

State of Florida



Public Service Commission
CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: AUGUST 2, 2001

TO: DIRECTOR, DIVISION OF THE COMMISSION CLERK &
ADMINISTRATIVE SERVICES (BAYÓ)

FROM: DIVISION OF LEGAL SERVICES (W. KNIGHT/J. ELLIOTT) *JAE*
DIVISION OF COMPETITIVE SERVICES (K. CRAIG/M. WATTS) *W*
DIVISION OF CONSUMER AFFAIRS (LOWERY) *PO* *PA*

RE: DOCKET NO. 010198-TI - INITIATION OF SHOW CAUSE
PROCEEDINGS AGAINST LCI INTERNATIONAL TELECOM CORP. D/B/A
QWEST COMMUNICATIONS SERVICES FOR APPARENT VIOLATION OF
RULE 25-22.032(5)(A), F.A.C., CUSTOMER COMPLAINTS.

DOCKET NO. 010204-TX - INITIATION OF SHOW CAUSE
PROCEEDINGS AGAINST QWEST COMMUNICATIONS CORPORATION FOR
APPARENT VIOLATION OF RULE 25-22.032(5)(A), F.A.C.,
CUSTOMER COMPLAINTS.

DOCKET NO. 000778-TI - INITIATION OF SHOW CAUSE
PROCEEDINGS AGAINST QWEST COMMUNICATIONS CORPORATION FOR
APPARENT VIOLATION OF RULES 25-4.118, F.A.C., LOCAL, LOCAL
TOLL, AND TOLL PROVIDER SELECTION; AND 25-22.032(5)(A),
F.A.C., CUSTOMER COMPLAINTS.

AGENDA: 08/14/01 - REGULAR AGENDA - INTERESTED PERSONS MAY
PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\CMP\WP\010198.RCM

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09393 AUG-26
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CASE BACKGROUND

LCI International Telecom Corp. d/b/a Qwest Communications Services, holder of Interexchange Company (IXC) Certificate No. 2300, and Qwest Communications Corporation, holder of IXC Certificate No. 3534 and Alternative Local Exchange Telecommunications Company (ALEC) Certificate No. 5801, are owned by parent company Qwest Communications International, Inc. (QCI). QCI requested that staff consider its offer to settle the "Customer Complaints" issue in all three dockets as one settlement offer, and to consider its offer to settle the "Unauthorized Carrier Change" issue in Docket No. 000778-TI as a separate offer. Therefore, all three dockets are presented in this recommendation, with a separate Case Background section for each docket, and a separate Issue for each apparent Rule violation.

Docket No. 010198-TI, LCI International Telecom Corp. d/b/a Qwest Communications Services, Company Code TI890

- July 21, 1989 - LCI International Telecom Corp. d/b/a Qwest Communications Services (LCI) obtained Florida Public Service Commission IXC Certificate No. 2300.
- March 27, 2000 through January 4, 2001 - The Florida Public Service Commission attempted to investigate five customer complaints against LCI's IXC certificate.
- February 6, 2001 - LCI reported intrastate operating revenue of \$762,921.00 on its Regulatory Assessment Fee Return for the period July 1, 2000 through December 31, 2000.
- February 9, 2001 - After receiving no written response to the customer complaints, staff opened this docket to initiate show cause proceedings against LCI for apparent violation of Rule 25-22.032(5)(a), Florida Administrative Code, Customer Complaints.

Docket No. 010204-TX, Qwest Communications Corporation, Company Code TX273

- March 25, 1999 - Qwest Communications Corporation (Qwest) obtained Florida Public Service Commission ALEC Certificate No. 5801.

- November 21, 2000 - The Florida Public Service Commission attempted to investigate a customer complaint against Qwest's ALEC certificate.
- February 6, 2001 - Qwest reported intrastate operating revenue of \$0 on its Regulatory Assessment Fee Return for the period July 1, 2000 through December 31, 2000.
- February 12, 2001 - After receiving no written response to the customer complaint, staff opened this docket to initiate show cause proceedings against Qwest for apparent violation of Rule 25-22.032(5)(a), Florida Administrative Code, Customer Complaints.

Docket No. 000778-TI, Qwest Communications Corporation, Company Code TI215

- March 25, 1994 - Qwest Communications Corporation (QCC) obtained Florida Public Service Commission IXC Certificate No. 3534.
- June 27, 2000 - Staff opened this docket to investigate whether QCC should be required to show cause why it should not be fined or have its certificate canceled for apparent violation of Rule 25-4.118, Florida Administrative Code, Local, Local Toll and Toll Provider Selection. The time period examined was December 1998 through March 2000 and included all complaints closed as unauthorized carrier changes.
- September 28, 2000 - Staff met with QCC to discuss the slamming issues in this docket. QCC stated that it had implemented significant changes in its telemarketing procedures in September 1999. QCC suggested that the Commission should witness a significant reduction in the number of slamming complaints. Staff agreed to investigate complaints in which the actual carrier change occurred after September 1999. Staff investigated all complaints closed as unauthorized carrier changes from September 1999 through October 2000 to see if QCC's procedural changes achieved the desired effect.
- November 21, 2000 - After reviewing all complaints closed as slamming infractions during the period October 1999 to October

DATE: August 2, 2001

2000, staff determined that QCC had committed seven unauthorized carrier changes. Based on this finding, staff closed the docket as having been opened prematurely and continued to monitor slamming complaints filed against QCC.

- January 30, 2001 - QCC reported \$2,026,157.00 in Florida operating revenue for the period July 1, 2000, to December 31, 2000.
- February 5, 2001 - As a result of its monitoring efforts, staff noted that QCC appeared to have an increase in slamming complaints as well as several complaints to which it had not responded. Staff reopened this docket to investigate whether QCC should be required to show cause why it should not be fined or have its certificate canceled for apparent violation of Rules 25-4.118, Florida Administrative Code, Local, Local Toll and Toll Provider Selection, and 25-22.032(5)(a), Florida Administrative Code, Customer Complaints.

On March 8, 2001, Qwest initiated negotiations with staff to discuss the method for resolving issues in these dockets. On July 9, 2001, Qwest submitted an offer to settle the failure to respond issues (Attachment A) for all three dockets and a separate offer to settle the slamming issue (Attachment B) in Docket No. 000778-TI. The company included a statement in each offer in which it waived the right of objection to the administrative cancellation of its certificates in the event the settlement proposals are accepted and the company ultimately fails to pay in accordance with its offers. If, however, there is a factual dispute as to the manner or level of compliance with any provision in the settlements, staff will bring the matter to the Commission for consideration.

The Commission is vested with jurisdiction over these matter pursuant to Sections 364.183, 364.285, 364.337 and 364.603, Florida Statutes. Accordingly, staff believes the following recommendations are appropriate.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission accept the settlement offer proposed by Qwest Communications, Inc. to resolve the show cause proceedings in Docket Nos. 010198-TI, 010204-TX, and 000778-TI, for its apparent violation of Rule 25-22.032(5)(a), Florida Administrative Code, Customer Complaints?

RECOMMENDATION: Yes. Staff recommends that the Commission accept the company's settlement proposal of a \$34,500 voluntary contribution and assurance that the company will implement measures to ensure future compliance. The voluntary contribution should be received by the Commission within ten business days of the issuance date of an Order approving the settlement offer and should include the docket numbers and company names. The Commission should forward the contribution to the Office of the Comptroller for deposit in the State of Florida General Revenue Fund. If the company fails to pay in accordance with the terms of the Commission Order, Certificate Nos. 2300, 5801, and 3534 should be canceled administratively. **(Knight/Elliott/K. Craig/M. Watts)**

STAFF ANALYSIS: The Division of Consumer Affairs (CAF) notified the Division of Competitive Services that it was experiencing difficulty in obtaining responses to customer complaints from telecommunications companies. Specifically, Qwest had failed to respond to a total of 23 customer complaints for its three certificates. On February 9, 2001, three dockets were opened to initiate show cause proceedings for the company's apparent violation of Rule 25-22.032(5)(a), Florida Administrative Code, Customer Complaints: Docket No. 010198-TI against LCI International Telecom Corp. d/b/a Qwest Communications Services; Docket No. 010204-TX against Qwest Communications Corporation (ALEC); and Docket No. 000778-TI against Qwest Communications Corporation (IXC), collectively referred to as "Qwest."

Qwest reviewed the consumer complaint cases associated with the show cause proceedings. In its July 9, 2001, settlement offer (Attachment A), Qwest explained that it had been undergoing a merger with U.S. West that strained its company resources and impacted its complaint response process. It stated that it had recently implemented changes to ensure that Qwest (and its affiliates) respond to staff in a timely fashion. It further stated that it has confirmed that responses to all of the complaints that are the subject of this issue in these dockets have

been submitted to CAF. Therefore, to settle these dockets, Qwest proposed the following:

- A monetary settlement of \$1,500 per complaint, for a total of \$34,500; and
- To take steps to ensure the timely and consistent response to consumer complaints.

The settlement amount of \$1,500 per complaint in this recommendation is consistent with the Commission's approval of the settlement offered in Order No. PSC-00-2089-AS-TI, issued November 2, 2000, in Docket No. 000399-TI, Initiation of Show Cause Proceedings Against AT&T Communications of the Southern States, Inc. d/b/a Connect N' Save and d/b/a Lucky Dog Phone Co. and d/b/a ACC Business for Apparent Violation of Rule 25-4.043, F.A.C., Response to Commission Staff Inquiries. However, this settlement does not in any way preempt, preclude or resolve any matters under review by any other state agencies or departments.

Therefore, staff recommends that the Commission accept the company's settlement proposal of a \$34,500 voluntary contribution and assurance that the company will implement measures to ensure future compliance. The voluntary contribution should be received by the Commission within ten business days of the issuance date of an Order approving the settlement offer and should include the docket numbers and company name. The Commission should forward the contribution to the Office of the Comptroller for deposit in the State of Florida General Revenue Fund. If the company fails to pay in accordance with the terms of the Commission Order, Certificate Nos. 2300, 5801, and 3534 should be canceled administratively.

ISSUE 2: Should the Commission accept the settlement offer proposed by Qwest Communications, Inc. to resolve the show cause proceedings in Docket No. 000778-TI for its apparent violation of Rule 25-4.118, Florida Administrative Code, Local, Local Toll, and Toll Provider Selection?

RECOMMENDATION: Yes. The Commission should accept the company's settlement proposal. Any contribution should be received by the Commission within ten business days from the issuance date of the Commission Order and should identify the docket number and company name. The Commission should forward the contribution to the Office of the Comptroller for deposit in the State of Florida General Revenue Fund. If the company fails to pay in accordance with the terms of the Commission Order, Certificate No. 3534 should be canceled administratively. **(J. Elliott/M. Watts)**

STAFF ANALYSIS: Rule 25-4.118, Florida Administrative Code, requires that a provider seeking a customer's authorization to switch his or her local, local toll or toll service to itself must first obtain a Letter of Agency (LOA) or taped Third Party Verification (TPV) containing the following information specified in Rule 25-4.118(3)(a)1.-5., Florida Administrative Code:

- (3)(a) The LOA submitted to the company requesting a provider change shall include the following information (Each shall be separately stated):
1. Customer's billing name, address, and each telephone number to be changed;
 2. Statement clearly identifying the certificated name of the provider and the service to which the customer wishes to subscribe, whether or not it uses the facilities of another company;
 3. Statement that the person requesting the change is authorized to request the change;
 4. Statement that the customer's change request will apply only to the number on the request and there must only be one presubscribed local, one presubscribed local toll, and one presubscribed toll provider for each number;
 5. Statement that the LEC may charge a fee for each provider change.

When staff reopened Docket No. 000778-TI on February 5, 2001, its initial analysis of the Commission's complaint database indicated that QCC showed an increase in the number of complaints closed as unauthorized carrier changes in the fourth quarter of 2000. Subsequent analysis of the complaints, with the associated TPVs where available, revealed a total of 22 complaints closed as unauthorized carrier changes for the period April 2000 to March 2001.

QCC's response (Attachment B) states that of the 22 slamming complaints, four should be eliminated from further consideration. Staff agrees with the analysis presented by QCC, that the four cases outlined in its response were not the result of QCC's actions and should be removed from consideration. Thus, QCC has 18 apparent violations of Rule 25-4.118, Florida Administrative Code, for the period April 2000 to March 2001.

In its settlement offer (Attachment B), Qwest notes that fourteen of the complaints involve the omission of one or more of the elements required by Rule 25-4.118(3)(a)1.-5., Florida Administrative Code, but that it believes the customer clearly wanted to change his or her IXC service to QCC. Of the remaining four, one involved a keypunch error, and QCC was unable to locate the TPV or LOA for the last three. To settle the unauthorized provider change issue in this docket, QCC proposes the following:

- A voluntary contribution of \$18,000; and
- To take measures to ensure that all of the information required by Rule 25-4.118(3)(a)1.-5., Florida Administrative Code, are captured on its TPVs.
-

Staff believes the proposed settlement amount of \$18,000 is fair and reasonable given the nature of the majority of the slamming complaints against QCC. Staff's investigations show that, though still deficient in some areas, the level of compliance of the TPVs from the period April 2000 to March 2001 has improved over those of the previous study period, December 1998 to March 2000. However, this settlement does not in any way preempt, preclude or resolve any matters under review by any other state agencies or departments.

Therefore, the Commission should accept the company's settlement proposal. Any contribution should be received by the Commission within ten business days from the issuance date of the

DOCKET NOS. 010198-TI, 010204-TX, 000778-TI
DATE: August 2, 2001

Commission Order and should identify the docket number and company name. The Commission should forward the contribution to the Office of the Comptroller for deposit in the State of Florida General Revenue Fund. If the company fails to pay in accordance with the terms of the Commission Order, Certificate No. 3534 should be canceled administratively.

ISSUE 3: Should these dockets be closed?

RECOMMENDATION: No. If the Commission approves staff's recommendation in Issue 1, these dockets should remain open pending remittance of the \$34,500 voluntary contribution. Upon staff's verification of receipt of the voluntary contribution, or failure to pay the contribution and subsequent cancellation of Certificate Nos. 2994, 5711 and 3534, Docket Nos. 010198-TI and 010204-TX should be administratively closed. If the Commission approves staff's recommendation in Issue 2, Docket No. 000778-TI should remain open pending the remittance of the \$18,000 voluntary contribution. Upon staff's verification of receipt of the voluntary contribution, or failure to pay the contribution and subsequent cancellation of Certificate No. 3534, Docket No. 000778-TI should be administratively closed. (W. Knight/J. Elliott)

STAFF ANALYSIS: If the Commission approves staff's recommendation in Issue 1, these dockets should remain open pending remittance of the \$34,500 voluntary contribution. Upon staff's verification of receipt of the voluntary contribution, or failure to pay the contribution and subsequent cancellation of Certificate Nos. 2994, 5711 and 3534, Docket Nos. 010198-TI and 010204-TX should be administratively closed. If the Commission approves staff's recommendation in Issue 2, Docket No. 000778-TI should remain open pending the remittance of the \$18,000 voluntary contribution. Upon staff's verification of receipt of the voluntary contribution, or failure to pay the contribution and subsequent cancellation of Certificate No. 3534, Docket No. 000778-TI should be administratively closed.

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July 9, 2001

Via Hand Delivery

Jessica Elliott
Wayne Knight
Florida Public Service Commission
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Re: Docket Nos. 000778, 010198, 010204
(Corrected) Offer of Settlement

Dear Ms. Elliott and Mr. Knight:

The purpose of this letter is to report Qwest Communications, Inc.'s ("Qwest") review of certain matters underlying the Staff's request that dockets be opened for the purpose of considering the initiation of show cause proceedings against Qwest and LCI International Telecom Corp. for alleged violations of Rule 25-22.032(5)(a) F.A.C., and to propose a means of settling certain issues associated with the opening of the dockets. The offer of settlement contained herein is based on additional information gained following the submission of my letter of May 27, 2001, and supersedes that letter in its entirety.

Docket No. 010204 was opened to consider the initiation of show cause proceedings against Qwest for apparent violations of Rule 25-22.032(5)(a) F.A.C. (responses to Staff inquiries). Docket No. 010198 was opened to consider the initiation of show cause proceedings against LCI International Telecom Corp., an affiliate of Qwest, for apparent violations of the same rule. Docket No. 000778 was opened to consider the initiation of show cause proceedings against Qwest for apparent violations of Rules 25-4.118 F.A.C. (unauthorized transfers) and 25-22.032(5)(a) F.A.C. In this letter, Qwest will address only the aspects of Docket No. 000778 that relate to Rule 25-22.032(5)(a) F.A.C.

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Jessica Elliott
Wayne Knight
July 9, 2001
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At our request, Staff provided Qwest with a list of the matters which led Staff to pursue the possibility of show cause proceedings. Representatives of Qwest met with Staff on March 8, 2001 to communicate our initial findings and to seek additional clarification of Staff's concerns.

Subsequent to the meeting, based on further evaluations Staff removed certain matters from the allegations that are the subject of these proceedings. Based on its further review, on behalf of LCI and Qwest, Qwest acknowledges that the twenty-three remaining responses were submitted untimely.

Qwest wishes to stress that the untimely responses were not, by any means, a result of any willful disregard for the Commission's authority or requirements. In his letter to Mr. Moses on this subject dated March 16, 2001, Mr. Peter Kirchof of Qwest explained that the time, manpower, and energy needed to implement the merger between Qwest and U.S. West strained the resources of Qwest for a period of time. Unfortunately, the demands of that activity were manifested in the form of some untimely responses. As Mr. Kirchof emphasized in his letter, that experience is now behind Qwest. Further, Qwest recently has taken steps designed to ensure that Qwest (and its affiliates) consistently respond to Staff's needs in a timely fashion. The improvements include the implementation of a process which permits Qwest to receive complaints electronically. This process automatically dispenses an electronic confirmation to the Commission that a complaint was received, including the date and time received as well as the name of the manager who is responsible for answering the complaint. Additionally, Qwest has assigned to a specific individual—Dale Jarell—the responsibility of responding to all complaints received from the Florida Public Service Commission. Qwest believes that dedicating a specific individual to this role will further improve the effectiveness of communication between Qwest and the Commission.

There are indications that these improvements are already taking effect. Qwest's records reflect that all inquiries received by Qwest from the Staff during March, April and May 2001 were answered on or before the due date. In addition, Qwest has confirmed that responses to all of the matters that are the subjects of the dockets have been submitted to Staff.

Qwest reiterates that it is committed to communicating with Staff effectively and timely. Qwest does not concede that it has committed the type of willful violation that would warrant the imposition of a penalty under governing statutes. That being said, Qwest acknowledges that, while the untimely responses were not willful or intentional in nature, Qwest's performance regarding the timeliness of responses suffered during the period in question. To settle the matter, Qwest offers to pay the amount of \$34,500 to the General Revenue Fund. This offer is made for the purposes of settlement only, and is contingent upon acceptance of the offer of settlement by the Commission as the full resolution of all issues related to the timeliness of the responses of Qwest and LCI to Staff inquiries pending in Docket Nos. 000778, 010204, and 010198, as those issues relate to Rule 25-22.032(5)(a) F.A.C. Qwest and LCI waive any objection to the administrative cancellation of the IXC and ALEC certificates pursuant to which the activities that are the subjects of these dockets

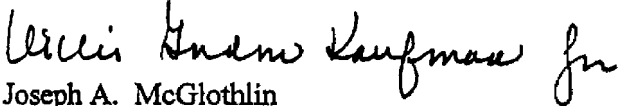
Jessica Elliott
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Page 3

took place in the event this offer of settlement is accepted and Qwest thereafter fails to remit the \$34,500 payment.

Contemporaneously with this offer of settlement, Qwest is submitting an offer to settle the aspects of Docket 000778 that relate to alleged violations of Rule 25-4.118, Florida Administrative Code. Qwest regards the two offers as separate and distinct. In other words, this offer is not dependent on the Commission's decision with respect to the offer regarding Rule 25-4.118 F.A.C.

Please contact me if you need further information.

Yours truly,


Joseph A. McGlothlin

JAM/mls

cc: Blanca Bayo
Rick Moses
Melinda Watts
Kristen Craig
Peter Kirchof
Mark Pitchford
Kathy Ford

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July 9, 2001

Via Hand Delivery

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Re: Docket No. 000778-Amended Offer of Settlement

Dear Ms. Elliott:

The purpose of this letter is to report Qwest Communications, Inc.'s ("Qwest") review of certain allegations underlying the Staff's request that Docket No. 000778 be opened for the purpose of considering the initiation of show cause proceedings against Qwest, and to offer to settle the pending matter.

As you are aware, Docket No. 000778 was opened in June of 2000 to consider allegations that Qwest violated Rule 25-4.118, F.A.C.

On November 12, 2000, after considering (1) information furnished by Qwest concerning stringent measures that Qwest had implemented as of September 1999 to reduce instances of complaints of unauthorized carrier changes and (2) the dramatic reduction in complaints that followed the implementation of those measures, Staff informed the Division of Records and Reporting that Docket No. 000778 had been opened prematurely. However, on February 5, 2001 Staff asked that the docket be reopened, and that a reference to Rule 25-4.043, F.A.C. be added to the style.

Following the reopening of Docket No. 000778, representatives of Qwest met with Staff to discuss Staff's concerns. Mr. Mark Pitchford, Senior Vice President with Qwest, shared with Staff updated information supporting Qwest's assertion that the stringent control measures alluded to earlier were continuing to have the desired effect. Staff acknowledged that its review of the number of complaints received after September 1999 led Staff to close Docket No. 000778. Staff explained

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July 9, 2001
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that it reopened the docket based on an apparent sudden increase in the number of complaints; Staff processed five complaints as slams in December 2000 and five more in January of 2001.

When it reopened the matter in February, Staff included complaints relating back to April of 2000 in the scope of the renewed investigation. Staff provided to Qwest copies of certain allegations received from customers during the period April 2000 - March 2001. A detailed analysis of the complaints is attached. I will summarize the findings in this letter.

Staff provided to Qwest some twenty-four allegations of unauthorized carrier changes. Recently Staff informed Qwest that Staff removed two complaints from the original list of twenty-four after reviewing the TPV tapes furnished by Qwest. It is Qwest's position that four more complaints are completely groundless and should be eliminated from further consideration altogether. Two of the four involve customers who initiated requests for Qwest service through the LEC. A third customer erroneously lodged a complaint against Qwest instead of the reseller of Qwest services who had the relationship with the customer. Another allegation was received from a customer who never received service from Qwest under the telephone number alleged to have been switched. By definition, if Qwest never served the line in question, an unauthorized switch could not have occurred.

Of the remaining 18 allegations, fully 14 involve instances in which the customer's authorization was recorded on a TPV tape, but the complaint was closed as a "slam" because the information on the tape did not encompass all of the information delineated in Rule 24-4.118. One of these involved a customer from whom Qwest had received both a letter of agency *and* a TPV tape. Particularly with respect to instances in which the information obtained from the customer is sufficient to establish that the customer authorized Qwest to change the customer's carrier, Qwest respectfully submits that the Commission's consideration of the allegation of an unauthorized carrier change should distinguish between circumstances in which the carrier cannot demonstrate any authority to make the change, on the one hand, and technical omissions of data from authorized changes, on the other.

That being said, by no means does Qwest take the deficiencies in certain TPV tapes lightly. Qwest assures the Commission that it is taking measures designed to ensure that TPV tapes capture all of the information prescribed by the Commission's rule in the future.

Qwest determined one of the remaining complaints to be the result of an inadvertent keypunch error. With respect to the other three, Qwest was unable to locate a TPV.

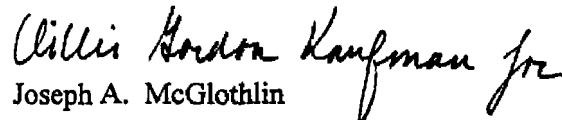
Without intending in any way to trivialize the deficiencies in the information included in some of the TPV tapes made of the conversations with the customers, Qwest believes that the above information actually reinforces its assertion that the stringent measures it has taken in the past to minimize complaints of unauthorized carrier changes are having the desired good effect. For

Jessica Elliott
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instance, while the docket was reopened at least in part because of the perception of an upward "spike" in the number of complaints in December 2000 and January 2001, of the five allegations processed as "slams" in the month of December 2000 three should be removed as unfounded.

With respect to all of the allegations, Qwest denies that it engaged in any intentional or willful violation of Commission regulations that would warrant the imposition of a penalty or fine under governing statutes. However, for purposes of settlement, Qwest offers to contribute \$18,000 to the state's General Revenue Fund. This offer is made for purposes of settlement only, and is conditioned upon the Commission's acceptance of the offer as the resolution of all issues relating to Qwest's compliance with Rule 24-4.118, F.A.C. through the date of Staff's final recommendation in this docket. Qwest waives any objection to the administrative cancellation of its certificate in the event this offer of settlement is accepted and Qwest thereafter fails to remit the payment of \$18,000 identified herein. This offer of settlement is separate from, and independent of, the offer of settlement that Qwest is submitting this date in Docket Nos. 010198, 010204 and 000778, relating to allegations of violations of Rule 25-4.043, F.A.C.

Yours truly,


Joseph A. McGlothlin

JAM/mls
w/Enclosure

cc: Blanca Bayo
Rick Moses
Melinda Watts
Kristen Craig
Peter Kirchhof
Mark Pitchford
Kathy Ford

FPSC DOCKET NO.: 000778

ANALYSIS OF THE FLORIDA ALLEGED
UNAUTHORIZED CARRIER CHANGES
MAY, 2001

I. Customer Requested and/or LEC Processed

1. Burns - Ms. Burns claims this is an unauthorized switch by Qwest. Qwest records indicate that this change was the result of a change initiated by the customer with the LEC and not Qwest. While Qwest was not involved in causing the switch to occur, Qwest issued a credit anyway.
2. Moore - Ms. Moore claims this is an unauthorized switch by Qwest. Qwest records indicate that this change was the result of a change initiated by the customer with the LEC and not Qwest. While Qwest was not involved in causing the switch to occur, Qwest issued a credit anyway.

Position: These complaints are without a valid basis, as to Qwest.

II. Change Initiated by Rebiller

1. Nugent - Mr. Nugent claims this was an unauthorized switch of his service from Sprint to Qwest. Qwest records indicate that this was actually a switch to a rebiller and the transaction was initiated by that rebiller. A credit was issued.

Position: Qwest is not responsible for carrier changes initiated by rebillers. The rebiller should be held accountable for this change. This complaint has no valid basis, as to Qwest.

III. Telephone Number Not Switched

1. Vega - Mr. Vega called in on behalf of Seacoast Transportation, Inc. regarding an unauthorized switch of telephone number 305 769-5019. Qwest has no record of that telephone number being billed by the company. This business does have 800 service through Qwest but not under this telephone number. A credit was issued to the customer to satisfy his concerns.

Position: Qwest does not believe that this should be classified as an unauthorized switch since the company has no record of this telephone number and the number was never switched to Qwest.

IV. TPV Produced - Accepted as Complete

1. Gonzalez - TPV reviewed by Staff, accepted as complete.
2. Walters - TPV reviewed by Staff, accepted as complete.

Position: Based on information from Staff, Qwest believes these complaints will be removed from consideration as being without basis.

V. TPV Produced - Information Incomplete

1. Skipper - Ms. Skipper claims this was an unauthorized switch from MCI to Qwest. Staff closed this complaint February 22, 2001 as a rule violation since a TPV had not been provided by the company. Staff notes indicate that a TPV was provided by the company on February 27, 2001 but there was no further action taken. This account should be re-evaluated by Staff. A credit was issued.
2. Casale - Mr. Casale claims this was an unauthorized switch from MCI to Qwest. A credit was issued. No other information is available.
3. Murdock-Hirth - Ms. Murdock-Hirth claims this was an unauthorized switch from AT&T to Qwest. In addition, the customer claims that she was misinformed about the capabilities of Qwest service as it relates to her AT&T calling card. The company provided a TPV to Staff. Their review indicates that the customer did agree to the switch but since the TPV did not contain some information on the tape it was classified as a violation. This account should be re-evaluated by Staff. A credit was issued.
4. Carranza - Ms. Carranza claims this was an unauthorized switch from AT&T to Qwest. A TPV was provided to Staff. Staff determined that the quality of the tape was poor and the information was insufficient. A credit was issued.
5. A-1 Air Conditioning - Mr. James Spiak claims this was an unauthorized switch. TPV was provided to Staff but was classified as a violation because it was an automated TPV. Qwest records show that Ms. Elaine Spiak authorized the change. This account should be re-evaluated by Staff. Credit was issued.
6. JMK Associates - Ms. Josephine Tanner claims this was an unauthorized switch. Qwest provided a TPV to Staff that indicated a "Joe" Tanner authorized switch. Customer claims does not go by "Joe". Staff expressed concern over mixture of live and automated TPV. Credit was issued.
7. Firecraft of Florida - Mr. Dan Weisse claims this was an unauthorized switch from AT&T to Qwest. Staff closed this complaint February 22, 2001 as a rule violation since a TPV had not been provided by the company. Staff notes indicate that a TPV was provided by the company on February 23, 2001 but there was no further action taken. This account should be re-evaluated by Staff. A credit was issued.
8. Wood - Mr. Wood claims this was an unauthorized switch. TPV was provided to Staff who reviewed it with customer. TPV was mixture of automated and live information. Customer claims spoke with live rep but not automated. Customer did provide information (i.e., DOB) for TPV but claims was pressured by rep. Staff questions the quality of the TPV. Credit was issued.
9. E&E Equipment Sales - Ms. Theresa Dreyer claims this was an unauthorized switch. A TPV was provided to Staff and reviewed with the customer. Ms. Dreyer advised Staff that the party on the tape, Rance Bockler, is not an employee of her business. Staff is concerned with the information on the automated TPV. A credit was issued.
10. Silva - Mr. Silva claims this was an unauthorized switch from AT&T to Qwest. Staff classified as a violation because a TPV was not provided. Subsequently, a TPV was located and will be provided with this response. This account should be re-evaluated by Staff. A credit was issued.

11. Cornejo - Ms. Croveto claims this is an unauthorized switch from AT&T to Qwest. An LOA was provided to Staff and customer. Customer disputes the use of her maiden name and signature on LOA even though other information is correct. TPV was subsequently found and is being provided with this response. This account should be re-evaluated by Staff. A credit was issued by Qwest and LEC.
12. Fiaga - Mr. Dieguez (son) called on behalf of customer who claims this was an unauthorized switch. TPV was provided to Staff and reviewed with son who claims the DOB for his mother is wrong. Staff classifies as violation. A credit was issued.
13. Association Management Resources - Ms. Catherine Gelston claims this was an unauthorized switch from MCI to Qwest. Staff classified as violation because TPV was not provided. TPV has been located and is provided with this response. This account should be re-evaluated by Staff. Credit was issued.
14. Marquis Mortgage - Mr. Issacs claims this was an unauthorized switch. Qwest records indicate that customer called in to disconnect account but did not claim unauthorized switch. Staff classified as a violation because no TPV was provided. TPV has been located and is provided with this response. This account should be re-evaluated by Staff. Credit was issued.

Position: Qwest believes that the production of the TPVs for these accounts supports its position that these switches were authorized by the customer. When gauging compliance, Qwest believes the Commission's consideration should distinguish between unauthorized changes, on the one hand, and technical deficiencies in tapes that on the whole support an assertion of authority, on the other. Qwest recognizes that in the above instances some portions of information specified the rule were inadvertently omitted when the TPV tape was recorded. Qwest is addressing this situation and intends to comply fully with the PSC rule going forward.

VI. System Error

1. Gould - Ms. Gould claims this was an unauthorized switch by Qwest. Qwest records indicate that this telephone number was inadvertently entered into the system as a business account. A credit for LEC charges has been issued no toll charges were billed.

Position: This appears to be an isolated system error.

VII. TPV Could not be Located

1. Calderwood - Mr. Calderwood claims this was an unauthorized switch by Qwest. No additional information is available. A credit for toll and LEC charges has been issued.
2. Morilla - Mr. Morilla claims this was an unauthorized switch by Qwest. No additional information is available. A credit for toll and LEC charges has been issued.

3. O. Gonzalez - Ms. Gonzalez claims this was an unauthorized switch by Qwest. Qwest records indicate account established in 1999 through a 3rd party vendor. The vendor is unable to locate the LOA or TPV. Vendor was terminated by Qwest in March, 2000. A credit for toll and LBC charges has been issued.