

UCI-900720

October 1, 1990

RECEIVED

'90 OCT -2 AS:18

# THE FRIEDRICH GROUP

Utilities and Transportation Commission  
P.O. Box 9022  
Olympia, WA 98504

Re: A.O.S. Rule

In your consideration of the A.O.S. Rule, perhaps our experience as a small corporation will highlight a problem which we believe ought to be addressed by the commission.

In November of 1989, our President used an AT&T telephone credit card when placing two station-to-station long distance calls from a public telephone located in Poulsbo, Washington. The phone calls were placed from there to a private phone on Bainbridge Island, a distance of less than eleven miles. The telephone calls were billed for a total of two minutes each. The calls were billed to us by US West, our local telephone carrier, "as a service to" Zero Plus Dialing, Inc. The charges for these two calls were \$3.06 each.

Since we are a small company, our bookkeeper closely watches the charges made on the telephone credit card, and she noted that the amount charged for these calls was extremely high. We have been previously billed by other carriers for similar calls, and have never been charged more than one dollar. The bookkeeper proceeded to attempt to contact the Zero Plus telephone company by calling the "800" number listed on the telephone bill. After waiting several minutes on hold, she was informed that Zero Plus is merely a billing agency for another company, and that she would have to call that company, Phone America, for clarification of the matter.

Our employee then called the "800" number furnished to her for Phone America, and, after waiting several minutes on hold, was told that Phone America was billing the calls on behalf of another phone company which actually owned the pay telephone from which the calls originated. She was given a long distance telephone number to call to reach this company, CSI.

When our employee called CSI, and complained about the charges for these calls, their representative volunteered to refund the full amount charged for the calls. Of course by that time it had cost us as much in employee time to complain about the exorbitant bill as we were originally charged for the calls. In the end we were refunded the charge for only one of the calls.

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UTILITIES & TRANSPORTATION

The Friedrich Group Inc.

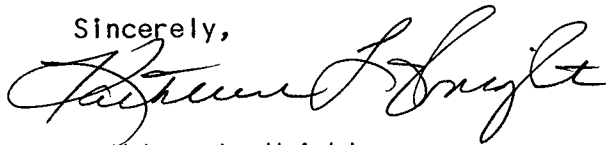
9284 Ferncliff Northeast  
Bainbridge Island, WA 98110  
(206) 842-5248  
FAX (206) 842-7704

00297

Our experience raises several serious questions about the pay telephone industry. Because we are a small company, our staff can closely watch charges for long distance services. How many thousands of dollars in exorbitant charges are billed to large corporations without the ability to closely track amounts billed for employee credit card calls? How many times are such charges paid because it costs more in employee time to complain than will be gained from a refund? Why should our company have to pay an employee for 20 to 30 minutes to call three different telephone companies, and end up paying a long distance charge to call a telephone company to complain about a charge which is 300% higher than it ought to be. How many individual credit card users are being gouged with charges that are 300% higher than is appropriate for the service they received? Most people undoubtedly pay such charges without complaint because they have no way to know or prove that the charge is exorbitant. Why was the company so anxious to refund what they had billed us - to keep us from complaining to the Commission about the overcharge?

We have taken the time to write you with our concerns so that you may know of at least one consumer's bad experience with this industry, and in hopes that you will initiate regulations which will prevent the pay telephone industry from such practices in the future.

Sincerely,



Kathleen L. Wright  
Office Manager

:klw

Encl.

00298



Billing And Service  
 Questions -- Call  
 1 800 456-7587 -- No Charge

DATE OF BILL DEC 07, 1989

ZERO PLUS DIALING INC DETAIL OF CURRENT CHARGES

LONG DISTANCE

DATE	TIME	CLASS	TO FROM	NUMBER	MIN		NET CHARGE
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CALLS BILLED TO CALLING CARD 842-5248

1.	11/09	802PM	N	FROM POULSBO WA TO BAINBDG IS WA	779 2097 842 7109	2	DISCOUNTED	3.06 &
2.	11/09	804PM	N	FROM POULSBO WA TO BAINBDG IS WA	779 2097 842 3975	2	DISCOUNTED	3.06 &
							TOTAL	6.12

Class of Call Codes--  
 N - Station-Dialed Calling Card

*Handwritten:*  
 1.18  
 1418  
 6.78

TAX AND SURCHARGE SUMMARY ZERO PLUS DIALING INC

The detail listed below has been included in the current charges on this bill. This summary is provided as information only.

	US TAX	SALES TAX
LONG DISTANCE	.18	.48

This portion of your bill is provided as a service to ZERO PLUS DIALING INC. There is no connection between U S WEST Communications and ZERO PLUS DIALING INC.

*Handwritten:*  
 WUTC\*  
 PUC\*

00299