

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter, on the Commission's own motion,)
to consider revisions to the procedures designed)
to prohibit switching an end user of a telecommuni-)
cations provider to another provider without the)
authorization of the end user.)
_____)

Case No. U-11900

At the February 2, 1999 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. John G. Strand, Chairman
Hon. David A. Svanda, Commissioner

**ORDER INITIATING PROCEEDINGS AND PROVIDING AN
OPPORTUNITY TO SUBMIT PROPOSALS AND FILE COMMENTS**

On July 16, 1998, Governor John Engler signed into law Public Acts 259 and 260 of 1998,
which amend the Michigan Telecommunications Act, 1991 PA 179, as previously amended by 1995
PA 216, MCL 484.2101 et seq.; MSA 22.1469(101) et seq., (the Act). The recent amendments
prohibit a telecommunications provider from switching a customer to another provider without that
customer's authorization. In addition, the amendments permit the Commission to order remedies
and penalties to protect and make whole customers and other persons who have suffered damages
as a result of violations of these laws. Specifically, Section 505(2) of the Act, which was added by
Public Act 260, requires the following:

The commission shall issue orders to ensure that an end user of a telecommunications provider is not switched to another provider without the end user's oral authorization, written confirmation, confirmation through an independent third party, or other verification procedures subject to commission approval, confirming the end user's intent to make a switch and that the end user has approved the specific details of the switch. The order issued under this section shall require that all providers comply with the regulations established by the federal communications commission on verification procedures for the switching of an end user's telecommunications provider.

MCL 484.2505(2); MSA 22.1469(505)(2).

On August 20, 1998, the Commission issued an order and notice of opportunity to comment in Case No. U-11757 in which it invited interested parties to submit proposed procedures to be utilized to ensure that unauthorized switches, commonly referred to as "slamming," do not occur. The order went on to express the Commission's intent to implement the required procedures by the October 1, 1998 effective date for Public Acts 259 and 260.

The Commission therefore established a schedule calling for the submission of all proposals and responses to those proposals by September 2 and 14, 1998, respectively. On September 23, 1998, the Commission issued an order (the September 23 order) adopting a set of anti-slamming procedures, which were attached to the order as Exhibit A.

On December 17, 1998, the Federal Communications Commission (FCC) issued an order adopting its own set of rules to combat slamming. The FCC's order, issued in CC Docket No. 94-129, establishes minimum standards that must be adhered to by each state that adopts its own anti-slamming procedures. Moreover, Section 505(2) of the Act demands that Michigan's procedures comply with the FCC's directive.

Therefore, an investigation must be conducted to determine what, if any, changes are necessary to make the Commission's anti-slamming procedures better comport with those adopted by the FCC. The Commission further finds that certain proposals that it was unable to address in either the

September 23 order or its subsequent orders in Case No. U-11757 may be worthy of consideration at the same time.

Accordingly, interested parties are invited to file proposals concerning changes to the Commission's anti-slamming procedures that they believe are necessitated by the FCC's new rules. These proposals should be filed by March 2, 1999. Any comments concerning those proposals are due no later than March 23, 1999. In addition, and pursuant to the same schedule set forth above, the parties may address whether the Commission's procedures should be revised to do any of the following: (1) establish a jointly funded customer education program to make end users aware of the range of available competitive telecommunications services and their rights regarding the selection of service providers; (2) develop a standardized script for use during the third party verification process; (3) impose specific notification requirements to be provided to customers before they are enrolled in any primary interexchange carrier (PIC) or local exchange carrier (LEC) protection program; (4) require changes to the form and wording of customers' bills for telecommunications service to, among other things, highlight any new charges or changes to the customers' services; (5) set minimum periods for the retention of data used to verify a customer's service change order or the customer's request to institute PIC or LEC protection; (6) grant exceptions for some relatively small LECs regarding rules concerning PIC and LEC protection; (7) require LECs to publish, in electronic form, a list of lines on which customers have instituted PIC or LEC protection and indicating the type of service or services that are covered by that protection; (8) authorize the use of voice mail systems and Internet-based technology to initiate, suspend, or terminate a customer's PIC or LEC protection; and (9) allow a customer to suspend or terminate its PIC or LEC protection by employing the same procedure used to initiate that protection.

Copies of filed proposals and comments will be available from the Commission's Office of the Executive Secretary.

The Commission FINDS that:

a. Jurisdiction is pursuant to 1991 PA 179, as amended, MCL 484.2101 et seq.; MSA 22.1469(101) et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; MSA 3.560(101) et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1992 AACRS, R 460.17101 et seq.

b. Proceedings should be initiated to consider revisions to the Commission's anti-slammings procedures.

c. Proposals from interested parties should be filed by March 2, 1999.

b. Comments on those proposals should be filed by March 23, 1999.

THEREFORE, IT IS ORDERED that proposals from interested parties and comments on those proposals shall be due no later than March 2 and 23, 1999, respectively.

The Commission reserves jurisdiction and may issue further orders as necessary.

MICHIGAN PUBLIC SERVICE COMMISSIO

N

/s/ John G. Strand

Chairman

(S E A L)

/s/ David A. Svanda

Commissioner

By its action of February 2, 1999.

/s/ Dorothy Wideman

Its Executive Secretary

The Commission reserves jurisdiction and may issue further orders as necessary.

MICHIGAN PUBLIC SERVICE COMMISSIO

N

Chairman

Commissioner

By its action of February 2, 1999.

Its Executive Secretary

In the matter, on the Commission's own motion,)
to consider revisions to the procedures designed)
to prohibit switching an end user of a telecommuni-)
cations provider to another provider without the)
authorization of the end user.)
_____)

Case No. U-11900

Suggested Minute:

“Adopt and issue order dated February 2, 1999 initiating proceedings to consider revisions to the Commission's anti-slamming procedures and providing an opportunity to submit proposals and file comments, as set forth in the order.”