



ORIGINAL

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August 1, 2002

Ray Kennedy
Florida Public Service Commission
2540 Shumard Oak Blvd
Tallahassee, FL 32399

2002 AUG -2 PM 3:08
DIVISION OF
COMPETITIVE SERVICES

Response to Docket 020646-TX

Dear Mr. Kennedy:

CAT Communications International, Inc. ("CCI") hereby responds to the above referenced docket filed by the Florida Public Service Commission for apparent violation of Rule 25-4.110(16), F.A.C.

It is CCI's desire to resolve this matter in a way that assures customers of the ability to migrate service at will while protecting the customer from unanticipated loss of service because of slamming by other companies.

It has been the experience of CCI based on other states, Michigan in particular, but Ohio and New York also, that a local service provider freeze is a benefit to customers. Such a freeze prohibits the transfer of service to another carrier without the customer's knowledge. Why is this freeze even allowed by the Commission and the ILEC's if "slamming" is not such a huge issue?

While most carriers are rule abiding and operate with other companies in good faith, this cannot be said for all of them. Some companies, through their own efforts or the efforts of outside contractors, slam customer's local service. Sometimes telephone conversations that took place prior to the customer choosing their current provider are used to "justify" the slamming. Often customers are unaware that they have service with a different provider until their service becomes suspended. Unlike long distance, which can be supplemented with a calling card or dial around features; when basic dial tone is suspended the customer is totally without phone service. Since many of these customers have service with resellers, reconnection can take as long as 48 hours. On other occasions the customer may have to be disconnected and reconnected which can take up to ten days. Homes with medical emergencies can ill afford this delay.

While many providers have attempted to use a local service provider freeze to "hold accounts hostage" for past due funds, we do not. All CCI ever requires for removal is a telephone call.

AUS _____
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Customers have been reluctant to call because of their outstanding balance and experiences with other companies that attempted to hold their accounts hostage for payment. So they never request the freeze removal they just filed a complaint. In all cases a freeze removal order was processed immediately. Many customers were also sent directly to the PUC by the provider they wished to transfer to without ever telling the customer to contact us – or having a three way with the new provider and CCI so that CCI could immediately release the line.

One problem that will also arise out of a company's inability to protect its customers is an increase in rates for the customer, an outcome that is in direct opposition to the competitiveness that it appears the Commission is trying to foster with the freeze removal.

Many providers do not wish to bear the expense of initiating service, therefore they will only transfer service, or offer such enticing rates for a transfer that the customer cannot resist. Often times there are hidden charges for this type of service that a customer is unaware of until they have transferred. Rather than encouraging competition such action causes companies with lower installation fees to raise them. All customers suffer when that occurs.

As an alternative to opening its customers to the rape of unscrupulous providers CCI proposes that we be allowed to send notification to each of our customers restating that they have this freeze on their line outlining why we provide the freeze. We will also restate that all it takes is a phone call to remove the freeze, even if they have a balance, as well as provide the opportunity for customers who want the freeze removed at that time to call in or simply return the letter in the postage paid envelope that will be provided.

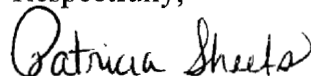
The rule states:

Companies that bill for local service must **provide notification** with the customer's **first bill or via letter**, and **annually** thereafter that a PC Freeze is available. Existing customers must be notified annually that a PC Freeze is available.

CCI feels it has more than met the requirements of this regulation. We outline the freeze in our sales script, we have the freeze noted on our application and it is restated on the back of our bill, not just the first bill but every bill. We will also continue to advise all future customers about the freeze at the time they initiate service and request that they respond affirmatively before we place the freeze on their line.

A copy of the proposed letter, our application, our billing paper and a copy of the sales script are attached.

Respectfully,



Patricia Sheets

Vice President Regulatory Affairs

PMS/dw
Enclosures

SAMPLE LETTER
(To be sent on letterhead)

Dear Valued Customer:

As you are already aware CCI has in place a local service provider on your accounts. While this freeze is often misunderstood and thought to be a way to hold accounts hostage for payment, that is not CCI's intent.

CCI uses this freeze as a protection for you, our customer, against slamming. Slamming of local service is becoming a big problem across the nation.

The only requirement for the removal of the freeze is for you, our customer, to request its removal. We will promptly remove it, even if you have an outstanding balance.

If you wish it removed at this time just fill out the requested information and mail this letter back in the enclosed envelope.

Thank you for your patronage. We look forward to continuing to provide you with quality service.

Sincerely,

CAT Communications International, Inc.

Name (please print): _____

Telephone Number: _____

Please remove the local service provider freeze from my account at this time.

Signature: _____

DEBIT/CREDIT CARD PRE-AUTHORIZATION

I hereby authorize Cat Communications International, to initiate debit/credit entries to my account for all payments due on the due date as indicated on my monthly statement. This authority is to remain in full force and effect until CCI, Inc. has received written notification from me of its termination in such time and in such a manner as to afford Cat Communication International at least five (5) business days prior to the payment due date. I further understand that canceling my authorization does not relieve me of the responsibility of paying my account in full.

Account Name: _____ Account Number: _____ Phone # _____

Credit/Debit Card Number: _____ Expiration Date: ____/____/____

Signature: _____ Date: _____

**** If credit card is issued to someone other than the CCI customer listed above, please complete the following:****

Credit/Debit Card Billing Name _____ Address _____

Signature of Cardholder _____ Date _____

HELPFUL INFORMATION ABOUT YOUR BILL AND CCI TELEPHONE SERVICE

Federal Subscriber Line Charge: Ordered by the Federal Communications Commission, Washington, DC, a part of the Federal Government to help local phone companies expand phone service into areas without available service by providing telephone wires, poles and equipment to connect to the telephone network.

Universal Service Fund Fee: Ordered by the Federal Government in order to provide emergency services to different groups including libraries, schools and rural areas.

Local Number Portability Charge: Ordered by the Federal Communications Commission, Washington, DC, a part of the Federal Government, to provide funds for telephone number portability.

Emergency 911 Tax: A tax imposed by your local governments to pay for the highly sophisticated emergency response communications system that identifies and pinpoints the location of the caller.

Federal Excise Tax: This is a general tax ordered by the Federal Government, which goes to the U.S. Treasury Department.

Relay Center Fee: Ordered by the Federal Government to provide services to the hearing and/or speech impaired.

State & Local Sales Taxes: Various taxes ordered by your State or Local government or general purposes. For an explanation of the taxes or fees imposed in your local area please contact your Utility Commission for a brochure explaining your telephone bill or visit their website for this and other useful information.

Safe*Way Protection Plan

Your first month of CCI's exclusive Safe*Way Protection Plan is absolutely free. With CCI's Safe*Way Protection Plan (SPP), if you involuntarily lose your job or become disabled, CCI will continue your Basic Service for up to three (3) full months. Certain conditions apply. Please read your SPP brochure for details. A charge of \$4.00 per month per line for continued Safe*Way Protection coverage will be applied to your next month's bill. If you need more information about CCI's Safe*Way Protection Plan or wish to cancel your membership please call toll-free 1-888-477-1224.

Extended Dialing Plans

Please contact CCI concerning available Community Choice Calling Plans if such an extended calling area program is available in your area. You could save money by choosing Plan C. Plan C offers unlimited calls to your Community choice area for one low price.

"Slamming" Protection

In areas where it is available, a local service provider freeze is placed on your line to protect against "slamming". To have this freeze removed, please call CCI at 1-888-477-1224.

Please Note - Virginia Residents

Services identified by an asterisk (*) are regulated by the Virginia State Corporation Commission. Nonpayment of these items will result in disconnection of your local telephone service.

\$39.95/\$10/\$10
All Other States

Thank you for calling CCI. This is _____ . May I help you?

Is this your first time calling? May I have your first name (spelling), last name (spelling), address (spelling), and zip code? How did you hear about CCI? (If a promotion or coupon, ask them does it have an offer code on the coupon?) May I have the name and number of anyone else you would like to have access to your account? **(Ex: Relative, neighbor, etc.)** Do you have a number where we could contact you if we have any questions regarding your account? Have you ever had service at your current address? What is/was that telephone number?

(If customer is hesitant to give name, continue)

Having your phone connected with CCI is very easy. We have no worries about past due bills, no credit checks or deposits, just pre-paid phone service.

For just \$39.95 plus the \$6 FCC charge and your state and local taxes CCI will provide you with prepaid unlimited monthly local phone service. You will need to pay a small installation charge of \$10 with your initial payment and you will be billed \$10 on your first bill. (For **Florida** customers only, "At no additional cost we provide a local carrier freeze to our customers. This protects your account from slamming. At your request the freeze will be removed at no charge.")

For migration

For just \$39.95 plus the \$6 FCC charge and your state and local taxes CCI will provide you with prepaid unlimited monthly local phone service. You will need to pay a small installation charge of \$10 with your initial payment and you will be billed \$10 on your first bill. Because you are migrating your number, CCI has a special offer for you 1-hour of free long distance for 3 months. (If customer has LD Summer promotion, customer will receive an addition 1-hour of free long distance.)

With CCI there are a few ways to lower your phone bill and help you save money. With the "Cat Club," if you make your first six (6) payments on time and in a row, we'll take your basic service down to \$34.95 plus taxes. If you make the next three (3) payments on time and in a row, we will lower your basic monthly rate to \$29.95 plus taxes. If you are late with a payment, you will go back to the previous level. For example: If your basic service was \$29.95 and you were late with one payment, your basic service would go back up to \$34.95, not full price. To bring it back to \$29.95, you need to make 3 payments on time and in a row.

You can also reduce your bill through our Tel-A-Friend Program. If you refer someone to CCI and they become a customer, you'll receive a \$10 credit toward your next phone bill, and your friend will give a \$5 credit toward their first phone bill. There is no limit to the number of people you can refer.

CCI automatically signs you up for our Safe*Way Protection Plan (SPP). This plan guards against involuntary unemployment or disability. It can't be a pre-existing condition. It would cover your basic service for up to 3 full months and the first month is free. It's only \$4 a month thereafter.

(If name and address were not entered earlier, enter now)

To get you started, you need to make your first month's payment of \$_____, which pays for your first month of basic service plus the \$6 FCC charge. You will see the one-time \$10 installation charge on your first bill.

(Credit or debit card payment)

If you pay by Discover, Visa, or MasterCard or debit card with the Visa or MasterCard logo, and you make all of your future payments with credit card or debit card, you will receive free call waiting for life. Would you like to pay with a credit card?

Please call us back in 3 – 4 business days. At that time we can give you your new telephone number and get everything started. It does take up to 10 business days for connection from the time that we receive your payment. You will need your account number when you call CCI in the future your account number is _____.

Is there anything else I can help you with? Thank you very much for calling CCI...we look forward to having you as a customer.

**(If customer says they don't have a credit or debit card,
F4 pulls up the list of payment centers)**

Let's find a payment center in your area....

After you have made your payment at the payment center...please call us back in 3 – 4 business days. For verification purposes, you may need your receipt. At that time we can give you your new telephone number and get everything started. It does take up to 10 business days for connection from the time that we receive your payment. When you make your payment at the pay station and when you call CCI back to get your new telephone number, you will need this account number, _____.

Is there anything else I can help you with? Thank you very much for calling CCI...we look forward to having you as a customer.