

ORIGINAL

DOCKET NO.: 990994-TP - 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, F.A.C., CUSTOMER
RELATIONS; RULES INCORPORATED; AND 25-24.845, F.A.C., CUSTOMER
RELATIONS; RULES INCORPORATED.

WITNESS: Direct Testimony of J. Richard Durbin, Appearing on Behalf of Staff

DATE FILED: August 8, 2000

DOCUMENT NUMBER-DATE

09586 AUG-88

FPSC-RECORDS/REPORTING

1 DIRECT TESTIMONY OF RICHARD DURBIN
2 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
3 DOCKET NO. 990994 - TP
4 AUGUST 8, 2000
5

6 Q. WOULD YOU PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.
7

8 A. My name is Richard Durbin, 2540 Shumard Oak Boulevard, Tallahassee,
9 Florida 32399-0850.
10

11 Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?
12

13 A. I am employed by the Florida Public Service Commission as a
14 Regulatory Supervisor/Consultant in the Division of Consumer Affairs,
15 Bureau of Complaint Resolution.
16

17 Q. PLEASE GIVE A BRIEF DESCRIPTION OF YOUR EDUCATIONAL BACKGROUND AND
18 PROFESSIONAL EXPERIENCE.
19

20 A. I graduated from the University of Louisville in 1975 with a Bachelor
21 of Science in Commerce degree. I have worked for the Florida Public Service
22 Commission since June 1992 as a Consumer Complaint Analyst, Senior Consumer
23 Complaint Analyst, and as a Regulatory Supervisor/Consultant.
24

25 Q. WHAT ARE YOUR PRESENT RESPONSIBILITIES WITH THE COMMISSION.

1 A. My primary function is to provide initial training and continuing
2 education of the analysts who receive consumer complaints. I maintain
3 resources available to the analysts on the Division's Intranet. I also
4 monitor and track complaint trends.

5

6 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

7

8 A. The purpose of my testimony is to demonstrate that cramming is still
9 a problem for Florida consumers.

10

11 Q. HOW MANY CRAMMING COMPLAINTS DOES THE DIVISION OF CONSUMER AFFAIRS
12 RECEIVE IN A MONTH?

13

14 A. I have provided a chart, JRD-1, which shows the number of cramming
15 complaints filed with the Division of Consumer Affairs from April 1998
16 through July 2000. The chart demonstrates that the number of cramming
17 complaints has declined since its peak incidence in 1998. For the last
18 twelve months we have received an average of 47 cramming complaints a
19 month.

20

21 Q. HOW MUCH MONEY IS INVOLVED IN A TYPICAL CRAMMING COMPLAINT?

22

23 A. From August 1, 1999, through July 31, 2000, the Division of Consumer
24 Services resolved 651 cramming cases resulting in savings to customers of
25 \$49,181.47. This is an average of more than \$75.00 per complaint.

1 Q. AGAINST WHAT TYPE OF COMPANIES DO YOU RECEIVE CRAMMING COMPLAINTS?

2

3 A. Presently, most of the cramming complaints are filed either against
4 certificated IXC's or against non-certificated service providers. These
5 companies bill the customer on the customer's local exchange company bill.

6

7 Q. ARE YOU EXPERIENCING ANY INCIDENCE OF CUSTOMERS RECEIVING CRAMMING
8 CHARGES ON THEIR ALTERNATIVE LOCAL EXCHANGE CARRIER (ALEC) BILLS?

9

10 A. Presently we are not receiving any customer complaints of cramming on
11 ALEC bills. As more ALECs conduct business in Florida however, and both
12 ALECs and IXC's bill for themselves and others, there is no reason to
13 believe that their bills will be less susceptible to cramming than LEC
14 bills, and their customers are entitled to the same level of protection.

15

16 Q. IN YOUR EXPERIENCE, ARE CUSTOMERS INTERESTED IN HAVING THE ABILITY TO
17 TO RESTRICT BILLING ON THEIR TELEPHONE BILL TO COMPANIES SPECIFIED BY THE
18 CUSTOMER?

19

20 A. This is a common thread in our conversations with customers. They
21 want to be able to control which company's charges appear on their
22 telephone bill. See Exhibit JRD-2.

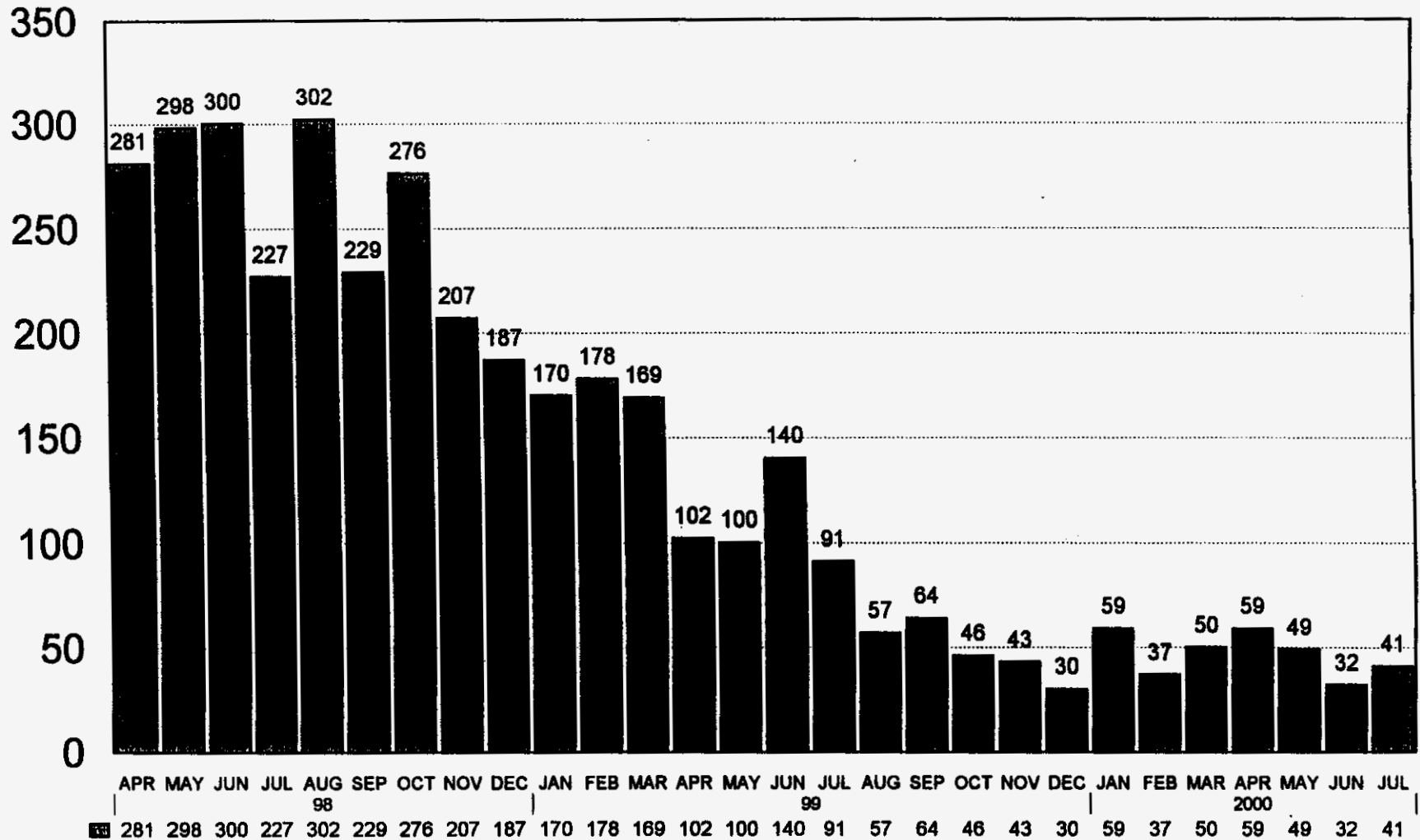
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24 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

25

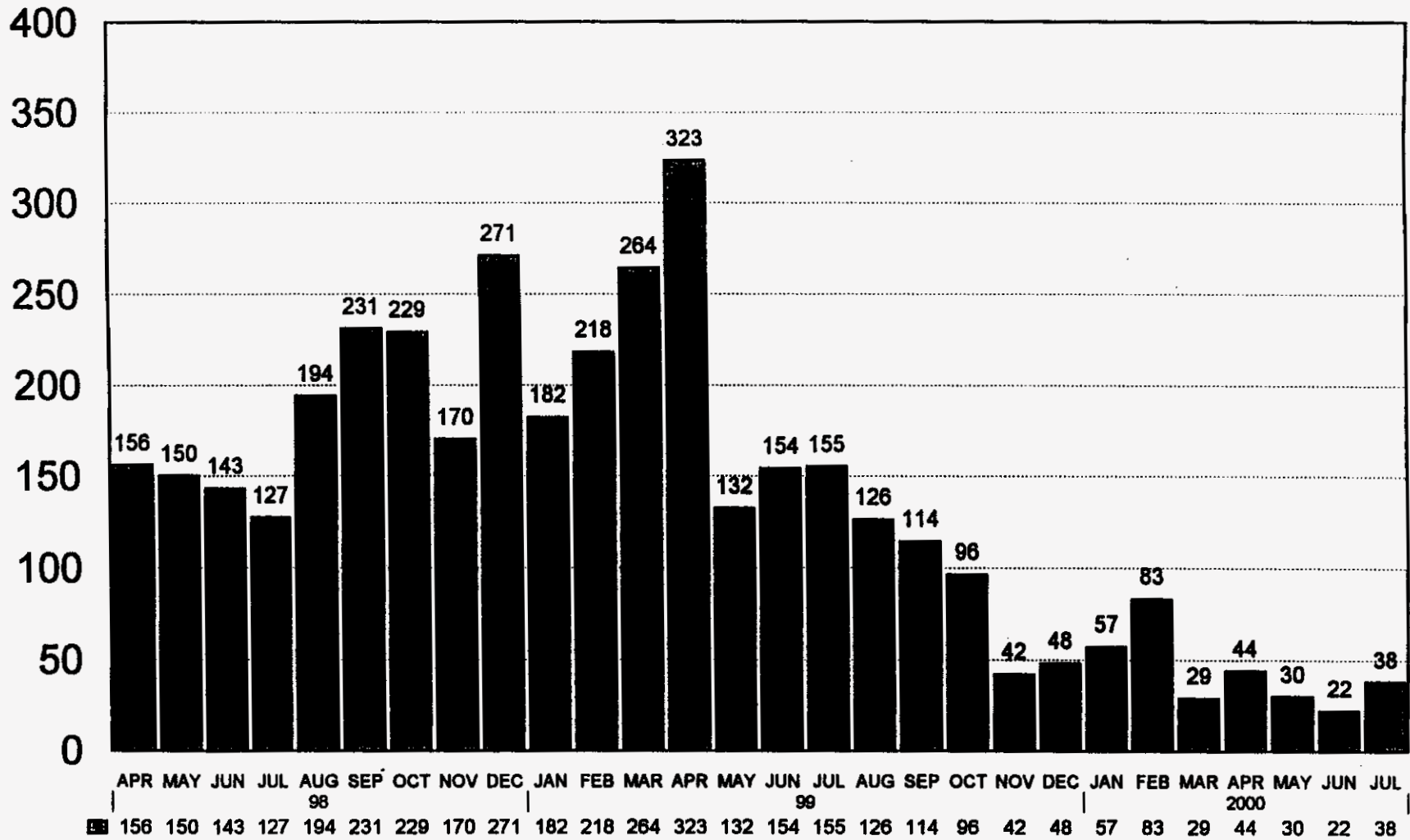
1 | A. Yes.
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CRAMMING COMPLAINTS RECEIVED BY FPSC DIVISION OF CONSUMER AFFAIRS



APRIL 1998 - JULY 2000

CRAMMING COMPLAINTS CLOSED BY FPSC DIVISION OF CONSUMER AFFAIRS



APRIL 1998 - JULY 2000



Bagel Paradise

JRD-2
1 of 4

Delicatessen & Pizza

6710 N. Atlantic Ave., Cape Canaveral, FL 32920 • (407) 868-0088

I have two questions for you.

1. Why is it legal for anyone to add a charge to someone's phone bill without any kind of authorization. I know that in most cases the charges are legitimate, but what about the cases like mine. I am totally victimized without any recourse, especially if the whole scenario plays out over months. I end up wasting valuable time trying to right a wrong that should have never taken place.
2. How quickly can you shut down someone from practicing this kind of fraud. What's scary is that they were able to do this without any interference from anyone anywhere!!

This practice of fraud has got to stop immediately before more people are ripped off. No one can even prevent it from happening!

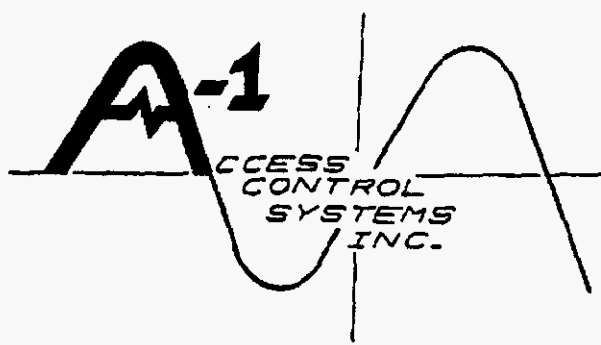
Your comments please.

Sincerely,

Mike Reed
Owner/Operator

Enclosure of page of phone bill included.

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JRD-2
2 of 4

April 13, 2000

Public Service Commission

Dear Ladies and/or Gentlemen:

I spoke with a gentleman from your office today about a problem with our phone bill. We have been billed since last October for services provided by Mercury Internet Service which we never ordered. We had not noticed these charges until today since our GTE bill is very lengthy and we do not always audit every line. My secretary spoke with Ray Lambert from that Company, and he was more than willing to give us a full refund. Enclosed are copies of the papers that were faxed to Mr. Lambert today. Notice that from October, 1999, through February, 2000, the billing was for Olympic Telecommunications. In March, the billing changed and was from Federal TransTel, Inc.

My concern is that this company's operation may not be entirely ethical and other people who do not examine their bill closely may fall prey to this same situation. The company indicated that they offer a 15 day free trial, and then it must be cancelled. We did not request this trial period and are curious as to how these charges were applied to our bill from GTE without our consent.

Thank you for your attention to this matter!

Sincerely,

Keith A. Knecht, President

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From: Interactive.Slamming.Form@webserv2.electro-net.com
Sent: Monday, April 17, 2000 11:57 AM
Subject: Slamming Complaint

recipient: contact@psc.state.fl.us
return-email: contact@psc.state.fl.us
return-name: Consumer
subject: Telecommunications Cramming Complaint Form
Account Holder: Dennis & Anita Dickison
Submitted by: Anita
Service Address: 318 Hollywood Street
City, State and Zip Code: Lehigh Acres, FL 33972
County: Lee
Mailing Address=
Mailing City, State and Zip Code=
E-mail Address: dickison2@iline.com
Telephone Number at the Service Address: (941) 369-4654
Daytime Contact Telephone Number: (941) 369-4654
Utility's Name: Smart Internet
Account Number: (877) 701-1875
Contacted company in dispute: YES
name of contact: Susan
date of contact: 2/15 and 3/15/00

comments:
On our 2/07/00 bill from our local phone company, Sprint, we were billed for \$20.59 from a company; Integretel, Inc. I was told by Mark at Sprint on 2/15, that I would have to call and speak to that company. When I asked Mark if I could send something to Sprint in writing that we did not want to billed for anything on our phone bill except phone charges from Sprint and our 'Local Toll and Long Distance Carrier', I was told "There was nothing Sprint could do and by law they are obligated to put any charges they receive from other companies on our bill"!! I find this very hard to believe!

I called Integretel and they could do nothing, they are just a billing company. I would have to call Smart Internet at (877) 701-1875 and request a refund and to stop billing us for the service.

I called Smart Internet and talked to a rude person who could only take a message and I would have to talk with Susan Malone, Vice - President and she wouldn't be in until the next day. When I finally talked to her, she said, "it must have been a key punch error". I told her we did not want their service, had never requested their service, please do not bill us further and credit us for this billing. I followed up with a fax also.

Same thing happened on our March bill!! After calling Sprint and them telling us there was nothing they could do --- if they are billed by this company (or any company) they were 'obligated'to bill us. Unbelievable that we have no control over our phone bill but other people do!!! After trying to call Smart Internet again, I kept getting a 'disconnect phone' message. When I called Integretel to try and find another number, he told me they have probably just left the phone off the hook to not receive any phone calls. Just keep trying. I finally got through to a gal who refused to give me her name and would just ignore my repeated request for her name for my records, she finally told me "Susan" the VP's name & it was not the same person. She was very rude and said she would pass on the information. I followed that conversation with another fax, this time in more detail. I also faxed it to Sprint to be included in our records there.

Now it is April and at least they did not bill us again! They did credit us for one month, but are still charging us for one month at \$20.59. I spoke with Katie this morning at Sprint and she is sorry, there is nothing they can do...as usual. I have tried calling Smart Internet again and the message is saying, Phone has been disconnected

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per the recording, but I (get through eventually if I j keep
trying.

JRD-2

4 of 4

It is not fair that just anyone can add charges to our phone bill and
there is nothing we can do about it. I am very disappointed in Sprint
as I feel that kind of thing is beneath them, but they say they have to
do it. (Since deregulation???) Please help!

Anita J. Dickison

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and accurate copy of the foregoing has been furnished by United States mail this 8th day of August, 2000 to the following:

AT&T Communications of the
Southern States, Inc.
Marsha Rule
101 North Monroe Street, Suite 700
Tallahassee, FL 32301-1549

BellSouth Telecommunications, Inc.
Ms. Nancy B. White
c/o Nancy H. Sims
150 South Monroe Street, Suite 400
Tallahassee, FL 32301-1556

Billing Concepts, Inc.
W. Audie Long/Donald R. Philbin, Jr.
7411 John Smith Drive, Suite 200
San Antonio, TX 78229

Florida Cable Telecommunications
Assoc., Inc.
Michael A. Gross
310 N. Monroe St.
Tallahassee, FL 32301

Florida Competitive Carriers Assoc.
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Riverview, FL 33569-3994

Spring Communications Company
Limited Partners
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P. O. Box 2214
Tallahassee, FL 32316-2214

Verizon Select Services, Inc.
Kimberly Caswell
P. O. Box 110, FLTC0007
Tampa, FL 33601-0110



MARTHA CARTER BROWN