

**THE FCC
TELEPHONE
CONSUMER COMPLAINT
SCORECARD**

FEDERAL COMMUNICATIONS COMMISSION
COMMON CARRIER BUREAU

December 1998

A Message From the Chairman

Today there are more than 600 long distance companies vying for your business with a dizzying array of calling plans and other service offerings. Such fierce competition has resulted in the lowest long distance rates ever. In 1987, for example, the average per-minute rate was 17 cents. At the end of last year, the average per-minute rate was 10 cents, with discount plans' rates now as low as 5 cents a minute.

A competitive market also means that consumers need to make informed choices about their telephone service. We are publishing this information to give customers information which they may want to consider as they choose between telecommunications providers.

As the FCC works to promote competition in all segments of the telecommunications industry, we will continue to take enforcement action against those companies that do not compete fairly and harm consumers. To do so, we rely in part upon you, the consumer, to alert us to unfair practices.

This first edition of this quarterly Complaint Scorecard provides information to assist you in navigating the competitive landscape. Of course, many factors may be taken into account when selecting a telecommunications provider, such as the service quality, price, and convenience of an offering. We hope you will find this publication a useful tool as well as a reminder that your voice does count.

William E. Kennard
Chairman
Federal Communications Commission

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INTRODUCTION

The following tables show the number of complaints processed by the Enforcement Division of the Federal Communications Commission's Common Carrier Bureau for the first six months of 1998. The FCC uses this information to develop policies that govern the practices of telecommunications carriers, to ensure that the interests of consumers are protected, and to initiate enforcement actions against carriers. Consumers may find this information useful when evaluating different telephone service providers and their telephone service options.

When a customer sends a complaint to the FCC, the Enforcement Division serves the letter, along with an Official Notice of Informal Complaint, to any and all companies identified by the customer that may have a role in the resolution of the complaint. Service of the complaint on a company does not necessarily indicate wrongdoing by the served company. For instance, Billing Agents provide services for other companies. Complaints are served on a Billing Agent, as well as on the service provider, whenever the Billing Agent appears on the bill or is named in the complaint. The Billing Agent may or may not be responsible for the conduct resulting in the complaint.

Written Complaints Processed January 1, 1998 - June 30, 1998

SUBJECTS	NUMBER OF COMPLAINTS
Slamming	9,597
Rates & Services	2,461
Cramming	2,302
Miscellaneous	1,624
Carrier Marketing	1,102
Information Services	810
International Rates	753
Operator Service Providers	659
Referrals	646
Violations of the Telephone Consumer Protection Act	<u>475</u>
TOTAL	20,429

Complaint indices for carriers served more than 40 slamming complaints from Jan. 1 to June 30, 1998

Sorted Alphabetically

Company	Complaints	Complaints per million dollars*
Accutel Communications**	71	71.0
ACI Communications, Inc.**	127	127.0
All American Telephone**	120	120.0
Amer-I-Net Services**	190	190.0
America's Tele-Network**	79	79.0
American Business Alliance**	222	222.0
American Nortel Communications**	46	46.0
AT&T Corporation	1,216	0.1
Atlas Communications***	43	4.9
Axces Telecommunications***	161	18.4
Basic Long Distance **	133	133.0
Brittan Communications**	151	151.0
Business Discount Plan**	1,569	1,569.0
Corporate Services***	103	82.4
Discount Network Services**	55	55.0
Excel Communications	96	0.2
Frontier Communications Services, Inc.	109	0.2
Group Long Distance, Inc.***	186	49.6
L.D. Services, Inc. **	97	97.0
LCI International	210	0.4
LDC Telecommunications**	161	161.0
Least Cost Routing (FL)***	67	53.6
Least Cost Routing (CA)**	171	171.0
Local Long Distance**	44	44.0
Long Distance Direct, Inc.**	96	96.0

Complaint indices for carriers served more than 40 slamming complaints from Jan. 1 to June 30, 1998

Sorted Alphabetically

Company	Complaints	Complaints per million dollars*
MCI Worldcom	1,055	0.1
Minimum Rate Pricing**	404	404.0
North American Telephone***	40	2.1
One Step Billing, Inc.**	74	74.0
Pantel Communications**	53	53.0
QAI, Inc.***	51	5.8
Sprint Communication	595	0.1
Telec, Inc.**	133	133.0
The Furst Group***	103	2.5
US Long Distance, Inc.	101	0.8
US Republic Communications***	80	9.1
Vista Group International***	214	171.2

Notes:

- * Because the complaint statistics report a six month period, we used half the company's annual revenue to calculate the complaint index. Except where indicated, the index is derived from publicly filed carrier revenue information.
- ** This carrier did not submit the Universal Service Fund Worksheet that all carriers with more that \$2 million of annual revenue must file with the Commission. We used the \$2 million minimum threshold as the annual revenue estimate, adjusted to \$1 million to reflect the six month reporting period, for purposes of calculating the complaint index.
- *** This carrier submitted confidential revenue data in its Universal Service Fund Worksheet filed with the Commission. To preserve the confidentiality of this information, we developed estimated revenue figures. We derived these estimates by establishing five revenue ranges and placing each carrier in one of these ranges. We then used the range midpoint as the carrier's estimated revenue, adjusted that figure for the six month reporting period for purposes of calculating the complaint index. The ranges are \$112 -\$50 million; \$50-\$25 million; \$25-\$10 million; \$10-\$5 million; under \$5 million.

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Sorted Numerically

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Atlas Communications***	43	4.9
The Furst Group***	103	2.5
North American Telephone***	40	2.1
US Long Distance, Inc.	101	0.8
LCI International	210	0.4
Frontier Communications Services, Inc.	109	0.2
Excel Communications	96	0.2
Sprint Communication	595	0.1
MCI Worldcom	1,055	0.1
AT&T Corporation	1,216	0.1

Notes:

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Billing Agents Served More Than 20 Slamming Complaints January 1, 1998 - June 30, 1998	TOTAL
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Company	Complaints
Billing Concepts	1652
OAN Services, Inc.	772
Hold Billing Service	364
Integretel, Inc.	339

Companies Served More Than 20 Cramming Complaints January 1, 1998 - June 30, 1998	TOTAL
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Company	Complaints
Pantel Communication	169
New World Telecom	118
Verteran's of America	116
Coral Communications	100
Enhanced Phone Service	89
Capital Gains, Inc.	84
Direct American IV	72
Viatech (RCP Comm)	71
Vision Telemedia, Inc	69
Consumer Access	64
ASP Telecom, Inc.	54
Payless Communication	38
QE Teleconnect	37
Telmatch Telecommunication	37
America's Tele-Network	36
Online Consulting Group	34
Auto Advantage Plus	26
US Telephone	24
Innovate Telecom, In	23
Traceform Eastern **	22
Telco Comm	22
Minimum Rate Pricing	22
BLJ Communications	21
Traveler's Advantage	20

Billing Agents Served More Than 20 Cramming Complaints January 1, 1998 - June 30, 1998	TOTAL
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Company	Complaints
USP&C	523
Integretel, Inc.	450
Hold Billing Service	404
International Telemedia	374
Billing Concepts	276
OAN Services, Inc.	50

Local Telephone Co. Served More Than 20 Cramming Complaints January 1, 1998 - June 30, 1998	TOTAL
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Company	Complaints
Bell Atlantic	564
GTE Service Corporation	385
SBC	380
Ameritech	219
BellSouth Corporation	157
US West Communication	157
Sprint/United	30

**ENFORCEMENT DIVISION, COMMON CARRIER BUREAU
FEDERAL COMMUNICATIONS COMMISSION**

Notices of Apparent Liability Issued for Slamming Violations

Company Name	Proposed Forfeiture Amount
All American Telephone Company, Inc. (7/98)	\$ 1,040,000
Amer-I-Net Services Corporation (10/98)	1,360,000
Brittan Communications International Corp. (10/98)	1,120,000
Business Discount Plan, Inc. (12/98)	2,400,000
Heartline Communications, Inc. (6/96)	200,000
Long Distance Direct, Inc. (12/98)	<u>2,000,000</u>
Total:	\$8,120,000

Forfeiture Orders Issued for Slamming Violations

Company Name	Forfeiture Amount
Excel Telecommunications, Inc. (6/96)	\$ 80,000
Fletcher Companies (slamming and related violations) (4/98)	5,681,500
Long Distance Services, Inc. (Troy, Michigan) (2/98)	80,000
Long Distance Services, Inc. (Virginia) (5/97)	80,000
Target Telecom, Inc. (2/98)	<u>40,000</u>
Total:	\$5,961,500

Consent Decrees Resolving Notices of Apparent Liability for Slamming

Company Name	Voluntary Payments to the U.S. Treasury*
AT&T Corporation (12/96)	\$ 30,000
Cherry Communications, Inc. (5/94)	500,000
Home Owners Long Distance, Inc. (3/97)	30,000
LCI International Worldwide Telecommunications (8/97)	15,000
Matrix Telecom, Inc. (12/96)	30,000
MCI Telecommunications Corp. (6/96)	30,000
Minimum Rate Pricing, Inc. (12/98)	1,200,000
Nationwide Long Distance, Inc. (1/97)	30,000
Operator Communications, Inc. d/b/a Oncor (9/95)	500,000
TELCAM, Telecommunications Company of the Americas (2/98)	15,000
Winstar Gateway Network, Inc. (12/96)	<u>80,000</u>
Total:	\$2,460,000

* The companies listed under Consent Decrees also voluntarily agreed to provide additional consumer protections.

Other Actions

The Commission revoked the operating authority of the companies owned and/or operated by Daniel Fletcher. (4/98)

TO FILE A COMPLAINT

If you have a problem with a company providing telephone services, you should first try to resolve your complaint with the company providing service or the company billing for the service. If you are unsuccessful in resolving the problem, then you should file a complaint.

Complaints about rates or services provided within one state should be addressed to your state public utility commission. This information may be obtained from your local or state consumer office, or the government section of your telephone directory.

Complaints regarding services provided from one state to another, or to other countries, should be addressed to the FCC at:

Federal Communications Commission
Common Carrier Bureau
Consumer Complaints
Mail Stop Code 1600A2
Washington, DC 20554

There is no fee for filing this kind of complaint, and no special form is required. When making a complaint please print or type your letter, and include:

- your name and address;
- a telephone number where you can be reached during the day;
- all the telephone numbers involved in the complaint;
- the name of your local telephone company;
- as much information as possible about your complaint, including the names of all companies involved;
- the names and telephone numbers of all telephone company employees that you contacted, the dates you spoke with these people and any other information you believe would be helpful to resolve your complaint; and
- specify the relief you are requesting, such as a credit on your bill or a refund.

GLOSSARY OF TERMS

A **BILLING AGENT** provides billing and collection services to telecommunications service providers that do not do their own billing. Billing agents collect billing information from telecommunications service providers and have it placed on your local phone bill.

A **COMPLAINT** is served on a company by the FCC based on a complaint from the customer. FCC staff serve a complaint on any company that may have a role in the resolution of the complaint. Service of the complaint on a company does not necessarily indicate wrongdoing by the served company.

CRAMMING describes any practice that adds charges to a customer's phone bill for services that have not been authorized by the customer.

SLAMMING describes any practice that changes a customer's preferred telephone company without the customer's knowledge or consent.

For More Information

For more information about this or other telephone related issues, please:

Visit our web site

http://www.fcc.gov/ccb/consumer_news/

Call for Fax-on-Demand

Dial 202-418-2830

Call the FCC

National Call Center (toll-free) 1-888-225-5322
Telecommunications Device for the Deaf (TTY) toll-free 1-888-835-5322
Office of Public Affairs, Public Service Division 202-418-0200