



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of the Citizens of the State of Florida to initiate rulemaking which will require telephone companies to give customers reasonable notice before customers incur higher charges or change in services, and allow them to evaluate offers for service from competing alternative providers.

Docket No. 010774-TP
Order No. PSC-02-1409-NOR-TP
(Issued: October 10, 2002)

AARP Comments on Notice of Rulemaking

Due November 8, 2002

INTRODUCTION

AARP files these comments pursuant to the Commission’s Notice of Rulemaking relating to “Notice to Customers Prior to Increase in Rates or Charges” issued October 10, 2002. While AARP did not participate in the workshops and small group meetings that took place prior to the issuance of the Commission’s Notice in this proceeding, we submit these comments in general support of the Commission staff’s version of the customer notice requirement, with a few modifications recommended herein. AARP’s general position is that telecommunications rules should provide comprehensive consumer protections to residential customers, and AARP applauds the Commission for undertaking this docket

AARP is the nation’s leading organization for people age 50 and older. It serves their needs and interests through information, education, advocacy, and community services, which are provided by

network of local chapters and experienced volunteers throughout the country. The Association's membership has an interest in rules for protecting consumer rights and interests in today's telecommunications services marketplace as they affect its members. AARP has over 2,500,000 members in Florida, virtually all of whom are customers of telecommunications carriers.

AARP's members are particularly concerned about telecommunication service rules. The new, sometimes competitive, telecommunications marketplace is neither well understood nor utilized by many customers. Despite the substantial savings and ease of use of discount long distance calling plans, for example, a recent AARP survey suggests that a primary reason why consumers are not taking advantage of long distance calling plans or shopping among different providers is that they are misinformed and/or lack essential information about the pricing structure and savings opportunities in the long distance industry. In fact, many long distance callers and particularly older callers do not take advantage of opportunities to save money on their monthly long distance bills because they lack the information to make an informed choice. In a time of deregulation, consumer protections become even more critical to consumers. AARP has worked with regulators and legislators in a number of states to ensure that appropriate protections are available to consumers in their purchasing of utility services.

DISCUSSION AND SUGGESTED RULE REVISIONS

All Americans must be able to rely upon the availability of safe, affordable and high-quality utility services. In order to uphold this principle, an effective standard for the dissemination of service information must underlie the development, evaluation and comparison of utility policies and proposals at the state level. Customers have a right to receive clear and complete information about rates, terms

and conditions for available products and services and to be charged only according to the rates, terms and conditions to which they have agreed.

Thus, AARP urges the Commission to require all telecommunications carriers operating in the state to give customers timely notice of price increases. When any rates, terms or conditions are changed resulting in increased rates, consumers must receive adequate notice in order to make well-informed decisions regarding the continuation of the affected service offering prior to the imposition of the applicable rate increase.

AARP agrees with staff and OPC's contention that absent prior notice of price increases, customers have no way to adjust their consumption or find a lower cost provider before they incur the additional costs. Both have proposed rules that are intended to prohibit this practice and require that companies provide their customers with reasonable prior notice of price increases. However, staff's proposal offers flexibility in the means by which notice may be satisfied, while OPC's proposal recommends a single method of notification. After reviewing staff's rationale for offering a list of methods of providing notice, AARP, like OPC, supports the list proposed by staff and the headings that must be inserted on the notices to draw customers' attention to the information provided.

Conversely, after reviewing the Comments from the Rule Development Workshops included in the Commission's September 19, 2002 Memorandum, AARP offers the following modifications to staff's proposed rule:

Rule Applicability: Like OPC, AARP recommends that the notice requirement of this docket apply to all telecommunications carriers furnishing service within the state, not just interexchange carriers. While there are some local exchange carriers who argue that they already

provide adequate notice to customers of impending rate increases, there may be some local exchange carriers operating in the state of Florida who are not currently providing such notice. As local competition continues to develop, customers switching to new carriers are entitled to the same consumer protections. Thus, the imposition of this rule would ensure that all telecommunications customers are treated fairly and given the opportunity to adjust usage or seek an alternate competitive provider before increased charges are incurred.

Electronic Billing: Among other options, the proposed rule would give carriers the option of providing notice via first-class mail postmarked at least 15 days prior to the effective date of the increase. For customers who receive electronic billing, notice must be provided at least 7 days prior to the effective date. However, AARP believes that the 7-day requirement for electronic notice may be too short, when consideration is given to weekends during which a customer may not check his/her e-mail and other occurrences that may delay e-mail examination. For these reasons, AARP recommends that the Commission require that electronic notice be given at least 10 days prior to the effective date of a rate increase.

Notice Format: AARP agrees with OPC's contention that merely requiring the carriers to provide notice that is "clear and conspicuous" may not be specific enough to ensure that the notice will actually catch the attention of customers. For this reason, AARP recommends that the Commission include minimum notice format (e.g., minimum font size) and location requirements that carriers must meet. The establishment of reasonable minimum standards is not likely to be cost prohibitive or burdensome for the carriers.

CONCLUSION

AARP appreciates this opportunity to comment and commends the Commission for allowing interested parties to weigh in on this important issue. AARP generally supports the recommendations of the Commission staff in this proceeding and believes the Commission should adopt the proposed rules, with the inclusion of the revisions offered herein. The Association is pleased to endorse the Commission's move toward strengthening consumer protections in telecommunications service in Florida. AARP also looks forward to the opportunity to work with the Commission to educate our members on this extremely important issue.

Dated: November 8, 2002

Respectfully Submitted,



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