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January 15, 1998

Ms. Blanca S. Bayó  
Director, Records & Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Docket No. 970882-TI

Dear Ms. Bayó:

F closed for filing on behalf of MCI Telecommunications Corporation are the following items:

- (a) the original and 15 copies of MCI's Prehearing Statement, together with a Word 5.1 disk; and
- (b) the original and 15 copies of MCI's Rebuttal Testimony of Jane King.

By copy of this letter these documents have been provided to the parties on the attached service list.

Very truly yours,

*Richard D. Nelson*

Richard D. Nelson

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DOCUMENT NUMBER-DATE  
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FPSC-RECORDS/REPORTING

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cc: Service List

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*prehearing statement*  
DOCUMENT NUMBER-DATE  
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FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: 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; 25-24.490, F.A.C., Customer )  
Relations; Rules Incorporated. )

Docket No. [REDACTED]

January 15, 1998

MCI'S PREHEARING STATEMENT

MCI Telecommunications Corporation (MCI) hereby files its prehearing statement in accordance with the requirements of Order No. PSC-98-0006-PCO-TI.

A. Known Witnesses. MCI has prefiled the direct and rebuttal testimony of Jane King.

B. Known Exhibits. MCI has prefiled the following exhibits. MCI reserves the right to use additional exhibits for purposes of cross-examination.

| <u>Witness</u> | <u>Exhibit</u> | <u>Description</u>   |
|----------------|----------------|--|
| Jane King      | JMK-1          | Making the Best Call-<br>Consumer Information<br>On Choosing Long Distance<br>And Local Carriers |
|                | JMK-2          | Countdown to Smart<br>Long Distance Dialing  |
|                | JMK-3          | Common Carrier Scorecard-<br>FCC Report on Consumer<br>Related Telco Complaints                  |

C. Basic Position. The Commission has proposed amendments to various sections of the Commission's rules relating to

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consumer changes of their long distance carrier of choice and the staff and Public Counsel have suggested additional changes to those rules. The proposed amendments and suggested changes go too far in regulating the activity of changing a consumer's Preferred Interexchange Carrier (PIC) and will stifle the competitive long distance market and negatively impact consumers' ability to easily and simply change their carrier of choice. MCI believes that adoption of rules consistent with the FCC rules will make for more consistent and effective enforcement and protect the interest of consumers. Additionally, the Commission should adopt third party verification (TPV) as a requirement for all carrier switches as an effective and consumer-friendly way to deter slamming.

**D.-F. Issues.** There has been no formal issue identification in this docket. MCI submits that the following issue is the basic question to be answered in this proceeding.

**Issue 1:** Should additional safeguards be adopted by the Commission to protect consumers from slamming? If so, what safeguards should be adopted?

**MCI:** The Florida Commission should adopt safeguards consistent with the rules currently promulgated by the FCC and any additional safeguards to be promulgated in the future by the FCC. This will lead to consistent and effective enforcement by the FPSC and will send the proper signals to carriers operating in Florida regarding the Commission's expectations. This is consistent with the proposal of the Florida Competitive Carrier's Association (FCCA).

The Commission should consider the impact of all of the proposed amendments and come to the realization that, in total, the proposed amendments would thwart competition in

the long distance market in Florida, an undesirable and unintended outcome. To the extent the Commission wishes to tighten up its current rules and consider some revisions to its rules, MCI agrees in most part with the proposal of the FCCA and would recommend that FCCA's Alternative No. 2 be considered by the Commission, with one exception, as a reasonable means of protecting consumers and allowing responsible carriers a fair opportunity to offer consumers choices in Florida. MCI takes issue with one proposal by FCCA. FCCA supports the audio recording of TPV calls. MCI does not. MCI believes that taping should be tested on a limited basis to determine consumer acceptance, operational feasibility and efficiency and economic viability before it is required by state law or Commission rule. The expense associated with implementing and using a taping system would be significant and would negatively impact rates.

As an appropriate means of strengthening the Commission's current rules, MCI further recommends that the Commission define "unauthorized PIC change" or "slam" so that the issue will be clear to all and violations enforceable.

With respect to the current version of the proposed rule amendments, and the additional suggestions by the staff and Public Counsel, MCI views the following as significant issues which need to be addressed in order to protect consumers but allow competition to continue to provide benefits in the marketplace:

1. The Commission should either adopt TPV as the sole means of verification of telemarketing sales, or approve verification methods consistent with the FCC.
2. The Commission should not require TPV to be tape recorded, but could require that recording of the verification data be stored in a data base and that the data be retrievable.
3. The Commission should ensure that the TPV provider/vendor is truly independent from the carrier.
4. LOAs should not be relied upon as a more effective verification method because of the significant exposure to fraud.
5. LECs should not be relied upon to settle PIC disputes because of their stake in the outcome of a dispute.
6. The 90-day credit to any consumer experiencing an "undefined" unauthorized PIC change should be deleted, as well as the additional re-rating of calls up to twelve

months.

7. The requirement of including the carrier's certificate number on the customer bill should be eliminated as redundant and unnecessary.

8. Monthly slugging reports by carriers should not be required.

9. PIC freeze information, while useful to some consumers, should not be required to be advocated by carriers to all potential consumers in marketing situations.

10. Modifications to the proposal to require the disassociation of LEC billing for "unauthorized" service should be made so that legitimate, tariffed and regulated charges incurred may be appropriately billed to the user.

11. Revisions to the proposal to block third party billing on LEC invoices are necessary so that national billing processes currently observed throughout the telecommunications industry are not adversely impacted in Florida.

12. The proposal to require a match of the consumer's name, address and telephone number in the transmittal order with that of the LEC should be eliminated.

13. In a competitive environment, the Commission should not impose requirements on the customer service operations of long distance providers, other than a requirement that customer service should be reasonably available to consumers via toll-free access.

G. Stipulations. There are no stipulations between MCI and any party at this time.

H. Pending Motions. MCI has no pending motions at this time.

I. Requirements of Order on Procedure. MCI believes that this prehearing statement complies with all the requirements of the Order on Procedure.

RESPECTFULLY SUBMITTED this 15th day of January, 1998.

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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a copy of the foregoing was furnished to the following parties by hand delivery (\*) or U.S. Mail this 15th day of January, 1998.

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