

Commissioners:  
JOE GARCIA, CHAIRMAN  
J. TERRY DEASON  
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E. LEON JACOBS, JR.  
LILA A. JABER



DIVISION OF APPEALS  
DAVID SMITH  
DIRECTOR  
(850) 413-6245

# Public Service Commission

March 13, 2000

Ms. Monique H. Cheek  
Office of Tourism, Trade, and  
Economic Development  
Executive Office of the Governor  
The Capitol  
Tallahassee, FL 32399-0001

SUBJECT: DOCKET NO. 990994-TP - PROPOSED AMENDMENT OF RULES 25-4.003, DEFINITIONS; 25-4.110, CUSTOMER BILLING FOR LOCAL EXCHANGE TELECOMMUNICATIONS COMPANIES; 25-4.113, REFUSAL OR DISCONTINUANCE OF SERVICE BY COMPANY; 25-24.490, CUSTOMER RELATIONS; RULES INCORPORATED; AND 25-24.845, CUSTOMER RELATIONS; RULES INCORPORATED

The Commission has determined that the above rules will affect small business. Accordingly, pursuant to Section 120.54(3)(b), Florida Statutes, enclosed is a copy of the Florida Administrative Weekly (FAW) notice for the proposed rules, which will be published in the March 17, 2000, edition of the FAW. Also enclosed is a copy of the statement of estimated regulatory costs.

If there are any questions with respect to these rules or the Commission's rulemaking procedures, please do not hesitate to call me.

Sincerely,

*Diana W. Caldwell*  
Diana W. Caldwell  
Associate General Counsel

- AFA
- APP
- CAF
- CMU
- CTR
- EAG
- LEG
- MAS
- OPC
- RRR
- SEC
- WAW
- WH

Enclosures  
cc: Division of Records & Reporting

DOCUMENT NUMBER: DA  
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FPSC-RECORDS/REPORTING

NOTICE OF PROPOSED RULEMAKING

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 990994-TP

RULE TITLE:	RULE NO.:
Definitions	25-4.003
Customer Billing for Local Exchange Telecommunications Companies	25-4.110
Refusal or Discontinuance of Service by Company	25-4.113

PURPOSE AND EFFECT: The proposed rule amendments identify the types of information that billing entities must place on customer's telephone bills. The effect is that customers will be able to better review and understand all the charges that appear on their bills. Terminology for taxes and fees appearing on the bills will be standardized across the telecommunication industries in Florida. This standardization will help consumers as well as help regulatory personnel in understanding the various components of a customer's bill. In the alternative, companies must provide to the customer a plain language explanation of any line item or applicable tax, fee and surcharge. In addition, the customer will be provided the name of the originating party and the toll-free telephone number of the originating party or its customer service agent for charges appearing on the bill. This will provide customers the option to make contact with the

originating parties should there be a billing dispute. A billing party, upon request from a customer, must restrict charges on its bills to only a) those charges that originate from the billing party itself, a governmental agency, and the customer's presubscribed local-toll and long distance carrier(s), and b) collect calls, third party calls, customer dialed calls, and calls made using a 10-10-xxx calling pattern. The effect of this proposed amendment is that customers will have an option to be billed only for telecommunications type services, thus the opportunities for companies fraudulently adding unrelated charges to a customer's telephone bill will be greatly reduced. Upon notification by the customer, billing parties must immediately credit charges for products or services that were not ordered or were not received by the customer. The anticipated effect is that the originating party initiating the charge will not separately bill the customer, particularly if the charges are not valid. Florida residents should see a reduction in the number of attempts by originating parties to bill fraudulent charges on their telephone bills. The rule amendments require that a customer's Lifeline local service may not be discontinued by a telecommunications provider if the changes, taxes, and fees related to the Lifeline local service have been paid by the customer. The effect is that Lifeline customers will be protected from disconnection in the event that charges for services or

products other than Lifeline local service are not paid by the customer.

SUMMARY: Revisions to Rule 25-4.003, F.A.C., include definitions for billing party, information service, and originating party as provided in Section 364.602, F.S., Definitions. Amendments to Rule 25-4.110, F.A.C., Customer Billing for Local Exchange Telecommunications Companies, require a billing party to clearly identify on its bill the name and toll-free customer service number of the originating party; the telecommunications service or information service billed; and the specific charges, taxes and fees associated with each telecommunications or information service. The proposed rule amendments require that charges on the customer's bill be identified by standard and uniform labels for the telecommunications industry in Florida and that the terminology for Federal regulated taxes, fees, and surcharges must be consistent with the FCC's required terminology. As an alternative to companies providing the Florida standard labels, companies must provide a plain language explanation of any line items and applicable tax, fee and surcharge. The proposed amendments also include requirements to state the TASA surcharge and 911 fee on all bills rendered. Additionally, the proposed rule amendments require a billing party to provide credit and remove the charge from a customer's bill if the customer notifies the billing party that he did not order an item or was not

provided a service appearing on the bill. Originating parties are not prohibited from direct billing customers. The proposed rule amendments will give customers the right to restrict the types of charges that can be placed on their bills and requires billing parties to notify customers of this right. Proposed amendments to Rule 25-4.113, F.A.C., Refusal or Discontinuance of Service by Company prevents telecommunication companies from discontinuing a customer's Lifeline local service if the charges, taxes, and fees applicable to dial tone, local usage, dual tone multi-frequency dialing, "911", and relay services are paid.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: The only section that appears to pose substantial costs remaining is the charge blocking for certain calls, Rule 25-4.110(19). Companies estimated that it would cost \$4.68 million to \$7.17 million to implement this requirement and \$250,000 per year thereafter. However, companies would have a year to make changes to their systems and could possibly mitigate these costs by rolling them in with other modifications to their systems. Companies would have to give more detailed explanations to their customers concerning items on the bill which could increase customer service costs somewhat. These costs are unknown at this time. Other proposed changes to the rules would cost an estimated \$109,500 initially and approximately \$1 million per year, thereafter.

Any person who wishes to provide information regarding the statement of estimated regulatory costs, or to provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY: 350.127, 350.127(2), 364/604(5), 427.704(8), FS.

LAW IMPLEMENTED: 350.113, 364.01, 364.02, 364.03, 364.05, 364.17, 364.19, 364.32, 364.335, 364.337, 364.3375, 364.3376, 364.602, 364.604, 427,704, FS.

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF RECORDS AND REPORTING, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE SCHEDULED AND ANNOUNCED IN THE FAW.

THE PERSON TO BE CONTACTED REGARDING THESE PROPOSED RULES ARE:  
Director of Appeals, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0862, (850) 413-6245.

THE FULL TEXT OF THESE PROPOSED RULES ARE:  
25-4.003 Definitions.

For the purpose of Chapter 25-4, the definitions to the following terms apply:

- (1) No Change.

(2) "Alternative Local Exchange Telecommunications Company (ALEC)." Any ~~telecommunications company, as defined in Section 364.02(1), Florida Statutes~~ certificated by the commission to provide local exchange telecommunications services in Florida on or after July 1, 1995.

(3) No Change.

(4) "Billing Party." Any telecommunications company that bills an end user consumer on its own behalf or on behalf of an originating party.

~~(45)~~ (4) through (17) renumbered (5) through (18) No Change.

(19) "Information Service." Telephone calls made to 900 or 976 type services, but does not include Internet services.

~~(1820)~~ No Change.

~~(1921)~~ "Interexchange Company (IXC)." Any telecommunications company, as defined in Section 364.02(12), Florida Statutes, which provides telecommunications service between local calling areas as those areas are described in the approved tariffs of individual LECs. IXC includes, but is not limited to, MLDAs as defined in subsection ~~(3735)~~ of these definitions.

~~(202)~~ (20) through (37) renumbered (22) through (39) No Change.

(40) "Originating Party." Any person, firm, corporation, or other entity, including a telecommunications company or a billing clearinghouse, that provides any telecommunications service or

information service to a customer or bills a customer through a billing party, except the term "originating party" does not include any entity specifically exempted from the definition of "telecommunications company" as provided in s. 364.02(12).

(~~3841~~) (38) through (56) renumbered (41) through (59) No Change.

Specific Authority: 350.127(2) FS.

Law Implemented: 364.01, 364.02, 364.32, 364.335, 364.337, 364.3375, 364.3376, 364.602 FS.

History Revised 12-01-68, Amended 03-31-76, formerly 25-4.03, Amended 02-23-87, 03-04-92, 12-21-93, 03-10-96, 07-20-98, 12/28/98, 02/01/99, XX/XX/XX.

25-4.110 Customer Billing for Local Exchange Telecommunications Companies.

(1) Each company shall issue bills monthly or may offer customers a choice of billing intervals that includes a monthly billing interval.

(2) Six months after the effective date of this rule, each billing party shall set forth on the bill all charges, fees, and taxes which are due and payable.

(a) There shall be a heading for each originating party which is billing to that customer account for that billing period. The heading shall clearly and conspicuously indicate the originating party's name. If the originating party is a



certificated telecommunications company, the certificated name must be shown. If the originating party has more than one certificated name, the name appearing in the heading must be the name used to market the service.

(b) The toll-free customer service number for the service provider or its customer service agent must be conspicuously displayed in the heading, immediately below the heading, or immediately following the list of charges for the service provider. For purposes of this subparagraph, the service provider is defined as the company which provided the service to the end user. If the service provider has a customer service agent, the toll-free number must be that of the customer service agent and must be displayed with the service provider's heading or with the customer service agent's heading, if any. For purposes of this subparagraph, a customer service agent is a person or entity that acts for any originating party pursuant to the terms of a written agreement. The scope of such agency shall be limited to the terms of such written agreement.

(c) Each charge shall be described under the applicable originating party heading.

(d) 1. Taxes, fees, and surcharges related to an originating party heading shall be shown immediately below the charges described under that heading. The terminology for Federal

Regulated Service Taxes, Fees, and Surcharges must be consistent with all FCC required terminology.

2. The billing party shall either:

a. Identify Florida taxes and fees applicable to charges on the customer's bill as (including but not limited to) "Florida gross receipts tax," "Franchise fees," "Municipal utility tax," and "Sales tax," and identify the assessment base and rate for each percentage based tax, fee, and surcharge, or

b. (i) Provide a plain language explanation of any line item and applicable tax, fee, and surcharge to any customer who contacts the billing party or customer service agent with a billing question and expresses difficulty in understanding the bill after discussion with a service representative.

(ii) If the customer requests or continues to express difficulty in understanding the explanation of the authority, assessment base or rate of any tax, fee or surcharge, the billing party shall provide an explanation of the state, federal, or local authority for each tax, fee, and surcharge; the line items which comprise the assessment base for each percentage based tax, fee, and surcharge; or the rate of each state, federal, or local tax, fee, and surcharge consistent with the customer's concern. The billing party or customer service agent shall provide this information to the customer in writing upon the customer's request.

(e) If each recurring charge due and payable is not itemized, Each bill shall show the delinquent date, set forth a clear listing of all charges due and payable, and contain the following statement:

"Further ~~w~~ritten itemization of local billing available upon request."

~~(a)~~ (3) Each LEC shall provide an itemized bill for local service:

~~1.~~ (a) With the first bill rendered after local exchange service to a customer is initiated or changed; and

~~2.~~ (b) To every customer at least once each twelve months.

~~(b)~~ (4) The annual itemized bill shall be accompanied by a bill stuffer which explains the itemization and advises the customer to verify the items and charges on the itemized bill. This bill stuffer shall be submitted to the Commission's Division of Telecommunications for prior approval. The itemized bill provided to residential customers and to business customers with less than ~~10~~ ten access lines per service location shall be in easily understood language. The itemized bill provided to business customers with ~~10~~ ten or more access lines per service location may be stated in service order code, provided that it contains a statement that, upon request, an easily understood translation is available in written form without charge. An

itemized bill shall include, but not be limited to the following information, separately stated:

~~1.~~(a) 1. through 8. renumbered (a) through (h) No Change.

~~(e)~~(5) Each All bills rendered by a local exchange company shall clearly:

~~1.~~ Separately state the following items:

~~a.~~(a) Any discount or penalty, ~~if applicable~~ The originating party is responsible for informing the billing party of all such penalties or discounts to appear on the bill, in a form usable by the billing party;

~~b.~~(b) Past due balance;

~~e.~~(c) Unregulated charges, identified as unregulated Items for which nonpayment will result in disconnection of the customer's basic local service, including a statement of the consequences of nonpayment;

~~d.~~(d) Long-distance monthly or minimum charges, if included in the bill;

~~e.~~(e) Franchise fee, if applicable; and Long-distance usage charges, if included in the bill;

~~f.~~(f) Taxes, as applicable on purchases of local and long distance service; and Usage-based local charges, if included in the bill;

(g) Telecommunications Access System Surcharge, per Rule 25-4.160(3);

(h) "911" fee per Section 365.171(13), Florida Statutes; and

(i) Delinquent date.

~~2. Contain a statement that nonpayment of regulated charges may result in discontinuance of service and that the customer may contact the business office (at a stated number) to determine the amount of regulated charges in the bill.~~

~~(2)(6)~~ (2) through (9) renumbered (6) through (13) No Change.

~~(10)(14) After January 1, 1999, or six months after the effective date of this rule, whichever is later, a~~All bills produced shall clearly and conspicuously display the following information for each service billed in regard to each company claiming to be the customer's presubscribed provider for local, local toll, or toll service:

(a) - (c) No Change.

~~(11)(15)~~ No Change.

(a) - (g) No Change.

~~(12)(16) The customer must be notified~~ Companies that bill for local service must provide notification with the customer's first bill or via letter, ~~or on the customer's first bill and annually thereafter that a PC Freeze is available. Existing customers must be notified by January 1, 1999, or six months after the effective date of this rule, whichever is later, and annually thereafter that a PC Freeze is available.~~

~~(13)(17)~~ By January 1, 1999, or six months after the effective date of this rule, whichever is later, ~~t~~The customer must be given notice on the first or second page of the customer's next bill in conspicuous bold face type when the customer's presubscribed provider of local, local toll, or toll service has changed.

(18) If a customer notifies a billing party that they did not order an item appearing on their bill or that they were not provided a service appearing on their bill, the billing party shall promptly provide the customer a credit for the item and remove the item from the customer's bill, with the exception of the following:

(a) Charges that originate from:

1. Billing party or its affiliates;
2. A governmental agency;
3. A customer's presubscribed intraLATA or interLATA interexchange carrier; and

(b) Charges associated with the following types of calls:

1. Collect calls;
2. Third party calls;
3. Customer dialed calls; and
4. Calls using a 10-10-xxx calling pattern.

(19) (a) Within one year of the effective date of this rule and upon request from any customer, a billing party must restrict charges in its bills to only:

1. Those charges that originate from the following:

a. Billing party or its affiliates;

b. A governmental agency;

c. A customer's presubscribed intraLATA or interLATA

interexchange carrier; and

2. Those charges associated with the following types of calls:

a. Collect calls;

b. Third party calls;

c. Customer dialed calls; and

d. Calls using a 10-10-xxx calling pattern.

(b) Customers must be notified of this right by billing parties annually and at each time a customer notifies a billing party that the customer's bill contained charges for products or services that the customer did not order or that were not provided to the customer.

(c) Small local exchange telecommunications companies as defined in Section 364.052(1), F.S., are exempted from this subsection.

(20) Nothing prohibits originating parties from billing customers directly, even if a charge has been blocked from a billing party's bill at the request of a customer.

Specific Authority 350.127, 364.604(5) FS.

Law Implemented 364.17, 350.113, 364.03, 364.04, 364.05, 364.052, 364.19, 364.602, 364.604 FS.

History New 12-01-68, Amended 03-31-76, 12-31-78, 01-17-79, 07-28-81, 09-08-81, 05-03-82, 11-21-82, 04-13-86, 10-30-86, 11-28-89, 03-31-91, 11-11-91, 03-10-96, 07-20-97, 12/28/98, XX/XX/XX.

25-4.113 Refusal or Discontinuance of Service by Company.

(1) (a) - (e) No Change.

(f) For nonpayment of bills for telephone service, including the telecommunications access system surcharge referred to in Rule 25-4.160(3), provided that suspension or termination of service shall not be made without 5 working days' written notice to the customer, except in extreme cases. The written notice shall be separate and apart from the regular monthly bill for service. A company shall not, however, refuse or discontinue service for nonpayment of a dishonored check service charge imposed by the company, nor discontinue a customer's Lifeline local service if the charges, taxes, and fees applicable to dial tone, local usage, dual tone multifrequency dialing, emergency services such as "911," and relay service are paid. No company shall discontinue service to any customer for the initial



nonpayment of the current bill on a day the company's business office is closed or on a day preceding a day the business office is closed.

(g) - (5) No Change.

Specific Authority 350.127, 427.704(8), FS.

Law Implemented 364.03, 364.19, 364.604, 427.704, FS.

History New 08-01-55, Amended 12-01-68, 03-31-76, 10-25-84, 10-30-86, 01-01-91, 09-17-92, 01-11-93, 01-25-95, XX/XX/XX.

NAME OF PERSON ORIGINATING PROPOSED RULES: Ray Kennedy

NAME OF SUPERVISOR OR PERSONS WHO APPROVED THE PROPOSED RULES:

Florida Public Service Commission.

DATE PROPOSED RULES APPROVED: February 1, 2000

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW:

August 27, 1999

If any person decides to appeal any decision of the Commission with respect to any matter considered at the rulemaking hearing, if held, a record of the hearing is necessary. The appellant must ensure that a verbatim record, including testimony and evidence forming the basis of the appeal is made. The Commission usually makes a verbatim record of rulemaking hearings.

Any person requiring some accommodation at this hearing because of a physical impairment should call the Division of Records and Reporting at (850) 413-6770 at least 48 hours prior to the hearing. Any person who is hearing or speech impaired should

contact the Florida Public Service Commission by using the  
Florida Relay Service, which can be reached at: 1-800-955-8771  
(TDD).

NOTICE OF PROPOSED RULEMAKING

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 990994-TP

RULE TITLE:	RULE NO.:
Customer Relations; Rule Incorporated	25-24.490
Customer Relations; Rules Incorporated	25-24.845

PURPOSE AND EFFECT: Upon notification by the customer, billing parties must immediately credit charges for products or services that were not ordered or were not received by the customer. The anticipated effect is that the originating party initiating the charge will not separately bill the customer, particularly if the charges are not valid. Florida residents should see a reduction in the number of attempts by originating parties to bill fraudulent charges on their telephone bills. The rule amendments require that a customer's Lifeline local service may not be discontinued by a telecommunications provider if the charges, taxes, and fees related to the Lifeline local service have been paid by the customer. The effect is that Lifeline customers will be protected from disconnection in the event that charges for services or products other than Lifeline local service are not paid by the customer.

SUMMARY: The proposed amendments to Rule 25-24.490, F.A.C., Customer Relations; Rules Incorporated, identify the subsections of Rule 25-4.110, F.A.C., Customer Billing for Local Exchange

Telecommunications Companies, that are applicable to interexchange companies. The proposed amendments to Rule 25-24.845, F.A.C., Customer Relations; Rules Incorporated, identify the subsections of Rule 25-4.110, F.A.C., Customer Billing for Local Exchange Telecommunications Companies, that are applicable to alternative local exchange companies.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: No substantial estimated regulatory costs were reported for these proposed rule amendments.

Any person who wishes to provide information regarding the statement of estimated regulatory costs, or to provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY: 350.127(2), 364.337(2), 364.604(5), FS.

LAW IMPLEMENTED: 364.03, 364.14, 364.15, 364.603, 364.19, 364.337, 364.337(2), 364.602, 364.604, FS.

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF RECORDS AND REPORTING, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE SCHEDULED AND ANNOUNCED IN THE FAW.

THE PERSON TO BE CONTACTED REGARDING THESE PROPOSED RULES ARE:  
Director of Appeals, Florida Public Service Commission, 2540

Shumard Oak Blvd., Tallahassee, Florida 32399-0862, (850) 413-6245.

THE FULL TEXT OF THESE PROPOSED RULES ARE:

25-24.490 Customer Relations; Rules Incorporated.

(1) The following rules are incorporated herein by reference and apply to IXCs.

<u>SECTION</u>	<u>TITLE</u>	<u>PORTIONS APPLICABLE</u>
25-4.110	Customer Billing	Subsections <del>(10)</del> <del>(11)</del> , <del>(12)</del> , <del>and (13)</del> , <u>(14)</u> , <u>(15)</u> , <u>(17)</u> , <u>(18)</u> , and <u>(20)</u>
25-4.111	Customer Complaint and Service Requests	All except Subsection (2)
25-4.112	Termination of Service by Customer	All
25-4.113	Refusal or Discontinuance of Service by Company	All
25-4.114	Refunds	All
25-4.117	800 Service	All
25-4.118	Local, Local Toll, or Toll Provider Selection	All

(2) - (3) (f) No Change.

Specific Authority 350.127(2), 364.604(5) FS.

Law Implemented 364.03, 364.14, 364.15, 364.603, 364.19, 364.337  
364.602, 364.604 FS.

History New 02-23-87, Amended 10-31-89, 03-05-90, 03-04-92, 03-13-96, 07-20-98, 12-28-98, XX/XX/XX.

25-24.845 Customer Relations; Rules Incorporated.

The following rules are incorporated herein by reference and apply to ALECs. In the following rules, the acronym 'LEC' should be omitted or interpreted as 'ALEC'.

<u>SECTION</u>	<u>TITLE</u>	<u>PORTIONS APPLICABLE</u>
25-4.110	Customer Billing	Subsections <del>(10)</del> <del>(11)</del> , <del>(12)</del> <del>, and (13)</del> <u>(14)</u> , <u>(15)</u> , <u>(16)</u> , <u>(17)</u> , <u>(18)</u> , and <u>(20)</u>

24-4.118	Local, Local Toll, or Toll Provider Selection	All
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Specific Authority 350.127(2) and 364.337(2), 364.604(5) FS.

Law Implemented 364.337(2), 364.602, 364.604.

History New 07-20-98, Amended 12-28-98, XX/XX/XX.

NAME OF PERSON ORIGINATING PROPOSED RULES: Ray Kennedy

NAME OF SUPERVISOR OR PERSONS WHO APPROVED THE PROPOSED RULES:

Florida Public Service Commission.

DATE PROPOSED RULES APPROVED: February 1, 2000

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW:

August 27, 1999

If any person decides to appeal any decision of the Commission with respect to any matter considered at the rulemaking hearing, if held, a record of the hearing is necessary. The appellant must

ensure that a verbatim record, including testimony and evidence forming the basis of the appeal is made. The Commission usually makes a verbatim record of rulemaking hearings.

Any person requiring some accommodation at this hearing because of a physical impairment should call the Division of Records and Reporting at (850) 413-6770 at least 48 hours prior to the hearing. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service, which can be reached at: 1-800-955-8771 (TDD).

NOTICE OF PROPOSED RULEMAKING

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 990994-TP

RULE TITLE:

RULE NO.:

Customer Relations; Rule Incorporated

25-24.490

Customer Relations; Rules Incorporated

25-24.845

PURPOSE AND EFFECT: The proposed rule amendments identify the types of information that billing entities must place on customer's telephone bills. The effect is that customers will be able to better review and understand all the charges that appear on their bills. Terminology for taxes and fees appearing on the bills will be standardized across the telecommunications industries in Florida. This standardization will help consumers as well as help regulatory personnel in understanding the various components of a customer's bill. In the alternative, companies must provide to the customer a plain language explanation of any line item or applicable tax, fee, and surcharge. In addition, the customer will be provided the name of the originating party and the toll-free telephone number of the originating party or its customer service agent for charges appearing on the bill. This will provide customers the option to make contact with the originating parties should there be a billing dispute. A billing party, upon request from a customer, must restrict charges on its bills to only a) those charges that originate from the billing



party itself, a governmental agency, and the customer's presubscribed local-toll and long distance carrier(s), and b) collect calls, third party calls, customer dialed calls, and calls made using a 10-10-xxx calling pattern. The effect of this proposed amendment is that customers will have an option to be billed only for telecommunications type services, thus the opportunities for companies fraudulently adding unrelated charges to a customer's telephone bill will be greatly reduced. Florida residents should see a reduction in the number of attempts by originating parties to bill fraudulent charges on their telephone bills.

SUMMARY: The proposed amendments to Rule 25-24.490, F.A.C., Customer Relations; Rules Incorporated, identify the subsections of Rule 25-4.110, F.A.C., Customer Billing for Local Exchange Telecommunications Companies, that are applicable to interexchange companies. The proposed amendments to Rule 25-24.845, F.A.C., Customer Relations; Rules Incorporated, identify the subsections of Rule 25-4.110, F.A.C., Customer Billing for Local Exchange Telecommunications Companies, that are applicable to alternative local exchange companies.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: No substantial estimated regulatory costs were reported for these proposed rule amendments.

Any person who wishes to provide information regarding the statement of estimated regulatory costs, or to provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY: 350.127(2), 364.337(2), 364.604(5), FS.

LAW IMPLEMENTED: 364.03, 364.14, 364.15, 364.603, 364.19, 364.337, 364.337(2), 364.602, 364.604, FS.

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF RECORDS AND REPORTING, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING.

A HEARING WILL BE SCHEDULED AND ANNOUNCED IN THE FAW.

THE FULL TEXT OF THESE PROPOSED RULES ARE:

25-24.490 Customer Relations; Rules Incorporated.

(1) The following rules are incorporated herein by reference and apply to IXCs.

<u>SECTION</u>	<u>TITLE</u>	<u>PORTIONS APPLICABLE</u>
25-4.110	Customer Billing	Subsections <u>(2)</u> , (14), (15), (17), 18), <u>(19)</u> , and (20)
25-4.111	Customer Complaint and Service Requests	All except Subsection (2)
25-4.112	Termination of Service by Customer	All

25-4.113 Refusal or Discontinuance All  
of Service by Company

25-4.114 Refunds All

25-4.117 800 Service All

25-4.118 Local, Local Toll, or All  
Toll Provider Selection

(2) - (3)(f) No Change.

Specific Authority 350.127(2), 364.604(5) FS.

Law Implemented 364.03, 364.14, 364.15, 364.603, 364.19, 364.337  
364.602, 364.604 FS.

History New 02-23-87, Amended 10-31-89, 03-05-90, 03-04-92, 03-  
13-96, 07-20-98, 12-28-98, XX/XX/XX.

25-24.845 Customer Relations; Rules Incorporated.

The following rules are incorporated herein by reference and  
apply to ALECs. In the following rules, the acronym 'LEC' should  
be omitted or interpreted as 'ALEC'.

<u>SECTION</u>	<u>TITLE</u>	<u>PORTIONS APPLICABLE</u>
25-4.110	Customer Billing	Subsections <u>(2)</u> , (14), (15), (17), 18), <u>(19)</u> , and (20)
24-4.118	Local, Local Toll, or Toll Provider Selection	All

Specific Authority 350.127(2) and 364.337(2), 364.604(5) FS.

Law Implemented 364.337(2), 364.602, 364.604.

History New 07-20-98, Amended 12-28-98, XX/XX/XX.

NAME OF PERSON ORIGINATING PROPOSED RULES: Ray Kennedy

NAME OF SUPERVISOR OR PERSONS WHO APPROVED THE PROPOSED RULES:

Florida Public Service Commission.

DATE PROPOSED RULES APPROVED: February 1, 2000

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW:

August 27, 1999

If any person decides to appeal any decision of the Commission with respect to any matter considered at the rulemaking hearing, if held, a record of the hearing is necessary. The appellant must ensure that a verbatim record, including testimony and evidence forming the basis of the appeal is made. The Commission usually makes a verbatim record of rulemaking hearings.

Any person requiring some accommodation at this hearing because of a physical impairment should call the Division of Records and Reporting at (850) 413-6770 at least 48 hours prior to the hearing. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service, which can be reached at: 1-800-955-8771 (TDD).

M E M O R A N D U M

February 25, 2000

TO: DIVISION OF APPEALS (CALDWELL)

FROM: DIVISION OF AUDITING AND FINANCIAL ANALYSIS (HEWITT) <sup>MS</sup> <sub>CBH</sub> <sup>M</sup> <sub>197</sub>

SUBJECT: REVISED STATEMENT OF ESTIMATED REGULATORY COSTS FOR PROPOSED AMENDMENTS TO RULES: 25-4.003, F.A.C., DEFINITIONS; 25-4.110, F.A.C., CUSTOMER BILLING FOR LOCAL EXCHANGE TELECOMMUNICATIONS COMPANIES; 25-4.113, F.A.C., REFUSAL OR DISCONTINUANCE OF SERVICE BY COMPANY; 25-24.490 & 25-24.845, F.A.C., CUSTOMER RELATIONS; RULES INCORPORATED.

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SUMMARY OF THE RULES

Currently, the above referenced rules address the requirements of telecommunications companies for their billing of customers. The billing party is required to clearly identify the name and toll-free customer service number of the originating party, the telecommunications service or information service billed, and the specific charges, taxes, and fees associated with each telecommunications or information service. Rule 25-4.113, F.A.C., delineates conditions under which the telecommunications company may or may not discontinue or refuse service to a customer.

Proposed rule changes would identify the types of information that must be placed on customer bills including the originating party of a charge and its toll-free number. Companies could offer a choice of billing intervals, including monthly. Subscribers would have the option to limit their bills to specified allowable charges and have charges removed for services not received or ordered. Lifeline local service customers would only be disconnected if local service charges, taxes and fees are not paid. Major revisions to the SERC are in italics.

ESTIMATED NUMBER OF ENTITIES REQUIRED TO COMPLY AND GENERAL DESCRIPTION OF INDIVIDUALS AFFECTED

There are ten incumbent local exchange companies (ILECs) operating in Florida, which send bills to customers. Approximately

six hundred interexchange carriers (IXCs) are certificated in Florida and most use ILECs to bill for their services. Over 200 alternative local exchange companies (ALECs) are certified to operate in Florida. The number that bill customers themselves versus those that use ILECs or some other means to bill is unknown. However, those that do not bill directly would be an originating billing party and the ILECs would require them to submit their billing information to comply with the rule guidelines.

RULE IMPLEMENTATION AND ENFORCEMENT COST AND IMPACT ON REVENUES FOR THE AGENCY AND OTHER STATE AND LOCAL GOVERNMENT ENTITIES

The Public Service Commission and other local government entities are not expected to experience implementation costs other than the costs associated with promulgating a proposed rule. Commission staff may be called upon to resolve disputes over bills and answer questions about related matters, but these should be able to be handled with existing staff. There should be fewer misunderstandings concerning telecommunications bills and thus fewer calls and complaints to the Commission.

The proposed rule may benefit the Commission and other state and local government entities if it results in them being able to more easily understand their telephone bills and avoid having unauthorized charges appear on their bills. Local governments holding ALEC certificates are expected to face compliance costs that are similar to those reported by other ALECs. They could also be expected to gain the same type of benefits (less customer confusion and complaints) as other ALECs.

ESTIMATED TRANSACTIONAL COSTS TO INDIVIDUALS AND ENTITIES

Many of the telecommunications companies responding to a data request estimate high costs to comply with all the proposed rule changes. Because one company requested confidentiality for its

cost data, responding entities are each designated by a capital letter.

Terminology 25-4.110(2)(d)2.b.(i)

The revised proposed rule offers an alternative to placing Florida specific terminology on all bills. That alternative should substantially reduce the estimated costs listed below. Companies would have to comply with FCC language. Company A estimated that it would incur a \$1.1 million one time cost to change to Florida specific terminology for residential customers' bills, and an additional \$1.1 million to change business bills. Company A stated that there were no additional costs or benefits with the proposed rule requirements for 25-4.110(2)(a), (2)(c) or (2)(d)1. Company B estimated that development costs would be \$6 million and require six to nine months to complete the process. Company C estimated the impact to be \$1,050,000 if industry standards [nationwide] are adopted. If no industry standards are adopted, it would spend \$14,500,000 for its ILEC billing system and \$10,000,000 minimum for its IXC billing system, or \$500,000 per carrier. Company D estimated non-recurring costs for training, etc., at about \$9,300, investment costs of about \$36,000 per year for three years, and recurring costs of about \$10,100 per year. Company E could identify no significant expenses. Company F stated that the terminology requirement would be unduly burdensome and that none should be mandated. Company G stated that it would have to pay for all the development costs for an outside vendor to change its billing system for Florida specific terminology. Company H stated that there would be no real costs. Finally, Company I estimated \$10,000 per year costs to comply.

Billing Headings 4.110(2)(a)

Company H estimated that programming costs would be \$25,500 to change bill headings for originating parties' names. Company J estimated it would cost approximately \$8,000 to add the name to the bill of other companies and \$8,000 to display the name of the originating party.

Tax Related Items 4.110(2)

*The revised proposed rule offers an alternative to placing Florida specific taxes, assessment base, and rates on all bills: A company can explain each line item in the bill in plain language to a customer who calls concerning those items. A written copy of the explanation would have to be provided upon request. The alternative should substantially reduce the estimated costs listed below.*

Company C stated that these changes would require significant system enhancements estimated to cost \$2 million. Company C also believes that the level of detail proposed would confuse the customer and result in customer dissatisfaction with bill presentation. For section (2), listing taxes by originating party, separate line item tax, and taxes by assessment base and rate, Company D would have a non-recurring cost of about \$77,000 and recurring costs of about \$5,225,000 per year.

Items for Nonpayment Disconnect(5)

Company D believes that it does state clearly on its bill the items which for nonpayment will result in disconnection. However, if the company had to change its billing notification, it would incur a one-time cost of about \$9,000 and recurring charges of about \$100,000 per year.



PIC Notification(16) (17)

The revised proposed rule changes eliminates the need for costly billing modifications mentioned below.

Company A stated that these changes would not be possible until it migrated its customers to a new billing system in 2000 and modifications to the new billing system are estimated to cost \$2 million. It would cost Company A an additional \$1.9 million to make these changes to its long distance billing and customer records systems. Company C stated that this would be anti-competitive and should only be made to customers who have been a victim of slamming.

Bold Conspicuous Type(17)

Company C estimated to change font size would cost \$8,000 (although this is a current rule requirement) and stated that some of the detail being recommended would be more confusing.

Restrict Blocking(19)

For section 25-4.110(19) concerning charge blocking, Company A stated that it is not clear which charges would be required to be blocked by this rule. But, to provide customers with the apparent required billing block, Company A would have to develop a mechanism to screen each billing record, make a determination about the origin and content of the record, check customer records to determine if a billing block exists and return those billing records that do not pass the customer's billing block. Also, interfaces would have to be built and coordinated within all affected systems to produce the appropriate indicators at the customer account level. Company A estimated that this would cost approximately \$2.5 million to \$4.8 million and take about one year to develop. The revised proposed rule allows one year for implementation. It estimated an additional \$4.1 million would be

required if it was necessary to develop and implement a separate method of direct-billing casual users who request a bill block from their local provider, thus limiting the ability to utilize existing LEC billing systems.

Company D estimated the cost to implement the billing block functionality to its system requirements would be approximately \$2 million initially, and \$250,000 per year for customer notification and ongoing maintenance. Company E estimated that this proposed change would cost between \$150,000 and \$337,500. Company J estimated this change would cost approximately \$30,000.

#### Discontinuance of Service 4.113(1)(f)

Company D estimated that the cost to comply with the change in the rule about no discontinuance of lifeline local service would be about \$653,000 per year plus a non-recurring cost of about \$59,000.

#### Overall Changes

Company B estimated that development costs for all the proposed changes to the rules would be \$6 million and require six to nine months to complete the process. However, Company B apparently estimated costs for changes of requirements that are already in the existing rule. Company D assumed that all the changes would require an additional page added to the bill and the recurring charges for one additional page, a move to the next mailing bracket, and additional computer storage would be an estimated \$886,000 per year. *With the revised rule language, it is unlikely that an additional bill page would be necessary.* Company G has an estimate from its outside vendor that to implement the provisions of Rule 25-4.110 would cost approximately \$50,000. Company I estimated \$10,000 in costs for all changes.

#### IMPACT ON SMALL BUSINESSES, SMALL CITIES, OR SMALL COUNTIES

Small businesses, small cities, and small counties could benefit from the proposed rules by having less confusion about their telecommunications services bills and less possibility of unauthorized charges on their bills. They should not have any additional transaction costs. However, if the estimated high costs of complying with the proposed rule changes materialize, billing companies may pass the costs on to telecommunications services companies customers, many which are small businesses, with increased rates or charges.

#### REASONABLE ALTERNATIVE METHODS

*Because substantial revisions have been made to the proposed rule changes, most of the LCRA's offered below are now moot.*

Lower Cost Regulatory Alternatives (LCRA) were offered by some companies for various sections of the proposed rule changes. Company A offered that instead of the terminology section that would be exclusive for Florida, alternative language that for terminology, "..descriptive terms must be used which are not misleading." This would save Company A an estimated \$2.2 million. For section 25-4.110(16) of the proposed rule changes that a new presubscribed provider must notify the customer of the change, Company A believes that the current requirement of 364.04(1) F.S. fulfills the statutory objective. Thus, the LCRA would be to avoid changing the rule as proposed, and save Company A \$1.9 million. However, the rule change is merely a language rewording, the current rule requires a customer to be notified by letter or in the first bill after a PIC change.

Company B submitted that the LCRA for terminology is to use the FCC's terminology when developed. Company B thinks that the proposed rule changes appear unnecessary and significantly expensive. And, since reports of cramming have decreased

significantly throughout the year, the proposed rule changes would add only costs to competitors without added benefit to consumers. Company D recommended language that, "If the FCC has not developed standard terminology by January 2001, then..." Company D stated that bill formats should be sufficiently flexible to accommodate other options or customer requests as they arise. Also, Company D thinks that an alternative to section 25-4.110(15)(b) should be considered, because it does not think that it can monitor 900 services provided by others. However, this requirement is currently in the existing rule. For section 25-4.110(19) concerning charge blocking, Company A is unable to determine a statutory objective being implemented, interpreted, or made specific by this rule [amendment].

The Commission must consider LCRAs, but does not have to adopt them if it determines that they do not substantially accomplish the statutory objectives.

cc: Sally Simmons, CMU  
cramrevs.cbh