



**MCI Communications Corporation**

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**Leonard S. Sawicki**  
Director  
FCC Affairs

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May 7, 1998

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
Room 222  
1919 M Street NW  
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Re: CC Docket No. 94-129: Implementation of the Subscriber Carrier Selection Provisions of the Telecommunications Act of 1996

Dear Ms. Salas:

This morning and on May 6, I spoke with several members of the FCC staff. The purpose of my calling was to review MCI's position in this proceeding and discuss MCI's recent letter to the FCC concerning compensation to slammed customers. (Letter from Mary Brown, MCI to Commissioners Tristani and Powell, May 6, 1998).

I also provided the attached article to Mr. Casserly via electronic mail.

Please add this letter and the enclosed copy to the record of this proceeding.

Sincerely,

  
Leonard S. Sawicki

Attachment

cc: Mr. Casserly  
Mr. Gallant  
Mr. Martin  
Mr. Spangler  
Mr. Strickling

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## Fraudulent Switching of Customers Drops, Says Pacific Bell

By George Avalos, Contra Costa Times, Walnut Creek, Calif.  
Knight Ridder/Tribune Business News

Jan. 21--Incidents of fraudulent switching of long-distance customers have dwindled dramatically in California, but the problem is growing among local phone users, Pacific Bell reported Tuesday.

About 133,000 customers have complained to Pac Bell that they were victims of long-distance phone "slamming" in 1997. That's a 45 percent decrease from the 243,000 long-distance phone customers who complained about the practice in 1996. Slamming is the practice of switching a customer from one phone carrier to another without the consumer's expressed permission. Customers often wind up paying more with the new carrier.

But the launch of local phone competition has unleashed a big increase in slamming incidents in which customers were switched from Pac Bell to a competing local phone carrier without authorization.

In 1997, Pacific Bell received 7,000 complaints about local phone service slamming. That was up from about 1,000 in 1996, the company said.

What's more, a growing number of customers are complaining about unauthorized charges that appear on their bills.

"We're worried about slamming's evil little brother, 'cramming,'" said John Britton, a Pac Bell spokesman.

"Cramming" often occurs when a customer signs a sweepstakes or contest form that secretly obliges the customer to buy a telecommunications service such as a phone card or pager.

"Local service slamming is definitely going to continue to worsen," said Stevan Allen, a Pacific Bell representative. "Customers feel that slamming is going to increase as local competition increases." San Antonio, Texas-based SBC Communications Inc., Pac Bell's owner, ordered a survey of 1,210 customers during a period starting in late December.

About 19 percent of Pacific Bell's customers said they had been slammed. Another 18 percent said they knew of a friend or relative who was slammed. Some 77 percent believe slamming will worsen with the entry of more Pac Bell competitors into the California phone market. Still, phone company officials were pleased with the overall improvement.

"California has been leading the nation in cracking down on slamming," said Jim Callaway, Pacific Bell's public affairs president.

Pac Bell executives gave credit to tough Public Utilities Commission actions and policies, along with a new state law, for the shrinkage in slamming.

To cut down on slamming, the PUC has ordered fines of as much as \$2 million. The agency also has forced some guilty companies to stop operating in California for two or three years. Numerous customers have received

refunds of \$25 each.

"The PUC took this problem seriously from the start," said Fassil Fenikile, a telecommunications adviser to PUC Commissioner Josiah Neeper. "The commission declared zero tolerance for slamming."