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1 STATE OF MISSOURI
2 PUBLIC SERVICE COMMISSION

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6 TRANSCRIPT OF PROCEEDINGS
7 Public Hearing
8 April 23, 2004
9 Jefferson City, Missouri
10 Volume 1

11
12 In the Matter of Proposed)
Amendments to Commission Rules)
13 4 CSR 240-33.010, 33.020, 33.030,) Case No. TX-2001-512
33.040, 33.060, 33.070, 33.080,)
14 33.110, and 33.150.)
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17 LEWIS MILLS, Presiding,
18 DEPUTY CHIEF REGULATORY LAW JUDGE.
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23 REPORTED BY:
24 KELLENE K. FEDDERSEN, CSR, RPR, CCR
MIDWEST LITIGATION SERVICES
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0002

1 P R O C E E D I N G S

2 JUDGE MILLS: Let's go on the record.

3 We're on the record this morning for taking comments in a
4 rulemaking case, Case No. TX-2001-512, the matter of
5 proposed amendment to Commission Rules 4 CSR 240-33.010,
6 33.020, 33.030, 33.040, 33.060, 33.070, 33.080, 33.110
7 and 33.150.

8 As I noted before we went on the record,
9 we'll take comments from interested entities, beginning
10 with those entities that are in favor of the proposed
11 rules. And so we will start with the Staff of the
12 Commission and go through the other entities that are in
13 favor of the rule, and then we'll take comments from those
14 parties who are opposed to the rule.

15 We don't really have a formal process for
16 reply comments and surreply comments; however, I will
17 allow any party an opportunity to briefly address other
18 parties' comments, not infinitum, but at least one round
19 of responsive comments if the party believes it's
20 necessary. Any questions?

21 (No response.)

22 JUDGE MILLS: Okay. Let's go ahead and
23 we'll begin with Staff. Mr. Meyer, who's going to testify
24 for the Staff?

25 MR. MEYER: Natelle Dietrich will be

0003

1 speaking.

2 JUDGE MILLS: Thank you. You can come
3 forward. Why don't we have you at the witness stand, if
4 you would, please. I was looking around to see which
5 camera was active. We'll do it at the podium.

6 (Witness sworn.)

7 JUDGE MILLS: You may go ahead, and if you
8 would begin by stating your name, who you work for and the
9 purpose of your testimony.

10 NATELLE DIETRICH testified as follows:

11 MS. DIETRICH: Okay. My name is Natelle
12 Dietrich. I'm with the telecommunications department
13 staff of the Commission. The purpose of my testimony
14 today is to give a brief summary of the purpose of the
15 rule, to support the rule and then to address some of the
16 written comments of the other parties.

17 I'd like to begin with saying that Staff
18 supports the rule in its entirety. One section of
19 Chapter 3 and Chapter 33, various sections are being
20 revised largely to bring the current rules in compliance
21 with the FCC's truth in billing requirements. Through the
22 rulemaking process, a few other concerns were identified
23 and incorporated in the rulemaking, and I can address
24 those in more detail, if you'd like.

25 In January 2001, Staff held a workshop to

0004

1 discuss proposed rulemaking language with the industry.
2 We also sought feedback on any fiscal impact that may
3 result from the then proposed impact. In February 2001
4 Staff met with the Commissioners to discuss the industry
5 concerns and fiscal impact concerns. The language was
6 then modified to address these concerns and reduce or
7 eliminate the fiscal impact that was estimated at that
8 time to come up with the fiscal impact that we have before
9 the Commission right now.

10 The language under consideration is largely
11 proposed language that was reviewed and recommended by the
12 industry. Nonetheless, Staff is amenable to most
13 comments, because the suggestions generally provide
14 clarification to the proposed rule language. I'd like to
15 go into these comments a little more in detail so that you
16 know exactly where we are supporting or disagree with the
17 comments.

18 For Section 4 CSR 240-33.020, definitions,
19 a few commenters suggest removing the word
20 "unidentifiable" from the definition of casual calling
21 customer and transient customer, since the customer may be
22 identifiable but not using the company's service at that
23 time. Staff has no objection to this change.

24 SBC suggests the reference to 1010-XXX
25 dialing in 33.020 and 33.060 be changed to 101-XXXX as the

0005

1 appropriate reference. Staff is not familiar with the
2 101-XXXX concept, only the 1010-XXX concept. 1010-XXX is
3 a familiar way of stating the dial-around type of call and
4 is advertised to the customer in that manner. Absent
5 evidence from SBC as to why 101-XXXX should be used, Staff
6 objects to this change and supports the more familiar
7 1010-XXX reference currently in the rule.

8 Moving on to Section 4 CSR 240-33.040,
9 subsection 4, several commenters suggest adding electronic
10 mail as an option for notification of rate increases or
11 decreases. Staff does not object to this proposal, as
12 long as the customer has authorized receipt of that
13 electronic notification.

14 AT&T suggests the proposed requirement to
15 notify all pre-subscribed customers of an increase in
16 rates or any service is overly broad and unnecessarily
17 burdensome. AT&T notes it would be required to notify all
18 pre-subscribed customers of a rate increase for services,
19 including services such as collect calls and third-party
20 billed numbers regardless of whether the customer will
21 ever use this service.

22 Staff acknowledges that this is a difficult
23 situation, especially when you consider services such as
24 operator services and directory assistance which, as AT&T
25 states, may receive little or no use by most

0006

1 pre-subscribed customers. However, over the years Staff
2 has had many conversations with the industry on
3 notification for such services, and we've had
4 conversations with the Commissioners regarding this same
5 topic.

6 The proposed rule codifies the current
7 process of requiring customer notice to all pre-subscribed
8 customers on all pre-subscribed services. While customers
9 may not typically use these services, Staff believes they
10 should be informed of any rate increase and Staff supports
11 the language and requirements as proposed. Although Staff
12 supports the current language as providing proper notice
13 to the customers, should the Commission decide to change
14 the notification requirement based on AT&T's comments,
15 Staff recommends the language only be modified as follows.

16 I'm going to move to the sentence about
17 halfway through the proposed rule at 33.040(4). It
18 immediately follows the reference to Section 392.550 RSMo
19 which reads, written notification must be provided to the
20 pre-subscribed customer for services available to that
21 pre-subscribed customer but billed to another party, such
22 as collect calls or calls billed to a third number.

23 We would suggest that if the Commission
24 decides to make a change based on AT&T's comments, the
25 language should only be changed to read as follows:

0007

1 Written notification must be provided to the
2 pre-subscribed customer for services available to that
3 pre-subscribed customer, except for those services billed
4 to another party, such as collect calls or calls billed to
5 a third number. This change would still provide clarity
6 to the industry staff and the Office of Public Counsel as
7 to when customer notice is expected and required for any
8 rate increases for all services related to services that
9 that customer pre-subscribes to.

10 AT&T also suggests that in that section the
11 waiver of the notice requirement for services regularly
12 announced prior to each time the customer uses the service
13 be expanded to include both pre-subscribed and
14 nonpre-subscribed services.

15 Staff's interpretation of the proposed rule
16 language already implies that any service, whether
17 pre-subscribed or not pre-subscribed, as long as the
18 customer's provided with the rate prior to each notice the
19 customer uses that service, the notification prior to
20 using that service is enough and that written notification
21 would not be required whether it is pre-subscribed or not
22 pre-subscribed. Since the waiver is available, Staff does
23 not find this requirement overly broad or burdensome.

24 Moving on to 4 CSR 240-33.060, several
25 commenters suggested changes to this section. I'll break

0008

1 it down based on their comments. Many commenters
2 suggested the requirements of 33.060, Section 1, and the
3 corresponding or related language at 33.080, Section 1,
4 are redundant and unnecessary and suggest removing these
5 sections. Staff disagrees with these comments. The
6 intent is to provide the customers with information as to
7 whom they will be contacting when dialing a contact number
8 on a bill.

9 Often we've heard that the local carrier
10 bills on behalf of other -- the local carrier does the
11 billing on behalf of other carriers, and when they receive
12 the calls questioning, say, for instance, a long distance
13 call, the local carrier is not the one that can answer
14 that question. So what this rule language attempts to
15 accomplish is providing a name and contact number for each
16 of the proposed companies that appear on a bill so that
17 the customer knows who to contact for the questions
18 related to the service.

19 I also would suggest -- or point out that
20 the language as proposed today in these two sections is
21 the language that was suggested at the industry workshop.
22 As to the redundancy of the language in the two sections,
23 we agree the language is somewhat redundant, but the rule
24 sections are not. One section addresses customer
25 disputes, and the other section addresses customer

0009

1 inquiries.

2 The same issue was raised at the workshop,
3 but the Commission chose to keep both references in the
4 proposed rule. However, upon reviewing the comments and
5 the rule, Staff did notice something that probably should
6 be changed and so we propose to modify 33.080, Section 1,
7 by changing the word "inquiries" to "disputes" so that the
8 language would now read, "all bills shall clearly identify
9 the company name associated with the toll-free number the
10 customer will be calling for billing disputes."

11 In Section 3, there were comments on
12 Section 3, which is the 900 number restriction. This
13 section should be changed such that the requirements to
14 restrict 900 calls applies to local telecommunications
15 carriers, not all telecommunications carriers.

16 A couple commenters also suggest the
17 language be modified to clarify that all direct-dialed
18 calls, for instance, 1+ dialed to a 900 MPA, be
19 restricted. Staff does not object to these suggested
20 modifications and clarifications.

21 On Section 4, this section should be
22 clarified to indicate that the carrier providing payphone
23 service to state correctional facilities for inmate
24 calling shall restrict toll calls. The intent was not to
25 restrict all calls to or from correctional facilities, but

0010

1 to restrict the inmate calls that a customer might
2 receive. Those would be collect calls.

3 For Sections 4 and 5, several commenters
4 suggested that the phrase "where technically feasible" be
5 added to these sections such that the calls to
6 correctional facilities and toll calls without a valid
7 pass code would only be restricted where technically
8 feasible. Staff does not object to this addition. To
9 require the companies to become technically feasible to
10 meet these requirements could result in fiscal impacts
11 what were not incorporated in the fiscal analysis of the
12 proposed rule.

13 AT&T suggests that customers be allowed to
14 request the restrictions in Sections 3 through 6 verbally,
15 as well as in writing, because it will make it easier for
16 customers to request these restriction options. When the
17 proposed rule was drafted and discussed with the
18 Commissioners and the industry, the thought was to allow
19 for electronic or written requests so that there was a
20 record of the request.

21 Since customers will be requesting calls be
22 restricted to their telephone, Staff continues to support
23 that this request be in writing of some sort, so that the
24 company has acknowledgement that the responsible party has
25 requested the restriction.

0011

1 SBC objects that Sections 3 and 4, which
2 are the 900 call restriction and the correctional
3 facilities restrictions be at no charge to the customer.
4 SBC notes that while it currently does not charge for
5 900 call restriction, the Commission should not impose a
6 new requirement upon companies without allowing for cost
7 recovery. This issue also was discussed at the industry
8 workshop. Contrary to SBC's position, the small ILECs
9 expressed concerns that a charge to the customer for such
10 restrictions could be used as a single-issue ratemaking.
11 In response to the feedback from the industry, the
12 Commission determined that customers could be charged for
13 the IXC toll restrictions, but not for the strictly local
14 carrier restriction requirements of 900 numbers and
15 correctional facilities.

16 Several parties suggest that Section 7 is
17 overly burdensome as written. Staff agrees with these
18 comments. As written, the section could be interpreted to
19 mean that every time a customer calls a telephone company
20 with questions about, say, for instance, caller ID, the
21 service representative would have to inform the customer
22 of his or her rights to restrict 900 numbers, correctional
23 facilities numbers, so on. Staff proposed language in its
24 written comments and Staff supports its written comments
25 to address these concerns.

0012

1 AT&T further suggests that if multiple
2 companies appear in the telephone book, the information
3 required in Section 7 need only appear once. Staff does
4 not object to this suggestion, as long as it is clear that
5 the customers have those rights no matter whom they choose
6 for a telecommunications provider.

7 4 CSR 240-33.070, Section 10, most
8 commenters suggest the requirements to send discontinuance
9 notices to customers by certified mail is costly and
10 provides unnecessary time delay, since customers may not
11 be home to accept that certified delivery. Commenters
12 propose various solutions. Staff does not support any of
13 these proposed modifications. This requirement only
14 applies when service has already been discontinued because
15 of illegal or unauthorized use of the service under
16 Section 9.

17 The original proposed rule did not include
18 customer notification, but after feedback from the
19 industry and discussions with the Commissioners, it was
20 determined that some sort of immediate customer
21 notification should be provided since the service has
22 already been discontinued.

23 Finally, 4 CSR 240-33.110, most commenters
24 suggest that the requirement to respond to Commission
25 Staff within 24 hours of receiving inquiries related to

0013

1 the denial or discontinuance of service should be changed
2 to one business day to allow for contacts on Fridays or
3 the day before a holiday. Since 4 CSR 240-33.070 prevents
4 a carrier from disconnecting basic local service on a day
5 when business offices are not open to reconnect service or
6 on the day immediately preceding such a day, the consumer
7 services department staff fails to see the concern and
8 supports the 24-hour requirement as proposed.

9 At this time I'd be glad to answer any
10 questions or clarify any of our positions further.

11 JUDGE MILLS: I have no questions. Thank
12 you.

13 MS. DIETRICH: Thank you.

14 MR. MEYER: And, your Honor, Gay Fred from
15 our consumer services department is also available for any
16 questions.

17 JUDGE MILLS: Thank you. I have no
18 questions at this time. Is there any other party who
19 wishes to testify in favor of the rule?

20 Mr. Dandino?

21 (Witness sworn.)

22 JUDGE MILLS: Thank you. If you could
23 begin by stating your name, who you work for and the
24 purpose of your comments.

25 MICHAEL DANDINO testified as follows:

0014

1 MR. DANDINO: Thank you, your Honor. My
2 name is Michael Dandino with the Office of Public Counsel,
3 representing the Office of Public Counsel and the public.

4 Essentially the Office of the Public
5 Counsel supports -- with one exception supports the rules
6 proposed in this proceeding. Also listening to the
7 comments made by the Staff, we generally support those,
8 and I'll make a couple of comments about which ones we --
9 we take a little bit of difference on.

10 First of all, let me address the one -- the
11 one comment, I guess, that AT&T had suggested that -- and
12 I believe the Staff -- I forgot exactly what the Staff's
13 position was, but let's say it's a pre-subscribed customer
14 but if you don't use those pre-subscribed services, such
15 as directory assistance or operator services, you are not
16 necessarily required to get a written notice of rate
17 increases on those services.

18 Public Counsel would suggest that the
19 pre-subscribed customers should get a notice of all
20 services that the company offers rate changes since by
21 pre-subscribing to those companies, that the likelihood is
22 that they will use their brands for other
23 telecommunications services, and I think it just makes
24 sense that you notify them of changes.

25 Of course, we agree with Staff that there

0015

1 should be no change, no charge for any 900 blocking or
2 toll restrictions. I think that's an impediment to that
3 service, and I think those type of expenses are already
4 built into the cost recovery. In fact, I think even under
5 certain provisions of the requirement for Life Line and
6 for Link-Up, that I think you have to offer those toll
7 services, toll blocking services, and I don't recall or
8 not, but I believe that you're not able to charge for
9 those under those circumstances.

10 The only comment that we have that Public
11 Counsel is opposed to -- oh, the other point is opposed,
12 and it's more of a, I guess, we get down to a
13 philosophical point of view, is in Section 33.070,
14 subsection 3, where the nonpayment of the Missouri USF is
15 considered nonpayment for local basic services. Public
16 Counsel, of course, believes that is opposed to any type
17 of a surcharge, especially a surcharge for USF where it is
18 really an obligation of the company, and we think it is
19 very unfair for the local service to be discontinued for
20 nonpayment of the company's obligation by the customer.

21 The only other comments we have is when the
22 rules in each one of these rules that just pertain to
23 residential service, we believe it should also be expanded
24 to include small business customers, and we would suggest
25 that the amendment for small business customers, it would

0016

1 probably define a small business customer as any customer
2 subscribing to a business, a business service access line
3 where the business has less than, let's say, 10 employees.
4 We're flexible on that number, but I think it should be
5 small enough to where you're not having large companies
6 that have the ability to litigate their own billing and
7 payment practices or -- but large enough to include some
8 family-owned businesses and restaurants and things like
9 that.

10 And that's the end of our comments.

11 JUDGE MILLS: Thank you very much. Are
12 there any other entities that wish to testify in favor of
13 the rule?

14 (No response.)

15 JUDGE MILLS: Okay. Just so I know where
16 we're going, can I have a show of hands of those people
17 that wish to testify opposed to the rule? Looks like one,
18 two, three, four, four or so.

19 Okay. Well, you know, I don't really think
20 there's any advantage or disadvantage to any particular
21 order. So I'm basically going to go from front to back.
22 So the person that raised their hand closest to the front
23 will go first, and Mr. Idoux with the foresight to sit in
24 the back of the room gets to go last.

25 MS. MacDONALD: Good morning, your Honor.

0017

1 (Witness sworn.)

2 JUDGE MILLS: Thank you. You may proceed.

3 If can you state your name and who you work for, your
4 position and what you're testifying about, please.

5 MIMI MacDONALD testified as follows:

6 MS. MacDONALD: My name is Mimi MacDonald,
7 and I'm senior counsel with Southwestern Bell Telephone
8 LP, doing business as SBC Missouri. My business address
9 is One SBC Center, Room 3510, St. Louis, Missouri 63101.

10 Good morning. It's SBC's position that
11 these rules that are proposed are unnecessary. There is
12 no indication that there's a problem with the current
13 rules and there's no need to implement new rules to fix
14 any problem.

15 With respect to billing, it behooves SBC
16 Missouri to have bills that are easy to read so that
17 customers pay the bills. If bills are not easy to read,
18 SBC Missouri receives more calls to the call center, which
19 increases SBC's cost of doing business and, therefore,
20 decreases profitability. Thus, it's in SBC's interest to
21 provide as much information as -- in as easy of a format
22 as possible so that SBC Missouri is profitable.

23 SBC Missouri does not believe additional
24 rules will be beneficial to customers. Rather, it will
25 merely increase costs for carriers. To the extent that

0018

1 the Commission is going to go forward and implement rules
2 regarding billing, SBC Missouri will repeat a theme that
3 we're going to be articulating a lot in the rulemaking
4 proceeding, and that is, we need flexibility. For
5 example, if customer notice is required by a specific
6 rule, the Commission should allow flexibility. The
7 customer notice should be allowed by bill insert on the
8 bill, through a welcome letter or in the white pages.

9 Customer notice should also be allowed via
10 electronic communication. Expansive methods of notice are
11 necessary due to -- due to changing technology. For
12 example, hotels historically provided you a bill and you
13 went to the front desk and you paid the bill, but now when
14 a customer stays at a hotel, many hotels allow the
15 customer to pay their bill using the TV.

16 No one can predict what the future will
17 bring, and carriers should be allowed flexibility with
18 respect to the mode of communication they have regarding
19 bills and billing information. Again, customer
20 relationships help to distinguish telecommunications
21 carriers, and it is in each carrier's best interests to
22 provide relevant information to its customers.

23 I have an opening comment about one
24 specific rule that we addressed in our pleading, and then
25 the remainder of my comments will go to proposals that

0019

1 other people made, so as not to repeat what we filed in
2 our pleading.

3 Of the utmost concern to SBC Missouri is
4 the requirement and proposed rule 4 CSR 240-33.060,
5 subsection 7, which provides that customers would be
6 notified of their call blocking rights at the time of
7 application for service. Presumably the Commission means
8 that such notification can be by some form of initial
9 communication, whether by bill insert on the customer's
10 first bill, statement on the customer's first bill or via
11 the telephone directory.

12 However, to the extent that this proposed
13 rule could be read to require SBC Missouri to notify new
14 customers of their rights in Sections 3, 4, 5 and 6 during
15 the telephone call during which the customer places
16 service, SBC Missouri objects to such notification, as it
17 would be unduly burdensome and oppressive.

18 SBC Missouri conducted a preliminary
19 analysis of the increased costs that it would incur to
20 orally discuss blocking options with its customers. This
21 analysis revealed it would cost SBC Missouri \$4.8 million
22 annually, which was not reflected in the private cost
23 estimate of the proposed rule as currently submitted.

24 The vast majority of our customers are not
25 interested in these block of features and would likely

0020

1 consider it a waste of their time to hear about them while
2 they're on the phone establishing service. Thus, SBC
3 Missouri suggests the Commission clarify that such
4 notification may be through some form of initial
5 communication, such as by bill insert in the customer's
6 first bill, as a statement on the customer's first bill or
7 via telephone directory.

8 Staff proposes alternative language should
9 try to address these problems. We appreciate Staff's
10 attempt. However, SBC Missouri prefers the language that
11 it proposes, which allows carriers to notify customers of
12 call-blocking features in the telephone directory.

13 SBC Missouri believes that the third
14 sentence, which states, and I quote, each time a customer
15 notifies a telecommunications carrier or its billing agent
16 that the customer's bill contains charges for products or
17 services that the customer did not order or that were not
18 received, the customer will be informed of their rights in
19 Sections 3, 4, 5 and 6 at the time the customer notifies
20 the telecommunications carrier or its billing agent,
21 closed quote, should be deleted in its entirety.

22 Again, SBC Missouri believes that if it's
23 required to comply with this provision, it will increase
24 customer contact time. This could potentially lead to an
25 expansive cost for Southwestern Bell and unnecessary

0021

1 burdens to its customer. The private cost estimate, as
2 currently submitted, does not reflect the substantial
3 costs that would be incurred by SBC and other
4 telecommunications carriers if this rule were imposed.

5 We further believe that if a customer is
6 calling concerning a completely unrelated product or
7 service that the customer contends was not ordered and the
8 rights contained in Sections 3, 4, 5 and 6 have nothing to
9 do with this service or product, we would still be
10 required to discuss these blocking options.

11 For example, if a customer's spouse ordered
12 caller ID and the requisite customer premise equipment
13 that would go with the caller ID equipment and the
14 customer calls in questioning that bill because they
15 didn't know their spouse had ordered the service and the
16 equipment, under the ruled as written, we would be
17 required to discuss blocking options. This would be true
18 even if the customer ultimately decided to retain the
19 services and equipment ordered by the customer's spouse.

20 For these reasons, we believe the third
21 sentence needs to be deleted in its entirety, and we note
22 that Sprint agrees with this proposed change.

23 SBC Missouri, therefore, proposes the
24 following language: Customers shall be notified of their
25 rights in Sections 3, 4, 5 and 6 above through some form

0022

1 of initial communication, such as by bill insert in the
2 customer's first bill, by statement on the customer's
3 first bill, by welcome letter or in the telephone
4 directory. Additional notice shall be provided annually
5 thereafter by bill insert, statement on the customer's
6 bill or annually in the telephone directory.

7 That is the highlight of our -- of our
8 specific comments, and now I'm going to turn to other
9 rules where we have comments about things that other
10 people have commented on.

11 Turning first to 4 CSR 240-33.020,
12 subsection 7, in our comments, SBC Missouri noted that the
13 correct way to identify 1010-XXX dialing pattern is
14 101-XXXX. While we're all familiar with the
15 advertisements when people refer to that as 1010 dialing,
16 that actually is 101-XXXX because the four Xs represent
17 CIC code so that a telecommunications carrier knows where
18 to CIC that information to another telecommunications
19 carrier. So we would again respectfully request that the
20 rule be changed to properly identify that dialing pattern,
21 which is 101-XXXX.

22 In the same section, MCI argues that
23 subsection 7 should be changed to read casual calling
24 customer is a customer that accesses the telephone network
25 by a dial-around pattern such as 1010-XXX. Again, once

0023

1 the 1010 language is substituted with 101-XXXX, we would
2 be supportive of the change proposed by MCI. SBC Missouri
3 notes that this change is necessary because in certain
4 instances a casual calling customer may be identifiable.
5 Thus the language we recommend would be a casual calling
6 customer is a customer that accesses the telephone network
7 by a dial-around pattern such as 101-XXXX.

8 Turning to 4 CSR 240-33.020, subsection 31,
9 MCI suggests that this section be changed to read,
10 transient customer is a user that accesses
11 telecommunications services through the use of a traffic
12 aggregator such as payphones or hotels. SBC Missouri
13 agrees with MCI that in certain circumstances a transient
14 customer may be identifiable, and thus we agree with MCI's
15 proposed change.

16 Turning to 4 CSR 33.040, subsection 4, with
17 this -- with respect to this rule, SBC Missouri notes that
18 it intended to insert the words "electronic communication"
19 in its written pleadings that were filed in this matter.
20 However, in our pleadings we inadvertently reflected that
21 that language was supposed to be deleted, which it's not.
22 SBC Missouri proposes that this subsection read as
23 follows: Bill inserts, bill messages, electronic
24 communication and direct mailings are acceptable forms of
25 customer notice.

1 SBC Missouri notes that AT&T also requested
2 this proposed change. MCI offers a similar change but
3 suggests the addition of the word electronic mailing
4 instead of the term electronic communication. SBC
5 Missouri believes the use of the words "electronic
6 communication" is superior, as it encompass the terms
7 "electronic mailing" as well as other forms of electronic
8 communication.

9 AT&T argues that the proposed requirement
10 of 4 CSR 33.040, subsection 4 to notify pre-subscribed
11 customers of an increase in rates for any service
12 available to the pre-subscribed customers is overly broad
13 and unnecessarily burdensome, since it would require
14 carriers to notify all pre-subscribed customers of a rate
15 increase for service such as a collect call or a call
16 billed to a third number, regardless of whether the
17 pre-subscribed customer had ever used the service or may
18 ever use the service.

19 AT&T explains that direct-mailed customer
20 notice is not appropriate as these types of notice are
21 available to both pre-subscribed and nonpre-subscribed
22 customers. Further, since customers have the ability to
23 request a rate prior to using these types of service, the
24 ultimate responsibility to shop for the best rate resides
25 with the customer.

0025

1 SBC Missouri agrees with AT&T with respect
2 to these comments. As an example, under the proposed
3 rule, it would appear that carriers would have to notify
4 all customers of an increase in the national directory
5 assistance rate when customers can obtain rate information
6 about such calls for placing them. That would be overly
7 broad and unduly burdensome. And while I understand that
8 Staff today stated something to the effect of that was not
9 the intent of this proposed rule, intention's great, but
10 if the rule as written implies something else, we need to
11 clarify the rule so we're absolutely certain what our
12 requirements are.

13 AT&T notes that the proposed rule waives
14 the written customer notification for services where the
15 applicable rate is regularly announced prior to each time
16 a customer uses the service. AT&T suggests that this
17 waiver shall be expanded to apply to services that are
18 available to both pre-subscribed and nonpre-subscribed
19 customers where the customer is able to request a rate
20 quote prior to using the service. Again, SBC Missouri
21 agrees with AT&T's proposal.

22 Turning to 4 CSR 240-33.060, this
23 subsection is probably the subsection that had the most
24 comments from carriers. With respect to 4 CSR 240-33.060,
25 subsection 1, MCI and Sprint argue that this subsection

0026

1 should be deleted because it is redundant of a similar
2 provision contained in 4 CSR 240-33.040, subsection 8K.
3 MCI states it's not clear what customer
4 benefit is achieved through the requirement to provide
5 specific company name in addition to the toll-free number.
6 Additionally, the company name may identify a calling
7 center providing service to several billing carriers, in
8 which case the customer would still have to identify the
9 specific services in order to resolve any customer
10 dispute.
11 SBC Missouri agrees with both Sprint and
12 MCI on this issue and believes that 4 CSR 240-33.060,
13 subsection 1 should be deleted in its entirety.
14 With respect to 4 CSR 240-33.060,
15 subsection 3, SBC Missouri proposed to change the language
16 contained in this rule to limit the rule to directly
17 dialed customers and to delete the reference which would
18 require carriers to provide 900 blocking at no charge to
19 the customer. In addition to these changes contained in
20 SBC Missouri's written comments, SBC Missouri believes this
21 rule should be limited to circumstances where it is
22 technically feasible. Further, AT&T suggests that verbal
23 change orders should be acceptable. SBC Missouri agrees
24 with this proposed change.
25 MCI and Sprint believe this rule should be

0027

1 limited to local exchange carriers. SBC Missouri also
2 agrees with this proposed change. Thus, SBC Missouri
3 proposes the following language: Upon request of a
4 customer by verbal communication, electronic communication
5 or by writing, where technically feasible all local
6 exchange telecommunications carriers shall restrict all
7 directly dialed calls, in paren, i.e. 1+ dialed, closed
8 paren, to a 900 MPA from that customer's number.

9 Turning to 4 CSR 240-33.060, subsection 4,
10 SBC Missouri proposed to change the language pertaining to
11 this proposed rule to limit the rule to directly dialed
12 customers and to delete the reference -- strike that.

13 SBC Missouri proposed language to require
14 carriers to provide inmate call blocking at no charge to
15 the customer. SBC Missouri also proposed language to
16 clarify that this rule applies to telecommunications
17 carriers that is providing inmate calling services and
18 applies only to calls from inmates themselves. Again,
19 AT&T proposes that verbal change orders be acceptable to
20 order inmate call block, and SBC Missouri agrees with
21 AT&T's proposed change.

22 SBC Missouri objects to Sprint's proposal
23 that this rule be limited to payphone calling services, as
24 we believe the rule may be technically incorrect in
25 certain circumstances. Thus, SBC Missouri proposes the

0028

1 following language: Upon request of a customer by verbal
2 communication, electronic communication or by writing, and
3 where technically feasible, the telecommunications carrier
4 providing inmate calling services to state correctional
5 facilities shall restrict calls from inmates on
6 non-administrative lines from state correctional
7 facilities to that customer's number.

8 Turning to 4 CSR 240-33.060, subsection 5,
9 in addition to those changes contained in SBC Missouri's
10 written comments, SBC Missouri believes this rule should be
11 limited to circumstances where it's technically feasible.
12 MCI also proposes to limit this rule to circumstances
13 where it's technically feasible. Again, AT&T proposes
14 that verbal change orders be acceptable to order toll call
15 blocking. SBC Missouri agrees with this proposed change.

16 Thus, SBC Missouri proposes the following
17 language: Upon request of a customer by verbal
18 communication, electronic communication or by writing, and
19 where technically feasible, all interexchange carriers
20 shall restrict all toll calls without a valid pass code
21 from that customer's number.

22 Turning to 4 CSR 240-33.060, subsection 6,
23 SBC Missouri proposed a change to this rule to directly
24 identify the dial-around pattern. AT&T proposed that
25 verbal change orders be acceptable to order dialing around

0029

1 call blocking. SBC Missouri again agrees. Thus SBC
2 Missouri suggests the following language: Upon request of
3 a customer by verbal communication, electronic
4 communication or by writing, and where technically
5 feasible, local telecommunications carriers shall restrict
6 all calls using a 101-XXXX dialing pattern from that
7 customer's number.

8 Turning to 4 CSR 240-33.060, subsection 7,
9 I already discussed this proposed ruling in my opening
10 comments. However, I note that AT&T and MCI comment that
11 they provide this information in a fulfillment package or
12 a welcome kit. AT&T also objects to discussing
13 call-blocking options at the time service is ordered. SBC
14 Missouri believes that the language that it proposed
15 covers both AT&T's and MCI's concerns.

16 AT&T objects to providing annual written
17 notice by bill insert or statement on the customer bills.
18 AT&T believes it would be more effective to include
19 information in a local directory rather than having
20 multiple carriers provide this information to their
21 customers. AT&T proposes the following language: If
22 Multiple telecommunications companies are represented in a
23 telephone directory, the information need only appear
24 once. SBC Missouri objects to this proposed change.

25 Each telecommunications carrier has to find

0030

1 the best way of communicating and meeting the needs of its
2 subscribers. That is the essence of competition.
3 Mandates from the Commission that it only appear once in
4 the telephone directory blur the distinction between
5 companies by making the message from all local service
6 providers the same.

7 Further, companies may have different ideas
8 regarding how they would like their customers to contact
9 them regarding these call-blocking features. Some may
10 want only verbal orders, some way want only written orders
11 and some may offer electronic change orders. Publishing
12 the information once would not reflect the different types
13 of change order methods a telecommunications carrier may
14 offer.

15 Finally, AT&T's proposed language does not
16 indicate who would pay for the entry in the telephone
17 directory. It does not -- neither -- because it was not
18 part of the proposed rule, that was not considered in the
19 fiscal impact to a telecommunications carrier, and this
20 impact may be substantial if this rule were implemented as
21 AT&T proposes. AT&T's proposed language in this respect
22 should, therefore, be rejected in its entirety.

23 I have two more comments. Turning to
24 4 CSR 240-33.070, MCI proposes language that in
25 circumstances of illegal or unauthorized use would require

0031

1 telecommunications carriers to notify customers of
2 discontinued service not only by written mail, but also
3 accompanied by three attempts per day for three days to
4 reach the customer by telephone. SBC Missouri objects to
5 this proposed language. Presumably the very number for
6 its services discontinued would be the number the carrier
7 would be attempting to contact the customer at; thus, the
8 language should be rejected in its entirety.

9 Finally, turning to 4 CSR 240-33.080,
10 subsection 1, MCI and Sprint propose to delete this
11 section as it is duplicative of 4 CSR 240-33.040,
12 subsection 8K. SBC Missouri agrees that this section
13 should be deleted in its entirety.

14 Those are all of the comments that SBC
15 Missouri has at this time. I'm more than happy to answer
16 any questions anybody may have.

17 JUDGE MILLS: Thank you. I have no
18 questions. Next?

19 (Witness sworn.)

20 JUDGE MILLS: If you'd begin by introducing
21 yourself and stating your position.

22 RICK TELTHORST testified as follows:

23 MR. TELTHORST: My name is Rick Telthorst.
24 I'm the president of the Missouri Telecommunications
25 Industry Association. MTIA is a trade association that

0032

1 represents the industry in the state. I'm here this
2 morning to merely respond to any questions or
3 clarifications you may need regarding our written comments
4 that we filed on March 30th. Also I've been informed that
5 Mr. Kohly with AT&T is appearing this morning for the same
6 purpose, to only respond to questions you may have, and
7 doesn't need to be called unless you find you need to.

8 JUDGE MILLS: Both your comments and the
9 comments of AT&T are relatively straightforward and clear.
10 I don't have any questions for either of you.

11 MR. TELTHORST: Thank you.

12 JUDGE MILLS: You're welcome.

13 (Witness sworn.)

14 JUDGE MILLS: Thank you.

15 JOHN IDOUX testified as follows:

16 MR. IDOUX: My name is John Idoux,
17 I-d-o-u-x, appearing today on behalf of Sprint. My
18 business address is 6450 Sprint Parkway, Overland Park,
19 Kansas 66251. Sprint has also filed comments in this
20 particular case, and I don't mean to reiterate anything
21 that we filed in our written correspondence on March 30th.
22 I think one of the benefits of going last is you can
23 respond to everybody that went before you.

24 The only additional comments I have relate
25 to 4 CSR 240-33.060, subsections 3, 4, 5 and 6, the verbal

0033

1 communications in addition to electronic communications or
2 communications in writing. Sprint would strongly support
3 adding the ability for customers to communicate via verbal
4 request.

5 Sprint also notes that its practices are
6 probably similar to all in the industry that when a
7 customer calls in to a center to request such blocking,
8 customer verification is requested before any type of
9 activity is made with that customer account. So if a
10 customer calls in, they're going to have to verify who
11 they are with either a Social Security number or a
12 password.

13 Also at that time whenever any type of
14 account activity is done, probably by all companies,
15 documentation is made in the comment sections on that
16 customer's account. So there is date, time, who the rep
17 was and who the cus-- or the -- who the customer was, if
18 it's a spouse or something is all documented. So that
19 should provide adequate protections against unauthorized
20 additions of blocking.

21 Right now Sprint and, I imagine, the
22 industry is not set up to handle the onslaught of paper
23 requests. There's no rules as far as how long those
24 should be maintained. We don't have a paper file system
25 capable of handling all those requests. So we would

0034

1 strongly support the additional use of verbal
2 communications in addition to electronic and in writing.

3 And that's all I have. But I am open for
4 any questions, Judge, you may have on comments.

5 JUDGE MILLS: Thank you. I have no
6 questions.

7 MR. IDOUX: Thank you.

8 JUDGE MILLS: Does anyone have any further
9 comments?

10 (No response.)

11 JUDGE MILLS: Okay. Seeing none, that
12 concludes the comment period on this rulemaking. We're
13 off the record.

14 WHEREUPON, the public hearing was
15 concluded.

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