

Thursday, September 13, 2001

Company Press Release

SOURCE: Teligistics, Inc.

Independent Study Validates Need for Auditing Telecom Carriers

Detariffing & Access Reform Will Lead to Rash of Misstated Terms, Unreliable Rates and Inaccurate Billing.

HOUSTON, TX – Thursday, September 13, 2001/ -- Teligistics announced today that an independent and copyrighted study conducted by *Telecom Manager's Voice Report* reports that the number one challenge Telecom Managers face concern issues related to billing problems from telecom providers and carriers.

David Roberts, President of Teligistics noted, "This study was conducted on a nationwide basis with telecom managers having significant switching facilities, billing at least 50,000 minutes annually and in some cases tens of millions of minutes. The study confirms what we at Teligistics already know. The carriers and providers' billing's are consistently incorrect and rife with overcharges and unilateral rate changes."

The staff of the *Telecom Managers Voice Report* – the nations leading independent newsletter for news and guidance on getting the best rates, services and equipment conducted this survey with hundreds of telecom managers, directors, telecom coordinators, analysts, CIO's, consultants, plus vendor and carrier representatives.

This report stated, "Detariffing and access reform will lead to a rash of misstated terms, unreliable rates and inaccurate billing. On April 28, 2000 a Federal Appeals Court upheld a frozen, 4 year old FCC order to abolish interstate long distance tariffs – the ones that supersede written contracts on pricing and services that carriers negotiate with you. This ended the *Filed Rate Doctrine*, which holds that the tariffed rate is the only lawful one the carrier may charge. The order applies to interstate voice and data, including frame relay and private line, and it went into effect for businesses last February. The FCC now plans to detariff International services in late November."

The report continued, "With detariffing, individual contracts now must be negotiated and signed. The order does not apply to local, intrastate toll, ATM or IP services. Most relevant to users is the FCC's stipulation that any negotiated interstate long distance contract signed after May 1, 2001, no longer can be filed as a contract tariff. The terms of such negotiated deals are the only ones that are valid, and no tariff can supersede them."

The Telecom Managers Voice Report also stated, "However, our research shows instances of sales/account reps making confused or inaccurate statements about telecom tariffs are emerging nationwide – in some cases pressuring users to sign contracts but refusing to share full details of the proposals. Carriers also have begun to use the detariffing order as a way to make it more difficult for users to get information, relying heavily on price lists for which the FCC has provided little guidance on what to include."

"This has given the carriers the chance to obscure deals and insert tariff-like language into price lists, typically replacing the word *tariff* with *service guide* or *price guide*. The danger is if you are not careful, this could give the carrier the ability to change the terms of the price guide during the contract term, effectively regaining the power of the *Filed Rate Doctrine*. This is because carriers insert language that states the carrier can change rates, terms and conditions whenever they choose. We found one Big Three long distance carrier state that it unilaterally can change it's guide *anytime there is a government decision that changes the price of our business,*" claimed *The Voice Report*.

The report further stated, "Many reps also claim they are unaware that detariffing has occurred, giving them plausible deniability if they submit a contract proposal that refers to tariffs. This is dangerous in bundled deals. The FCC lets carriers file a single international tariff that includes contracted long distance services if it states clearly that the domestic portion is not tariffed. For practical purposes, this has made it difficult for users to determine what is tariffed and what is not, requiring vigilant examination of all attachments and inclusion of an *order of precedence*."

Also noted in the report, "Worse, it has become much more difficult to compare deals. This is most important for larger users who formerly could reference contract tariffs to learn what rates that companies of similar size were getting. This means it is more important than ever to use a request for proposal, review market conditions and remain current on the FCC's continuing efforts to clarify and expand detariffing."

Mr. Roberts said, "The major problem with these issues is that most organizations do not have dedicated telecom staffing who have the time, resources, or expertise to research, study, and investigate these issues. Most of our client's telecom procurement and billing processing responsibilities fall to the CFO, CIO or IT departments. These departments generally rely on the representatives from the carriers for expert advice. This is tantamount to letting the wolf into the henhouse."

Mr. Roberts also stated, "We find billing errors in virtually every billing we audit. In fact it is so blatant that you wonder if it is not intentional. The number one error we find is improperly rated long distance billing. How does an organization with a 10,000-page long distance bill audit their billing from these carriers by any acceptable accounting standards? The fact is they can't. Not without specialized outside help."

Teligistics is a Houston based telecommunications auditing and consulting firm that specializes in telecommunications cost containment through a patent-pending software application named "The Analyzer". The firm uses high speed scanning and optical character recognition applications to audit and process telecom billing for clients, recover overcharges, and conduct telecom RFQ's and specialized telecom project management. Clients typically hire Teligistics on a contingency basis where Teligistics participates in the savings and/or recovery of overcharges.

Information about Teligistics can be found at www.teligistics.com or by contacting the Corporate Headquarters at 281-296-2455.