

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Investigation of MCI) DOCKET NO. 960186-TI
Telecommunications Corporation) ORDER NO. PSC-96-0336-AS-TI
marketing practices.) ISSUED: March 8, 1996
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

ORDER APPROVING OFFER OF SETTLEMENT

BY THE COMMISSION:

Between January and September 1995, the Division of Consumer Affairs received 192 complaints against MCI Telecommunications Corporation (MCI) regarding unauthorized switching (slamming) of consumers' long distance service in apparent violation of Rule 25-4.118, Florida Administrative Code. Commission staff met with representatives of the company and asked them to analyze each of the complaints to determine the cause(s) and how they might be resolved.

On January 18, 1996, MCI submitted an analysis of slamming complaints. The majority of the complaints appeared to be due to marketing activities. After further discussions with staff, and in recognition of possible enforcement action, MCI filed a Motion to Consider and Accept an Offer of Settlement on February 6, 1996.

We note that the Commission previously accepted an offer of settlement from MCI regarding slamming complaints in Docket No. 910205-TI. In that docket the Commission conducted an investigation after receiving numerous complaints from customers. The settlement, involving a \$25,000 voluntary contribution, was approved by Order 24550, issued on May 20, 1991.

MCI's Offer of Settlement, filed on February 6, 1996, consists of the following terms:

1. MCI will contribute to the general revenue fund of the State of Florida \$50,000 with no admission of liability or wrongdoing.

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This voluntary contribution of \$50,000 will be made no later than ten days following the issuance of a final order accepting the offer of settlement.

2. MCI will commit to apply the third party verification procedures in subsection 2(c) of the Commission's Interexchange Carrier Selection Rule (25-4.118, F.A.C.) to residential and small business sales resulting from customer initiated calls to MCI's inbound sales and customer service centers, notwithstanding that the third party verification requirement does not apply to customer-initiated PIC changes.

3. MCI will commit to apply the third party verification procedures in subsection 2(c) of the Commission's Interexchange Carrier Selection Rule to direct marketing and direct response residential and small business sales evidenced by an LOA, notwithstanding that the third party verification requirement does not apply when MCI has an LOA.

4. MCI commits to the continuance of its "Satisfaction Guaranteed" policy whereby MCI agrees to incur the PIC change charge to return any customer to their carrier of choice if, for any reason, the customer is not satisfied with MCI's service.

We concur with MCI that implementing the procedure of third party verification of residential and small business PIC changes prior to implementing the change, should greatly reduce the slamming complaints received by the Division of Consumer Affairs. Specifically, the third party verification process should reduce the complaints in the categories of fraud, direct marketing, inbound calls, ANI errors, and miscellaneous mistakes.

Upon consideration, we will approve MCI's Offer of Settlement.

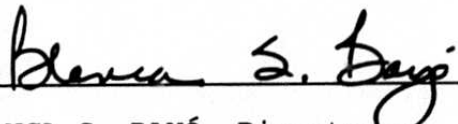
Therefore, it is

ORDERED by the Florida Public Service Commission that MCI Telecommunications Corporation's Offer of Settlement is hereby approved. It is further

ORDERED that this docket shall be closed once MCI remits the \$50,000 voluntary contribution as described in and in accordance with the terms set forth in the Offer of Settlement. The voluntary contribution shall be forwarded to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes.

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By ORDER of the Florida Public Service Commission, this 8th
day of March, 1996.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

MMB

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900 (a), Florida Rules of Appellate Procedure.