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GNR-T-09-03

To: Commissioner Kempton
Commissioner Smith
Commissioner Redford

From: Tony Wieczorek, Qwest Customer, Caldwell, Idaho

Date: May 3, 2009

Re: My 12-28-2008 Complaint Letter Regarding Qwest Billing Practices

I have attached my original complaint letter of 12-28-2008, which is referenced in a Decision Memorandum to the Commissioners from Beverly Barker and Daniel Klein, dated April 30, 2009. I identified two violations of Telephone Billing Regulations:

- 1) No due date is shown on bills for customers who pay with credit or debit cards.
- 2) Customers who pay with credit or debit cards have their accounts charged 3-5 days after Qwest's internal billing date, and well before a paper billing is provided to the customer. Idaho regulations require the due date to be a minimum of 15 days after the billing date.

Of these two violations, by far the more dangerous is Qwest's practice of taking payment from a customer before the customer has the opportunity to see their bill. Just this April, a person in Philadelphia received a \$26,000 bill while trying to set a text-messaging record. The phone company (T-Mobile) later credited his account because he had paid for unlimited texting.

In a letter dated April 1, 2009, from Qwest Idaho President Jim Schmit to Commissioner Redford, Schmit stated "there are over 9000 customers in Idaho currently selecting this option [card payment] that we have been providing for over a decade." I am amazed this violation has persisted to such a degree and for such a time period without PUC action.

In light of my expressed concerns, I am very disappointed with the recommendations suggested in the Barker-Klein memorandum. The rationale for the mandatory 15 day delay between Qwest's internal billing computation and the customer's due date for payment is to allow the customer to actually see what Qwest has charged for the given billing period prior to paying, so the customer may challenge and correct any errors.

At one point the Barker-Klein memo states: "Staff believes there are reasonable alternatives to Qwest's current practice.... One alternative would be the inclusion of a due date with a message on bills stating when automatic payment would be processed, e.g., within 3-5 days following the bill date." In what universe is it "reasonable" for a rule violation which can cause potentially devastating financial harm to customers to be permitted as long as the company notifies the customer they are doing it? If PUC oversight consists of simply caving in and changing rules to fit the specious demands of

utility providers, how is that different than simply doing away with the PUC? If Barney Fife is not going to use that shiny enforcement bullet, why have utility customers given it to him?

Qwest, and unfortunately, PUC staff Barker and Klein, have characterized “transaction dates” for electronic billing as in some way different than payment by check or cash. Qwest has gone so far as to claim this is for the “convenience” of customers. Does Qwest offer its suppliers the “convenience” of withdrawing money from Qwest’s account prior to receiving a bill? A payment due date is a payment due date. Idaho regulations do not differentiate types of payments in the billing regulation, so Qwest is claiming an exception which does not exist. Electronic transaction payment is simply a form of an electronic check. Qwest may as well claim it can apply different rules for checks from brokerage accounts, savings and loans, credit unions, and banks. Millions of people across America pay any number of bills, including their charge card bills, on a defined due date every month—after they receive their bill.

The PUC Utilities Division Mission Statement includes the statement that their goal is to ensure “non-discriminatory services that are delivered safely, reliably, and efficiently.” Qwest is currently discriminating against card payers.

The solution to this issue is not to modify existing rules to allow Qwest’s violations to continue. Qwest cannot be allowed to run a Stop Sign just because they have decided it does not apply to them since it is an electronic blinking red signal rather than a physical metal sign. The proper administrative solution is to inform Qwest they must comply with the regulations they are mandated to follow in order to operate their business in Idaho.

All that is necessary to resolve this violation is for Qwest to change their computer program so that transactions for credit and debit cards occur 15 days after Qwest generates its internal bill. That is the simple, safe, and legal solution.

ATTACHMENT: 12-28-2009 Formal Complaint Letter to PUC

Consumer Assistance Section
Idaho Public Utilities Commission
P. O. Box 83720
Boise ID, 83720-0074

December 28, 2008

Dear Staff:

I recently contacted my phone company, Qwest, regarding an unsolicited change in my long distance provider. That issue has, I believe, been resolved.

In the course of my conversation with Qwest's customer relations staff, however, I indicated I had first noticed that my credit card had been billed for the incorrect amount while checking my credit card bill online. I told the staff person that I was surprised I had already been billed for this invalid charge, even though I had not yet received my paper bill. I asked if my credit card would be immediately reimbursed for the overcharge, and was told no, that it was Qwest's policy to make the correction on the next month's bill. I assume Qwest will earn interest on the invalid charge, while I will lose interest in my bank account, during the time the company waits.

Since I had not yet received a paper bill, I then asked why I was being billed prior to having received a billing statement. I also asked what my "due date" was to pay my bill, since it is not shown on my statement. The staff person checked my account, and told me the due date shown on her records was on the 18th of the month. After a few minutes conversation, I was informed that since I use autopay with my credit card, that Qwest bills my card 4 calendar days after the "bill date," which is when the electronic bill is created in their system. For the bill in question, (please see attached bill), the bill date was November 25 (Thanksgiving Day), and my credit card was billed on December 2. I finally received my paper bill December 5.

I then asked to receive a written copy of the Qwest policy which required I pay before receiving my bill. I was shortly forwarded to a supervisor. After a few minutes explaining the issue, I then repeated my request for a written copy of the salient Qwest policy. The supervisor's response was "I can't do that." I was uncertain what she meant, so I asked if she did not know how to get me a copy, or if she was saying she would not send me a copy. She repeated "I can't do that." A few minutes of this convinced me I needed to speak to her supervisor, and asked her to connect me to that person. After being left on hold approximately 16 minutes, I spoke to a gentleman who identified himself as "Ron."

I again explained my request to "Ron," and further pointed out to him that one concern I had was the small, but real, possibility that Qwest might erroneously bill me for a huge amount, like 10 or 15 thousand dollars, which would freeze my credit card, establish an overcharge billing, and show up on my credit report as an excessive use, thus dropping my credit rating. If I had the misfortune of traveling away from home when this happened I could literally be stranded with no way to pay my way home.

I again asked for the appropriate written policy, and "Ron" said he did not know if it was available to the public, because it may be a confidential internal document. I pointed out to him that if it represented a contract for payment of services, I believed I was entitled to a copy as a point of law. He said he would "try" to get me a copy, and to call him back if I had any questions, giving me a toll free number (1-800-423-8994). I waited just over a week, and having heard nothing, called the number and asked for supervisor "Ron." I was told no one at the number I was given knew anyone by that name.

1) In reviewing the Idaho PUC's "Telephone Customer Relations Rules" (please see attached pages), it appears that my paper billing should show "*the due date of the bill.*" My bill does not show a due date.

2) In addition, the PUC rules regarding the due date state that "*the minimum specified time after the billing date is fifteen (15) days, [or twelve (12) days after mailing or delivery, if bills are mailed or delivered more than three (3) days after the billing date.]* My bill was due and billed to my credit card 7 days after the billing date (apparently due to the Holiday), but would normally be "due" just 4 days after the billing date.

A) Should Qwest be required to provide customers a written copy of the credit card billing policy?

B) Is Qwest in violation of the rules cited above?

C) If so, what action will be taken to bring them into compliance?

Cordially,

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Caldwell, Idaho 83607

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