

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

In the Matter of the)
)
) Docket No. UT-980675
Changes in Local Exchange and Intrastate)
Toll Service Providers)
) MCI WORLDCOM'S COMMENTS

Pursuant to the Notice of Opportunity to Submit Written Comments of the Utilities and Transportation Commission (“Commission” or “UTC”), MCI WorldCom (“MWC”) provides these comments on the need for additional consumer protections against unauthorized changes in telecommunications providers.

Introduction

The UTC is seeking to amend WAC 480-120-139 in an effort to provide additional protections to consumers in the event of unauthorized changes in their local exchange and long distance carriers. The amendments are generally an effort to align the Washington rules with the rules of the Federal Communications Commission (“FCC”) on the same subject, and specifically FCC 98-334 in CC Docket No. 94-129, (the “FCC Order”), which became effective earlier this year as to interstate service. MWC supports and applauds the efforts of the UTC to protect consumers with consistent rules to prevent unauthorized conversions of telephone service.

Letters of Agency and Third Party Verification

MWC has been in compliance with the FCC Order regarding letters of agency/authorization (“LOAs”) and third party verification (“TPV”) since well before

the FCC rules became effective. MWC.COM, therefore, agrees with the Commission's work in establishing a unified and national practice on the handling of LOAs and third party verification when switching telecommunications carriers by following the FCC Order.

III. PIC Freezes

The Commission's current rulemaking invokes new regulations on local exchange carriers to include a requirement to provide PIC freezes and also an annual notification requirement. The FCC Order provides specific guidelines for carriers *should they choose to provide PIC freeze service*. These rules are incorporated in the Commission's rulemaking; however, the added regulation of mandating local exchange carriers (LECs) to provide this service is not, and is anti-competitive and a barrier to entry for new competitive local exchange carriers.

By placing greater technical demands on new entrants, the UTC is preventing smaller carriers from freely entering the market, thereby affecting competitive pricing. In addition, the proposed requirement of notifying customers on an annual basis is unnecessarily burdensome to carriers. Carriers providing PIC freeze service already are required to educate the customer at the time of the service change, as well as informing about lifting a PIC freeze. Should a customer decide to change service providers, the "submitting" carrier would have the responsibility to ask the customer if there is a PIC freeze and to ensure that the LEC uses the proper method for lifting the freeze. Unsolicited "educational" material is an unnecessary expense, the cost of which would ultimately be borne by all customers; most of whom do not need or have not requested

additional information on PIC freezes.

Additionally, the proposed rule would require the LEC to notify customers, when they sign up and annually thereafter, of the availability of a PIC freeze. Such a requirement would be anti-competitive because it would encourage LECs, who have every incentive to use various scare tactics in their marketing of PIC freezes, to be anything but neutral. If the UTC adopts the notification requirement, it should specifically indicate that it be absolutely neutral in nature, which would be in line with the federal rules.

IV. Lifting a PIC Freeze

The FCC rules, specifically section 64.1190(e), address procedures for lifting preferred carrier freezes. The FCC “encourage[d] parties to develop new means of accurately confirming a subscriber’s identity and intent to lift a preferred carrier freeze, in addition to offering written and oral authorization to lift preferred carrier freezes.” FCC Order at ¶ 130. As the FCC, this Commission should allow flexibility for implementation of new means of accurately confirming a preferred carrier freeze. Providers may develop additional methods for doing so, such as e-mail or a new technology, and the Commission’s rules should be able to accommodate such methods as they become available.

MWCOM supports independent TPV for lifting a PIC freeze. Under the proposed rules, a customer who intends to switch from one carrier to another would first have to have the freeze lifted by either signing an LOA, or by participating in a three-way call with the “executing” and “submitting” carriers. Such a requirement is onerous, especially

given that the customer already would have gone through one verification procedure prior to switching carriers. TPV override is consistent with consumer expectations – that he or she will have his or her wishes in a subsequent buying decision carried out without the need for additional verification.

Independent TPV has proven to be very effective in reducing unauthorized conversions and can be equally as effective in protecting customers regarding lifting PIC freezes. Three-way calling is only effective if the LEC is able and willing to participate in the call, which is not always the case. In fact, a LEC may not have service hours that coincide with allowable telemarketing hours, so the three-way call may not be able to take place conveniently at the same time as the sale. The three-way call also needs to be free of any “winback” attempts and to be handled in a neutral manner by executing carriers.

V. Summary

MWCOM supports the Commission’s effort to align its rules with the federal rules regarding telecommunication carrier switching; however, the addition of greater regulations such as mandatory PIC freeze availability is a burden and is unnecessary in protecting consumers from unauthorized conversion of their telephone service. The new federal rules specifically extend to intrastate as well as interstate telecommunications traffic and provide sufficient protection to customers while maintaining competition across markets. Finally, MWCOM requests that the Commission consider adopting more lenient measures for lifting PIC freezes in an effort to preserve competition going forward.

Respectfully submitted,

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