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RECORDS AND
REPORTING

October 5, 1999

Mrs. Blanca S. Bayó
Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 990994-TP (Rulemaking)

Dear Ms. Bayó:

Enclosed please find the original and fifteen copies of BellSouth Telecommunications, Inc.'s Post Workshop Comments, which we ask that you file in the above-referenced matter.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served to the parties shown on the attached Certificate of Service.

Sincerely,

Michael P. Goggin
Michael P. Goggin

- AFA 3
- APP _____
- CAF _____
- CMU _____
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- EAG _____
- LEG 1
- MAS _____
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cc: All Parties of Record
Marshall M. Criser III
R. Douglas Lackey
Nancy B. White

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FPSC-RECORDS/REPORTING

**CERTIFICATE OF SERVICE
Docket No. 990994-TP**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via

U.S. Mail this 5th day of October, 1999 to the following:

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Michael P. Goggin

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Proposed Rule 25-4.119, F.A.C.,) Docket No. 990994-TP
Information Services; and proposed)
amendments to Rules 25-4.003, F.A.C.,)
Definitions; 25-4.110, F.A.C., Customer)
Billing for Local Exchange)
Telecommunication Companies; 25-4.113,)
F.A.C., Refusal or Discontinuance of)
Service by Company; 25-4.114, F.A.C.,)
Refunds; 25-4.490, F.A.C., Customer)
Relations; Rules Incorporated; and)
25-24.845, F.A.C., Customer Relations;)
Rules Incorporated.)
_____) Filed: October 5, 1999

POST-WORKSHOP COMMENTS
BY BELL SOUTH TELECOMMUNICATIONS, INC.

BellSouth Telecommunications, Inc. ("BellSouth") hereby files its Post-Workshop Comments on the proposed rules regarding customer billing.

INTRODUCTION

The Commission is considering whether to adopt rules to amend billing procedures for local exchange companies, to prescribe procedures for refunds when a customer is overcharged, and to provide guidelines for Lifeline service disconnection. BellSouth and others filed preliminary comments with this Commission. The Commission held a workshop on Tuesday, September 28, 1999 to discuss and review the proposed rules and comments submitted. The Commission is seeking Post-Workshop Comments from the parties as a result of the referenced workshop. BellSouth's specific Post-Workshop Comments are set forth below.

I. The proposed amendments to Rule 25-4.110 should be revised.

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FPSC-RECORDS/REPORTING

A. Rule 25-4.110 should apply to all companies that offer local exchange services (Staff Issues 1 & 2).¹

As BellSouth stated in its Responsive Comments filed with this Commission on September 13, 1999, BellSouth believes that Rule 25-4.110 should be amended to apply in its entirety to all telecommunications companies offering local exchange service (not just ILECs). We agree with the comments of Sprint and others who argue that billing, including the format of the bill, is an important way for a carrier to differentiate its services from those of its competitors. Accordingly, we agree that competition, rather than additional regulation, is the most likely way to ensure that customers will receive the clear, concise billing services they desire, and that any regulations in this area should allow for flexibility in the manner in which charges are presented.

We disagree, however, with the contention of Sprint and others that ALECs should be free of regulations designed to protect consumers, while ILECs should not. As a general rule, absent some statutory directive to the contrary, all telecommunication companies providing local exchange service should be treated the same for regulatory purposes. This is especially true when consumer protection is the subject of regulation.

¹ For the Staff's convenience, BellSouth has cross-referenced its comments with respect to Rule 25-4.110 to the list of issues Staff circulated during the September 28 Workshop in this docket.

Neither Sprint nor any other party can point to any reason why ILECs and ALECs should be treated differently when it comes to such issues. A customer should not be denied the benefits of such consumer protection measures simply because he chooses to switch his service from BellSouth to an ALEC. Sprint seems less concerned with customer welfare and more interested in gaining some competitive advantage over its ILEC competition by imposing costs on ILECs and denying them the same billing flexibility Sprint claims that customers desire.

B. Rule 25-4.110(1) should be amended to permit carriers to offer a choice of billing intervals (Staff Issue 3).

As stated in its preliminary comments, BellSouth favors allowing customers to choose whether they wish to be billed monthly or at some other interval. Accordingly, BellSouth recommends that the Commission adopt the language BellSouth suggested in its preliminary comments with regard to this provision.

C. BellSouth agrees with Staff that proposed Rule 25-4-110(2)(a) should be clarified to state that the toll-free number for the originating party should be the number of the originating party or its agent (Staff Issue 4).

BellSouth agrees that the toll-free number displayed on the bill for each originating party should be the number designated by the originating party for handling billing inquiries, whether the number is for the originating party or its agent.

- D. The term “certificated name” in proposed Rule 25-4-110(2)(a) should be clarified to permit the use of an approved “d/b/a” (Staff Issue 5).**

BellSouth supports Sprint’s position on this issue.

- E. Proposed Rule 25-4-110(2)(a) should be revised to delete the requirement that an originating party not appearing on the previous bill be denoted in conspicuous, bold-face type (Staff Issue 6).**

BellSouth understands that the Staff agrees with BellSouth that the requirement that an originating party not appearing on the preceding bill be denoted in bold-face type be deleted. For the reasons stated in BellSouth’s preliminary comments, we support the Staff’s position.

- F. Proposed Rule 25-4.110(2)(c)(3), which would require carriers to adopt certain language for federal charges, should be deleted (Staff Issue 9).**

This proposal attempts to impose standard terminology for Federal Regulated Service taxes, fees, and surcharges. With its May 11, 1999 Order on Truth in Billing (CC Docket No. 98-170), the FCC issued a Further Notice of Proposed Rulemaking concerning standardized labels for charges relating to federal regulatory action. Therefore, BellSouth recommends postponement of further action by this Commission until the FCC rules on this issue.

G. Proposed Rule 25-4.110 (2)(c)(3)(d) should be revised to delete the requirement that each bill state “written itemization available upon request.” (Staff Issue 10).

BellSouth supports AT&T’s position on this issue. BellSouth notes that, as a general rule, all charges for services, fees and taxes are itemized on its bills, and the requirement that it state that written itemization is available may be misleading. If Staff wishes to make this a requirement, it should only require the statement on bills where all charges, fees and taxes are not itemized.

H. Proposed Rule 25-4.110(5)(c) should be revised. (Staff Issue 7).

This proposed provision would require that any bill rendered by a local exchange company separately state unregulated charges, identified as unregulated. BellSouth understands that the goal of this requirement is to inform customers which billed items, if not paid, will result in disconnection of the customer’s basic local service. Whether such services are designated as “deniable” or “regulated” appears to be equally confusing to customers. BellSouth has conducted various recent focus group sessions to solicit customers’ preferences as to bill design and format. In all of those focus group sessions, it has been stated that customers do not understand “Regulated” charges versus “Unregulated” charges. This terminology was also discussed in the FCC’s Truth in Billing Order in CC Docket No. 98-170 (5/11/99). In that Order, at paragraph 45, the FCC states:

“We agree with those commenters who state that the terms “deniable” and “non-deniable” are inherently confusing, if not

counter-intuitive, and therefore fail to achieve the basic goals of signaling to consumers their rights with respect to such charges. Rather than mandate any particular means for accomplishing this goal, however, we merely require that carriers clearly and conspicuously identify those charges for which nonpayment will not result in termination of local service.”

BellSouth agrees with other parties in this proceeding in urging against complete standardization for all telephone companies, as companies need some flexibility to use the bills (the primary interface with customers) as a way to communicate with customers and to differentiate themselves from other service providers. In addition, BellSouth agrees with other parties that each service provider needs to be able to standardize billing within its own service area in order to minimize programming costs and to minimize confusion for customers receiving bills for multiple states. In order to allow this desired flexibility, while meeting the goal of providing clearly understandable information, BellSouth recommends the following wording for Proposed Rule 25-4.110(5)(c):

(5) Any bill rendered by a local exchange company shall clearly indicate the following items:

(c) Items for which nonpayment will result in disconnection of the customer's basic local service.

I. Proposed Rules 25-4.110(2)(c); 4(i),(j); 5(i) should be deleted (Staff Issue 8).

BellSouth agrees with Staff and the other commenters that these requirements would create more confusion than they would resolve and would needlessly impose additional costs on carriers. BellSouth agrees with the recommendations that the rules simply require carriers to clearly set forth

charges for services, taxes, surcharges and fees in their bills, and be prepared to answer inquiries regarding matters such as the assessment base and rate of a tax, for example, on an as needed basis. BellSouth receives relatively few inquiries about the manner in which taxes, surcharges or fees are imposed, and the few that are received predominantly occur during tax season. BellSouth also notes that this issue is pending before the Florida Legislature. BellSouth believes that it would be premature for the Commission to undertake the proposed revisions of this portion of the rule pending an outcome from the Legislature.

J. Proposed Rule 25-4.110(15) should not apply solely to LECs (Staff Issue 11).

AT&T and others have suggested that the requirement in Rule 25-4.110(15) that a customer be notified that a PIC freeze is available be limited to LECs. While it is true that only a facilities-based LEC can implement a PIC freeze, it is neither logical nor fair to require only LECs to provide notification that a PIC freeze is available. First of all, the customer is most likely to look for information regarding her interexchange service on her interexchange service provider's bill. A LEC, such as BellSouth, may or may not provide this billing service. If the IXC does its own billing, and the only notice the customer receives about a PIC freeze is on the LEC's bill, the customer is likely to miss it altogether. Second, if the customer receives local exchange service from a reseller, it makes even less sense to put the notification in the LEC's bill, as a

reseller can't implement a PIC freeze. Third, in as much as a PIC freeze is designed to prevent slamming, it primarily benefits customers and the LECs (including ILECs and ALECs) or IXCs from whom they choose to receive service. BellSouth believes that the costs of notifying customers of the availability of a PIC freeze, performing third party verification, and implementing the freeze, should be borne by the carrier who benefits from it. Accordingly, all carriers, not just LECs, should be responsible for notifying customers about the availability of a PIC freeze.

K. Proposed Rule 25-4.110(5)(a) should be revised to delete the requirement for a billing party to separately state any discount or penalty with respect to a third party's charges (Staff Issue 14).

BellSouth concurs with Sprint's comments on this issue. The billing party is completely dependent on the originating company/service provider to include any discount or penalties in its charges. Otherwise, the billing party would have no way to know the rates, discounts, penalties, etc. that were a part of the originating company's products. Rating of the services of originating parties is not a function that BellSouth provides to its billing customers today. The billing records come to BellSouth for billing with the discounts already applied to the charges. The display of a separate discount calculation or field is not a capability that is available today to small service providers that use the casual billing stream. Larger carriers typically use an invoice billing platform and would be able to send the information if available. Significant systems work would be required to make a separate discount/penalty field available in the casual billing

stream. Accordingly, BellSouth maintains that this requirement should be deleted.

- L. Proposed Rule 25-4.110(5)(d) should be revised to delete the requirement that bills state the amount that must be paid to avoid disconnection (Staff Issue 15).**

BellSouth agrees with the Staff and other parties who noted at the workshop that any requirement that carriers print the amount that must be paid in order to avoid disconnection would encourage non-payment and would be costly to implement. This requirement should be deleted.

- M. Proposed Rule 25-4.110(16) should be revised to make clear that the new carrier, not the LEC has the responsibility to notify its customer of a change of providers (Staff Issues 16 & 17).**

As BellSouth stated in its preliminary comments, it currently complies with the requirements of this provision, but notes that the provision appears not properly designed to serve its intended purpose. If the new carrier is a reseller, BellSouth will only know the identity of the underlying facilities-based carrier. In order to ensure that a customer is notified that its provider of local or interexchange service has changed, the new provider, who may be the only carrier in a position to know of the change, should bear the responsibility to notify its new customer of the change.

- II. BellSouth recommends that Proposed Rule 25-4.113(f) be revised to permit a billing party to institute a toll services block if a Lifeline customer fails to pay his toll charges and would otherwise be subject to disconnection of service.**

BellSouth agrees that a billing party should be permitted to block toll services to a Lifeline customer who has failed to pay for toll services and would otherwise be subject to disconnection. BellSouth does not believe that billing parties should be required to do so. Whether the billing party should be required to institute a toll block should be a matter of contract between originating and billing parties.

III. BellSouth agrees with the commenters who have suggested that proposed Rule 25-4.114(9) be clarified (Staff Issue 13).

BellSouth agrees with the comments of the FCCA, AT&T and others who have suggested that proposed Rule 25-4.114(9) be revised to clarify that the rule is not intended to change the current rules regarding when a refund or credit must include interest.

IV. The provisions of proposed Rule 25-4.119 should be revised.

A. Proposed Rule 25-4.119(2) should be revised to make clear that a billing party should require an originating party to agree to certain contractual provisions before providing billing services.

BellSouth believes that the first sentence of proposed Rule 25-4.119(2) should be revised to read as follows: "A billing party shall not provide billing services to any originating party or its agent unless the originating party or its agent agrees in writing to do each of the following:" This revision will clarify that LECs or other billing parties will not be deemed to have violated the Commission's rules if an originating party fails to meet its contractual obligations.

B. The Proposed Revisions to Rule 25-4.119 suggested by the Office of Public Counsel should be adopted with revisions.

The Office of Public Counsel (“OPC”), in its comments, suggested that certain portions of Proposed Rule 25-4.119 be deleted and replaced by two rules proposed by OPC, OPC Rule 25-4.xxx, and OPC Rule 25-4.yyy. In general, BellSouth agrees with OPC’s proposed revisions, but believes that the two rules proposed by OPC also should be revised somewhat. BellSouth’s suggested revisions to the OPC-proposed rules are as follows:

25-4.xxx(1): This portion of OPC’s proposed rule should be deleted and replaced with language to make clear that it applies to billing parties. The remaining paragraphs of OPC’s proposed rule appear designed to apply only to billing parties and this paragraph needlessly complicates matters. In addition, BellSouth believes that this entire proposed rule could be folded into Rule 25-4.119, rather than creating a new rule. In the event that a new rule is deemed necessary, and its application is not limited to billing parties, it should apply to the same entities to whom Rule 25-4.119 applies.

25-4.xxx (2), (3): BellSouth generally approves of the remaining provisions of OPC’s Proposed Rule 25-4.xxx. BellSouth already has made the system changes necessary to allow “up front adjustment” of any charge on the customer’s bill that relates to a service or product that the customer states he did not order or did not receive. It will, however take some time for the originating parties for whom BellSouth provides billing services to make the necessary changes to their systems. BellSouth expects to be able to implement such “up front adjustments” by the end of the first quarter of next year.


25.4.yyy(1): This paragraph should be changed to delete the language proposed by OPC and revised in the same manner that BellSouth has suggested that OPC Proposed Rule 25-4.xxx(1) be changed.

25-4.yyy(2): While we believe that this language is an improvement over the Staff's proposed rule regarding a billing block, BellSouth believes that this paragraph should be clarified to indicate that a billing party need not offer an entity specific billing block. The development of a billing block of any sort would be a very expensive undertaking. As BellSouth noted in its preliminary comments on these proposed rules, the development cost of a billing block designed to apply to miscellaneous charges is estimated to be approximately \$1.5 million. The estimated cost of development for an entity specific billing block, where the customer is able to identify in advance the entities whose charges may appear on his bill, is estimated to be more than 15 times that amount. Moreover, an entity specific billing block is likely to generate customer dissatisfaction because of the difficulty of maintaining synchronization with the customer-selected IXC. An end user changes his PIC by talking to the PIC'd IXC, but changes his billing block by talking with the LEC. Therefore, an end user who changes his PIC'd IXC to one which was previously blocked, but did not remove the billing block at the same time, may be blocked from that IXC's network, as the IXC may not have any way to bill the end user on the BellSouth bill. Indeed, BellSouth decided to develop a miscellaneous charges billing block because of the likelihood of customer dissatisfaction and the undue expense


associated with an entity specific billing block. As noted in its preliminary comments, BellSouth expects to have its billing block in place by the end of 2000.

Respectfully submitted this 5th day of October, 1999.

BELLSOUTH TELECOMMUNICATIONS, INC.



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