

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

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 In the Matter of : DOCKET NO. 970882-TI  
 :  
 Proposed Rule 25-24.845, :  
 F.A.C., Customer Relations; :  
 Rules Incorporated, and :  
 Proposed Amendments to Rules :  
 25-4.003, F.A.C., Definitions, :  
 25-4.110, F.A.C., Customer :  
 Billing; 25-4.118, F.A.C., :  
 Interexchange Carrier :  
 Selection; and 25-24.490, :  
 F.A.C. Customer Relations; :  
 Rules Incorporated. :  
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PROCEEDINGS: WORKSHOP - PENSACOLA

BEFORE: CHAIRMAN JULIA L. JOHNSON  
COMMISSIONER J. TERRY DEASON

DATE: Wednesday, October 8, 1997

TIME: Commenced at 6:30 p.m., C.S.T.  
Concluded at 8:20 p.m., C.S.T

PLACE: Pensacola City Hall  
City Council Chambers  
180 Governmental Center  
Pensacola, Florida 32501

REPORTED BY: H. RUTHE POTAMI, CSR, RPR  
Official Commission Reporter

DOCUMENT NUMBER - DATE

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FPSC-RECORDS/REPORTING

1 **IN ATTENDANCE:**

2 **DIANA CALDWELL, FPSC Division of Appeals.**

3 **CHARLIE BECK, Office of Public Counsel.**

4 **CECILIA BRADLEY, Office of the Attorney General.**

5 **RICK MOSES, Division of Communications.**

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**I N D E X**

**MISCELLANEOUS**

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**ITEM**

**PAGE NO.**

**CERTIFICATE OF REPORTER**

**83**



**P R O C E E D I N G S**

(Workshop convened at 6:40 p.m.)

**CHAIRMAN JOHNSON:** Ladies and gentlemen, I'm going to go ahead and call this workshop to order. Counsel, could you read the notice, please?

**MS. CALDWELL:** Yes. Notice is hereby given pursuant to Section 120.54, Florida Statutes, that the Florida Public Service Commission Staff has initiated the development of Rules 25-4.003, 25-4.110, 25-4.118, 25-24.845, and 25-24.490, Florida Administrative Code, to adopt provisions relating to customer preference for local, local toll and toll provider.

**CHAIRMAN JOHNSON:** Thank you. We'll take appearances. Public Counsel?

**MR. BECK:** Thank you. My name is Charlie Beck with the Office of Public Counsel in the Claude Pepper Building in Tallahassee, appearing today on behalf of the citizens of Florida.

**MS. CALDWELL:** I'm Diana Caldwell, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida.

**MR. MOSES:** I'm Rick Moses with the Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida.

**CHAIRMAN JOHNSON:** I'll note that there are

1 several company representatives, telecommunications  
2 company representatives, in the audience, but I  
3 understand you're here to answer any questions that  
4 might arise.

5 Ladies and gentlemen, my name is Julia  
6 Johnson. I'm the chairperson of the Florida Public  
7 Service Commission, and seated to my right is  
8 Commissioner Terry Deason.

9 The entire Commission will be hearing the  
10 formal rule aspect of this hearing, and we will, as  
11 Commissioners, be appearing across the state to mainly  
12 hear from you to learn if there are other offenses  
13 other than the ones that have been directly reported  
14 to us, your thoughts on the telecommunications  
15 companies, any activities that have occurred as it  
16 relates to what we're investigating, and that is  
17 slamming.

18 The Commission and its Staff, for several  
19 months we've been looking at revising our rules,  
20 because we've been concerned that though we have rules  
21 in place and we have now the statutory authority and  
22 the rule authority to impose fines and also to revoke  
23 certificates from companies, we're seeing that there  
24 is a growing number of slamming complaints.

25 Back in 1990, we had approximately 30

1 complaints filed. Last year we had close to 3,000  
2 complaints filed. Again, the issue is when someone, a  
3 company, changes your long distance carrier without  
4 your permission.

5 Now I'm going to take an opportunity to go  
6 through a little background that I thought might be  
7 helpful for all of us. Some of it will just be  
8 informational. And if during the course of the  
9 comments that I make you have additional questions,  
10 feel free when you come forward to provide the  
11 Commission with your information or testimony. Feel  
12 free to ask us or the company members any questions  
13 that you might have.

14 Another point of information, when we do  
15 have the public witnesses come forward, I'll have to  
16 swear you in. That's because the comments that you  
17 make before the Commission today will be a part of our  
18 official record.

19 We can rely upon those comments when we make  
20 our final determination. We can use your questions,  
21 your testimony, to ask the company technical witnesses  
22 questions and make it a full part of this process as  
23 we begin and deliberate on how we should, indeed,  
24 develop this rule and how we can provide the best  
25 information and the best rule to protect the customers

1 as fully as possible.

2 I know you've received some materials  
3 outside that basically go over different ways that you  
4 can avoid getting slammed. Again, I know the jargon  
5 is a little odd, but what it means basically is if you  
6 signed up for a certain telephone company, say AT&T,  
7 and that is your presubscribed carrier, and a month  
8 later you look at your bill and it's company XYZ, and  
9 you know that you did not sign up for XYZ, or if you  
10 did, it was without your full knowledge, that's  
11 slamming. That's someone asserting themselves as your  
12 provider when you did not authorize that.

13 Now, how can you avoid being slammed? One  
14 of the things that we get a lot of calls from  
15 consumers and they have suggested and they've  
16 requested is they don't like telemarketing. They sit  
17 down for dinner after a hard day's work and the phone  
18 rings, and it's someone who wants to tell them  
19 something about telecommunications, or whatever that  
20 might be.

21 One of the things that you can do to avoid  
22 receiving information or receiving those solicitations  
23 is to sign up with the Department of Agriculture,  
24 their no sales solicitation calls. We have forms in  
25 the packets out front. It's a service that the



1 Department of Agriculture offers, and by subscribing  
2 to that and paying an initial \$10 fee and then a  
3 renewal of \$5, you can assure yourself that companies  
4 will not call you; and if they do, there are severe  
5 sanctions for calling you once you have become part of  
6 that no solicitation list.

7           So that's just a way to avoid the  
8 telemarketers completely. But if you'd like to hear  
9 from the telemarketers and you want to rely upon that  
10 kind of information, what we're doing -- and we will  
11 have a Staff member that will describe to you what the  
12 rule will do and what the company must do under this  
13 rule to ensure that the authorization that you give to  
14 change your service is with your full knowledge and  
15 understanding.

16           A second concern or second item or criteria  
17 or one of the things that you might want to do is make  
18 sure you read the fine print. Now, what has happened  
19 in the past is that customers would receive, say,  
20 sweepstakes or some giveaway, and what they would not  
21 be aware of is that there was fine print that said  
22 certainly you may win this wonderful new car, but in  
23 the fine print it would change your telecommunications  
24 provider.

25           A lot of customers are confused by that,

1 having not only a giveaway on the front page but also  
2 changing your service. We consider that to be  
3 misleading. And to the extent that that did happen to  
4 you and that was something that was done without your  
5 authorization, certainly you could call your local  
6 company and say you did not intend to make a change,  
7 or call the Commission and we will try assist you.

8 Under our current rules if you are changed,  
9 if your service is changed from a provider other than  
10 one that you authorize, you will be entitled to have  
11 your rates rerated, or you will be able -- the company  
12 won't be able to charge you any more than you would  
13 have been charged under your authorized provider.

14 Under the proposal, there's a proposal that  
15 you won't be charged at all. Even though you made  
16 calls, if your provider is an unauthorized provider  
17 and it was not by any fault of your own, then the  
18 company under the proposal would have to indeed, eat  
19 the cost, even the legitimate costs, because it was an  
20 unauthorized change. Now, that will be one of the  
21 things that we will be considering, that we will be  
22 deliberating, that we will take testimony on.

23 Again, the third one is to check your  
24 telephone bill each month very carefully. And I know  
25 that in the past we've dealt with monopolies. You

1 haven't had that much choice, at least in the local  
2 market, and now we will have choice in the local  
3 market and even more choice in the long distance  
4 market; and it will be very, very important for us all  
5 to read our bills carefully to ensure that nothing on  
6 there is new that we didn't, indeed, authorize.

7           And, again, with the telemarketers, if you  
8 decide that you don't want to go the no solicitation  
9 route and that you do want to receive the calls, one  
10 of the things that we're advising is don't accept  
11 anything over the phone. Ask for whatever information  
12 they provide you to have that followed up in writing.  
13 And as it relates to making a change via a telephone  
14 call, we're advising customers to just say no and to  
15 not entertain that at all until you have something  
16 concrete and something in writing upon which you can  
17 rely.

18           I think we had some demonstrative exhibits  
19 outside that show some of the issues that we've seen  
20 and some of the ways in which people have  
21 authorized -- or without their knowledge their  
22 telephone service has been changed by registering to  
23 win a jeep, and they thought they were just entering a  
24 lottery to win a jeep, and in fact there was fine  
25 print either on the back or very fine print on the end

1 of the notice that would actually change your  
2 telecommunications company, your long distance  
3 provider.

4           So one of the things that we are asking  
5 customers to do is to look at those carefully, and  
6 when you see an instance where there is some  
7 misrepresentation, again, if you could call the Public  
8 Service Commission, we are still investigating those.  
9 When we find companies that are misleading the  
10 customers, then we do have the authority to contact  
11 that company and post fines or even revoke their  
12 certificate to have service in our state.

13           If you'd look in your blue handouts, I think  
14 it's the fourth or fifth page, we have a list of  
15 companies that have been fined, or that we have show  
16 cause, and that process is a process by which we ask  
17 the company to come in and justify their actions  
18 because we believe that they perhaps have engaged in  
19 an illegal -- as it relates to the Commission's  
20 rules -- a violation of the Commission's rules.

21           We have had several companies that have  
22 either settled and paid monetary fines and/or we have  
23 also revoked at least, I believe, one, maybe more than  
24 one's company certificate for engaging in such  
25 practices.

1           Again, I have several slides that if  
2 questions come up, we can entertain those by slide and  
3 then give you more examples, but we're really here to  
4 get information from you. If you have instances where  
5 you believe that you've had a problem with a company,  
6 if you could tell us that, that would give us an  
7 opportunity to make sure that we understand the  
8 gravity of the problem, and as we're trying to come up  
9 with the proper resolution, that we can take all of  
10 your concerns and your thoughts in mind.

11           I had some general information, because I  
12 participated in a couple public forums this morning.  
13 And one of the questions that occurred was, well, we  
14 really have a problem in this county or in this  
15 particular area. And I can tell you this year alone  
16 we've closed out at least 21 complaints where  
17 customers have, indeed, stated that their service was  
18 changed without their permission.

19           We have saved the customers in this area in  
20 the last several months about \$1,000 having their  
21 rates changed back to their authorized carrier's  
22 rates, and we have in surrounding counties, Panama  
23 City and surrounding cities, we've had ten complaints  
24 in Panama City, Apalachicola. We've not had any in  
25 Quincy. We've two -- Marianna we've not had any

1 formal complaints, but that's not to say that the  
2 local exchange companies, your local company, that  
3 they have not received complaints.

4           And one of the things that we want to know  
5 about and hear from you from you about is are there  
6 other instances; are there other schemes or other  
7 activities that cause you concern.

8           So I wanted to introduce some of the Staff  
9 members that are here. In you don't feel comfortable  
10 coming forward and providing public testimony, then  
11 there are two alternatives. You can meet with one of  
12 our Staff members, or on the special report there is a  
13 sheet on the back where if you'd just like to fill  
14 that out and send it in with your comments, we'd love  
15 to hear from you.

16           Also there's a 1-800 number that's printed  
17 on our -- I believe is printed on our -- let me make  
18 sure -- yes, it is printed on -- it should be printed  
19 on the special report. Yes, on the front page of the  
20 special report, 1-800-342-3552. For those of you who  
21 would like to talk directly to one of our analysts at  
22 the Commission, you can also use that number.

23           The Staff members that are here to assist  
24 you, again, our lead attorney is Diana Caldwell. She  
25 introduced herself. Rick Moses is the lead technical

1 person on this issue. Ann Shelfer is sitting here in  
2 the front. Kelly Biegalski is also in the front.  
3 Blanco Bayo is seated here to my far right. Ruthe is  
4 reporting this for us tonight and, again, it will be  
5 very important as you come forward to present your  
6 testimony that you state your name and address for the  
7 record, and she will make sure that this is a part of  
8 our official record.

9           And Dick Durbin, you might have seen him  
10 earlier today on TV, and if not, he was here to greet  
11 you. He's one of our chief analysts that handles the  
12 day-to-day complaints that come in regarding slamming  
13 and other activities.

14           I believe that someone from the Attorney  
15 General's Office -- if you would, if you'd just like  
16 to state your name and who you represent for the  
17 record.

18           **MS. BRADLEY:** I'm with the Attorney  
19 General's Office here. My name is Cecilia Bradley,  
20 and we appreciate you all coming tonight. We're in  
21 Tallahassee at the Capitol.

22           **CHAIRMAN JOHNSON:** Thank you. Are there any  
23 other preliminary matters, counsel?

24           **MS. CALDWELL:** No.

25           **CHAIRMAN JOHNSON:** Then would it be

1 appropriate to go ahead and entertain any customer  
2 testimony after I swear them in?

3 MS. CALDWELL: I think what we'd like to do  
4 is have Staff just go through some of the rules and  
5 explain what we have proposed so far.

6 CHAIRMAN JOHNSON: Very well. Mr. Moses?

7 MR. MOSES: Thank you. Today most of you  
8 already, I'm sure, are aware that you can have  
9 competition in many more areas other than just your  
10 traditional long distance telephone companies. You  
11 can choose a different telephone company now for your  
12 local service and your local toll, which is sometimes  
13 called intraLATA, as well as your traditional long  
14 distance service.

15 By being required to choose between  
16 competing service providers with sometimes very little  
17 knowledge of these companies, many unsuspecting  
18 consumers are vulnerable to being taken advantage of.  
19 Many consumers have reported having their phone  
20 service switched without their authorization. This is  
21 also known as slamming. It is the single most common  
22 complaint that the Public Service Commission receives.

23 The Public Service Commission, as Chairman  
24 Johnson discussed a while ago, has fined companies;  
25 they have revoked the certificates to operate in



1 Florida; negotiated settlements, and have required  
2 refunds. But as competition builds, these actions  
3 become less sufficient; therefore, the Public Service  
4 Commission is proposing rules to see if we can tighten  
5 the requirements before your service is switched.

6           The proposed amendments will do the  
7 following for you: It applies to all companies  
8 providing local service, local toll service, and long  
9 distance service. It requires these companies to be  
10 certificated prior to providing service by the Public  
11 Service Commission.

12           It also requires the information to be  
13 printed on your bill that in the past has not been  
14 there. The information includes the name of the  
15 company, the type of service that is going to be  
16 provided by that company, and a toll free service  
17 number for each provider.

18           You can see up to three providers on your  
19 telephone bill; one for your local service, one, if  
20 you so choose a long distance carrier intraLATA or  
21 your local toll service, and a long distance company  
22 for your other services.

23           These rules will also require the consumers'  
24 authorization, and it will limit the ways in which a  
25 preferred company may be changed. The only way a

1 change may be made is if the company has a signed  
2 letter of agency by the consumer that contains  
3 sufficient information to verify that the consumer is  
4 authorizing the change.

5 Another way is the company has received a  
6 customer-initiated call; in other words, you could  
7 dial an 800 number to call the company that you want  
8 to be switched to; and that the company has obtained  
9 the consumers' consent and has recorded that consent  
10 and has recorded the number to be changed.

11 In other words, when you dial from your  
12 house to change your long distance service or your  
13 local service, there's what they call an ANI, or  
14 automatic number identification, that will be recorded  
15 by the company that it automatically pops up your  
16 telephone number. And also an independent  
17 unaffiliated firm that has verified the customer's  
18 request.

19 Another method is the company has received a  
20 consumer's change request and response by mailing an  
21 information package which explains the changes,  
22 verifies information, and requires a signed statement  
23 acknowledging the change.

24 This is different than what is in the  
25 present rules. Right now you're sent a postcard, and

1 if you fail to return the postcard after 14 days, the  
2 company will change your service. That's being  
3 reversed. Now you will have to sign that card and  
4 confirm the change and send it back to the company  
5 before the change will be made.

6 Another major change is that the company  
7 cannot combine the letter of agency with any  
8 inducements on the same document. Some of you may  
9 have received checks in the mail from various  
10 companies offering \$100 or \$60 to switch to their  
11 service. By signing the back of that check, there's a  
12 statement on the back that says "By signing this,  
13 you're authorizing your service to be switched." This  
14 type of inducement will be eliminated by the proposed  
15 rules.

16 It will also eliminate the sweepstake  
17 entries, which Chairman Johnson demonstrated one of  
18 them a while ago on the overhead right there. If  
19 you're in a flea market or some type of auction or  
20 anyplace where they have some of these display  
21 boxes -- and you'll see a couple of them out front  
22 there -- by signing that entry in the past, you're  
23 authorizing your service to be switched. This type of  
24 inducement will be eliminated.

25 The rules also require that the

1 solicitations in writing or by telephone, that the  
2 inducements may not be misleading or deceptive. They  
3 can't have language in here that's talking about some  
4 other subject that you're not familiar with.

5           And, as Chairman Johnson also pointed out,  
6 the rules are changing that if you are slammed, an  
7 unauthorized change, that you will be credited for the  
8 first 90 days. The reason for the 90 days is to limit  
9 the exposure to the companies just in case some  
10 consumers get wise to the idea and just keep switching  
11 around and saying they didn't really change. So that  
12 kind of limits the exposure. And usually if you are  
13 slammed, you're going to know it within 90 days. That  
14 should give you justification, time to notify the  
15 companies.

16           That sums up the rule changes.

17           **CHAIRMAN JOHNSON:** Thank you, Mr. Moses.  
18 Again, those are the proposed rules. The companies  
19 will have an opportunity to react to those and to  
20 provide us with comments on those rules, and then the  
21 Commission will have to vote on whether or not the  
22 rules are adequate, whether we need to do more,  
23 whether Staff has proposed too much. But those are  
24 the kind of issues that we will be considering.

25           And a lot of that will be -- or the process

1 will be very much improved by receiving your comments  
2 to help us better understand, well, when are the  
3 customers confused, how are they confused; are the  
4 sweepstakes confusing to the customers. We are  
5 hopeful that over the next several weeks as we visit  
6 different cities that we'll have an opportunity to  
7 have the dialogue and receive the information from the  
8 customers as to what customers would like to see and  
9 what they would not like to see.

10           So with that, I understand that there's  
11 several people that would like to testify today and  
12 provide us with information. If you could stand and  
13 raise your right hand, at this time I'll swear you in.

14           (Witnesses collectively sworn.)

15           MR. BECK: I want to thank everybody for  
16 appearing tonight. I know you've been waiting a long  
17 time, and we'll get right to your testimony. We  
18 appreciate your coming, and we know it's an  
19 inconvenience.

20           If any of you would like to speak with  
21 either Cecilia Bradley or myself afterwards, we would  
22 be glad to speak with you. Also, Earl Poucher --  
23 Earl, would you raise your hand -- from our office  
24 would be glad to speak with you if you have any  
25 questions.



1 service invoice was overdue.

2 Well, she got all these invoices and she  
3 started paying them. This was in September, and she  
4 wasn't concerned about paying them because she had  
5 made the long distance calls and she assumed, I guess,  
6 they were going to AT&T.

7 Well, it went on for several months, and  
8 then she said her bill was getting larger and larger.  
9 So we looked at it, and she was paying about 22 cents  
10 a minute, which she had been paying like 10 cents a  
11 minute with AT&T.

12 So she wrote on this invoice "Cancel this  
13 long distance service." And they had an 800 number  
14 also that she could call. This company was in Boston,  
15 Massachusetts. Well, there was never an answer at  
16 this 800 number. It was just a recording or nobody  
17 was in the office. They would take your name and  
18 number and return the call. Well, no one ever did.

19 So then comes along about January or  
20 February, after the holidays, I thought, well, someone  
21 needs to get involved, because the bills -- actually,  
22 she paid close to \$575 for these long distance  
23 services.

24 So I called, I guess, BellSouth. I didn't  
25 know where to start, so I called BellSouth. They said

1 that the change had been made through something called  
2 a mechanized legal form. Now, they didn't tell me  
3 what that was, but it had been made, and AT&T was not  
4 her long distance carrier, but it was somebody else.

5           So I tried to contact Network. Couldn't get  
6 them, so I called the Better Business Bureau in  
7 Pensacola. They had never heard of them, but they  
8 gave me the number in Boston, so I called Boston.  
9 They said there was an address there. They have a  
10 post office box address. So I called information to  
11 try to get a phone number besides an 800 number.  
12 Well, there was no phone number. They had no, like,  
13 you know, a local number to call in Boston.

14           So I called AT&T to see if they had heard of  
15 them, because this little flier said "AT&T Bill  
16 Manager Service." Well, AT&T had never heard of them,  
17 so I was back on the phone. This was about three  
18 hours this day I spent on the phone. I called  
19 BellSouth back and she told me I could change that  
20 number; I could change her long distance carrier and  
21 put a PIC freeze, something called a PIC freeze, on  
22 there; therefore, no one had authorization to that  
23 account.

24           So we did that. We changed it back. We  
25 went to AT&T at 10 cents a minute. We put a PIC



1 free on it.

2           So in the meantime I wrote Network  
3 Utilizations and mailed letters to the Better Business  
4 Bureau, copies to -- I even sent to Scarborough  
5 Payment Center -- there's an address in Detroit,  
6 Michigan for Network Utilizations. So I sent them a  
7 letter and wanted to know why; you know, how did they  
8 get her name and number. The phone is not in her  
9 name. It's in her husband's name; therefore, she  
10 should not have been authorized to change anybody --  
11 you know, to make any changes.

12           Well, I got a response from Network  
13 Utilizations saying that they had -- she had done it  
14 through a phone call, that she had gave her consent  
15 for -- to change this; but she -- I'm sure she didn't.  
16 She keeps a journal every day of what goes on, and she  
17 had no desire to change from AT&T.

18           So the change was made. And they said that  
19 they did this over the phone. And I told them that I  
20 had tried to reach them on several different times,  
21 and they didn't reply to me. They didn't respond to  
22 any of my letters.

23           The Better Business Bureau in Boston did  
24 respond. They said they had several complaints  
25 against that company, but the company told them that

1 she gave her authorization over the telephone;  
2 therefore, there was nothing more they could do.

3           And I just feel -- you know, she's a  
4 78-year-old lady. She was living -- she had no desire  
5 to change her phone. How they got her number -- how  
6 could they change that without somebody's written  
7 consent?

8           You know, I called up BellSouth, and one  
9 lady -- I accessed that account. I could have told  
10 them I was John Doe. I accessed that account. I  
11 could make any changes I wanted to.

12           Another lady that I called with BellSouth,  
13 she would not access the account. She said she needed  
14 a social security number to access the account. Well,  
15 I didn't have my father-in-law's social security  
16 number, so I couldn't get in. But there should be  
17 some way that these people cannot do this, cannot call  
18 them up.

19           She was hassled for six months, trying to  
20 write letters. And needless to say, a lot of the  
21 older people throw a lot of that invoice that comes  
22 with the phone company -- there's like five or six  
23 sheets -- pay their bill, toss the rest of it away;  
24 and she did that. We didn't save all those invoices.

25           But that's been our experience. And as of

1 now we just wrote another letter in September, and  
2 that's kind of where we left it, that it's open and  
3 closed. We don't want anything else to do with them.  
4 We're back with AT&T. And they haven't billed us  
5 anymore, so we haven't heard from them either way.

6 Thank you.

7 **CHAIRMAN JOHNSON:** Thank you, Ms. Brown.  
8 There may be questions for you.

9 **COMMISSIONER DEASON:** Ms. Brown, I have a  
10 question. I understand the problem, and I think  
11 perhaps some of the controls that we have in our  
12 proposed rule may address some of the problems you've  
13 encountered. I hope that's the case.

14 The question I have, though, is did your  
15 mother-in-law receive a refund of any sort from  
16 Network Utilization Services?

17 **WITNESS BROWN:** No, sir.

18 **COMMISSIONER DEASON:** You may want to speak  
19 to a member of our Staff to see -- I don't know if the  
20 time frame that has elapsed is such that it would  
21 prevent, but it may be possible that those calls could  
22 be rerated if it could be shown that the change was  
23 not authorized; and perhaps some of the \$575 that you  
24 indicated was paid to this company perhaps could be  
25 made --

1           **WITNESS BROWN:** Well, again --

2           **COMMISSIONER DEASON:** -- assuming that  
3 Network Utilizations is even in business now. That's  
4 part of the problem. These companies seem to come and  
5 go, and that's one of the problems. But if you've got  
6 a moment, you may wish to discuss that with one of our  
7 Staff members. They may be able to assist you a  
8 little bit further in that regard.

9           **WITNESS BROWN:** Well, we're not squabbling  
10 about -- she did make the calls; that's true.

11           **COMMISSIONER DEASON:** But the problem, you  
12 indicated, though, that the going rate seemed to be 22  
13 cents and --

14           **WITNESS BROWN:** Right.

15           **COMMISSIONER DEASON:** -- and you were used  
16 to paying a lot less with your carrier that you  
17 thought was your authorized carrier.

18           **WITNESS BROWN:** Right.

19           **COMMISSIONER DEASON:** The difference between  
20 those rates perhaps could be refunded to you, here  
21 again, assuming that we can locate this company and  
22 assuming they're still in business and that sort of  
23 thing. But you may want to pursue that with one of  
24 our Staff members.

25           **CHAIRMAN JOHNSON:** Ms. Brown, you said the

1 name of the company was Network Utilization, Inc.?

2           **WITNESS BROWN:** Network Utilization  
3 Services -- no Inc. after it -- in Boston. They had a  
4 post office box address is all we came up with. And  
5 some of her payments would go to Boston, and then they  
6 sent her a note saying "Send these payments to  
7 Detroit," to the payment center in Detroit. So some  
8 of her checks went to Boston to Network and some of  
9 them went to Payment Center in Detroit, Michigan.

10           **CHAIRMAN JOHNSON:** And you stated that when  
11 you first noticed the problem that you called the  
12 local company?

13           **WITNESS BROWN:** Right.

14           **CHAIRMAN JOHNSON:** And what was their  
15 response?

16           **WITNESS BROWN:** Well, I started with  
17 BellSouth, not knowing what else to do. So first I  
18 wanted to check who her long distance carrier was, and  
19 they said it was not AT&T, that it had been changed.  
20 And I said, well, who authorized the change. And she  
21 said it was done through a mechanic -- a document  
22 called a mechanized form, which is some type of legal  
23 document, and I never -- I still don't know what that  
24 was.

25           **CHAIRMAN JOHNSON:** Okay.

1           **WITNESS BROWN:** But that's the one -- see,  
2 one time I called them and I could access that  
3 account; the next time I called, I couldn't. And  
4 nobody should be able to call there and access  
5 anybody's account without a password or code or  
6 something.

7           **COMMISSIONER DEASON:** I have one other  
8 question. Did you actually speak to anyone, a live  
9 person, at Network Utilizations?

10          **WITNESS BROWN:** No, sir. We never could get  
11 an answer.

12          **CHAIRMAN JOHNSON:** Ms. Brown, Mr. Durbin,  
13 the gentleman in the back there with the blue jacket,  
14 he'll give you one of his cards. And this is exactly  
15 the kind of activity that we can and will -- if you'd  
16 like us to investigate, we'll investigate.

17          **WITNESS BROWN:** Okay. Good. Thank you.

18          **CHAIRMAN JOHNSON:** And we appreciate you  
19 letting us know what your problems and experiences  
20 have been.

21          **WITNESS BROWN:** Well, thank you. Hopefully  
22 something can be done. Thank you.

23          **CHAIRMAN JOHNSON:** Thank you. Let me ask  
24 you another question. I'm sorry. Mr. Moses kind of  
25 went over the proposed rule. Did you have any

1 reaction to that, to any of the issues that he stated,  
2 the issues that we were looking into; the refund  
3 methodology, or was there anything that was -- that  
4 you agreed with or disagreed with?

5           **WITNESS BROWN:** Well, yeah. Well, to the  
6 extent of the refund, I think if these people are  
7 changed without their consent, they should be entitled  
8 to a refund, definitely.

9           However, it's their word against ours. So,  
10 you know, she said they called on the phone. They had  
11 the authority to change that account. And I'm sure  
12 she didn't, but that's one word against the other.  
13 But definitely I think with this happening there  
14 should be a refund, or at least the difference. Like  
15 if I'm paying 22 -- well, I'm not going to complain  
16 because I made my call, and I'd like to pay my 10  
17 cents a minute. At least the difference.

18           But it's a hassle. It's a hassle for the  
19 people to go through. You have no idea what this has  
20 put my mother-in-law through.

21           **CHAIRMAN JOHNSON:** One of the issues that  
22 you raised that perhaps we don't always internalize is  
23 not just the 10-cent difference, but the times, the  
24 three or four hours that you have to spend trying to  
25 track down the company. So there is a lot more in

1 terms of damages than just the actual monetary  
2 difference.

3           **WITNESS BROWN:** There is, and that's what  
4 happened in our case; not so much the monetary damage,  
5 but what we went through and what she went through and  
6 still would be going through, I feel, if I did not get  
7 involved.

8           **COMMISSIONER DEASON:** When you tried to call  
9 this company, was it an 800 number, or did you have to  
10 pay to make the call?

11           **WITNESS BROWN:** The Network?

12           **COMMISSIONER DEASON:** Yes.

13           **WITNESS BROWN:** No. That's an 800 number.  
14 I could not get any other number than that.

15           **COMMISSIONER DEASON:** And no one ever  
16 responded when you attempted to --

17           **WITNESS BROWN:** No. There would be a  
18 recording that there's nobody in the office, leave  
19 your name and number they would return the call. We  
20 did that several times, and she had sat by the phone  
21 actually eight hours a day waiting for somebody to  
22 call, and we never heard. But we couldn't get a  
23 number.

24           **COMMISSIONER DEASON:** In our proposed rules  
25 we're requiring that there be a toll free number



1 provided on the monthly bill. Perhaps we need to  
2 expand that and require that someone answer the call  
3 when it's made. (Laughter)

4 **WITNESS BROWN:** That could help.

5 **CHAIRMAN JOHNSON:** Thank you, Ms. Brown.

6 **MS. BRADLEY:** Did you say that BellSouth  
7 told that you they verified -- got her consent through  
8 a phone call?

9 **WITNESS BROWN:** No. BellSouth said they got  
10 it through a mechanized form. Do you know what that  
11 is?

12 **MS. BRADLEY:** I'm not familiar with --

13 **WITNESS BROWN:** I don't know either. They  
14 got it through a mechanized form.

15 **MR. MOSES:** The only thing I can possibly  
16 think of is there's a series of prompts sometimes they  
17 will use similar to a voice mail or fax system where  
18 they'll ask you to press "1" if you select --

19 **WITNESS BROWN:** Okay. Now, that did happen  
20 to her. You know, a lot of times you call up a number  
21 and you listen, press 1, so-and-so, press 2, press 3,  
22 and it gets confusing for myself even. When do I  
23 press 1? Did I press it too soon? Do I wait until  
24 the whole recording is off? I mean, it is confusing.

25 **MR. MOSES:** But even so, going through that

1 process, they're still supposed to, under the current  
2 rules, go through third-party verification or --

3 **WITNESS BROWN:** Exactly.

4 **MR. MOSES:** -- it sounds like what they did  
5 is sent you that postcard to where if you don't return  
6 it within 14 days, you're switched, and that sounds  
7 like what happened to you.

8 **WITNESS BROWN:** Maybe that was the  
9 mechanized form?

10 **MR. MOSES:** And that was the part that she  
11 wasn't familiar with and just tossed it in the  
12 garbage. And that's why we're changing in the  
13 proposed rules to make that an affirmative action  
14 taken on a consumer before they're switched, where  
15 they have to actually return that card instead of not  
16 returning it.

17 **WITNESS BROWN:** With a signature. I think  
18 that would be great.

19 **MR. MOSES:** And if you can give either Dick  
20 or Ann some information on that, I'll be glad to help  
21 you with this complaint tomorrow.

22 **WITNESS BROWN:** Okay. Thank you.

23 **CHAIRMAN JOHNSON:** Thank you, Ms. Brown.

24 **MR. BECK:** Don Barber?  
25

**DON BARBER**

1  
2 appeared as a witness and, swearing to tell the truth,  
3 testified as follows:

**DIRECT STATEMENT**

4  
5 **WITNESS BARBER:** Good evening. Don Barber,  
6 5499 Pensacola Boulevard. I want to point out a  
7 couple things. People in this area have been spoiled  
8 with good service from Southern Bell and BellSouth for  
9 years and years and we've never had -- I've been a  
10 phone user of their service for probably 37 years, and  
11 never -- I can never recall having a complaint or  
12 problem.

13 If you had a problem on the line or long  
14 distance, within hours somebody was out there or they  
15 would have the problem corrected within that day. And  
16 when they busted up BellSouth, the Ma Bell utilities,  
17 our service just went to hell, and it's been that way  
18 since.

19 Last year I had occasion to be slammed by  
20 AT&T, and I raised Cain and I went to you people and  
21 filed a complaint, and I corresponded with somebody in  
22 your Staff and got it resolved, but still there was no  
23 penalty to AT&T whatsoever.

24 We even traced it to who signed -- they  
25 falsified my name on the switchover. And, of course,

1 you go to them and you couldn't back up and say, well,  
2 all right, you're going to have to pay Mr. Barber back  
3 this or whatever, you know. So I would suggest a  
4 strong, stiff penalty when you can document stuff such  
5 as this or a pattern of this type of activity there.  
6 It's just -- it's disgusting.

7           And I've just gave Mr. Durbin a complaint  
8 that I had to mail out last week to you people. And  
9 BellSouth resolved it. And I got to -- I was treated  
10 as a casual customer, casual billing through MCI.

11           And my wife -- first I got a notice from  
12 BellSouth that my phone bill, the next phone bill, was  
13 going to be quite high. And I usually spend two to  
14 \$400 a month on long distance calls. I spend a lot of  
15 time on long distance. And I got a bill for 600 and  
16 some-odd dollars, and I looked and I recognized all  
17 the numbers. I said, I guess I did spend that.

18           But then I got to -- my wife said, look at  
19 it closer. And I got to looking, and I was paying  
20 \$1.59 per minute on some of my calls. I said, wait a  
21 minute, something is wrong here.

22           So I contacted BellSouth, and she explained  
23 to me what this casual billing was, and she said, now  
24 when you get your bill -- which I just got a couple  
25 weeks ago -- she said, let's -- we'll go over it and

1 see. So I tried -- and here's another thing, too,  
2 that needs to be addressed.

3           When you're trying to call in people like  
4 MCI and it takes five hours and you cannot get anybody  
5 on the phone, then you're put on hold, and there's  
6 your long distance there; five, 10, 15 minutes there.

7           I got so aggravated with MCI a few months  
8 ago. I started, and it was five hours, steady hours,  
9 of trying to get somebody on the phone. Finally I had  
10 an MCI charge card for when you're out, you know,  
11 making long distance calls on the road, and I said,  
12 I'm going to try -- I tried an 800 number, and I  
13 finally got in to somebody to voice a complaint after  
14 five hours there. But this is some of the things you  
15 need to address.

16           And another suggestion is, maybe these  
17 companies, have them put up a performance bond. If  
18 they're going to operate in Florida, let them put a  
19 performance bond up there. When you get a lot of  
20 complaints, then you can address them and put some  
21 heat on them. If they've got something -- some assets  
22 at stake with the state, like a performance bond, then  
23 they're going to try and go overboard to give a little  
24 better service there.

25           But is there any questions I can answer?

1           **COMMISSIONER DEASON:** Yes, sir, I have a  
2 question. The bill that -- I guess it's a recent bill  
3 that you received that --

4           **WITNESS BARBER:** Yes.

5           **COMMISSIONER DEASON:** -- had the casual  
6 billing on it, and it had calls at \$1.59 a minute --

7           **WITNESS BARBER:** Uh-huh. \$1.50 -- it was  
8 either \$1.53, \$1.59 a minute.

9           **COMMISSIONER DEASON:** What was the  
10 explanation you received?

11          **WITNESS BARBER:** Casual billing.

12          **COMMISSIONER DEASON:** But you recognized the  
13 numbers --

14          **WITNESS BARBER:** I knew I made the calls,  
15 but I didn't -- I had a contract with a company that  
16 was -- MCI supplied the long distance at 11.9. Then  
17 all of a sudden I'm going to 1.59. And so the lady  
18 with BellSouth, I faxed her all this, and I had a  
19 letter to Mr. Durbin, and to send to Governor Chiles,  
20 a bunch of people, and to the Attorney General's  
21 Office and then -- but the lady from BellSouth  
22 resolved it all quickly.

23                 I mean, within two hours she called me back  
24 and said, I've re-figured these long distance bills  
25 and it will show up within four days in your next

1 bill.

2           **COMMISSIONER DEASON:** So that problem has  
3 been --

4           **WITNESS BARBER:** It's been resolved, yes,  
5 sir. But I'm looking forward to the day -- and I'm  
6 hoping January, February, BellSouth will be able to  
7 offer long distance service, and it will eliminate a  
8 lot of this. They ruined a lot of people, BellSouth,  
9 with such good service, and then when we had to put up  
10 with this crap, it's very, very disgusting.

11           **CHAIRMAN JOHNSON:** Mr. Barber, one of your  
12 suggestions, then -- because we do -- we do certify  
13 the companies that operate, and we try to -- some of  
14 them operate without a certificate. But one of your  
15 suggestions, then, is on the certification process  
16 that perhaps when they sign up to offer service in  
17 Florida that we would require some kind of a bond?

18           **WITNESS BARBER:** A performance bond, yes.  
19 An insurance company coming into Florida to write  
20 insurance in Florida, they have pretty strict  
21 requirements. They have to put a bond up. I think it  
22 would eliminate a lot of this.

23           **MR. BECK:** Mr. Barber, you said AT&T slammed  
24 you? Could you briefly explain what happened --

25           **WITNESS BARBER:** It was last year. I think

1 it was sometime in last year. I don't know how I got  
2 slammed, but I did. And so I got to looking into it,  
3 and through some checking and all, we found out -- the  
4 Public Service Commission through their correspondence  
5 back and forth to AT&T, we found where my signature  
6 was on the paperwork. And we looked at the signature,  
7 and it wasn't my signature whatsoever. So they  
8 finally tracked it down to who signed it. Somebody  
9 had signed my name to it.

10 **MR. BECK:** Who was your carrier before that?

11 **WITNESS BARBER:** LDS, I think -- I think.

12 LD --

13 **MR. BECK:** That's who you wanted to be  
14 served by?

15 **WITNESS BARBER:** At that time, I think; yes.

16 **MR. BECK:** Mr. Barber, just so you know, one  
17 of the things we're looking at at PSC is the amount of  
18 fines that they fine companies for activities like  
19 that. And last November the Commission fined AT&T  
20 \$30,000, but that was for 141 infractions, and that  
21 came out to \$213 fine per infraction, and we're going  
22 to be urging the Commission to --

23 **WITNESS BARBER:** It should -- you should  
24 hurt them in their pocketbook. Any other questions?

25 **MS. BRADLEY:** You mentioned something



1 about -- you said it was \$1.59 per minute. Was that  
2 in addition to the 11 --

3 **WITNESS BARBER:** No, huh-uh.

4 **MS. BRADLEY:** -- point whatever? That was  
5 just a change --

6 **WITNESS BARBER:** It was a complete different  
7 rate, uh-huh. And the lady at BellSouth explained to  
8 me it's called casual billing.

9 **CHAIRMAN JOHNSON:** Any other questions?

10 **WITNESS BARBER:** Thanks.

11 **CHAIRMAN JOHNSON:** Thank you very much.

12 **MR. BECK:** Ella Warren.

13 - - - - -

14 **ELLA WARREN**

15 appeared as a witness and, swearing to tell the truth,  
16 testified as follows:

17 **DIRECT STATEMENT**

18 **WITNESS WARREN:** My complaint is with AT&T.

19 **COMMISSIONER DEASON:** Ma'am, could you begin  
20 by giving us your name?

21 **WITNESS WARREN:** Oh, I'm sorry. My name is  
22 Ella Warren, 3705 North 12th Avenue, and my telephone  
23 was slammed by AT&T in September of '96.

24 I discovered that my phone was slammed when  
25 my daughter was out of town and tried to call me. She

1 could not use my calling card. Within five days I  
2 knew this, so I was not out a lot of money. I was --  
3 you know, the phone bill was readjusted \$2 and  
4 whatever. So that's not the big issue here.

5 I wrote the FCC. I complained through the  
6 FCC. They responded back. I filed an informal  
7 complaint. I found through their correspondence that  
8 in order to file a formal complaint, I would have to  
9 pay \$140. I did not go to that extent. Okay.

10 My problem with the issue is I understand  
11 telecommunication and what lengths they go through to  
12 get customers and whatever. My biggest problem here  
13 is the way they justify their switch to the FCC. They  
14 justified their switch through a forged document  
15 called a service agreement.

16 My husband's signature is on here. This was  
17 in October 1996. My husband died in May of 1991.  
18 They cannot use his name, number one. My telephone  
19 bills, the checks that AT&T send me through promotions  
20 has Ella Lampkin Warren on them. My telephone bill  
21 has Ella Lampkin Warren on them. There is no way that  
22 they would come up with James Warren except through  
23 listings of some sort.

24 This disturbed me very much. And they  
25 actually justified their switching with this forgery.

1 Forgery is illegal. If you and I did something like  
2 this, we would go to jail. I think there should be  
3 fines.

4 I received letters, I received amounts like  
5 you're saying of fines that are assessed to these  
6 companies, amounts -- I think a solution to this  
7 problem is in all the moneys going to the U.S.  
8 Treasury, the consumer should be able to file  
9 complaints and be appropriated funds. I think they  
10 should be able to be fined legally and the consumer  
11 should be paid.

12 There is a lot of money on here. I'm  
13 looking at anywhere from 30,000 to \$500,000 being  
14 given to the U.S. Treasury for the consumer being  
15 slammed, the consumer being inconvenienced. Okay.  
16 And I think that's one of the solutions there. .

17 But that's my major complaint there is that  
18 the companies are being able to do illegal things and  
19 get away with it per se.

20 **MR. BECK:** Ms. Warren, do you know whether  
21 there was ever an investigation to find out how it  
22 came that they had forged your deceased husband's  
23 signature?

24 **WITNESS WARREN:** No.

25 **MR. BECK:** Nobody ever told you --

1           **WITNESS WARREN:** No. When I sent this, when  
2 I wrote the letter, I wrote the FCC back -- when they  
3 sent me the letter with this agreement attached, I  
4 wrote them back and told them that this was a forgery,  
5 and a few -- maybe a week later I received a card  
6 saying that, you know, the complaint, all this, the  
7 file has been closed.

8           So I said to myself, you know, if it's being  
9 closed with the informal complaint, then I guess they  
10 except me to file a formal complaint. And I was  
11 attempting to write Joe Scarborough. I was going to  
12 do all those things, and I was like one of the other  
13 people said. I just got -- you know, I just threw my  
14 hands up and said, I'm tired now, you know.

15           But I think it's very unfair, very unfair to  
16 the consumer to have to just -- not so much that I was  
17 out of money. That's not the money. It was all about  
18 the time, the time I spent. I had spent, you know,  
19 hours writing letters and responding, and then when I  
20 get this thing showing me the forgery, it was like, I  
21 mean, what do I do? Where do I go from here? I went  
22 to the highest.

23           And I would say, too, as the gentleman said,  
24 BellSouth is what I went -- that's where I went when I  
25 first learned that I had been slammed. I called

1 BellSouth and they told me, your long distance service  
2 has been changed to AT&T. And I'm like how, when,  
3 why? And at that moment they did put a block on --  
4 I'll have to sign -- I would have to sign in order for  
5 a carrier to change my long distance service.

6           And I called then AT&T, and they explained  
7 to me that it had been switched and whatever, and I  
8 got the name -- got the number, the address rather, of  
9 the FCC; and then I began to write them and get  
10 responses from them, you know, but no real  
11 satisfaction.

12           And like they were saying, you know, I  
13 received all the information where the companies are  
14 fined, had been fined, and it does list AT&T with a  
15 \$30,000 voluntary payment to the U.S. Treasury. You  
16 know, voluntary; you know. I don't know. This is all  
17 legal jargon here, and I don't know what that's all  
18 about. But even with that, I'm sure that's a small  
19 amount of money for them. That's a pat on the hand.

20           And I think some way the consumer should be  
21 not so much satisfied monetarily, not so much that,  
22 but I'm thinking as a solution to the stoppage of all  
23 these things, I think we should some way be able to  
24 fine them or file a lawsuit against them for these  
25 things. I really do.

1 I even called lawyer offices to pursue this,  
2 but everybody was like, we don't have anything about  
3 slamming, we don't know anything about slamming. You  
4 know, it's like everything is downplayed, and I think  
5 it's unfair, very unfair to the consumer.

6 MR. BECK: If you would like us to  
7 investigate, see Earl Poucher in the back. I'm sure  
8 the PSC, the same. If you want us to try to pursue it  
9 to find out how it came about, we'd be glad to.

10 WITNESS WARREN: Okay. Thank you.

11 CHAIRMAN JOHNSON: Ms. Warren, one of the  
12 things that you suggested was that -- or that you  
13 testified to was that during the process you did  
14 communicate with the FCC.

15 WITNESS WARREN: Yes.

16 CHAIRMAN JOHNSON: And this may be a new  
17 process, but I understand what they're going to  
18 attempt to do now -- because a lot of customers don't  
19 know about the Florida Public Service Commission.  
20 They just know about --

21 WITNESS WARREN: I found out later, yes.

22 CHAIRMAN JOHNSON: One of the things that  
23 we're -- they are going to implement is when they send  
24 you that informal complaint, send you the name and the  
25 numbers for the Florida Commission with information

1 that we have a Staff that can investigate the matters  
2 that you bring up. Because it is unfortunate that  
3 there's a charge when you want to pursue it further  
4 with them, and they've even admitted that that's been  
5 a deterrent, because once people find out -- you know,  
6 they already feel as if they've been perhaps ripped  
7 off, and now they have to pay to get the justice --

8 **WITNESS WARREN:** Really.

9 **CHAIRMAN JOHNSON:** -- that they think they  
10 deserve. But we are trying to work more closely with  
11 them, and to the extent that there are issues that  
12 Florida consumers have, try to help those consumers  
13 through that. Our process is, of course, free of  
14 charge. That's what we're here for. And so we're  
15 still in the process of trying to improve the system  
16 and, hopefully, we can even help you.

17 I know you feel like it's been a while ago,  
18 but I know certainly the circumstances surrounding how  
19 you were slammed are pretty offensive. And if there's  
20 any other way we can assist, we appreciate that. And,  
21 of course, we've taken all your suggestions as to  
22 additional remedies to help with this problem. Thank  
23 you very much.

24 **WITNESS WARREN:** Thank you.

25 **MR. BECK:** Terry Swiontek.

- - - - -

**TERRY SWIONTEK**

1  
2  
3 appeared as a witness and, swearing to tell the truth,  
4 testified as follows:

**DIRECT STATEMENT**

5  
6 **WITNESS SWIONTEK:** Close enough. 6130  
7 Walton Street, Pensacola, Florida.

8 **CHAIRMAN JOHNSON:** Could you spell your last  
9 name?

10 **WITNESS SWIONTEK:** S-W-I-O-N-T-E-K. I wear  
11 two hats. I'm a consumer like everyone else that has  
12 phone service in Florida, and I work for BellSouth. I  
13 was slammed, and I knew what was happening.

14 Twice this week alone I've been solicited by  
15 long distance vendors to change, and without being too  
16 rude to them, I just told them I'm not interested.  
17 But that's a flag to me, because I work for the  
18 company, to check my bill next month and make sure  
19 something didn't happen.

20 Every day I deal with large business  
21 customers and major accounts in the marketing office.  
22 Several of my customers were supposed to be here  
23 tonight with their presentation of being slammed  
24 themselves where I have to provide them with  
25 information as to what happened as well as advice on



1 | what to do.

2 |           Myself, my resolution was quite simple. I  
3 | contacted the company that changed my long distance  
4 | PIC, and they were apologetic and made sure that the  
5 | difference in the normal price was taken care of. It  
6 | was very simple. But for some of my other business  
7 | customers, Internet providers to a lot of business  
8 | customers, it's -- it happens more than a regular  
9 | amount.

10 |           They don't know what to do. They call us  
11 | and ask us for advice, and we refer them to the  
12 | business office unless it's an assigned account that  
13 | we handle.

14 |           But I'll give you an example. One of our  
15 | Internet providers here, very large customer, 250  
16 | lines, he calls and says, half -- or six or seven of  
17 | my lines all of a sudden have different long distance  
18 | PICs, and he has been PIC'd -- the same long distance  
19 | vendor for several years, and they give him volume  
20 | discounts and whatever.

21 |           He doesn't understand how this can happen.  
22 | He didn't solicit anything, and nobody contacted him.  
23 | So we at that point, to resolve the situation, ordered  
24 | a PIC freeze on 250 numbers. It puts BellSouth at an  
25 | inconvenience as well as it costs us time and staff to

1 fix that situation.

2           Another of my customers -- I'm not going to  
3 cite customer after customer because I could be here  
4 all night doing that -- but myself being slammed --  
5 and I think -- I followed the Alabama PSC pretty well  
6 on their latest decision that they would fine their  
7 slamming PICs companies a \$500 fine for each occasion  
8 that they slam unauthorized that's been verified, and  
9 that, you know, whatever penalty they do to do that.

10           It's just something has got to be done.  
11 It's like a runaway train. I know myself at the house  
12 I hate to answer the phone and hear it's one of these  
13 long distance companies offering something that I  
14 really don't want done. My account is PIC-free  
15 myself, because I knew that was the way to do it  
16 because I deal with this every day.

17           But it's just something has to be done. I'm  
18 here as a consumer, not a representative of Southern  
19 Bell. But I just deal with this every day, and people  
20 just don't realize -- my mother-in-law and my  
21 neighbors and everybody talks to me because I'm a  
22 BellSouth person about, you know, why do these people  
23 do this to you and, you know, they charge ridiculous  
24 prices.

25           Mine was 25 cents a minute when I -- you

1 know, I never look at my bill. That's the problem is  
2 you assume everything is okay, and then someone calls  
3 you and then next month you've got somebody else down  
4 there. I've had two or three different long distance  
5 PICs on my bill that I didn't ask for any of them, and  
6 just had them cleaned up and taken care of; but the  
7 average consumer never looks. The bill comes from  
8 BellSouth.

9           One of my customers I dealt with today, he's  
10 having trouble with I can't mention the name, but  
11 another company that he's called them and documented  
12 this several times where they won't give their name  
13 who he's talking to. I told him to start a log, who  
14 he talked to, the time and date and everything else.  
15 And now he's incurring late charges for not paying  
16 that difference in the bill, so he's not getting  
17 satisfaction.

18           And, again, it's time -- that's up to -- try  
19 and interface between him because we're the collecting  
20 agents for a lot of long distance carriers.

21           Thank you very much.

22           **CHAIRMAN JOHNSON:** Thank you. Any  
23 questions? Thank you, sir.

24           **MR. BECK:** Mary Van Arsdel.  
25

**MARY VAN ARSDEL**

1  
2 appeared as a witness and, swearing to tell the truth,  
3 testified as follows:

**DIRECT STATEMENT**

4  
5 **WITNESS VAN ARSDEL:** Good evening. Mary Van  
6 Arsdel, 583 West Roberts Road, Cantonment. I was  
7 slammed. I have three telephone lines and had AT&T  
8 long distance service and was paying 10 cents a  
9 minute, and I was slammed on March the 8th of this  
10 year; and in August I received my long distance  
11 telephone bill for one of my phone lines, and it was  
12 for \$240 in long distance calls.

13 And I thought, gee, I talk a lot, but I  
14 didn't talk that much on the phone in one month, and I  
15 looked at the telephone bill and it was for three  
16 months. And my fiance is an attorney and, you know,  
17 we looked at this bill and thought, well, what in the  
18 world is going on here. And I called a long distance  
19 carrier that was on the bill, and it was Equalnet  
20 (phonetic), and it was U.S. Billing Services. It was  
21 U.S. Billing Services, and -- UB -- USBI.

22 And I called them, and they said, well,  
23 we're just a billing service, we have nothing to do  
24 with this long distance service. So I looked again  
25 and it said "Long Distance Service by Equalnet," and

1 so I called Equalnet and they said, well, you  
2 authorized your switch on March the 8th.

3           And so then I hung up the phone and I called  
4 BellSouth, and I said, what happened, my bill is, you  
5 know, for 25 cents a minute, I had it with AT&T. And  
6 they said, well, you were slammed. And they gave me  
7 some advice. They said to block my telephone number  
8 immediately, which I did, and called Equalnet back and  
9 said I was slammed and we need to adjust this bill.  
10 And they said to fax a copy of my last authorized long  
11 distance carrier, fax a copy of my last bill to them.

12           Well, at that moment I was unsure whether or  
13 not I should do that. So I called BellSouth back, and  
14 they said it was all right to do that, that they would  
15 make the adjustments. And so I did do that. I  
16 compiled all the telephone bills and I did fax that,  
17 my last carrier, AT&T, to Equalnet; and I still  
18 haven't heard from Equalnet as far as any kind of  
19 rerating.

20           BellSouth gave me two months to solve this  
21 problem. I did not pay those long distance calls  
22 because I immediately knew that I was slammed. So I  
23 have two months to do this. So that's my question is,  
24 what happens after two months.

25           My phone service actually -- I need to back

1 up a little bit. When I did call BellSouth I  
2 explained to them about the slamming. They adjusted  
3 my long distance calls, so I only needed to pay the  
4 regulated charges. So I did pay the regulated  
5 charges, and I got a late notice stating I needed to  
6 pay the entire telephone bill.

7 Well, I ignored it because I already had  
8 permission just to pay the regulated charges. Well,  
9 my phone service was cut off and -- the first time in  
10 my life. I had no idea -- you know, I was trying to  
11 make phone calls and I kept getting busy signals. I  
12 was thinking everybody was talking on the phone today.  
13 But -- and then I called on my second line which was  
14 with AT&T long distance; and I called BellSouth and  
15 said, what happened, and they told me that I didn't  
16 pay my bill.

17 And I explained to them that I had called on  
18 such-and-such a date and arrangements were made where  
19 I didn't have to pay that. And I spoke to Debra Smith  
20 the second time, and she was extremely helpful, and  
21 she adjusted my bill.

22 Well, I just got my next bill, and the  
23 amount still wasn't -- the long distance calls still  
24 weren't the right amount. I mean, I was still  
25 responsible for paying more. So I had to call

1 BellSouth again and have that taken care of.

2 But BellSouth has been -- I have rave  
3 reviews about BellSouth and, you know, I agree with  
4 the long distance services. It's great.

5 But I did file -- I filed a complaint with  
6 the Public Services Commission around, I believe it  
7 was, the first week in September. I've been keeping a  
8 log. When I called them back they didn't have a  
9 complaint issued. So I don't know what happened  
10 there, but I've talked to them several times.

11 Equalnet did call me and said that they did  
12 receive a complaint from the Public Services  
13 Commission, and they said they never received any  
14 documentation from me. So I refaxed the entire packet  
15 to Equalnet, and I'm still waiting. I haven't paid  
16 that bill, and I sure don't want my telephone cut off  
17 again.

18 I think -- one of my biggest complaints is  
19 the fact that if -- we did make these telephone calls.  
20 I do not deny that I didn't make these telephone  
21 calls, because they were all familiar telephone  
22 numbers. My complaint is that we would still -- they  
23 would rerate the bill to 10 cents a minute. I mean  
24 that's what they agreed to do. I haven't seen it yet,  
25 but that's what they agreed to do.

1           Well, why should the consumer have to keep  
2 these companies afloat by paying them 10 cents a  
3 minute when we did not choose of our own free will to  
4 go with that company? So by rerating, we're still  
5 supporting their business, and I think it's very  
6 unfair to the consumer.

7           I believe that there needs to be some kind  
8 of fine. The time that all of these people in -- all  
9 over Florida, all over the United States have put in  
10 their time and their efforts, their telephone calls,  
11 and I believe that there needs to be some kind of  
12 compensation for these people, some kind of fine from  
13 these companies, a small -- some sort of small fine.  
14 I'm not sure exactly what. And I believe that the  
15 telephone bills should not be paid to these companies,  
16 that they should not receive our money.

17           **COMMISSIONER DEASON:** Let me ask you a  
18 question on that. Are you finished?

19           **WITNESS VAN ARSDEL:** Yes, sir.

20           **COMMISSIONER DEASON:** In our proposed  
21 rule -- and granted as Chairman Johnson indicated,  
22 it's just a proposal at this point -- but there is a  
23 proposal to when slamming occurs, that the consumer  
24 not be responsible for any of the charges for up to 90  
25 days. I assume you think that would be an improvement



1 over the current system of just rerating.

2           **WITNESS VAN ARSDEL:** I believe it would be  
3 fair, except for the fact that I've not received --  
4 let's see. This was March. I still -- that's April,  
5 May, June, July, August, September, October. That's  
6 seven months I haven't paid any long distance phone  
7 charges. So to forgive only 90 days is saying I still  
8 have to pay that company the remaining of the month  
9 that I've made calls. .

10           **COMMISSIONER DEASON:** When did you first  
11 discover that you were slammed?

12           **WITNESS VAN ARSDEL:** The 28th of August.

13           **COMMISSIONER DEASON:** And the reason it took  
14 so long is because your first bill contained three  
15 months of service?

16           **WITNESS VAN ARSDEL:** Three months of  
17 service, uh-huh.

18           **COMMISSIONER DEASON:** Perhaps we need to  
19 change our rule, then, from 90 days to three bills,  
20 because if they only bill once a quarter, that would  
21 be unfair.

22           **WITNESS VAN ARSDEL:** Sure. And the other  
23 point about billing per -- you know, every quarter, is  
24 the fact that by the time people get the three-month  
25 bill, they don't know that they've been slammed, and,

1 you know, it's too late.

2           **CHAIRMAN JOHNSON:** Ma'am, you stated that  
3 Equalnet stated that they did receive notice from the  
4 PSC.

5           **WITNESS VAN ARSDEL:** Yes.

6           **CHAIRMAN JOHNSON:** But you having an issue  
7 with the PSC, do we not -- we don't have a record of  
8 your complaint, but --

9           **WITNESS VAN ARSDEL:** It could be a  
10 misspelling of my name. It's not a common name, and  
11 it could be that maybe they've alphabetized it  
12 differently. So I'm going to talk with someone  
13 afterwards to see if maybe they spelled it wrong or  
14 something. But when I did call back they said that  
15 they didn't have a record of my complaint, and so I  
16 was very surprised about that.

17           I did talk to the Public Services Commission  
18 and actually had a good conversation with one of your  
19 people about slamming and the pros and cons about it,  
20 and I did learn a lot from them.

21           **CHAIRMAN JOHNSON:** One of the reasons I  
22 asked about your complaint being filed, because you  
23 had asked, well, what's going to happen now because  
24 Equalnet, they haven't resolved the issue, and you  
25 haven't paid the bill, and you were concerned about

1 perhaps Bell terminating your service during --

2           **WITNESS VAN ARSDEL:** Right.

3           **CHAIRMAN JOHNSON:** -- because the bill  
4 hadn't been paid during the pendency of that complaint  
5 or our investigation. They won't act on that during  
6 the pendency. So if you get with our Staff so that we  
7 make sure that we have the ongoing dispute recorded  
8 and that we're communicating with the company as well  
9 as your communications, we can at least -- at least  
10 you won't have that fear that any day you might be cut  
11 off, although I know you have mentioned that Bell has  
12 been very cooperative in working with you on the  
13 issue.

14           **WITNESS VAN ARSDEL:** Right. Absolutely.

15           **CHAIRMAN JOHNSON:** Thank you very much. Any  
16 other questions?

17           **MS. BRADLEY:** Let me ask you -- I didn't  
18 understand how -- what you said about how this change  
19 was made. Did they claim that you had done it by  
20 phone or by some other -- something in writing, or how  
21 did they claim that this was made, and did they  
22 provide you with any verification of that?

23           **WITNESS VAN ARSDEL:** No. I had asked them  
24 what kind of authorization that they had to do that.  
25 They said that I gave verbal authorization, and I

1 already knew that they had 10 days to provide me with  
2 that authorization, and I told them that. That's what  
3 I was told by BellSouth, whether or not that's true or  
4 not. But I told -- they said that they would call me  
5 with my verbal authorization giving them permission to  
6 change my long distance service; and they still  
7 haven't done that.

8           **MS. BRADLEY:** Did they claim to have that  
9 recorded or something?

10           **WITNESS VAN ARSDEL:** They said they did.  
11 They said that they did, and they said March the 8th  
12 was the date that I said I would change my long  
13 distance service to Equalnet.

14           **CHAIRMAN JOHNSON:** Any other questions?

15           **WITNESS VAN ARSDEL:** I do have one more  
16 thing to say. I handle my fiance's finances for his  
17 law practice, and I happened to look at one of his  
18 bills, and he was slammed, too. So I don't know.  
19 They might know we're together. I don't know.

20           **CHAIRMAN JOHNSON:** Make sure you register  
21 his complaint, too.

22           **WITNESS VAN ARSDEL:** He did. He will.

23           **CHAIRMAN JOHNSON:** Thank you very much.

24           **WITNESS VAN ARSDEL:** Thank you.

25           **MR. BECK:** David Howe.

**DAVID HOWE**

1  
2 appeared as a witness and, swearing to tell the truth,  
3 testified as follows:

**DIRECT STATEMENT**

4  
5 **WITNESS HOWE:** David Howe, 925 Langley  
6 Avenue, Pensacola.

7 My complaint involves LCI International. In  
8 March of this past year I received a notification from  
9 them welcoming me to the worldwide firm of LCI. This  
10 was the first I had ever heard of the company, much  
11 less having signed up for their long distance.

12 As Mr. Barber mentioned, I had spent  
13 numerous hours on the telephone trying to communicate  
14 with people from LCI, the first 20 minutes on hold. I  
15 was finally connected with an operator who promptly  
16 hung up on me. The next hour or so I was told  
17 repeatedly by a young man at LCI that they were an  
18 honorable company and they do not slam people.

19 And so I asked for their LOA authorizing --  
20 what authorization they had to change my long distance  
21 carrier. They supplied that within several days, and  
22 as Mr. Barber and Ms. Warren both had, I have a  
23 forgery of my name, someone who has never contacted  
24 me, obviously, because at the time they had my long  
25 distance carrier as AT&T, which I had not had AT&T as

1 a long distance carrier for well over 10 years.

2 My average bill was \$35, which I haven't had  
3 a \$35 telephone bill since I was in college and  
4 calling home collect. So it's told me, obviously,  
5 that there is rampant problems in the industry, and I  
6 think a lot of that comes from the fact that it is a  
7 very fast and widely growing field and there's a lot  
8 of competition out there.

9 I did receive a letter from a gentleman who  
10 is an independent representative who represents LCI  
11 and told me basically he heard I had been slammed and  
12 wanted to clear things up and please sign this so that  
13 I can clear my name.

14 Part of the problem, too, with that is LCI  
15 is based in Virginia. Their billing and customer  
16 service is out of Ohio. The company that is their  
17 representative for soliciting long distance carriers  
18 is in Detroit, and the gentleman who slammed me lives  
19 in Los Angeles. And so it is an extremely difficult  
20 time, I know, for the consumer to go about the  
21 business of trying to track down and spend the time  
22 and effort that's necessary to find where these folks  
23 are, how they go about doing things.

24 Now, the rules changes that have been  
25 mentioned roughly parallel what the Federal

1 Communications Commission's current rules are. One of  
2 the things that was mentioned was the fact that I  
3 would receive a card, or I should. Current rules  
4 apparently say that I should receive a card within 14  
5 days that let me know that I have changed.

6 I, for one, received nothing from LCI  
7 letting me know that my long distance carrier had been  
8 changed. I was fortunate in that I found out about  
9 the change far quicker than apparently most have. In  
10 changing the rules, and speaking with Kate Smith at  
11 the PSC Staff who was very helpful to me in helping me  
12 go through this maze of conflicting information, the  
13 idea that I get from PSC Staff is that if enough  
14 people complain, if enough complaints are filed  
15 against a certain company, then their certificate of  
16 occupancy -- certificate of whatever is pulled and  
17 they cannot operate in the state of Florida.

18 In the meantime, they pay fines. It's a  
19 slap on the wrist. It's a cost of doing business. I  
20 think part of the problem could be cured if the people  
21 that are forging my name as well as others' names on  
22 documentation -- as Ms. Warren said, we would be in  
23 jail for that kind of thing -- I think they need to be  
24 prosecuted and handle it like it is, which is a  
25 felony, and let these people go to jail. Let them --

1 instead of writing me a letter and telling me they  
2 heard I had a problem, let them call me from the jail  
3 somewhere while they're doing their time for forging  
4 my name.

5 All of these dear people that are here --  
6 and I feel like it's a very small tip of the iceberg,  
7 because I don't think this meeting was very well  
8 publicized. Most of us are here because we are  
9 concerned. I think it's a wide-going problem.

10 I pulled things off the Internet the other  
11 night just to do a little research. There are 17,400  
12 and some odd hits regarding the word "slamming" on the  
13 Internet, and so obviously it's a big problem out  
14 there that needs to be addressed.

15 Instead of slapping people on the wrist,  
16 let's give them a hefty fine, put them in jail for  
17 forging documentation. I think that's the only way  
18 we're going to see a stop to this type of behavior.

19 Thank you.

20 **COMMISSIONER DEASON:** Let me ask you a  
21 question. You indicated that there should be some  
22 type of criminal prosecution.

23 **WITNESS HOWE:** Yes, sir.

24 **COMMISSIONER DEASON:** That's something that  
25 is probably going to be discussed during this



1 rulemaking process, but perhaps on the periphery,  
2 because the Public Service Commission does not have  
3 any type of criminal jurisdiction. It's just not part  
4 of what we were created by the legislature to do.

5 **WITNESS HOWE:** I understand.

6 **COMMISSIONER DEASON:** But I think that the  
7 Attorney General perhaps is interested in that. Part  
8 of the problem is, is that there -- as I understand  
9 it, is that there is -- currently in the law there's  
10 an exemption for regulated utilities being subject to  
11 an agency like the Public Service Commission that  
12 exempts them from some of the prosecution that  
13 normally could take place by the Attorney General  
14 folks.

15 I think that we're going to try to work with  
16 the Attorney General to try to see if some changes  
17 need to be made in that law so that those exemptions  
18 perhaps could be reworked or eliminated so that in  
19 flagrant situations that you just indicated, such as  
20 forgeries and things of that nature, if it's indicated  
21 there needs to be some type of prosecution of that  
22 sort, that the avenue would at least be available to  
23 pursue that. I assume you would be in favor --

24 **WITNESS HOWE:** Absolutely, sir. These  
25 people are working as independent contractors. I have

1 not spoken with the gentleman from Los Angeles. My  
2 wife has. His summation of the thing is that two  
3 people who were working for him -- it goes farther and  
4 farther afield and it's trying to put a finger on a  
5 snail almost, the slime trail you can't follow -- but  
6 two people working for him who -- he is working for an  
7 independent contractor who is again working for  
8 another independent contractor -- apparently went down  
9 through the telephone book and just copied people's  
10 names and took it upon themselves to forge LOAs so  
11 they could get their things switched.

12           Like I said, I have not spoken with the  
13 gentleman. That's what my wife has told me that she  
14 has. But, no, I would be far in favor of that  
15 because -- and if regulated utilities do not -- the  
16 PSC or the Attorney General does not have that  
17 authorization, these people are independent  
18 contractors; they are not regulated utilities. They  
19 answer to no one basically, and I think they need to  
20 answer to someone.

21           **CHAIRMAN JOHNSON:** Thank you very much. Any  
22 other questions for Mr. Howe? Thank you.

23           **MR. BECK:** Charles Rehwinkel.  
24  
25

**CHARLES REHWINKEL**

1  
2 appeared as a witness and, swearing to tell the truth,  
3 testified as follows:

**DIRECT STATEMENT**

4  
5 **WITNESS REHWINKEL:** My name is Charles C.  
6 Rehwinkel, 2770 North Magnolia Avenue, Pensacola,  
7 Florida 32503.

8 I was slammed. I had AT&T, and when I found  
9 out I was slammed, of course I was very upset. I  
10 called BellSouth and I spoke with a lady in West Palm  
11 Beach, and she explained to me that someone had --  
12 company had requested the change. And I couldn't  
13 understand it because I had not authorized it, and I  
14 contacted the Public Service Commission, made a  
15 complaint.

16 And I also contacted the carrier that he  
17 slammed me, and I was more fortunate than the others  
18 because the person did apologize. He credited my  
19 account all the charges that were made and, in  
20 addition, I got back with AT&T and they sent me a  
21 check inducement for switching back to them. I  
22 explained to them it was a mistake, but they said,  
23 cash your check nevertheless. So mine was a happy  
24 experience. It ended up that way anyway.

25 I was just wondering about something. If

1 there's a change made, I wonder if an insert couldn't  
2 be sent in the first bill showing that you have been  
3 changed from X company to Y company on such-and-such a  
4 date; if that's correct, don't do anything, but if  
5 it's incorrect, sign this and send it in and you'll be  
6 changed back.

7 But that's about all I have to say.

8 **CHAIRMAN JOHNSON:** Any questions? I'd like  
9 to thank you, then, for testifying and for that  
10 suggestion of the insert in the bill. Thank you very  
11 much.

12 **WITNESS REHWINKEL:** Thank you.

13 **MR. BECK:** Mr. Joel Cohen.

14 - - - - -

15 **JOEL COHEN**

16 appeared as a witness and, swearing to tell the truth,  
17 testified as follows:

18 **DIRECT STATEMENT**

19 **WITNESS COHEN:** Madam Chairman, ladies and  
20 gentlemen of the Commission, my name is Joel Cohen,  
21 583 West Roberts Road. I am the fiance. Mary  
22 Van Arsdel told you of our experience with Equalnet.  
23 And I've got my bill here. I've never even seen this  
24 bill. Mary takes care of it.

25 And the first thing that I'd like to say, of

1 course Mary has given you the factual basis, and I'd  
2 like to give you some recommendations on these  
3 proposed rules.

4           The first thing I'd like to say is that this  
5 company, Equalnet, has played their card one step  
6 further. They're using an independent billing company  
7 called U.S. Billing. And it says, for U.S. Billing  
8 billing questions call a certain 888 number. And this  
9 bill is presented and mailed on the very same  
10 paperwork as AT&T. AT&T's logo is right on the other  
11 side here.

12           So it lulls you into that security thinking  
13 that you're dealing with AT&T and that this U.S.  
14 Billing is part of AT&T, and that Equalnet is riding  
15 on the coattails of AT&T, also, because it all comes  
16 on the BellSouth bill. So I don't know how anybody  
17 can figure out just who is here and who you're dealing  
18 with and who do you call with the problem. You know,  
19 do you call BellSouth? Do you call Equalnet? Do you  
20 call AT&T, or do you call U.S. Billing, Incorporated?

21           All these names of companies appear on one  
22 document -- on one set of documents that come in one  
23 envelope, and they want you to pay the bottom line  
24 that I guess somehow they split it up when you send  
25 your check in.

1           And that's the gist of one of my suggestions  
2 for this rule; to require that the provider of  
3 services actually bill the consumer, not through any  
4 third party or not piggybacked with any other service.  
5 And while this might cost them something, we're  
6 talking about the consumers here and their rights and  
7 their money, and not to go through a third party or  
8 anything else.

9           So let the provider of services render the  
10 bills separately so that when I get my long distance  
11 bill, I know what it is and I know who I'm paying and  
12 I know how much I'm paying.

13           By the way, this Equalnet bill is 25 cents a  
14 minute, which is substantially higher than the  
15 10 cents a minute that we normally get.

16           I would also like to urge the Commission to  
17 require that the provider who is rendering the long  
18 distance services furnish monthly bills and not  
19 quarterly bills. Mary received the bill for the house  
20 and for -- for the house with a three-month track of  
21 bills on there. Not only was it an expensive bill at  
22 double the rate, but most consumers are not interested  
23 in quarreling about something that happened three  
24 months ago. So I would like to suggest that the  
25 billing be on a monthly basis or else it be rendered

1 uncollectible.

2           Now -- and I wanted -- I had some prepared  
3 remarks here, and I'd like to just share them with  
4 you, because I was thinking as I was listening to  
5 Ms. Brown and Ms. Warren and Don Barber, that, you  
6 know, all these people have -- they're citizens who  
7 pay their bills, and they didn't ask for this. And  
8 this is perpetrated upon them as an intentional act.

9           This was no accident. Somewhere someone is  
10 siting in a boiler room somewhere with a bank of  
11 phones, or a bunch of telemarketers are sitting there  
12 and intentionally perpetrating this on consumers. And  
13 it's a form of dishonesty in business. It's  
14 offensive. It's uncalled for. The offending  
15 companies make untold amounts of money by this fraud.

16           And I'd like to encourage the board to  
17 require that any such fraud perpetrated not be  
18 rewarded by payment of the basic charge that they  
19 would have had to pay anyway. But do more than slap  
20 them on the hand. Tell them, we're not going to  
21 permit this and you're going to have to absorb this  
22 call because you did wrong.

23           That's what happens. That's what happens  
24 when you and I do wrong. We cannot profit by it.  
25 Even at 10 cents a minute a lot of these places will

1 profit. So do more than slap them on the hand.

2           In addition, give them a civil penalty.  
3 Your racketeering charges, your deceptive trade  
4 practices that are all in Florida statutes, they all  
5 have -- or by and large they have some minimum civil  
6 penalty per occurrence. And I think, as was suggested  
7 here by others, that the consumer who has to spend  
8 hours and hours -- that lady spent eight hours, five  
9 hours sitting on the phone waiting for somebody to  
10 call her back. Another lady testified that she had to  
11 wait five hours. Don told you that he waited all day  
12 long and finally had to call on a calling card.

13           You know, time is money, and these people  
14 are putting out their time and efforts trying to  
15 straighten out a mess that they didn't create. I  
16 suggest that there be a civil penalty attached here if  
17 you have that jurisdiction. If not, maybe it's a  
18 matter for the legislature. But there should be a  
19 civil penalty to compensate people like these here who  
20 have been fraudulently billed by these companies.

21           And I think in the way of an additional  
22 consideration for your rule proposal here is to allow  
23 for a retroactive adjustment, because many times  
24 people like Ms. Brown's mother-in-law, you know, she  
25 was paying the bills and chucking them in the garbage



1 can. And God knows how much she's paid in the way of  
2 unfair charges. Allow her to get a copy of her bill  
3 and allow her to make a claim for retroactive  
4 adjustment.

5 Put some teeth in these rules and tell these  
6 people, these companies, a lot of them from out of  
7 state, that Florida is not the place to come and cheat  
8 the citizens. And once we get past this rulemaking  
9 procedure and get it to the legislative level, we  
10 could call it racketeering, because that's what it is.  
11 It's an organized form of fraud.

12 Thank you.

13 **CHAIRMAN JOHNSON:** Thank you, Mr. Cohen.  
14 Any questions. Thank you for your suggestions.

15 **WITNESS T. BROWN:** Excuse me. We're going  
16 to have to go because my daughter-in-law has young  
17 children at home, but --

18 **CHAIRMAN JOHNSON:** Yes, ma'am. And if you  
19 could come forward because, one, we can't hear you  
20 and, two, you need to speak into the microphone.

21

22

23

24

25

**THELMA BROWN**

1  
2 appeared as a witness and, swearing to tell the truth,  
3 testified as follows:

**DIRECT STATEMENT**

4  
5 **WITNESS T. BROWN:** I have a hard time  
6 walking, so I can't come forward. But I was going to  
7 tell you that I had -- I'm not a professional person.  
8 I'm a mother, and I'm a grandmother of 17 children.

9 But my husband had a small business after we  
10 retired, and we would get a call from Dun & Bradstreet  
11 once in while, and I thought that was some elite  
12 something or other that he could belong to. Well, I  
13 got a letter from Dun & Bradstreet during all this,  
14 and I found out it was a collecting agency. And my  
15 husband knew that, but he didn't tell me or anything.  
16 I thought he just -- they wanted to get him on the  
17 phone list, I guess, or something.

18 So I got a dun from Dun & Bradstreet, and  
19 because I didn't pay one of the bills, because my  
20 husband told me not to, not to pay it; so they were  
21 going to disconnect my phone in seven days from  
22 receipt of this letter and so forth, and we can accept  
23 Visa and MasterCard and all that garbage. So I'm glad  
24 you didn't get a dun from Dun & Bradstreet. So that's  
25 part of the problem.

1                   **CHAIRMAN JOHNSON:** Thank you very much.

2                   Could you give us your name, ma'am? I know --

3                   **WITNESS T. BROWN:** My name is Thelma Brown,  
4                   and my daughter-in-law is Carolyn Brown.

5                   **CHAIRMAN JOHNSON:** Thelma Brown. Thank you  
6                   very much.

7                   **MR. BECK:** Mattie Belcher.

8                   - - - - -

9                   **MATTIE BELCHER**

10                  appeared as a witness and, swearing to tell the truth,  
11                  testified as follows:

12                                 **DIRECT STATEMENT**

13                   **WITNESS BELCHER:** Good evening. Mattie  
14                   Belcher, 6400 Birkhead Drive, Pensacola.

15                                 First of all, I would like to read a letter  
16                   that I wrote to the FCC dated January 3rd, 1996.

17                                 "Dear Mr. Quello, I'm Mattie Belcher, a  
18                   law-abiding citizen of these United States residing in  
19                   Pensacola, Florida. My reason for writing this letter  
20                   is to ask you for your advice on a problem that we are  
21                   experiencing here in Pensacola, Florida.

22                                 A number of us have chosen to become  
23                   independent representatives for American Communication  
24                   Network who has contracted with LCI International to  
25                   acquire customers from the residential and small

1 business market.

2           At the time of changeover we asked that a  
3 freeze be placed on the accounts. Unfortunately, all  
4 of us are experiencing switchbacks to other long  
5 distance companies, and especially MCI. These  
6 switchbacks run for some three to four days and then  
7 we are switched back to LCI.

8           When I called the local BellSouth Company  
9 and complained, I was told that I had dialed an access  
10 code before dialing each of the numbers. I explained  
11 to the receptionist that these were all family phone  
12 numbers that I call all the time. Moreover, I told  
13 her that I did not even know the access code.

14           When I asked what the access code was, I was  
15 told to call MCI. I called MCI and explained my  
16 problem. I was told that I was not a customer of MCI,  
17 that I had been disconnected as of November 9, 1995.  
18 Again, I was told that I had used an access code to  
19 dial each of the numbers listed. Again I explained  
20 that I did not know the access code, so how could I  
21 have used the access number.

22           I was then told that if I did not dial the  
23 access code, the switchback occurred in the local  
24 office here in Pensacola. My switchback occurred on  
25 December, 9, 10 and 11, 1995. This has come to be a

1 widespread matter here -- I'm sorry.

2           "This has come to be a widespread matter  
3 where people are changing to LCI as their long  
4 distance carrier.

5           Thank you for your consideration.

6           Sincerely, Mattie Belcher."

7           The bill that I had at the time that I wrote  
8 the letter was for a total of \$18.14 that MCI had sent  
9 me, and I had already -- well, supposedly, to have  
10 been switched.

11           Then for February 7th, I have a bill from  
12 MCI for \$31.89. And then for -- let me see. This one  
13 is dated February 7, bill period date February 7th,  
14 1996. This one is bill date February 4th, 1996, and  
15 it is for \$83.90.

16           I called BellSouth and I talked with -- and  
17 I do not have the names. I'm sorry. I did not write  
18 down the names. But I talked with a receptionist, and  
19 she promised to correct the one for the \$83.90 within  
20 four days, but it was not corrected. So I called  
21 again, and -- well, I called MCI, and then MCI got on  
22 the phone with the local representative in BellSouth,  
23 and they resolved the matter. So I did not pay the  
24 \$83.90. But I think it's unfair to us as consumers  
25 for these companies to take advantage of us.

1           Now, I had a PIC freeze put on my bill, and  
2 according to the rules, no one should have been able  
3 to switch my long distance unless I gave them  
4 permission. I gave no one permission to change my  
5 long distance carrier.

6           So as the previous speakers have said, there  
7 should be some kind of stiff penalty -- I work in the  
8 school system. If a student forges a teacher's name,  
9 they get sent home for three days. And if we're going  
10 to do the student like that, why don't we do these  
11 companies worse?

12           To me, we're sending two different messages.  
13 We're saying, no, students, you can't do this, but  
14 here we are grown and we're doing worse. So I think  
15 there should be some kind of penalty.

16           And one of the things I feel like that if  
17 you -- if a customer has been switched without his or  
18 her permission, they shouldn't have to pay the bill.

19           Thank you.

20           **MR. BECK:** Thank you very much.

21           **CHAIRMAN JOHNSON:** Ms. Bircher -- is it  
22 Ms. Bircher?

23           **WITNESS BELCHER:** Belcher.

24           **CHAIRMAN JOHNSON:** Ms. Belcher, I know you  
25 stated that -- you said the \$83.90, that you did not

1 have to pay that?

2 **WITNESS BELCHER:** No, I didn't pay it.

3 **CHAIRMAN JOHNSON:** But the other ones -- the  
4 first one was \$18.14?

5 **WITNESS BELCHER:** Uh-huh. I -- they gave me  
6 credit, the difference between LCI and MCI. I got the  
7 difference there.

8 **CHAIRMAN JOHNSON:** And you said you wrote  
9 that letter to the FCC. Did you get a response back  
10 from them?

11 **WITNESS BELCHER:** Yes, I did, but I couldn't  
12 find my letter.

13 **CHAIRMAN JOHNSON:** Okay.

14 **WITNESS BELCHER:** It was an informal  
15 complaint. That's what they wrote back and told me.

16 **CHAIRMAN JOHNSON:** How did you know to  
17 contact the FCC? And then I'll give you a background  
18 as to why I'm asking that. Because I know that a lot  
19 of customers are contacting the FCC, and they aren't  
20 aware of the Florida Public Service Commission.

21 **WITNESS BELCHER:** That was my problem. I  
22 knew about the FCC.

23 **CHAIRMAN JOHNSON:** Was that in a phone bill,  
24 or is there --

25 **WITNESS BELCHER:** What? The FCC?

1           **CHAIRMAN JOHNSON:** Uh-huh.

2           **WITNESS BELCHER:** No. I'm a librarian. You  
3 know, I just knew that.

4           **CHAIRMAN JOHNSON:** Because that is one of  
5 the issues that we're trying to address to help  
6 particularly Floridians to know that we do have a  
7 state regulator that can assist.

8           And as one of the ladies testified earlier  
9 when she got one of the responses from the FCC, is  
10 that if she wanted to initiate something formal, it  
11 would cost money. And that oftentimes deters  
12 customers from pursuing things further. So we're also  
13 looking for ways and we ourselves trying to make sure  
14 that customers do know that we're there and we're  
15 available to try to help resolve some of the issues.  
16 But it looks like you were doing a pretty good job in  
17 working through this. But we are here to help.

18           Thank you for testifying.

19           **WITNESS BELCHER:** Thank you.

20           **MR. BECK:** Chairman Johnson, that completes  
21 the people that have signed up.

22           **CHAIRMAN JOHNSON:** Are there any customers  
23 here that did not sign up but that would like to  
24 present any testimony or any comments? Seeing none,  
25 Staff are there any conclusion matters?



1           **MS. CALDWELL:** I would just like to fill  
2 everyone in on the final process or where the  
3 Commission will be going from this point.

4           Rulemaking is governed by Section 120.54,  
5 Florida Statutes. This section prescribes a process  
6 by which the agency may adopt rules, and that's the  
7 process that we're going through right now. This  
8 process includes these workshops, a proposal phase, a  
9 comment and hearing phase, and then the rule adoption.

10           Workshops are going to be held in addition  
11 to the one here in Pensacola. We will be holding them  
12 in Tallahassee, Miami, Fort Lauderdale, West Palm  
13 Beach. We have a total of ten sites.

14           The last public workshop will conclude on  
15 November the 20th, 1997 in Jacksonville. From there  
16 we plan to propose a rule at the Commission's agenda  
17 conference on December the 16th. The end of the  
18 comment period after that we expect to be  
19 approximately January the 23rd of 1998.

20           A hearing will be held before the full  
21 Commission where evidence is presented. Sworn  
22 testimony and cross-examination will be made on  
23 February 6th of 1998. The Commission will then have  
24 another agenda conference to adopt rules on  
25 approximately April the 7th, '98, and we hope the

1 rules to become effective in May of 1998.

2           **CHAIRMAN JOHNSON:** Thank you. I'd like to  
3 thank all of you for coming out today. Again, this is  
4 a process that it will be a part of our formal  
5 hearing. Your testimony is testimony that we can use  
6 when we decide how we craft this rule and, indeed,  
7 what we will actually vote out of the Commission.

8           Thank you very much. And you have our 1-800  
9 number if there are any other issues. Because not  
10 only do we regulate telecommunications, but we  
11 regulate electric and gas and then water and  
12 wastewater.

13           And one other note. Counsel gave you the  
14 dates that we will be holding these hearings. They're  
15 going to all be broadcast over the Internet. So if  
16 you'd like to listen in to some of the other testimony  
17 from customers throughout the state, that, too, will  
18 be available.

19           Thank you for your participation. This  
20 hearing is adjourned.

21           (Thereupon, the hearing concluded at 8:20  
22 p.m.)

23

24

25

1 STATE OF FLORIDA)

CERTIFICATE OF REPORTER

2 COUNTY OF LEON )

3 I, H. RUTHE POTAMI, CSR, RPR Official  
4 Commission Reporter,

5 DO HEREBY CERTIFY that the Workshop in  
6 Docket No. 970882-TI was heard by the Florida Public  
7 Service Commission at the time and place herein  
8 stated; it is further

9 CERTIFIED that I stenographically reported  
10 the said proceedings; that the same has been  
11 transcribed under my direct supervision; and that this  
12 transcript, consisting of 82 pages, constitutes a true  
13 transcription of my notes of said proceedings.

14 DATED this 13th day of October, 1997.

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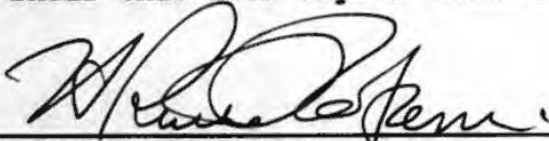
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