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For more information, contact:

Dave Fisher - 406-444-6168

Kate Whitney - 406-444-3056

PSC PROPOSES RULES TO COMBAT 'CRAMMING'
AND EXCESSIVE RATES FOR PAYPHONE CALLS

The state Public Service Commission is seeking public comment on its proposed new rules regarding "cramming" -- the placement of unauthorized charges on telephone bills -- and on its proposed new and revised rules for operator service providers, which are the companies that connect and bill for calls placed from public phones.

The anti-cramming rules will require telephone carriers or other companies who bill for their services or products on consumers' telephone bills to obtain prior authorization from consumers before placing charges on their phone bills. If a consumer claims a company has placed unauthorized charges on his or her phone bill and the company cannot produce proof that it obtained prior authorization as prescribed by PSC rules from the consumer, then the consumer does not have to pay the company's charges. The rules will not apply to charges billed by a consumer's preselected local or long-distance carriers.

The operator service provider rules will cap the rates that OSPs can charge payphone and other public phone users for their collect, third-party billed and calling card calls. As proposed in the new rules, the commission will establish caps on various OSP rates annually by averaging the OSP and intrastate toll rates of US West Communications, AT&T, MCI and Sprint and adding 50 percent to each averaged rate.

As of October 1, if an OSP bills a customer more than the allowable rate set by the PSC, a new law passed by the 1999 Legislature allows the customer to sue the OSP for three times the cost of the call or \$500, whichever is greater.

The proposed rules also require an OSP to disclose to the customer at no charge and before connecting the call that by dialing one or two digits or by remaining on the line the customer can find out what the total cost of the call will be.

The PSC will hold hearings on the proposed rules September 9 at the PSC's Bollinger Room, 1701 Prospect Avenue, in Helena. The OSP rules hearing will begin at 9 a.m. and the anti-cramming rules hearing will begin at 2 p.m. Interested persons may also submit written comments by mailing an original and ten copies by September 9 to the PSC, Legal Division, PO Box 202601, Helena, MT 59620-2601. Comments on the OSP rules should reference

Docket L-99.4.4-RUL. Comments on the anti-cramming rules should reference

Docket L-99.7.8-RUL.

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