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BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

JUL - 1 1992

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Federal Communications Commission
Office of the Secretary

In the Matter of)
)
Billed Party Preference)
for 0+ InterLATA Calls)

CC Docket No. 82-77

JUL 1 1992

FCC MAIL BRANCH

Reply Comments of the
Pennsylvania Public Utility Commission

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The Pennsylvania Public Utility Commission (PaPUC) is the state agency responsible for the regulation of all public utilities, including telecommunications, within the Commonwealth of Pennsylvania. As such, it has a significant interest in the regulation of telecommunication services on the interstate as well as intrastate level. In pursuit of that interest, the PaPUC offers the following Reply Comments pursuant to the expedited comment cycle on the issue of whether the Federal Communications Commission (FCC) should restrict the use of proprietary calling cards on 0+ calling.

The PaPUC substantially disagrees with the proposal to declare that proprietary cards may not now be used for 0+ dialing, in the absence of the proprietary card-issuing interexchange carrier (IXC) making its billing and validation data available to other carriers.

The primary concern of the PaPUC is the impact of such a proposal on the end user customers. In evaluating the proposal from this perspective, it seems illogical to require customers to

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0+11

dial extra, and clearly unnecessary, digits when 0+ dialing may be available. This suggestion is inconsistent with the present network capability of the local exchange companies (LECs), which are unable to distinguish between 0+ dialing and 10XXX access code "dial around". The LECs would incur substantial costs in addition to their implementation of BPP if required to modify their networks to accommodate such a solution. See Comments of GTE, p. 3. This solution is inconsistent with the manner in which Billed Party Preference (BPP) may be implemented in the near future. With BPP, every end user will be able to utilize 0+ dialing and be assured that they will connect with their carrier of choice. This result is the same as what occurs now when a proprietary cardholder places a 0+ call from a public pay phone presubscribed to the proprietary card-issuing IXC. It seems unnecessarily confusing and burdensome to have to educate consumers to refrain from using 0+ dialing pending BPP implementation (even though it may be available), and then turn around (when BPP is ultimately available), and then re-educate consumers to return to the convenience of 0+ dialing.

The PaPUC agrees with AT&T that rejection of 0+ calls placed with a proprietary card, pending BPP introduction, appears to conflict with the FCC's finding in the companion proceeding at CC Docket No. 91-115, Report and Order and Request for Supplemental Comment (May 8, 1992), paragraphs 85-86. There, the FCC concluded that AT&T Card Issuer Identification (CIID) calling cards are not local exchange company (LEC) joint use cards, and as such, are not subject to the non-discriminatory access requirements that are imposed on LECs with respect to LEC joint use cards.

As both AT&T and Sprint advocate in their initial Comments, the decision to offer proprietary calling cards is a business judgment that any IXC may elect. See AT&T Comments, pp. 5-6; Sprint Comments, pp. 4, 7. Both carriers claim that their respective business decisions were based in large measure in response to customer confusion which resulted from offering non-proprietary cards which allowed the opportunity for any carrier to access the billing and validation data for the non-proprietary cards. Under that scheme, end user customers were often billed by a different carrier at higher rates depending upon which carrier was presubscribed to the public pay phone for interexchange service.

Bell Atlantic offers a helpful suggestion in their initial Comments that the PaPUC urges the FCC to consider. Bell Atlantic advocates that proprietary cardholders should be educated to initially use 0+ dialing and revert to 10XXX calling only if the 0+ dialing is unsuccessful. In this way, phones that are equipped to handle the 0+ call will allow consumers to most easily complete their calls. If the phone is not equipped to handle the 0+ call placed with a CIID card, then the cardholder must dial 10XXX to complete the call.¹ This procedure would also reflect an interim transition consistent with BPP. It maintains 0+ dialing as the

¹This procedure would also serve the PaPUC's state interest in preserving the LECs' revenues derived from completing intraLATA traffic placed with CIID cards. As Bell Atlantic pointed out, automatic 10XXX dialing bypasses the LECs who may otherwise carry the intraLATA traffic if the call was placed using 0+ dialing. Initial Comments of Bell Atlantic, p. 3. Loss of intraLATA toll revenues may provide upward pressure to local exchange rates.

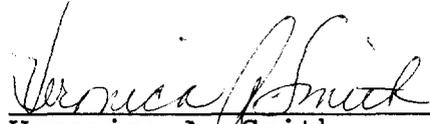
norm for the majority of present cardholders, which will then become the case for all cardholders with the advent of BPP.

If, however, the Commission believes stronger measures are necessary, Sprint suggests, in its comments, a proposal which might alleviate some of the concerns of other carriers that AT&T will be able to re-monopolize the presubscribed market in the interim prior to the implementation of BPP: IXCs could be prevented from paying commissions on proprietary card traffic.

Sprint's proposal could help to neutralize somewhat the advantage in the public phone market derived by IXCs offering proprietary cards in obtaining presubscriptions from premise owners. Sprint's suggestion may be overly broad, however, since proprietary card-issuing IXCs already pay rent-contributions on unblocked 10XXX "dial around" proprietary traffic even though that carrier is not presubscribed to the public phone. This proposal may, nevertheless, still be appropriate if the FCC determines that some interim measure should be instituted.

The PaPUC believes that if the FCC determines that some interim measure is necessary pending BPP availability, the Sprint's proposal should be the preferred approach, and, in no case, should the FCC require the rejection of all 0+ calls placed with a proprietary card.

Respectfully submitted,



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