

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed adoption of)
Rules 25-24.900, F.A.C.,)
et. seq., relating to prepaid)
calling services.)
_____)

Docket No. 989254-TI
Filed: 02/14/97

JOINT COMMENTS AND PROPOSED RULES

AT&T Communications of the Southern States, Inc., (AT&T) proposes the following amendments to and comments upon the draft prepaid calling service rules discussed at the February 6, 1997 staff workshop in this docket. WorldCom, Inc. d/b/a LDDS WorldCom (LDDS), Sprint Communications Company Limited Partnership (Sprint), the International Telecard Association (ITA) and Access Telecom, Inc. have authorized AT&T to assert their joinder in the following proposals and comments. ITA will submit additional comments on applicable standards for user-denominated cards.

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Rule 25-24.900 Scope and Waiver.

(1) This part applies only to companies that provide Prepaid Calling Services (PPCS) over their own facilities-based networks or that provide PPCS by purchasing time from a telecommunications company for resale. This part does not apply to persons who purchase Prepaid Calling Cards for resale, so long as the underlying provider is identified on the card, and does not apply to cards issued before the effective date of these rules.¹

Rule 25-24.905 Terms and Definitions.

(4) "Initial Face Value" means the value of the card when sold to an end user, expressed in prepaid minutes (units) or dollars ~~prepaid minutes (units) of the card when sold to an end user.~~²

Rule 25-24.915 Tariffs.

Each company's tariff or price list, as applicable, shall set forth the rates and charges for prepaid calling services. Companies that provide prepaid calling service at the time these rules become effective shall amend their tariffs or price lists in compliance with this rule no later than six months after the date these rules become effective. Other companies shall file the appropriate tariff or price list information prior to offering prepaid calling service.¹

[Current text of rule should be deleted.]

¹ The rule should clearly exclude distributors. The Commission may not enforce its rules retroactively (by applying them against cards that had been issued at the time the rules take effect), so existing cards should also be clearly excluded.

² See suggested revisions to Rule 25-24.920 (4), which would allow face value to be expressed in either minutes or dollars.

³ The draft rule is duplicative as to IXCs and LECs, who already are required to file and maintain tariffs, and conflicts with ALBC price list requirement in Rule 25-24.825. Rather than introduce conflict and ambiguity into the Commission's telecommunication rules, the ALEC price list rule should be amended to require information specific to prepaid calling services.

Rule 25-24.920 Standards For Prepaid Calling Services Contracts.⁴

(1) The name of the certificated company providing the prepaid calling services, ~~its address including street, city, state, and zip code, and its headquarters phone number~~ shall be clearly printed on the card. The phone number of the company's headquarters as well as its address, including street, city, state and zip code, shall be clearly printed on the card or its packaging, or available through the company's toll-free customer service number.⁵

(2) Each company shall provide toll-free access to prepaid calling services. After reaching a toll-free access number, an end user shall not be required to incur toll charges or ~~any additional fees or surcharges~~⁶ to access prepaid calling services.

(3) Each company shall provide, and legibly print, a toll-free customer service number on each card. The company shall record end user complaints or shall provide a live operator to answer incoming calls for 24 hours a day, seven days a week. The company shall acknowledge all recorded complaints within 48 ~~24~~⁷ hours.

(4) When the end-user pays value for service, each company shall legibly print the initial face value expressed in minutes (units) or dollars on the card or its packaging. If the value is expressed in dollars, the card, its packaging or point of sale material must clearly show the conversion factor so that consumers can determine their cost per minute for intrastate calls.⁸ The above information

⁴ This term is superfluous. Additionally, it could be misconstrued to indicate that the Commission's rules treat prepaid calling services as the subject of individual contracts, rather than tariffed telecommunications products.

⁵ As long as this information is readily available to consumers it doesn't appear necessary to place it on the card.

⁶ See suggested changes to subsection (5) of this rule.

⁷ The Commission's goal of prompt acknowledgment can be met with a 48 hour turnaround on customer complaints. A single network malfunction could generate calls that could not be acknowledged within 24 hours.

⁸ While most carriers offer a flat rate per minute for domestic calls, they are not able to do so for international calls. Cards that provide international calling capability typically are marketed in monetary denominations to allow per-minute rates to vary, depending upon the country called. The Commission's rules should concentrate on preventing unfair, misleading.

must be clearly visible to consumers prior to purchase⁹. ~~If the card is sold through a vending machine, each company shall legibly print the initial face value on the vending machine. A company shall deliver to the end user the above number of minutes (units).~~¹⁰

(5) The billing increment shall not exceed one minute. All surcharges, call set-up charges, minimum billing amounts, and the like must be clearly identified on the card, its packaging or point of sale material in a manner that is visible to consumers prior to purchase¹¹

(6) Rechargeable cards allow the end user to purchase additional minutes. At recharge, the rate per minute shall equal the tariffed rate. At recharge, each company must disclose to the end user the number of intrastate minutes being purchased. The company shall clearly identify any additional fee for recharge prior to the purchase. ~~The company shall not charge any additional fee for recharge.~~¹²

(8) If a prepaid calling service has a specific expiration date, it shall be legibly printed on the card. Cards without a printed expiration date and with time remaining shall be considered active for a minimum of one year ~~two years~~¹³ from the date of first use or last recharge, whichever is later. A each company may declare a card invalid inactive¹⁴ after the minimum time period has passed.

and anti-competitive market behavior rather than force telecommunications providers to offer a standardized product. Therefore, the rules should require companies to provide consumers with the ability to determine costs (per card, per call and per minute) prior to purchase.

⁹ A general requirement that information be clearly visible removes the need for specific mention of vending machines.

¹⁰ This provision effectively prohibits surcharges, call set-up charges and minimum billing amounts. These types of charges are neither inherently unfair nor anti-competitive, so long as they are clearly revealed on the card or at the point of purchase. A call set-up charge may allow a provider to offer a lower per-minute charge, to the benefit of consumers making longer calls.

¹¹ See Footnote 10.

¹² Recharge fees should be treated in the same fashion as surcharges.

¹³ According to workshop participants, prepaid calling services are typically used relatively quickly after purchase. A two year active period therefore seems unnecessary.

¹⁴ The intent of this rule is to allow companies to limit the period of time over which a card may be used. The term "inactive" implies a temporary, rather than permanent, limitation.

Rule 25-24.925 Refunds.

(1)(b) Each company shall provide a cash refund or replacement time card¹⁵ equal to the value remaining in the account when an end user is unable to use the prepaid service as a result of technical difficulties with the card or the service beyond the end user's control ~~the card being defaced, the magnetic strip having been demagnetized, or some similar problem.~~¹⁶

(4) In no event shall a network provider be required to make refunds to end users as to whom it acts only as a network provider.¹⁷

Rule 25-24.930 Adequacy of Service.

(4) In no event shall a network provider be liable for failure or default of a carrier purchasing network time and access for resale.¹⁸

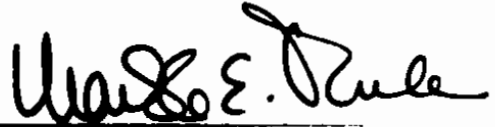
15 It was clear at the workshop that staff and participants anticipated replacement time rather than cards.

16 The Commission should not impose liability on service providers for the actions of end users.

17 Several existing provisions could require a network provider to give a cash refund to customers of the downstream reseller.

18 Network providers should not be liable for resellers' failure to order adequate 800 access. The existing rule states that "each company" shall ensure service standards but does not distinguish between network providers and resellers.

RESPECTFULLY SUBMITTED on behalf of AT&T, LDDS, Sprint,
ITA and Access Telecom.



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