



Senator Hollis French, Chair
Senate Judiciary Committee
Alaska State Legislature
Juneau, Alaska

March 22, 2012

RE: CSSB 138

Dear Senator French,

Alaska Communications discourages further action on CSSB 138. However, if further action is taken by the Senate Judiciary Committee, Alaska Communications recommends a few amendments, which are attached to this letter.

If enacted, CSSB 138 would place new burdens on telecommunications providers that provide third party billing services. Alaska Communications opposes this legislation because there is no evidence of a problem in this area that needs fixing. We are not aware of any consumer rebellion tied to third party billing, we do not have a large in-box filled with complaints, and we are not aware of this being an issue for other telecommunications providers in Alaska. For these reasons, we see no need for legislation such as CSSB 138.

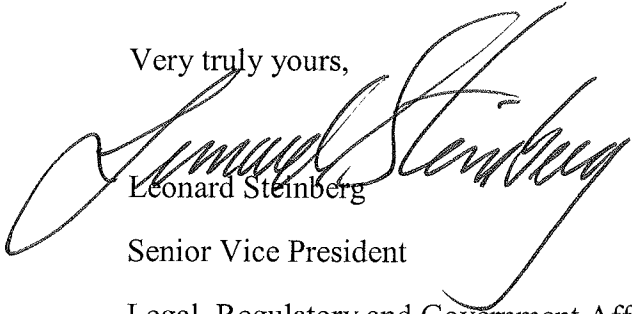
Alaska Communications does bill customers for third parties at the same time it bills for its own services. Customers do short pay bills and when they inform us of the reason we allocate the funds submitted appropriately. Too often, however, customers fail to explain why they bill is short paid or how to allocate the funds they submit. In the absence of any information from the customer, Alaska Communications applies a rational allocation of the funds between itself and the third parties. This can lead to nonpayment of telephone bills through no fault of the telephone provider.

Alaska Communications takes its responsibility to provide quality services very seriously. Customers too, however, need to be responsible and explain why they have short paid a bill and

how to allocate any funds submitted. Therefore, although Alaska Communications sees no need for this legislation at all, we submit the attached proposed amendment providing for customer responsibility for your consideration.

Please let me know if you would like additional information.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Leonard Steinberg". The signature is written in black ink and is positioned to the left of the typed name.

Leonard Steinberg

Senior Vice President

Legal, Regulatory and Government Affairs

CS for SB138 – Suggested Amendments

"An Act relating to the inclusion of the charges of a vendor of goods or services on the bills of certain telecommunications carriers; and adding an unlawful act to the Alaska Unfair Trade Practices and Consumer Protection Act."

***Section 1.**

Section 42.05.715 (b) add new subsection (5):

(5) Telecommunications carriers may recover the reasonable costs of implementing bill changes and other related costs associated with this section from the person or billing agent covered by this section.

Section 42.05.715(c) add new subsection (1):

(1) To invoke the non-discontinuance of service protection described in this subsection, a customer must inform the telecommunications carrier in writing that a billing dispute exists. A customer who makes a partial payment to the telecommunications carrier by subtracting a disputed amount must inform the telecommunications carrier in writing of that fact and instruct the telecommunications carrier on how to apply the payment. A customer's failure to prescribe payment application allows the telecommunications provider to apply payments in accordance with its standard practices. In this circumstance, payment delinquencies could prompt the discontinuation of telecommunications services.

***Section 3.**

Section 45.50.476(c)(4) add new subsection (C)

(C) Telecommunications carriers have no obligation to independently verify the accuracy of the information provided by the vendor of goods and services under this subsection.