

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265**

Public Meeting held April 11, 2002

Commissioners Present:

Glen R. Thomas, Chairman
Robert K. Bloom, Vice Chairman
Aaron Wilson, Jr., Statement attached
Terrance J. Fitzpatrick
Kim Pizzingrilli

Interim Guidelines Establishing Customer
Information for Jurisdictional
Telecommunications Companies

Docket No. M-00011582F0002

FINAL ORDER

BY THE COMMISSION:

By this order, the Commission adopts as final, Interim Guidelines relating to Customer Information. Note that these Interim Guidelines are voluntary and are intended to provide guidance to local service providers (LSPs) regarding the provision to customers of information related to their service in a concise and understandable format.

Background

On December 4, 2001, the Commission issued a tentative order for public comment containing interim guidelines that addressed the provision of customer information relating to service identification, service charges, bill format, and notices of change of service or service provider. The tentative order also established a ten-day comment period from the date of publication in the Pennsylvania Bulletin of the tentative order. The tentative order was published in the Pennsylvania Bulletin on December 15, 2001. On December 20, 2001, the Commission issued a secretarial letter that extended the public comment period to January 11, 2002.

Written comments were received from Adelphia Business Solutions (Adelphia); The Association of Communications Enterprises (ASCENT); AT&T Communications of PA, Inc. (AT&T); ATX-CoreComm (ATX); CTSI, LLC (CTSI); Metropolitan

Telecommunications (MetTel); Office of Consumer Advocate (OCA); Pennsylvania Cable & Telecommunications Association (PCTA); Pennsylvania Telephone Association (PTA) and Verizon Pennsylvania, Inc. and Verizon North, Inc. (Verizon). We also received late-filed comments from MCI and OSBA.

The Commission expresses its appreciation to the commentors for their helpful information and thoughtful observations. While all of the comments are not discussed in this order, the Commission considered all the comments submitted in finalizing the Interim Guidelines. The comments are discussed in relation to the specific section of the guidelines to which they were filed. A copy of the Interim Guidelines revised consistent with the following discussion is attached as Annex A.

Comments and Resolutions

I. Statement of Purpose, Application and Effect.

B. Application.

Comments of the Parties

OCA recommends that the application of the Guidelines should be stated as specifically applying to LSPs and recommends specific wording: “These guidelines apply to LSPs that serve residential and small business customers.”

Adelphia does not believe that the Customer Information guidelines should apply to small business customers. CTSI also comments that the Commission should not add small business customer into the Interim Guidelines and Chapter 64 regulations. The Interim Guidelines would create a new customer class (composed of customers subscribing to 3 or fewer business classified lines). Customers are classified as either residential or business customers and are not tracked based on the number of subscriber lines. This Interim Guideline should delete any requirement to segregate business customers into separate categories based upon the number of subscribed lines.

Resolution

The Commission adopts OCA’s recommendation to add “LSPs that serve” into the statement of application. The Commission will remove the reference to small business customers based on the above comments. The definition of “small

business customer” and the application of regulatory requirements to service provided to small business customers will be discussed in the Collaborative.

II. Definitions

Definition of Basic Service Charges

Comments of the Parties

OCA comments that the Commission should clarify its current definitions. OCA suggests that the Commission adopt the term “Monthly Local Service Charge” for greater clarity for local telephone customers. This term would include the current definition of the “Basic Service Charge” and would include all monthly charges that must be paid by the consumer to retain local telephone service.

CTSI comments that the definition of basic service charges should include all items that are considered basic service. Specifically, dial tone line, touch-tone, any applicable local calling plan, Federal line cost charge, Federal Universal Service Fund, PA Telecom Relay Surcharge, 9-1-1 Emergency Service Fee, Local Number Portability, Non-List and/or Non-Published Service Charges and applicable state and federal taxes.

Verizon also suggests specific wording: “Basic Service Charges – These charges include those for the customer’s dial tone line, local calling plan, touch-tone, directory assistance, Federal line cost charge, PA Relay Surcharge, Federal Universal Service Fund, local number portability, 9-1-1 emergency service and applicable taxes.”

Resolution

Based on the comments of OCA we will add the word “local” to basic service charge to clarify that these charges pertain to the provision of local basic service. However, we decline to also add the word “monthly” so that the term is not overly long and cumbersome. We will also add the term “applicable federal and state taxes” to the list of local basic service charges as suggested by CTSI.

Definition of Local Service

Comments of the Parties

There was a common concern by CTSI, PCTA, PTA and Verizon that the definition for Local Service be consistent with the definition of basic service and

that the items addressed within the definition be the same as for basic service. Verizon suggests a new definition, which would replace the reference to calling capacity with “telecommunications service within a customer’s local calling area”.

Resolution

The Commission agrees that the definition of local service should be consistent with the requirements of Chapter 64 and with the definition of Local basic service charges. We have adopted Verizon’s recommendation of eliminating a reference to calling capacity within the community and have used Verizon’s suggested wording. We have also included in this definition the same services that are included in local basic service charges.¹

Definition of Local Service Provider

Comments of the Parties

Verizon comments that the definition of local service provider should make reference to a company that provides local service “to an end-user customer.” In comments to the Abandonment Proposed Interim Guidelines, Verizon recommended that a separate definition be included for a UNE local service provider. The OCA also provides comments to the Abandonment Proposed Interim Guidelines that the guidelines should specifically apply to the local service providers who are providing service through unbundled network elements.

Resolution

The Commission clarified the definition of local service provider by adding “to an end-user customer” as suggested by Verizon. We will also clarify the definition of local service provider to include the three means by which LSPs can provide service. The means include by resale, unbundled network element platform or through their own facilities. This clarification should address the comments of Verizon and OCA and negate the need for a separate definition of UNE local service provider. These changes to the definition of local service

¹ As we have noted in *MCImetro*, R-00984266 (March 26, 1998) and *BA-PA*, R-00994585 (March 4, 1999), the provision of two free Directory Assistance calls per month is important to telephone customers. The two call

provider will be reflected in the other Interim Guidelines on Abandonment, Changing Local Service Providers and Quality of Service so that a consistent definition of local service provider is contained in all four Interim Guidelines. We will also adopt the definition of end-user customer that is contained in the Abandonment Interim Guidelines because the revised definition of local service provider now makes reference to “end-user customer”.

Definition of Optional Service

Comments of the Parties

ATX comments that the reference to bundled package in the definition of optional service may be confusing.

OCA and Verizon both suggest that the definition of optional service clearly state that optional services are not required for local service and that local service cannot be suspended for nonpayment of the optional services. Verizon also suggests wording that optional service “is not required for local service...” and that we should substitute the phrase “per use” for the phrase “per call.”

Resolution

The Commission agrees to remove the reference to bundled package in this definition and to more clearly state that an optional service is not required for local basic service. We also adopt the wording suggested by OCA and Verizon that local basic service cannot be suspended if the customer does not pay the charges for optional service(s). We will also substitute the phrase “per use” for “per call” as recommended by Verizon.

Definition of Small Business Customer

Comments of the Parties

Adelphia and CTSI comment that the Guidelines should not apply to small business customers. These comments were discussed above under I.B. Application.

Resolution

Directory Assistance allowance is sufficient to ensure that chronic users (cost causers) of Directory Assistance will pay for the majority of Directory Assistance calls that they make.”

We will remove the definition of “small business customer” from the guidelines. The application of regulatory requirements to service provided to small business customers and the definition of small business customer will be discussed in the collaboratives.

III. Customer Bills, Format and Organization

A. Bill Frequency

Comments of the Parties

The OCA comments that the Guidelines should specify that the bill is to be in writing unless the customer agrees to accept billing by another media such as by electronic communications.

Resolution

We agree with the comments of OCA and will add that the bill should be in writing unless the customer has expressly agreed to accept billing by another media, such as by electronic communication.

B. Billing Information

- 4. Charges that must be paid to retain basic service should be clearly identified and immediately thereafter, a statement “that failure to pay these charges will result in the loss of basic service” should be present.**

Comments of the Parties

CTSI and Verizon voice concern that this requirement could be contradictory to Chapter 64 requirements. This requirement might lead customers to think they have an option of postponing any overdue charges using the date due on the current bill. In addition, the statement could mislead customers into believing that if they do not pay the amount specified on the bill, the company would automatically suspend their service without notification as required in 52 PA Code §64.71.

Verizon suggests alternative language for an accompanying statement: “nonpayment of any past due basic charges could result in suspension of your local service after you receive a written notice.”

Resolution

The Commission agrees with CTSI and Verizon regarding the conflict with Chapter 64 regulations. We will adopt the language suggested by Verizon that “nonpayment of any past due local basic service charges could result in suspension of your local basic service after you receive a separate written notice.” We will also revise the language to require an accompanying statement rather than to require that the statement immediately follow the charge. This change gives the LSP flexibility as to how this notification can be accomplished on bills without requiring major bill reformatting.

- 5. All additions or removals of a service, changes in rates or changes in rate plans should be clearly identified on the bill.**

Comments of the Parties

AT&T and Verizon comment that providing an exact manner and specific words to describe new service would be expensive and burdensome to implement. CTSI and PTA state that this type of notification is usually communicated to the customer by a bill message.

Resolution

We agree with the comments of the parties and will not require that changes in service, rates or rate plans be identified on bills. Therefore, we will remove this section and address the issue in a later section of the Interim Guidelines entitled “Customer Notices About Changes in Terms.”

- 6. A statement about the availability of the programs for low-income customers and customers with disabilities should be included. The bill should also include a telephone number for the customer to contact the company regarding these programs.**

Comments of the Parties

ASCENT comments that as proposed, the current rule keys in exclusively on monthly billing as the sole medium that should be used by providers to inform customers of certain service-related information. ASCENT does not dispute the effectiveness of monthly billing as a communications medium. The Commission should give providers the flexibility to use monthly billing as a means to tell customers how to obtain service-related information, and not be the sole method for communicating it. ASCENT claims that the ability to use different communications media lessens the potential for increased costs, which can affect the rates paid by customers and allow for more focused responses to customer inquiries. The Commission should require service providers to provide customers with information regarding low-income programs and disabilities, definitions of charges, and other service-related provisions, through direct contact, or through electronic access, without specifying the medium used. The proposed rules should allow that customers could be periodically notified that service-related information is available to them, and how to access it. The requirement that each month, each bill must contain a statement about the availability of programs for low-income and disabled customers should be held in abeyance.

OCA believes that the PUC should more clearly require LSPs to state the availability of the Lifeline Program to low-income customers.

PTA points out that notification is currently provided annually in compliance with Commission regulations via bill insert and newspaper publication as part of the Eligible Telecommunications Carrier requirements. In addition, this information is made available to customers

in the LSPs' telephone directories. To follow the Interim Guideline would unnecessarily increase the bill size.

Resolution

The Commission will drop the requirement that bills contain a statement about the availability of programs for low-income customers and customers with disabilities. Instead, we will defer the education of consumers about the availability of the Life Line, Link Up and TRS programs to the PUC's Consumer Education program. We encourage companies to announce quarterly or at least more than once a year that these programs are available. This information could be provided as a bill insert and also provided on the company website.

7. The definition section of the bill should be distinctly separate. Definitions are to be brief, clear, non-misleading and in plain language. The definitions should include billed items on the bill that are not commonly understood such as abbreviations, symbols or acronyms. Use standardized terms on bills whenever possible when referring to charges relating to regulatory requirements. Definitions of the following charges and terms should be on a customer's monthly bill:

- (a) Federal Line Cost Charge**
- (b) Federal Tax**
- (c) Federal Universal Service Fund Surcharge**
- (d) Interstate Access Surcharge**
- (e) Basic Service**
- (f) Number Portability Surcharge**
- (g) PA Relay Surcharge**
- (h) Pre-subscribed Interexchange carrier Charge**
- (i) Public Safety Emergency Telephone 911**
- (j) State Tax**

Comments of the Parties

Adelphia comments that the definitions outlined in the Proposed Guidelines are included in the service provider's tariffs.

AT&T believes that the need to include on every month's bill definitions of the ten identified terms as well as other abbreviations, symbols and acronyms that are "not commonly understood" would consume a large amount of space and be quite costly.

Resolution

We will defer to the collaboratives the need to have definitions of specific terms appear on monthly bills. The collaborative discussion should include consideration of the FCC's Truth-in-Billing Requirements as they pertain to Descriptions of Billed Charges. We will not require that the definitions of the regulatory charges appear on monthly bills but will defer to discussion in the collaboratives the value of having the definitions of the regulatory charges in a quarterly bill insert.

We will require that the following standardized terms be used when referring to the regulatory charges that are a part of the local basic service charge: Dial Tone Line, Federal Line Cost Charge, Federal Universal Fund Charge, Interstate Access Surcharge, if applicable, Local Number Portability Surcharge, PA Relay Surcharge, 9-1-1 Emergency Service and Touch Tone. Monthly bills should show that each of the regulatory charges, if applicable, as well as applicable federal and state taxes are included in the price for local basic service. The regulatory charges may appear on the bill as line items or may be listed in a statement that appears in the local basic charge section of the bill. We believe there is a need for a glossary of terms, but will defer to the collaborative for the glossary content and who should receive a copy of the glossary.

- 8. Where the basic service package has a call allowance, the number of calls should be located next to the plan name.**

Comments of the Parties

Both CTSI and PTA state that this requirement could make the bill too lengthy. LSPs should have the flexibility to provide other means, such as a toll-free number for customers to call if they have any questions about the charges on their bill. Alternatively, LSPs could have the definitions on the website and make reference to this on the bill.

Resolution

Based on the comments of CTSI and PTA, we will not require that the call allowance be placed on the bill. We will require that the call allowance be described in the disclosure statement.

C. Foreign Language Requirements

Comments of the Parties

Both ASCENT and ATX comment that the reference to “significant number” does not give clear direction and could be discriminatory towards all other possible “significant” numbers of non-English speaking customers within the carrier’s service territory.

Resolution

Based on comments we will not finalize this requirement but will suggest that LSPs consider providing foreign language-specific bills and customer information based on the demographics of their customer base. Therefore, we amend the wording of the Foreign language requirement to read:

Local service providers whose service territories include non-English speaking persons should consider providing information in the native languages of their customers.

D. Bill Organization.

- (2) Charges for local basic service should be listed separately and appear before other monthly charges. Required monthly fees or surcharges, including the 911-service fee, the Federal Communications Commission’s subscriber-line charge and the number portability charges should be included in the amount for basic service.**

Comments of the Parties

OCA proposes additional language that “the PUC may revise this definition by Secretarial Letter after adequate notice.”

Resolution

We will defer to the collaborative discussion of the usefulness of OCA’s suggestion regarding PUC revisions through the issuance of Secretarial Letters. We will revise this section to refer to all the fees or surcharges that should be included in the local basic service charge consistent with prior discussion about regulatory charges above.

- (3) The telephone bill should clearly show the amount to be paid to avoid suspension of basic service. This amount should appear on the front page of the bill where the amount to be paid is shown.**

Comments of the Parties

CTSI, PTA and Verizon do not feel that this amount has to be shown separately on the front of the telephone bill. This would cause costly changes to Verizon’s billing system and the suspension and termination notices provide a breakout of the charges to pay to avoid suspension or termination of basic service. The past due, current and total amounts due are already listed on the front page. Having this requirement could be misleading to customers in that they might think that nonpayment of this amount could result in automatic suspension of service or that they may only pay the basic service amount by mistake and be subject to suspension notice treatment.

Resolution

We will drop the requirement that the amount to be paid to avoid suspension of basic service should appear on the front page of the bill. However, we continue to believe that customers should be informed that the charges include local basic service charges and failure to pay these charges could result in the suspension of local basic service. Therefore, we defer to the collaborative for a discussion on how to identify those charges that must be paid to avoid suspension of basic service. We propose that an asterisk be placed by the total amount due. This would refer to an enclosed statement, in bold, on the same page telling the customer that the basic service charges are included in the total. If basic service charges are not paid this could result in the suspension of local service.

- (4) The telephone bill should clearly list per call charges. This listing should include charges for local, local toll and long distance charges with the rate shown in dollars or cents per minute.**

Comments of the Parties

CTSI objects to the requirement of listing a per call rate in dollars and cents per minute. This detail will require significant programming costs to develop.

The PTA companies object to the reflection of a rate in terms of dollars and cents per minute. Listing of per call charges in the format suggested in this Interim Guideline is available upon request. Because of rate variables, a rate per minute would be difficult to provide and the explanation of such a rate would be confusing for customers to understand. Inclusion of the rate should be optional.

Resolution

We will revise the wording in the Interim Guidelines to reflect that the bill should clearly list charges for per use services and local measured service if applicable. We will delete any reference to long distance charges and rates.

NEW SECTION – (8) Local Basic Service Charge Detail

Comments of the Parties

The OCA comments that an additional section should be added to the Interim Guidelines to read as follows: “The bill should contain the monthly local service charges, expressed as either a flat rate monthly charge or a measured use monthly charge, if either is applicable. These charges should be itemized on page 2 of the customer bill. This itemized disclosure of measured used service should include the flat rate charge, the minimum monthly charge, the number of, and itemization of, calls made in excess of the minimum monthly call allowance for measured usage charges, and the total of the call charges. Other monthly or non-recurrent charges should also be itemized as components of the customer’s Monthly Local Service Charge on page 2 of the customer bill.”

Resolution

We will adopt OCA’s language in an edited version regarding local basic charge detail but will not specify that this appear on page 2 of the bill. We will delete the language about other monthly or non-recurrent charges.

IV. Disclosure Statement of Terms and Conditions of Service.

The local service provider should provide a disclosure statement of the terms and conditions of service to new customers.

Comments of the Parties

Adelphia comments that business customers generally meet with a service provider at least once prior to receiving service and it would not be necessary to send these customers the disclosure statement. MCI comments that the opening statement should make clear that the billing and disclosure statement information applies only to local bills and not to long distance services. The OCA comments that the Disclosure Statement of Terms and Conditions should apply to both long distance and local telecommunications providers.

The PTA comments that disclosure sections (A) and (B) would apply only to customers receiving service under contractual arrangements,

not to those who purchase services available through tariffed pricing. Terms and conditions for services provided to month-to-month customers, and for services provided to most contractual customers, are in the tariff, and available for public inspection. Physically sending the written terms and conditions to new customers could be handled through existing procedures. The specific requirements for the disclosure statement included in Sections A and B will require extensive adaptation of the process. The additional requirements will increase programming plus costs of mailing, and postage. Some LSPs provide a confirmation statement to customers after service is installed to verify what was provided. PTA companies feel this should be sufficient. Discrepancies in services can be corrected at that time.

Resolution

As discussed above, this Interim Guideline will apply to residential customers only. Therefore, the Commission will not require that business customers be provided with disclosure statements at this time. This topic will however be discussed in the collaboratives.

Based on the comments of OCA, we will clarify that the disclosure statement should be provided to a new residential customer who is signing up for local service with the LSP. If the customer is signing up for only local service, the disclosure should cover the provisions of local service. If the customer is signing up for local service as well as long distance service, the disclosure should cover the provisions of local and long distance service. If the customer is not signing up for local service but is signing up for only long distance service, these Interim Guidelines as they pertain to disclosure statements would not apply.

While PTA comments that terms and conditions for services provided to month-to-month customers are in the tariff, tariffs are typically not written in plain language that is easily understood by residential customers. In response to PTA's comments about LSPs currently providing customers with confirmation statements, we point out that the

Terms of Service disclosure would likely include some of the information contained in the confirmation letter and could be mailed to the customer with other materials the LSP wishes to provide to new customers. We want to also clarify that 52 Pa. Code §64.191(f) and (g) require that the Local Exchange Carrier should inform each customer that he or she will be sent a confirmation letter with specific information. We envision that the Disclosure of Terms and Conditions would incorporate the provisions of §64.191(f)(1-3) and, (g)(1-3, 6, 8 & 9) and, if applicable (g)(4 & 7). Therefore, the Commission is not requiring that a new mailing be provided to customers but that a plain language form be provided that the customer can use as a tool to determine what services he/she has ordered, the prices for those services and what obligations the customer has to the LSP.

A.(2) The Disclosure statement should be sent to a new customer free of charge by the end of the next working day after receiving the customer's order.

Comments of the Parties

Several parties including ASCENT, ATX, PTA and Verizon object to the requirement of sending the disclosure statement to customers the next day after receiving the customer's order. They believe that this requirement does not provide enough time to send a disclosure statement. The recommendations asked for from three to five days in which to comply with this requirement. PTA comments that it is unclear what "new customer" refers to. Is it a customer who has no service and is new to the LSP, or is it a customer who has existing local service with the LSP but is adding another new service?

Resolution

The Commission agrees to change the requirement to provide a new customer with a disclosure statement by the end of the "third" working day after receiving the customer's order. In response to PTA's comment, a new customer is a customer who is initiating service with the LSP. Where an existing customer wants to add or otherwise modify the services they are

receiving, the LSP would provide a disclosure statement under the provisions that follows (IV.A.(3) – provided whenever there is a change of service). In general, a customer should have a disclosure statement that reflects the current services and terms that are being provided by the LSP.

(3) Provided whenever there is a change in the terms of service.

Comments of the Parties

The OCA comments that the disclosure statement should be provided free of charge.

Resolution

We agree with the OCA that the customer should receive a new disclosure statement free of charge whenever there is a change in terms, whether the change is initiated by the customer or the LSP. The disclosure should be provided within three working days of initiating the change in services or terms.

(4) Provided upon request to customers at least annually, at no cost to the customers.

Comments of the Parties

CTSI comments that the requirements proposed in this paragraph appear to overlap with the Chapter 64.14(b) & (c) provisions. This appears to be a duplication of notification and information requirements that will be costly and will provide no additional benefits to the customer.

Resolution

The provisions of §64.14(b) as it pertains to a customer request for an itemization of all service equipment and other recurring charges and (§64.14(c)), a disclosure upon request for a new or additional service, would be met by sending the customer a new disclosure statement of terms and conditions. We will defer the discussion to the collaboratives as to the extent to which the new disclosure statement can replace current provisions at §64.14 and §64.191. We clarify that these Interim Guidelines do not require the LSP to send out a new disclosure statement annually where there has been no initiation of new service or changes to the terms of

service. This provision only applies when a customer requests a copy of his or her disclosure statement.

B. Each disclosure statement should contain the requirements under §64.191(g) and the following information:

Comments of the Parties

Both ATX and Verizon comment that this section would be applicable to only those situations where the specified information is relevant to the particular transaction.

Resolution

The Commission agrees with ATX and Verizon that the words “where applicable” should be added since not all of the requirements under §64.191(g) would apply in all instances.

(4) Activation fees or charges, including applicable construction charges to install a new service or transfer an existing service to a new location.

Comments of the Parties

PTA companies object to the inclusion of excess construction charges in this disclosure statement because applicable construction charges, if excess construction is needed, would not usually be known by the next business day after taking a new service order.

Resolution

The Commission agrees with PTA that if construction is needed those final costs would not be available until the company performed an inspection. To address this issue, we added the word “estimated” before the word construction charges.

(9) A full explanation of the product or service as shown below to which the customer has subscribed:

Comments of the Parties

PTA comments that a full explanation of products and services already are provided in the LSPs’ telephone directories.

Resolution

In response to PTA's comments that a full explanation of the products and services are already included in the telephone directory, the Commission envisions that the Disclosure Statement will be the primary document which provides the customer with the essential information about the products, services, and associated prices to which the customer subscribed. Not all LSPs publish telephone directories. Also, while there are many sources customers could use to obtain information, we believe that having the essential information available in one plain language, user-friendly document is most desirable. Such a disclosure statement can be useful for customers to check the accuracy of charges that appear on their bills against those to which they subscribed as reflected in their disclosure statement.

In an environment where customers have competitive choices for local services, customers can use their disclosure statement for comparing the prices and services they currently subscribe to against offers from other competitive providers. To the extent that customers have access to product and service information and their associated prices, customers will have the tools to willingly participate in the competitive marketplace without unnecessary frustration.

(9)(b) Optional monthly flat rate service ordered and the price per month for each service unless covered in a package. These services can include Call Forwarding, Call Waiting and Caller I.D.

Comments of the Parties

ATX comments that this appears to define the universe of optional flat rate services. ATX recommends that this provision should be modified to clearly indicate that the services enumerated are examples only.

Resolution

Based on the comments of ATX, we will insert the words “for example” in (9)(b) to clarify that the services listed are examples and do not constitute an entire listing of the services.

(9)(c) Optional services ordered and the price per use. These services can include Repeat Dialing, Speed Dialing and Three-Way Calling.

Comments of the Parties

Verizon comments that services provided on a per use basis would not be ordered.

Resolution

Verizon’s comments that optional services that are priced on a per-use basis (for example, Repeat Dialing, Speed Dialing and Three-Way Calling) are not ordered by customers but are available for use and priced on a per-use basis. In keeping with the concept that the disclosure statement is a document that reflects what a customer has ordered or subscribed to, we will not require that these optional services be included in the disclosure statement. A LSP providing such services may choose to include these items in the disclosure statement or choose to disclose the description and price per use via other means. Therefore we will delete (9)(c) from the Annex.

(9)(e) NEW PROVISION for total price disclosure

Comments of the Parties

The OCA comments that the disclosure should also contain the full and total price of the total services purchased.

Resolution

In response to the comments of OCA about including the total price of the products and services ordered by the customer, we will insert a new provision (9)(e) that reads:

“Total price. The disclosure should contain a statement of the total monthly price of the total products and services to

which the customer subscribed.” Where the customer has subscribed to local service and long distance service, a total for local service should be separately disclosed as well as an overall total for both local service and long distance service.

(10) The local service provider’s cancellation policy and fees for early cancellation, where applicable.

Comments of the Parties

The OCA comments that customers should be made aware of their right to rescind or cancel any services.

Resolution

We will amend provision (10) to add the following: “The disclosure statement should inform customers of their right to rescind or cancel any services and what the customer should do to cancel one or more services.”

(12) NEW PROVISION: PUC Contact Information

Comments of the Parties

The OCA comments that the disclosure should explain the process the customer is to use to pursue complaints first with the LSP and then with the Commission. The OCA comments that the disclosure should provide a toll-free telephone number, web site address and mailing address for the Commission.

Resolution

We will amend the Interim Guideline by adding a new section (12) that reads: “PUC CONTACT INFORMATION – The disclosure statement should include language directing customers who have a question or complaint to first contact the LSP. The disclosure statement should also inform customers of their right to contact the PUC about complaints which are under PUC jurisdiction. The disclosure should provide the Commission’s contact information including the toll-free telephone number, street address and website address.”

(13) The statements required by section IV. D. (1) of these guidelines relating to Customer Notices.

Resolution

The Commission notes that the correct reference relating to Customer Notices appears in IV.E.(1), not in IV.D.(1). Therefore we will correct the reference in the Annex. This provision will now be (14) in the Annex.

(15) NEW PROVISION: Retention of Local Basic Service

Comments of the Parties

The OCA comments that the disclosure statement should inform customers that they can retain local telephone service as long as the customer pays the “local basic service charge” by the due date.

Resolution

We will amend the Interim Guidelines by adding a new section (15) that reads: “RETENTION OF LOCAL BASIC SERVICE. The disclosure statement should inform customers that they can retain local telephone service as long as the customer pays the “local basic service charge” in a timely manner.

D. Right of Cancellation.

Comments of the Parties

ASCENT comments that, although service provider tariffs typically account for this possibility, the proposed rule should either explicitly specify that customers who terminate service under this provision (e.g., those who were not slammed but simply changed their minds) remain responsible for payment of all charges for service received. According to the Maine Commission’s rules, “...a customer may, for any reason, cancel the order without penalty or further obligation. Cancellation must occur within 5 days...The customer should pay or formally dispute any charges incurred within the five day period.”

In its comments, CTSI asks when an LSP provides the local service in less than 5 business days of the application and has incurred certain non-

recoverable service provisioning costs and the customer makes a decision within their allowable 3-day of receipt time frame to cancel, will the customer be liable for those non-recoverable costs and any service utilized during that period of time.

In its comments, PTA requests adding a statement to clarify that, if a LSP has completed a service request to meet the 5 day primary service installation requirement in 52 Pa. Code §64.58(a), the customer is responsible for any charges incurred or services used through the date of the cancellation notice.

Verizon does not believe the 3-day right to rescission under what the courts have denominated the “door-to-door-solicitation” provision in Section 201-7 of the Unfair Trade Practices and Consumer Protection Law has any application to the sale of telephone services by regulated carriers. This provision is properly aimed at shady salesmen, not sellers of public utility services. Under tariff contracts with Verizon and other carriers, residential customers and most small business customers can terminate their service at any time without penalty. Verizon provides new customers with considerably more than 3 days to cancel contracts for optional services by offering customer satisfaction guarantees (CSGs) on these services. Verizon’s CSG is for 60 days from services’ installation date and permits the customer to cancel them at any time during this period and be credited for all nonrecurring and recurring charges for the services.

Verizon comments that the Commission should eliminate Section III.D. from the interim guidelines. If the Commission believes that Section 201-7 is applicable, guidelines should be modified to make Section III D’s 3-day right to rescission provisions inapplicable where subsumed by a carrier’s CSG or similar program giving the customer longer than 3 days to cancel an optional service and that the customer be made responsible for the use of the service. The right of rescission provisions should not apply, as is Verizon’s CSG, to “required” local and toll telephone service. A customer who quickly cancels telephone service benefits from use of the

service and should pay for it. An unfettered right to cancel required service without charge within 3 days would induce some customers to set up accounts and run up large toll bills before timely rescinding their service contracts.

Resolution

We agree with the comments of ASCENT, CTSI, PTA and Verizon that a customer who legitimately orders services and subsequently cancels them because he or she has changed his or her mind should be responsible for payment of the services provided up until the point of cancellation. We will amend section D.(3) of the Annex to include the sentence, “Customers are responsible for the payment of any services provided at the customer’s request from the time of service initiation until the time the customer requests cancellation unless the customer disputes services or is given services that they did not agree to.”

In response to Verizon’s comments that Verizon provides customers with customer satisfaction guarantees that may extend beyond the three-day right of rescission period, nothing in this Interim Guideline limits Verizon’s ability to provide customer satisfaction guarantees that extend beyond the three-day right of rescission.

E. Customer Notices About Changes in Terms.

- 1. A local service provider should provide customers written notice at 30 and 60 days in advance of a material change in the terms and conditions of service. The local service provider should give the customer the option to decline a material change in the terms and conditions of service and cancel service without penalty due to the changes. This paragraph does not apply to changes that are beneficial to the customer such as a price decrease.**

Comments of the Parties

AT&T, Adelphia, PTA and Verizon object to sending two written notices in advance of a material change in the terms and conditions of

service. PTA and Verizon suggest as an alternative that only one 30-day notice be required because two notices are unnecessary and costly. In addition both PTA and Verizon believe that a 30-day notice would be consistent with the notice provision in the tariff filing requirements at 52 Pa. Code §23.41.

Resolution

The Commission agrees that providing one notice regarding changes in terms should be sufficient. However, we do not agree that thirty days is sufficient time for the customer to assess the implications of the change, make a decision to accept the change and remain with the LSP, or to change to another LSP. Therefore, we will change the notice time period from 60 and 30 days to one notice 45 days in advance of a material change in the terms and conditions of service. We will also amend the language in Section E.(2)(a) and (b) to be consistent with the 45 day notice period. This statement should indicate that the LSP should include language in the notice that informs the customer of their right to select a new service provider if the customer does not wish to accept the changes in terms and wants to avoid incurring service under the new terms. The customer should also be given a deadline as to when they must select another provider if that is their intention.

(2)(c) “We will provide the notices about changes as a bill message, a bill insert, or in a separate mailing. We will explain your options to you in these two advance notices.”

Comments of the Parties

The OCA comments that the LSPs should notify customers in the disclosure statement of their ability to choose among different competing telephone service providers and the customer’s ability to terminate service in response to a change.

Resolution

We will revise the language in this section to state that “[i]n response to a notice about a change in terms, we will notify you of your

options to accept the change in terms or to not accept the change and instead select another service provider without paying penalties or cancellation fees.”

Conclusion

By this Final Order, we have adopted Interim Guidelines that will remain in effect pending the promulgation of final regulations at a separate docket. Some of the commentors expressed the view that the Interim Guidelines are not enforceable since binding requirements can only be established pursuant to the Commonwealth Documents Law² and the Regulatory Review Act³ as regulations in a rulemaking proceeding.

In the Tentative Order, we contemplated that the Interim Guidelines would provide guidance to local service providers so that they could supply their customers with accurate information about their service presented in a clear and understandable format in a timely manner. As such, we believe that local service providers who follow these Guidelines will be acting in a reasonable manner and that adherence to these guidelines will result in reasonable and adequate service as required by Section 1501 of the Public Utility Code 66 Pa. C.S. § 1501 (relating to character of service and facilities);

THEREFORE,

IT IS ORDERED:

1. That voluntary Interim Guidelines relating to the provision of customer information attached to this Final Order as Annex A are hereby adopted. These guidelines are intended to remain in place pending the conclusion of a formal rulemaking to promulgate final regulations.
2. That this Final Order, including Annex A, be published in the *Pennsylvania Bulletin*.

² 45 P. S. §§1201, *et seq.*.

³ 71 P. S. §§745.15.

3. That a copy of this order and any accompanying statements of the Commissioners be served upon all jurisdictional local exchange carriers, the Pennsylvania Telephone Association, the Pennsylvania Cable and Telecommunication Association, the Office of Consumer Advocate, the Office of Small Business Advocate, and the office of Trial Staff, posted on the Commission's website at puc.paonline.com and shall be made available to all other interested parties.

4. That the contact persons for this matter are Wayne Williams, Consumer Services, (717) 787-7137 and Patricia Krise Burket, Law Bureau, (717) 787-3464.

BY THE COMMISSION

James J. McNulty
Secretary

(SEAL)

ORDER ADOPTED: April 11, 2002

ORDER ENTERED: April 23, 2002

ANNEX A

CUSTOMER INFORMATION

I. Statement of Purpose, Application and Effect.

A. Purpose. The purpose of these guidelines is as follows:

- (1) To provide residential customers with information in disclosure statements, bills, notices and marketing materials in order to assist customers in making educated choices about local telecommunications service.
- (2) To provide customers with disclosure statements that convey in clear and concise plain language, the terms and conditions of their local telecommunications services.
- (3) To provide customers with bills for local telecommunication services in a clear, concise and understandable format.
- (4) To reduce slamming and other telecommunications fraud by setting standards for customer information materials.

B. Application. These guidelines apply to Local Service Providers (LSPs) that serve residential customers.

C. Effect of guidelines. The requirements contained in these guidelines are intended to be consistent with and to augment the Truth-in-Billing Requirements adopted by the FCC in 47 CFR §§ 64.2400 - 64.2401 (relating to Truth in Billing) and 52 Pa. Code § 64.191 (relating to Public Information).

II. Definitions.

The following words and terms, when used in these guidelines, as well as companion guidelines concerning quality of service, abandonment of service and changing local service providers, have the following meanings, unless the context clearly indicates otherwise:

Billed account - An account assigned a unique identification number by the billing agent or local service provider for tracking purposes.

Billing agent - An entity that bills customers for products or services offered by regulated service providers.

End-user customer - A customer who has his or her telephone service provided by a local service provider.

Local basic service charges - These charges include the customer's local calling plan, dial tone line, touch-tone, Federal line cost charge, PA Relay Surcharge, Federal Universal Service Fund Surcharge, local number portability surcharge, 9-1-1 emergency fee and applicable federal and state taxes.

Local service - Telecommunications service within a customer's local calling area. Local service includes the customer's local calling plan, dial tone line, touch-tone, Federal line cost charge, PA Relay Surcharge, Federal Universal Service Fund surcharge, local number portability surcharge, 9-1-1 emergency fee and applicable federal and state taxes. Local service also includes a local directory assistance allowance of two calls a month per customer account.

Local service provider (LSP) – A company, such as a local exchange carrier, that provides local service by resale, by unbundled network elements (with or without platform), or through its own facilities to an end-user customer. A local service provider may also provide other telecommunication services.

Optional service - A service that customers can choose that is not required for local basic service. These services can be billed either by a flat monthly rate or per use basis. Local basic service cannot be suspended if the customer does not pay the charges for optional service(s).

Service provider - An entity, other than the billing agent, that offers a product or service to a customer whose charges appear on the bill of a billing agent.

Telephone bill - The invoice for telecommunications products or services rendered by a local service provider or its billing agent.

III. Customer Bills, Format and Organization.

A. Bill frequency. The local service provider has the responsibility to render a monthly bill to customers. The monthly bill should be in writing, unless the customer has expressly agreed to accept billing by another media, such as by electronic communication.

B. Billing information. In addition to the requirements established in Section 64.14(a) - (d) and Plain Language Guidelines at Section 69.251, a bill should comply with the following:

- (1) The customer's name, address and telephone number should appear on the first page of the bill.

- (2) The outstanding balance for each billed account as of the beginning of the current billing cycle, should be designated using a term such as "past due amount."
- (3) A toll-free telephone number, mailing address and, if available, a web site address for each service provider should be listed. The bill should contain a specific message to encourage customers to contact a service provider with questions or complaints about the bill prior to the due date of the bill.
- (4) Charges that must be paid to retain local basic service should be clearly identified. Any past due local basic service charges that must be paid to retain local basic service should be accompanied by a statement "that nonpayment of any past due local basic service charges could result in suspension of your local basic service after you receive a separate written notice."
- (5) The following standardized terms should be used when referring to the regulatory charges that are a part of the local basic service charge. Monthly bills should reflect that each of the regulatory charges (if applicable) as well as applicable federal and state taxes are included in the price for local basic service. The regulatory charges may appear on the bill as line items or they may be listed in a statement that appears in the local basic service charges section of the bill.
 - (a) Dial tone line
 - (b) Touch-tone
 - (c) Federal line cost charge
 - (d) PA relay surcharge
 - (e) Federal universal service fund surcharge
 - (f) Local number portability surcharge
 - (g) 9-1-1 emergency service fee

C. Foreign language requirements. Local service providers whose service territories include non-English speaking persons should consider providing information in the native languages of their customers.

D. Bill organization. Telephone bills should be clearly organized by type of service and should comply with the following:

- (1) Charges should be grouped by service provider. The name of each service provider should be clearly identified with its associated charges on the telephone bill. If the service provider has more than one name, the name appearing on the bill should be the name used to market the service. Where charges from two or more service providers appear on the same telephone bill, the charges and totals for each provider should be stated separately.

- (2) Charges for local basic service should be listed separately and appear before other monthly charges. Required monthly fees or surcharges, including the local calling plan, dial tone line, touch tone, Federal line cost, PA Relay Surcharge, Federal Universal Service Fund Surcharge, Local number portability surcharge, 911 emergency fee, and applicable federal and state taxes should be included in the amount for local basic service.
- (3) The telephone bill should clearly show the amount to be paid to avoid suspension of local basic service.
- (4) The telephone bill should clearly list charges for per use services and local measured service, if applicable.
- (5) Monthly flat rate charges should be itemized monthly and appear separately from other charges.
- (6) Per use charges should be listed separately by the type of service. Each type of service billed should show the number of times used, the per-use charge and the total amount charged.
- (7) The telephone bill should clearly identify a new service provider that did not bill for service charges in the previous billing cycle. This requirement is not applicable to service providers that bill on a per transaction basis.
- (8) The bill should contain a description of the local basic service charges, expressed as either a flat rate monthly charge or a measured use monthly charge. The itemized disclosure of measured use service should include the flat rate charge, the minimum monthly charge, and the number of and itemization in the rate bands of calls made in excess of the minimum monthly call allowance for measured usage charges and the total of the charges.

IV. Disclosure Statement of Terms and Conditions of Service.

The local service provider should provide a disclosure statement of the terms and conditions of services to new customers, who subscribe for local service. The disclosure should at a minimum cover the provisions of local service. If the customer is also subscribing to long distance service, the disclosure should cover the provision of both local and long distance service.

- A.** The disclosure statement should be:
- (1) Provided in writing, using plain, non-technical language.
 - (2) Sent to a new customer free of charge by the end of the third working day after receiving the customer's order.
 - (a) Sent to a customer free of charge by the end of the third working day whenever there is a change in the terms of service.
 - (4) Provided upon request to customers at least annually.
- B.** Each disclosure statement should comply with the requirements under § 64.191(g) where applicable and should contain the following information:
- (1) Name, service address and telephone number of customer.
 - (2) Date of customer authorization and verification method.
 - (3) The length of the agreement, including:
 - (a) The effective date of service.
 - (b) The expiration date, if applicable.
 - (4) Activation fees or charges, including applicable estimated construction charges to install a new service or transfer an existing service to a new location.
 - (5) Information regarding whether charges and fees are refundable and when they would be refunded.
 - (6) A change in the applicant's telephone number and related fee, if applicable.
 - (7) An explanation of sign-up bonuses, add-ons, limited time offers, other sales promotions and exclusions, if applicable.
 - (8) An explanation of penalties, fees and exceptions that may be imposed on the customer including charges for late payments and returned checks. Penalties, fees and exceptions should be printed in bold font that is the same size used for the majority of the text in the disclosure.
 - (9) A full explanation of the products and services as shown below to which the customer has subscribed:

- (a) Local basic service and the price per month.
 - (b) Optional monthly flat rate services ordered and the price per month for each service unless covered in a package. These services may include for example, Call Forwarding, Call Waiting and Caller I.D.
 - (c) Non-recurrent charges with a description and price. These can include inside wiring or jack repair charges, telephone number charge and voluntary toll restriction.
 - (d) Calling card charges. The customer should be directed to contact the local service provider for a description of the calling card rates.
 - (e) Total price. The disclosure should contain a statement of the total monthly price of the total products and services to which the customer has subscribed. Where the customer has subscribed to both local service and long distance service, a total for local service should be separately disclosed as well as an overall total for both local service and long distance service.
- (10) The local service provider's cancellation policy and fees for early cancellation, where applicable. The disclosure statement should inform customers of the right to rescind or cancel any services and what the customer should do to cancel one or more services.
- (11) The customer contact information that includes the name of the service provider, the provider's address, telephone number and, if available, the web site address.
- (12) PUC contact information. The disclosure statement should include language directing customers who have a question or complaint to first contact the LSP. The disclosure statement should also inform customers of their right to contact the PUC about local service complaints. The disclosure should provide the Commission's contact information including the toll-free telephone number, street address and web-site address.
- (13) Information that clearly notifies the customer if the company bills for local basic services one month in advance.
- (14) The statements required by section IV, E (1) of these guidelines relating to Customer Notices.
- (15) Retention of Local Basic Service. The disclosure statement should inform customers that they can retain local telephone service as long as the customer pays the local basic service charge in a timely manner.

C. Prices.

The agreed upon prices in the disclosure statement should reflect the marketed and billed prices.

D. Right of Cancellation.

Customers should be provided with information about the provisions of a three-day right of rescission period following receipt of the disclosure statement from the billing entity. See Section 7 of the Unfair Trade Practices and Consumer Protection Law (73 P.S. § 201-7). The following information should be included in the disclosure statement:

- (1) The three-day right of rescission is three working days.
- (2) The three-day right of rescission begins when the customer receives the disclosure statement from the billing entity.
- (3) The customer may cancel by contacting the billing entity in writing, verbally or, if available, electronically. Customers are responsible for the payment of any services provided at the customer's request from the time of service initiation until the time the customer requests cancellation unless the customer disputes services or is given services to which they did not agree to.

E. Customer Notices About Changes in Terms.

- (1) A local service provider should provide customers written notice 45 days in advance of a material change in the terms and conditions of service. The local service provider should give the customer the option to decline a material change in the terms and conditions of service and cancel service without penalty due to the changes. The LSP should include language in the notice that informs the customer of the last date that the customer must select another service provider so as not to incur service under the new terms if the customer's intention is not to accept the changes in terms but instead to select a new service provider. This paragraph does not apply to changes that are beneficial to the customer such as a price decrease.
- (2) The local service provider should include in the customer's disclosure statement the following statements:
 - (a) "If we propose to change our terms of service in any type of agreement, we will send you a written notice in advance of the effective date of the change. We will send the notice 45 days before the effective date of the change."

- (b) “If you have a fixed term agreement, we will send you advance written notice 45 days before the expiration date of the agreement.”
 - (c) “We will provide the notices about changes in terms as a bill message, a bill insert, or in a separate mailing. In response to a notice about a change in terms, we will notify you of your options to accept the change in terms or to not accept the change and instead select another service provider without paying penalties or cancellation fees.”
- (3) A local service provider should provide customers written notification at least 30 days in advance of assigning the customer’s contract to a different local service provider.

V. Marketing/Sales Activities.

Advertising, marketing and sales should not be fraudulent, misleading, deceptive, unlawful or anti-competitive as prohibited by federal and state law. Advertised prices should reflect prices in disclosure statements and billed by the local service providers.

VI. Review of Documents.

The local service provider should provide the Commission with disclosure statements, billing and other customer information resources for review as deemed necessary upon request.