



---

Tracy Hatch  
Senior Attorney  
Law and Government Affairs  
Southern Region

Suite 700  
101 N. Monroe Street  
Tallahassee, FL 32301  
850-425-6360

February 9, 2005

**BY ELECTRONIC FILING**

Ms. Blanca Bayó, Director  
The Commission Clerk and Administrative Services  
Room 110, Easley Building  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

Re: Request for Specified Confidential Classification for Documents Nos.  
11104-04 and 11687-04.

Dear Ms. Bayó:

Enclosed for electronic filing is the Amended Request of AT&T Communications of the Southern States, LLC's for Specified Confidential Classification. Pursuant to the Commission's Electronic Filing Requirements, this version should be considered the official copy for purposes of the docket file.

If you have questions, please let me know. Thank you.

Sincerely yours,

*S/Tracy W. Hatch*  
Tracy W. Hatch

TWH/scd  
Enclosure



The highlighted copy of the report is identified as Document 11687-04 in the Commission's files.

4. As required by 25-22.006(4), Florida Administrative Code, AT&T is submitting a copy of the Report with the lines numbered and confidential highlighted. This document is attached as Attachment 1.

5. This request for specified confidential treatment is directed to the information in Documents 11104-04, 11687-04 and Attachment 1 that is highlighted in Attachment 1. As noted above the two redacted copies of the Report were submitted on October 28, 2004.

6. AT&T has treated and intends to continue to treat the information for which confidential classification is sought as private and confidential, and this information has not been publicly disclosed.

7. This confidential information for which confidential treatment is sought appears on Page 7, Lines 12 – 17 and page 8, Lines 25 – 30 (previously identified as page 8 lines 26 – 31) of the Report. The confidential information is highlighted.

8. The information for which confidential classification is sought is highly proprietary business information pursuant to Section 364.183(3), Florida Statutes.

9. Section 364.183(3), provides

(3) The term "proprietary confidential business information" means information, regardless of form or characteristics, which is owned or controlled by the person or company, is intended to be and is treated by the person or company as private in that the disclosure of the information would cause harm to the ratepayers or the person's or company's business operations, and has not been disclosed unless disclosed pursuant to a statutory provision, an order of a court or administrative body, or private agreement that provides that the information will not be released to the public. The term includes, but is not limited to:

(a) Trade secrets.

(b) Internal auditing controls and reports of internal auditors.

- (c) Security measures, systems, or procedures.
- (d) Information concerning bids or other contractual data, the disclosure of which would impair the efforts of the company or its affiliates to contract for goods or services on favorable terms.
- (e) Information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of information.
- (f) Employee personnel information unrelated to compensation, duties, qualifications, or responsibilities.

10. Furthermore, Section 688.002(4), Florida Statutes, is instructive in establishing what constitutes a trade secret. Section 688.002(4) provides:

(4) "Trade secret" means information, including a formula, pattern, compilation program, devise, method, technique or process that:

- (a) Derives independent economic value, actual or potential, from not being generally known to and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use; and
- (b) Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

11. The highlighted information on pages 7 and 8, specifically identified above, contains proprietary confidential business information. This information involves trade secrets as set forth in Section 364.183(3)(a), and as defined in Section 688.002(4) and security measures set forth in Section 364.183(3)(c) the disclosure of which would harm AT&T.

12. The highlighted information on page 7, Lines 12 – 17, contains proprietary confidential business information that AT&T considers to fall within the categories of trade secrets set forth in Section 364.183(3)(a) as well as security measures set forth in Section 364.183(3)(c). This information describes internal processes of AT&T in dealing with customer complaints involving collect calls which AT&T considers to be a trade secrets as well as security

measures. This information also describes potential changes in AT&T's internal processes that are considered to be trade secrets and security measures. Disclosure of this proprietary confidential business information could harm the company through increased fraud.

13. The highlighted information on Page 8, Lines 25 – 30, contains proprietary confidential business information that AT&T considers to fall in the categories of trade secrets as set forth in Section 364.183(a) as well as security measures set forth in Section 364.183(c). This information describes internal processes of AT&T in dealing with customer complaints involving international entertainment calls, which AT&T considers to be trade secrets as well as security measures. This information also describes potential changes in AT&T's internal processes that are considered to be trade secrets as well as security measures. Disclosure of this proprietary confidential business information could harm the company through increased fraud.

14. The information for which confidential classification is sought is clearly within the statutory requirements for confidential treatment provided by Section 364.183.

WHEREFORE, based on the foregoing, AT&T requests the Commission to enter an order declaring the information described above to be confidential, proprietary business information that is not subject to public disclosure.

Respectfully submitted this 9th day of February 2005.

*S/Tracy Hatch*

---

Tracy Hatch, Esq.  
AT&T Communications of the  
Southern States, LLC  
101 North Monroe Street, Suite 700  
Tallahassee, FL 32301  
(850) 425-6360

1           **AT&T REPORT IN RESPONSE TO COMPLAINT INQUIRY**

2  
3       This report is in response to Commission Staff's inquiry on August 26, 2004, concerning  
4       the complaints regarding AT&T service received by the Florida Commission during the  
5       first eight months of 2004. Pursuant to Staff's request, AT&T has conducted its  
6       investigation of the complaints and is providing its findings in writing. This report  
7       provides a general overview, followed by specific information that addresses the areas  
8       where AT&T has experienced the largest number of complaints in 2004.

9  
10       **General Overview**

11       As part of AT&T's standard operating practice, AT&T not only responds to all  
12       complaints received from the Florida Public Service Commission, but also conducts  
13       periodic reviews of customer complaints to ensure that it is providing quality service to  
14       customers and to pinpoint areas of concerns or trends that may develop. This allows  
15       AT&T to proactively address issues that arise concerning its business practices or the  
16       business practices of other companies that impact AT&T customer's experience.  
17       Building upon AT&T's own analysis, AT&T examined a significant percentage of the  
18       2842 complaints received by the Commission from January 2004 through August 2004.  
19       This analysis revealed that the vast majority of complaints during the investigation time  
20       period were attributable to the \$3.95 Monthly Recurring Charge (MRC) billing issue that  
21       AT&T experienced in early 2004. As discussed in more detail below, AT&T took  
22       proactive steps to correct the billing mistake, including notifying the Commission of the  
23       error, resolving the cause of the error to prevent additional misbillings, and issuing  
24       credits/refunds to all Florida customers affected.

25  
26       AT&T has also compared the number of complaints by category in 2004 to the same  
27       categories in 2002 and 2003. With the exception of the Improper Billing, Quality of  
28       Service, and Billing Wrong categories, AT&T has improved its performance across the  
29       board in the 50+ remaining categories utilized by the Commission. Furthermore, the  
30       increases reflected in two of the three categories, Improper Billing and Billing Wrong,  
31       are directly related to the MRC billing issue. Absent that error, AT&T's complaint  
32       performance would have improved in almost all of the more than 50 categories. In  
33       addition, and as discussed further below, AT&T has significantly increased the number of  
34       Warm Transfers over prior years, thereby reducing the number of Commission resources  
35       needed to address AT&T customer inquiries and issues. AT&T has attached the three-  
36       year complaint comparison as Attachment 1.

37  
38       Finally, due to the DC Circuit Court decision in March 2004 and various decisions by the  
39       Federal Communications Commission affecting the economics of providing competitive  
40       telecommunications services, AT&T announced that it is no longer marketing traditional  
41       local and long distance service to residential customers in Florida and has ceased efforts  
42       to market these services through direct mail, by making telemarketing calls to customers  
43       or through mass media advertising. Therefore, residential marketing related complaints  
44       will likely decline throughout the remainder of 2004.

## CONFIDENTIAL PROPRIETARY BUSINESS INFORMATION

### 1 Billing Issues

2 This Category addresses the vast majority of the complaints received by the Commission  
3 during 2004. The data that the Commission provided AT&T shows that the Commission  
4 received 950 improper billing complaints, 61 billing wrong complaints, and 348 alleged  
5 slamming complaints (of which AT&T has determined 140 are attributable to the \$3.95  
6 MRC issue). Most of these billing complaints are a result of the billing errors AT&T  
7 experienced when it implemented a \$3.95 MRC at the beginning of 2004. AT&T has  
8 separated the billing complaints into two main categories: CARE Feed issues and  
9 Customer Dissatisfiers.

#### 10 1. CARE Feed Issues

11  
12  
13 The CARE Feed category includes the \$3.95 MRC issue, Long Distance Disconnect  
14 complaints, PIC Errors, LEC Errors, and LEC Reassign complaints.

- 15  
16 • **\$3.95 MRC Issue** – AT&T received 678 complaints concerning the \$3.95 MRC  
17 issue from the Florida Commission during the first eight (8) months of 2004. As  
18 noted above, AT&T also received from the Florida Commission 140 complaints  
19 that were coded as alleged slamming complaints. As part of AT&T's review of  
20 the alleged slamming complaints, AT&T discovered that these 140 complaints  
21 were misidentified. Slamming is the unauthorized change of a subscriber's  
22 presubscribed carrier. AT&T's billing error did not change any subscriber's  
23 presubscribed long distance carrier.

24  
25 AT&T first identified this issue to the Florida Public Service Commission in  
26 March 2004, and subsequently provided written responses to the two sets of  
27 Commission data requests dated April 26, 2004 and May 20, 2004, respectively.  
28 As detailed in AT&T's previous correspondence to the Florida Commission,  
29 AT&T implemented a \$3.95 Monthly Recurring Charge (MRC) on January 1,  
30 2004, for its basic state-to-state, direct-dialed schedule rate plan, after having sent  
31 advance notification to basic schedule customers to advise them of the new  
32 monthly charge. AT&T also posted advance notice of the MRC on its website,  
33 filed a tariff with the Federal Communications Commission (FCC), and filed a  
34 service guide for the MRC under AT&T's Consumer Services Agreement.

35  
36 As explained in detail in AT&T's letters to the Commission dated May 6, 2004  
37 and June 4, 2004 respectively, AT&T experienced a billing error involving the  
38 \$3.95 basic MRC primarily caused by coding and systems issues that affected  
39 both AT&T customers and non-AT&T consumers.

40  
41 By June 15, 2004, AT&T completed the fixes in its residential billing system for  
42 the errors that caused these consumers to be billed incorrectly, and completed the  
43 process of automatically applying credits or as applicable, issuing refunds for  
44 Florida consumers that AT&T had identified as having been billed in error.  
45 Refunds and credits for many consumers were processed prior to that date.  
46 Consumers received their refunds or bills reflecting the credits between 60-90



**CONFIDENTIAL PROPRIETARY BUSINESS INFORMATION**

1 days after these adjustments were processed, and all Florida consumers received  
2 these adjustments by the end of September 2004.

3  
4 In addition, in a separate effort to double check the accuracy of its records, AT&T  
5 requested and obtained a snapshot from BellSouth of customers who have AT&T  
6 as their long distance PIC to ensure that AT&T's records accurately reflect the  
7 PIC status that is in BellSouth's records. AT&T has also requested snapshots  
8 from various other LECs, and has made CARE inquiries (known as "0707"  
9 inquiries) to certain LECs for re-verification of the PIC status of AT&T basic rate  
10 long distance subscribers as reflected in the LEC records.

11  
12 In summary, AT&T took proactive steps to remedy the billing error by June 2004  
13 and has taken additional steps to verify the accuracy of its records. As such, the  
14 Commission should not expect the complaint volumes to continue at the same  
15 pace for the last 4 months of the year as they did for the first 8 months. This  
16 regrettable billing error resulted in an anomaly that is largely responsible for the  
17 increased number of customer complaints regarding AT&T filed with the Florida  
18 Commission during 2004.

- 19  
20 • **Long Distance Disconnect** – AT&T received 129 customer complaints from the  
21 Florida Commission regarding Long Distance Disconnect. This issue deals with  
22 consumers who notified AT&T of their desire to cancel AT&T's long distance  
23 service, but for whom AT&T had not received the necessary primary  
24 interexchange carrier (PIC) change notification from the local carrier. When a  
25 customer PIC'd to AT&T wishes to move his/her long distance service away from  
26 AT&T (whether to another carrier or to a "no-PIC" status), AT&T does not have  
27 the ability to make that PIC change on behalf of the customer. As the FCC has  
28 explained:

29  
30 "A subscriber may authorize a change of his or her long distance carrier,  
31 or other telecommunications carrier, by requesting the change directly  
32 from his or her local exchange carrier (LEC), or by authorizing the new  
33 carrier to request a change on his or her behalf."<sup>1</sup>

34  
35 Consistently the FCC rules that describe the framework for customers and  
36 carriers to change long distance carriers define a "Submitting Carrier" who may  
37 submit a PIC change to a LEC as a "telecommunications carrier that requests on  
38 the behalf of a subscriber that the subscriber's telecommunications carrier be  
39 changed, and seeks to provide retail services to the end user subscriber." 47  
40 CFR Section 47.1100(a).

41  
42 Unless a Submitting Carrier submits or a customer submits a PIC change to a  
43 LEC, the LEC switch will continue to send the customer's long distance calls to  
44 the carrier identified as the customer's PIC in the LEC's switch.  
45

---

<sup>1</sup> In the Matter of Implementation of the Subscriber Carrier Selection Changes, 8 WL 1064770, para. 1 (1998).

## CONFIDENTIAL PROPRIETARY BUSINESS INFORMATION

1 When a customer contacts AT&T and expresses the desire to terminate his or her  
2 AT&T 1+ service, AT&T provides the customer with clear instructions on how  
3 to effectuate the change. Specifically, the AT&T representatives are instructed  
4 to tell the customer:

- 5
- 6 • The LEC controls the switch where a change in long distance or  
7 local toll carrier takes place and only the LEC can make the change  
8 in carrier.
- 9 • Because the LEC will only take the order for a change in carrier  
10 directly from the customer or from the customer's preferred new  
11 carrier. AT&T, as the customer's current carrier, cannot make the  
12 change.
- 13 • The customer must call the LEC or his/her preferred new carrier to  
14 leave AT&T Service.
- 15 • If the customer does not, AT&T will continue to show as his/her  
16 carrier of choice for long distance/local toll.
- 17

18 AT&T representatives are also instructed to provide the customer with the  
19 telephone number (700-555-4141) they can call 3-5 days after they contact the  
20 LEC to confirm the PIC change.

21

22 If a customer attempts to cancel service only by calling AT&T, but does not make  
23 the necessary LEC contact to effectuate the change, then AT&T remains his or  
24 her long distance carrier and, thus, AT&T has a continuing obligation to serve the  
25 customer on a 1+ basis.

26

27 Also, consumers with AT&T as their PIC remain customers of AT&T – able to  
28 use the AT&T network on a 1+ dialing basis - until AT&T is notified by the LEC  
29 that the consumer no longer subscribes to AT&T as his or her primary long  
30 distance carrier. Indeed, all long distance carriers that are not also the local  
31 carrier of a consumer must rely on the local carrier to effectuate a consumer's  
32 change in long distance service or to have a "no PIC" status, and to convey the  
33 appropriate customer account record exchange (CARE) information on the  
34 transaction.

- 35
- 36 • **PIC Errors** – AT&T received 55 customer complaints from the Florida  
37 Commission regarding PIC Errors. This type of error occurs for one of the  
38 following reasons – 1) AT&T never received any CARE information to indicate  
39 the customer left AT&T service as PIC; as a result, billing continued as an AT&T  
40 PIC customer; 2) AT&T received CARE information from the LEC, but the  
41 CARE information contained conflicting codes which indicated the customer was  
42 still an AT&T customer; as a result the customer continues to be billed as having  
43 AT&T as the PIC; or 3) AT&T's billing system failed to process CARE data  
44 which indicated that a customer left AT&T, resulting in a small number of  
45 customers continuing to be billed as an AT&T PIC.
- 46

## CONFIDENTIAL PROPRIETARY BUSINESS INFORMATION

1 As mentioned earlier in this response, in a separate effort to double check the  
2 accuracy of its PIC records, AT&T requested snapshots of customers who had  
3 AT&T as their PIC in the LEC records to ensure that AT&T's records reflected  
4 the accurate PIC status as indicated in the LEC's records.  
5

- 6 • **LEC Errors** – AT&T received 50 customer complaints from the Florida  
7 Commission resulting from LEC Errors. These errors occur when the local  
8 company routes toll calls to the AT&T network in error. In these cases, the LEC  
9 improperly loaded the wrong carrier CIC code when switching the customer to a  
10 new carrier for his or her PIC. For example, a customer signs up for local service  
11 and chooses Sprint for his or her long distance service. The LEC representative  
12 incorrectly inputs AT&T's CIC code on the order instead of Sprint's CIC code.  
13 Thus, AT&T will receive the CARE code from the LEC indicating the customer  
14 chose AT&T, usage will flow to AT&T because the traffic is being routed to  
15 AT&T's network, and AT&T will bill this customer as having AT&T as the PIC.  
16 Unfortunately, AT&T has no control, nor knowledge, that a LEC error has  
17 occurred until a complaint is received and investigated.  
18
- 19 • **LEC Reassign** – AT&T received 27 customer complaints from the Florida  
20 Commission resulting from LEC Reassigns. This occurs when an existing AT&T  
21 PIC'd customer disconnects his or her local service, and shortly thereafter the  
22 LEC reassigns the same telephone number to a new customer who also selects  
23 AT&T's long distance service. In these cases, when notification, or timely  
24 notification, is not provided to AT&T for both the previous and new customer  
25 activities, inaccurate billing occurs where the previous customer is billed for the  
26 new customer's usage in error.  
27

28 It is important to note that all IXCs are fully reliant upon LECs to provide  
29 notification of mutual customer activities affecting switch, service, billing and  
30 other critical customer account maintenance data. When one (or more steps) in  
31 the data exchange between the LEC and IXC does not occur, the customer is  
32 negatively impacted as indicated by these complaints.  
33

34 Clearly, the difficulties inherent in the current system are not unique to AT&T,  
35 and are not unique to Florida. To the contrary, the PIC change process is an  
36 industry wide issue, as evidenced by the FCC's recent Notice of Proposed  
37 Rulemaking to consider the implementation of minimum CARE obligations for  
38 all local and interexchange carriers.

39 In its NPRM, the FCC acknowledges that,

40 “CARE data is not currently exchanged in a uniform manner now that the  
41 number of LEC's has increased significantly. As a result, interexchange  
42 carriers may often be unable to identify local carrier lines in the current  
43 competitive marketplace. Interexchange carriers may therefore be  
44 unaware of whether a customer remains on the network, has switched to  
45 another local or long distance carrier, has been disconnected, or has made

## CONFIDENTIAL PROPRIETARY BUSINESS INFORMATION

1 changes to BNA information. This can inhibit customers' ability to move  
2 seamlessly from one carrier to another, and can result in substantial  
3 increases in unbillable calls and customer complaints. These problems  
4 may also arise in the context of customers porting wireline telephone  
5 numbers to wireless carriers. In addition, carriers may be viewed as being  
6 responsible for double or continued billing, cramming, slamming, or  
7 violations of the Commission's truth-in-billing requirements when they do  
8 not receive accurate, timely, or complete information regarding their  
9 customers' accounts.<sup>2</sup>

10 And, in its conclusion paragraph, the FCC stated,

11 "As noted above, the aim of the CARE standards is to provide a consistent  
12 definition and data format for the exchange of common data elements.  
13 Failure to utilize consistent formats can create confusion for carriers,  
14 customers, and the Commission. These concerns are especially important  
15 given the increase in the number of local exchange carriers (and resultant  
16 escalation of customer migration) since the passage of the 1996 Act, as  
17 well as the evolution of number porting with respect to wireline to  
18 wireless carriers. As a general matter, based on our own experiences with  
19 customer complaints, we believe that uniformity amongst CLECs, ILECs,  
20 and IXCs could enhance our efforts to provide fair, consistent and efficient  
21 enforcement of our rules."<sup>3</sup>

22 AT&T looks forward to working with the FCC, the industry, and interested  
23 parties to develop minimum CARE standards that better meet customers' needs.  
24 AT&T believes that the CARE standards proceeding is an appropriate forum in  
25 which to raise concerns about the industry's PIC change processes.

### 26 2. Customer Dissatisfiers

27  
28  
29 The Customer Dissatisfiers category includes components relating to Price Increases,  
30 Collect Calls, Domestic Dialed Calls, Unlimited, and International Entertainment Voice  
31 and Internet Calls.

- 32  
33 • **Price Increase** - Price Increase complaints arise when AT&T implements rate  
34 increases that have been filed with the applicable state and/or federal regulatory  
35 agency. In Florida, AT&T was notified of 187 customers who contacted the  
36 Commission regarding rate increases for their current AT&T calling plan. All  
37 customers, however, are sent notices prior to the price increase going into effect,  
38 and are instructed to call AT&T Customer Care if they wish to change calling  
39 plans. All of AT&T's intrastate rates are filed with the Florida Public Service



---

<sup>2</sup> CG Docket No. 02-386, In the Matter of Rules and Regulations Implementing Minimum Customer Account Record Exchange Obligations on All Local and Interexchange Carriers, at 3, para. 5 (Released March 25, 2004.)

<sup>3</sup> Id at 11 and 12, para. 23.

**CONFIDENTIAL PROPRIETARY BUSINESS INFORMATION**

1 Commission, including prices for local service, which are provided in price lists,  
2 and are lawfully charged rates pursuant to company tariffs.  
3

4 **Collect Calls** - 51 customers filed complaints with the Florida Commission  
5 concerning AT&T collect calls. All 51 of these complaints resulted from the  
6 consumer denying knowledge of accepting the call. Because AT&T's network is  
7 very accurate in recording the charges for collect calls that have been accepted,  
8 AT&T addresses these types of complaints by contacting the consumer to  
9 determine who else in the household would have accepted the call. Furthermore,  
10 while the 51 Collect Call complaints filed with the Commission only address  
11 consumers denying knowledge of accepting the call, AT&T continues to address  
12 other areas of collect calls that affect AT&T's consumers.   
13   
14  
15  
16  
17  
18

19 • **Domestic Dialed Calls** - 28 customers filed complaints with the Florida  
20 Commission concerning AT&T domestic dialed calls where the customer  
21 declined all knowledge of directly dialing these calls from their home using  
22 AT&T's network. AT&T's network is extremely accurate and only records  
23 charges when a number has been dialed by someone in the home. In most cases,  
24 the customer either denies making the call due to the charges associated with the  
25 call, the nature of the call (e.g., a sex chat line), or was unaware that another  
26 person in their home placed the call. Pursuant to AT&T's investigation, AT&T  
27 did not discover any billing error or misrouting of any calls associated with these  
28 complaints, with one exception. AT&T's practice is to contact the customer and  
29 assist in determining how the call was made and to what party. In each case  
30 (excluding the one exception described below), AT&T determined, in conjunction  
31 with the customer, that the complaint involved a misunderstanding within the  
32 customer's household as to who placed the call. In no case was AT&T  
33 determined to have misbilled or misrouted the calls. The one exception was a  
34 customer who experienced trouble with a BellSouth line (CATS No. 896404T).  
35 BellSouth tested the line, but found that the problem appeared to be a short in the  
36 customer provided equipment. AT&T provided this customer with a courtesy  
37 credit in the amount of \$254.34 based on the trouble report. Courtesy credits are  
38 provided in some cases based on the circumstances involved.  
39

40 • **Unlimited** - 26 customers filed complaints with the Florida Commission  
41 concerning their AT&T Unlimited calling plan. The types of complaints varied  
42 by customer. Examples of the concerns expressed by customers included: (1)  
43 customers upset that they were responsible for payment of the entire billing cycle,  
44 even if they cancelled their service before the end of the billing cycle, (2)  
45 customer dissatisfaction with the description of the plan, and (3) customers who  
46 were upset that their self initiated PIC Freezes prevented them from enjoying the

**CONFIDENTIAL PROPRIETARY BUSINESS INFORMATION**

1 Unlimited plan. Concerning the first issue, the terms and conditions of AT&T's  
2 Unlimited service clearly advise customers of their responsibilities for payment  
3 and that they will not be refunded for the remainder of the billing cycle if they  
4 cancel service during the billing cycle. The terms and conditions are found in  
5 AT&T's Service Guide and Florida General Services Tariff. The second issue  
6 arises during calls with the customer. While AT&T's sales representatives are  
7 trained on AT&T's products and services, some customers feel that the  
8 representatives description did not fully explain the product or service, explained  
9 it in a confusing manner, or did not explain it at all. Going forward, AT&T  
10 expects to see a decline in these types of complaints as its telemarketing efforts  
11 are reduced. Concerning the third issue, if a customer has a PIC Freeze and  
12 attempts to sign up for AT&T service, the switch will not occur unless the  
13 customer has the PIC Freeze lifted by its current provider. Customers who fail to  
14 have the PIC Freeze lifted are charged for calls by the existing carrier to which  
15 the account is "frozen." For example, while the customer believes that they are  
16 making calls under the Unlimited plan, they in fact are not. This has caused  
17 customers to complain about the large bills they have received from their previous  
18 carrier.

- 19  
20 • **International Entertainment Internet Calls** - 24 customers filed complaints  
21 with the Florida Commission concerning international entertainment calls. To  
22 address this complaint category, AT&T no longer offers International  
23 Entertainment Internet service ("Special Basic Internet"). A bill message  
24 educating consumers about international charges due to accessing entertainment  
25 sites began in November 2003.

26  
27  
28  
29  
30  
31  
32 **Warm Transfer**

33 AT&T increased the use of the warm transfer process established by the Commission by  
34 more than 100% over prior years (2002 and 2003) through the first eight months of 2004.  
35 During the time period covered by this investigation, AT&T handled 902 warm transfers,  
36 compared to 410 and 425 for the entire years 2002 and 2003, respectively. AT&T is  
37 pleased to see that this process is working, not only by reducing the time Commission  
38 Staff spends on handling complaints, but also by providing AT&T's customers with an  
39 efficient way to quickly and satisfactorily resolve their question, issue, or concern.

40  
41  
42 **Slamming**

43 AT&T reviewed the alleged slamming complaints from the first of the year through  
44 September 16, 2004. During that time, AT&T received 804 alleged slamming complaints  
45 from the Florida Commission. AT&T reviewed these complaints in detail since AT&T  
46 has a no-tolerance policy for slamming and has been an industry leader in establishing a

## CONFIDENTIAL PROPRIETARY BUSINESS INFORMATION

1 single point of contact through the Slam Resolution Center in 1998 in an effort to  
2 understand root causes and to prevent the unauthorized switch of a customer's service.  
3 AT&T also participated in a "Best Practices" working team made up of representation  
4 from RBOCs, CLECS and long distance providers in order to establish points of contact  
5 and communications standards in the handling of slamming complaints in accordance  
6 with requirements set forth in the FCC's First Order on Reconsideration released May 3,  
7 2000. AT&T has determined the following:

- 8  
9 • 140 of these complaints are attributed to the \$3.95 MRC issue. As explained  
10 further in the \$3.95 MRC category response, some customers who were no longer  
11 AT&T customers inadvertently received the \$3.95 MRC. Because these  
12 consumers received a bill from AT&T in error, they thought they had been  
13 switched without authorization. However, there was no change in carrier for  
14 these consumers, and they did not have their long distance switched to AT&T.  
15 Nonetheless, these complaints were coded as slamming complaints, although  
16 none of these Florida consumers were slammed.  
17
- 18 • 97 complaints were referred to AT&T's residential Slam Resolution Center but  
19 did not involve slamming of a residential consumer. The breakdown of these  
20 complaints is as follows: 1 wireless complaint, 48 alleged business slamming  
21 complaints, 34 billing complaints, 1 do-not-call complaint, and 13 telemarketing  
22 complaints. Regarding the 48 alleged business slamming complaints, the  
23 Commission determined that AT&T did not slam one of the customers, two of the  
24 complaints were billing questions (not slamming complaints), and the remaining  
25 45 complaints have been responded to by AT&T and are pending review by the  
26 Commission. AT&T's investigation also revealed that none of the 13  
27 telemarketing complaints were actual slams. Instead, these complaints against  
28 telemarketers were for an alleged misrepresentation of an offer, being rude to the  
29 customer, and failing to stop the telemarketing pitch when requested by the  
30 customer. If violations of AT&T's telemarketing policies are discovered, or the  
31 telemarketers performance does not comport with AT&T's standards, the  
32 telemarketing representative and/or telemarketing firm will be retrained or fired  
33 based on the situation observed.  
34
- 35 • 55 of the allegations were determined by Staff to be occurrences of slamming.  
36 However, 52 of these resulted from an error made to the third party verification  
37 script and were not actual cases of slamming a customer's service. In early 2004,  
38 AT&T undertook a project to reconcile TPV scripts across the various platforms  
39 to standardize AT&T's processes across the different TPV vendors that supported  
40 AT&T. As a result of the reconciliation effort, AT&T mistakenly removed one of  
41 the required disclosures in its script, which is designed to inform customers, that:  
42 "Your local telephone company may charge a fee for each provider change."  
43 AT&T discussed this issue with Commission Staff in June 2004. AT&T believes  
44 that this omission does not equate to an unauthorized switch in provider. In June  
45 2004, AT&T corrected this omission in the TPV script. Furthermore, AT&T  
46 attempts to contact all of the consumers who file slamming complaints in an effort

## CONFIDENTIAL PROPRIETARY BUSINESS INFORMATION

1 to resolve the complaint. Out of these 52 complaints which involved the script  
2 omission, AT&T spoke with 24 consumers, and in each of these cases, the  
3 complainants acknowledged that the person who had changed the service and who  
4 had represented to AT&T that he or she was an authorized decision maker was a  
5 member of the complainant's household. Of the remaining 3 alleged slamming  
6 violations, AT&T agrees that 1 was a valid slamming violation. However, AT&T  
7 has appealed the remaining two alleged violations to the Commission, but has not  
8 received a response from the Commission.  
9

### 10 **Failure To Respond**

11 AT&T has reviewed the Commission's Failure to Respond categories, which consists of  
12 the following Types: LB49, LB-50, LB-51, LS-49, LS-50, and LS-51. It appears that in  
13 all cases AT&T provided a response to the Commission. In some cases, AT&T was  
14 unable to meet the Commission's due date. This can be attributed to a number of factors,  
15 such as the complexity of the complaint, which may require extensive investigation prior  
16 to a resolution being provided to the Commission. In other cases, it appears that AT&T  
17 provided its response to the Commission prior to the due date, but nevertheless the  
18 complaint was coded as being a failure to respond. For the Types LS-49 LS-51, and LB-  
19 50, it appears that AT&T responded to the Commission in advance of the due date in  
20 every instance. For Type LB-50 the Commission's report indicates that AT&T provided  
21 its response prior to the due date for 7 out of the 12 complaints in this category.  
22 Furthermore, from time to time AT&T will receive and respond to a Commission  
23 complaint, only to have the same complaint resent to AT&T under a different Case  
24 Number ("CATS" Number). For example, on August 5, 2003, AT&T received CATS  
25 Number 548932T. AT&T sent its resolution of the complaint to the Commission on  
26 August 11, 2003 and the case was closed. On January 5, 2004, the same complaint was  
27 sent to AT&T, but under CATS Number 576419T. AT&T responded on the same day  
28 with the same resolution. On February 17, 2004, AT&T once again received this  
29 complaint, and responded on February 19, 2004 that this complaint was resolved. The  
30 Commission then closed this complaint. Even though AT&T had responded to this  
31 complaint on several occasions prior to the due date, the Commission's complaint system  
32 shows this complaint under Type LB-49 as being a failure to respond.  
33

34 As part of AT&T's investigation, it reviewed in detail 37 out of the 61 Failure to  
35 Respond cases. Of the 37 reviewed, AT&T's records show that it received 17 of these  
36 complaints on different dates than those reflected by the Commission, which may have  
37 affected the due date by which the Commission should have received AT&T's response.  
38 Eight of the complaints reviewed were issued two CATS numbers at different times.  
39 While AT&T responded to these complaints when they were first issued, the re-issuance  
40 of the complaint appears to be counted against AT&T as a failure to respond. Nine of the  
41 complaints analyzed were actual complaints filed with the Commission that AT&T  
42 mistakenly treated as warm transfer issues. While AT&T responded to its customers in a  
43 timely manner, it did not respond to the Commission until after Commission Staff  
44 followed up with AT&T requesting a response. Finally, AT&T had three (3) complaints  
45 that were received from other agencies, in addition to the Commission. It appears that



**CONFIDENTIAL PROPRIETARY BUSINESS INFORMATION**

1 AT&T responded to the other agencies, but inadvertently failed to respond to the  
2 Commission.

3

4 **Open Complaints**

5 The Commission's records reflect that AT&T had 112 open complaints as of August 26,  
6 2004. On September 13, 2004, AT&T compiled a list of all the open complaints before  
7 the Florida Public Service Commission. At that time, AT&T had only 59 open cases. Of  
8 those 59, AT&T had responded to 36 of these cases, which were pending review and  
9 closure with the Commission. Of the 23 remaining complaints, AT&T was still  
10 investigating 18 which were not yet due and 5 were shown by the Commission as being  
11 past due.

12

13 **Conclusion**

14 AT&T's overall performance in 2004, with the exception of the billing error that AT&T  
15 proactively corrected, has improved in nearly every complaint category monitored by the  
16 Florida Commission. In fact, the total number of Commission complaints filed against  
17 AT&T during 2004 represents approximately one tenth of 1% of AT&T's customer base  
18 in Florida. AT&T takes pride in serving its customers at the highest levels of  
19 satisfaction, and continues to make efforts to improve our processes and work closely  
20 with the Commission staff to quickly and efficiently resolve customer complaints here in  
21 Florida. AT&T has worked closely with the Consumer Affairs Department at the  
22 Commission this year. AT&T is not aware of any concerns expressed by Consumer  
23 Affairs regarding the promptness of responses, completeness of responses, or excessive  
24 numbers of complaints in the past year. To the contrary, AT&T has worked closely with  
25 the Consumer Affairs department to resolve consumer issues, including the identification  
26 of the billing error to the Commission, and to provide updates on the ongoing proactive  
27 efforts by AT&T to correct the mistake.

28

29 AT&T appreciates the opportunity to respond to Staff's inquiry. We are available to  
30 discuss these findings with you at your convenience. Should you have any questions,  
31 please contact Brian Musselwhite on (850) 425-6313.

32