

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of Proposed PSC Rulemaking)	
4 CSR 240-33.045 Requiring Clear Identification)	
and Placement of Separately Identified Charges)	Case No. TX-2005-0258
on Customer Bills.)	

SOUTHWESTERN BELL TELEPHONE, L.P. D/B/A SBC MISSOURI'S
SUPPLEMENTAL COMMENTS REGARDING PROPOSED
RULE 4 CSR 240-33.045

Comes now, Southwestern Bell Telephone, L.P., d/b/a SBC Missouri and, for its Supplemental Comments regarding Proposed Rule 4 CSR 240-33.045—Requiring Clear Identification and Placement of Separately Identified Charges on Customer Bills, states as follows:

1. During the hearing on May 11, 2005, Commissioner Gaw requested SBC Missouri to identify what line items it includes on its bills for taxes. As indicated during the hearing, SBC Missouri includes the following tax line items: Federal (Local), Federal (Non-Regulated & Toll Charges), State and Local (Local Charges), and State and Local (Non-Regulated & Toll Charges). The Federal (Local) and Federal (Non-Regulated & Toll Charges) consist of the Federal Excise Tax, which is currently set at 3%. State and Local (Local Charges) and State and Local (Non-Regulated & Toll Charges) consist of the Missouri State Sales Tax, which is currently set at 4.225%, and local taxes, which vary between municipalities and range from 0 to 4%. SBC Missouri provides these four line items for residential customers only. On business customers' bills, all federal taxes are included on one line and all state and local taxes are included on another line. All of the aforementioned tax rates are subject to change as municipalities, the State of Missouri, and the federal government enact new tax rates.

2. During the hearing, Commissioner Gaw also inquired whether specific tax rates were included in SBC Missouri's tariffs. SBC Missouri does not include specific tax rates in its tariffs because tax rates are subject to change. Section 17.11 of SBC Missouri's General Exchange Tariff provides for the pass through of such taxes.

3. As a result of the comments by the Commissioners during the May 11, 2005 hearing, SBC Missouri proposes the compromise language below, which it believes addresses the Commissioners' concerns. Generally, the following language will require carriers with "atypical" surcharges (e.g., generalized regulatory cost recovery fees, etc.) to disclose that they plan to assess these surcharges, but will not require lengthy disclosure of the typical surcharges that are generally found on most carriers' bills. For example, authorized or mandated charges such as taxes, 911 fees, the dual party relay charge, and the Universal Service Fund charge would not require a separate and lengthy disclosure.

4 CSR 240-33.045 Requiring Clear Identification and Placement of Separately Identified Charges on **Residential** Customer Bills.

Purpose: This rule is intended to clarify items that may be separately identified on **residential** customer bills, provide guidance for labeling such items and require clear disclosure to **residential** customers of the total anticipated service charges for new regulated services for which they contract.

(1) All telecommunication companies shall provide a clear, full, and meaningful disclosure of all ~~monthly charges and usage sensitive rates~~ **charges, that are neither authorized nor mandated by the government,** at the time of the execution of a service agreement between the **telecommunications** company and the customer or at the time the customer otherwise contracts with the **telecommunications** company, but in any event prior to the date service is initiated. **Authorized or mandated charges include, but are not limited to: taxes, 911 fees, dual party relay, and the Missouri Universal Service Fund. A telecommunications company satisfies this disclosure requirement if the company asks the customer if he/she/it wants a**

full explanation of all applicable charges and the customer indicates that he/she/it does not want such explanation. This disclosure shall be in addition to the itemized account of monthly charges during the **residential** customer's first billing period for the equipment and service for which the residential customer has contracted, as required by 4 CSR 240-33.040(8).

(2) **Telecommunications** Companies may not include on a **residential** customer's bill any fee or charge misrepresented as a governmentally mandated or authorized fee by:

- (A) ~~Disguising~~**Misrepresenting** it;
- (B) Naming, labeling, or placing on the bill in a way that implies that it is governmentally mandated or authorized; or
- (C) Giving it a name or label that is confusingly similar to the name or label of a governmentally mandated or authorized fee.

~~(3) Governmentally mandated or authorized fees and surcharges include, but are not limited to, separately identified charges to recover costs associated with any separate monthly charge mandated or authorized by federal, state, or local government order, decision, ruling or mandate. These monthly charges or taxes shall be identified on the customer's bill in easy to understand terms and in a manner consistent with their purpose or applicability.~~

~~(43) Telecommunications~~ Companies imposing separately identified charges that appear to be governmentally mandated or authorized fees shall provide, upon request by the Commission Staff, such federal, state or local government order, decision, ruling, mandate or other authority on which it relies in placing such a charge on the customer's bill. ~~The presence of a charge in a currently effective tariff is not evidence, in and of itself, that the charge is authorized or mandated by the Commission.~~

~~(5) Based on a formal complaint, the commission may order removal or modification of any charge it finds does not comport with this rule. Nothing in this rule will preclude the Commission from suspending or rejecting company tariffs when similar or identical tariffs have been approved for other companies.~~

~~(6) This rule establishes minimum requirements for clarity in billing separately identified charges.~~


(4) **Nothing in this rule is intended to preclude the Commission's authority to review tariffs for lawfulness.**

(75) Any **telecommunications** company that serves as a billing agent for another entity shall not be held liable for any violation of this rule for that portion of the **residential** customer bill that relates to that other entity.

Wherefore, SBC Missouri prays that the Commission consider its Supplemental Comments and eliminate or modify the proposed rule as outlined above, together with any further and/or additional relief the Commission deems just and proper.

Respectfully submitted,

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CERTIFICATE OF SERVICE

Copies of this document were served on all counsel of record by e-mail on July 14, 2005.


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