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December 17, 2002

Dale Hardy Roberts
Secretary of the Commission
Missouri Public Service Commission
PO Box 360
Jefferson City, MO 65101

FILED⁴
DEC 1 7 2002

Missouri Public Service Commission

Re: Tariff No. JI-2003-1232

Dear Mr. Secretary:

Attached for filing with the Commission, please find the original and eight (8) copies of AT&T 's and WorldCom's Joint Application For Intervention And Motion To Suspend Tariffs or In The Alternative A Request For The Imposition Of A 30-Day Waiting Period For Any Winback Contact.

I thank you in advance for your cooperation in bringing this to the attention of the Commission.

Very truly yours,

Rebecca B. DeCook

Attachment

cc: All Parties of Record



BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION

In the Matter of Southwestern Bell Telephone Company's Tariff Filing to Extend Business)	Case No.
)	
Customer Winback Promotions.)	Tariff No. JI-2003-1232

AT&T'S AND WORLDCOM'S JOINT APPLICATION FOR INTERVENTION AND MOTION TO SUSPEND TARIFFS OR IN THE ALTERNATIVE A REQUEST FOR THE IMPOSITION OF A 30-DAY WAITING PERIOD FOR ANY WINBACK CONTACT

COME NOW, AT&T Communications of the Southwest, Inc. ("AT&T"), MCImetro Access Transmission Services, LLC, Brooks Fiber Communications of Missouri, Inc., MCI WorldCom Communications, Inc. (collectively "WorldCom")(jointly "Applicants") and, pursuant to 4 CSR 240-2.065(3), 4 CSR 240-075 and Section 392.230(3) 4 RSMo 2000, respectfully submit this joint application to intervene and moves the Missouri Public Service Commission ("Commission") to suspend the business "Winback" tariff filed by Southwestern Bell Telephone Company ("Southwestern Bell"). In the alternative, Applicants request the Commission open, on its own initiative or pursuant to the request to be filed shortly by Applicants, an investigation of the winback business practices of Southwestern Bell and, pending such investigation, impose, on an interim basis, until it can complete the investigation, a minimum 30-day waiting period after a customer changes telecommunications carriers before Southwestern Bell can make any affirmative winback contacts. As grounds for this Motion, Applicants states as follows:

1. AT&T is a competitive local and interexchange telecommunications company duly incorporated and existing under and by virtue of the laws of the State of

Delaware, authorized to do business in the State of Missouri as a foreign corporation.

AT&T's principal Missouri offices are located at 101 W. McCarty, Ste. 216, Jefferson City, MO 65101. AT&T has been granted authority to provide local exchange service and basic local exchange service in portions of Missouri as well as intrastate interexchange telecommunications services in Missouri under authority granted and tariffs approved by the Commission. All correspondence, pleadings, orders, decision and

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Tel: 573-635-5198 Fax: 573-635-9442 jsweber@att.com

communications regarding this proceeding should be sent to:

- 2. MCImetro is a Delaware limited liability company in good standing duly authorized to conduct business in Missouri with regulatory offices at 701 Brazos, Suite 600, Austin, Texas 78701. MCImetro is authorized as a competitive local exchange carrier under certificate granted and tariffs approved by the Commission.
- 3. Brooks is a Delaware corporation in good standing duly authorized to conduct business in Missouri with regulatory offices at 701 Brazos, Suite 600, Austin, Texas 78701. Brooks is authorized as a competitive local exchange carrier under certificate granted and tariffs approved by the Commission.
- 4. MCI WorldCom Communications, Inc. is a Delaware corporation in good standing duly authorized to conduct business in Missouri with regulatory offices at 701

Brazos, Suite 600, Austin, Texas 78701. MCIWC is authorized as a competitive local exchange carrier under certificate granted and tariffs approved by the Commission.

5. All communications and pleadings in this case should be directed to:

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6. On December 3, 2002, the Missouri Public Service Commission issued its Report and Order, determining, *inter alia*, that two winback tariffs submitted by Southwestern Bell in Case Nos. TT-2002-472 and TT-2002-473 are not harmful to competition and comply with applicable Missouri statutes. Because the promotion dates in the originally filed tariffs had expired, the Commission rejected the initial tariff submissions but indicated that it would approve newly submitted tariffs with new effective dates. The effective date of the Commission's Order was set for December 7, 2002.

- 7. On December 13, 2002, Southwestern Bell re-filed the tariffs it initially filed in Case Nos. TT-2002-472 and TT-2002-473, changing only the effective dates for the promotions. A copy of the tariff is attached hereto.
- 8. The Commission should suspend these newly-filed winback tariffs on three separate grounds. First, Applicants have filed a Joint Application for Rehearing in Case Nos. TT-2002-472 and TT-2002-473. The Commission should grant rehearing and not approve or allow these tariffs to go into effect for all the reasons set forth in the Joint Application for Rehearing and the Testimony, and the Initial and Reply Briefs filed by Applicants in Case Nos. TT-2002-472 and TT-2002-473. Alternatively, the tariffs should not be approved or allowed to go into effect until the Commission acts on the Joint Application for Rehearing. Second, Southwestern Bell made certain commitments regarding changes it would make to these tariffs during the hearings in Case Nos. TT-2002-472 and TT-2002-473. The newly-filed tariffs do not reflect such changes. Third, the Commission should not approve or allow the tariffs to take effect until it conducts an investigation into Southwestern Bell's winback business practices to addressed the concerns raised by Applicants in Case Nos. TT-2002-472 and TT-2002-473. In the alternative, the Commission should mandate a minimum 30-day waiting period after a customer changes telecommunications carriers before Southwestern Bell makes any affirmative winback contacts until the Commission completes an investigation of Southwestern Bell's winback business practices.
- On December 6, 2002, the Applicants filed a Joint Application for
 Rehearing, raising numerous legal, factual and procedural deficiencies with the
 Commission's Report and Order. Specifically, Applicants asserted that the Commission

failed to address: 1) the discriminatory effect of the tariffs; 2) the arbitrary classification made by Southwestern Bell in the tariffs; 3) the competitive effect of the tariffs; 4) the negative impact of Southwestern Bell's business practices for engaging in winbacks. In addition, the Commission failed to make proper findings of fact on a number of delineated issues. The Joint Applicants contend that the Commission should reverse its decision because the Commission's decision is contrary to law and is not supported by competent and substantial evidence. At a minimum, the Commission should suspend the newly filed tariffs until it acts upon the Joint Application for Rehearing.

TT-2002-473, it became apparent that the language in the rejected tariffs concerning the eligibility of customers whose service had been disconnected for nonpayment did not match Southwestern Bell's representations made at the hearing and that Staff asserted that additional "tweaking" of the tariff language was necessary to alleviate concerns of discrimination (Tr. pp. 275–279 and 504-505). Southwestern Bell's counsel, during cross examination of Staff witness Chris Thomas, asked if Southwestern Bell were to modify its tariffs to reflect the representations regarding Southwestern Bell's intent as testified to by Southwestern Bell witness John Regan, Jr. whether that would satisfy Staff's concern. Mr. Thomas indicated that it would. (Tr. pp. 504-505.) Southwestern Bell has not made the clarifying changes it indicated to Staff that it would make in the newly-filed winback tariffs. Absent these clarifications, the Commission can only conclude that Southwestern Bell intends to exclude customers who have had their service disconnected for

¹ Mr. Regan testified that customers whose services had been disconnected for nonpayment could be eligible for the promotions if they had paid the outstanding balance or made acceptable payment arrangements (Tr. pp. 275-279).

nonpayment from the promotions. Southwestern Bell's tariffs should not be approved or allowed to go into effect until these clarifying changes are made.

11. The Commission should also be aware that the Kansas Corporation Commission recently rejected similar tariff revision made by SWBT in Kansas. In rejecting those revision the Kansas Commission stated: "The Commission finds and concludes that SWBT's application for tariff revisions should be denied on the basis that the proposed revisions are discriminatory and not in the public interest at this time. The discounts are discriminatory because they are not made available to all similarly situated customers.1 A customer that leaves a CLEC will receive a discount while a current customer that is changing service or a customer that is seeking service for the first time will pay the full price. In addition, the revisions require the customer to agree to a twelve-month term agreement that will effectively prevent other carriers from competing for that customer's business. The Commission believes that these tariff revisions, which target customer through offers that are only available to CLEC customer and lock customers into a term of service, are not in the public interest in an emerging competitive market, particularly when only a small percentage of customers are currently served by competitive companies. The tariff revisions should be denied."

1 As stated earlier, the Commission is reviewing the issue of whether winback and retention offerings are discriminatory in Docket No. 02-GIMT-678-GIT. Customer classifications or guidelines might be established that will allow approval of offerings similar to that being reviewed here. However, the generic proceeding is not completed, and no evidence has been presented here that justifies the discriminatory nature of this offering.

12. In addition, Applicants presented a substantial amount of evidence at the hearing on the initial tariffs that demonstrated that Southwestern Bell's business practices

that Southwestern Bell will use in connection with the winback discounts will place Southwestern Bell in a uniquely and unfairly advantageous position with respect to its CLEC competition. Southwestern Bell begins sending winback letters to customers that have converted to CLECs within 2 days of the customer switching to the CLEC. For residential customers, Southwestern Bell continues this letter campaign until the customer converts or Southwestern Bell sends at least 9 letters, whichever comes first. At the same time, Southwestern Bell, through third party telemarketers and its internal recorded message system, begins contacting the CLEC customer through phone calls. In addition, the first letter sent to the CLEC customer seeks to cast doubt on the CLECs conversion on the customer by seeking to "determine if the customer has been slammed." Southwestern Bell provides no explanation or definition of the term "slammed" to the customer in the letter, but encourages the customer to contact an 800 number in the Southwestern Bell retail winback group. Southwestern Bell makes no attempt to determined if the CLEC used proper third party verification procedures or if the person contacting Southwestern Bell was even the person that authorized the initial switch to the CLEC. The sum and substance of Southwestern Bell's winback efforts, including the slamming inquiries, are invasive customer contacts that are designed to undermine the CLEC's ability to win and retain customers before the customer has even begun to experience the service the CLEC offers. These contacts are clearly designed to hinder customer choice, confuse customers, minimize the financial impacts of competition, and, ultimately, improperly thwart competitive entry.

13. In reaching its decision on the initial tariffs, the Commission utterly failed to consider the impact of Southwestern Bell'ss winback procedures on competition and

the public interest. Applicants raised this omission in their Joint Application for Rehearing. In addition, Applicants will be filing shortly a request with the Commission to open an investigation to examine Southwestern Bell's winback practices and procedures. At a minimum, the Commission should not approve or allow these tariffs to go into effect until it conducts an investigation of Southwestern Bell's winback business practices.

- 14. In the alternative, if this Commission determines that it does not want to delay the approval or effectiveness of these tariffs, it should impose upon Southwestern Bell, on an interim basis pending such investigation, a minimum 30-day waiting period after a customer changes carriers before Southwestern Bell or its third party telemarketers make any affirmative winback contacts. This will allow the Commission to complete it investigation of Southwestern Bell's practices to ensure that Southwestern Bell is not misusing CPNI or CLEC data.
- 15. Such waiting periods have been ordered by other state commissions that have considered winback issues. For example, the Ohio Commission ordered the implementation of a 30-day waiting period, while it investigated Ameritech's winback program.² Other state Commissions have ordered waiting periods (Arizona has a 6 month waiting period, Georgia has a 7-day waiting period, South Carolina has a 10-day waiting period). In addition, Texas is currently considering adopting a 30-day waiting period. Further, based upon a recent order issued in Florida, it appears that BellSouth has voluntarily established a region-wide 10-day waiting period.³ Such a waiting period

² In the Matter of the Complaint of Corecom Newco, Inc. v. Ameritech Ohio, Ohio Public Utilities Commission, Entry on Rehearing, Case No. 02-579-TP-CSS, July 18, 2002 ¶ 12.

³ In re: Petition for Expedited Review and Cancellation of BellSouth Telecommunications, Inc.'s Key Customer Promotional Tariffs and For Investigation of Bell South's Promotional Pricing and Marketing

would minimize Southwestern Bell's ability to misuse customer CPNI or CLEC proprietary data for winback purposes by using this information to inappropriately contact the converting customer prior to the actual conversion to the competing CLEC. It would also enable the customer to actually experience the service from the CLEC before Southwestern Bell begins its winback barrage, although the shorter the waiting period the less experience the customer will gain.

Southwestern Bell in the local exchange market. In these capacities, Applicants have an interest in this proceeding that is different from that of the general public. Applicants may be adversely affected by the tariff proposed by Southwestern Bell. Therefore, a decision on this matter will affect their interests as providers of telecommunications services in Missouri. Further, Applicants' intervention in this proceeding is in the public interest because of their interest in enhancing competition and their expertise in the telecommunications industry.

WHEREFORE, Applicants respectfully request that the Missouri Public Service Commission grant this Joint Application to Intervene and Motion to Suspend the business "winback" tariff filed by Southwestern Bell on December 13, 2002. In the alternative, Applicants urge the Commission to impose, on an interim basis until the investigation into Southwestern Bell's back office practices is completed, a 30-day waiting period after a customer changes telecommunications carriers before Southwestern Bell can make any affirmative winback contacts.

Practices by Florida Digital Network, Inc., Florida Public Service Commission, Notice of Proposed Agency Action, Order Regarding BellSouth's 2002 Key Customer Tariff Program and Winback Promotions, Docket No. 020119-TP, Order No. PSC-02-0875-PAA-TP, dated June 28, 2002, p. 19.

Respectfully submitted,

CURTIS, OETTING, HEINZ, GARRETT & O'KEEFE, P.C.

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Certificate of Service

A true and correct copy of the foregoing was served upon the parties identified on the attached service list on this 17 day of December, 2002, by e-mail and by placing same in the U.S. Mail, postage paid.

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ATTACHMENT

December 13, 2002

The Honorable Dale Hardy Roberts Secretary/Chief Regulatory Law Judge Missouri Public Service Commission P.O. Box 360 Jefferson City, Missouri 65102

TI-2003-1232

Dear Judge Roberts:

Southwestern Bell Telephone, L.P., d/b/a as SBC Missouri proposes to revise the Local Exchange Tariff, P.S.C. Mo.-24, Sections 2 and 3 of the Integrated Services Tariff, P.S.C. Mo.-41 and Section 38 of the General Exchange Tariff, P.S.C. Mo.-35. The purpose of the revision is to offer a waiver of the installation charges for business access lines, DigiLine® Service, SmartTrunksm service and SuperTrunk service. This letter serves as our 10 day notice that we will be conducting this promotion. SBC Missouri is re-filing this tariff as directed in the final order in TT-2002-473.

These promotions will be available to business customers who are returning to SWBT after receiving service from another local service provider. This promotion will be available for resale.

The proposed revisions are reflected on the attached tariff sheets. The issued and requested effective dates are December 13, 2002 and December 23, 2002 respectively. This promotion will be available from December 23, 2002 to December 22, 2003.

Questions concerning this filing may be referred to Sherry Myers on 314-235-6380.

Very truly yours,

Sherry Myers

I certify that a copy of the foregoing, including attachments, is being forwarded postage prepaid to the Office of the Public Counsel, Post Office Box 7800, Jefferson City, Missouri, 65102 this 13th day of December 2002.

Sherry Myers

Attachment

Local Exchange Tariff 3rd Revised Sheet 1.03 Replacing 2nd Revised Sheet 1.03

LOCAL EXCHANGE

1.1 GENERAL (cont'd)

1.1.6 Promotions

(CT)

For a period of 89 days beginning with the effective date of this tariff, business customers participating in the 1+ Saver 10-Hour Optional Calling Plan promotion, as described in section 1.12.4(B) of the Long Distance Message Telecommunications Service Tariff (P.S.C. Mo.-No. 26), are eligible to receive a waiver of the Service and Equipment Charge for the installation of up to 24 new trunks.

A promotion will be established from March 15, 2001 through June 10, 2001 for residence customers located in the Weldon Springs switch. The following waivers are being offered to customers who elect a phone number change to a telephone number assigned from the new switch:

- Waiver of the installation charge to receive a new phone number
- Waiver of one month's recurring charge for the local access line

For a period of 365 days beginning December 23, 2002, business customers who had established service with another local exchange carrier within the SWBT service area and who now wish to establish service with SWBT are eligible for this promotional offer. During this promotional period, the normally applicable non-recurring Service and Equipment Charges will be waived for business customers establishing business access service with SWBT. The business customers must not have had: 1) service disconnected for nonpayment; or 2) any past due bills for regulated service owed to the Company.

For a period of 365 days beginning April 9, 2001, business customers who wish to upgrade their established local access service, have received a competitive local access offer and are considering changing their local access service to the competitive carrier, are eligible for this promotional offer. During this promotional period, the normally applicable non-recurring Service and Equipment Charges will be waived for business customers remaining with SWBT when the customer upgrades to business trunks and commits to a minimum 1-year term. The business customer must not have had: 1) service disconnected for nonpayment; or 2) any past due bills for regulated service owed to the Company.

Issued: December 13, 2002 Effective: December 23, 2002

(CT)

(RT)

(RT)

Integrated Services Tariff
Section 2
1st Revised Sheet 6.03
Replacing Original Sheet 6.03

SMARTTRUNKSM

2.13 Promotional Rates (cont'd)

B. SmartTrunk Promotion I

(CT) A promotional period will begin December 23, 2002 and end December 22, 2003 for eligible business customers who had established service with another local exchange carrier within the SWBT service area and who now wish to establish service with SWBT. This promotional offer applies to SmartTrunk Interface services.

The non-recurring Installation Charges will be waived on those orders placed during the promotion period. Additionally, service must be installed by January 31, 2004. This promotion is only available where facilities permit.

The business customer must not have: 1) service disconnected for nonpayment; or 2) any past due bills for regulated service owed to the Company.

C. SmartTrunk Service Promotion II

A promotional period will begin April 9, 2001 and end April 8, 2002 for eligible business customers who wish to upgrade their established local access service, have received a competitive local access offer and are considering changing their local access service to the competitive carrier. Business customers who remain with SWBT, add to their existing SmartTrunk service or upgrade to SmartTrunk Interface service, and commit to a 24-month or longer term will have the applicable non-recurring Installation Charges waived.

The non-recurring Installation Charges will be waived on those orders placed during the promotion period. Additionally, service must be installed by May 31, 2002. This promotion is only available where facilities permit.

In the event of early termination of this service provided under the Service Term, the customer will be liable for the SmartTrunk Interface waived Installation Charges as well as any termination charges due as set forth in Section 2 of the Integrated Services tariff.

The business customers must not have had: 1) service disconnected for nonpayment; or 2) any past due bills for regulated service owed to the Company.

Issued: December 13, 2002 Effective: December 23, 2002

Integrated Services Tariff
Section 3
1st Revised Sheet 14.02
Replacing Original Sheet 14.02

DIGILINE® SERVICE

3.13 Promotional Rates

(CT) A promotional period will begin December 23, 2002 and end December 22, 2003 for business customers who established service with another local exchange carrier within the SWBT service area and who now wish to establish service with SWBT. Business customers who purchase DigiLine Service will receive a waiver of the non-recurring Installation Charges associated with the Basic Rate Interface.

Subscribers under this DigiLine Service Promotion are not eligible for other promotional pricing offers of DigiLine Service that may be available in Section 3 of the Integrated Services Tariff.

The business customer must not have: 1) service disconnected for nonpayment; or 2) any past due bills for regulated service owed to the Company.

(CT) Service must be installed by January 31, 2004.

A promotional period will begin April 9, 2001 and end April 8, 2002 for business customers who wish to upgrade their established local access service, have received a competitive local access offer and are considering changing their local access service to the competitive carrier. Business customers who remain with SWBT, add to their existing DigiLine Service or upgrade to DigiLine Service, and commit to a minimum 1-year term for DigiLine Service will receive a waiver of the non-recurring Installation Charges associated with the Basic Rate Interface.

Subscribers under this DigiLine Service Promotion are not eligible for other promotional pricing of DigiLine Service available in Section 3 of the Integrated Services Tariff.

The business customer must not have had: 1) service disconnected for nonpayment; or 2) any past due bills for regulated service owed to the Company.

Service must be installed by May 31, 2002.

Issued: December 13, 2002 Effective: December 23, 2002

General Exchange Tariff Section 38 1st Revised Sheet 15 Replacing Original Sheet 15

Effective: December 23, 2002

DIGITAL LOOP SERVICE

SuperTrunk (cont'd) 38.3

38.3.5 Promotions (cont'd)

B. Super Trunk I

- (CT) 1. A promotional period will begin December 23, 2002 and end December 22, 2003 for business customers who established service with another local exchange carrier within the SWBT service area and who now wish to establish service with SWBT. Business customers (CT) will receive a waiver of the non-recurring Installation Charges associated with the Digital Transmission Loop Arrangements.
- (CT) Service must be installed by January 31, 2004.

(RT) (RT)

- (FC)
- 3. The business customer must not have: 1) service disconnected for nonpayment; or 2) any past due bills for regulated service owed to the Company.
- (FC) This promotion is only available where facilities permit.

C. Super Trunk II

- 1. A promotional period will begin April 9, 2001 and end April 8, 2002 for business customers who wish to upgrade their established local access service, have received a competitive local access offer and are considering changing their local access service to the competitive carrier. Business customers who remain with SWBT, add to their existing SuperTrunk service or upgrade to SuperTrunk Service, and commit to minimum two-year term for the service receive a waiver of the non-recurring Installation Charges associated with the Digital Transmission Loop Arrangement.
- 2. Service must be installed by May 31, 2002.
- If a customer terminates a SuperTrunk Arrangement prior to the contract expiration, the customer is liable for the waived Installation Charges in addition to the termination charges specified in Section 38 of the General Exchange Tariff.
- The business customer must not have had: 1) service disconnected for nonpayment; or 2) any past due bills for regulated service owed to the Company.
- This promotion is only available where facilities permit.

Issued: December 13, 2002