



#3

AH

0000001
LSGP.O. Box 537
Roseland, NJ 07068**Since You Left Us,
We're Not The Same.**

Dear John Q Sample:

August 26, 1994

If you left us because of price, we have good news for you. AT&T has changed. And once you see how much, you'll see why it's easy to switch to AT&T.

Cash the enclosed check for \$25, and we'll
automatically switch you to AT&T.

It's a real check, good for \$25 -- all it needs is your endorsement. Simply cash it within 30 days. Your signature is all we need to switch you to AT&T Dial-1 Long Distance Service, so take it to your bank today. If you have any questions, please call us at 1 800 833-0437, ext. 85090.

That's just the beginning of the long distance value you can count on from AT&T. Because our prices are extremely competitive. Especially when you consider the quality and service you get with AT&T.

You can enjoy AT&T's True USASM Savings --
with savings up to 30%.

Now you can save a guaranteed 10% off of our basic prices on
your calls to anyone, anytime, anywhere within the U.S.
whenever you make just \$10 a month in AT&T Long Distance
calls. We'll double your savings to 20% whenever you make
just \$25 worth of calls, and we'll triple it to 30% whenever
you spend \$75 or more in monthly calls. It's called AT&T
True USASM Savings.* Call us to enroll today.

Best of all, there are no lists, no fees, and absolutely no hassles of any kind!

(over, please)

AT&T is the best choice for service.

With AT&T, you can count on crisp, clear connections -- day or night, across the country or around the world. We won't keep you waiting, either. Your calls go through quickly virtually every time you try -- even during the busiest times.

And AT&T has thousands of helpful Long Distance Operators ready to assist you with person-to-person, collect, and international calling, 24 hours a day. You'll also receive credit for all misdialed numbers.

We'll help you control your long distance costs.

In addition, AT&T savings options offer you the opportunity to make your long distance dollars go even further. We'll help you choose an individualized plan that fits the way you call.

So switch to AT&T for the service and quality you deserve when you call long distance. Just sign and cash the enclosed check -- we'll take care of the rest.

If you have any questions, please call our toll-free number.

Sincerely,



Anne Weisgerber
Manager, AT&T Long Distance Service

P. S. Cash the enclosed check at your bank within 30 days. Your endorsement is all we need to switch you to AT&T Dial-1 Long Distance Service and to start your savings today.

* Enrollment in AT&T True USA Savings is FREE! AT&T's basic residential prices apply whenever you spend less than \$10 a month in long distance calling. AT&T True USA Savings option cannot be combined with other AT&T domestic savings options. Other conditions and restrictions apply. Subject to billing availability.

Your AT&T Long Distance Service Agreement

Remember to endorse your check before cashing it. Your signature on the check authorizes AT&T to process your order and notify your local telephone company of your decision to switch to AT&T Dial-1 Long Distance Service. (Dial-1 Service refers to the long distance service you use when you dial 1 + area code + number from your home telephone.)

Only one long distance company may be designated for the telephone number listed on the front of this check. Your selection of AT&T will apply only to the telephone number listed on the front of this check.

Your local telephone company may charge you a fee to switch your long distance service. If so, it will appear on a future telephone bill. If you've recently accepted another offer to switch to AT&T, we can only bill on the first response received by our fulfillment center.

Attachment 1a

#4 Com

OFFICIAL ENTRY FORM

ONLY ONE PER FAMILY
FORM MUST BE
FILLED OUT COMPLETELY



DATE 12-10-93 159118
 FULL NAME Michele Fiebt
 ADDRESS P.O. Box 841
 CITY Ana Moia STATE FL ZIP CODE 34716
 PHONE # (REQUIRED) (813) 778-4992
 SIGNATURE (REQUIRED) Michele Fiebt

I understand that I am under no obligation to continue this agreement, and may cancel at any time. I hereby authorize Maivia to act as my agent for long distance conversion on my phone listed above. I may designate only one carrier at a time, and I designate Maivia as my primary Long Distance Provider. Should my local phone company assess a charge for my conversion, Maivia will pay me back if I send a copy to:
 1314 S. King St. #605, Honolulu, HI 96814 • Void where prohibited • Odds: 1 in 50,000

OFFICIAL ENTRY FORM AND LONG DISTANCE APPLICATION

Vadacom™
 Voice & Data Communications



FORM MUST BE SIGNED AND COMPLETED TO QUALIFY
 PLEASE PRINT: ONE ENTRY PER FAMILY

Yes, enter my name in the \$15,000 CASH OR FORD MUSTANG CONVERTIBLE drawing. By signing below, I designate Vadacom, Inc. (Vadacom) as my agent to cancel my agreement with my existing carrier in favor of new service with Vadacom, for my 1 - long distance service only, and I understand that I can have only one long distance company and any previous selection of a 1 - long distance company made by me will be canceled. I am 21 years of age or older and am the person legally responsible for charges on the telephone number written below. I understand that charges for my 1 - long distance service from Vadacom will be billed by my local telephone company and that my local telephone company may charge me a nominal transfer fee plus tax for this selection. I hereby authorize any further charges to my service unless authorized by me in writing. By checking this box, I am deciding that I do not wish to change my long distance service. Please enter my name in the drawing only, and send me additional information on your service.

HOME TELEPHONE # () _____ DATE _____ AGE: over 21 under 21
 NAME _____
 ADDRESS _____ APT. _____
 CITY _____ STATE _____ ZIP _____
 SIGNATURE (required) _____

NO PROMISE
NECESSARY TO WIN

Take a Copy for Your Records
 FOR QUESTIONS, CALL VADACOM CUSTOMER SERVICE
 1-800-647-1888

OFFICIAL CENTER
BLANK ON BACK

Attachment 1b



OFFICIAL



FORM

A Long distance application

PLEASE PRINT

FILL OUT COMPLETELY



DATE _____

FULL NAME: _____

ADDRESS: _____

CITY: _____

STATE _____

ZIP _____

HOME PHONE # (REQUIRED) () _____

AREA CODE

SIGNATURE (REQUIRED) 2 _____

I understand that I am under no obligation to continue this agreement, and may cancel at any time. I am over 18 yrs. old & am the person responsible for my phone bill above. I hereby authorize Information Television to act as my agent for long distance conversion on my phone bill above. I may designate only one carrier at a time, and I agree that Information, at its sole discretion, may designate What is my primary Long Distance Provider. Should my local phone company assess a charge for my conversion, my carrier will pay for back if I need a copy, or: 500 Ala Moana Blvd. 65-300 Honolulu, HI 96813

1994 MUSTANG/HAWAII DREAM VACATION

OFFICIAL RULES

- 1.) This offer is void in any case or jurisdiction where prohibited by law. 2.) ONLY 1 entry per family will be honored, unless otherwise stated they are over 18 years of age. Winner need not be present to win any prize or offer.
- 3.) Drawing will take place on December 31, 1994. Grand prize-Mustang-Corvette or \$15,000 cash. Minimum value may vary due to regional availability at time of drawing. Any non-qualified system chosen are at winners sole expense. Winner may choose either from any available standard Mustang option. Delivery shall be at a Ford dealership based on winners home address. First prize- A 7 day dream vacation to Hawaii for 2 people, and \$1,000.00 cash. Approximate value of vacation package \$4,000.00 to \$6,000.00 depending upon departure point of winner. Vacation winner shall have 1 calendar year to work, & must allow company 30 days to arrange trip. Should winner fail to obtain vacation within 1 calendar year, vacation shall be void, and credit to each winner. Vacation prizes are not transferable. 4.) Winners will be notified by mail. 5.) All applicable laws, local city Federal laws that in any state are the sole responsibility of winner. 6.) Odds of winning are estimated at 1 in 500,000. but actual odds may vary depending upon valid entries received prior to drawing date. 7.) Winner agrees that their Mustang, make & address may be used for promotional purposes without further compensation. 8.) No purchase is necessary to enter. Entries may be made by sending name, Address & phone or Information Television 500 Ala Moana Blvd. 65-300 Honolulu, HI 96813

THIS IS NOT A TIME SHARE OR CARREROUND OFFER!!!

WE WILL NEVER ATTEMPT TO SELL YOU ANOTHER ELSE, EVER!!!

This is not a contract for any goods than printed. You may cancel at any time you wish free. Our primary purpose is to obtain a loan of equity which allows on receiving your long distance service and introduce you to Information and it's associated long distance products.

Information and service agency on my long distance calls. Entries are for drawing only. I am requesting that you do not convert my long distance service.



LONG DISTANCE APPLICATION & ENTRY BLANK

HELP FIND MISSING CHILDREN



Yes! I would like the SAS CASE, and to help find missing children. Enter my name in the \$25,000 CASH drawing. By signing below I designate **North American Long Distance, Inc. (NOLD)** as my agent to cancel my agreement with my existing carrier to favor of new service. I HOLD for my 1+ long distance service only, and understand that I can have only one 1+ long distance service and any previous selection of a 1+ long distance company made by me will be cancelled. I am the person legally responsible for charges on the telephone number written below. Charges for my 1+ long distance from NOLD will be billed by my local telephone company and I understand that my local telephone company may charge me a one time charge of up to \$3.00 plus tax for this selection. NOLD'S current transmission services are provided by MCI or LDOS / International. I hereby disallow any further changes to my service unless authorized by me in writing.

By checking this box, I am deciding that I do not wish to change my long distance service. Please, enter my name in the drawing only.

PHONE # () _____
AREA CODE HOME PHONE

NAME THIS # IS LISTED UNDER _____
NAME MUST APPEAR EXACTLY AS LISTED

ADDRESS _____ APT. # _____
LISTED FOR ABOVE PHONE #

CITY _____ STATE _____ ZIP _____

AUTHORIZED SIGNATURE _____ MUST BE SIGNED TO QUALIFY
Copyright 1983 North American Long Distance, Inc. Take an extra copy of this form for your records. 1-800-678-4451

Marital Status
 MARRIED SINGLE
AGE
 under 21
 21 or over
(Your age must appear on the application in order to be eligible for the cash drawing.)

Form AD Rev. 8/84



YOU CAN HELP A CHILD BY CHANGING YOUR LONG DISTANCE SERVICE



Yes, please place me on **Hearstine's 1+ Long Distance Service** and donate 2% of my monthly domestic long distance bill to **Heart's Child's** charity. I understand that the donation is made by **Hearstine** at no cost to me. By my signature below, I hereby designate **Hearstine** as my agent for my long distance subscription for the phone number listed below. I understand that I can only have one primary long distance service, and that any previous selection of a long distance company made by me will be cancelled. I understand that **Hearstine** will reimburse all costs of this change with proper proof of charge after 90 days, and I will be billed by my local telephone company through **Hearstine Communications, Inc.** This change will affect only my 1+ long distance service. I am legally authorized to make the change.

By checking this box, I am deciding that I do not wish to change my long distance company at this time. Please card me additional information on your service. I hereby authorize **Hearstine Communications, Inc.**, to place me with its long distance service.



Hearstine Communications, Inc.
18416 Northchase, Suite 200
Houston, Texas 77060

PLEASE PRINT CLEARLY OR PRINT CHARITABLE OVER CHARITABLE DONATED IN 1983

HOME PH. # () _____ DATE OF BIRTH: ____/____/____

NAME: AS LISTED IN PHONEBOOK: _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

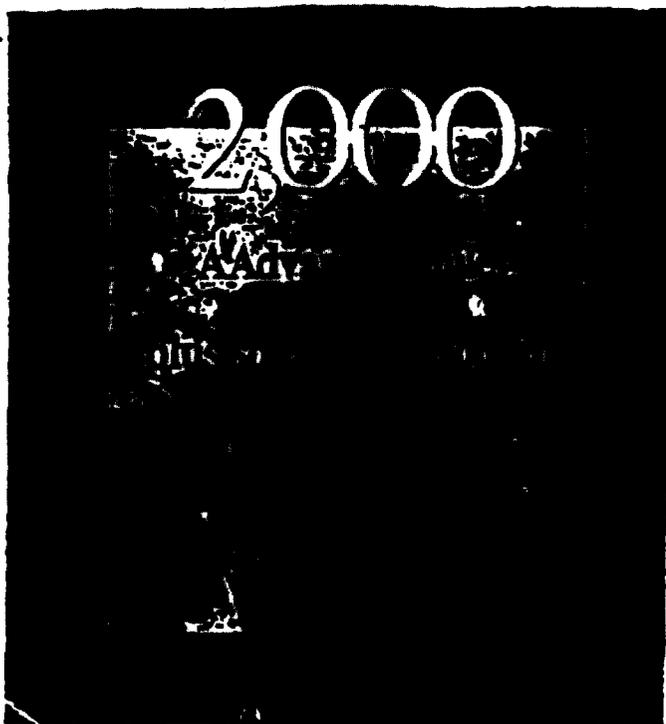
AUTHORIZED SIGNATURE _____



Learn more about you completed this form. Take an extra copy of this form for your records.

©HCI (854)





The 2000 AAdvantage mile anniversary bonus is only available to AAdvantage members who enroll in both MCI's enhanced long distance service and the MCI/AAdvantage Calling Card Deal 887/94 to 10/95. Please allow up to 8 weeks for AAdvantage miles to be posted to your AAdvantage account. Limit one anniversary bonus per AAdvantage account. Enrollment in the MCI/AAdvantage program is in lieu of any other MCI bonus program/programs.

American Airlines and AAdvantage are registered trademarks of American Airlines, Inc. American Airlines may find it necessary to change AAdvantage program rules, regulations, award awards, special offers and participate activities at any time, including, for example, rules for earning mileage and Maximum dates and limited award for award awards. American reserves the right to end the AAdvantage program with six months notice. 7088A ZAAC

- **Earn 5 miles for every dollar you spend on MCI (excluding taxes and credits).**
- **No minimums: you earn miles no matter how much you spend!**
- **Automatic posting: each month the miles you earn will automatically be posted to your AAdvantage account.**
- **Savings: MCI's basic state to state rates are always lower than AT&T's**

American Airlines'



Now your words have wings.

**Receive a Special
Holiday Offer of 2,000
AAdvantage® Miles for Joining
the MCI/AAdvantage
Program.**

1-800-568-4355

Call or mail this form today!

American Airlines'



700 SDA
MCI TELECOMMUNICATIONS CORP.
P O BOX 4622
IOWA CITY IA 52244-0703

POSTAGE WILL BE PAID BY ADDRESSEE



NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES

#5

Receive a Special Holiday Offer of

2,000

AAdvantage® Miles for Joining the MCI/AAdvantage Program

Plus, you'll earn 5 miles for every dollar you spend on MCI long distance, excluding taxes and credits. That's every time you call long distance from home, or when using your free MCI/AAdvantage Calling Card.

1-800-568-4355

Call or mail the attached form today!

AmericanAirlines®



DETACH HERE

YES! I want to earn AAdvantage® miles for all my residential calls, plus a 2,000 AAdvantage mile bonus!

- Enroll me in MCI for my residential long distance calls from home and send me a personal MCI/AAdvantage Calling Card for my calls while traveling.*
- If you live overseas and have a valid Visa or MasterCard, please call MCI customer service collect at 1-712-943-6839. We will show you how easy it is for you to earn AAdvantage miles with your MCI/AAdvantage Calling Card.
- I am a current MCI customer and want to earn AAdvantage miles. TERMS 2A/C

NAME _____

ADDRESS _____

CITY _____ STATE _____ ZIP CODE _____

Please send me 10 20 free additional MCI/AAdvantage Calling Cards for family members.

My home telephone number is:

AREA CODE (_____) _____

AREA CODE (_____) _____

AAdvantage Number: _____

To receive mileage credits, the name on the MCI account must be the same as the name on the AAdvantage account. If you do not provide an AAdvantage number, a new one will be assigned upon enrollment in the MCI/AAdvantage program.

This offer is in lieu of any other MCI bonus programs/promotions.

I want my calls billed through

- My local phone company
- Global AAdvantage Visa® or MasterCard®
*You earn one additional mile for each dollar spent when you charge your MCI calls to either of the cards above.**
- Other Visa Other MasterCard

CREDIT CARD NUMBER _____

EXPIRATION DATE _____

X
SIGNATURE REQUIRED FOR ENROLLMENT

TODAY'S DATE

* I authorize MCI to notify my local phone company that I am choosing MCI as my primary long distance carrier for the telephone numbers listed above. I understand that I can have only one primary carrier per telephone number and that my local telephone company may apply a surcharge for this and my long distance.
 *The maximum number of AAdvantage miles you can earn with a Global AAdvantage Visa or MasterCard is 68,000 miles per calendar year. American Airlines AAdvantage® PlusCard® and AAdvantage Gold® members are excluded from this limit.
 American Airlines AAdvantage® PlusCard, AAdvantage Gold and AAdvantage are registered trademarks of American Airlines, Inc. American Airlines reserves the right to change AAdvantage program rules, regulations, special awards, reward offers and promotional offerings at any time without notice, and to end the AAdvantage program with all member miles.
 *This offer is in lieu of any other MCI bonus programs/promotions. *This offer requires a transfer to be made to both MCI residential long distance service and the MCI/AAdvantage Calling Card line (811) 4.

DETACH HERE

MCI

ENDORSE CHECK TO SWITCH TO MCI

Make address/phone number corrections on back of check. Attention Financial Institution: Endorsement to Required.

7-11

January 8, 1993
Check No. 25025993

PAY TO THE ORDER OF:
Murray Lamishaw
3103 Via Serena North
Apt 2,
Laguna Hills CA 92653-1972

Fifteen Dollars and 00 Cents \$15.00

125
[Barcode]

VOID [Signature]

M Lamishaw
Call 1 800 298-1512 How To Activate Your
Check. Write The Code You Receive Here:



706/298 1512
Valid After 01/01/93

For Amount and
of Maturity
Indemnity

⑆25025993⑆ ⑆052000113⑆ 425 2642 2⑆

CALL NOW

1-800-298-1512

FOR THE CODE REQUIRED TO CASH YOUR CHECK.

HOW TO
ACTIVATE
YOUR CHECK
AND SWITCH
TO MCI:

1. Call 1 800 298-1512 now to return to MCI.

2. Ask for the Activation Code required to cash your check. Write Code in boxes provided.

3. Sign and cash your check. You must write your phone number on back of check.

Murray Lamishaw:

As a valued MCI® customer, your total satisfaction is important to us. So when your local telephone company notified us that your MCI service was disconnected, we wanted to reach you right away -- so you can come back to MCI and save an automatic 25% on every call you make to ~~anywhere~~ in the U.S.

Just call 1 800 298-1512 for the Code required to cash your check and return to MCI. Then you can enjoy the easiest way ever to save on long distance when you spend as little as \$10 a month with MCI's NEW Friends & Family®.

- > Save a guaranteed 25% -- You save 25% off MCI's low basic rates to ~~anywhere~~ in the U.S. you call from home -- no matter what long distance company they use. And, there's no fee. It's simple. ~~Just call anyone, anytime, anywhere~~ -- and save 25% automatically!
- > Double your savings to 50% -- Your 25% savings increase to 50% on every call to the MCI customers you choose.
- > Always save over AT&T's best calling plan -- Month after month, NEW Friends & Family always ~~works better~~ than AT&T's True USA plan.® See the enclosed Flyer to find out how much you can save in just one year.

There's never been a better time to return to MCI. And switching is easy! Just call us at 1 800 298-1512 now. That's all it takes to enjoy the savings and simplicity of NEW Friends & Family.

Sincerely,

Chris Columbus

Chris Columbus
MCI Customer Service

and even 25% to EVERYONE you call!

LETTER OF AGENCY

To whom it may concern:

We hereby authorize our account to be placed onto the NATIONAL ACCOUNT plan exclusively utilizing the AT&T network. We understand there are no monthly fees, initiation fees, or long term commitments of any kind. We wish to be billed directly via AT&T'S BILL MANAGER SERVICE. It is also our understanding that we will receive a 23% DISCOUNT on Direc: Dialed Domestic Long Distance telephone calls and 10% Discount on International Calls. These domestic rates are on file with the F.C.C. under AT&T's tariff number 1, DNS schedule A.

BILLING PHONE #: 407-644-7117 * 672

COMPANY NAME: Advantage Management International ^{Cus Code}

ADDRESS: 107 N. Virginia Ave.

Winter Park FL 32789-32792

CITY STATE ZIP CODE

X Carmen R. Morell Exec. Vice Pres. 9-16-94

SIGNATURE TITLE DATE

Carmen Morell

PLEASE PRINT NAME

OFFICE USE ONLY

BILLING ADDRESS IF DIFFERENT THAN SERVICES ADDRESS

SUB ACCOUNTS ASSOCIATED WITH BTN

BILL TO ANOTHER BTN

RATE A # of Calling Cards

HEADQUARTERS: 0916-310

BRANCH: 351

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 94-559-C - ORDER NO. 95-658

MARCH 20, 1995

IN RE: Proceeding Addressing Marketing) ORDER ADDRESSING
Guidelines for Telecommunications) MARKETING PRACTICES
Companies.) AND MARKETING
) GUIDELINES

This matter comes before the Public Service Commission of South Carolina (the Commission) on the proceeding to review the marketing practices and to consider marketing guidelines for telecommunications companies operating within the State of South Carolina. The Commission's Notice of Filing stated that all local exchange companies and interexchange carriers, including resellers and operator service providers, could be affected by any decisions resulting from this proceeding.

Subsequently, the Notice of Filing was published in newspapers of general circulation one time in various newspapers across the state. The following parties thereafter intervened in the case: MCI Telecommunications Corporation (MCI), Southern Bell Telephone and Telegraph (Southern Bell), the Consumer Advocate for the State of South Carolina (Consumer Advocate), GTE South, Inc. (GTE), LDDS - Willtel, Sprint Communications Company, L.P. (Sprint), South Carolina Telephone Coalition (SCTC), AT&T Communications of the Southern States (AT&T), and United Telephone Company (United).

A public hearing was held in the offices of the Commission on January 18, 1995 at 10:30 a.m. with the Honorable Rudolph Mitchell,

Chairman, presiding. The Commission Staff was represented by F. David Butler, General Counsel. The Staff presented the testimony of James M. McDaniel. MCI was represented by John M.S. Hoefer, Esquire, and Martha McMillan, Esquire. MCI presented the testimony of Edward L. Anderson and Charles M. Alexander. Southern Bell was represented by Harry M. Lightsey, III, Esquire and William F. Austin, Esquire. Southern Bell presented the testimony of C.L. Addis. The Consumer Advocate was represented by Hanna Pokorna-Williamson, Esquire, and Nancy Vaughn Coombs, Esquire. The Consumer Advocate presented no witnesses. GTE South, Inc. was represented by M. John Bowen, Jr., Esquire. GTE presented no witnesses. LDDS - Willtel was represented by Frank Ellerbe, Esquire. LDDS - Willtel presented the testimony of Blaine C. Gilles. Sprint was represented by Chanthina Bryant, Esquire, and Darra Cothran, Esquire. Sprint presented the testimony of Michael J. Nelson. SCTC was represented by John Bowen, Esquire, and Margaret M. Fox, Esquire. SCTC presented the testimony of L.B. Spearman. AT&T was represented by Frank Mood, Esquire, and Roger Briney, Esquire. AT&T presented the testimony of James M. Mertz. United was represented by William F. Austin, Esquire. United presented no witnesses.

The Commission was presented with an abundance of evidence for its consideration in this docket. The Commission wishes to compliment the Commission Staff and all the parties for a job well done in placing the matters of marketing practices and marketing guidelines squarely before this Commission for consideration.

James McDaniel testified for the Commission Staff. McDaniel

testified that the Staff objective in this Docket was to establish a process to protect the interests of consumers from the unauthorized conversion of an end-use customer's interexchange carrier (IXC) by another IXC, interexchange resale carrier, or subcontract telemarketer, while not unduly limiting or restricting the potential competitive benefits to be derived from changing primary interexchange carriers (PICs). McDaniel states that the focus of Staff's concern was those unauthorized or unintended conversions which result from confusing or misleading marketing approaches. Staff presented a process which, in its opinion, would contribute to the avoidance to the unauthorized or unintended PIC changes resulting from misleading marketing practices.

Staff's proposed process included recommendations that all facilities-based IXCs that allow their long distance services to be resold include within their resale tariffs acknowledgments concerning marketing practices, along with specifications of content for the letter of agency (LOA) and certain responsibility requirements pertaining to intrastate long distance PIC changing procedures in South Carolina.

Staff noted that the Commission has received several complaints about the marketing practices of IXCs. In addition, McDaniel stated that Staff was aware that the Federal Communications Commission (FCC) has also received numerous complaints regarding unauthorized PIC changes. The FCC is currently addressing this issue under its Docket No. 94-129. The FCC has issued a Notice of Proposed Rulemaking, requesting comments related to this matter, including the content of the LOA. Staff

stated that if the FCC finalizes conclusions regarding the content of the LOA and other related telemarketing practices, these final conclusions could be incorporated within the process proposed by the Staff.

McDaniel presented two examples of marketing practices which the Staff felt were deceptive and could result in a consumer changing his PIC unintentionally. In general, the documents in the Staff's exhibit integrate assistance for homeless children, winning a new automobile, and free long distance service, along with changing the PIC of a customer. Staff's testimony is that at a minimum, such documents are confusing to the public and that these are inappropriate marketing practices which need to be examined and curtailed by this Commission. Staff proposed specific requirements for the content and format of the LOA used to change PICs.

Staff has proposed a tariff modification to be included within the tariffs of all facilities-based carriers which allow their long distance services to be resold. In addition, all subscribers of long distance service from a facilities-based IXC which resales those services, but are already certified in South Carolina and are thus on an existing tariff would sign a particular modification as an amendment to the existing tariff as proposed by Staff.

Staff also recommended that all facilities-based carriers maintain a list of the resellers and their long distance intrastate services in this State to assist in the monitoring process of reseller services.

McDaniel stated in his testimony that the Staff did not object

to any alternative or additional recommendations or suggestions from any party which might assist in the achievement of its objective. The Staff stated that it welcomed input from other parties, but believed that its proposed procedures meet the specific goals of protecting the public during a PIC change, while minimizing interference with competition.

In general, the intervenors were supportive of Staff's goals, but had varied responses as to specific Staff proposals. All interexchange carriers stated their belief that they could not accurately furnish lists of companies to whom they resold their services. Most IXC intervenors also opposed the addition of tariff language such as that proposed by the Staff. All agreed that a minimization of customer confusion with regard to an LOA was very appropriate and helpful.

Southern Bell, through C.D. Addis, pointed out a number of occasions where Southern Bell customers have called to complain that someone falsely claiming to be a Southern Bell employee was trying to get confidential information to be used to change the customer's primary interexchange carrier. Addis stated Southern Bell's belief the Commission Staff's proposed guidelines should eliminate this problem.

The MCI witnesses presented testimony which illustrated the use of third party verification for customers acquired during the company's telemarketing. MCI stated its belief that the use of an LOA in this situation complicated matters and certainly slowed down the process of procuring customers. MCI noted that its experience with third party verification showed that such an approach was most

appropriate for verifying that a customer intended to switch to MCI as his long distance carrier.

Sprint, through witness Michael Nelson, urged the Commission not to establish any South Carolina-specific marketing guidelines prior to any action taken by the FCC. Further, Sprint stated that Commission approval of Staff's proposed rules would penalize the entire industry for the abuses of a few. Sprint urged the Commission to pursue marketing abuses on a case by case basis.

Blaine C. Gilles, who testified on behalf of LDDS - Willtel, stated that a consistent nationwide policy must be established governing LOA language and marketing practices. LDDS and Willtel have urged the FCC to take the concerns of interested state Commissions into account by convening a Federal-State Joint Board. LDDS and Willtel urge in their testimony that in the interest of promoting competition and minimizing costs, the Commission should adopt the FCC's final rules in FCC Docket 94-129.

L.B. Spearman testified on behalf of the South Carolina Telephone Coalition, and recommended that the Staff proposal be approved, with certain clarifications and changes. Spearman recommended that the LOA form should be amended to include not only the name of the company to which long distance service is being switched, but also the specific carrier code to which the service is being switched. Spearman also suggested that the Commission consider the appropriateness of the LECs using a procedure known as a "PIC freeze." According to Spearman, this is a procedure currently used by some LECs which allows the customer to notify the LEC that the customer's carrier cannot be changed unless the LEC is

given express permission in writing by the customer for a PIC change. According to Spearman, this procedure is only used if the customer requests the freeze.

James M. Mertz, testifying for AT&T, took the position that the Commission should not unnecessarily develop rules and regulations now which might conflict with current or future FCC requirements for IXCs and resellers. Mertz stated that once the FCC acts in Docket No. 94-129, the Commission can adopt the FCC's decision and consider the need for supplemental regulations at the state level. Mertz also notes that, in the meantime, if the Commission wants to address this issue, it can adopt the existing FCC rules and vigorously enforce them.

The Consumer Advocate, on the other hand, urged the Commission to take action now. The Consumer Advocate's brief stated that, given current inclinations in Congress and the Administration to freeze or slow down or shrink the body of Federal regulations, it is uncertain when the FCC rules might come into effect. Meanwhile, the South Carolina consumers would remain vulnerable to deceptive and misleading market practices. The Consumer Advocate noted that the Staff proposal should be modified to allow independent third party verification in telemarketing situations with proper safeguards, and that this procedure represents a proper balance between consumer and industry interests.

The Commission has examined the record in this matter, including the testimony of all parties and the briefs, and has reached a number of conclusions. With regard to the LOA, we believe that it is best to postpone any action on the letter of

agency issue until a final decision is rendered by the FCC, so that a conflict is not created between this Commission's decision and the FCC's final decision. However, the Commission hereby establishes a guideline for the use of an LOA as follows: Whenever a document contains a letter of agency in combination with other information, including, but not limited to inducements to subscribers to purchase service, the document taken as a whole must properly inform the consumer that, by executing the letter of agency, the consumer is authorizing a change in his or her primary interexchange carrier. We believe that this guideline is in the public interest and if adhered to, will minimize the potential confusion to subscribers.

We have examined in detail the Staff proposal concerning the proposed tariff modification and believe it to be appropriate. We hereby adopt the Staff proposal concerning the proposed tariff modification which will be included within the appropriate tariffs of all facilities-based IXCs which will have their long distance services resold, and as an amendment to existing tariffs of all subscribers of long distance service from a facilities-based interexchange carrier which resells those services (resellers), but are already certified in South Carolina, and are thus on an existing tariff. This modification is approved as follows:

As a telephone utility under the regulation of the Public Service Commission of South Carolina, I do hereby assert and affirm that as a reseller of intrastate telecommunications service, I will not indulge or participate in deceptive or misleading telecommunications marketing practices to the detriment of consumers in South Carolina, and I will comply with those marketing procedures, if any, set forth by the Public Service Commission. Additionally, I will be responsible for the marketing practices of my contracted telemarketers for compliance with this provision. I

understand that violation of this provision could result in a rule to show cause as to the withdrawal of my certification to complete intrastate telecommunications traffic within the state of South Carolina.

This language must also appear in the new tariffs of any facilities-based IXCs or resellers granted authority to operate by the Commission in the future.

As urged by various parties, the Commission holds that it will adamantly enforce the FCC's telemarketing rules and regulations. (See Exhibit A.) The Commission hereby adopts the FCC telemarketing rules as part of our approved procedure in this docket.

With regard to the Staff proposal concerning the marketing practices of the IXCs, we hereby hold in abeyance any decision until the final FCC rules are determined.

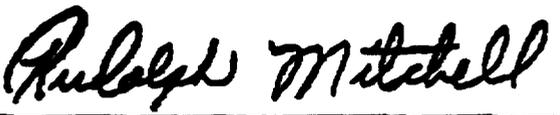
With regard to the Staff proposal that facilities-based IXCs maintain a list of all resellers of their long distance intrastate services within South Carolina, we hereby reject this proposal. We are convinced, after listening to the testimony, that such a requirement is burdensome to the IXCs. We do, however, hold that the facilities-based IXCs shall be responsible for addressing complaints submitted to them by the Commission relating to their marketing practices, and shall also assist the Commission in its investigation of any complaints relating to the marketing practices of any interexchange resale carriers subscribing to and reselling the facilities based carriers' intrastate long distance services within South Carolina.

Pursuant to the adoption of the tariff modification as stated above, we hereby hold that the determination of violations of the

Commission's procedures and the intent of the Commission regarding this matter could require a Rule To Show Cause regarding the certification of any entity in non-compliance.

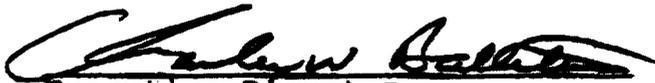
Finally, we deny the proposal of Staff concerning the procedures addressing verbal PIC changes directed to the local exchange carrier, since the FCC telemarketing procedures as adopted by this Commission will allow the Commission to address this area. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Chairman

ATTEST:



Executive Director

(SEAL)

If a carrier files a notification letter or an operating agreement or amendment that should have been filed under a waiver request, the Bureau will refile the notification letter to the carrier and the Bureau will notify the carrier that, before it can implement the proposed modification, it must file a waiver request under paragraph (f) of this section.

An operating agreement or amendment filed under a waiver request cannot become effective until the waiver has been granted under paragraph (i) of this section.

(g) On the same day the notification letter or waiver request is filed, carriers must serve a copy of the notification letter or waiver request on all carriers providing the same or similar service to the foreign administration identified in the filing.

(h) All waiver requests will be subject to a twenty-one (21) day pleading period for objections or comments, commencing the date after the request is filed. If the waiver request is not complete when filed, the carrier will be notified that additional information is to be submitted, and a new 21 day pleading period will begin when the additional information is filed. The waiver will be deemed granted as of the twenty-second (22nd) day without any formal staff action being taken, provided:

- (1) No objections have been filed, and
- (2) The Common Carrier Bureau has not notified the carrier that grant of the waiver may not serve the public interest and that implementation of the proposed modification must await formal staff action on the waiver request. If objections or comments are filed, the carrier requesting the waiver may file a response pursuant to §1.45 of the Commission's rules, 47 CFR 1.45. Waiver requests that are formally opposed must await formal action by the Common Carrier Bureau before the proposed modification can be implemented.

56 FR 25372, June 4, 1991, as amended at 58 FR 4354, Jan. 14, 1993

Subpart K—Changing Long Distance Service

§64.1100 Verification of orders for long distance service generated by telemarketing.

No IXC shall submit to a LEC a primary interexchange carrier (PIC) change order generated by telemarketing unless and until the order has first been confirmed in accordance with the following procedures:

(a) The IXC has obtained the customer's written authorization to submit the order that explains what occurs when a PIC is changed and confirms:

(1) The customer's billing name and address and each telephone number to be covered by the PIC change order;

(2) The decision to change the PIC to the IXC; and

(3) The customer's understanding of the PIC change fee; or

(b) The IXC has obtained the customer's electronic authorization, placed from the telephone number(s) on which the PIC is to be changed, to submit the order that confirms the information described in paragraph (a) of this section to confirm the authorization. IXCs electing to confirm sales electronically shall establish one or more toll-free telephone numbers exclusively for that purpose. Calls to the number(s) will connect a customer to a voice response unit, or similar mechanism, that records the required information regarding the PIC change, including automatically recording the originating ANI; or

(c) An appropriately qualified and independent third party operating in a location physically separate from the telemarketing representative has obtained the customer's oral authorization to submit the PIC change order that confirms and includes appropriate verification data (e.g., the customer's date of birth or social security number); or

(d) Within three business days of the customer's request for a PIC change, the IXC must send each new customer an information package by first class mail containing at least the following information concerning the requested change:

(1) The information is being sent to confirm a telemarketing order placed by the customer within the previous week;

(2) The name of the customer's current IXC;

(3) The name of the newly requested IXC;

(4) A description of any terms, conditions, or charges that will be incurred;

(5) The name of the person ordering the change;

(6) The name, address, and telephone number of both the customer and the soliciting IXC;

(7) A postpaid postcard which the customer can use to deny, cancel or confirm a service order;

(8) A clear statement that if the customer does not return the postcard the customer's long distance service will be switched within 14 days after the date the information package was mailed to [name of soliciting carrier];

(9) The name, address, and telephone number of a contact point at the Commission for consumer complaints; and

(10) IXCs must wait 14 days after the form is mailed to customers before submitting their PIC change orders to LECs. If customers have cancelled their orders during the waiting period, IXCs, of course, cannot submit the customer's orders to LECs.

[57 FR 4740, Feb. 7, 1992]

Subpart L—Restrictions on Telephone Solicitation

§64.1200 Delivery restrictions.

(a) No person may:

(1) Initiate any telephone call (other than a call made for emergency purposes or made with the prior express consent of the called party) using an automatic telephone dialing system or an artificial or prerecorded voice.

(i) To any emergency telephone line, including any 911 line and any emergency line of a hospital, medical physician or service office, health care facility, poison control center, or fire protection or law enforcement agency;

(ii) To the telephone line of any guest room or patient room of a hospital, health care facility, elderly home, or similar establishment; or

ADVICE OF COUNSEL

March 20, 1995

Memorandum to: Distribution
From: Peter H. Jacoby
Subject: Florida Antislamming Rule

Attached is a copy, forwarded by Mike Tye of our Tallahassee legal office, of the proposed final antislamming rule that the Florida PSC hearing officer has developed, based on the comments and testimony submitted on the original proposed rule. As you will see, the revised rule is a marked improvement on the original proposal, which (like the FCC's proposed rule) would have prohibited combined LOA/inducements.

As revised, the rule allows such instruments so long as "the document as a whole [is not] misleading or deceptive." Most helpfully, the rule defines the terms "misleading or deceptive" in terms of whether it would be readily apparent to the customer that signing the document will result in a PIC change. This is a standard that our existing check/LOAs and similar instruments should readily be able to satisfy.

The revised proposal requires that the statement authorizing the PIC change must be "printed in type as large as any other text on the page." This might pose problems if the "page" on which the LOA appears (as opposed to any other accompanying marketing literature) contains, for example, a heading in 20 point type (e.g., "Save with True USA"). However, our check/LOAs use pretty restrained typography, so this part of the rule may not pose any problems in practice.

The fact that Florida has revised its proposed antislamming rule and eliminated the ban on combined check/LOAs underscores the fact that the FCC's similar proposed rule should not be viewed as a "done deal." Rather, there is reason for optimism that, through skillful and persistent advocacy supported by factual input from the business units, we can turn the Commission around on this issue.

Attachments
Distribution list
Florida revised rule

cc (w/o att): Mike Tye, Esq.

D. Anderson
R. Buchwalter
R. Carney
R. Castellano
F. Cocilovo
J. Housman
S. Kudlacik
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D. Nanney
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State of Florida

Commissioners:
SUSAN F. CLARK, CHAIRMAN
J. TERRY DEASON
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JOE GARCIA



General Counsel
ROBERT D. VANDIVER
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Public Service Commission

May 15, 1995

VIA FEDERAL EXPRESS

RECEIVED
MAY 17 1995
FCC MAIL ROOM

William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

DOCKET FILE COPY DUPLICATE

Re: CC Docket No. 94-129 - Policies and Rules Concerning Unauthorized Changes of Consumers' Long Distance Carriers

Dear Secretary Caton:

Enclosed please find an original and four copies of the Florida Public Service Commission's Supplemental Comments filed ex parte in the above docket. Please date-stamp and return one copy to us in the enclosed self-addressed envelope.

In addition, we are filing one copy with the Formal Complaints Branch. In addition, we are filing one copy with the Commission's copy contractor, International Transcription Services.

Sincerely,

A handwritten signature in cursive script, appearing to read "Cynthia B. Miller".

Cynthia B. Miller
Associate General Counsel

CBM/jb
Enclosure

cc: Formal Complaints Branch
International Transcription Services

UNITED STATES OF AMERICA
FEDERAL COMMUNICATIONS COMMISSION

RECEIVED
MAY 17 1994
FCC MAIL ROOM

In the matter of:

Policies and Rules Concerning
Unauthorized Changes of Consumers'
Long Distance Carriers

CC Docket No. 94-129

SUPPLEMENTAL COMMENTS OF THE
FLORIDA PUBLIC SERVICE COMMISSION

On December 6, 1994, the Florida Public Service Commission (FPSC) voted to propose revisions to Rule 25-4.118, Florida Administrative Code, Interexchange Carrier Selection, commonly referred to as the PIC (primary interexchange carrier) rule. The proposed changes to the rule would have required that every letter of agreement (LOA) requesting a change in a customer's selected interexchange carrier be a separate document and would not be combined with other types of promotional material.

However, the rule hearing resulted in the proposed rules being altered. While commenters and parties participating in the hearing generally agreed unintended PIC changes were a problem, they did not agree that the proposed rule was the best alternative at this time. AT&T expressed concern that they could ultimately be faced with inconsistent regulation from the Federal Communications Commission (FCC) and the FPSC. Most of the parties submitting comments and participating in the informal rule hearing suggested that the FPSC could address the problem of unintended PIC changes without requiring that every LOA be a separate document. In