

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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JUN - 2 1992

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)

Billed Party Preference)
for 0+ InterLATA Calls)

CC Docket No. 92-77)
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COMMENTS OF ZERO PLUS DIALING, INC.

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SUMMARY

Zero Plus Dialing, Inc. ("ZPDI") provides billing and collection services, including processing of calling card billings through local exchange company ("LEC") billing systems and customer inquiry services, to over 130 interexchange carriers ("IXCs") offering operator services. In that capacity, ZPDI has directly observed the competitive and consumer importance of the availability of ubiquitous billing mechanisms for all calls dialed on a 0+ basis from aggregator locations. Despite ZPDI's success in expanding the number its LEC billing contracts, and the efforts of the Commission to increase the number of calling cards included validation databases, however, ZPDI's IXC clients (and consumers at the aggregator locations they serve) are now experiencing a reversal of those efforts as a result of the concerted effort of a single carrier -- AT&T -- to recapture the 0+ marketplace by creating a proprietary calling card and instructing cardholders to use non-proprietary 0+ dialing when using those cards.

AT&T's efforts fly in the face of the Commission's efforts to educate consumers about the fact of 0+ competition and the manner in which they can exercise their choice of carrier. Instead, AT&T instructs users always to dial 0+ to reach AT&T. AT&T's actions have served to frustrate and anger consumers, who mistakenly blame the presubscribed IXC, and not AT&T, for the inconvenience of having to redial their call. The IXC also incurs substantial costs when calls are intentionally directed to its network which cannot be completed. Moreover, by making its 1+ subscribers captive to its operator services, AT&T is able to translate its 1+ market predominance into a marketing advantage when selling its operator services to aggregators. AT&T's strategy thereby has had the cumulative effect of generating considerable consumer ill-will and imposing unrecoverable costs on its competitors, and giving AT&T a significant advantage in marketing to aggregators.

The Commission should immediately adopt its proposed rules, which reaffirm the fact that 0+ dialing is and must be maintained in the public domain. The proposed rules would give AT&T the choice of either making validation and billing available to other IXC's whose networks are reached as a result of AT&T's instructions to dial 0+ to use the card or retaining the card's "proprietary" nature by taking certain steps to assure that, contrary to AT&T's earlier instructions, cardholders must dial a "proprietary" access code to assure that AT&T's network will be reached. As ZPDI's Comments show, selection of the former option -- making validation and billing information available -- would entail a minimal effort and cost. Provision of validation would require a straightforward data processing change in the current system used to validate LEC cards, and the billing information could be provided very simply and with all due protections of the proprietary customer information of all parties, by establishing a third party service bureau to process the data conversions. ZPDI submits that if AT&T is truly interested in the convenience and goodwill of its subscribers, this option provides the best method of correcting the consumer misperceptions and competitive damage caused by AT&T's earlier actions.

If, on the other hand, AT&T chooses the second option to maintain a "proprietary" calling card, it must be required to undertake several steps to assure that consumers are adequately reeducated and brought to understand that the cards may no longer be used on a 0+ basis. Specifically, (1) AT&T must be required to reissue its cards with a complete explanation, including correct dialing instructions, notice that after a certain date subscribers will no longer be able to dial 0+ to use the card, and information that subscribers can request a non-proprietary 0+ card from their LEC; (2) AT&T must, after a date certain, cease to accept the "proprietary" card when dialed on a 0+ basis; and (3) AT&T must cease making its "proprietary" card available for billing by LECs and other IXC's (such as Airfone). Only by undertaking these measures can the calling cards issued

by AT&T with 0+ dialing instructions be truly converted to "proprietary" cards so that consumers understand what they are and how to use them.

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COMMENTS OF ZERO PLUS DIALING, INC.

Zero Plus Dialing, Inc., ("ZPDI"), by its undersigned counsel, hereby submits its Comments on the Commission's proposal to restrict the use of proprietary calling cards on 0+ calls set forth in the Notice of Proposed Rulemaking ("NPRM") released on May 8, 1992 in the above-referenced docket.^{1/} For the reasons stated herein, ZPDI urges that the Commission adopt the proposal immediately.

DISCUSSION

ZPDI provides billing and collection services to interexchange carriers ("IXCs") providing operator services on a calling card, third party and collect call basis. ZPDI's services include consolidation of the call records of IXC clients for billing pursuant to billing and collection agreements with numerous local exchange carriers ("LECs") nationwide. ZPDI submits the IXC call records to the appropriate LEC which, in turn, includes the charges in end user bills, collects payment, and then remits the payments to ZPDI for distribution to the appropriate IXC. ZPDI currently provides billing services to over 130 clients.

^{1/} FCC 92-169. The Commission has established two sets of procedural deadlines. These comments address the proprietary calling card issues set forth on pages 15-17 of the NPRM.

Operator services are generally utilized by transient callers who seek to bill calls to a calling card, third number, collect, or IXC travel card. With the exception of IXC travel cards accessed by dialing a proprietary access code (i.e. a 800, 950 or 10XXX number), all of these billing mechanisms are associated with a LEC line number or LEC special calling card numbers and are accessed by the user by dialing "0". The carrier presubscribed to the telephone receives such 0+ calls and therefore needs a mechanism from the user's LEC to be able to bill the calls.

Because of the need for billing to all calling cards used by end users on a 0+ basis, ZPDI has established billing contracts with over 900 LECs, and is continually engaged in efforts to expand its LEC contracts so that its clients have access to LEC billing nationwide. ZPDI's efforts have thereby reduced the possibility -- and corresponding costs -- to its IXC clients of having to turn away calls billed to LECs which do not make billing available.^{2/}

ZPDI has made substantial progress in securing LEC billing contracts nationwide, and has observed corresponding reductions in costs to its IXC clients and frustration to users who were previously unable to complete a 0+ call from a client's location due to an IXC client's inability to bill the call. In addition, the Commission has taken important steps to assure that validation for LEC 0+ calling cards is available to all IXCs on a nondiscriminatory basis,^{3/} and that all IXCs have a form of access other than 10XXX available to customers to avoid unnecessary (and costly) interaction with the

^{2/} Through ZPDI's services, IXCs can achieve certain economies of scale which would be otherwise available only to their larger competitors. IXCs must have the ability to bill for calling card, third party and collect calls on a nationwide basis (since transient users in any particular location may seek to bill a call to their home or office anywhere else in the country). LEC billing is the only practical means of performing such billing. ZPDI's services spread the substantial start-up costs and LEC monthly call minimums across its client base, thereby reducing billing costs to its individual clients.

^{3/} See, e.g., Cincinnati Bell Telephone Co., 6 FCC Rcd. 3501 (1991).

presubscribed carrier.^{4/} Unfortunately, however, ZPDI is now observing a reversal of the positive trend toward making all carriers equally able to provide 0+ services and is seeing just the opposite -- the concerted effort of a single IXC to usurp for itself 0+ dialing by creating a proprietary calling card for its customers and instructing them to use non-proprietary 0+ dialing when using those cards.^{5/}

As a result of its position as a billing agent for IXCs, ZPDI has been in a unique position to evaluate the effects of AT&T's proprietary card issuer identifier ("CIID") calling card strategy on IXCs competing in the 0+ segment of the competitive long distance industry. Indeed, on February 10, 1992, ZPDI submitted to the Commission market statistics compiled by IXCs showing dramatic and continuous increases in costs and decreases in revenues as a direct result of AT&T's CIID card program.^{6/}

^{4/} Policies and Rules Concerning Operator Service Access and Pay Telephone Compensation, FCC 91-214, CC Docket No. 91-35, ¶¶ 28-30 (released Aug. 9, 1991). In an action which calls into serious question its off-cited concern for its subscribers, AT&T's compliance with this directive consists of 800 numbers which give subscribers "access" to a customer service center, not to the AT&T network. AT&T subscribers, who are instructed to dial numbers such as (800) 882-CARD, (800) CALL ATT, or (800) 852-8880, therefore must go through a series of lengthy prompts or live operator inquiries before they can complete a simple call -- hardly the "quick" access envisioned by Congress and the Commission. See, e.g., Sen. Rep. No. 101-439 at 22.

^{5/} As a practical matter, only one IXC could accomplish unilaterally the capture of the 0+ dialing method. See Pacific Telesis Group, Ex Parte Notice, CC docket No. 91-115, at 4 (filed Feb. 28, 1992) ("Practically speaking, only one [IXC] can issue 0+ calling cards"). Only a carrier with AT&T's dominant market share in the 0+ aggregator market could instruct its callers to dial 0+ to use a proprietary calling card, since the caller is inconvenienced by having to redial 25 digits when he or she dials 0+ in a location served by another IXC. No carrier without AT&T's vast majority of presubscribed aggregator locations could successfully market a card that caused such inconvenience at the majority of locations where it would be used. Indeed, no other IXC has issued a proprietary card for use on a 0+ basis -- all other IXC travel cards are accessed by a proprietary dialing method to assure the caller that he or she only needs to dial the call a single time to reach the IXC.

^{6/} See Joint Comments on Emergency Motion for an Interim Order, filed by ZPDI, OAN Services, Inc., and Resurgens Communications Group, Inc., CC Docket No. 91-115 (filed Feb. 10, 1992). Among other data, one IXC client showed that the percentage of AT&T "proprietary" cards
(continued...)

AT&T's massive distribution of a proprietary card with 0+ dialing instructions, together with misleading representations in its marketing material that replacement of existing joint use cards was mandated by "government regulation," that existing non-proprietary cards were no longer valid, and that use of the card will guarantee access to AT&T, flies in the face of all the Commission's efforts to educate consumers of the fact of competition in the operator services marketplace and the manner in which they can exercise choice of carriers. Instead, AT&T has informed consumers that they should always dial 0+ to reach AT&T, thereby encouraging users to ignore the FCC-ordered written notice of the IXC serving a particular telephone which enables users to make an informed choice of carrier. AT&T's actions have served to frustrate and anger consumers, who do not understand why they do not always reach AT&T when they follow the prescribed 0+ dialing pattern, and who mistakenly blame the presubscribed IXC -- and not AT&T -- for the inconvenience caused by AT&T's instructions.

The NPRM seeks comment on whether the Commission should preclude the use of proprietary calling cards on a 0+ dialing basis.²⁷ ZPDI submits that the comments already submitted in CC Docket No. 91-115 demonstrate that the answer is a resounding "yes." The public interest demands that the Commission adopt such a principle immediately to stop the harm to consumers and

²⁶(...continued)

rose from 6.68% in January 1990, to 19.78% in January 1991, to 32.93% in January 1992 -- at the same time that the Commission was acting to make thousands of formerly unavailable "AT&T-only" cards accessible by other IXCs. Cincinnati Bell Telephone Co., 6 FCC Rcd. 3501 (1991). The Commission has incorporated those comments into the record in this proceeding, NPRM at 16, n.41, and ZPDI incorporates them by reference herein.

²⁷ Although these comments and the NPRM are necessarily directed toward a problem created by a single IXC, the principle of ubiquitous 0+ service is equally applicable to all IXCs. Any rules adopted by the Commission should be directed generally to that principle, rather than to any particular IXC.

the competitive marketplace being perpetrated by AT&T.^{3/} In response to the questions posed by the Commission concerning the technical means by which the principle should be implemented, ZPDI submits the following.

(1) How and by whom should the choice between receiving and utilizing proprietary IXC cards and non-proprietary LEC cards be made?

As with any service, consumers, and not their carriers, should choose the services they wish to purchase. To do so, consumers need full and correct information from carriers as to the nature of the service offered, the means by which it is used, and the benefits of the service. For example, in the case of large IXCs, such as MCI and Sprint, consumers routinely make a choice as to whether to use a proprietary IXC card requiring use of a proprietary access code guaranteeing access to that IXC, or whether to elect the convenience of the 0+ dialing available through use of a non-proprietary LEC card. There is no reason to expect that AT&T's customers are any less able to make a similar informed choice if they are given full and correct information. None of the commentators on this issue to date (except, of course, AT&T) would have objected if AT&T had given its customers a choice to select a proprietary calling card accessible by a means which guarantees access to AT&T without imposition of costs on competitors and the imposition of inconvenience and misunderstanding on users.

^{3/} See Emergency Motion for an Interim Order Requiring AT&T to Cease Further Distribution of "Proprietary" CIID Cards and Permit Validation and Billing of Existing Cards Pending a Final Decision in this Docket, filed on December 20, 1991 by the Competitive Telecommunications Assn ("CompTel"). See also, e.g., Joint Comments of AmeriCall Systems of Louisville, Cleartel Communications, Inc., First Phone of New England, Inc., and U.S. Long Distance, Inc. (filed Aug. 15, 1991); Comments of CompTel (filed Aug. 15, 1991); Comments of NYCOM Information Services, Inc. (filed Aug. 15, 1991); Value-Added Communications Comments (filed Aug. 15, 1991); Pacific Telesis Companies' Comments (filed Aug. 15, 1991); United Telephone System Comments (filed Aug. 15, 1991); GTE Service Corp. Comments (filed Aug. 15, 1991).

The problem of how to provide such a choice to AT&T's subscribers arises not from any lack of intelligence on the part of those subscribers, but from the misleading manner in which AT&T has issued its CIID cards, engendering confusion and misunderstanding in the minds of AT&T cardholders. Specifically, AT&T's marketing of the CIID cards has induced cardholders to believe that:

- (1) they should always first attempt to access AT&T's network and facilities by dialing 0+ (implying that they should ignore written notice of the presubscribed carrier);
- (2) their former non-proprietary LEC calling card is no longer valid and should be destroyed (implying that the non-proprietary card is no longer available and that there was no choice but to accept AT&T's CIID card);
- (3) 10XXX dialing is the only other means to access AT&T (ignoring that users are not as familiar with 10XXX as other forms of access and implying (a) that no other means of access is available and (b) that 10XXX dialing will never be unavailable); and
- (4) they will be guaranteed AT&T rates by using the card (ignoring that they will also be charged LEC and Airfone -- an IXC -- rates and implying that they need protection even where rates are available on request).

No further Commission efforts to address these misconceptions would be required if AT&T had advertised and instructed that users had a choice as to whether to accept the new proprietary cards; that users would have to choose affirmatively to use them by dialing an access code; and that alternative means of access were available to users if a problem were experienced in any location. Now that AT&T is well on the way to issuing 40 million cards with representations leaving incorrect impressions in the minds of card recipients, however, the Commission is left with the task of devising a means to "unscramble the omelette" so that consumers will be given a standard, consistent method of accessing their carrier of choice.

To do so, ZPDI believes that the Commission must order that, if AT&T wants to maintain a proprietary calling card, it must reissue its cards with a complete explanation, including correct dialing instructions, and must inform users that they can request a non-proprietary card from their

respective LECs which may be accessed from all locations on a 0+ basis. As discussed in response to Question 3 below, merely informing AT&T that it may no longer accept the proprietary CIID card on a 0+ dialed basis is not sufficient to cure the problem, since consumers are not likely to understand (and will therefore be unlikely to follow) instructions contrary to those on the card, would not be able to refer to correct instructions on their existing card, and would not know that the alternative of a non-proprietary LEC card exists. Accordingly, if AT&T elects to maintain the card in a proprietary manner, the Commission should order that AT&T promptly issue new cards with a disclosure that a 0+ LEC alternative exists and, upon such issuance, that AT&T must screen and cease accepting the proprietary numbers if dialed on a 0+ basis.

Moreover, to the extent that AT&T (or any other IXC) elects to use a proprietary card, it should be truly proprietary. In other words, the LECs should also be precluded from access to validation and billing for proprietary calling cards issued by an IXC. As the barriers to intraLATA competition crumble, there is no basis to permit an IXC to discriminate in selecting which competitors it will permit to validate and bill "proprietary" cards. Put simply, the concept of "proprietary" must mean just that: the card is either proprietary or it is shared. If it is shared, it must be shared by all carriers to make public access to the nations telephone network consistent and easy for the consumer.

AT&T took a calculated risk when it devised its attempt to recapture the 0+ market through CIID cards. AT&T continued to issue many millions of CIID cards with 0+ instructions even after it was placed on notice that the Commission was engaged in strenuous efforts to make calling card validation available to all IXCs and that virtually every other carrier in the telephone industry objected to AT&T's usurpation of 0+ dialing through the CIID card. Unfortunately, however, AT&T's subscribers must now bear the aftermath of the risk that AT&T took at their expense by receiving new cards and new instructions on how to use them.

(2) How would IXCs distinguish and screen proprietary and non-proprietary cards?

An IXC can identify a calling card as an AT&T proprietary CIID card only after a consumer accesses an IXC's network and facilities by dialing "0+" and provides his or her calling card number. Moreover, while some IXCs can identify an AT&T proprietary CIID calling card without having to launch a LEC Line Information Database ("LIDB") validation query, others do not have a current means to do so without making a LIDB inquiry (and incurring the LIDB cost) to ascertain that the call is unbillable.

Since a call has to enter the IXC's network before the IXC can determine whether it can handle the call, a number of costs are necessarily incurred by the IXC, including costs for access, equipment use, operator time, and sometimes a LIDB query. In the case of CIID cards, this process causes substantial inconvenience to the user since, after entering the terminating number and calling card information (25 digits), the user will be informed that he or she must either provide another billing choice or hang-up and dial 10ATT in order to use the CIID card.

To eliminate this problem, AT&T should be required either to require users initially to dial an access code in order to bill a call to a proprietary CIID card, or to make billing and validation available to all IXCs for 0+ calls utilizing such cards. In this manner, the consumer would either not access the competitive (non-AT&T) IXC's network facilities or the IXC would be able to process the 0+ calls by virtue of receiving billing validation from the issuing IXC.

(3) Should carriers be obligated merely to instruct proprietary cardholders to dial access codes, or also be required to reject 0+ calls made by callers using proprietary calling cards?

As discussed above, AT&T's marketing of the CIID cards to its subscribers instructed them that, as with their former non-proprietary card, subscribers should dial 0+ to use the card. By issuing such instructions, and absent any revised directions and an effective means of assuring that

AT&T subscribers will comply with the new instructions, AT&T CIID cardholders will always seize the network of the presubscribed carrier before affirmatively choosing to access AT&T.

Given the 0+ dialing instructions printed on the tens of millions existing cards, and that cardholders were already used to the 0+ dialing method for their non-proprietary cards and have been able to continue to use 0+ dialing with the CIID cards, mere notice of a change in the access method is not likely to be effective in changing users' 0+ dialing habits. Absent a mechanism whereby these subscribers will be required to use an access code at all times when billing a call to the CIID card, including a requirement that AT&T reject the card if dialed on a 0+ basis, the costs to competitive IXCs and the inconvenience to users will inevitably continue.

As a result, ZPDI submits that, at a minimum, if AT&T elects to retain the proprietary nature of the cards, it must be required to reissue its cards with correct instructions on how they must be used and full disclosure of the non-proprietary choice available. The new instructions must also inform AT&T subscribers that, after a certain date, they will no longer be able to use the card by dialing 0+.^{2/}

Reissuance is necessary to correct the instructions on the card and to assure that subscribers are made aware that there is a change in the card and that they have a choice to return to a non-proprietary LEC card to avoid the access code dialing requirement. Absent a new card, it is unlikely that many subscribers will pay sufficient attention to the fact that there has been a change in the card instructions.

Rejection of the card when dialed on a 0+ basis by all LECs and IXCs, including AT&T, is also necessary to assure that subscribers understand and comply with the new instructions. Without an affirmative requirement that AT&T reject CIID cards dialed by 0+, AT&T's vast predominance in

^{2/} Of course, as proposed in the NPRM, AT&T could elect to make validation and billing information available and thereby avoid such a requirement.

the aggregator market means that, at roughly 80-90% of aggregator locations, AT&T subscribers could dial 0+ and reach AT&T. In all likelihood, the majority of subscribers would continue to dial the more convenient and familiar 0+ at all locations, thereby continuing precisely the problem that exists today.

(4) What information would have to be made available to enable IXC's to carry and bill for 0+ calls?

IXCs could complete calls billed to AT&T proprietary calling cards if both validation and a means to bill and collect were available. By virtue of its familiarity with validation and billing systems used by IXC's and LEC's, ZPDI believes that making validation available on a non-discriminatory basis to all IXC's can be accomplished with minimal effort. AT&T's proprietary CIID calling card validation is already accessible through the Signalling System Seven (SS7) network that AT&T, all other IXC's, and the LEC's use to validate calling cards contained in the LEC's LIDBs. In fact, performance could possibly be improved by eliminating the table look-up and reject processing currently in place to restrict access into AT&T's proprietary calling card data base by competitive IXC's.^{10/} By removing these restrictions, IXC's would be able to validate AT&T's CIID cards in precisely the same manner they validate LEC non-proprietary calling cards. Significantly, in making such validations, IXC's would not have access to any of AT&T's proprietary customer information; they would simply be informed whether a particular card number is valid. Moreover, ZPDI would expect AT&T to receive a validation fee similar to those received by LEC's under their LIDB tariffs.

Making billing and collection available to all IXC's is somewhat more complicated. It would require the translation of CIID card numbers to billing telephone numbers ("BTN's") for billing. Of

^{10/} Indeed, at least one IXC, Airfone, already has access to the AT&T CIID card validation database through the SS7 access network.

course, AT&T and its competitors have an interest in assuring that their customer information is not provided to each other.^{11/} As a result, approaches such as making billing name and address ("BNA") for the card numbers available to competitive IXCs or requiring competitive IXCs to provide their call records to AT&T for BTN translation would not be appropriate.

Protection of customer information for both AT&T and its competitors could be accomplished by having AT&T make BTN translation data available to an independent third party data processing service bureau (or bureaus) which would perform the BTN translation for competitive IXCs subject to confidentiality agreements with all parties. IXCs obtaining the translation could then use conventional LEC billing and collection to process their bills to end users. Importantly, the service bureau(s) would overlay the CIID card number with the BTN in the call record, such that the call record would be returned to the IXC without the IXC having both numbers. Moreover, only minimal information (the CIID numbers and BTNs) would need to be provided by AT&T to the service bureau(s) -- the call record would still not contain the customer's name and address.

ZPDI would expect that the IXCs would pay the service bureau(s) for the data processing function. A portion of this revenue could be passed back to AT&T to cover the cost of providing updated BTN conversion data to the service bureau(s). ZPDI would not object to AT&T selecting the independent data processing service bureau so long as there is adequate assurance that the data would be kept confidential and private from AT&T and that the rates charged would be comparable with other industry data processing costs.

Based on ZPDI's experience as a specialized data processing service bureau that performs LEC billing and collection for a large segment of the competitive long distance industry, ZPDI

^{11/} The confidentiality issues are a two-way street: (1) AT&T has an interest in keeping its customer base private and confidential from the competitors; and (2) competitive IXCs' have an interest in keeping their aggregator locations and the consumers who elect to use their services private and confidential from AT&T.

believes that systems and procedures could be developed at minimal cost that would allow the independent service bureau(s) to receive daily updates of BTN translation data from AT&T and perform daily BTN translations for call records received from other IXCs within twenty-four (24) hours. Moreover, such a system could be implemented quickly within 30 to 60 days. Indeed, if AT&T makes the BTN translation data available pursuant to contractual arrangements with AT&T, which would include mutually agreeable confidentiality provisions and safeguards, ZPDI (and other billing clearinghouses) have the capability to implement promptly these BTN translations for IXCs.

(5) What impact would the NPRM's proposal have on consumers?

The NPRM proposes to give IXCs the option of either (1) sharing billing and validation data for their calling cards, and thereby being permitted to instruct users to use the card with 0+ access, or (2) limiting the use of a proprietary card to access code calling. Because AT&T is the only carrier which has elected to issue proprietary cards with 0+ dialing instructions, its subscribers are the only consumers who will be impacted by the proposal. It is therefore significant that the Commission proposes to permit AT&T to make the choice as to the manner in which it will comply, particularly since the first option would essentially simply restore the subscribers to the status quo of non-proprietary cards prior to AT&T's marketing of the CIID cards. By contrast, the second would likely have a more substantial impact on consumers since it would send them information contradicting AT&T's earlier marketing, and would require them to learn a new access code or request reissuance of their former card from their LEC.

Were AT&T to elect to take the first option of making validation and billing available, consumers would clearly have the option of allowing the presubscribed IXC to complete their call or to make a conscious choice to select AT&T by dialing an access code. Pursuant to the Commission's operator service rules, all IXCs must inform consumers orally and in writing that they will carry the

call. They must also inform consumers in writing that their rates are available on request.

Accordingly, AT&T could minimize any impact on consumers by selecting this option, which basically unravels the problems caused by AT&T's own marketing of the CIID cards with 0+ dialing instructions.^{12/}

The second option, on the other hand, would require more affirmative action on the part of consumers and therefore would have more impact. Consumers would have to be informed that they cannot use their AT&T proprietary card in the manner previously instructed by AT&T (this time with the additional information that a 0+ alternative is still available). Clearly, it is often more difficult to have consumers unlearn previous instructions and behavioral patterns, and there will inevitably be consumer confusion and irritation with the issuance of yet another unsolicited calling card. Rejection of calls dialed 0+ by cardholders who do not use the new dialing pattern will have a similar impact. Nevertheless, AT&T voluntarily created this situation, and there is no other means to correct its prior actions. Moreover, AT&T can elect what ZPDI submits is a far simpler and consumer friendly approach by making billing and validation available.

(6) What impact would the NPRM proposal have on the costs and benefits of billed party preference or the timeliness with which it could be implemented?

The first option presented by the NPRM, making billing and validation available for IXC 0+ cards, has the advantage of preserving the ubiquitous 0+ dialing method while the Commission considers whether to implement billed party preference ("BPP"). The second alternative, restricting the use of proprietary cards to access code calls, on the other hand, would have the practical effect of

^{12/} To overcome any lingering impression by cardholders that they will be guaranteed AT&T service by using the CIID card if AT&T elects the first option, ZPDI suggests that the Commission require a billing insert, subject to the Commission's prior approval, which explains the presence of 0+ competition and the means to make an affirmative choice by access code dialing.

teaching AT&T cardholders to use access codes that would no longer be necessary if the Commission were later to determine to implement BPP. Other than those factors, however, ZPDI is unaware of any impact that the NPRM's proposals would have on the consideration or implementation of BPP.

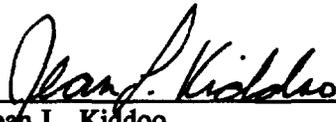
CONCLUSION

ZPDI firmly believes that competition in the operator services segment can make a positive contribution to the dynamic telecommunications industry in the United States. To accomplish this, however, the 0+ dialing method must be equally available to all competitors, and no carrier should be permitted to use its predominant market share to usurp the 0+ dialing method by means a "proprietary" calling card. The Commission has expended considerable effort to establish rules which mandate notice and opportunity for choice to consumers, thereby educating them to the presence of competition in the 0+ industry. If any IXC wants to go beyond those mandates to make its subscribers captive to a proprietary card, then it must be required to do so by virtue of a proprietary access code -- not through use of a 0+ method which imposes costs on competitors and

inconvenience on consumers. Therefore, ZPDI urges that the Commission promptly adopt its proposal to undo the harm that AT&T's issuance of CIID cards has created.

Respectfully submitted,

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