncollectibles, is that
4 correct?

5 A As any company that would perform a service
6 for another company, I have an obligation to do my job.
7 If I say I can do billing and collections, of course I
8 would.

9 GTE has, in its guidelines for collections,
10 steps that we would use to sustain a call. And they
11 would be -- the customer calls us and complains about
12 the call, and we would, first, of course, identify what
13 their call was. It was Cancer. "Did you have -- you
14 know, any of your kids, or your husband or somebody
15 have a birthday in July, or your 16 year old daughter
16 dating somebody that," you know, whatever, we would
17 make an attempt. And they go, "Well, let me check with
18 my family," or if she vehemently says, "No, we didn't
19 make that call or my 14 year old made that call and I'm
20 not paying for it," we would, in fact, issue the
21 adjustment.

22 Q Okay. I wanted to ask you some questions
23 that that regard. It sounds to me like you're familiar
24 with the training that your customer service personnel
25 have for dealing with customers that call in with such

1 inquiries, is that correct?

2 A (Nods head.)

3 Q Okay. Generally, are your customer service
4 personnel trained to, first of all, stress the accuracy
5 of your billing data?

6 A Normally, when we have a billing problem, it
7 is not isolated to one individual. It's usually across
8 the board. If there is duplication of bills, we will
9 know real quickly that there's duplication because it
10 normally doesn't happen with one call. It would be a
11 whole tape sent to us twice. And, yes, they would
12 recognize that.

13 Other things could be, if there was a
14 duplicate we would look at time of day and everybody
15 knows you normally can't make two calls at the same
16 time unless you had the capability of three-way
17 calling, okay, on your telephone.

18 So, yes, they do look at the accuracy as
19 well.

20 Q Okay. My point was, or the question was, are
21 your people trained to stress to the individuals, "You
22 must have made the call because our data is based upon
23 computer controlled telephone switches that were highly
24 accurate."

25 A If it's a direct distance dialing. The

1 industry, as a whole, has always operated that the
2 equipment is correct and pass the ANI data forward.
3 The ANI is passed to the IXC who does their own call
4 recording and rating. So yes, of course we would make
5 that statement. That is one of the techniques in
6 sustaining a call is automatic number identification.

7 Q So when you get rated tapes from an IXC, you
8 assume that they have the same accuracy as you would
9 assume you had from your own switches and you stress
10 that to your customers?

11 A Well, we would assume, yes.

12 Q Okay.

13 A If a customer does have a question on it, I
14 mean, we would take note of it and we would pursue
15 further.

16 Q Certainly. I'm just trying to establish --

17 A Yeah.

18 Q -- What the procedure is.

19 Do you also train your people to stress the
20 fact that any of the bills that are depicted on their
21 individual bill, or any of the charges, are, in fact,
22 legitimate charges?

23 A True. Any charges, whether it be 900, 700;
24 whether it, you know, be MTS, operator services.

25 Q Do you train your people to specifically --

1 A I know something is coming. I'm just waiting
2 for it. (Laughter)

3 Q I may never get there. (Laughter) Do you
4 train your people to specifically discuss with your
5 customers the difference between unregulated and
6 regulated charges?

7 A No. I don't believe we do address that
8 separately, but they are aware that we do bill for
9 inside wire maintenance; we do bill for rentals of
10 telephones and those are under a separate heading. The
11 900 services and 976 services are not.

12 Q Do you believe that with your current status
13 of your training for your customer service personnel
14 that if a customer calls up and asks about a 900 call,
15 that they will in all cases leave that conversation
16 realizing that a 900 call is: one, unregulated, and
17 two, that if they don't pay that charge, that they will
18 not be disconnected from local service?

19 A I don't think we've done any advertisements
20 because this is something new.

21 When that customer calls us, we do everything
22 possible to dispose of the call, whether it be to
23 sustain it, give them enough information to say, "Yes,
24 we did make it and we accept it," or to continue to
25 dispute it. And we would do more investigation on our

1 part, or to, in fact, write the call off and advise
2 them that no future adjustments would apply and offer
3 blocking.

4 Q Okay. Lastly then.

5 A And if it doesn't happen, then there's
6 something wrong with it, and we'll take action on that.

7 Q With respect to the rated tapes, in your
8 experience, do any of the service bureaus or IPs
9 themselves construct or manufacture the tapes
10 themselves?

11 A I was surprised at that question, because I,
12 myself, have not heard of any service bureau actually
13 constructing the tape.

14 What that would, in fact, mean is the ANI
15 would have to be passed forward to the information
16 provider service bureau for them to, in fact, construct
17 a tape and then rate it. And then send it back to the
18 carrier or to a company doing their billing. And, in
19 fact, if that happens, that service bureau would have
20 to have a contract with the LEC to get us to do the
21 billing for them directly, or they'd have to have a
22 billing mechanism -- I mean a billing arrangement
23 through someone that did have that and the same
24 guidelines would apply.

25 Q Okay. So the answer is no, you don't --

1 A I'm not aware of any. I was surprised. It's
2 kind of an unique idea. I'd like to know who is
3 passing the ante --

4 COMMISSIONER WILSON: Are we talking -- help
5 me a minute to get back to the rule that we're talking
6 about. Are we talking about something to do with this
7 rule? This is interesting, but I'm not sure where
8 we're going.

9 MR. TWOMEY: Yes. We are, Commissioner. I
10 think -- the connection I'm trying to get at is the
11 notion that all of this information that comes forward
12 on the bill is accurate as is portrayed to the
13 customers generally. And that it's deserving of the
14 treatment that it gets that --

15 COMMISSIONER WILSON: You mean the timing of
16 the call?

17 MR. TWOMEY: Yes, sir.

18 MS. LLAUGET: Can I ask -- I mean, is there a
19 complaint or something that occurred that would have
20 led to this line of questioning? Because I realize
21 that our complaints that have reached the Commission
22 have increased, but I also realize that it's a growing
23 industry and unless we start talking on percentages,
24 it's hard to compare apples to oranges. I mean, we
25 might have had 300-and-some-odd calls last year, but

1 this year we have had 300-and-some-odd calls, but what
2 is the ratio there? How many totals calls have been
3 placed? This -- it could have might be 10% both cases.
4 So that's -- I have some question there. But I'm just
5 wondering what leads you to -- is there something that
6 happened?

7 Q (By Mr. Twomey) No. My next question to you
8 is going to be to answer your question first: I was
9 told that some of the service bureaus did, in fact --
10 or I was led to believe that some service bureaus, in
11 fact, had the equipment that actually timed the calls
12 and had the ANI or ANE information that actually
13 produced the tapes.

14 And the next question I was going to ask you
15 in that regard is I have seen some individuals here in
16 Tallahassee that have filed complaints with the
17 Attorney General that had been billed for 900 service
18 calls directly from the customers -- from the
19 information provider. And I forget the name of the
20 company, but it was one in Colorado that had generally
21 the same type of specificity that you would see on a
22 LEC bill. It had the date of the call, the program
23 name, the time of the call and its duration and the
24 charges. And that's where I was going. I want to try
25 and find out how that worked.

1 A Were they in fact 900 calls?

2 COMMISSIONER WILSON: Does that really have
3 anything to do with this rule? You can get that out
4 the in the hallway. We have all afternoon but that
5 doesn't mean we have to take it.

6 MR. TWOMEY: I'll drop it. I just --

7 COMMISSIONER WILSON: I mean, I appreciate
8 that you need the answer to that question, but you can
9 find that out off the record here.

10 MS. LLAUGET: I'd like to talk about it too,
11 so I'll meet you in the hall.

12 COMMISSIONER WILSON: Do you, in fact, -- the
13 calls that you bill for come to you on tapes from the
14 IXCs?

15 MS. LLAUGET: Yes, sir.

16 COMMISSIONER WILSON: And you don't get tapes
17 from --

18 MS. LLAUGET: No, sir.

19 COMMISSIONER WILSON: -- 976 or 900
20 providers.

21 MS. LLAUGET: 976, we do the recording and
22 the rating. That's part of our --

23 COMMISSIONER WILSON: Okay. So you either do
24 the record or the rating, or the IXC does the recording
25 and you do the rating off their tapes.

1 MS. LLAUGET: Right. And in his case, what I
2 think the question was, is there is a problem in the
3 accuracy of the data. We don't know that whoever is
4 doing that has the capability.

5 They may, in fact, have a GTE D5 out there and
6 may have sophisticated equipment that can do this for
7 them. And they have chosen to do their billing and
8 collection themselves because they are not faced with the
9 same type of regulations that telephone companies are.

10 And it's a big hotly debated item in the
11 information provider industry that our ability to reach
12 out and dun someone has been severely affected by the
13 regulations, both from the FCC and from the Public
14 Service Commissions. We, in fact, cannot disconnect
15 service, and that's pretty much widely known around the
16 industry and the collectivity has gone down. And it is
17 true. And it's just a cost of doing business.

18 What we're concerned with is putting in some
19 stops to protect the end user that, in fact, would harm
20 information providers further. And that's the reason
21 why when we started talking about nonregulated charges,
22 if we're going to do something, why bring the attention
23 to 900 and single out these people when, in fact, we're
24 probably going to have to change it later when we do
25 other stuff. Why not just say here's your nonregulated

1 and your regulated charges and you can't be
2 disconnected for nonregulated. End of story. We have
3 educated them on that bill; said, "Here are your
4 nonregulated," and we're telling them, "You can't be
5 disconnected." I think it's a more positive approach
6 to the competitive marketplace.

7 COMMISSIONER WILSON: Any more questions?

8 MR. TWOMEY: Yes, sir.

9 COMMISSIONER WILSON: I think you got the
10 answer to your question anyway there.

11 MR. TWOMEY: I think I did. And the concern
12 was that we've seen some that -- we didn't bring them
13 here today, but we've seen some of the scripts from a
14 number of the companies for their customer relations
15 personnel, most of which they sought confidential
16 protection for, that led me to believe that there was a
17 high emphasis on stressing computer accuracy and so
18 forth as a means for discouraging the customer from
19 pursuing the removal of the charge.

20 But I'll drop that.

21 You stated that you were concerned about some
22 customers you've seen apparently that would go to the
23 extent of moving from mobile home to mobile home
24 apparently with the accompanying payment of new
25 telephone and other utility installation charges in

1 order to victimize the information service provider, is
2 that correct?

3 MS. LLAUGET: I have seen it.

4 Q How many have you seen like that in GTE's
5 area?

6 A There's not so much today, but it was not
7 only the 900/976 as well, it's the phone services; this
8 fell under it, too. But with the 900 it was more
9 readily seen because you would have \$3,000 or \$5,000
10 calls. I mean, the guy stood on TV and said he uses
11 the 900 numbers for personal gratification. I mean,
12 you know, the intelligence level of some of these
13 people is amazing, especially when they can devise
14 plans to change their name or move from door-to-door.
15 But, yeah, I've seen it, but we do have, right now, a
16 new deposit policy that we have put in place that has
17 curbed this.

18 Q Okay. But you recognize this isn't your
19 typical little old lady in tennis shoes?

20 A Absolutely.

21 Q Nor is it your average customer?

22 A No. Absolutely.

23 Q These are far-and-few-between misfits.

24 A We have a high tourist area, and we also have
25 a college town. I mean, we've got the University of

1 Tampa, University of South Florida; we have got several
2 small universities. And they have newspapers that they
3 tell these things in, and I think someone brought that
4 up earlier, about hackers.

5 Q Doesn't GTE have some mechanism in its
6 billing system that highlights high bills?

7 A High toll notifiers? That's true. We do
8 for regular toll. We are, in fact, in the process of
9 developing a high-900/high-976 notifier as well that
10 will help us in this industry.

11 Q That will help you spot these misfits?

12 A Yes.

13 Q Okay. If that's the case and if we're
14 looking at just a small percentage of your customers,
15 isn't it unnecessary then to saddle the great majority
16 of your customers with less than full notification of
17 what their rights are, vis-a-vis being disconnected for
18 nonpayment?

19 A I think that end users should be, on the
20 whole, advised of that; I think openly advising it over
21 and over again. Or in the manner in which you advise
22 them, I think that can be tempered with the need to do
23 so.

24 When you put that phrase down on there, nine
25 times out of ten your little old lady in tennis shoes

1 or your average man-on-the-street isn't going to use
2 the 900 services and probably won't be affected by that
3 statement. But your 21-year-old who has been given a
4 phone from his parents will, okay? And they will pay
5 close attention and so will their buddy down the street
6 and their other buddy in the dorm.

7 So that's what we're saying, let's not duly
8 straddle -- unduly straddle the information providers
9 with this rule but let's look at it as a general
10 policy, all nonregulated charges.

11 MR. TWOMEY: Thank you. That's all.

12 COMMISSIONER WILSON: The thrust of your
13 questions is towards customers who, either unknowingly
14 have made 900 calls or didn't realize that there was a
15 charge, and that's the concern for notice so that they
16 know that they have an opportunity to question these
17 calls?

18 MR. TWOMEY: Commissioner Wilson, the thrust
19 of my question is this: The law effectively in this
20 state, because of the FCC's policy and this
21 Commission's own rule against disconnecting a customer
22 from local service for failure to pay any unregulated
23 charge, that's the law.

24 One of the major points that we have
25 requested you can include in this -- in your rules, and

1 you have thus far, in the proposed rule, is to make it
2 abundantly clear to the customers out there, all of
3 them, irrespective of what their age, sex, and
4 motivation is and this kind of scuff stuff, that when
5 they look at their phone bill, two things are clear:
6 One, they have to pay certain local charges or they
7 will be disconnected. And conversely, that they do not
8 have to pay certain unregulated charges or any of the
9 unregulated charges and suffer the risk of losing their
10 local service.

11 It's not to say that they don't owe those
12 bills legitimately and the 900 service provider or
13 whoever, a subsidiary or an affiliate selling CPE
14 couldn't still go out and collect from them. We are
15 just saying we want to make it clear that they know
16 they don't have to pay this at the risk of being cut
17 off. And we don't buy any of the arguments that
18 otherwise decent customers and citizens will be driven
19 to excessive spendings in attempts to victimize either
20 the phone company or information service providers, if
21 they're made fully and completely aware of their
22 rights.

23 WITNESS ROSE: Commissioner Wilson, isn't it
24 true, however, though, any customer that receives a
25 bill from a phone company, there is an inquiries

1 number. And when they pick up a phone and they talk to
2 a service rep on the telephone, and they say, "Well,
3 I'm not going to pay these charges." We, in fact, will
4 note that, that they're not paying their charges and if
5 they come to the point of treatment and the threat of
6 disconnect, that note has been put on there and we
7 cannot disconnect them. We are prevented from
8 disconnecting them for 900 or 976 by tariff.

9 So really what we want to do is just make
10 sure they're aware of it. Do we not accomplish that,
11 though, the goal, the ultimate goal on the other side
12 of the fence?

13 MR. TWOMEY: No, ma'am. If I can respond,
14 Commissioner Wilson?

15 COMMISSIONER WILSON: Sure, because I wasn't
16 going to.

17 MR. TWOMEY: I want to go through you, that
18 the point is not the customers -- our point, speaking
19 for the Attorney General's office -- our point is that
20 a customer shouldn't have to call anybody to be made
21 aware of their existing -- that is, their rights that
22 exist today, they shouldn't have to go to the trouble
23 and effort to call anybody to find out what their
24 rights are. It ought to be clear and unambiguous on
25 their bill, this month, each and every month they know

1 what they have to pay, what they don't have to pay, if
2 they want to maintain their local service.

3 Secondly, what I was trying to suggest to you
4 is by questioning you on your scripts for your customer
5 service personnel is that it is our concern that even
6 when a customer calls to inquire about a bill, that
7 they're not left after that experience with the clear
8 and convincing and unambiguous notion that they don't
9 have to pay certain charges.

10 COMMISSIONER CLARK: Mr. Chairman?

11 COMMISSIONER WILSON: Yes.

12 COMMISSIONER CLARK: I think that point may
13 have been made clear, at least to me, and I'm beginning
14 to get concerned that we still have some testimony.

15 COMMISSIONER WILSON: Yes, we're going to
16 move on.

17 COMMISSIONER CLARK: I would like to make a
18 suggestion that we try to finish up hearing from
19 everybody in the next half hour -- I mean hour -- and
20 then identify -- the Commissioners, maybe, identify
21 those areas in the rule they would like changed and
22 then we can break and allow the Staff to draft those
23 changes. My goal is to have a Bench decision before 5
24 o'clock. So with that in mind, I hope people will --

25 COMMISSIONER WILSON: Take it to heart, yes.

1 COMMISSIONER CLARK: -- and avoid being redundant.
2 If you want to adopt the testimony or points
3 made by other people, please do that.

4 COMMISSIONER WILSON: Any other questions?

5 MR. TWOMEY: No.

6 COMMISSIONER WILSON: Any other comments?

7 (Pause)

8 Have you all gotten your whole presentation in?

9 MR. BERG: Just to the extent if you
10 understand the situation with the timing.

11 COMMISSIONER WILSON: The billing?

12 MR. BERG: The changes required.

13 COMMISSIONER WILSON: I think we all have that.

14 Okay, we'll go back to you all since you were
15 out of the room and it was your turn.

16 (Witness Llauget excused.)

17 - - - - -

18 BETH HARBER

19 was called as a witness on behalf of Southern Bell
20 Telephone and Telegraph Company and testified as
21 follows:

22 MS. HARBER: I'm Beth Harber with Southern
23 Bell. And we have filed testimony or filed comments
24 October the 4th, and basically we support the rules.
25 We've already mentioned our concern about the 18-second

1 preamble or the standard length and so we're in support
2 of the rules as they are proposed.

3 COMMISSIONER WILSON: All right. Does Staff
4 have any questions. Questions?

5 MR. McLEAN: Yes, please. Ma'am, Exhibit 2,
6 does that appear to be an authentic copy of a bill
7 rendered by your company?

8 MS. HARBER: Yes.

9 MR. McLEAN: Is it typical insofar as it
10 apprises a customer of their rights with respect to
11 900/976 calls? Is it typical of other bills?

12 MS. HARBER: Yes, it is.

13 MR. McLEAN: No further questions.

14 COMMISSIONER WILSON: Mr. Twomey?

15 MR. TWOMEY: No questions.

16 COMMISSIONER CLARK: What is "Right Touch
17 Service"?

18 MS. HARBER: Pardon me?

19 COMMISSIONER CLARK: On the first page of the
20 exhibit, what is "Right Touch Service"?

21 MS. HARBER: To be honest, I'm not sure.

22 MR. BERG: It is explained on Page 4 of the
23 bill, about halfway down the page.

24 COMMISSIONER WILSON: Okay, that's the
25 automated --

1 MS. HARBER: Billing system. I mean, as far
2 as to initiate service and discontinue service.

3 MR. McLEAN: Does it say whether it's
4 regulated or unregulated?

5 MS. HARBER: No, it does not. There's no
6 charge for Right Touch Service.

7 COMMISSIONER DEASON: Does Southern Bell
8 purchase accounts receivable from a pay-per-call
9 service providers?

10 MS. HARBER: Right now we have a similar
11 tariff and contract agreement with our 976 vendors
12 where it's not an actual purchase of accounts
13 receivable, but we do pay when we receive their billed
14 charges. And then we recourse or adjust and settle up
15 that way. With the IXCs, we do purchase the accounts
16 receivable.

17 COMMISSIONER DEASON: Okay. So it's
18 basically the same situation as with General?

19 MS. HARBER: Right.

20 COMMISSIONER DEASON: Thank you.

21 COMMISSIONER WILSON: Any more questions of
22 this witness?

23 You're on.

24 MS. WINEGARD: Commissioner Wilson, AT&T has
25 one witness to present today, Mr. Les Sather, and he

1 assures me that he will be brief.

2 LES SATHER

3 was called as a witness on behalf of AT&T and testified
4 as follows:

5 MR. SATHER: I will attempt.

6 I am Les Sather with AT&T. At the onset, I
7 would like to state that AT&T supports the rule as
8 written. I would like to comment briefly on three
9 areas: One for clarification and two with suggested
10 minor modifications.

11 Three areas relate to the 18-second preamble
12 requirement, the parental notice on all programs and
13 the advertising print-size requirement.

14 Regarding preambles, AT&T requires an
15 18-second grace period before billing starts. The
16 preamble message that is allowed under AT&T's
17 guidelines cannot exceed 15 seconds. The information
18 provider is required to ensure that there is three
19 seconds following the preamble message before billing
20 starts. I believe that our guidelines conform to the
21 rule but I believe address it more specifically. In
22 other words, if the preamble message is less than 15
23 seconds, the information provider could start providing
24 information; however, billing would not take place
25 until after 18 seconds.

1 Regarding the requirement for parental
2 notification, on each program, we feel that this is
3 perhaps not in the best interest, and I would suggest
4 the following modification which AT&T utilizes in its
5 billing guidelines: In the rule where it addresses
6 "parental notification requirement is announced on all
7 preambles for all programs," I would suggest we insert
8 between "all" and "programs," "where there is a
9 potential for minors to be attracted today the
10 program."

11 Certainly, as many people have addressed,
12 minors are not likely attracted to stock quotes.
13 Certainly, this does require a degree of judgment.
14 AT&T exercises that judgment. In the programs, I
15 believe that rules that do not allow for judgment
16 generally result in poor rules that are tended to work
17 around and do not accomplish the underlying objective.

18 COMMISSIONER WILSON: How would, assuming we
19 did something like that and you allowed a message on
20 that someone found was attractive to children and you
21 still chose not to do that, would upon complaint to
22 this Commission, the Commission says, "All right.
23 We're going to have a proceeding on this; we think
24 you've got to put it on that one." Is that the way
25 that process would work; that this program in our

1 judgment requires a parental consent?

2 MR. SATHER: I think, Commissioner, if there
3 was a type of program that was viewed by any Commission
4 to be in that category, we would be willing to
5 accommodate that. We monitor the advertising before
6 it's distributed. We monitor how the preambles are
7 worded. We look at the content type and our presales
8 review attempts to catch all of these.

9 Additionally, we go back and monitor certain
10 programs to ensure that they are conforming to our
11 guidelines. So we would certainly hope to catch any
12 problem in that regard before it came to the attention
13 of a Commission or anyone else.

14 COMMISSIONER WILSON: Tell me what your
15 language was again.

16 MR. SATHER: Between those two words, "where
17 there is a potential for minors to be attracted to the
18 program." (Pause)

19 Is there anything else in that regard?

20 COMMISSIONER WILSON: No.

21 MR. SATHER: All right. The last point I
22 wish to address is the requirement for the same print
23 size as the telephone number in advertising. We
24 believe that that is unduly onerous, particularly in
25 light of the requirements of AT&T's guidelines.

1 We require that the charges be displayed
2 immediately above, below, or next to the 900 number in
3 type size that can be seen as clearly and conspicuously
4 at a glance as the 900 number. We believe the
5 objective is that the consumer is able to see the price
6 at the same time they're addressing the 900 number and
7 clearly.

8 Utilizing merely a requirement of print size,
9 be that at the top of the screen in a lighter color,
10 may have very large print but would not meet AT&T's
11 guidelines. We believe that our guidelines meet the
12 objective and ensure that the customer can ascertain at
13 a glance, at the same time they're looking at the
14 number, the price. Additionally, we require that the
15 price be displayed whenever the telephone number is
16 displayed for the same duration.

17 We believe that the same print size
18 requirement, although certainly aims at properly
19 informing the customer, is best addressed by either
20 more concise language as AT&T is utilizing, or that the
21 language "clear and conspicuous" is adequate, given
22 that we use adequate guidelines within our contractual
23 arrangements with the information providers.

24 That concludes AT&T's comments.

25 COMMISSIONER WILSON: You require that

1 number, the price to be displayed at the same time, did
2 you say, and for the same duration --

3 MR. SATHER: Yes, we do.

4 COMMISSIONER WILSON: -- as the number?

5 MR. SATHER: A key item there is the
6 proximity to the number that AT&T has keyed on. I get
7 into discussions with our people dealing with this.

8 Also a key item is a color that meets the
9 criteria of "clear and conspicuous." There are
10 colors, for example, on TV advertising that are large
11 but not necessarily as noticeable. So we review that,
12 and AT&T reserves the right to determine the
13 appropriateness of the type size. We review all
14 advertising.

15 COMMISSIONER WILSON: So your feeling is that
16 saying "in the same print size," really doesn't get you
17 everything that we have sort of been assuming that we
18 think we get by saying "in the same print size"?

19 MR. SATHER: Yes, I do. I fully support the
20 objective of that rule. But again, if you look at the
21 same print size and coupled with our rule it has to be
22 right next to it or above or below, you're just about
23 obliterating perhaps a third of the screen in that
24 process. I believe that our rule clearly meets the
25 objective but by still not requiring the same print

1 size.

2 COMMISSIONER WILSON: Okay. Any questions?

3 MR. McLEAN: Briefly.

4 CROSS EXAMINATION

5 BY MR. McLEAN:

6 Q Sir, the AT&T's comments, first -- I'm sorry.
7 The third full paragraph, first page, ends with a
8 sentence, "This rule specifically prohibits states from
9 imposing different preamble requirements." Wouldn't
10 it be more accurate to say that the FCC rule prohibits
11 states from imposing preamble requirements which are
12 inconsistent with the FCC rule?

13 A You're referring to the news release? Yes,
14 it does.

15 Q Wouldn't it be more accurate to say that it
16 prohibits things inconsistent with the FCC rule?

17 A Read that again.

18 Q The point is that the FCC doesn't prohibit
19 different language, it prohibits inconsistent language?

20 A Well, let me comment on that briefly, if I
21 might.

22 Of course, all we have from the FCC is a news
23 release. Certainly, they addressed a need for
24 consistent preamble requirements, and AT&T certainly
25 shares that view.

1 For example, it's important that you, for
2 example, know that you have an 18-second consistent
3 requirement in there regardless of the location of the
4 information provider.

5 I think that what we're addressing here and
6 what we're proposing is consistent with what we
7 anticipate the rule to be, given our lack of knowledge.

8 Q If the FCC requires you to warn in programs
9 which are intended to do children or to attract
10 children and this Commission orders you to do it on
11 everyone, is it your testimony that the FCC rule is
12 thus violated?

13 A That would appear to be a possibility that I
14 would ask my lawyers to comment on.

15 MR. TYE: Mr. Chairman, I don't think we can
16 know that until we see the rules and the rules haven't
17 been released yet.

18 MR. MCLEAN: Your witness uses the term
19 "inconsistent" in Paragraph 1 and "different" in
20 Paragraph 2, and the difference is more than semantic,
21 but it is simply a point we want to draw to the
22 Commission's attention.

23 MR. TYE: For the sake of the record, the
24 comments were signed by myself with Ms. Winegard, not
25 by the witness. I think the FCC rule will speak for

1 itself when we get the text of it.

2 MR. McLEAN: Still, the witness says, or
3 whoever says, AT&T says that you can't do this because
4 the FCC says you can't. Well, FCC doesn't say that
5 difference is prohibited, it says inconsistencies are
6 prohibited. You may wish to do more than the FCC does.

7 COMMISSIONER CLARK: I get your point.

8 MR. McLEAN: Good.

9 COMMISSIONER WILSON: I view their comments
10 here as softening that statement somewhat.

11 Q (By Mr. McLean) With respect to, would you
12 look at Exhibit No. 2, which is the Bell bill, and
13 would you look at Page 5?

14 A Yes.

15 Q It's my impression -- correct it, if you will
16 -- on that page is print which I would adjudge to be
17 about 24 point and then some roughly 12 and then some
18 roughly about 8 point. Would you agree with that?

19 A You're beyond my area of expertise.

20 Q Would you take it subject to check?

21 A Are you sure we're on Page 5?

22 Q Yes, sir, Page 5 of Exhibit 2.

23 A Well, I have -- if you have Page 6 is the
24 AT&T bill, I would not comment on Southern Bell's
25 portion of the bill.

1 Q Well, I just want to ask you generally the
2 duration is the same and one appears below the other.
3 I wonder if you find one more noticeable than the
4 other, is the 24 point print inherently more noticeable
5 than the 8 point?

6 A What specific reference line items are you
7 looking at?

8 Q Okay, I'll help you. Page 5, I see "Southern
9 Bell" at the top.

10 A Yes.

11 Q Then down at the bottom, there's something
12 that says, I think it says, "Nonpayment of regulated
13 charges may result in discontinuance of service," and
14 so forth.

15 A Yes.

16 Q Do you find one of those phrases or some of
17 those words more noticeable than the others?

18 A Yes, I do.

19 Q Thank you, sir. No further questions.

20 A I would also note that --

21 COMMISSIONER WILSON: Would this meet the
22 requirements you have for immediately below, beside or
23 above?

24 MR. SATHER: No, it would not, nor do I
25 believe it would meet the requirement as to our print

1 size as to being easily reasonable and understood at
2 the same glance.

3 COMMISSIONER WILSON: I think all of this
4 print ought to read "meet the 40-year-old rule."

5 (Laughter)

6 MR. SATHER: I would agree with that.

7 COMMISSIONER WILSON: Which is when my vision
8 began deteriorating rapidly.

9 MR. TWOMEY: Just a couple of questions.

10 CROSS EXAMINATION

11 BY MR. TWOMEY:

12 Q Sir, would you read again your Company's
13 requirements, your standards, on the type size for
14 advertising? (Pause) Starting with the "above and
15 below," and that kind of thing.

16 A This is regarding print --

17 Q Yes, sir.

18 A -- or print broadcast or TV advertising.

19 "Display charges immediately above, below, or next to
20 the 900 number in type size that can be seen as clearly
21 and conspicuously at a glance as the 900 number."

22 Q Okay. And my question to you is: If the
23 size print of the telephone number and the cost of the
24 call is not the same size, how, in fact, can it be just
25 as clear and conspicuous and capable of being seen at a

1 glance?

2 A Well, I think there are a couple of reasons
3 that it can be. Number one, if you're looking at
4 extremely broad print that requires me to sweep my eyes
5 and head across a large panorama, it does not meet the
6 requirement of being legible at a glance. But,
7 therefore, if you're looking merely at extremely large
8 print, you're not meeting our criteria.

9 I also believe, I think Commissioner Wilson
10 had a good point. What is the 40-year-old test?
11 Certainly if I can read it easily on a screen, I think
12 it passes that criteria.

13 Q Would you agree with me that if we said that
14 the two numbers, that is, the telephone number and the
15 cost data, had to be in the same size print, color and
16 contrast, that that would meet everybody's requirement?

17 A No, I do not believe it would. I don't
18 believe it would lead to clear understanding, nor would
19 it lead to what I believe would be a pleasing or
20 attractive advertisement.

21 Q Okay. Your second area about the preamble
22 with the "all calls"?

23 A Yes.

24 Q Why wouldn't -- this rule as proposed allows
25 for the bypass, I think it's called, of preambles, is

1 that correct?

2 A Yeah, the override? Yes.

3 Q Yes, sir. Why won't the ability of the
4 sophisticated person who is going to get stock quotes
5 and so forth, why can't the ability to bypass rectify
6 the problem that you see with the preamble for
7 children?

8 A I think, first, if you were addressing a
9 program at the sophisticated individual in the stock
10 community, I don't think it's beneficial to the
11 provider to insult that individual's intelligence. I
12 think, also, the ability to override or bypass is that
13 which is usable by a frequent caller; and regardless of
14 what information, that individual knows I'm getting a
15 stock quote of this item. So the preamble, whether it
16 contained an age requirement or anything else, is
17 irrelevant. They know the price they're dealing with
18 and they know the service.

19 Q Wasn't that part --

20 A I do not believe that overly broad, shot-gun
21 approaches to items, generally are as effective as
22 shooting with a rifle. When you want to target
23 something specifically, I believe you're more effective
24 to ensure that you are targeting the right area. You
25 tend to lose emphasis by merely shotgunning in the air

1 at everything that flies by.

2 MR. TWOMEY: I agree. Thank you.

3 I agree with the shotgun analysis versus the
4 rifle.

5 COMMISSIONER WILSON: Other questions?

6 Next witness?

7 MR. McLEAN: We're not going to present a
8 witness.

9 COMMISSIONER WILSON: All right.

10 MR. BERG: We have no concern with the rule
11 as written that raises to the level where we think we
12 need to make comments.

13 MR. WAHLEN: Centel has filed comments and
14 cease no need to provide additional comments at this
15 time.

16 COMMISSIONER WILSON: All right. Anybody
17 else for comment? No.

18 All right, Commissioners, let's take a few
19 minutes and then we'll come back and start discussing
20 the specific provisions of the rule.

21 (Witness Sather excused.)

22 (Brief recess.)

23 - - - - -

24 COMMISSIONER WILSON: Commissioners, I'm not
25 sure how you want to handle this, but what I thought

1 what we might do is just go to the beginning of the
2 rule. And as we come to provisions where parties have
3 suggested that there might be some language change or
4 have at least discussed the substance of that rule, we
5 proceed to decide whether we want to change it or make
6 any amendment to it or not. And I guess we really
7 start where the existing rule has been changed, which I
8 think is beginning on Page 7. Is that correct?

9 MR. BROWN: Yes, Commissioners. In fact, I
10 have copies here of just the portion of the rule that
11 has been changed if you would like to just work off of
12 those copies.

13 COMMISSIONER WILSON: Does it have the same
14 numbering as the one that's in my booklet here?

15 MR. BROWN: Nine, 10, the same lettering, it
16 just doesn't have the numbering of the beginning, the
17 25-4.

18 COMMISSIONER WILSON: I don't think it really
19 matters. Would you like to have another copy just to
20 work off?

21 COMMISSIONER CLARK: Well, I was thinking it
22 would be better to work off just what is in the notice
23 because I think that's what everyone appears to have.

24 COMMISSIONER WILSON: Is this a copy of what
25 was in the notice, it's just those pages with the

1 changes.

2 MR. BROWN: It's the copy of the notice --

3 COMMISSIONER CLARK: I think I have seen that
4 and that's difficult to use. Is it this one (indicating)?

5 MR. BROWN: Yes.

6 COMMISSIONER CLARK: Yeah. I'd rather use
7 what's in the notice.

8 COMMISSIONER WILSON: All right. Let's do
9 that, then.

10 COMMISSIONER CLARK: That's under tab 2 for us.

11 COMMISSIONER WILSON: Right.

12 All right, the first -- there's not a problem
13 with (9), is there?

14 COMMISSIONER CLARK: I don't recall that
15 there were any changes suggested to that and I
16 certainly don't recommend them.

17 COMMISSIONER WILSON: I don't think so
18 either.

19 Section 10, one of the changes that you had
20 made from the prior rule is that you are now referring
21 to it as "pay-per-call." Is that right?

22 MR. BROWN: Yes, sir. (Pause)

23 COMMISSIONER WILSON: I guess the first
24 change that we come to or the first issue that we come
25 to is the extent to which -- well, I guess it's not,

1 either. Is this where we address the issue of the
2 prominence of the nonpayment of pay-per-call on the
3 bill itself or is it --

4 MR. BROWN: Yes, it would be in Section
5 (10)(a)1, there.

6 COMMISSIONER CLARK: Mr. Chairman, I did have
7 a question on that, and I had a concern that even if we
8 wanted to change that such that it would read
9 "nonpayment of nonregulated charges will not result in
10 disconnection of local service," I'm wondering if our
11 notice is broad enough to cover that kind of change.

12 COMMISSIONER WILSON: Well, I think what
13 you're saying carries with it the presumption that you
14 would then take all nonregulated calls and group them
15 with these and segregate them in a fashion that
16 apparently is not required by our rules now. Quite
17 frankly, looking at this Southern Bell bill, that is
18 not adequate to me for notice.

19 COMMISSIONER DEASON: Is there a particular
20 problem that has been identified with one section that
21 we need to address further? Are we looking at
22 (10)(a)1, is that --

23 COMMISSIONER CLARK: Yes.

24 COMMISSIONER WILSON: As I understand, the
25 problem that was raised was distinguishing the

1 pay-per-call, the requirements for pay-per-call, when
2 you don't do similar distinctions for other
3 nonregulated services. And if the point of this is to
4 advise customers that their phone service can only be
5 suspended for nonpayment of regulated charges, this
6 only addresses one little piece and may, in fact, when
7 we look at the broader picture, we may have to go back
8 and readdress this anyway. I guess the question is, is
9 there any way we can deal with this that would be
10 consistent with an overall policy of distinguishing
11 between regulated and nonregulated?

12 COMMISSIONER DEASON: Well, I think it would
13 certainly be inadequate just to say that service will
14 not be disconnected for nonpayment of nonregulated
15 services because the average customer doesn't know the
16 difference between what's regulated and what's not
17 regulated.

18 COMMISSIONER WILSON: If you're not
19 distinguishing on the bill between nonregulated and
20 regulated then telling someone they don't have to pay
21 -- or that they can only be terminated for nonpayment
22 of regulated services, doesn't give them any
23 information at all, I agree with you.

24 COMMISSIONER DEASON: I agree.

25 COMMISSIONER WILSON: The question is how can

1 we address that today, or can we?

2 MR. BROWN: Commissioners, this is also
3 appearing in a section that is titled "Pay-Per-Call
4 Services/Nonregulated Charges." The section is titled
5 that.

6 COMMISSIONER WILSON: Well, my other concern
7 is when we look at the broader picture, and we see
8 other services enter this universe of information
9 services or whatever, and local companies may be
10 billing for those, are we going to have a different
11 section of the rule for every kind of thing they can
12 bill on there and you end up with a 45-page bill coming
13 to the customers where they list each one of these and
14 have maybe a little different requirements for every
15 nonregulated service? I think it ought to be addressed
16 in pretty consistent and a more broad way.

17 COMMISSIONER CLARK: Commissioners, I'm a
18 little uncomfortable with broadening what we had
19 proposed in the rule. And it seems to me the provision
20 on nonpayment, if it is going to be generic to
21 unregulated services, it more appropriately belongs in
22 (9), in new (9). (Pause)

23 And what I would suggest is that we direct
24 Staff to come up with a rule that addresses the
25 segregation of regulated from unregulated services, and

1 that they propose a rule amendment to address that.
2 But in the meantime, we leave in the provision in the
3 rule currently which says that they shall provide
4 notice that nonpayment of pay-per-call will not result
5 in disconnection of local service.

6 COMMISSIONER DEASON: Are you recommending
7 that we leave the rule as proposed for now and that we
8 just direct Staff to look at the broader question for a
9 separate, a potential separate rule proposal sometime
10 down the road?

11 COMMISSIONER CLARK: Not "sometime down the
12 road," but pretty soon "down the road."

13 COMMISSIONER WILSON: Is it your intention,
14 though, that when that very much broader policy is
15 incorporated in the language in the rule, that it would
16 supersede --

17 COMMISSIONER CLARK: Yes, and we would delete
18 what is currently in the rule.

19 COMMISSIONER WILSON: -- the specific
20 language with charges.

21 Let me ask on Lines 15 and 16 where we say
22 "charges for pay-per-call service shall be segregated
23 from charges from regular long distance or local
24 charges." Are we, in fact, saying "shall be segregated
25 from regular charges?" Is that the thrust of that? Do

1 we need to make that distinction at this point?

2 MR. BROWN: There may be some unregulated
3 charges in those local or long distance charges.

4 COMMISSIONER WILSON: All right, so that --

5 MR. BROWN: Absent that, so we're just
6 basically, you know, providing a subsection for these
7 services.

8 COMMISSIONER WILSON: All right. I agree
9 that the problem needs to be addressed. I'm not sure
10 we can do it in this rule with the limited scope of
11 this rule.

12 MS. BUTLER: Commissioners? I'm sorry.

13 COMMISSIONER DEASON: I tend to agree with
14 that. And if nothing else, if there's a broader
15 question that needs to be addressed later on, we can do
16 that. But leaving this as it is now, I think that we
17 are accomplishing for certain an educational endeavor
18 in that customers are going to be advised of this. We
19 may reach a point down the road where we feel like that
20 every reasonable customer knows that their service will
21 not be disconnected from nonpayment and that may be
22 discontinued, I don't know. But I think it's extremely
23 important that this be there now and that we continue
24 to educate the customers as to what their rights are
25 and that it be specifically detailed that it pertains

1 to 900 and 976.

2 MS. BUTLER: I wanted to point out that in an
3 earlier section of the rule, I think it's, well,
4 410(1)(c) where it lists what each bill rendered by a
5 local exchange company must contain. No. 2 under that
6 says it must contain a statement that "nonpayment of
7 regulated charges may result in discontinuance of
8 service. Customer may contact the business office to
9 determine what's regulated."

10 My recollection of -- I'm not saying that we
11 shouldn't pursue what you're talking about right now,
12 but my recollection of that specific language we
13 adopted that when we adopted the itemized bill rule in
14 general, and that language was debated at that time
15 whether or not it ought to say you can't be
16 disconnected for nonpayment of unregulated charges
17 versus the language that came out. And I think there
18 was concern that customers would be operating in the
19 belief that they didn't have to pay the unregulated
20 charges.

21 So that was why the Commission made the
22 decision back when it did to include the language as it
23 is today. We can pursue changing it so that it's
24 essentially the converse of what you're talking about,
25 the opposite, and we'll do that. And that's the

1 section to do it in, in my opinion, because it would
2 just replace that language.

3 COMMISSIONER WILSON: Well, are you stating a
4 preference for the language that's under C here that
5 says "Nonpayment of regulated charges may result in
6 discontinuance of service," rather than what's
7 appearing in the pay-per-call section, which says that,
8 "Nonpayment of these calls will not result in
9 disconnection"?

10 MS. BUTLER: My belief is that pay-per-call
11 services are different from other services that today
12 the local exchange companies bill for. As Mr. Brown
13 stated earlier, the other services that the local
14 exchange companies bill for, such as inside wire, CPE,
15 other services, are monthly bills that are predictable
16 and you know what they are, you sign up for them and
17 you get them. And we've got a section in the bill that
18 is relatively recent, is went in just this March, that
19 says that the companies have to distinguish their
20 nonregulated charges; they have to say they're
21 nonregulated and they have to be separate from the
22 regulated charges.

23 I'm not sure that all the local exchange
24 companies have implemented that part of our rule. And,
25 quite frankly, I'm not sure they were really aware that

1 it went in until today.

2 COMMISSIONER WILSON: Where is that?

3 MS. BUTLER: That's in that same section.

4 "Each bill rendered shall separately state the
5 following items: (c), unregulated charges identified as
6 unregulated." My opinion, though, is 976 and 900 and
7 other services where a customer is getting a bill on a
8 one-time occasion, where it varies, you know, if all
9 900 charges were \$2, probably we wouldn't -- or \$5 or
10 \$10, where customers knew with predictability exactly
11 what they were going to be paying each time they made
12 one of these calls, we probably wouldn't be having the
13 confusion that we do today.

14 Being that they do vary by, you know, who the
15 provider is and what the service is, I think that they
16 are different from other nonregulated charges that
17 today are on the local exchange company's bill. And
18 that may be something that we would want to pursue as a
19 generic issue in how local exchange companies will bill
20 for services in the future on a more generic basis
21 rather than pinpointing one type of provider. You know
22 what I'm saying? There are other information services
23 that may fall under this in the long run.

24 COMMISSIONER WILSON: So the specific issue
25 that we were concerned about which is the distinction

1 between regulated and unregulated is already required by
2 our current rule. So if you have a statement in there
3 that says nonpayment of regulated charges may result in
4 discontinuance of services, you can, in fact, look at
5 the bill and determine which charges are regulated and
6 which charges are nonregulated.

7 MS. BUTLER: Can you determine what are
8 nonregulated and what is left over should be regulated.
9 I'm not sure that it is reasonable to expect everybody
10 to know that.

11 COMMISSIONER WILSON: If what is left over
12 isn't regulated, then they have not sufficiently
13 identified the unrelated charges. Because it seems to
14 me only two categories; they're either unregulated or
15 they're regulated.

16 COMMISSIONER DEASON: But you're saying even
17 recognizing that situation, that you think that the
18 language as proposed concerning the 900/976 should stay
19 because of the unique nature of that service, that it's
20 not a recurring-type charge and that there have been
21 abuses in the past and that --

22 MS. BUTLER: Well, I don't know that I would
23 call it "abuses" as much as customers need to have the
24 information.

25 We're giving customers a lot more choices

1 today than they've ever had before. And when you give
2 people choices, you have, in my opinion, an obligation
3 to give them the information that they need to make
4 those choices. So this is more, I would call it more
5 information giving.

6 MR. BROWN: May I make a point?

7 COMMISSIONER CLARK: So do you think this
8 phone bill complies with the rule? (Pause)

9 MS. BUTLER: I don't think that it does
10 because it doesn't show that the maintenance plans are
11 nonregulated.

12 COMMISSIONER CLARK: Does it show anywhere
13 what's unregulated? Does it identify them as regulated?

14 MS. BUTLER: That's what I'm saying, I'm not
15 sure that all the local exchange companies were aware
16 of that rule change because we did it in the context of
17 some changes in the statute that required some
18 different notice provisions and also the no sale
19 solicitation changes.

20 COMMISSIONER WILSON: I think they probably
21 know now.

22 MS. BUTLER: I think they do, but I'm not
23 sure that we would look at any of the local exchange
24 companies necessarily and find that that is in their
25 bill today.

1 COMMISSIONER WILSON: Well, I'll support
2 leaving the language the way it is now with the
3 repeated concern that as we see other kinds of calls
4 billed by local exchange companies, we may have -- we
5 may need to go back in and broaden this category.
6 Because right now the way we're defining pay-per-call
7 it's 900/976 and that's it. It may be that pay-per-
8 instance of other kind of calls because we really don't
9 know what is going to develop.

10 MS. BUTLER: I actually -- it says it includes
11 976 and 900 but it doesn't say that it's exclusively that.

12 COMMISSIONER WILSON: No. If you read on Line
13 15 under Section 8, it says, "Charges for pay call
14 service --

15 MS. BUTLER: Oh, okay.

16 COMMISSIONER WILSON: -- (900 or 976) shall
17 be segregated."

18 MS. BUTLER: Perhaps what we ought to do is
19 remove that then.

20 COMMISSIONER CLARK: No. Wait a minute --
21 that is explained further up in the rule. That's
22 really just an example. I mean, it says "pay-per-call
23 includes but not limited to." I had the same concern
24 but then I read somewhere else that it was -- yeah.

25 MR. BROWN: In Section (10) there is a

1 definition of pay-per-call, it's within that section,
2 the first paragraph.

3 MS. BUTLER: I'm thinking of Southern Bell,
4 for example, in their territory offers the service
5 universal access number, UAN, which is a 440 prefix.
6 And I think it may be other things in other parts of
7 the country; maybe other local exchange companies.
8 With that, ANI is one of the offerings with that which
9 provides the opportunity for billing information. So
10 that would be an information service.

11 Ostensibly, those people using the UAN could
12 have the local exchange company. We've got a tariff in
13 for -- no, that's for a telephone answering service,
14 but for the local exchange companies, for Southern Bell
15 to bill for telephone answering services. And I would
16 assume that that would eventually come out from our
17 information service providers and I would see that this
18 rule would cover that; the information service, you
19 know.

20 COMMISSIONER WILSON: We don't have a problem
21 with saying "per call" or "per minute"? We're not
22 trapping ourselves with that language, are we?

23 MS. BUTLER: By calling it pay-per-call?

24 COMMISSIONER WILSON: Per-call and defining
25 it as an information provider's program at a per-call

1 charge?

2 MS. BUTLER: You probably need to get an
3 attorney on that one, because I --

4 COMMISSIONER WILSON: Well, some charge out
5 per call, some charge out per minute.

6 MS. BUTLER: That what -- the FCC calls it
7 pay-per-call, and I think that they --

8 COMMISSIONER WILSON: Is it commonly
9 understood that it includes pay-per-minute.

10 MS. BUTLER: I think one of the reasons we
11 changed the language is to be all-encompassing like
12 that.

13 COMMISSIONER WILSON: All right. Okay.

14 The next section, I think, that was in
15 controversy was (b)(1) on the next page, which has the
16 18-second preamble.

17 COMMISSIONER DEASON: Commissioners, I
18 listened very closely to the testimony that was given
19 by AT&T. It seems to me they have a very reasonable
20 approach to this. And as I understand it, it is
21 basically to have an 18-second period of time and just
22 require the service provider to have a preamble that is
23 18 seconds or less. I think AT&T even goes a step
24 further and has 15 second or less ---

25 COMMISSIONER WILSON: With a three second --

1 COMMISSIONER DEASON: -- with a three second,
2 but I'm not so sure we need to go that far. I would
3 just think 18 seconds needs to be specified and that
4 kind of becomes the standard. I think that's what a
5 lot of the companies testified to is they need a
6 standard because when you say 18 seconds or longer, it
7 can create billing problems. I didn't hear anything to
8 the contrary today that says 18 seconds is
9 inappropriate for the reasonable amount of time in
10 which to state a preamble. So I think we need some
11 light modification here. We probably need to eliminate
12 the "or longer" part.

13 COMMISSIONER WILSON: Shall we say, "Provide
14 a preamble not to exceed 18 seconds?" Does that --

15 COMMISSIONER CLARK: Well, and I think you
16 have to include an opportunity to hang up. Because if
17 your preamble lasts 18 seconds and right at the end you
18 say -- if you don't give time for them to disconnect
19 after the preamble, I understood that was why you came
20 up with 15 seconds, you have to give three seconds for
21 somebody to decide to hang up.

22 MR. ANGEL: Can I suggest some language?

23 COMMISSIONER CLARK: That would be fine.

24 MR. ANGEL: With regard to (b)1, strike the
25 language that says "18 seconds or longer," and leave

1 that stating that a preamble should require a total
2 minimum charge to be stated.

3 With regard to Subsection (2), "provide the
4 end user customer the ability to disconnect the call
5 during or at the conclusion of an 18-second grace
6 period without incurring a charge." That's consistent
7 with AT&T's terminology and the understanding in the
8 industry, irrespective of the length of preamble. And
9 you achieve your purposes of having a preamble with
10 very specific things said during the preamble but no
11 billing incurred if someone hangs up within that
12 18-second grace period.

13 COMMISSIONER CLARK: My only concern is
14 doesn't that person need to be notified that if they
15 can hang up and avoid a charge before the 18 seconds
16 lapses?

17 MR. ANGEL: That's the purpose of the preamble.

18 COMMISSIONER CLARK: I see.

19 MR. ANGEL: And irrespective, if they've hung
20 up for any reason during that 18-second, they can incur
21 no charge.

22 Would AT&T agree with that use of the
23 terminology?

24 MS. WINEGARD: Yes.

25 COMMISSIONER DEASON: Could you go through

1 the exact language change that you propose one more
2 time, please?

3 MR. ANGEL: Sure. With regard to (10)(b)1,
4 where it says "provides an 18-second or longer preamble,"
5 strike "18-second or longer," so that it now reads,
6 "provides a preamble," and then it goes on.

7 And then in subsection (10)(b)2, modify the
8 end of that so now it reads, "Provides the end user
9 customer the ability to disconnect the call during or
10 at the conclusion of the 18-second grace period,"
11 instead of "preamble," "without incurring a charge."

12 COMMISSIONER DEASON: What about the
13 situation where the preamble exceeds 18 seconds? Is
14 that covered in your changes?

15 MR. ANGEL: That is troublesome. I mean,
16 that is precisely --

17 COMMISSIONER DEASON: Do we need to specify
18 that the preamble will not exceed a certain length of
19 time, whether it be 15 seconds --

20 MR. ANGEL: Well, it's the grace period that
21 we're trying to define here, not the preamble. The
22 preamble should contain various disclosures like the
23 price, and the name of the information provider.

24 COMMISSIONER DEASON: Well, how do you define
25 "grace period" then.

1 MR. ANGEL: Grace period is the billing
2 screen that the carrier will apply in determining which
3 calls to bill. And any calls 18 seconds or shorter
4 will not be billed.

5 COMMISSIONER DEASON: Okay. Now, what
6 happens in a situation where the preamble lasts for 24
7 seconds?

8 COMMISSIONER WILSON: Or 18 seconds?

9 COMMISSIONER DEASON: Or exactly 18 seconds
10 and at the very end of the 18 seconds the customer
11 learns that he can hang up without a charge but his
12 18-second grace period has already expired? So I think
13 some way we need to word this rule that we capture that
14 scenario.

15 COMMISSIONER WILSON: Do you have the -- what
16 was the AT&T language on the 15 plus the three seconds?

17 MR. SATHER: If I may, Commissioner? "From
18 the time the call is answered at the sponsor's premise,
19 the period for the preamble message must be no longer
20 than 15 seconds, and callers must be provided with a
21 minimum of three seconds after the end of the
22 introductory message in which to hang up before billing
23 begins."

24 COMMISSIONER DEASON: Well, Commissioners, I
25 like that concept.

1 COMMISSIONER WILSON: What's wrong with that?

2 COMMISSIONER DEASON: I don't see a problem
3 with that. I think that accomplishes what we want to
4 accomplish if we can just incorporate that somehow in
5 the rule.

6 COMMISSIONER WILSON: And the 18 seconds is
7 pretty standard through the industry?

8 MR. BROWN: Yes, it is.

9 COMMISSIONER WILSON: That is the standard?

10 COMMISSIONER CLARK: I concur in that and why
11 don't we leave it to the Staff to work on that during a
12 break and go through the other changes.

13 COMMISSIONER WILSON: Yeah. I don't really
14 have any problem with that very language.

15 MR. BROWN: I have one thing here on
16 notification within the preamble, that you may
17 discontinue. That was one of the things we just
18 noticed, there is no notification in the preamble that
19 you have the ability to disconnect.

20 COMMISSIONER CLARK: Well, if I understood what
21 Mr. Angel was saying, is the preamble -- what we're
22 talking about when we use the preamble is the statement
23 that includes all these things. And if the preamble has
24 to be less than 15 minutes, all that has to be in it.

25 MR. BELLAK: Yeah. But there's nothing in

1 our requirements of notification of the ability to
2 disconnect in the preamble so we have to just add
3 something there.

4 COMMISSIONER CLARK: You could modify 2 that
5 says "provides the end-user customer notice of and the
6 ability to --"

7 MR. ANGEL: That would specifically be
8 something that the information provider community has
9 addressed and resisted because it constitutes a kill
10 message in the terminology of the industry. You're
11 essentially creating a suppression of demand, "Hang up
12 now," language like that. And we worked through that
13 in the workshop, and the concept was provided that
14 there's disclosure and provided that there is a grace
15 period, you needn't get heavy-handed with the preamble
16 and say, "and you need to hang up now unless you want
17 to incur charges." And that's literally the approach
18 that the FCC has taken, no kill message.

19 COMMISSIONER CLARK: I'm confused.

20 COMMISSIONER WILSON: Well, right now if you
21 -- as I understand, what your point is is, right now,
22 if you pick up the phone and call this number, it says
23 this is so-and-so's sports line, minimum charge three
24 minutes, \$5 a minute. So you're notified that the call
25 is going to cost you \$5 a minute. So if you know what

1 it's going to cost, you know that you need to hang up
2 or you're going to be charged that amount of money.

3 MR. ANGEL: Right.

4 COMMISSIONER WILSON: If you put this in, you
5 would say so-and-so sports line, three minute minimum
6 call, \$5 a minute. If you don't want this, you have to
7 hang up right now. And you're saying the kill message
8 basically kills the --

9 MR. ANGEL: Kills the business.

10 COMMISSIONER WILSON: Kills the business
11 opportunity.

12 MR. ANGEL: Because it carries with it a
13 negative connotation that this is not something you
14 want.

15 COMMISSIONER CLARK: But how about the person
16 who calls up and figures, "Well, I've already --
17 there's not much I can do about it now, I'm already on
18 the line, I might as well listen?" I mean, how are you
19 going to convey the message that you can terminate the
20 call and not incur a charge? It seems to me that's
21 what we want to do.

22 MS. WINEGARD: Commissioner Clark, many
23 preambles say "billing will commence in three seconds."

24 COMMISSIONER WILSON: That's a more positive
25 way of putting it. I mean, that's like putting on a

1 box of cereal that says "This cereal costs \$1.79. If
2 you don't want to buy it, don't you put it in your
3 basket." (Laughter)

4 MR. ANGEL: That is the point.

5 COMMISSIONER WILSON: How bright a consumer
6 am I?

7 COMMISSIONER CLARK: I have no trouble with
8 the "billing will commence...." (Pause)

9 COMMISSIONER DEASON: So we're having a
10 positive kill message, is that it?

11 COMMISSIONER CLARK: Do you have any
12 objection?

13 (Simultaneous conversation.)

14 COMMISSIONER WILSON: Do you have a phrase
15 that indicates when billing will commence; indicating
16 when billing will commence?

17 MS. WINEGARD: May I clarify that? I wasn't
18 suggesting that that language be included in any rule.
19 I was just informing Commissioner Clark that many
20 preambles already included that type of message and we
21 believe, and I think Mr. Angel will agree, that as long
22 as the name of the program, the type of program and the
23 charges are included in the preamble, the exact wording
24 of the preamble are best left to the information
25 provider but many preambles do have the "billing will

1 begin" language in them.

2 COMMISSIONER WILSON: I guess I sort of view
3 this as part of the personal responsibility that a
4 consumer has. And if you tell somebody how much it's
5 going to cost, if you tell them there's going to
6 charge, it's just like grocery shopping, you have to
7 have some responsibility as a consumer to make some
8 decisions for yourself, you can't hold everybody's hand
9 all the time.

10 COMMISSIONER CLARK: Well, I understand that
11 analogy. But I'm a lot more familiar with grocery
12 shopping than I am with 900 numbers and 976, and I do
13 feel that people ought to be notified that they can
14 disconnect and avoid being billed.

15 COMMISSIONER DEASON: But shouldn't we just
16 have language in our rules that says that the customer
17 will be notified and leave the exact wording to the
18 discretion of the information provider and to the LEC
19 or the IXC who's going to be reviewing these messages
20 for their reasonableness and their clarity?

21 COMMISSIONER CLARK: That's fine with me.

22 MR. ANGEL: I agree with you that they should
23 be notified as to their rights, and they should be
24 notified as to the identity of the provider and the
25 cost of the call. So that if per chance they have

1 reached the number by mistake or they're surprised by
2 the price or there's been a price change, they should
3 have the ability to hang up and not incur a charge.

4 What we're trying to avoid is getting an
5 over-wieldy preamble that increases to cost, puts the
6 information provider in peril of getting over that 15
7 seconds and, in essence, putting the consumer in a
8 worse case than he ordinarily would be. And, you know,
9 the idea here is to craft a regulation that will work
10 overtime as well as it does in the beginning and the
11 consumer awareness issue is something that the carriers
12 and the information providers have to address themselves
13 to. They have to tell consumers, "If you hang up in the
14 first 18 seconds, you're not going to incur a charge."

15 COMMISSIONER CLARK: How do you do that now
16 or how would you propose to do that?

17 MR. ANGEL: Through billing inserts, through
18 consumer awareness fact kits. Through trade press
19 articles that describe it. Through contacts with the
20 telephone company where the telephone company personnel
21 explain this. But, you know, for a program that is
22 nonproblematic, you know, such as a low priced program,
23 "This is the USA Today Sports Line, 95 cents a minute"
24 is adequate.

25 COMMISSIONER WILSON: Somebody refresh my

1 memory. Did we deal with this issue in another -- did
2 we do something like this with AOS, with operator
3 services on notification from pay phones or what am I
4 remembering or misremembering?

5 MS. BUTLER: We did it in 1976, we investigated
6 whether or not there ought to be a preamble for 1976
7 services several years ago.

8 COMMISSIONER WILSON: Oh, this is the same
9 thing?

10 MS. BUTLER: But it was not in a rule docket,
11 it was just a Staff investigation, I think.

12 COMMISSIONER WILSON: What did we do?

13 MS. BUTLER: We said no.

14 COMMISSIONER WILSON: No kill message?

15 MS. BUTLER: Right. That's how we looked at
16 it at that time, any preamble. I don't think that
17 there was any distinction between a preamble that said,
18 "Hang up now or you're going to get charged and this is
19 going to cost you 95 cents a minute." I mean, I don't
20 think that we made a distinction at that time.

21 MS. LLAUGET: I believe at that time we
22 relied on our advertising guidelines that said any time
23 they saw this number advertised that we would make sure
24 that the price had to be advertised along with it. And
25 we felt that was sufficient and it had worked so far.

1 MS. BUTLER: I think that was also when we
2 instituted the blocking with just the nonrecurring
3 charge.

4 COMMISSIONER WILSON: Well, that didn't work
5 as well as we thought it did, apparently.

6 MS. LLAUGET: Well, it's changed a bit --

7 COMMISSIONER WILSON: Yeah.

8 COMMISSIONER CLARK: Let me ask Public
9 Counsel and the Attorney General, was there a -- had
10 you read the rules to include a kill message?

11 MR. MCLEAN: Not necessarily, but we're
12 fairly sympathetic to that (Laughter).

13 You know, you've got interests to balance;
14 thank goodness we only have to advocate. On the one
15 hand, you have the unnecessary cost to the poor old
16 providers and what good is the message, what good is
17 the preamble without telling them what they can do
18 about it?

19 MR. ANGEL: We had spent quite a bit of time
20 in the workshop; it was a full day session and we
21 hammered out these rules. And the kill message was
22 probably one of the central points we discussed and now
23 we're kind of recovering this issue.

24 COMMISSIONER CLARK: Well, let me ask Staff,
25 what is your recommendation on that?

1 MR. BROWN: I'm trying to sit here and recall
2 all our discussion at the workshop. It was quite
3 extensive.

4 Part of the reason we did frame the language
5 as we did was to try to avoid the confusion. But --

6 COMMISSIONER WILSON: Well, you've got to
7 think, too, that this is the second chance; that the
8 consumer has to have information. The first one is
9 when they look on TV or on a billboard and it says
10 "Dial 1-900," or whatever, or speak to whomever and
11 talk about whatever you want to talk about, and it's
12 going to cost you \$3.98 a minute with a five-minute
13 minimum.

14 And then you pick up the phone and they tell
15 you again, this is such-and-such, a 1-900 number. You
16 can talk to whomever about whatever it is you want to
17 talk to, and it's going to cost you \$3.98 per minute
18 and it's a five-minute minimum. You've already two
19 pretty hefty chunks of information in the consumer's
20 possession at that point, and it seems to me that's
21 enough to make a decision.

22 MR. TWOMEY: Commissioner, pardon me. May I
23 offer a suggestion that I think is consistent with your
24 shopping analogy? And that is as opposed to the more
25 onerous message "Hang up in three seconds or you will

1 be billed," the notion of -- well, I think AT&T said
2 that give the preamble information about the nature of
3 the call, the price per minute and so forth, and then
4 the statement, if I understood her correctly, that,
5 "Billing will commence in three seconds."

6 I think that would be adequate.

7 MS. WINEGARD: Again, I wasn't suggesting
8 that that language be incorporated in any ruling. I
9 don't want to get back into a discussion about what the
10 FCC may or may not do because we have not yet seen the
11 rule. It would, I think, put Florida information
12 providers in an uncompetitive situation to have that
13 specific language required in the rule when they were
14 competing with information providers in other states
15 that were abiding by whatever the FCC rule says and
16 that language won't be in the FCC rule, and --

17 MR. TYE: Commissioners, it also -- you know,
18 it appears to me, and I thought this came from the
19 workshops, maybe I'm not remembering correctly. It
20 appears to me part of the quid pro quo for the lack of
21 a kill message was the automatic adjustment that is
22 over here in Section D of the rule?

23 And I think that any incentive that somebody
24 may think that an information provider has to mislead a
25 customer goes away when you realize that that customer

1 is entitled to an automatic adjustment for any number
2 of things, one of which appears to be that he didn't
3 understand the preamble. So, you know, I think those
4 things kind of balanced out when we were trying to
5 refine the rule in the workshops and that's why the
6 kill message, if you want to call it that, is not in
7 there.

8 COMMISSIONER DEASON: Well, Commissioners, I
9 certainly don't want to go back through the entire
10 workshop here today. And given what Mr. Tye said about
11 the various considerations of the parties and how this
12 was kind of hammered out, and given Commissioner
13 Wilson, your comments, perhaps the language just
14 notifying of the charge in the preamble would be
15 sufficient and there would not need to be a kill
16 message.

17 COMMISSIONER CLARK: That's fine with me.

18 COMMISSIONER WILSON: Okay. The one other
19 thing I think we talked about putting in this section
20 was on, I think, probably Line 23 where -- it begins on
21 21, it says, "Programs that do not exceed \$3 in total
22 charges may omit the preamble, except for children's
23 messages." We wanted to put that language in there.
24 I guess you would put, "except as provided in," what is
25 it, "(10)(b)3."

1 MR. BROWN: Yes.

2 COMMISSIONER CLARK: Okay.

3 COMMISSIONER DEASON: Let me ask you a
4 question about the language on Line 18 concerning
5 preambles for all programs.

6 COMMISSIONER WILSON: Yeah. That's the other
7 issue.

8 COMMISSIONER DEASON: It seems to me that we
9 had a lot of testimony and concern here today that that
10 language would not be consistent with some of the type
11 services which are being provided, and I think we heard
12 here an example of Wall Street market quotations and
13 things of that nature. And as I recall, I believe that
14 someone had a suggestion concerning that.

15 COMMISSIONER WILSON: It was before this
16 potential for minors to be attracted to a program.

17 COMMISSIONER DEASON: Yeah. And that
18 language I felt was appropriate. It would leave some
19 interpretation, but I think you just can't avoid
20 interpretation at some times. Anyway, I'm trying to
21 locate in my notes who suggested that language, but I
22 felt it was appropriate. Maybe you can help me.

23 MR. SATHER: It was suggested by AT&T and the
24 words that Commissioner Wilson indicated were to be
25 inserted between "all" and "programs," "where there is

1 a potential for minors to be attracted to the program."

2 COMMISSIONER CLARK: I agree with that change.

3 COMMISSIONER WILSON: I do, too.

4 COMMISSIONER DEASON: Well, I would -- I
5 endorse that change, too.

6 MS. CASWELL: May I make one comment? Its
7 GTE's view, I think, that whenever possible the
8 information provider itself should identify whether its
9 program is targeted to children, whether there's a
10 potential for attraction to children, or something like
11 that. We think that's more the responsibility of the
12 information provider than the billing entity, for
13 example.

14 COMMISSIONER CLARK: Well, by putting it in
15 the rule, do we make it a problem for you?

16 MS. CASWELL: I think it's not so much a
17 problem as long as it's understood that it's not our
18 primary responsibility to identify those programs that
19 may be targeted to children.

20 COMMISSIONER WILSON: Well, we may not impose
21 the legal responsibility in this bill, but I think you
22 damn sure have some responsibility for that, and I
23 think you've assumed it in a lot of your tariffs in the
24 way you deal with people and the way you deal with
25 contracts, so I don't think you can side step the

1 responsibility.

2 MS. CASWELL: No. I agree we do have some
3 responsibility but I think the information provider
4 does as well. We prefer self-identification.

5 COMMISSIONER DEASON: I think we also had
6 some testimony here today about another concern and
7 that being that there are certain programs which are
8 not targeted to children but which would probably be
9 attractive to certain teenaged children. And there
10 probably needs to be some type of parental disclosure
11 or requirement for those type as well. Now, I don't
12 know who has that burden or responsibility, whether it
13 be the information provider or the company, but I think
14 that was another instance where we thought that the
15 parental requirements should be stated.

16 COMMISSIONER WILSON: I think what Mr. Angel
17 was saying was that he thought that the, I don't know
18 what is the phrase --

19 MR. ANGEL: Adult.

20 COMMISSIONER WILSON: The adult-type things
21 ought to have that, also.

22 COMMISSIONER DEASON: Yes.

23 COMMISSIONER WILSON: I have a feeling,
24 though, what Congress is doing with self-policing by
25 the providers with the local exchange companies, with

1 the interexchange carriers, with the Attorney General
2 and the Public Counsel and the Commission looking at
3 them, there's not going to be many of those get by. At
4 least if they do, they're not going to last for very
5 long without a complaint being filed and somebody
6 coming in and saying this is one that has to have a
7 children's warning on it.

8 COMMISSIONER DEASON: I agree. I guess I was
9 making the point that there are certain information
10 providers out there who have programs, or whatever,
11 that are not targeted at children but who children may
12 wish to call.

13 COMMISSIONER WILSON: Yeah. I think there's
14 potential for minors to be attracted to it; ought to
15 cover those instances.

16 COMMISSIONER DEASON: Okay. Very well.

17 COMMISSIONER WILSON: Or we could have a
18 separate rule on teenagers.

19 COMMISSIONER DEASON: No, I don't --

20 COMMISSIONER WILSON: -- it can be a real
21 long and very complicated rule.

22 COMMISSIONER DEASON: I certainly don't
23 propose that.

24 COMMISSIONER WILSON: If you do, I have some
25 ideas of things I think ought to be put in there.

1 MR. BROWN: Can I make sure that we have the
2 correct language there on that? It's after "all
3 programs where there is a potential for minors to be
4 attracted."

5 COMMISSIONER WILSON: Yes.

6 MR. BROWN: Also before we leave this
7 section, this is that portion of the rule that I left
8 out in our revisions. In the first sentence there,
9 "there provides 18-second preamble to programs which
10 states che per minute and total minimum charges."

11 COMMISSIONER WILSON: Of course we struck the --

12 MR. BROWN: Yes, this provides.

13 COMMISSIONER WILSON: -- 18-second or longer.

14 MR. BROWN: Provides a program preamble.

15 COMMISSIONER WILSON: Total per minute.

16 COMMISSIONER DEASON: Yeah. I think we were
17 concerned about a situation where there was a minimum
18 charge of so many minutes, and the customer was having
19 to be sitting there trying to calculate what the total
20 minimum would be and it would be easier to just state
21 that in the preamble directly.

22 COMMISSIONER WILSON: So that would read,
23 read that again for me?

24 MR. BROWN: "Provides a preamble to the
25 program which states the per minute and total minimum

1 charges?"

2 COMMISSIONER WILSON: Per minute and total.

3 COMMISSIONER WILSON: All right.

4 MR. BROWN: Also, there is an inconsistency
5 in our rule and the FCC's rule, and also in this
6 section the FCC's has agot a total \$2 charge, and ours
7 is \$3. I just wanted to make you all sure you were
8 aware of that.

9 COMMISSIONER WILSON: Is there anything magic
10 about either number?

11 MR. BROWN: No, sir, I don't think.

12 MR. SATHER: May I suggest in that regard,
13 that again, we do not as yet have the FCC order. That
14 perhaps it would be best to leave this rule as written
15 and if the FCC comes out with \$2, go back and work
16 towards consistency.

17 COMMISSIONER CLARK: I'm not sure we need to --

18 MR. SATHER: Because, again, I don't know if --

19 COMMISSIONER CLARK: -- because they will
20 have to comply with FCC --

21 COMMISSIONER WILSON: Yeah.

22 COMMISSIONER CLARK: -- and that'll be the
23 end of it.

24 COMMISSIONER WILSON: If they comply with
25 FCC, they will have complied with this limit so it's

1 not a concern.

2 MR. BROWN: In this next section we did say
3 for the 18-second grace period or did we ever --

4 COMMISSIONER WILSON: No, I think the --

5 MR. BROWN: Just leave it.

6 COMMISSIONER WILSON: No.

7 COMMISSIONER DEASON: I think we were going
8 to use the AT&T approach.

9 COMMISSIONER WILSON: We were going to use
10 the AT&T --

11 MR. BROWN: AT&T's language. Okay.

12 COMMISSIONER WILSON: Which basically was
13 15-second preamble allowing three seconds for
14 termination beyond the preamble --

15 MR. SATHER: That's correct, Commissioner.

16 COMMISSIONER WILSON: -- which complies with
17 the 18-second industry standard.

18 MR. BROWN: And put it in this section.

19 COMMISSIONER WILSON: So you get some
20 language from -- get whatever language that was and
21 append it to that section.

22 MR. BROWN: Plug it in Section 2 there,
23 right?

24 COMMISSIONER WILSON: Yes.

25 MS. LLAUGET: Can I make one comment on that?

1 COMMISSIONER WILSON: Yes.

2 MS. LLAUGET: Should we really constrain an
3 information provider, I mean, to limit itself to three
4 seconds. If he wants to give five, I mean, they could
5 actually give five. If we set a preamble of 18
6 seconds, a maximum of 18 seconds, which not only states
7 the price per call as we've got in the rule but allows
8 the caller the opportunity to disconnect before billing
9 has occurred.

10 COMMISSIONER CLARK: Well, you could say at
11 least three seconds to disconnect.

12 MR. SATHER: Our words are a minimum of three
13 seconds, so it doesn't require precisely 15 seconds.
14 It's a maximum of 15 seconds to ensure a three-second
15 period.

16 COMMISSIONER CLARK: That's fine.

17 COMMISSIONER WILSON: All right. Section
18 three on Page 9. There was comment on the sentence
19 beginning on Line 8 that says "A parental consent
20 notification shall appear prominently in all
21 advertising and promotional materials and in the
22 program preamble." Does that only apply to the
23 children's programs or to all programs?

24 MR. BROWN: Children's. Which section,
25 again, let me make sure.

1 COMMISSIONER WILSON: I'm in subpart three on
2 Page 9. That sentence about notification appearing
3 prominently in all advertising and promotional
4 materials and in the program preamble only applies to
5 the children's programs or those where there is a
6 potential for minors to be attracted to a program?

7 MR. BROWN: Yes, sir.

8 COMMISSIONER WILSON: Well, should we amend
9 the language up here on Line three or 4 to include that
10 language about programs which will be for minors to be
11 attracted to a program. We talk about the ones that
12 are targeted at children.

13 COMMISSIONER DEASON: I think it would be
14 clearer to specify that we're talking about not only
15 targeting -- programs targeted to children but as well
16 as those programs which may be attracted --

17 MR. BROWN: Attracted to.

18 COMMISSIONER DEASON: Children may be
19 attracted to the program.

20 COMMISSIONER CLARK: Let me ask you something
21 on your notice -- maybe I'm confused. Was that to be
22 included in the preamble? Were we talking about the
23 preamble when we discuss there is a potential for --

24 MR. SATHER: Yes.

25 MS. LLAUGET: Yes. Go ahead.

1 COMMISSIONER CLARK: My only concern with
2 putting it in the advertising is by doing that, you may
3 -- for those things which are adult, which are not
4 designed for children, but nonetheless attract them, if
5 you put it in there, it seems to suggest it's okay for
6 them to do it. I mean --

7 MS. WINEGARD: And I'd had an additional
8 comment. I believe this subsection as originally
9 written applied only to programs targeted to children,
10 and later on the following page there's a cap of \$5.00
11 per call on those particular programs. And I think if
12 you start including language that applies to generic
13 programs that might attract children, I think you're
14 going to have some ambiguity there.

15 COMMISSIONER DEASON: I think that's correct,
16 and we probably don't want to make that change.

17 MS. LLAUGET: Would it not be best served to
18 separate the children's programming specifications from
19 general programming so that any programming related
20 towards children, directed towards children, you know,
21 that these stipulations apply; that you must have the
22 preamble, that you must have the admonishment and just
23 go right down the line so we're not mixing one from the
24 other?

25 COMMISSIONER CLARK: My only comment about

1 that is that that may require more revisions than could
2 be done today.

3 MS. WINEGARD: I believe, actually, that this
4 rule does that effectively and that was again a
5 discussion that we had at the workshop was the need to
6 pull out requirements directly -- on programs directly
7 targeted to children and I believe this subsection does
8 effectively do that.

9 MS. LLAUGET: Take it down to No. 1 and go
10 over to No. 3.

11 MS. WINEGARD: Well, no. It's a different
12 requirement in No. 1. It's talking about something
13 different.

14 COMMISSIONER WILSON: Is the next one 6 on
15 Page 9 or have I missed one?

16 MR. BROWN: Yes, sir.

17 COMMISSIONER CLARK: I think it's 6.

18 COMMISSIONER DEASON: I think you're correct.

19 COMMISSIONER WILSON: As I understand the
20 thrust of the party's interest here is to make sure
21 that the price, the charges that are to be made are as
22 prominent, noticeable and as clear as the telephone
23 number itself. And that the reason for putting in the
24 same print size was to accomplish that goal. And if
25 that goal can be accomplished or ought to be

1 accomplished in some other manner, then that's what we
2 ought to look at. There is nothing magic about the
3 same print size because you could use a different font
4 or style which may in fact be larger but more
5 confusing, so the print size doesn't necessarily get
6 you the clarity.

7 COMMISSIONER DEASON: Well, Commissioner,
8 once again, I think that AT&T's policy concerning this
9 seemed to get to that point. It didn't necessarily
10 require the same exact print size, but they did add the
11 language it would be conspicuous at a glance; that it
12 would have to be close to the telephone number. But it
13 didn't actually specify the same size. That maybe is a
14 more general approach and maybe will accomplish that
15 which we want to accomplish by just having the --
16 instead of having the same print size. So I think the
17 language that AT&T had, I tried to -- tried to write it
18 down. I don't see any problems with it. I don't know
19 if we need to add to it, but I think that general
20 approach is a good one.

21 COMMISSIONER WILSON: Yeah. the two things.
22 One is proximity to the number, and the second thing is
23 the price is as clear --

24 COMMISSIONER DEASON: And conspicuous.

25 COMMISSIONER WILSON: -- and conspicuous as

1 the number.

2 MR. SATHER: Commissioner, would you like me
3 to read that --

4 COMMISSIONER WILSON: Yeah, would you.

5 MR. SATHER: -- sentence again. "Display
6 charges immediately above, below, or next to the 900
7 number, in type size that can be seen as clearly and
8 conspicuously at a glance as the 900 number."

9 COMMISSIONER CLARK: I think that language
10 should be adopted.

11 COMMISSIONER DEASON: I think part of the
12 problem here is the advertisements that have an
13 extremely small price per minute and total charge, and,
14 obviously, those type advertisers would not meet this
15 standard, and we would not be as strict as to require
16 the exact same print size, I think we would be
17 accomplishing -- what we want to accomplish here. So I
18 would endorse that language and would suggest that we
19 incorporate that into our rule.

20 COMMISSIONER WILSON: Would you read that one
21 more time?

22 MR. SATHER: Yes, Commissioner. "Display
23 charges immediately above, below, or next to the 900
24 number in type size that can be seen as clearly and
25 conspicuously at a glance as the 900 number."

1 COMMISSIONER WILSON: All right. As I recall
2 you also -- somebody mentioned a requirement that it
3 would be displayed at the same time and for the same
4 duration as the number.

5 MR. SATHER: Yes, that's --

6 COMMISSIONER WILSON: I kind of like that
7 requirement myself.

8 MR. SATHER: That's a requirement. We have
9 the -- the item that I just read is applicable to both
10 print and broadcast TV advertising. Then, in addition,
11 for TV advertising, there is a requirement that the
12 number be displayed as long or at the same time the
13 number is displayed and for the same duration and each
14 time the number is displayed. So we have a requirement
15 that's applicable to both print and broadcasting, and
16 additional requirements that are applicable to TV.

17 COMMISSIONER WILSON: Any comments? Do you
18 all have a problem with that?

19 MR. ANGEL: No. I trust it makes a lot of
20 sense, but, you know, to simplify matters, clear and
21 conspicuous disclosure -- and in accordance with
22 standards established by the carriers, towards the back
23 end of these rules we had set that out, that the
24 carriers were setting very, very precise guidelines.

25 COMMISSIONER WILSON: So the sense is to go

1 with the -- proximity to the number as clearly and
2 conspicuously as the number itself, and for the same
3 time and same duration for broadcast media.

4 MR. BROWN: Or a televised advertisement.

5 COMMISSIONER WILSON: Yeah. (Pause)

6 Is the -- do you have any other -- have I
7 skipped over any recommendations that you were going to
8 make or exchanges that you were going to suggest in the
9 rule?

10 MR. BROWN: The only thing is to remember
11 GTE's problem with implementation --

12 COMMISSIONER WILSON: Right.

13 MR. BROWN: -- and to address that, and,
14 also, if it is your intention to make a bench decision,
15 this may be better addressed by my attorney, but --

16 COMMISSIONER WILSON: I think it's our
17 intention to do so.

18 MR. BROWN: -- I understand that you would
19 have to get the parties to waive their right for
20 posthearing comments. That's what I was told. I don't
21 know.

22 COMMISSIONER WILSON: Okay. Are there any
23 more substantive things to address here that Staff was
24 going to recommend at this point?

25 Did -- on the blocking -- never mind, you've

1 got that taken care of.

2 I think we probably need to revise, on Page
3 11, Line 18, (d)(5), where it refers back to the
4 18-second preamble, we may need to make sure we're
5 referring to the right rule section there when we
6 revise that language. It now refers to 10 (b)(1).

7 MR. BROWN: 10 (b)(2).

8 COMMISSIONER WILSON: And I think we're going
9 to put that in 10 (b)(2).

10 MR. BROWN: And just say "during the
11 preamble"?

12 COMMISSIONER WILSON: Yeah. Because, I guess
13 so, because the 18 seconds will be addressed in the
14 prior piece.

15 I think those are the only ones I had that we
16 needed -- that I recall as issues.

17 COMMISSIONER CLARK: The only thing I had was
18 clarify reporting to credit bureau when you have a
19 delinquency on both your regulated and nonregulated.
20 Do we need to clarify that they don't have to segregate
21 out their pay-per-call bill?

22 If the language there is sufficient to -- on
23 Page 12 it says that local exchange companies shall not
24 report the end user customer to a credit bureau or
25 collection agency for nonpayment of pay-per-call

1 charges. And the question was asked where they have
2 paid neither their regulated nor unregulated services,
3 whether they have to segregate them out before they
4 notify the credit bureau.

5 COMMISSIONER WILSON: If we put in that they
6 shall not report it solely for nonpayment, would that
7 address that?

8 MR. BERG: That would be fine with us.

9 COMMISSIONER WILSON: Because then I would
10 think the implication would be that if it were a part
11 of a bill, otherwise, that it would be all right. If
12 it's just solely for the 900/976 that it wouldn't be
13 permissible.

14 MR. BROWN: So that would read "Report the
15 end user to the credit bureau or collection agency
16 solely for nonpayment of pay-per-call services."

17 COMMISSIONER WILSON: Yes.

18 COMMISSIONER DEASON: I have one other item.
19 On Page 10, Line 20, it states that the carrier will
20 adjust the first bill containing pay-per-call charges
21 upon the end user customer's stated lack of knowledge.

22 I think GenTel had a policy that they didn't
23 limit that to the first bill, that if there was a
24 second bill that came in and there was an overlap
25 period, that second bill contained charges for when the

1 customers did not know that charges would apply, that
2 GenTel also made an adjustment. That seems to be a
3 reasonable approach because billing is such that a
4 second bill could contain a period of time in which the
5 customer still would not know.

6 Now, I don't know how we could accommodate
7 that but it seems to be a reasonable approach. Perhaps
8 we could just insert "first or second bill" and the
9 customer would still have to make the assertion that
10 they did not know there was a charge.

11 And, obviously, if there is a charge on the
12 bill after the customer first complained, well then
13 that certainly wouldn't qualify. But limiting it
14 strictly to the first bill, there's probably is going
15 to be a time when the second bill's going to contain
16 some portion of the month when the customer still did
17 not know.

18 COMMISSIONER WILSON: General Telephone's was
19 -- it was the first billing period, plus the period
20 after the first billing period before the bill was
21 received.

22 MS. CASWELL: I think that's correct.

23 MR. KAMPERT: That's true. Up until the day
24 where the customer actually called in and it was
25 disputed, because it may be during a billing cycle and

1 some calls or charges were incurred. So basically up
2 until the day they called in.

3 COMMISSIONER DEASON: I don't know the exact
4 language that -- perhaps Staff can look at that. If
5 they could come up with some reasonable language which
6 would accomplish that, I'd like to take a look at it,
7 and without overly complicating everything. (Pause)

8 COMMISSIONER WILSON: I think if we're going
9 to do a bench decision, though, we're going to need to
10 have that language now.

11 COMMISSIONER CLARK: I agree with that. And
12 I don't know that I have any further changes I want to
13 consider. And I was thinking we can break and give
14 Staff an opportunity to pencil in these changes we've
15 agreed on, and then come back and take a look at them
16 and make sure we agree on them and decide.

17 COMMISSIONER DEASON: That's what I was
18 suggesting is that during this break when Staff is
19 working on that, maybe they could come up with some
20 language that would more clarify this to make it
21 consistent with GenTel's policy.

22 COMMISSIONER WILSON: Now, the other question
23 that was raised a minute ago is what is it that needs
24 to be done to enable us to make a bench decision on the
25 changes that we've discussed here?

1 COMMISSIONER CLARK: I know you mentioned
2 waiver of the right to posthearing comments, but I
3 don't believe there is any right to posthearing
4 comments in rulemaking.

5 MR. BELLAK: Well, in the rule they -- in the
6 rule applicable to rulemaking, everyone would have a
7 right to do a posthearing submission. But if you ruled
8 from the bench the submissions would be less than
9 effective. (Laughter)

10 So in that sense a waiver, you're correct, is
11 not required.

12 COMMISSIONER WILSON: Well, we could have
13 posthearing comments and you have ten minutes to file
14 them. (Laughter)

15 MR. McLEAN: Well, we'll waive anyway.
16 Citizens will waive.

17 COMMISSIONER WILSON: Everybody waiving?

18 MR. ANGEL: Yeah. We'd like to avoid another
19 Agenda and have some rules implemented.

20 MR. BERG: If I could mention one thing.
21 Mr. Brown mentioned GTE's implementation problems. We
22 presented testimony on that in Phase I that we'd like
23 to be considered also.

24 COMMISSIONER WILSON: I think what you
25 contemplated was that we would adopt these rules and

1 then those carriers who have -- local exchange
2 companies, who have concerns about the implementation
3 date would apply for a waiver and the Commission would
4 deal with those on a --

5 COMMISSIONER CLARK: That sounds good.

6 COMMISSIONER WILSON: -- very fast basis,
7 fast track, and get them to Agenda, and deal with those
8 waivers rather than doing that in the rule itself.

9 MR. BROWN: That's Staff's intention.

10 MR. ANGEL: Did you also want to pick up that
11 question of 17 versus 18 years old?

12 COMMISSIONER WILSON: I think we decided that
13 our language covers -- does exactly what we thought it
14 did, which is under 18.

15 MR. ANGEL: Okay. Right now it says,
16 "Defined as 17 years and younger."

17 COMMISSIONER CLARK: Which is the same as
18 under 18.

19 MR. ANGEL: Okay.

20 COMMISSIONER WILSON: I think it means
21 exactly the same thing.

22 COMMISSIONER CLARK: Would you -- but I think
23 his point it well-taken. You have to read that a
24 couple of times to know that it's the same. So if we
25 could change them to "under 18."

1 COMMISSIONER WILSON: I'm indifferent;
2 whichever one conveys the message. I think they both
3 say the same thing, but it may be easier to read to say
4 "under 18" so let's do change that.

5 MR. BROWN: I agree with that.

6 COMMISSIONER WILSON: All right. Anything
7 else we need to deal with before we temporarily recess?

8 COMMISSIONER CLARK: I don't have anything.

9 COMMISSIONER WILSON: How long do you think
10 it will take you to just pencil those in so you're sure
11 you've got all the changes? 20 minutes? All right.
12 we'll come back at 4:30 then.

13 (Brief recess.)

14 - - - - -

15 COMMISSIONER WILSON: Back on the record.
16 Staff has distributed a copy with the amendments that
17 were discussed by the Commission to the proposed rule.
18 Have all the parties had an opportunity to review the
19 handwritten changes? Are there any questions or
20 concerns?

21 There is one addition here that we need to
22 talk about, Commissioners. And that appears on Page 9
23 in the "Advertising" section.

24 MR. BROWN: Commissioners, could I also
25 indicate that any time anyone sees "900", we will

1 replace that with "Pay-per-call" --

2 COMMISSIONER WILSON: All right.

3 MR. BROWN: -- what we did, in our effort to
4 our expediting, we put --

5 COMMISSIONER WILSON: One thing we did not
6 discuss was oral representations, and there's simply a
7 sentence added there on the bottom of Page 9 that says,
8 "Oral representation shall be equally as clear." Does
9 anybody have a concern about that?

10 MR. ANGEL: I didn't hear that.

11 COMMISSIONER WILSON: "Oral representation
12 shall be equally as clear." It's on the bottom of Page
13 9.

14 MR. BERG: I can't follow the first part of
15 that paragraph. I don't have any objection to that.
16 It says, "In all advertising and promotional materials,
17 displays, charges immediately above," it looks like a
18 word is left out or something there, or am I reading it
19 wrong?

20 COMMISSIONER WILSON: Well, you have to go
21 back to the language on Line 8 that says, "Local
22 exchange carriers shall not provide pay-per-call unless
23 the provider does each of the following," "In all
24 advertising and promotional materials displays charges
25 immediately above, below or next to."

1 MR. BERG: Okay.

2 COMMISSIONER WILSON: You're right, it's not
3 a complete sentence as it stands. Does anyone have any
4 concerns about making these requirements about oral
5 representations being equally clear, vague as that is?
6 (Laughter) I mean, we could say they have to be in the
7 same language, the same intonation, the same volume,
8 but I really don't think that's necessary.

9 MR. TWOMEY: The same size type?

10 COMMISSIONER WILSON: Same size type, the
11 same accent.

12 MR. ANGEL: Can I address one?

13 COMMISSIONER WILSON: Yes.

14 MR. ANGEL: It goes to the clarity of the
15 language we've adopted from AT&T with regard to the
16 grace period in the preamble.

17 COMMISSIONER WILSON: All right.

18 MR. ANGEL: My concern, if I can articulate
19 it, is that this provision will be read as specifying a
20 15-second preamble. I think it's clear that it doesn't
21 in the sense that it says "Must be no longer than."
22 But the part that's troublesome is that callers must be
23 provided with a minimum of three seconds after the
24 conclusion of the preamble, to hang up without
25 incurring a charge.

1 If you've got a shorter preamble of six
2 seconds and then there's the mandatory three seconds
3 after that, they will not incur a charge with the
4 knowledge that the grace period is 18 seconds. But I
5 think what we're trying to say here could be said
6 clearer, if it's said from the word go, "Provides an
7 18-second billing grace period," and "from the time the
8 call is answered. And that the period, of the preamble
9 message must not be longer than 15 seconds." Because
10 one of the areas about this hanging up after the
11 preamble, it's been interpreted by people not familiar
12 with the regulatory rules as to create this dead space
13 on the program of three or four seconds.

14 COMMISSIONER CLARK: So you're adding a
15 clause at the front, right?

16 MR. ANGEL: Yep.

17 COMMISSIONER CLARK: Okay, I think that's all
18 right.

19 MR. ANGEL: What it would be, it would read,
20 "Unless the provider does each of the following:

21 (2) Provides an 18-second billing grace
22 period from the time the call is answered at the
23 pay-per-call provider's premises." And then new
24 sentence. "The preamble message must be no longer than
25 15 seconds."

1 COMMISSIONER CLARK: The only thing I would
2 say is, I think it can't be a period, it has to be a
3 semicolon. "Answer to the pay-per-call provider's
4 premises; the period for the preamble message must be
5 no longer...".

6 MR. ANGEL: Okay.

7 COMMISSIONER WILSON: Any reactions to that,
8 concerns?

9 COMMISSIONER DEASON: So you would just
10 strike the language at that last which reads, "And
11 callers must be provided with a minimum of three
12 seconds after"?

13 COMMISSIONER CLARK: No.

14 COMMISSIONER DEASON: That would be
15 unnecessary to include that language any longer with
16 your changes?

17 MR. ANGEL: Yes, uh-huh.

18 COMMISSIONER DEASON: I don't really see any
19 problem with that language, unless I'm missing
20 something that perhaps some of the other parties could --

21 MR. BROWN: So it would end after 15 seconds?

22 COMMISSIONER WILSON: What?

23 MR. BROWN: So it would end after 15 seconds.

24 MR. ANGEL: Yes.

25 MR. BROWN: So it would read after the

1 semicolon, "The period for the preamble message must be
2 no longer than 15 seconds"?

3 MR. ANGEL: Yes.

4 COMMISSIONER WILSON: Well, I don't know if
5 you need the words, "the period for." That doesn't
6 really make any sense. Just "the preamble message must
7 be no longer than 15 seconds."

8 Actually, this is getting to be much too
9 clear for rule language. I'm not sure how we can do
10 this. If we do this here, God knows where it will
11 stop.

12 COMMISSIONER CLARK: So it would say "the
13 preamble message must be no longer than 15 seconds."
14 And then it would read, "At the conclusion of the
15 preamble," see, there's still some language that we've
16 left in there.

17 COMMISSIONER WILSON: Okay, we'll take all of
18 that out.

19 MR. BROWN: Take out that whole phrase?

20 COMMISSIONER WILSON: The last sentence
21 continues to read "the program may allow an end user to
22 affirmatively bypass."

23 COMMISSIONER CLARK: Okay.

24 MR. BROWN: Well then, you've taken out the
25 provision that would allow them to hang up without

1 incurring a charge.

2 COMMISSIONER CLARK: Well, I think that's
3 covered by "provides an 18-second billing grace
4 period"?

5 MR. ANGEL: Uh-huh, okay.

6 MR. BROWN: If it is.

7 MR. ANGEL: If you like that language with
8 regard to allowing the caller to disconnect the call
9 without incurring a charge, that makes it more clear.

10 COMMISSIONER CLARK: Okay.

11 MR. ANGEL: "Provides an 18-second billing
12 grace period in which the end user/customer can
13 disconnect the call without incurring a charge." Do
14 you want me to run it by again? (Pause)

15 COMMISSIONER WILSON: Anything else? (Pause)

16 Now, Mr. Smith, if we adopt this today, if we
17 vote now, when can this become effective?

18 MR. SMITH: It will have to be filed with the
19 notice of changes with the JAPC, which requires at
20 least an eight-day period, so let's say 10 days. Then
21 it could be filed with the Secretary of State. And
22 after that, it will be effective 20 days from the date
23 of filing. It is adopted upon filing with the
24 Secretary of State, but technically, it becomes
25 effective 20 days after filing with the Secretary of

1 State. So, whatever, about 30 days from now is the
2 first week of November, second week of November.

3 COMMISSIONER WILSON: Okay, I think this
4 takes care of the concern about the Phase I and that
5 with a Bench vote, which I think we're going to proceed
6 to do right now.

7 MR. McLEAN: Yes, sir.

8 COMMISSIONER WILSON: Then we can take up
9 your initial suggestion this morning, which is to merge
10 Phase I into Phase II and replace -- allow the Phase II
11 rule that we're about to vote on to replace that.

12 MR. SMITH: Right. There are a couple of
13 loose ends we need to tie down. If you do vote to
14 consolidate the record, one thing that we haven't
15 discussed is some comments filed by the small business
16 people who are entitled to comment on any rulemaking.

17 I think you've heard virtually everything
18 that was brought up in the Phase I proceedings in terms
19 of the concerns of the parties and the reasons for
20 adopting the rule or modifying it.

21 The small business people, the small business
22 and minority advocates did come forth at the Phase I
23 hearing and suggested that this would have, based on
24 the economic impact statement, that this would have a
25 negative effect on some small business providers who

1 are offering 900 services and suggested that we
2 consider perhaps waiting a year to implement the
3 program. I don't think there's been any real basis
4 developed in the record for the concerns that were
5 expressed as far as any empirical evidence as far as
6 the negative effect that the adoption of the rule would
7 have on minority and small businesses.

8 COMMISSIONER WILSON: They have not appeared
9 in the Phase II piece of it?

10 MR. SMITH: Beg your pardon?

11 COMMISSIONER WILSON: They have not appeared
12 in the Phase II --

13 MR. SMITH: They have not appeared nor
14 commented in Phase II that I am aware of. It only
15 addresses specific notice provisions that were in Phase
16 I of the rule.

17 But, there was a suggestion that there be a
18 delay in the implementation. I think probably some of
19 the language in Phase II, the provision of free
20 blocking and so on, would alleviate a lot of the
21 concerns that were brought up in the Phase I proceeding
22 as far as its effect on information providers who are
23 small businesses. So I would recommend that you not
24 accept any proposals related to delay in implementation
25 of the rules that were brought up in the Phase I

1 record.

2 COMMISSIONER WILSON: All right, what's the
3 first thing that we need to vote on? Did the Bench
4 vote on the --

5 MR. SMITH: You would vote on the
6 consolidation of the record and the withdrawal of the
7 Phase I amendments as they were proposed.

8 COMMISSIONER WILSON: All right, do I have a
9 motion?

10 COMMISSIONER DEASON: I so move, Mr. Chairman.

11 COMMISSIONER CLARK: I second.

12 COMMISSIONER WILSON: Without objection.

13 MR. SMITH: Okay. And then you would vote on
14 the adoption of this rule.

15 COMMISSIONER WILSON: All right. Commissioners,
16 the rule, as amended during our discussion and as amended
17 in the copy that you have before you, is what is before us
18 upon a motion.

19 COMMISSIONER DEASON: Mr. Chairman, I move we
20 adopt the rule as modified.

21 COMMISSIONER CLARK: I second.

22 COMMISSIONER WILSON: All right, without
23 objection, it's so adopted.

24 MR. BROWN: Commissioners, also we had some
25 requests from the companies that for a statement from

1 the Bench indicating that companies that are unable to
2 implement the rule should file a request for rule
3 waiver.

4 COMMISSIONER WILSON: All right. Do we
5 already have a request for rule waiver or the
6 equivalent in this docket or do we need to have a
7 petition that goes before the Commission? I guess we
8 need a petition.

9 MR. SMITH: No, I don't think we have any
10 requests for any waiver. The two companies, United and
11 GTE of Florida were simply saying that we ought to
12 consider delaying the implementation of the rule for
13 six months or until March of 1992 because of problems
14 and they are changing it.

15 COMMISSIONER WILSON: So what we want is a
16 statement that the Commission will entertain petitions
17 to consider delay in implementation from specific
18 companies upon a showing by those companies.

19 MR. BROWN: Yes, sir.

20 COMMISSIONER WILSON: I just said it.

21 MR. BROWN: That's what they wanted to hear.

22 COMMISSIONER CLARK: I think that can be put
23 in the order adopting the rule.

24 COMMISSIONER WILSON: I don't think there
25 would be a problem with that. Simply to note that if

1 there are problems with implementation dates, the
2 Commission will entertain a motion to waive the rule
3 upon a showing.

4 Anything further?

5 Thank you very much. This has been a very
6 reasonable and amicable process I hope bleeds over into
7 other proceedings that we have in front of the
8 Commission. Thank you very much.

9 (Thereupon, hearing concluded at 4:58 p.m.)

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1 F L O R I D A)
 : CERTIFICATE OF REPORTERS
 2 COUNTY OF LEON)
 WE, CAROL C. CAUSSEAU, CSR, RPR, JOY KELLY,
 3 CSR, RPR, and SYDNEY C. SILVA, CSR, RPR, Official
 4 Commission Reporters,

5 DO HEREBY CERTIFY that the hearing in the
 6 captioned matter, Docket No. 910060-TP, was heard by
 7 the Florida Public Service Commission commencing at the
 8 time and place therein stated; it is further

9 CERTIFIED that we reported in shorthand the
 10 proceedings held at such time and place; that the same
 11 has been transcribed under our direct supervision, and
 12 that the transcript consisting of 250 pages, inclusive,
 13 constitutes a true and accurate transcription of our
 14 notes of said proceedings; it is further

15 CERTIFIED that we are neither of counsel nor
 16 related to the parties in said cause and have no interest,
 17 financial or otherwise, in the outcome of this docket.

18 IN WITNESS WHEREOF, we have hereunto set our
 19 hands and seals at Tallahassee, Leon County, Florida,
 20 this 21st day of October, A.D., 1991.

21
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