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ORIGINAL  
PUBLIC UTILITY  
SERVICE COMMISSION



99 SEP 13 AM 9:28  
MAIL ROOM

September 10, 1999

Director, Division of Records  
And Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

VIA OVERNIGHT DELIVERY

RE: *Comments of Billing Concepts, Inc.  
In the Matter of Billing Format and Disclosure  
CC Docket No. 99 0994-TP*

Dear Director:

Enclosed for filing you will find an original and 15 copies of the Comments of Billing Concepts, Inc. If you have any questions, please do not hesitate to contact me.

Thank you.

Sincerely,

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Enclosures.

*Done 9/15/99*

DOCUMENT NUMBER-DATE

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Before the  
FLORIDA PUBLIC SERVICE COMMISSION

Truth in Telecommunications Billing )  
Billing Format and Disclosure )

CC Docket No. 99 0994-TP

**COMMENTS OF BILLING CONCEPTS, INC.**

Billing Concepts, Inc. ("BCI") respectfully submits the following comments in response to the Notice of Proposed Rule Development in this proceeding concerning billing format and disclosure.

The provision of clear, understandable, legitimate telephone bills is critical to consumers and to competition. BCI and other billing clearinghouses founded the Coalition to Ensure Responsible Billing ("Coalition") with the express purpose of ensuring the integrity, and increasing the clarity, of the local telephone bill. Billing clearinghouses consolidate charges from many competing communications providers and contract with local phone companies for those charges to appear on consumers' monthly bills. Consumers benefit because they prefer the simplicity and accounting convenience of paying a single bill for many or all of their communications services. At the same time, these billing arrangements stimulate competition by allowing small companies that provide long distance, voice mail, cellular, paging and other services to reach their customers through the local telephone bill. Thus, billing clearinghouses and the service providers for whom they bill act in the public interest by enhancing competition and increasing consumer choice.

DOCUMENT NUMBER-DATE

## **I. Nationwide Efforts Already Bearing Fruit.**

BCI urges the Commission to recognize the significant private efforts already underway to improve the telephone bill. BCI and the Coalition have developed strict Anti-Cramming Consumer Protection Standards of Practice ("Standards") to promote responsible practices within the industry and to protect consumers from cramming (courtesy copy attached). These and other industry efforts have gone and will continue to go a long way toward reducing consumer confusion and evasive billing practices. Given time to work, these efforts will improve consumer satisfaction and reduce confusion about charges that appear on the bill. BCI supports efforts to address billing issues. The Standards outline corrective procedures that clearinghouses will implement to help end cramming. Billing clearinghouses must: (1) prescreen providers and services; (2) monitor providers and programs; (3) require service providers to use specific methods to verify orders; (4) offer consumer-friendly bills; (5) supply helpful information to consumers who have complaints; and (6) make a broad range of data about cramming available. The Standards further require clearinghouses to take decisive action to make the bill more clear and reliable.

While BCI supports the Commission's efforts to address problems associated with the telephone bill, it also urges the Commission to allow the Coalition Standards and the LEC best practices guidelines to run their course before implementing further remedies. The results of these voluntary efforts will be extremely helpful not only in solving billing problems, but also in highlighting any problems that may require Commission intervention to solve.

## **II. New Rules Should Be Narrowly Tailored and Not Have an Anti-Competitive Affect On the Provision of Billing and Collection Services in Florida.**

In the event that the Commission deems it necessary to act now or in the future to enact new policies or rules regarding billing, BCI strongly urges the Commission to ensure that such policies and rules are not overly broad and will not result in substantial increases in the costs of providing billing and collection services, or, worse, create incentives for the LECs to stop providing billing services entirely. Accordingly, the Commission must ensure that any new requirements it imposes are neither cost prohibitive nor unduly burdensome.

BCI is concerned that further initiatives may not materially reduce cramming complaints but may facilitate anti-competitive conduct by certain LECs. Today, continued access to the local phone bill is in jeopardy in many areas due in part to opportunistic use of billing initiatives. Even as cramming complaints fall precipitously, some LECs are using billing initiatives to unilaterally impose onerous contract terms and moratoria on billing clearinghouses. It is no coincidence that this pressure to eliminate or dramitacally reduce third-party billing is occurring just as the RBOCs are winning relief from restriction on the nature and extent of the services they may offer.

## **III. Organization and Content of Telephone Bills.**

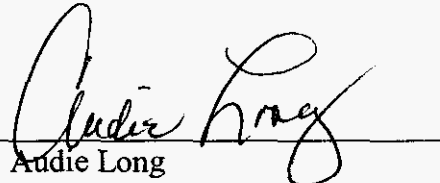
BCI suggests that the Commission refrain from prescribing in detail exactly how the local telephone bill should be formatted and what information must be included therein. Rather, the Commission may outline broad principles that LECs should follow within the confines of their own technical capabilities, which vary greatly from LEC to LEC. Some LECs possess advanced technical systems that allow great flexibility in formatting and information content, while others, especially small carriers, are not capable of performing certain technical functions. To the extent that the Commission prescribes onerous rules with which LECs must comply for third-party

charges, LECs will be encouraged to discriminate in favor of their own services and discouraged from offering third-party billing. Competition will suffer as a result.

**VI. Conclusion.**

Cramming problems are in rapid retreat nationwide due to law enforcement actions and industry efforts like the Standards. As the Commission balances the need for new rules against their costs, BCI believes that the proposed rules should be tightly drawn so that they do not unintentionally harm the competitive market place and adversely affect prices.

Respectfully submitted,



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Texas State Bar No. 12532000  
Donald R. Philbin, Jr.  
Texas State Bar No. 15908800

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***ANTI-CRAMMING CONSUMER PROTECTION STANDARDS OF PRACTICE  
OF THE COALITION TO ENSURE RESPONSIBLE BILLING ("CERB")***

**Cramming is the addition of charges to a telephone bill for programs, products or services the consumer did not knowingly authorize.**

In order to protect consumers from unauthorized, deceptive or ambiguous charges on their telephone bills, signatories hereto adopt and agree to be bound by the following Anti-Cramming Consumer Protection Standards of Practice.

● **PRE-SCREENING OF PROVIDERS AND SERVICES**

Signatories commit to pre-screening all prospective service providers and the programs, products and services they offer.

● **SCREENING OF PROVIDERS**

Signatories will require as a precondition for any business relationships the following information:

- Service provider company name and address.
- Names of officers and principals of the company.
- Proof of corporate or partnership status.
- Copies of certifications as required.
- Foreign corporation filings as required.
- Any information regarding whether the company, its affiliates and/or its officers or principals have been subject to prior conviction for fraud or have had billing services terminated.
- That any tariffs be made available on request.
- The names of any telemarketing companies to be used by the service provider.
- The names of any third party verification companies to be used by the service provider.

● **SCREENING OF PROGRAMS, PRODUCTS AND SERVICES**

Signatories will require the following information:

- Marketing materials.
- Advertisements (print or other media).
- Applicable fulfillment package (which must include cancellation information if not included elsewhere and a toll free customer service telephone number).
- Scripts for both sales and validation.
- Honest, clear, and understandable text phrase for telephone bill.

Signatories will not knowingly provide billing for services employing the following practices:

- Box, sweepstakes, or contest - type entry forms.
- Negative option sales offers.
- 800 pay per call.
- Collect callback.
- Phantom billing (charging for calls never made or services never provided).
- Such other programs, products or services Signatories determine to be deceptive or anti-consumer.

Each Signatory will maintain an internal standards committee to review the information collected for both providers and programs. Members of these committees will have no vested sales interest in the acceptance of a service, product or program.

#### ● COMPLIANCE MONITORING

In order to better police the business practices of its service providers and to assure the efficiency of its screening procedures Signatories commit to engage in active monitoring of providers and programs. Signatories will:

- Monitor consumer inquiries.
- Monitor consumer complaints to government agencies.
- Monitor escalated complaints to the local exchange carrier.
- Maintain up-to-date records regarding complaints and inquiries.
- Adopt action plans to respond to complaints and inquiries.
- Notify service providers of complaints or inquiries.
- Coordinate investigations with service providers.
- Each Signatory shall take such disciplinary action as each determines is appropriate under the circumstances

#### ● MANDATORY AUTHORIZATION

It is critical that consumers can depend upon their authorization for the service, product or program for which they will be billed. Signatories will require service providers to employ one of the following forms of authorization:

- Independent Third Party Verification, or
- Written Letter of Authorization or Sales Order, or
- Voice Recording of Telephone Sales Authorization.

A valid authorization must include:

- The date.
- The name, address and telephone number of the consumer.

- Assurance that the consumer is qualified to authorize billing.
- A description of the product or service.
- A description of the applicable charges.
- An explicit consumer acknowledgment that the charges for the product or service will appear on the telephone bill.
- The acceptance by the consumer of the offer.

#### • **CONSUMER-FRIENDLY BILLING PRACTICES**

Central to a consumer's right to ensure that they have not been crammed is the ability to understand and read the telephone bill. Signatories agree that informed consumers can better protect themselves from unauthorized products or services. Signatories will support providing consumers a bill that can be easily understood.

Consumer bills should include:

- A clear identification of the billing entity.
- A clear identification of the service provider.
- A clear description of products or services.
- A clear identification of the charges.
- The toll free telephone number that subscribers may call to make inquiries concerning the billing.

#### • **CONSUMER SATISFACTION**

Consumers must be able to easily and quickly discuss problems. Signatories are committed to monitoring consumer satisfaction particularly with regard to any disputes or inquiries that may arise. Signatories will provide quick and thorough responses. Signatories shall provide on request:

- The name, address, phone number and fax number of the service provider.
- The nature of any charge.
- The method of authorization.
- Information as to how a consumer may cancel a service or product.

In addition, in order to facilitate resolution of disputes Signatories will:

- Provide a toll free customer service number.
- Provide dedicated staff to respond to consumer inquiries.
- Provide a full and timely investigation of any dispute.
- Initiate a credit or respond to the consumer within 30 days of the consumer's dispute.
- Not rebill on a local exchange carrier telephone bill charges previously credited.

#### • **DISCLOSURE**



Signatories will share with each other and, upon request, with federal and state enforcement agencies:

- Identifying information with respect to terminated service providers and programs.
- A description of specific practices relating to cramming that the Signatories have encountered, and the steps being taken by the Signatories to correct them.
- Aggregate data with regard to complaints filed with federal and state government authorities received by Signatories.

On October 1, 1998, a copy of these Standards of Practice and a list of all Signatories will be sent to the Federal Communications Commission, the Federal Trade Commission and all state Public Utility and Service Commissions and each state Attorney General.

**Signatories:**

Federal Transtel	OAN Services	Billing Concepts
HBS Billing Services	ILD Teleservices	Integretel
National Billing Exchange	Olympic Telecommunications	USP&C
Telephone Billing Services		

*The Coalition to Ensure Responsible Billing was formed by the United States' leading billing clearinghouses in an effort to combat consumer fraud on the local telephone bill.*

*For more information contact:*

*Jacqueline Mitchell, Billing Concepts: 210-949-7000  
 Ronald F. Evans, OAN Services: 818-678-4730  
 Tony Center, FTT: 1-800-382-8669*