



# Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

RECORDS AND  
REPORTING

99 MAY 6 AM 11:25

RECEIVED-FPSC

**DATE:** MAY 6, 1999

**TO:** DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

**FROM:** DIVISION OF LEGAL SERVICES (MILLER) *CB*  
DIVISION OF COMMUNICATIONS (BIEGALSKI) *WB* *WB*

**RE:** DOCKET NO. 981867-TX - INITIATION OF SHOW CAUSE PROCEEDINGS AGAINST THE OTHER PHONE COMPANY, INC. D/B/A ACCESS ONE COMMUNICATIONS FOR VIOLATIONS OF SECTION 364.337, FLORIDA STATUTES, ALTERNATIVE LOCAL EXCHANGE TELECOMMUNICATIONS COMPANIES; INTRASTATE INTEREXCHANGE TELECOMMUNICATIONS SERVICES; CERTIFICATION.

**AGENDA:** 05/18/99 - REGULAR AGENDA - SHOW CAUSE - INTERESTED PERSONS MAY PARTICIPATE

**CRITICAL DATES:** NONE

**SPECIAL INSTRUCTIONS:** NONE

**FILE NAME AND LOCATION:** S:\PSC\CMU\WP\981867.RCM

### CASE BACKGROUND

- March 7, 1997 - Order No. PSC-97-0172-FOF-TP, in Docket No. 961314-TP, approved the transfer of Alternative Local Exchange Certificate No. 4099 from Payphone Consultants, Inc. to The Other Phone Company.
- October 19, 1998 - Order No. PSC-98-1400A-FOF-TP, in Docket No. 981161-TP, the Commission approved a name change on ALEC Certificate No. 4099 from The Other Phone Company, Inc. to Access One Communications, effective October 29, 1998.
- December 14, 1998 - Staff opened this docket to investigate apparent unauthorized local carrier change complaints against Access One.

DOCUMENT NUMBER-DATE

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- January 21, 1999 - Staff met with Access One to discuss concerns with the number of consumer complaints being received about unauthorized local carrier changes.
- May 23, 1997, - April 28, 1999 - Commission staff has received 14 complaints against Access One that have been determined to be apparent unauthorized carrier changes.
- April 29, 1999 - Access One submitted its settlement offer in lieu of proceeding with the show cause process. (Attachment A, Page 4)

#### DISCUSSION OF ISSUES

**ISSUE 1:** Should the Commission accept the settlement offer proposed by Access One to resolve the apparent violations of Section 364.337, Florida Statutes, Alternative local exchange telecommunications companies; intrastate interexchange telecommunications services; certification?

**RECOMMENDATION:** Yes. (Biegalski)

**STAFF ANALYSIS:** On January 21, 1999, staff met with Access One to discuss its concerns regarding the number of complaints being received regarding apparent unauthorized local carrier changes. The apparent unauthorized changes occurred prior to the implementation of the revised slamming rule, which was amended to include alternative local exchange companies and was effective December 28, 1998.

Access One expressed the same level of concern and stated that due to the cost of obtaining a customer from the LEC, they take extreme caution when marketing its services. Access One stated that it not only verifies the call once the telemarketer makes a sale, but it also follows up with a confirmation call, prior to the conversion of the customer's account, in order to allow the customer to ask any additional questions and to ensure the customer fully understands he has authorized a change in service providers. In addition, Access One mails out a welcome letter to all new customers.

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Access One also informed staff that it had discontinued the use of the telemarketing firm that was the source of the majority of its complaints and has converted to the use of an automated verification system. Since that time, the company has few apparent slamming violations.

Staff believes that due to the steps Access One has already taken and the fact that there are no additional apparent slamming infractions, the voluntary contribution to the General Revenue Fund pursuant to Section 364.285(1), Florida Statutes, in the amount of \$7,500 is appropriate.

**ISSUE 2:** Should this docket be closed?

**RECOMMENDATION:** No. With the approval of Issue 1, this docket should remain open pending the remittance of the \$7,500 voluntary contribution within five business days after the order approving the settlement becomes final. Upon remittance of the settlement payment, this docket should be closed. The \$7,500 settlement should be forwarded to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. (Miller)

**STAFF ANALYSIS:** If the Commission approves the staff recommendation in Issue 1, this docket should remain open pending the remittance of the \$7,500 voluntary contribution within 5 business days after the order approving the settlement becomes final. Upon remittance of the settlement payment, this docket should be closed.



April 28, 1999

Ms. Kelly Biegalski  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399

Dear Ms. Biegalski,

I am following up our telephone conversation today, regarding making a settlement offer, for unresolved complaints against Access One Communications.

I would like to state again that we feel Access One takes all the necessary steps to ensure customers are aware of the products and services which Access One has to offer and that they are aware that they are switching their local telephone service from the ILEC to Access One. Since the majority of our sales are obtained using outside telemarketing firms, we send all customers through two different verification calls prior to switching their service. I have previously sent you copies of our sales script; third party verification script; Access One verification script; and welcome package that all customers receive. We take these steps to ensure that every customer fully understands who we are and how we operate.

As you have seen over the past several months, we switched our third party verification script to an automated process. This eliminated any questions or misunderstandings from the customer. If the customer does not understand any point or has some question regarding the service, the script is aborted and the customer must be re-sold and re-verified in order to obtain service from Access One. This change was put into effect in November 1998. Prior to making this change, we also terminated a relationship we had with a telemarketing firm in Tampa due to complaints we received from the PSC. We showed that not only do we take complaints from the PSC seriously, but that we act on them very quickly.

Please understand that it cost our company hundreds of dollars, per customer, to switch to our service. It does not serve the customer, nor Access One, to switch anyone who does not want to do business with us. We are a small start up company, trying to do the right thing, and cannot afford to take the financial hit that comes from slamming customers.

We feel that we have demonstrated in our discussions; meetings; and actions with the PSC, that these past problem have been addressed and eliminated going forward. With this in mind, and considering our size and resources, we feel that \$7500 is a fair settlement considering that we also have eliminated all charges and switching fees to the customers. This would cover the 14 unresolved complaints outstanding today.

I look forward to resolving this issue with you.

Sincerely,

Kevin D. Griffo  
President