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March 21, 2000

**FILED<sup>3</sup>**

MAR 21 2000

The Honorable Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102-0360

Missouri Public  
Service Commission

Re: Qwest Communications Corporation  
Case No. TA-2000-309

Dear Judge Roberts:

Please find enclosed for filing the original and fourteen copies of a Response to Staff Report.

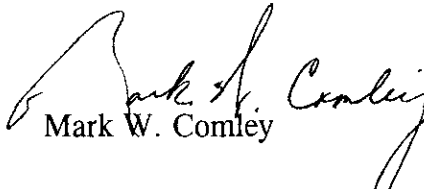
Please bring this filing to the attention of the appropriate Commission personnel.

Thank you.

Very truly yours,

NEWMAN, COMLEY & RUTH P.C.

By:

  
Mark W. Comley

MWC:ab

Enclosure

cc: Office of Public Counsel  
Leo J. Bub  
Julie A. Kardis  
John Wenzel

BEFORE THE PUBLIC SERVICE COMMISSION  
STATE OF MISSOURI

FILED<sup>3</sup>  
MAR 21 2000

Missouri Public  
Service Commission

In the matter of the Application of )  
QWEST COMMUNICATIONS CORPORATION )  
for a Certificate of Authority )  
to Provide Basic Exchange and Local Exchange ) Case No. TA-2000-309  
Intrastate Telecommunications Services within )  
the State of Missouri. )

**RESPONSE TO STAFF REPORT**

The Staff filed its memorandum in this matter on March 9, 2000 and ended with this paragraph:

The Staff would expect Qwest to further clarify the complaints brought against it and its affiliates (whether ending in a decision or a settlement). In addition, Qwest needs to explain what actions have been taken by the company to prevent future recurrences.

Qwest Communications Corporation (Qwest) offers this in response.

**QWEST POLICY**

Qwest is committed to a "zero tolerance" policy towards slamming. It has recently renewed its commitment to this policy through the adoption of further safeguards and improvements to internal procedures that exceed the standards established by the Federal Communications Commission ("FCC"). See Slamming Compliance Plan of Qwest Communications International Inc., File No. ENF-99-11 (filed Nov. 18, 1999), attached as Attachment 1. Qwest is confident that these tightened controls will have the effect of eliminating instances of slamming to the fullest extent possible.

This response to the Staff's Report will provide a description of docketed formal complaints involving Qwest and its subsidiaries or affiliates that involve customer service and marketing. The

Commission's review of these descriptions should be made in the perspective of the fact that Qwest processed some 3.8 million consumer orders from September 1, 1998 through August 31, 1999. This response also summarizes the issues that Qwest has addressed with regard to improper sales practices, and outlines the substantial steps it has taken as well as those it has committed to take to reduce incidents of slamming. A review of these remedial and preventative measures shows that Qwest is dedicated to eliminating slamming and other regulatory infractions through any commercially feasible mechanism.

## I. CURRENT ANTI-SLAMMING PROCEDURES

In a decisive move to eradicate slamming, Qwest recently terminated ten third-party distributors of its services who failed to meet its expected standard of performance. Together, they accounted for 35 percent of the slamming complaints brought against Qwest from January 1999 through October 1999. Qwest has also terminated relationships with more than 150 individual agents.

New anti-slamming procedures have been implemented by Qwest. These measures feature the mandatory submission and subsequent scanning of every LOA supporting an order. This will enable Qwest to have a permanent electronic record of each authorization (including signatures) before any customer's preferred carrier is changed. This system, along with the other procedural improvements detailed below, greatly enhance Qwest's ability to deter, detect and punish improper sales activities.

At present, Qwest employs a three-pronged approach to controlling slamming – maintaining strict rules of acceptable marketing behavior, employing order processing procedures designed to weed out suspect orders, and taking decisive measures against violators of its policies:

- **Rules of Fair Dealing and Honesty.** All distributors, agents, and Qwest personnel are required to review Qwest's Anti-Slamming Advisory, which both sets forth the parameters of valid authorizations as well as recommendations on how to avoid inadvertent PIC changes. Sales representatives must verify their understanding of commitment to the Advisory's policies. Violation of these policies is sufficient cause for termination. Further, Qwest typically checks the background of the entity when Qwest is not already aware of the business reputation of the prospective distributor. Qwest will not enter into agreements, for example, with a distributor that it knows has committed slamming violations in the past. Qwest also forbids its in-person distributors from utilizing contests and other third party marketing techniques, restricting them to direct, personal solicitation of consumers.
- **Order Processing Procedures.** Since late September of this year, sales representatives must transmit all LOAs to Qwest. Qwest employees then check the LOAs for completeness and facial validity, and only then are the LOAs scanned by an independent third party into Qwest's computer system. Digitally recording the visual image of LOAs enables Qwest to implement a host of additional safeguards, such as comparison of data with regulators and identification of patterns of improper orders. Qwest also mails a welcoming postcard notifying new customers of an order, and utilizes flags in its system to prevent reinstallation of a customer account when a LEC notifies it of a slamming allegation.

- **Enforcement Procedures.** Qwest's ability to deter and penalize slamming includes the contractual right to require prompt investigation by distributors whenever Qwest is notified of a PIC dispute by a LEC. An inadequate or even untimely response will result in an automatic charge-back of the distributor's commissions and fees. Also, Qwest now compiles a series of reports tracking distributor performance on the basis of facially defective orders, charge-backs, and PIC disputes, and uses these reports to take action against distributors who violate Qwest's policies.

## II ADDITIONAL ANTI-SLAMMING PROCEDURES

Qwest's expanded anti-slamming initiative involves new, company-wide measures and is being led by Mark Pitchford, Senior Vice President of Consumer Markets, who brings considerable experience in this area. In consultation with federal and state regulators, Qwest is in the process of implementing several measures, which include:

- **Targeted Third Party Verification of Sales.** Qwest will require third party verification for types of sales or sales channels that it determines, from time to time, are susceptible to improper orders or are experiencing unacceptable levels of invalid orders.
- **Independent Audits.** Annually, Qwest will engage an independent auditor to examine its anti-slamming reporting and data tracking mechanisms as well as enforcement procedures. The auditor shall submit a written opinion to the Qwest Board of Directors, and Qwest's Senior Vice President of Consumer Markets will oversee the implementation of all changes to be adopted. Distributors must also report to Qwest the results of a quarterly self-audit of slamming complaints.

- **Strengthened Enforcement Procedures.** Where a distributor's PIC disputes exceed a pre-set threshold, Qwest will immediately begin corrective procedures. If performance does not improve, Qwest will take additional remedial action up to and including termination of the distributor relationship. In addition, sales representatives will reaffirm their commitment to the Advisory every six months, and the "zero tolerance" policy triggers immediate termination of any individual who forges a customer's signature.
- **Intensified Pre-Screening of Distributors.** New distributors will have to disclose all allegations of deceptive business practices, and will operate on probationary status for the first 90 days. Incomplete disclosure of such allegations or sub-par performance during probation will result in termination of the distributor relationship.
- **Order Processing.** Qwest will maintain a "stay away" list of customers who either complained of slamming in the past or indicated an intent never to purchase Qwest's services, and will not process orders from customers on this list.
- **Periodic "Refresher" Training.** In addition to initial training sessions, Qwest will mandate routine refresher training courses for its distributors. Each distributor will attend refresher training courses at least annually.

### III. HISTORY OF REGULATORY COMPLAINTS AND INVESTIGATIONS

Since 1998, the history of docketed formal complaints involving Qwest Communications

Corporation and affiliates is as follows:<sup>1</sup>

AGENCY	COMPANY	NATURE OF COMPLAINT	STATUS
Connecticut Attorney General	Qwest Communications International, Inc.	Slamming.	Pending complaint filed in state court on May 13, 1999.
Federal Communications Commission	Qwest Communications, International Inc.	Slamming.	Notice of Apparent Liability for Forfeiture filed at the Commission on October 19, 1999.
Florida Public Service Commission	LCI International Telecom Corp.	Slamming	Settled 10/19/98
Massachusetts PUC	Qwest Communications Inc. (not a properly named party)	Slamming.	Two judgments issued by Commission on December 20, 1999 and January 5, 2000.
Michigan PSC	LCI International Telecom Corp.	Slamming.	Two judgments issued by Commission on December 16, 1999 and January 19, 2000.
Missouri Attorney General	LCI International Telecom Corp.	Slamming.	Pending complaint filed in state court in March, 1998.
New York Public Utilities Commission	LCI International Telecom Corp.	Slamming	Settled 11/24/98 Administrative Penalty entered January 5, 1999
Oklahoma Corporations Commission	Qwest Communications Corporation	Slamming	Settled 10/11/99
Oregon Attorney General	LCI International Corp.	Slamming	Settled 3/12/99; Assurance of Voluntary Compliance entered.
Tennessee RA	LCI International, Inc.	Slamming	Settled 7/13/99
Texas Public Utilities Commission	LCI International Telecom Corp.	Slamming	Settled 1/27/99

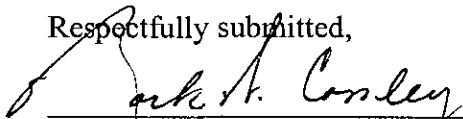
#### IV. CONCLUSION

Qwest has certainly not ignored the complaints of slamming asserted against it or its affiliated companies, and has developed a program by which to address the problem. This response should establish for the Commission that the applicant in this case is a conscientious company, backed by a parent that is dedicated to better service for its customers. The public interest would

<sup>1</sup>The chart does not list investigations, civil investigative demands or inquiries.

be served by approving its request for basic local authority.

Respectfully submitted,



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Attorneys for QWEST COMMUNICATIONS  
CORPORATION

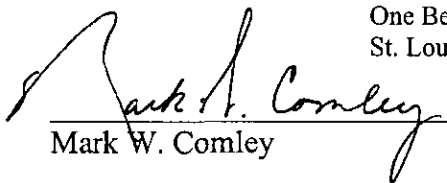
Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was sent by U.S. Mail, postage prepaid, or hand delivered, on this 21<sup>st</sup> day of March, 2000, to:

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Office of Public Counsel  
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Jefferson City, MO 65102

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St. Louis, MO 63101-1976



Mark W. Comley



ATTACHMENT 1

**SLAMMING COMPLIANCE PLAN OF  
QWEST COMMUNICATIONS INTERNATIONAL INC.**

**SUBMITTED TO THE  
FEDERAL COMMUNICATIONS COMMISSION  
FCC FILE NO. ENF-99-11**

**NOVEMBER 18, 1999**

**SLAMMING COMPLIANCE PLAN OF  
QWEST COMMUNICATIONS INTERNATIONAL INC.**

Qwest Communications International Inc. (“Qwest”) hereby submits the following Compliance Plan providing a comprehensive description of Qwest’s policies and procedures to eradicate slamming. This Compliance Plan details Qwest’s current “zero tolerance” policies with respect to slamming as well as the additional actions it will take to bolster those policies to ensure full compliance with Section 258 of the Communications Act and the Commission’s rules and orders relating to PIC changes.<sup>1</sup>

Qwest is fully committed to implementing additional, commercially feasible processes if they can assist in eradicating unauthorized PIC changes. In this Compliance Plan, Qwest proposes substantial new protections against slamming, protections which significantly exceed those required in strict compliance with the FCC’s rules and which in most instances go far over and above procedures that its competitors are using. These new procedures will strengthen the safeguards in place within its order processing system to prevent slamming, intensify distributor training and enforcement, and allow Qwest to correct weaknesses that may be discovered in its anti-slamming protections.

In the first section of this Compliance Plan, Qwest briefly outlines its current anti-slamming procedures, put in motion to implement Qwest’s “zero tolerance” policy with respect to slamming violations. In the second section, Qwest discusses further improvements it is implementing to strengthen the effectiveness of its zero tolerance policy and ultimately to eradicate slamming.<sup>2</sup>

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<sup>1</sup> Qwest intends that the additional actions proposed herein be effective for a period of two years beginning the release date of any order issued in this proceeding.

<sup>2</sup> This Compliance Plan discusses a number of policies and procedures used to detect attempts by unscrupulous sales agents to pass bad orders through Qwest. The effectiveness of these policies and procedures may be compromised by widespread

**I. QWEST'S CURRENT POLICIES AND PROCEDURES WITH RESPECT TO SLAMMING.**

As described in Qwest's Response to the Notice of Apparent Liability, Qwest has a zero tolerance policy for slamming violations. Qwest employs a three-pronged approach to controlling slamming – relying on strict rules of acceptable behavior, order processing procedures designed to weed out suspect orders, and decisive enforcement against violators. The most significant aspects of each element are discussed below.

**A. Rules of Fair Dealing and Honesty**

*Anti-Slamming Advisory.* Each Qwest distributor and each person in any way involved in the marketing of Qwest's services must review Qwest's anti-slamming policies set out in an Advisory and affirm that he or she understands the Advisory and will adhere to its contents. This Advisory explains the common causes of slamming, identifying problem areas such as incorrect telephone numbers, illegible information on an LOA, authorization from the wrong person, and "signing someone up just to 'get the sale.'" In addition, the Advisory warns that slamming is a very serious problem which will be dealt with severely.

The Advisory instructs sales representatives on the ways in which they can protect against inadvertently unauthorized switches, and offers the following recommendations:

- You are strongly encouraged to verify information against each new customer's actual telephone bill for each LOA.
- The person signing the LOA should be a person with authority to act on behalf of the company or the person whose name appears on the telephone bill. It is essential that the person signing the LOA has authority to change long distance carriers.
- NEVER sign someone else's name on an LOA or any other document!
- Don't force a sale that is not there.

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disclosure of their precise operation, as it may allow a distributor to defeat Qwest's protection mechanisms. Accordingly, Qwest has segregated those elements which require confidentiality in a Proprietary Attachment to this Compliance Plan, and is seeking confidential treatment of the attachment.

In addition, the Advisory gives the following warning: *“Note that children, roommates, receptionists, secretaries and assistants typically do not have the authority to change long distance carriers for an individual or a company.”*

Every sales representative must sign an Acknowledgement confirming that he or she has read the Advisory, understands its contents, and will adhere to the policies described therein. Violations of these policies are grounds for termination of the sales representative.

**A. Order Processing Procedures**

Qwest has improved its order processing procedures over the past year. These improvements provide a better assurance that each order is supported by a complete and valid LOA, and improve the opportunity for consumers to detect improper orders early in the process.

*Submission and Scanning of LOAs.* Beginning in late September 1999, Qwest improved its procedures for receiving and reviewing the LOAs upon which orders are based. Whereas previously sales representatives (although required to obtain an LOA in all instances) did not submit the LOA unless requested, Qwest now requires for every order that the sales representative transmit to Qwest the LOA upon which the sale is based. A Qwest employee reviews each LOA to ensure it is complete and facially valid. Qwest rejects any LOA with an apparently invalid or forged signature. If an LOA passes this facial review, it is scanned into Qwest's computer system by an independent third party. By scanning the LOA, Qwest obtains a visual image of the entire LOA, which enables, upon request, a comparison of the LOA with other information provided by the customer or regulatory agency. In addition, the scanned image can be searched on several identified data fields. Qwest is exploring ways in which this data may be used in the future – such as through comparison to independent data – in order to identify forged signatures or falsified information contained on an LOA.

This process enables Qwest to weed out the most egregious instances of slamming. By reviewing each LOA submitted, Qwest can identify patterns that suggest an improper order, such as repetitive information on multiple orders or blatant discrepancies in handwriting on an LOA. Moreover, the process ensures that Qwest has on file an LOA for each order before it is submitted to the LEC to initiate the PIC change. In addition, the process gives Qwest the ability to rapidly retrieve and provide information about the authorization upon request from a customer or regulatory agency, and possibly will enable more sophisticated analyses of LOAs in the future.

*Welcome Postcard.* Shortly after an order is entered into Qwest's system, Qwest mails a welcoming postcard to the customer informing her that it has received and is processing the order. The postcard informs the customer that Qwest has received an order to change the customer's preferred long distance carrier on the telephone line(s) listed. The postcard states that the customer's local telephone company shortly will be implementing the change and informs the customer to call the listed toll-free number if she has any questions about the order.

This postcard provides every customer to be switched to Qwest with notice that a switch is occurring. Qwest uses the postcard as a way to give the customer an opportunity to detect an improper order, ideally before the switch occurs, but in any event, before the customer receives his or her first bill from Qwest or their local exchange company. By notifying a customer promptly after receipt of her order, Qwest hopes to identify any problems at the point in time when they can be corrected most easily and with the least impact on customers.

*CARE Flags.* When Qwest receives from the local exchange companies a code representing a disputed switch based on an allegation of slamming, it places a flag on the telephone number(s) identified. These flags are used to prevent reinstallation of Qwest service to the same customer after an allegation of an unauthorized switch. Qwest is in the process of implementing a system of additional flags that accomplishes the same function for instances of potentially

unauthorized switches identified by other means. Qwest expects to implement this new edit immediately after expiration of its "Year 2000" moratorium on computer system changes.

**B. Enforcement Procedures**

*Charge-Backs and Disgorgement of Profits from Slamming.* Qwest's distributor agreements provide the company with an arsenal of weapons it may use when slamming is detected. One particularly important weapon is Qwest's ability to eliminate the economic incentive for slamming by charging back all commissions and fees associated with a slammed order. When Qwest receives notice of a PIC dispute from the LEC, it immediately requires the distributor involved to investigate and report back promptly.<sup>3</sup> If the distributor fails to produce evidence that the order was supported by a valid LOA or if the distributor does not respond within the time period, Qwest will treat the order as an unauthorized switch. Consequently, Qwest automatically will charge back all commissions and fees paid to the distributor.

Qwest will continue to scrutinize these unauthorized orders, however. In addition to charging back commissions, Qwest also is entitled to charge the distributor for administrative and LEC fees imposed, and to assess other penalties if an order is not supported by a valid LOA. If a distributor has failed to provide evidence of valid authorization as described above, Qwest will require the distributor to investigate the order further and to report back to Qwest within a reasonable time identifying the cause of the invalid order and any remedial action taken. If the distributor does not take adequate remedial action or fails to provide this report, Qwest will assess administrative and LEC fees, and additional penalties as permitted by its contracts.

*Reporting and Tracking.* Qwest now compiles, on a regular basis, a series of reports that track distributor performance in the submission of orders to Qwest. These reports track, by distributor, (1) the percentage of distributor orders rejected for facial defects (tracked daily), (2) the

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<sup>3</sup> See the Proprietary Attachment appended hereto.

number of orders and amount of commissions charged back to distributors (tracked weekly), and (3) the percentage of PIC disputes and associated billing adjustments to distributors (tracked weekly). A detailed description of each report is provided in the Proprietary Attachment appended hereto. Currently, these reports are used to identify problems with specific distributors, and will be used by Qwest as the basis for action ranging from warning letters to termination of problem distributors.

V. **ADDITIONAL ANTI-SLAMMING PROCEDURES TO BE IMPLEMENTED BY QWEST.**

Qwest is dedicated to the continuing improvement of its anti-slamming efforts.

Effective for the next two years, Qwest proposes to take the following additional actions:

*Targeted Third Party Verification of Sales or Sales Channels.* In any area where Qwest determines that orders are more susceptible to potential abuse, Qwest will require independent third party verification ("TPV") for these orders. Qwest will review its sales channels and overall performance from time to time to determine types of orders or particular sales channels where TPV is appropriate.<sup>4</sup> Qwest has decided to require TPV on some orders immediately, as set forth in the Proprietary Attachment to this Compliance Plan.

Where Qwest requires verification of orders, all verifications will be provided by an unaffiliated company, and will be conducted in compliance with the Commission's standards for third party verification of telemarketing orders. All TPV sessions will be recorded and maintained for a period of at least two years.

*Strengthened Distributor Enforcement Procedures.* Qwest will revise its enforcement procedures in order to include clear and objective "triggers" to identify slamming or other marketing problems quickly and to provide effective remedial action. The revised enforcement procedures will

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<sup>4</sup> Qwest will not inform its distributors in advance of the orders that will be required to undergo TPV, and Qwest will retain the discretion to revise its procedures at any time.



be based on internal reporting and tracking mechanisms put in place to monitor distributor performance. If a distributor's improper orders exceed a pre-set threshold of performance, Qwest immediately will begin remedial procedures. In addition, Qwest will use different thresholds to target slamming activity directly. In order to prevent distributors from "gaming" Qwest's detection mechanisms, the precise tracking mechanisms employed and thresholds to be used are described in the Proprietary Attachment to this Compliance Plan.

Inadequate performance initially will trigger mandatory training and additional monitoring to increase the submission of valid orders. Qwest will require the distributor to receive follow-up training sessions (at its own expense) focusing on proper sales techniques and methods to reduce rejected orders.<sup>5</sup> As necessary to remedy specific problems, Qwest will require the distributor to implement specific changes designed to reduce its incidence of bad orders. In addition, Qwest will require all of the distributor's sales representatives to reaffirm and re-sign Qwest's Anti-Slamming Advisory and will require a Distributor Self-Audit (discussed *infra*) on a monthly or weekly basis, as necessary under the circumstances.

If performance does not improve quickly after this additional training and monitoring, Qwest will respond with more severe remedial measures and, if performance still has not improved, with termination of the distributor relationship. If additional training and monitoring do not produce a higher level of acceptable orders on those orders submitted within a reasonable time after the training,<sup>6</sup> Qwest (1) will require all of the distributor's orders to be independently third-party verified prior to submission to Qwest, (2) will require re-affirmation of the Anti-Slamming Advisory, (3) will require more frequent Distributor Self-Audits, and (4) may impose additional penalties in its discretion. If subsequent orders still do not show prompt improvement, then, as the third and final

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<sup>5</sup> Qwest will conduct this training at the distributor's main offices, and the distributor will be required to have its own sales representatives present for the follow-up training.

<sup>6</sup> See the Proprietary Attachment appended hereto.

level of enforcement, the distributor will be terminated. The specific time periods for improving distributor performance are set out in the Proprietary Attachment to this Compliance Plan.

*Strengthened Sales Representative Enforcement Procedures.* Effective immediately, Qwest will require every sales representative involved in any way in the marketing of Qwest services to periodically review and sign Qwest's Anti-Slamming Advisory. Qwest will require sales representatives to sign the Advisory at least once every six months, and to affirmatively commit each time to follow its policies.

Furthermore, Qwest will apply its zero tolerance policy to every instance of a forged LOA. If *any* individual is discovered to have forged a customer's signature, Qwest will require that the offending individual be terminated immediately. This policy will apply in the first instance of a forged LOA; sales representatives will not be given an opportunity to mend their ways.<sup>7</sup> Qwest will apply this policy to other egregious violations of FCC rules as they may arise.

In addition, if in Qwest's sole discretion, Qwest determines that an individual sales representative is involved in a significant number of improper orders, Qwest will issue warnings to the distributor and require the distributor to report back detailing the remedial actions it took to correct the problem. If problems persist, Qwest will require that the sales representative be reassigned or terminated. Qwest's current policies for initiating action against sales representatives is described more fully in the Proprietary Attachment to this Compliance Plan.

*Intensified Pre-Screening of Distributors.* Qwest will strengthen the pre-screening measures it employs to ensure that potential distributors are honest and reputable. In addition to its existing pre-screening, Qwest will require every new distributor to disclose all instances where it has been accused of slamming or other deceptive business practices. Qwest will require that all

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<sup>7</sup> The distributor will be required to certify, within 5 business days of receiving notice from Qwest, that the sales representative was terminated.

instances be fully disclosed, including allegations made against affiliates, predecessor companies, the distributors' officers, directors or principals, and any companies with which the officers, directors or principals previously or currently are associated. Qwest will immediately terminate a distributor contract upon discovery of any inaccurate or incomplete disclosures made by a distributor.

In addition, Qwest will place new distributors on probationary status for the first 90 days. During this time, Qwest will conduct performance reviews to ensure the distributor meets Qwest's standard of performance. If during this probationary period, the distributor's performance falls below a pre-set threshold of quality, then Qwest will terminate its relationship with the distributor. The standards Qwest will apply in assessing performance during the probationary period are described in the Proprietary Attachment to this Compliance Plan.

*Periodic "Refresher" Training of Sales Representatives.* In addition to initial training sessions, Qwest will mandate routine refresher training courses for its distributors. These refresher courses will provide periodic reinforcement of Qwest's anti-slamming policies, including improvements to its procedures implemented since the initial training. In addition, these sessions will cover general sales techniques and will provide a vehicle for discussing new areas of concern that may develop. Each distributor must participate in refresher training courses at least annually.

*Order Processing.* Qwest will also keep a "stay away" list of customers who have either (1) complained about being slammed in the past; or (2) expressed their intent never to purchase Qwest's services. Consumers will remain on this list for a minimum of one year. When an order is submitted to Qwest, it will be matched against this "stay away" list so as to ensure that consumers on the list are not switched by Qwest. If, however, an order is rejected because it is on the "stay away" list, Qwest will give the consumer an opportunity to decide that he nevertheless would like Qwest service. Qwest will remove the customer from the stay away list and permit a

switch only if the customer requests in writing that Qwest do so and sends a copy of the first page of his LEC bill in order to verify authorization.

*Independent Audits.* Qwest also will annually engage an independent auditor to conduct an examination of its reporting and data tracking mechanisms and the enforcement procedures based upon those reports. This examination shall be supervised by persons licensed to provide public accounting services and shall be conducted in accordance with the relevant standards of the AICPA. Qwest will provide the auditor with full access to all records necessary to conduct the required examination. The independent auditor shall provide an opinion (with exceptions, if any, noted) in a written report submitted to the Board of Directors of Qwest. Qwest's new Senior Vice President of Consumer Markets, who will lead Qwest's expanded anti-slamming initiative, will oversee the implementation of any procedural changes recommended as a result of the auditor's report.

*Distributor Self-Audits.* Qwest will require each of its distributors to report, on at least a quarterly basis, the results of an internal audit of its anti-slamming procedures. Qwest will require distributors to certify that they are adhering to the Anti-Slamming Advisory, and to report any complaints or inquiries concerning alleged incidents of slamming by the distributor.<sup>8</sup>

\* \* \*

Qwest believes that proposed changes, in conjunction with its existing procedures, will further reduce instances of unauthorized switching. Many of the steps outlined above are unprecedented in the industry and will far exceed what is required for strict compliance with the FCC's rules. Qwest is committed to reducing slamming through any commercially feasible mechanism.

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<sup>8</sup> In the event a distributor promotes the services of other companies in addition to Qwest, Qwest will require the distributor to report all allegations of slamming, regardless of on whose behalf the distributor was acting.