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**STATE OF VERMONT
DEPARTMENT OF PUBLIC SERVICE**

MEDIA RELEASE

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**VERMONT TO USE NEW FEDERAL RULES
TO COMBAT “SLAMMING”**

Montpelier, VT – Vermont’s Public Service Board and its Department of Public Service have assumed primary responsibility for resolving customer complaints about slamming, under new Federal slamming authority provided by Federal Communications Commission (FCC) rules. The new FCC rules give states the option to enforce tightened Federal standards, streamlining the complaint process for consumers and increasing the tools available to discourage slamming. The federal rules become effective November 28, 2000.

Slamming is the practice of a telecommunications company changing a consumer’s telephone service provider without the consumer’s authorization. It is illegal under both Vermont and Federal law. The incidence of slamming increased dramatically in the mid-1990s. Although the number declined somewhat in recent years, consumers continue to report unauthorized changes of their carrier. More than 100 instances of slamming were reported to Vermont’s DPS in 1999.

Michael Dworkin, Chairman of the Public Service Board, said that “Vermont joins more than 20 other states that have chosen to exercise the option because we believe our state is in the best position to resolve these cases fairly and swiftly.”

“The new federal rules represent an unprecedented level of federal-state cooperation on slamming enforcement,” said Richard Sedano, Commissioner of Public Service. “Previously, if consumers had their interstate service changed without authorization, the matter fell under the FCC’s jurisdiction, whereas intrastate slams fell under the state’s jurisdiction. With the delegation of federal slamming enforcement

authority to the states, the PSB and DPS will have full authority to resolve all slamming complaints, avoiding any confusion for consumers,” he said. Complaints lodged with the FCC will be forwarded to the state for resolution. Consumers also may continue to file complaints directly with DPS. The federal rules also specify that the federal provisions are a floor, not a ceiling, so that where remedies under Vermont law and regulations are more stringent, the state provisions can be enforced. For example, Vermont permits a consumer to be absolved for “a reasonable time” of unauthorized charges, whereas the federal rules permit only 30 days.

The federal rules permit slammed consumers to have the first 30 days of unauthorized charges removed from their bills if unpaid and, if paid, to receive a refund of 50 percent. Consumers also are entitled to be switched back to their preferred carrier without switching fees and, if possible, to have any lost benefits such as frequent flyer miles restored. In most cases, it should be possible for consumers to resolve their complaints by dealing directly with the companies involved, which should understand their obligations under the rules. Where customers are unable to obtain satisfaction directly from the companies involved the state will intervene and investigate upon the filing of a complaint.

Where consumers are unable to resolve unauthorized changes directly with the companies involved, they may file a complaint by calling the Department of Public Service consumer hotline toll-free at 1-800-622-4496, by mail to Consumer Division, DPS, 112 State Street, Montpelier, 05620, or by e-mail to vtdps@psd.state.vt.us, subject line Consumer Affairs. DPS will take the complaint, conduct an investigation, and inform the consumer and companies of the result, which may include directing the unauthorized carrier to absolve the consumer of all charges for a reasonable period of time, or to refund monies already collected to the consumer’s preferred carrier which will credit the consumer with an appropriate amount. If the companies or customer are not satisfied with the DPS’ resolution of complaints, they may seek review from the Board.

The new federal rules make other changes that should reduce slamming and assist in resolving complaints. Liability for companies that slam customers is increased, and there are now greater financial incentives for authorized carriers themselves to go after slammers. When changing carriers, companies now must use more stringent verification methods, which now include only electronic authorization, independent third-party verification, and a written “letter of agency” in writing and signed by the customer. The new rules also establish an FCC registry of carriers to help identify carriers that change their names or move to avoid detection of a pattern of slamming and to assist in tracking slamming trends by company.