

**NEVADA BELL TELEPHONE COMPANY  
DESCRIPTION AND JUSTIFICATION  
TRANSMITTAL NO. 97  
MARCH 4, 2005**

**Introduction**

Nevada Bell Telephone Company (NBTC) hereby proposes changes to Section 2 of NBTC Tariff F.C.C. No. 1 to revise its general regulations governing the payment of deposits and other payments. Consistent with the guidance provided from the Commission's December 23, 2002, Policy Statement<sup>1</sup>, NBTC proposes to define the "proven history of late payment" trigger for requiring a deposit and to reduce the notice period for refusal or discontinuance of service, under certain conditions, from 30 days to 15 days. In addition to the changes mentioned above related directly to the Commission's Policy Statement, NBTC proposes to make additional changes to its general regulations governing the payment of deposits and other payments, as described in more detail below.

**Description and Justification**

SBC proposes the following changes to the deposit and service discontinuance sections to strengthen those provisions. The financial downturn experienced by the telecommunications industry 2-3 years ago highlighted the need for SBC and other ILECs to strengthen their existing provisions to minimize the risk of uncollectibles. SBC alone was unable to recover hundreds of millions of dollars from certain access customers. The Commission recognized that given the financial state of the industry additional protections may be warranted to protect ILECs from the risk posed by uncollectibles.<sup>2</sup>

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<sup>1</sup> Policy Statement, WC Docket No. 02-202, Verizon Petition for Emergency Declaratory and other Relief, adopted December 20, 2002.

<sup>2</sup> Id at 10.

Consistent with the Commission's December 23, 2002, Policy Statement, NBTC

proposes to:

- Define the “proven history of late payment” trigger for requiring a deposit as 2 or more occasions where the payment(s) for the undisputed charge(s) for a monthly bill(s) is not received within 3 business days of the due date and this payment(s) represents at least 10% of that month's billings. This change is intended to more specifically explain the incidence and determination of a late payment and what constitutes a history of late payments. This further clarifies when a deposit may be requested. SBC believes that the clarification of 1) the 3 business days late (approximately 15% of the month) and 2) the 10% of the monthly billings is a reasonable interpretation of de minimus late payments referenced in the Policy Statement. This is also consistent with other tariffs on file.
- If a deposit is required, the customer is provided a notice to pay the deposit within 15 business days. If the deposit is not received, then an additional notice is sent to the customer that service may be discontinued 15 days following the deposit due date.
- Reduce the notice period for refusal or discontinuance of service for a non-paying customer from 30 days to 15 days when the customer receives the bill in an expeditious time period, e.g., 7 business days. This reduction is consistent with the spirit of the Policy Statement and previous Commission decisions.<sup>3</sup>

In addition to the changes above related directly to the Commission's Policy Statement, NBTC proposes to make additional changes to its general regulations. These changes clarify SBC's existing provisions for each company/state as described in more detail below.

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<sup>3</sup> Bell South 1987 Annual Access filing, Annual 1987 Access Tariff Order, 2 FCC Rcd at 304,318. The Commission allowed a shortened 15 day notice period to refuse orders or terminate service for nonpayment.

- Introduce regulations that will make NBTC consistent with SBC's other telephone companies. When access service is provided by more than one telephone company, the companies involved in providing the joint service may individually or collectively deny service to a customer for nonpayment.
- For noncomplying customers, SWBT may refuse to accept and process end user requests choosing that noncomplying customer as the Primary Interexchange Carrier (PIC). Also for noncomplying customers, the Telephone Company may refuse to route any switched access traffic that uses the noncomplying customer's CIC code. The existing tariff already provides the telephone company the ability to refuse applications/orders for service and discontinue services provided. These additional procedures further describe and explain actions that will be taken as a part of discontinuing the service. These functions must logically terminate in a situation where service is no longer provided.
- References to NECA notices of noncomplying Lifeline/USF customers have been eliminated since this is no longer necessary.
- If the end user request to choose the noncomplying customer is refused, the end user is given the choice of either remaining with their existing carrier or selecting another long distance carrier. Operationally, if the end user desires to choose another carrier, the end user is provided a list of carriers from which to choose.
- Clarify the billing dispute process and the information needed for billing disputes to aid in managing these disputes more efficiently for customers. This clarification delineates the type of information necessary to facilitate the initiation and processing of a dispute. The necessary information includes the charge in question and the bill date, account number, and the reason for the dispute. The timely provision of this information makes it

possible for the telephone company to research the dispute in an expeditious manner.

Additionally, the date of the dispute resolution is defined as completion of the investigation and notice to the customer.

Specifically, the clarification mentioned above will allow NBTC the ability to seek a two month deposit for services rendered to customers who have either a late payment history or do not have established credit.

The tariff revisions reduce the notice periods when a deposit or other payment will be required based on a history of late payments. Specifically, NBTC will provide customers a 15 business day written notice that a deposit is required. If the deposit is not paid within that period, NBTC may issue a written notice that, if payment is not received within 15 days, NBTC may discontinue service, refuse additional orders for service, refuse PIC changes, refuse to switch traffic, and/or refuse to complete pending orders.

### **Summary**

The following tariff provisions clarify safeguards against non-paying customers.