

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 Sally A. Simmons

DATE FILED: August 8, 2000

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

6 Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND POSITION WITH
7 THE FLORIDA PUBLIC SERVICE COMMISSION (FPSC).
8

9 A. My name is Sally A. Simmons. My business address is 2540
10 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0866. I
11 am Chief of Market Development in the FPSC's Division of
12 Competitive Services, and have served in a similar capacity
13 since April 1995. Presently, I am responsible for resolving
14 issues dealing with competition in telecommunications
15 markets, with a primary focus on local competition.
16

17 Q. PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.
18

19 A. My business career spans more than 25 years in the field of
20 telecommunications and includes experience in such areas as
21 rate planning, product line management, and regulatory
22 policy. I have held positions of responsibility with the
23 Chesapeake and Potomac Telephone Companies, AT&T, Bell
24 Atlantic, and the Florida Public Service Commission.
25

1 I graduated from Virginia Polytechnic Institute in 1973 with
2 a Bachelor of Arts degree in economics, and received a
3 Master of Arts degree in economics from the same institution
4 in 1974.

5
6 Q. HAVE YOU TESTIFIED PREVIOUSLY BEFORE ANY STATE PUBLIC
7 SERVICE COMMISSION? IF SO, BRIEFLY DESCRIBE THE SUBJECT OF
8 YOUR TESTIMONY.

9
10 A. I have not testified previously before any state public
11 service commission, but I have testified on the FPSC's
12 behalf in two rulemaking challenges before the Florida
13 Division of Administrative Hearings. My testimony addressed
14 (1) the basis for the FPSC's rule regarding disconnection of
15 local service, and (2) the conceptual basis for the FPSC
16 adopting a "fresh look" policy, allowing end users to
17 terminate contracts, with limited liability, under certain
18 circumstances, in order to avail themselves of new competing
19 alternatives.

20
21 Q. PLEASE DESCRIBE THE PURPOSE OF YOUR TESTIMONY BEING FILED
22 TODAY?

23
24 A. I will explain the FPSC staff's recommended approach to
25 implementing Section 364.604, Florida Statutes, for

1 alternative local exchange companies (ALECs) and
2 interexchange carriers (IXCs) that render telephone bills to
3 end users. My testimony will address specifically which
4 portions of Rule 25-4.110, Florida Administrative Code,
5 should be applicable to ALECs and IXCs that issue bills to
6 end use customers.

7
8 Q. PLEASE IDENTIFY AND EXPLAIN THE STATUTORY PROVISIONS WHICH
9 THE COMMISSION SHOULD CONSIDER IN DETERMINING THE
10 APPROPRIATE LEVEL OF REGULATION FOR TELEPHONE BILLS ISSUED
11 BY ALECs AND IXCs TO END USERS?

12
13 A. Section 364.604(1), Florida Statutes, states in part that:

14 Each billing party must clearly identify on its
15 bill the name and toll-free number of the
16 originating party; the telecommunications service
17 or information service billed; and the specific
18 charges, taxes, and fees associated with each
19 telecommunications or information service. The
20 originating party is responsible for providing the
21 billing party with all required information.

22 (emphasis supplied)

23 Per Section 364.602(1), Florida Statutes, "billing party" is
24 defined as "any telecommunications company that bills an end
25 user consumer on its own behalf or on behalf of the

1 | originating party." (emphasis supplied) Thus, billing party
2 | is defined without regard to the type of telecommunications
3 | company.

4 |
5 | Another statutory consideration is Section 364.01,
6 | subsections (3) and(4), Florida Statutes. In this intent
7 | language, the legislature has made findings, among others,
8 | that the competitive provision of telecommunications service
9 | is in the public interest, and that competition should be
10 | encouraged by having transitional regulatory oversight,
11 | providing flexible regulatory treatment where appropriate,
12 | and allowing entrants a transitional period in which they
13 | are subject to a lesser level of regulatory oversight. In
14 | effect, the legislature has espoused the importance of
15 | having a regulatory transition, which will reduce regulation
16 | over time, as competition develops and the market is able to
17 | provide controls of its own.

18 |
19 | Q. PLEASE EXPLAIN THE STAFF'S RATIONALE FOR RECOMMENDING THAT
20 | RULE 25-4.110(2), FLORIDA ADMINISTRATIVE CODE, SHOULD APPLY
21 | TO ALECs AND IXC'S THAT ISSUE BILLS TO END USERS.

22 |
23 | A. Staff considered the pertinent statutory provisions, which
24 | I just described, and input collected from the industry and
25 | the Office of Public Counsel through a workshop process.

1 | There is statutory support for a regulatory transition, in
2 | which companies would be regulated in some measure based on
3 | market position. In addition, there were diametrically
4 | opposed positions within the industry, ranging from all
5 | sections of Rule 25-4.110, Florida Administrative Code,
6 | should be equally applicable to ALECs and IXC's, to none of
7 | the sections should be applicable to ALECs and IXC's. Given
8 | the various statutory considerations and the diversity of
9 | industry opinion on this issue, staff believes a balanced
10 | approach is reasonable. Rule 25-4.110(2), Florida
11 | Administrative Code, provides a fundamental set of
12 | requirements, which are not as prescriptive as the other
13 | sections. Staff believes that Rule 25-4.110(2), Florida
14 | Administrative Code, provides a reasonable accommodation to
15 | the needs of end users, while not creating a significant
16 | burden for ALECs and IXC's.

17 |
18 | Q. PLEASE PROVIDE A SUMMARY OF THE KEY ELEMENTS OF RULE 25-
19 | 4.110(2), FLORIDA ADMINISTRATIVE CODE.

20 |
21 | A. The rule requires a heading for each originating party which
22 | has charges appearing on the customer's bill. There must be
23 | a toll-free customer service number for the service provider
24 | or its agent, and the rule provides three options for where
25 | the number may be displayed on the bill. Taxes, fees, and

1 surcharges are to be shown immediately following the charges
2 for an originating party, and labeling must be consistent
3 with all FCC required terminology.

4
5 With respect to Florida taxes and fees, there are two
6 options. One option is to use the naming conventions
7 specified in the rule. Alternatively, the billing party can
8 use its own labeling, subject to two additional
9 requirements. One additional requirement is for the billing
10 party or customer service agent to provide a "plain language
11 explanation" when a customer expresses difficulty in
12 understanding the bill after discussion with a service
13 representative. The second additional requirement is for
14 the billing party or customer service agent to provide a
15 written explanation if the customer so requests or continues
16 to express difficulty in understanding. This written
17 explanation is to address the specific authority for the
18 tax, fee or surcharge in question, the line items which
19 comprise the assessment base, or the applicable rate,
20 consistent with the customer's concern.

21
22 These limited requirements for ALECs and IXCs recognize the
23 legislature's intent that the level of regulation should be
24 in keeping with market conditions, while furthering the
25 important interests of consumers in understanding their

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bills and protecting themselves from unauthorized charges.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes it does.

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:

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