

Southwestern Bell Telephone

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March 2, 2001

FILED³

MAR 02 2001

Missouri Public
Service Commission

The Honorable Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
301 West High Street, Floor 5A
Jefferson City, Missouri 65101

Re: Case No. TX-2001-73

Dear Judge Roberts:

Enclosed for filing with the Missouri Public Service Commission in the above-referenced case are an original and nine copies of Southwestern Bell Telephone Company's Comments Regarding Proposed New Rules on Prepaid Calling Card.

Thank you for bringing this matter to the attention of the Commission.

Very truly yours,

Mimi B. MacDonald /tm

Mimi B. MacDonald

Enclosure

cc: Attorneys of Record

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED³

MAR 02 2001

Missouri Public
Service Commission

In the Matter of Proposed New Rules on
Prepaid Calling Cards.

)
) Case No. TX-2001-73

SOUTHWESTERN BELL TELEPHONE COMPANY'S COMMENTS
REGARDING PROPOSED NEW RULES ON PREPAID CALLING CARDS

Comes now Southwestern Bell Telephone Company and, for its Comments Regarding Proposed New Rules on Prepaid Calling Cards, states as follows:

1. 4 CSR 240-32.140(2) defines "[c]ompany" as "[a]ny telecommunications company providing prepaid calling services to the public using its own facilities or reselling the services of another telecommunications company." Southwestern Bell Telephone Company ("SWBT") is concerned that this definition is vague, confusing and ambiguous in two respects. First, as worded, resellers would include distributors, including but not limited to such retail chains as Target, Walgreens and Wal-Mart. This ambiguity can easily be corrected by inserting appropriate punctuation to limit these rules to telecommunications companies. Second, the definition should specifically reference that it is prepaid interexchange calling services that are the subject of the rule. Thus, SWBT proposes that 4 CSR 240-32.140(2) be punctuated as follows: "any telecommunications company providing prepaid interexchange calling services to the public: (a) using its own facilities; or (b) reselling the services of another telecommunications company."

2. 4 CSR 240-32.140(3) defines "[c]ustomer" as "[a]ny entity/person inquiring about or purchasing prepaid calling services." Southwestern Bell Telephone Company ("SWBT") is concerned that this definition is vague, ambiguous, and overbroad in two respects. First, as worded, this definition would include not only the reseller who is purchasing prepaid calling services from the company providing prepaid calling services, but would also include any

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distributor that the reseller used to distribute prepaid calling services, any retailer that sold the prepaid calling services, as well as the end user. Presumably, the intent of Rules 4 CSR 240-32.130 through 4 CSR 240-32.160, is to advise the end user regarding the per minute domestic rate plus all applicable surcharges or taxes and any added relevant variables so that the end user can determine the effective per minute rate of a call. Second, the definition should make clear that it is prepaid interexchange calling services which are at issue. Thus, SWBT proposes that "customer" be defined as "any end user who either is inquiring about or purchasing Prepaid Interexchange Calling Services."

3. 4 CSR 240-32.140(5) defines "Prepaid Calling Services (PPCS or Services)" as "[p]repaid telecommunications service that allows end users to originate calls through an access number and authorization code, whether manually or electronically dialed." This definition should make clear that it is prepaid interexchange calling services which are at issue. Thus, SWBT proposes that "Prepaid Calling Services (PPCS or Services)" be defined as "prepaid telecommunications service that allows end users to originate interexchange calls through an access number and authorization code, whether manually or electronically dialed."

4. 4 CSR 240-32.140(6) defines "[p]repaid calling card (Card)" as "[a]ny object containing an access number and authorization code that enables an end user to use PPCS. This includes, but is not limited to, retail, utility, promotion and collectible calling cards." Again, SWBT is concerned that the definition of "prepaid calling card" is vague, ambiguous and overbroad. Specifically, SWBT believes that the definition of "prepaid calling card" should be limited to retail prepaid calling services. There is no need to disclose rate information on promotional cards in that the end user is receiving the prepaid calling card for free. The end user only needs to know how many minutes that he or she is receiving for free. Additionally, SWBT

is concerned about the use of the phrase "utility. . .calling card" as this phrase is not defined anywhere in these proposed rules. Thus, SWBT proposes that "prepaid calling card" be defined as "an object containing an access number and authorization code that enables an end user to use PPCS. End user as used herein means a retail end user who purchases a calling card."

5. 4 CSR 240-32.160(C) provides that a company shall provide a statement to the customer that "the charges outlined in subsection (1)(B) above have the effect of reducing the value of prepaid calling card by increasing the effective per minute rate of the call." SWBT is concerned that this disclosure requirement is vague, confusing, and ambiguous. Presumably, the intent of this subsection of proposed rule 4 CSR 240-31.160 is to alert an end user that applicable surcharges, taxes, and added relevant variables have the effect of reducing the value of the prepaid calling card by increasing the effective per minute rate of the call. If there are no surcharges, taxes, and added relevant variables, there would be no reduction in the value of the prepaid calling card because there would be no increase in the effective per minute rate of the call. Thus, SWBT proposes that 4 CSR 240-32-160(C) state: "If the Company does not include applicable surcharges, taxes, and added relevant variables in the per minute rate of the call, a statement that applicable surcharges, taxes, and added relevant variables have the effect of reducing the value of the prepaid calling card by increasing the effective per minute rate of the call."

6. Finally, SWBT concurs in the Comments filed by the Missouri Telecommunications Industry Association on February 28, 2001. In an effort to reduce the volume of paper filed in this case, SWBT incorporates those comments herein by reference as if fully set forth herein.

WHEREFORE, Southwestern Bell Telephone Company urges the Commission to accept these Comments and modify the Proposed Rules as provided herein.

Respectfully submitted,

BY Mimi B. MacDonald /tm
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CERTIFICATE OF SERVICE

Copies of this document were served on the following parties by first-class, postage prepaid, U.S. Mail on March 2, 2001.

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