

**BEFORE THE FLORIDA  
PUBLIC SERVICE COMMISSION**

**DOCKET NO. 970882-TI**

**DIRECT TESTIMONY OF JANE M. KING  
ON BEHALF OF MCI**

**November 24, 1997**

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**Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

**A. My name is Jane King and my business address is 1200 South Hayes Street, Arlington, VA 22202.**

**Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

**A. I am employed by MCI Communications Corporation in the Law and Public Policy Division as Senior Manager, Consumer Affairs. My responsibilities include management of public policy issues related to marketing of telecommunications services to residential and small business customers. I also oversee the management of complaints forwarded to the Law and Public Policy Division that have legal or public policy ramifications.**

**Q. PLEASE GIVE A BRIEF DESCRIPTION OF YOUR BACKGROUND AND EXPERIENCE.**

**A. I have 16 years experience in many facets of consumer protection and public policy related to representation of the interests of consumers. I have worked on behalf of consumers in the non-profit and government sectors prior to my employment by MCI. For the last six years, as an MCI employee, I have been involved directly with customer issues and worked closely with consumer organizations. I have a BA in English from Duquesne University and all of**

1           the graduate course work for a Masters in English from the University of  
2           Virginia.

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5           **Q.     WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

6           **A.     The purpose of my testimony is to identify those areas in the Commission**  
7           **staff's proposed Customer Service Rules that MCI can support, and to**  
8           **identify those areas that might impose a burden on consumers without adding**  
9           **to the protection of their interests. We will also note the financial impact of**  
10           **some of the Commission staff proposals on MCI, and therefore, on our**  
11           **customers.**

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14           **Q.     CAN YOU IDENTIFY THE REASON FOR INCREASED CONCERN**  
15           **ABOUT UNAUTHORIZED SWITCHES OF CARRIERS?**

16           **A.     Perhaps most important, in terms of overall consumer protection, the public**  
17           **is much better informed about the telephone services marketplace than it was**  
18           **until recently. During the past year, your offices and those of other**  
19           **regulators have worked closely with the media to disseminate information**  
20           **that helps consumers to understand carrier switches and ways for consumers**  
21           **to protect themselves against slamming.**

1 MCI has also helped to educate consumers about selecting a telephone carrier  
2 and ways to avoid being "slammed" or converted to a carrier without  
3 authorization. MCI produced two recently published booklets with consumer  
4 groups, "Making the Best Call" and "Countdown to Smart Dialing". Both  
5 have been widely distributed, and the text of each of these booklets is on the  
6 MCI web site <www.mci.com>. A copy of the information from our web site  
7 is attached as exhibits JMK-1 and JMK-2.

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9 MCI also works closely with the media to place articles warning consumers  
10 about "slamming" frauds and recommending steps to take to avoid being a  
11 victim.

12  
13 Additionally, the advent of equal access, with carrier choice now available for  
14 intraLATA services and, to a much lesser degree, local services, raises  
15 significantly the sheer volume of carrier switches. Estimates of the number of  
16 switches in 1996 are as high as 50,000,000, a total that represents half of the  
17 residential lines in the country.

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20 **Q. ARE ALL PIC DISPUTES ACTUAL "SLAMS"?**

21 **A. Many disputes about carrier switches are not slams. In fact, MCI's**  
22 **experience indicates that at least half of the complaints reported by local**  
23 **carriers as "PIC disputes" are not slams, but are legitimate switches that are**

1 being disputed for a reason other than slamming. Several types of PIC  
2 disputes that are not slams include: disagreement in a household, when one  
3 party authorizes the switch and another object or is unaware of the PIC  
4 switch; changes of mind about choice of carrier, faulty orders, sometimes due  
5 to clerical error, sometimes due to errors in transmitting the data. Some  
6 unauthorized switches (a not inconsiderable number) result from subscriber  
7 fraud.

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9  
10 **Q. IS THERE A PROCESS IN PLACE TODAY TO ADDRESS**  
11 **CONSUMER PIC DISPUTES?**

12 **A.** Currently, most PIC disputes are reported by consumers to their local carrier.  
13 In order to facilitate rapid restoration of service to the carrier of choice, the  
14 FCC has authorized so-called "no-fault" PIC dispute resolution, the practice  
15 used by MCI and other IXCs with most of the local carriers around the  
16 country. Through "no-fault" resolution, the local carrier reports that the  
17 consumer disputes the PIC, switches the consumer back to the original  
18 carrier, and assesses the company with the disputed PIC for the switch fee.  
19 The current "no-fault" PIC dispute resolution process represents long distance  
20 carrier acceptance of responsibility for all PIC disputes, whether or not the  
21 carrier had any responsibility whatsoever for the dispute. The "no-fault"  
22 process, at least when responsible carriers are involved, assures rapid  
23 management of consumer complaints and restoration to consumers of the

1 services of their carrier of choice, and also compensates them for the PIC  
2 switch fee. The no fault tariff however, has one huge and obvious flaw. The  
3 local carrier does not have any requirement to research the cause of the  
4 dispute. Therefore, local carrier reports of PIC disputes are highly inflated,  
5 because the many reasons for disputing switches listed above are not  
6 accounted for. Instead, all are characterized as "slams".

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9 **Q. WHAT SHOULD BE THE DEFINITION OF AN UNAUTHORIZED**  
10 **SWITCH, OR "SLAM"?**

11 **A.** The proposed rules do not define an unauthorized switch. If DXCs and other  
12 carriers are culpable for unauthorized switches, the activity should be defined.  
13 An unauthorized switch is the conversion of a consumer's carrier without  
14 consumer consent. From MCI's perspective, however, and clearly from the  
15 Commission staff's perspective, the consent must be affirmed through  
16 appropriate verification, i.e., through the verification methods authorized by  
17 the Federal Communications Commission (FCC) and/or the Florida  
18 Commission. At MCI, verification of sales occurs through two methods  
19 only: Third Party Verification of all outbound and inbound telemarketing sales  
20 and agent sales, and letters of agency for all orders received via business reply  
21 envelope or check LOAs.  
22

1           **MCI believes that all sales that are confirmed by methods authorized by the**  
2           **appropriate regulatory body must be viewed, by definition, as authorized**  
3           **sales. For example, a consumer who reports a PIC dispute that, in fact, is**  
4           **discovered to the result of buyer's remorse following a properly verified sale,**  
5           **is not an unauthorized PIC, or "slam."**

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8           **Q.    DOES MCI AGREE WITH THE COMMISSION'S**  
9           **RECOMMENDATIONS FOR THE VERIFICATION OF CONSUMER**  
10           **REQUESTS FOR SWITCHES OF TELECOMMUNICATIONS**  
11           **CARRIER?**

12           **A.    MCI shares the Commission's concerns about slamming. We have taken a**  
13           **leadership role in advocating effective, consumer-friendly measures that**  
14           **would help our industry crack down on slamming, while permitting flexible**  
15           **consumer choice. MCI believes that serious consideration should be given to**  
16           **adopting Third Party Verification—or TPV—as a requirement for all carrier**  
17           **switches. MCI's own experience with TPV convinces us that it is the single**  
18           **most consumer-friendly and effective approach to curbing slamming.**

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21           **Q.    HOW DOES MCI USE TPV TO CONFIRM PIC SWITCHES?**

22           **A.    TPV confirms consumer desire to make a switch of carrier via an independent**  
23           **third party verification company. TPV verification is short, consumer-**



1           **friendly, and effective. It confirms essential information about the customer's**  
2           **decision to switch in a one to two minute call. Importantly, the TPV company**  
3           **has no commission or other financial incentives to confirm sales orders. The**  
4           **company simply verifies customer choice.**

5  
6           **It's an efficient process. It avoids order entry delays that are otherwise**  
7           **involved if written customer LOAs must be gathered. It permits consumers to**  
8           **begin enjoying promised benefits sooner. MCT's experience is that customers**  
9           **like it. TPV acknowledges the modern reality that consumers want to deal**  
10          **with phone service issues over the telephone.**

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12  
13          **Q.    WHAT IS MCT'S EXPERIENCE USING TPV?**

14          **A.    Importantly, for purposes of the Commission's focus on slamming, TPV is a**  
15          **proven means of reducing unauthorized conversions. MCT's own experience**  
16          **with TPV is instructive. We implemented TPV in 1991 for our outbound**  
17          **telemarketing sales. This resulted in a dramatic reduction in telemarketing**  
18          **complaints--to the point where only a small fraction of one percent of all**  
19          **telemarketing sales results in complaints of any type.**



1           **Q.    COULD YOU DESCRIBE MCI'S EXPERIENCE WITH THE**  
2           **EFFECTIVENESS OF LOAs?**

3           **A.    MCI initially used Third Party Verification for outbound telemarketing sales.**  
4           **By early 1996, however, we found that sales channels where MCI gathered**  
5           **LOAs—like door to door sales and face to face sales at events—were the**  
6           **source of a disproportionately large percentage of MCI's disputes and**  
7           **complaints. We noticed that while LOA-driven sales channels represented**  
8           **less than 20% of our residential sales activity, these same sales methods**  
9           **represented almost 50% of MCI's LEC-reported PIC disputes. We noticed**  
10          **the same trends throughout the industry, as most of the major enforcement**  
11          **actions revolved around direct sales, forged LOAs and other deceptive LOA**  
12          **marketing.**

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14  
15          **Q.    WHAT DID MCI DO AS A RESULT OF ITS RESEARCH ON LOAs?**

16          **A.    Armed with these facts, MCI decided to make another major commitment to**  
17          **its own sales quality efforts. Early in 1996, MCI committed both to the Florida**  
18          **PSC and to the FCC that it would conduct TPV for virtually all its residential**  
19          **and small business sales activities. By the fall of 1996, we were conducting**  
20          **TPV for virtually all our sales. The results have been dramatic. We've seen**  
21          **a substantial reduction of complaints from sales channels not previously**  
22          **subject to independent verification. Overall, MCI's commitment to TPV**  
23          **resulted in a year-over-year reduction of more than 50% in our complaint**

1 percentages. The bottom line is that MCI believes its commitment to TPV  
2 has greatly improved our own sales quality and therefore has better protected  
3 consumers.

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5  
6 **Q. TO WHAT DOES MCI ATTRIBUTE THE RECENT INCREASES IN**  
7 **SLAMMING COMPLAINTS?**

8 **A. The ever-expanding entry of new carriers, the increase in sheer volume of**  
9 **carrier switches, and the advent of intraLATA equal access, certainly explains**  
10 **some increased volume in incidence of slamming in the industry. MCI also**  
11 **believes that consumers have benefitted from a great deal of information from**  
12 **regulators and the media on slamming issues. Consumers now better**  
13 **understand the process of switching carriers and their rights associated with**  
14 **that process. Additionally, with the advent of intraLATA equal access and**  
15 **local competition, LECs have a self-interest in mischaracterizing consumer**  
16 **inquiries as "slams" or PIC disputes, thereby inflating the perceived problem.**  
17 **But MCI is not perfect. One complaint is too many. We're still doing**  
18 **whatever we can to improve our own sales quality. But given the fact that**  
19 **millions of customers switch their residential service to MCI every year, it's**  
20 **inevitable that some level of complaint activity will occur. We do believe that**  
21 **TPV sets a standard that achieves a high level of consumer protection.**

1 **Q. IS SLAMMING ASSOCIATED WITH TELEMARKETING?**

2 **A. Contrary to common perception, industry slamming problems are not**  
3 **primarily related to telemarketing. Instead, the vast majority of reported**  
4 **enforcement actions across the country have involved sales methods using**  
5 **LOAs. The real problem areas have been forged LOAs, deceptive LOA**  
6 **marketing techniques, sweepstakes LOAs, and deceptive check LOAs.**  
7 **Getting it in writing is NOT the solution. In fact, its the primary problem, as**  
8 **evidenced by consumer testimony from the public hearings of the**  
9 **Commission.**

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11  
12 **Q. WHAT ARE MCI'S VIEWS ON A REQUIREMENT THAT TPV BE**  
13 **TAPE RECORDED?**

14 **A. Though MCI recognizes that the Commission staff believes that taping of**  
15 **TPV may enhance its efficacy, we want to point out that carriers will have to**  
16 **invest many thousands of dollars in setup costs, the taping of the verification**  
17 **conversation, subsequent storage of the recording, and retrieval upon**  
18 **request. We think that TPV works well today without mandatory recording.**  
19 **Part of the process involves obtaining a date of birth or SSN from the**  
20 **customer to provide unique proof that the TPV representative actually talked**  
21 **with the authorizing customer.**

1           **While MCI believes any taping requirement should be national in scope, MCI**  
2           **would support an investigation of the possibility that taping would balance**  
3           **consumer needs with the added costs of implementation, maintenance and**  
4           **retrieval of taped TPV calls.**

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7           **Q.    WHAT ARE MCI'S VIEWS ON THE COMMISSION STAFF'S**  
8           **PROPOSAL ON THE REQUIRED FORMAT FOR LOAs?**

9           **A.    MCI believes that the Commission staff's requirements for LOAs as now**  
10           **proposed are generally consistent with the FCC's formulation for LOAs,**  
11           **which MCI supports. The rules propose language stating that the document,**  
12           **"as a whole, must not be misleading or deceptive", and that the document**  
13           **"must not be combined with inducements of any kind." We agree that**  
14           **deceptive or misleading LOAs should be banned. However, we believe that**  
15           **the LOA format should permit non-deceptive methods for customers to**  
16           **confirm that they are signing up for particular carrier-offered programs--such**  
17           **as frequent flyer partner programs--as part of the transaction. It is in this**  
18           **context that the FCC adopts rules that require that "the LOA be a separate or**  
19           **severable document whose sole purpose is to authorize a change in a**  
20           **consumer's primary long distance carrier". In order to make partner offers**  
21           **clear, for example, MCI makes the LOA "separable", but connected to, the**  
22           **document specifying the number of frequent flyer points to be earned as a**  
23           **consequence of signing up and using MCI's service. MCI believes that**

1 consumers actually have less protection if their authorization does not clearly  
2 reflect the terms of their agreement to switch carriers.

3  
4 MCI does take exception to the staff's proposal specifying that the type size  
5 for certain disclosures must be of "at least as large as any other text on the  
6 page, and located directly above the signature line". Many letters of agency  
7 are cards or certificates, large enough to fit in a Number 10 envelope without  
8 a fold. The disclosures required by the staff's proposal should comport with  
9 the FCC's requirement that: "at a minimum, the letter of agency must be  
10 printed with a sufficient size and readable type to be clearly legible and  
11 contain" disclosure language that conforms precisely with the staff's proposed  
12 language.

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14  
15 **Q. WHAT ARE MCI'S VIEWS ON THE PROPOSAL THAT REQUIRES**  
16 **CONSUMERS TO BE CREDITED, FOR THE FIRST 90 DAYS, FOR**  
17 **ALL CHARGES BILLED BY AN UNAUTHORIZED PROVIDER?**

18 **A. MCI believes that this proposal would wreak hardship on consumers**  
19 **and the industry, because dispute costs would rise to unmanageable**  
20 **levels. A system which permits consumers to withhold all payment**  
21 **from any carrier, though certainly a well-intentioned proposal, could**  
22 **lead to a significant increase in the number of claimed unauthorized**  
23 **conversions. MCI's experience has shown that a majority of the**

1 changes that are challenged as unauthorized stem instead primarily  
2 from communications breakdowns within a household, consumers  
3 forgetting they authorized a switch, or buyers' remorse. In each of  
4 these cases, there is no unauthorized switch, but it could wrongly be  
5 treated as one. Unfortunately, just as there are companies in the  
6 marketplace that search out and abuse loopholes in the rules with  
7 regard to PIC changes, we can expect some consumers to do the  
8 same.

9  
10 The 1996 Telecommunications Reform Act clearly directs the FCC to  
11 adopt rules that would require an unauthorized carrier to compensate  
12 the authorized carrier "in an amount equal to all charges paid by" the  
13 subscriber. Undoubtedly, one consequence of the Act and any  
14 resulting FCC ruling will be a much sharper focus on the nature of any  
15 given PIC dispute. It will obviously be in the interest of the alleged  
16 "unauthorized carrier" to refute the charge of slamming by proving  
17 that a legitimate verification of the sale occurred. Indeed, it will also  
18 be in the interest of local carriers to hotly contest PIC disputes related  
19 to the local or local toll service, for they stand to lose customers in the  
20 new competitive environment.

21  
22 The "unauthorized" carrier's incentive to prove that no violation  
23 occurred will often, necessarily, involve the consumer as well as the



1 carrier in an investigation process that will add significantly to carriers'  
2 costs. The "slammed" carrier will have an important self-interest as  
3 well. IntraLATA and local PIC disputes will be further exacerbated by  
4 the tensions created by the dual role of the LEC, as both service  
5 provider and PIC dispute administrator.

6  
7 The greater attention to the underlying causes of PIC disputes, then, will  
8 undoubtedly end the current no fault PIC dispute process. All parties to PIC  
9 disputes will have significant incentives to seek out the root cause of every  
10 PIC dispute, a phenomenon which will not always keep consumers out of the  
11 line of fire. Though the compensation Congress proscribed will add to  
12 dispute costs, consumers will undoubtedly benefit from the incentive given to  
13 slammed carriers to seek compensation for lost revenue. State commissions  
14 and the FCC will have to stretch financial resources to strictly enforce  
15 anti-slammings laws. Giving the authority to responsible carriers to seek  
16 compensation when they are slammed further encourages the market to police  
17 itself and will add significantly to enforcement of the law.

18  
19  
20 **Q. HOW DOES THE STAFF'S PROPOSAL COMPARE WITH**  
21 **THE FCC'S NPRM?**

22 **A. The FCC is currently formulating a new rule in response to the**  
23 **Congressional directive and will soon promulgate its requirements for**



1 managing liability for unauthorized PIC switches. We urge the  
2 Florida Commission to establish rules compatible with the FCC's  
3 formulation, which we believe will make consumers whole and deprive  
4 the offending carrier of any remuneration for the slams. In its  
5 comments to the FCC, MCI recommended that victims of an  
6 unauthorized PIC conversion receive a refund for all charges paid to  
7 the unauthorized carrier that exceed the amount they would have paid  
8 to their carrier of choice. The unauthorized carrier would submit to  
9 the authorized carrier an accounting of all revenues collected from the  
10 slamed consumer, and would be obligated to refund to the carrier of  
11 choice the total amount that the authorized carrier would have  
12 charged for the same calls. Such an approach will also help deal with  
13 the problems associated with premiums that the customer may have  
14 lost as a result of the unauthorized conversion. (The FCC proposes  
15 mandating refunds of premiums lost through slams). If the authorized  
16 carrier is fully compensated for lost revenues, that carrier should be  
17 required to make the consumer whole by awarding any premiums that  
18 were lost as a direct result of the unauthorized PIC change.  
19

20 MCI has also recommended to the FCC that it should support the  
21 establishment of a third party PIC administrator, which would manage  
22 PIC administration and dispute resolution. The local carrier self-

1 interest in PIC management and disputes completely undermines its  
2 objectivity in managing the dispute process.

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4  
5 **Q. WHAT IS MCI'S POSITION ON THE STAFF'S PROPOSAL THAT**  
6 **NAMES OF OTHER CARRIERS NOT BE MENTIONED DURING**  
7 **TELEMARKETING?**

8 **A. MCI believes that carriers cannot be allowed to misrepresent who they are.**  
9 **The Commission, however, cannot prevent carriers from making non-**  
10 **misleading comparisons between their rates and service and those of their**  
11 **competitors. It is unreasonable to attempt to restrain telemarketing**  
12 **representatives from answering consumer questions and concerns that help**  
13 **consumers make an informed choice. MCI believes that prohibiting truthful**  
14 **comparisons would be an unreasonable restriction on free speech.**

15  
16  
17 **Q. WHAT ARE MCI'S VIEWS ON THE REQUIREMENT THAT**  
18 **CUSTOMER BILLS INCLUDE THE CERTIFICATE NUMBER AS**  
19 **PART OF PROPOSED RULES FOR BILLING FOR LOCAL**  
20 **EXCHANGE TELECOMMUNICATIONS COMPANIES?**

21 **A. Section 25-4.110(10) requires customer bills to display the name of the**  
22 **certificated company and its certificate number, the type of service provided**  
23 **and a toll-free customer service number. MCI currently complies with all**

1 aspects of this proposed rule except the inclusion of its certificate number.  
2 MCI absolutely agrees that the carrier's name and toll-free service number  
3 should always be included on bills. However, we do not believe that adding  
4 the certificate number would enhance consumer protection. We believe that  
5 for consumers the certificate number is meaningless and irrelevant, and the  
6 need to include the certificate number in complaints would be an additional  
7 burden.

8  
9 MCI, for example, uses account numbers to keep track of customer records,  
10 but we do not ask consumers to provide that number to us when they call us  
11 for it would only cause our customers frustration. Likewise, we do not  
12 believe that Florida consumers would find the addition of a certificate number  
13 at all useful. Furthermore, this requirement would add significantly to costs  
14 for carriers, as MCI responded to the Commission in its financial impact  
15 inquiry.

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17  
18 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

19 **A. Yes.**  
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21  
22

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a copy of the foregoing was furnished to the following parties by hand delivery (\*) or U.S. Mail this 25th day of November, 1997.

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## **MCI Corporate Information Consumer Affairs**

### **Making the Best Call How to Save Money and Avoid Problems with Your Telephone Service**

#### **Telephone Service is Changing**

A new federal law has opened up the telephone industry to increased competition. Many different companies may soon offer to provide you with telephone service, both long distance and local. For more than a decade, consumers have been able to choose their long distance phone company. As a result, varying types of discount plans are now available and today consumers can save money by joining the long distance calling plan that is right for them.

Similar competition may also develop for the local phone service currently offered by one company in your community. How quickly this local competition emerges depends upon several factors -- including the rules laid down by your home state to manage phone service and the decisions made by individual companies on how and where to seek customers. Local competition holds the promise of lower rates and greater choice for consumers.

Companies you recognize will be offering a broader range of services, while companies unfamiliar to you may solicit you for their services also. With dozens of companies offering local service, long distance or both, consumers need to make sure they are getting the best deal.

#### **Be a Savvy Shopper**

##### **Long Distance -- Know Your Needs**

The best way to save money on long distance service may be to enroll in a calling plan that fits your habits.

Consider the following:

- how many calls you make a month,
- how long you talk,



- the time of day you usually make calls,
- where the calls are placed (local, domestic long distance or international),
- the rate per minute or per month, and
- any monthly fee or minimum spending limit.

A close look at your monthly bill will provide you with the information needed when choosing the right calling plan. You should request written material from companies and compare their rates to your calling patterns and make sure you fully review the details of a plan before you sign on.

#### **Local Service Choice is Changing**

The full picture of local service has yet to be completed, especially as each of the 50 states determines how it will oversee the new open market. As the local market changes, be wary of offers that commit you for a set period of time to your current local company or a new provider. While their discounts or rates may sound like a good deal, such practices can lock out competitors and limit consumer choice. For the first time in a long time, one company will be able to offer both local and long distance services to consumers. This ability to choose is convenient and can save you money. You may, however, save more money by selecting a separate company for local and long distance service. The key is: shop around among companies offering various local and long distance plans and shop smart. This brochure warns you about some deceptive techniques used to sell telephone service. It can help you avoid marketing abuses today and alert you to tactics that may be used as competition for local service develops.

#### **CAUTION: Look Before You Leap**

##### **Slamming**

You have the right to choose your primary long distance company and to change companies whenever you wish. Over the past few years, the number one consumer complaint in the telephone market involves a practice called 'slamming' -- when your chosen long distance telephone service provider is switched to another company without your consent or knowledge. This practice may involve deceptive marketing tactics or outright fraud, and it could affect your local service. If your service is slammed, you could lose important service features, get lower quality service or be charged higher rates for your long distance calls. The Federal Communications Commission's (FCC) rules and policies and the Telecommunications Act of 1996 prohibit slamming. The FCC's rules require a long distance company to obtain your authorization before changing your long distance service provider. Your state may have similar regulations. Your service may be switched through no fault of your own, or you could be misled by marketing techniques used to sign up customers for telephone service. To avoid this, you should carefully read all promotional material and all forms before signing, including the sweepstakes, contests, promotional checks or other marketing devices some companies use to induce consumers to authorize a



carrier switch. FCC rules require that the forms provided by long distance companies to change long distance service be clear and not confusing, signed and dated by the consumer subscribing to the telephone line involved with the change, and easily separated from the promotional material. For instance, the form could be printed on a piece of paper that does not include any promotional material. Or, the form and promotional material could be included on a sheet of paper with perforations so that the form can be easily torn off and separated from the promotional material.

#### Checks in the Mail

Closely examine checks from telephone companies offering money to switch to their service. While it may be wise to take advantage of special offers, make sure you are signing up for the plan that saves you the most money. Some companies may not automatically put you on their best savings plan and you could end up paying more than the value of the check in higher monthly rates. In some cases, customers need to mark a box on the back of the check to receive the discounted service. A check must clearly state that the customer is authorizing a change in service — but read the entire offer. Look for a full explanation of the changes you are authorizing next to the signature line on the back of the check. If you do cash the check, call the customer service number provided soon after to make sure you have been placed in the best discount program for you.

#### Discount Plans

Carefully examine telephone or mail solicitations that offer big savings if you switch your service to a new company. These claims usually compare only the highest rates of well-known carriers. A calling plan with your current company may have lower rates and fewer restrictions than the program being offered. In any case, ask more questions and find out about any hidden costs or restrictions associated with discount plans. Do the discounts offered fit your calling habits? Will the company provide other services you need, such as 24-hour customer service and reliable billing? If you're not getting straight answers, you probably have reason to be suspicious.

#### Five-Digit Discount Codes

Pay close attention to mailings offering big savings if you use a so-called discount code of five digits at the start of each call you make. These offers promise not to change your long distance company, which is technically true. Dialing the five digits before the number that you are calling will connect you to a long distance company that most likely is not your primary long distance company. This company's rates may be higher or lower than the rates charged by your long distance company.

#### Short-Term Bargains

Watch for special offers that provide certain services at a discount or for free. These bargains' often last for only a few weeks or months, then automatically continue at a much higher rate unless you specifically request cancellation. Also, remember that your local telephone company charges a fee to change your long distance company. Some long distance companies will pay this charge if you switch to their service.

#### Package Deals

Package deals can offer a good value as many companies begin to offer deep discounts to customers who buy all their telecommunications services from one source (some may include Internet, cable TV or pager services, for instance, on top of local

and long distance). Companies offer these deals because it helps them retain customers, and consumers like them because it simplifies the billing process. It could, however, be cheaper to buy separately only the services needed, rather than an entire package. Make sure you purchase what you truly want and can afford.

#### **Selection Frame**

Your current local telephone company may tell you that you can avoid negative marketing tactics by signing up for a program that requires you to directly contact your local telephone company to change carriers. Some local companies require written permission. While written permission will help protect you from slamming, it can make it more difficult to take advantage of new competitors offering lower prices or better service.

#### **Prepaid Calling Cards**

Depending on their per-minute rate, prepaid calling cards can save money on long distance calls of short duration. If you use prepaid cards for calls from home or for local calls, however, you may pay more than if you used your regular telephone service. In addition, some companies that sold consumers calling cards have gone out of business before the customer can use the full value of the card. Only prepay if you know and trust the company making an offer.

#### **Pay Phones**

Be aware that pay phones may be connected to operator service companies charging high rates and added fees. If you make calls away from home, consider getting a calling card that allows you access to the company of your choice by dialing its access code — usually an 800 number. Though illegal, some pay phones are set up to block your ability to reach your company. If you have trouble reaching your carrier or using a calling card, try to find another nearby pay phone.

### **Questions & Complaints What You Can Do**

#### **Verify Your Company**

If you suspect your long distance carrier has been changed without your permission, call 1-700-555-4141 from your home phone and a recording will state which carrier is connected to your home line. Its name will also be listed on your bill, which you should examine every month.

#### **Get a Refund**

If your telephone company is switched improperly, call your local telephone company and your original carrier and arrange to be switched back immediately at no charge. You have the right to demand a refund if you were charged a switching fee or were billed at higher rates than your own carrier's rates.

#### **Get Help With a Complaint**

For advice about a telephone-related problem, contact your state or local consumer protection agency, or your state Attorney General or public utilities commission. If necessary, they may take a complaint from you or refer you to another agency that can help you. Send a copy of your grievance to the company so they know you are dissatisfied. If you are unsuccessful in resolving problems about interstate or

international long distance service with the company, you can write to the Federal Communications Commission. Your complaint should include your name; address; the telephone number or numbers involved with the complaint; a telephone number where you can be reached during business hours; the names of your local and long distance companies and, where appropriate, the company that slammed you; and copies of bills or other documents related to your complaint. Be aware that complaints can take several months to process.

FCC's Common Carrier Bureau  
Consumer Complaints  
Mail Stop 1600A2  
Washington, DC 20554



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## MCI Corporate Information Consumer Affairs

### Countdown To Smart Dialing

Phone service can be complicated! Here's a countdown of must-know information and cost-cutting tips to make dialing the numbers easy.

#### 10 Ten plus gets you connected.

Every long distance company in the US has its own five-digit access code - 10 plus three numbers for reaching its network (10XXX). By dialing a company's 10XXX before the area code and number you want to reach, for example 10XXX+220-555-9999, you will be connected and billed by that company. Access codes enable you to bypass the selected long distance carrier of the telephone you are using. So be sure it's the company you want to use before you dial an access code.

**TIP:** Some companies claim to offer "wholesale" long distance when you use their 10XXX numbers. However, many discount claims are misleading. You'll probably pay less if you're on a long distance company's savings plan. Learn the fees, calling minimums, and restrictions involved before you dial.

#### 900/976 Dial and you pay!

900 and 976 numbers are toll calls for information or services that are usually charged to your monthly phone bill. All 900 and 976 calls costing over \$2.00 must state the per-minute charge up-front, and give you an opportunity to hang up before billing begins.

**TIP:** You're responsible for 900 and 976 calls made from your phone, including those made by family members or guests. You can ask you local carrier to block 900 and 976 calls. Don't confuse 900 numbers with area codes that start with a "9".

#### 800/888 Dial eight for toll free rates.

Numbers preceded by 800 and 888 are toll-free for callers. When placing an 800 or 888 call, be sure to use 800 or 888, whichever number is specified, because the two are not interchangeable.

**TIP:** Calls to 800 and 888 numbers are free, but information services offered on toll-free numbers may result in a charge. If the call is to be charged to a credit or calling card, it must begin with a message stating the costs. If you wish to pay for the information directly to the company or via your phone bill, you must have a written agreement with the company offering the information and a personal identification



number (PIN).

#### 7 Been slammed? Check it out.

If your long distance carrier is changed without your knowledge or consent, you've been "slammed." If you think you've been slammed, call 1-700-555-4141 from your phone to check the identity of your current carrier. It is a free call. If you use one of the smaller long distance carriers, call your local phone company to verify your provider.

TIP: Read your monthly bill carefully! You can request that your local carrier "freeze" your carrier selections to prevent unauthorized changes. However, a "freeze" will require you to contact your local carrier for any future carrier changes, which may make it more difficult to try new services or carriers.

#### 6 Dialing domestic or international?

Some area codes which look similar to those in the U.S. may actually reach other countries within North America. For example, dialing 1+604 plus a seven digit phone number connects you to Canada, and 1+809 connects to most Caribbean countries. If you'd like to "block" international services from your account, check out your options with both your local and long distance carriers.

TIP: Frauds, often originating from an off-shore destination, prey on callers who don't realize they're making international calls. And, U.S. laws don't apply. Call your operator or check your phone book to identify any unfamiliar area codes.

#### 5 "Follow me" numbers.

Phone numbers preceded by a 500, or "follow me" numbers, can be forwarded to several pre-programmed locations, allowing callers to "find" the person they're trying to reach. For example, if you call a 500 number, the call may first go to a home number, and then to a cellular number. Don't confuse 500 with area codes that begin with "5".

TIP: If you dial a 500 number, be aware that you, not the person who receives the call, will be charged for the call.

#### 4 For more information.

Dialing 411 connects you to local directory assistance, while information outside of your area is available by dialing 1+(area code)+555-1212. There may be charges for these services. Directory assistance for both 800 and 888 numbers, however, is free and available by calling 1-800-555-1212.

#### 3 Dial 3 digits for overseas.

Three digits, 011, precede most international calls outside of North America, followed by the country code and phone number. If you need a specific country code or other information, dial 00 for your carrier's long distance operator.

TIP: International calls can be costly, so check the rates with your long distance company before you dial and consider scrolling in a calling plan.

#### 2 Too many numbers.

Traditionally, most area codes have a 0 or 1 as the middle digit. But additional area codes that may seem unfamiliar (like 281) have been added to meet growing needs for more telephone numbers. If you're uncertain about a code, check your phone book or, call directory assistance.

**1 One plus dial direct.**

Dialing direct, or dialing 1+area code before a seven digit number, generally indicates a long distance or local toll call carried by your selected company. Depending on where you're calling, charges may be applied by either your long distance or local carrier. If you're uncertain if a call is local, toll, or long distance, call your operator.

**TIP:** Educate yourself on the per-minute cost for day, evening, and nighttime rates to keep phone bills to a minimum. Signing up for a savings plan that fits your calling patterns can also save you money.

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**Smart Dialing Guide: Keep this by the phone for quick reference!**

10XXX	Connects calls to a specific long distance carrier
911	Emergency assistance
888	Prefix for toll free calls, comparable to 800
700-555-4141	Verifies your long distance carrier
500	Prefix for "follow me" numbers which are forwarded
411	Local directory assistance
011	Prefix for international calls
00	Long distance operator
0	Local operator

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Call For Action, Inc. (CFA) is an international, non-profit network of hotlines, affiliated with local broadcast partners. Over 1,200 trained volunteers work to assist, educate, and solve consumer problems through free and confidential mediation services. Help is available to individuals, small businesses, and the hearing and speech impaired via text telephone.

**WTAJ-TV**  
Altoona, PA  
(814) 944-9336

**WABC Radio**  
New York, NY  
(212) 268-5626

**KTBC-TV**  
Austin, TX  
(512) 495-7084

**KYW-TV & KYW Radio**  
Philadelphia, PA  
(215) 238-4500

**WBZ-TV & WBZ Radio**  
Boston, MA  
(617) 787-7070

**KDKA Radio**  
Pittsburgh, PA  
(412) 333-9370

**WIVB-TV**  
Buffalo, NY  
(716) 879-4900

**WTVI-TV**  
St. Louis, MO  
(314) 282-2222

**WJW-TV**  
Cleveland, OH  
(216) 578-0700

**KCBS Radio**  
San Francisco, CA  
(415) 478-3300

**KKTV-TV**  
Colorado Springs, CO  
(Opening Soon)

**WTVG-TV**  
Toledo, OH  
(419) 534-3838

**WXYZ-TV & WJR Radio**  
Detroit, MI  
(810) 827-3362

**WTOP Radio**  
Washington, DC  
(301) 652-4357

**WINK-TV**  
Fort Myers, FL  
(941) 334-4357

**INTERNATIONAL**  
**Radio El Mundo**  
Buenos Aires, Argentina

**KCTV-TV**  
Kansas City, MO  
(913) 831-1919

**Radio Sormland**  
Eskilstuna, Sweden

All other locations: CFA Network Hotline (301) 657-7490 TTY (301) 657-9462

**Call For Action Network Office**  
5272 River Road, Suite #300, Bethesda, MD 20816  
(301) 657-8260 TTY (301) 657-9462

1-800-647-1756

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