



FLORIDA PUBLIC SERVICE COMMISSION
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MAIL ROOM

April 7, 2000

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,

Amy Meeks
Manager, Legal and Regulatory Affairs

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Done 4/11/00

Director, Division of Records
and Reporting
Florida Public Service Commission
April 7, 2000

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Florida Public Service Commission

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Before the
FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL

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 Commission's Notice of Rulemaking, dated March 10, 2000.

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.

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 Consumer Protection

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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. In fact, some LECs are already reporting as much as a 50% to 95% reduction in consumer complaints.

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. 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.

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

BCI directs the Commission’s attention to Section 25-4.110(18)(a)(1) of the proposed rules and the Commission’s inclusion of billing parties’ “affiliates” in the proposed language.

BCI is very concerned that LECs could use their provision of billing and collection services to harm their competitors. Specifically, LECs could jeopardize the competitive position of new market entrants by favoring their own services and the services of their affiliates over those of competitors when enforcing conditions for appearing on the telephone bill. For example, under the guise of protecting consumers from cramming, a LEC could discontinue billing for a competitive provider who was the subject of a certain number of consumer complaints. In a case where the LEC's affiliate provided a similar service and received the same or even a greater number of complaints but the LEC did not remove its affiliate's offering from the local bill, that action would raise competitive concerns.

Additionally, at Section 25-4.110 (19)(a)(1)(a), the Commission again includes billing parties' "affiliates" in the proposed language. This would effectively eliminate competitive services, but not services of LEC affiliates, from being billed on the local telephone bill.

It is an expressed objective of the Telecommunications Act of 1996 to provide "a pro-competitive, de-regulatory national policy framework designed to accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition." Florida also should embrace this objective. The Commission has a duty to promote widespread communication to all Florida residents. Billing and collection of third party services through the local telephone bill furthers this objective by making it more economical for competitive telecommunications providers to bill their services, thus creating widespread communications opportunities for Florida consumers. To the extent that the Commission bars discrimination related to third party charges on the local bill, that action will ensure the proliferation of existing and new telecommunication services.

Non-discriminatory treatment in the provision of billing and collection services is critical to competition because telecommunications service providers rely heavily on the local bill to facilitate their business. There are no viable or feasible alternatives other than incumbent LEC billing and collection services. Utilizing credit card bills, for example, does not permit itemization of telecommunications services, such as separate charges for each call. Further, the credit card bill, unlike the telephone bill, is not ubiquitous. Americans use a variety of credit cards, and some have no credit card at all. Nor is direct billing by service providers always a viable option. Direct billing is usually economically infeasible for smaller competitive providers and those that need to bill only small and intermittent charges. Further, consumers clearly prefer to see all their telecommunications charges on a single bill. Thus, contracting for LEC billing and collection is the only realistic alternative for many telecommunications providers. Accordingly, LEC billing and collection services are essential to the ability of telecommunications providers to bring services to consumers. Discrimination by LECs could significantly impair competitive telecommunications providers.

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 discriminatory, 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 not discriminatory, cost prohibitive nor unduly burdensome.

BCI is concerned that further initiatives may not materially reduce consumer confusion, 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.

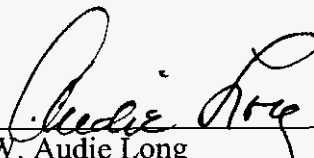
Even as cramming complaints fall precipitously, some LECs are using billing initiatives to unilaterally impose onerous contract terms and moratoria on billing clearinghouses. It is no coincidence that this pressure to eliminate or dramatically reduce third-party billing is occurring just as the RBOCs are winning relief from restriction on the nature and extent of the services they may offer.

IV. Conclusion.

Cramming problems are in rapid retreat nationwide due to industry efforts like the Standards and other regulatory measures. As the Commission balances the need for rules identifying the types of information that billing entities must place on customer's telephone bills 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.

Dated: April 7, 2000.

Respectfully submitted,



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Certificate of Service

I hereby certify that a true and correct copy of the foregoing Comments of Billing Concepts, Inc. was served via first class mail upon the following on this 7 day of April 2000:

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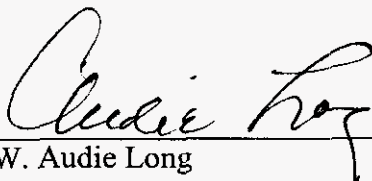
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**CONSUMER PROTECTION STANDARDS OF PRACTICE OF
THE COALITION TO ENSURE RESPONSIBLE BILLING ("CERB")**

In order to protect consumers from unauthorized, deceptive or ambiguous charges on their telephone bills, the Members of CERB hereby adopt and agree to be bound by the following Consumer Protection Standards of Practice.

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

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

■ **SCREENING OF PROVIDERS**

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

- 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, addresses, officers and principals of any telemarketing companies to be used by the service provider.
- The names, addresses, officers and principals of any third party verification companies to be used by the service provider .

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

Members will require the following information to be provided to them:

- 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 verification.
- Honest, clear, and understandable text phrase for telephone bill.
- Prior notification of any material change in the above information.

- **MANDATORY AUTHORIZATION**

It is critical that consumers can depend upon their authorization for the service, product or program for which they will be billed. Verification of authorization must be available from service providers, on request, for a two-year period.

- Members will require service providers to employ one of the following forms of authorization, subject to applicable law:

- Letter of authorization or sales order, or
- Recorded independent third party verification, 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.
- A toll free telephone number that subscribers may call to make inquiries concerning the service.
- The acceptance by the consumer of the offer.

- In addition, authorization verified by an independent third party must include:

- An initial statement that the purpose of the verifications is to confirm the consumer's intention to accept the sales offer.
- A statement that the service provider is not affiliated with a LEC, where there is no affiliation.
- A unique consumer identifier.
- A review by third party personnel of the entire verification where the verification is automated.

In addition, in order to facilitate resolution of disputes Members 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.

● **DISCLOSURE**

Members may share with each other and, upon request, will provide federal and state enforcement agencies with the following information:

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

On October 1, 1998, a copy of these Standards of Practice and a list of all Members were sent to the Federal Communications Commission, the Federal Trade Commission and all state Public Utility and Service Commissions and each state Attorney General. These Standards were updated and redistributed to the above parties on November 11, 1999.

Members:

Billing Concepts
Federal TransTel

ILD Teleservices
HBS Billing Services
USP&C

Integretel
OAN 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 visit our website at www.cerb.org
or contact us at (202) 424-7522*