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Sent Via Facsimile and Airborne

August 9, 2002

Florida Public Service Commission
 Attention: Blanca Bio
 2540 Shumard Oak Blvd.
 Tallahassee, FL 32399

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Response to Docket 020646-TX

Dear Staff:

In response to Staff's rejection of CCI's settlement offer referencing docket #020646-TX alleging that CCI is in violation of Rule 25-4.110(16), F.A.C., CCI would like to respectfully submit an amended settlement offer as follows:

We are currently and will continue to include in every Florida customer's bill every month a reminder there is a local freeze on their service and that the freeze can be removed without charge by simply calling toll-free CCI or by simply mailing to CCI the prepaid reminder notice concerning the freeze.

In addition to these monthly mailing notices, CCI also proposes to initiate multiple calling campaigns to current Florida customers in order to additionally notify them that a freeze is on their service and that the freeze may be removed without charge by simply informing a CCI customer service representatives of such a desire. The customers would be able to do so by simply pressing a key to talk directly to one of our operators.

Staff will attest by the "report card", which will be faxed to you on Monday, of complaints filed against CCI during the last two years that CCI has provided a very high level of customer service. Staff can see the issues of the local service freeze did not become an issue until a competitor began to urge customers to complain directly to the Commission in lieu of simply asking CCI to remove the freeze (which we have done promptly and continue to do without question whenever a customer so requests). Staff

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will testify that many of the complaints came from customers who were advised by Florida Telephone Service to contact the Commission without ever having contacted CCI. Many complaints were filed by persons who were not even CCI customers.

CCI believes that a freeze placed on a customer's line is there for the protection of the customer. CCI has never employed a freeze to limit a customer's choice. CCI does

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everything possible to inform the customers at the inception of service about the local service freeze including written statements in the Letters of Authorization and whenever the customer contacts our call center. The history of slamming with long distance service is well known. With the advent of more local service competition slamming with local service has become a serious issue. Without the freeze more and more local customers will be slammed and be subjected to high-pressure sales techniques.

CCI appreciates Staff's concern for the protection of customer choice but customer choice is, in fact, enhanced by the very existence of the freeze. CCI would respectfully urge Staff to investigate the aggressive local slamming MCI and Z-Tel corporations have employed in Michigan and Illinois as examples of what can happen to customers' choices when their local service is slammed.

Given that CCI has made it extraordinarily easy for any customer to have the freeze removed without cost or inconvenience and given the fact that there is clearly a reasonable argument that the non-existence of a freeze on local service in fact reduces customer choice by encouraging slamming, CCI would hope there might be some room for compromise between two positions both of which have the best interests of the customer in mind. CCI would like to state that as the historic price leader (our customers pay as little as \$29.95 a month) in this area of phone service CCI has no need for local service freezes to "lock in" customers; we are very confident our superior service and pricing will gain us extensive customer loyalty. What we do fear are deceptive high-pressure sales tactics employed by some local service providers on unwary customers and especially credit-challenged customers who may be more vulnerable to such sales efforts. We feel the elimination of the freeze will do just the opposite of what the Staff intends in the way of protecting customers' choice.

CCI still firmly believes that we are not in violation of the rule that 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 customer must be notified annually that a PC Freeze is available."

This rule states simply that the customers must be notified as to the existence of such a device as a freeze. Indeed, this very rule would seem to have been implemented so as to inform customers that they can protect their service against "slamming" whether it be long distance or local. Why would anyone wish to make the imposition of a freeze more difficult when the freeze is a device designed to protect customers' choices? Do a handful of complaints encouraged by a competitor outweigh the initial logic behind the issuance of this very rule designed to protect customers from "slamming"?

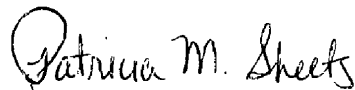
In a telephone conversation, Staff had voiced a concern of a non-paying customer's opportunity to have a freeze removed. CCI does not operate on a prepaid billing platform. We mail bills giving the customers a five-day grace period. After the grace is up we mail a termination notice giving another extension of time with a service ending date, which is always on a Friday. We start suspension process on the next Wednesday

following the Friday date if we have had no response from the customer. Our customer would, even taking the time restraints down to the limit, still have time to have their freeze removed and transfer service to another provider.

CCI would appreciate a review of the issues brought forth in this letter and hope that Staff will consider the serious slamming ramifications the removal of local service freezes will have on customers least able to protect their rights as users of telephone services. CCI respectfully submits, however, if Staff is adamant about its position on local service freezes, Staff would want to be certain that no local provider in the state be allowed to employ the freeze. The Commission could easily mandate an end to such a service by the ILECs. We are certain that the Staff and the Commission would not want to impose on just one or two local service providers a requirement which it would not impose on **all** such providers.

We look forward to Staff's reply and are committed to every cooperative effort to reach an accord on this issue.

Sincerely,

A handwritten signature in cursive script that reads "Patricia M. Sheets".

Patricia M. Sheets
Vice President Regulatory