

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**Notice of Proposed Rulemaking (CR-102)  
UT-980675**

In the Matter of	)	COMMENTS OF SPRINT CORPORATION
Rules relating to WAC 480-120-139)	)	ON BEHALF OF SPRINT COMMUNICATIONS, L.P.,
Changes in local exchange and	)	AND UNITED TELEPHONE COMPANY OF THE
Intrastate toll services	)	NORTHWEST

Sprint Corporation, on behalf of Sprint Communications, L.P., and United Telephone Company of the Northwest d.b.a. Sprint (“Sprint”), submits these comments in response to the October 22, 1999, “Notice of Proposed Rule Making and Notice of Opportunity to Submit Written Comments on Proposed Rules” in this docket.

**Introduction**

Sprint agrees with the Commission that the unauthorized changing of a customer's telecommunications carrier (slamming) is a problem that must be addressed. Slamming is harmful to consumers and to the majority of reputable carriers. The challenge in this proceeding is to strike the right balance between protecting customers and promoting competition. As the FCC noted when they reviewed the issue, rules that make it more difficult to slam consumers may also make it more difficult for carriers to gain new subscribers in a legitimate manner.<sup>1</sup>

Sprint also commends the Commission on its decision to propose rules that are

---

<sup>1</sup> Order in Docket CC 94-129, Order 98-334, Issued December 23, 1998 ¶

reasonable in their scope, and consistent with Federal rules governing slamming. The Commission has wisely chosen to avoid the pitfalls of state-specific rules and procedures that ultimately add cost to the business, harm competition and create customer confusion. As Sprint indicated in its comments following the Commission's pre-proposal statement of inquiry (CR-101), Sprint has only two areas of concern with the proposed rules: 1) Requirements pertaining to the proactive offering of preferred carrier freezes and, 2) the proposed rules to remedy a slamming incident.

### **Mandating the Repeated Marketing of Preferred Carrier Freezes May Have Unintended Consequences**

Sprint supports a customer's right to obtain a preferred carrier freeze on local, intraLATA, or interLATA services. However, mandating that all local exchange carriers (LECs) repeatedly offer the service, as required in Section 480-120-139(5), is excessive for several reasons. First, although freezes are designed to protect consumers, they have been used inappropriately to prevent competitive losses in the past. The annual notification requirement seems to condone “scare tactics” marketing. Second, these rules, when taken together with the verification rules governing freezes, will result in significant additional cost to LECs that are being required to offer the freezes, and then required to obtain formal authorization to validate the request. Third, interexchange carriers (IXCs) and competitive local exchange carriers (CLECs) do not always have adequate information about PIC freezes on customer accounts. As AT&T has pointed out in its earlier comments, many customers are either unaware or forget that there is a freeze on their account. Without such information, CLECs experience significant re-work,

service delays, and incur added cost due to automated PIC change orders or CLEC local service requests (LSRs) rejected by ILECs. Sprint recommends that the Commission consider ways to provide all carriers with real-time accessibility to preferred carrier freeze information. Equipped with this information, IXCs and CLECs will be able to adjust processes to get freezes lifted before submitting the PIC change order (or LSR) to the ILEC. The result would make the widespread presence of PIC freezes on customer accounts less burdensome on carriers while still preserving the consumer safeguard.

In the meantime, Sprint would strongly urge this Commission to refrain from creating a rule that heavily promotes freezes and, consequently, that might provide justification for marketing abuse. Sprint would support rules requiring LECs to make preferred carrier freezes *available*, but that do not require the proactive marketing of the freeze at the time service is ordered or annually thereafter. Instead, preferred carrier freezes should be offered reactively only, or proactively in the case where a customer has been slammed. In order to ensure that customers are aware of the service, information regarding freezes should be published in directories, company tariffs, and via the WUTC web site.

### **Formal Remedies Should be Subject to Modification When Further FCC Rules Are Adopted**

Sprint's preference is for the Washington rules to mirror the federal rules governing slamming remedies. Current FCC rules, 47 CFR §§ 64.1100(c)-(d), § 64.1170, and § 64.1180 have been stayed by the U.S. Court of Appeals, D.C. Circuit, pending

resolution of several issues on reconsideration.<sup>2</sup> The current and proposed rule WAC 480-120-139 (6) contains provisions that are similar in nature to some of the stayed sections of the FCC rules. The rule requires a complex system of re-rating and re-billing that burdens the innocent carrier involved, and confuses the customer. Sprint urges the Commission to modify its rules temporarily while awaiting the FCC's Order on Reconsideration and/or court determination.

The proposed Washington rules fail to set any time limits on customer claims of slamming. Paragraph 18 of the FCC's Order in FCC Docket Number 98-334 states: “[W]e adopt a rule absolving consumers of liability for unpaid charges assessed by unauthorized carriers for *30 days* after an unauthorized carrier change has occurred.” (Emphasis added). Sprint supports an approach that balances the need to compensate the customer against the possibility of improper reporting. The FCC reasoned that paying the unauthorized carrier at the rate the authorized carrier would have charged is not a sufficient deterrent to slamming. Moreover, a limited absolution does not substantially harm the authorized carrier, which has not provided service to the slammed consumer during the period of absolution.<sup>3</sup> For these reasons, Sprint advocates that the WUTC adopt the 30-day limit on relief from liability.

Specifically, Sprint recommends that the following interim language be considered:

---

<sup>2</sup>The FCC is considering a proposal for a neutral third party liability administrator (TPA) that would be assigned to manage PIC change disputes and resolutions. Sprint is supportive of a TPA and is working closely with others in the industry to develop a fair and workable solution using third party administration for complaints, refunds, and inter-carrier disbursements.  
FCC Order 98-334 ¶25-27<sup>3</sup>

(6) Remedies. In addition to any other penalties provided by law, a submitting carrier that requests a change in a subscriber's carrier without proper verification as described in this rule shall receive no payment for service provided as a result of the unauthorized change and shall promptly refund any amounts collected as a result of the unauthorized change. To be absolved of all charges and/or receive a full refund of payments made, the customer must notify the unauthorized carrier that a slam has occurred within thirty (30) days from the date of the unauthorized change. Charges incurred after the 30<sup>th</sup> day will not be subject to refund or absolution. ~~The subscriber may be charged, after receipt of the refund, for such service at a rate no greater than what would have been charged by its authorized telecommunications company, and any such payment shall be remitted to the customer's authorized telecommunications company.~~

### **Conclusion**

Sprint agrees that slamming is a significant consumer and industry problem. Sprint takes slamming allegations very seriously and has implemented policies and procedures to guard against such incidents. Sprint supports customer safeguards and appreciates the Commission's efforts in promulgating rules that are consistent with the FCC's Policies and Rules Concerning Unauthorized Changes in Consumers Long Distance Carriers. The Commission is indeed on the right track toward striking an appropriate balance between the protection of consumers and the preservation of healthy competition between reputable carriers.

For the reasons stated above, Sprint asks that the modifications requested herein be made to the proposed rules.

Respectfully submitted this 12<sup>th</sup> day of November 1999.

---

Nancy L. Judy  
AVP External Affairs