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

ORIGINAL FILE

In the Matter of	)	
	)	
Billed Party Preference for 0+ InterLATA Calls	)	CC Docket No. 92-77
	)	

COMMENTS OF U S WEST COMMUNICATIONS, INC. CONCERNING BILLED PARTY PREFERENCE

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July 7, 1992

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SUMMARY

U S WEST Communications, Inc. ("USWC") submits these initial comments in response to the Federal Communications Commission's ("Commission") *Notice of Proposed Rulemaking*, which solicits information as to the costs and benefits of the proposed automatic "billed party preference" routing methodology for 0+ interLATA payphone traffic and other operator-assisted interLATA traffic. Herein, USWC addresses the Commission's specific requests for information and states its general views as to the manner in which billed party preference should be implemented, if it is required by the Commission.

With respect to the Commission's specific requests for information, *inter alia*, USWC provides estimates of the costs it would incur to implement billed party preference for interLATA payphone traffic alone (approximately $113 million) and for all 0+ and 0- traffic from any telephone (approximately $149 million); discusses the double operator system problem; estimates the impact billed party preference would have on access times for operator service calls (an additional .5 second to 2 seconds with Signaling System 7); proposes Commission action to minimize the impact that billed party preference would have on payphone competition; and favors the assignment of a 0+ carrier by default to the customer's chosen 1+ carrier.

In its more general comments, USWC cautions the Commission that, if ordered,

billed party preference should be: (1) required of all local exchange carriers; (2) applied to all 0+ and 0-interLATA traffic (including interLATA calling card, collect, bill-to-third-number and person-to-person calls initiated with 0+ and 0- dialing); (3) buttressed by Commission prohibition of the use of auto dialing mechanisms to program telephones to dial around billed party preference on 0+ and 0- interLATA calls; and perhaps most important, (4) premised on full recovery of the costs of implementing and providing billed party preference. It is USWC's view that, absent these four essential elements, billed party preference will result in the needless expenditure of huge sums while at the same time exacerbating what confusion end users may experience today.

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U S WEST Communications, Inc. ("USWC"), through counsel and pursuant to the Federal Communications Commission's ("Commission") *Notice of Proposed Rulemaking* in this proceeding,[1] hereby submits its initial comments regarding the proposed automatic "billed party preference" routing methodology for 0+ interLATA payphone traffic and other operator-assisted interLATA traffic.

I. INTRODUCTION

USWC has stated its view of billed party preference in previous submissions to the Commission.[2] USWC was circumspect regarding billed party preference when it

[1] *Billed Party Preference for 0+ InterLATA Calls*, 7 FCC Rcd. 3027 (1992) ("*NPRM*").

[2] *See* Comments of U S WEST Operating Companies in *The Bell Atlantic Telephone Companies Petition for Rulemaking to Establish Uniform Dialing Plan from Pay Telephones*, RM-6723, filed May 16, 1989 ("May 16, 1989 Comments"); Reply Comments of U S WEST Communications, Inc. in RM-6723, filed Dec. 23, 1991 ("Dec. 23, 1991 Reply Comments").

was first proposed by Bell Atlantic in 1989. At that time, the existing premises owner presubscription plan to implement payphone equal access, in USWC's view, was consistent with the realities of the competitive payphone marketplace, *i.e.*, the economic incentives created by commission payments from private payphone providers ("PPP") to payphone premises owners.[3] In USWC's view, retention of premises owner presubscription seemed the simplest and most procompetitive approach to effecting a uniform, nationwide payphone equal access plan. Notwithstanding its guarded view, USWC cautioned that, if adopted, billed party preference should be mandatory and universal.[4]

Recent developments[5] have not eased USWC's circumspection. In more recent comments on this subject, USWC urged consideration of several issues in the event that the Commission ordered the implementation of billed party preference.[6] USWC stated that it believed that implementation of billed party preference would be an expensive proposition,[7] a belief borne out by more detailed study.[8] USWC also questioned whether the asserted benefits of billed party preference would outweigh the related

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[3]*See* May 16, 1989 Comments at 5-9.

[4]*See id.* at 12-14.

[5]*See The Bell Atlantic Telephone Companies Petition to Establish Uniform Dialing Plan from Pay Telephones*, RM-6723, *Order Inviting Comments to Supplement the Record*, 6 FCC Rcd. 6141-42 ¶¶ 4-7 (1991).

[6]*See* Dec. 23, 1991 Reply Comments at 2-3.

[7]*See id.* at 3.

[8]*See* Appendix attached hereto.

costs, particularly in light of legislation and Commission rule amendments aimed at eliminating end user inability to gain access to the carrier of choice.[9] Recovery of the costs of implementing billed party preference and the prospect of added post dial delay were also raised.[10]

USWC cautions the Commission that, if ordered, billed party preference should be: (1) required of all local exchange carriers ("LEC"); (2) applied to all 0+ and 0- interLATA traffic (including interLATA calling card, collect, bill-to-third-number and person-to-person calls initiated with 0+ and 0- dialing); (3) buttressed by Commission prohibition of the use of auto dialing mechanisms to program telephones to dial around billed party preference on 0+ and 0- interLATA calls; and perhaps most important, (4) premised on full recovery of the costs of implementing and providing billed party preference. Absent these elements, billed party preference will result in the needless expenditure of huge sums while at the same time exacerbating what confusion end users may experience today.

II. USWC RESPONSES TO COMMISSION REQUESTS FOR INFORMATION

In this section, USWC responds, to the extent it is able, to the Commission's specific requests for information. For ease of presentation, the information is provided in the order in which it was requested.

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[9]*See* Dec. 23, 1991 Reply Comments at 3.

[10]*See id.* at 3-4.

Paragraph 25: Provide estimates of the total costs of implementing a billed party preference system.

In general terms, USWC sees two kinds of costs related to billed party preference. First, there are basic or feature-dependent costs which are required without regard to the types of traffic to which billed party preference would apply, such as software upgrades for end office switches. These basic costs are detailed in the following discussion of the costs associated with implementing billed party preference for interLATA payphone traffic alone.

The other kinds of costs are related to traffic volume. That is to say, these costs are related to extending billed party preference to include traffic types beyond interLATA payphone traffic, such as additional switching capacity. These traffic volume-dependent costs are detailed in the following discussion of the costs of implementing billed party preference to cover all interLATA 0+ and 0- traffic from any telephone.

(a) InterLATA payphone traffic alone

USWC Response: As detailed in the Appendix hereto ("USWC Estimated Cost Components For Billed Party Preference"), USWC estimates its total costs of implementing billed party preference for interLATA payphone traffic alone to be nearly $113 million. Among the larger cost components contributing to that figure are software upgrades for 1238 USWC end offices to provide the capability to recognize and segregate 10XXX-0+ and 00- traffic from 0- and 0+ traffic (approximately $68

million); development of Automated Alternate Billing Service ("AABS") functionality for USWC's Operator Service Position System ("OSPS") switches (about $20.5 million);[11] operator costs (nearly $14 million); and deployment of SS7 capability at all operator service switches ("OSS") (approximately $6.6 million).

(b) All interLATA public phone traffic

USWC Response: Because many public telephones are not uniquely identified in LEC line records,[12] USWC cannot quantify the number of public phones in use in its territory. For this reason, USWC is also unable to estimate the volume of interLATA calls placed from public phones or the cost of implementing billed party preference for such traffic.

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[11]USWC, the successor of three former Bell Operating Companies ("BOC"), uses different equipment in different parts of its territory to provide operator service. In seven of the states it serves, USWC uses 14 Traffic Operator Position System ("TOPS") switches, manufactured by Northern Telecom, Inc. ("NTI"). These NTI switches already have AABS functionality. In its remaining seven states, USWC has eight OSPS switches which are manufactured by American Telephone and Telegraph Company ("AT&T"). These switches do not have AABS functionality and USWC does not know what that capability would cost to deploy. The estimated figure ($20.5 million) assumes a rough equivalency between NTI and AT&T prices for AABS functionality.

[12]In using the term "public phone," USWC means privately owned coin phones (also known as customer-owned, coin-operated telephones or "COCOT") which are made available to the public by private payphone providers ("PPP") and public telephones in hospitals, hotels, universities and other aggregator locations. *See NPRM*, 7 FCC Rcd. at 3028 ¶¶ 5-6 and nn.6-7.

(c) All interLATA 0+ traffic from any phone

USWC Response: Because USWC does not screen calls beyond the access code (*e.g.*, 10XXX-0+, 10XXX-1+) dialed by the caller, it is unable to distinguish or quantify 0+ InterLATA calls as a subset of all traffic. Thus, USWC is unable to accurately estimate the costs of implementing billed party preference for just 0+ interLATA traffic from any phone.

(d) All interLATA 0+ and 0- traffic from any phone

USWC Response: USWC believes that billed party preference, if implemented, should apply to all 0+ and 0- calls and to all credit card, bill-to-third-number and collect calls initiated by either manner. USWC's total estimated cost of implementing billed party preference for such traffic is approximately $149 million, as detailed in the Appendix hereto. These costs exceed the total estimated costs of implementing billed party preference for InterLATA 0+ and 0- traffic from payphones by about $36 million.

Here again, the larger cost components are end office software upgrades to provide the capability to recognize and segregate 10XXX-0+ and 00- traffic from 0- and 0+ traffic (approximately $68 million); development of AABS functionality for USWC's OSPS (about $25.3 million), and operator costs (just over $21 million); and deployment of SS7 capability at all OSSs (approximately $7.5 million). In addition, broadening the scope of billed party preference to include 0+ and 0- interLATA traffic from all telephones would require USWC to deploy three additional OSSs at an estimated cost of $13.1 million and expand its Line Information Data Base ("LIDB")

capacity by adding two Signaling Control Points ("SCP") at an estimated cost of $10 million. Most other cost components that are common between these two scenarios are roughly equal in magnitude.

Paragraph 26: The Double Operator Problem

One of the concerns about the billed party preference routing scheme is its requirement that a caller provide information necessary to processing the call once to the LEC operator and again to the interexchange carrier ("IXC") operator. The Commission seeks comment on this issue from a number of perspectives.

(a) The extent to which callers would have to provide the same information twice or speak to two operators in a billed party preference system.

USWC Response: If billed party preference were required today, absent SS7 between LEC and IXC OSSs and absent AABS, a caller would have to provide *verbally* the same information twice (*e.g.*, the calling telephone number, the called telephone number, the telephone number to be billed). For collect bill-to-third-number and person-to-person calls, the caller would have to provide additional information to the IXC operator. In addition, for calling card calls, the caller would have to enter his orher card account number once for the originating LEC and again for the chosen IXC.

(b) The extent to which the double operator system problem would be alleviated by LEC deployment of SS7 and AABS.

USWC Response: The Commission posits that the double operator problem could be alleviated by the LEC deployment of SS7, between LEC and IXC OSSs, and AABS.[13] At this time, SS7 for transport between OSSs has not been developed. As explained above, AABS costs are not available for the AT&T OSPS switches.[14] However, if these capabilities did exist and were applied to all LEC and IXC OSSs, customer or account information required for operator-assisted calls could be forwarded via SS7 from the LEC OSS to the IXC OSS, without customer repetition, with the exception of collect, bill-to-third-number and person-to-person calls. For collect and bill-to-third-number calls, the caller would have to provide his or her name once to the LEC operator and a second time to the IXC operator. For person-to-person calls, the caller would have to provide the name of the desired party.[15]

Although AABS is able to record the caller's name for collect calls, USWC is unaware of any technology that would allow AABS to forward the required recorded name information from one OSS to another using SS7 technology.[16] To perform such

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[13]*See NPRM*, 7 FCC Rcd. at 3031-32 ¶ 26.

[14]*See* n.11 *supra*.

[15]Person-to-person calls are not currently included within AABS procedures and, until such time as they are, these calls will continue to require the provision of verbal information by the caller to the LEC and IXC operators.

[16]The recorded name of the caller is required for collect calls and bill-to-third-number calls.

a function, AABS would have to be modified so that the name is not requested until after the desired IXC is identified or a response to a data base query has been received. The caller would thus only be required to provide his or her name to the IXC operator.

(c) The cost of deploying these capabilities and how these costs may vary from LEC to LEC.

As detailed in the Appendix, USWC estimates the costs of implementing SS7 to be about $6.6 million for 0+ and 0- coin traffic and about $7.5 million for all 0+ and 0- traffic.[17] As stated earlier, USWC has already deployed AABS in seven of its states where NTI OSSs are employed.[18] USWC can only guess as to the cost of deploying AABS in its remaining seven states where AT&T switches are used. Assuming that AT&T's prices for this capability are roughly equal to NTI, USWC estimates the cost to be about $20.54 million for coin traffic alone and about $25.3 million for 0+ and 0- interLATA traffic from all telephones.

Many factors could vary the cost of implementing billed party preference among LECs. Among them, USWC would point out (1) the number of end offices which an LEC would have to upgrade; (2) the extent to which new trunking would be required;

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[17]The difference in cost is due to the greater number of OSSs. USWC would have to deploy an additional three if billed party preference were to apply to all 0+ and 0- traffic.

[18]*See* n.11 *supra*.

(3) different switch types for which certain necessary functions may or may not exist;[19] and (4) the capacity of the LEC's OSSs in relation to that required for billed party preference.

(d) The extent to which independent LECs will either implement SS7 and AABS or otherwise be able to eliminate the double operator system problem.

USWC Response: USWC believes that the independent LECs are in the best position to provide the requested information.

(e) The time it would take to deploy the necessary technology to eliminate this problem.

USWC Response: The time it would take USWC to deploy the technologies necessary to eliminate the double operator system problem is dependent on many variables. For instance, USWC would be subject to the development and ordering schedules of two major OSS switch vendors and four originating end office switch vendors. The time it would take to deploy additional Signaling Transfer Points and SCPs, install new software, new OSSs and the associated trunking additions and changes can only be roughly estimated. The additional administrative work related to ascertaining a customer's preferred 0+ interLATA carrier must also be considered.

Having noted these many variables and tasks, USWC's most optimistic estimate

[19]For instance, certain LECs may not employ all OSPS switches and, as a result, may not have to invest in bringing AABS capabilities to such switches.

of the time required in this regard is 39 to 45 months from the date of a Commission order requiring the implementation of billed party preference. A 39-month schedule would involve the following steps:

- 12 months to develop and refine requirements with vendor acceptance;
- 18 months for the vendor to define, code and test all required features; and
- Nine months for ordering, shipping, installation and testing.

The 45-month schedule would include six additional months to accommodate slippage.

(f) The availability and cost of any OSP technology required for OSPs to receive the necessary information from LECs.

USWC Response: USWC believes that the OSPs are best situated to provide the requested information.

(g) The possible availability and cost of customer premises equipment that could perform these functions by storing the necessary processing and billing information and then transmitting it to the OSP at the caller's prompting.

USWC Response: USWC believes that manufacturers of customer premises equipment are best able to provide the requested information.

Paragraph 27: The impact billed party preference would have on access times for operator service calls.

USWC Response: The benefit of SS7 in a billed party preference environment is in the reduction of call set up time from that using conventional multifrequency ("MF") signaling. Considering only the transfer of information from the LEC OSS to the IXC OSS using MF signaling, USWC estimates an additional six seconds of holding time for the customer.[20] With SS7, this additional access time associated with the transmission of information from the originating LEC's OSS to the IXC OSS would range from as little as .5 seconds to as much as two seconds, depending on the amount of information to be passed and the routing (direct or tandem) between OSSs.

(a) The significance of any increase in access time, given that callers would save time in not having to dial access codes.

USWC Response: Assuming .5 second per keystroke using a touchtone keypad, callers would save approximately 2.5 seconds in relation to 10XXX calls, 3.5 seconds in relation to 950-XXXX calls, and 5.5 seconds in relation to 1-800-XXX-XXXX calls.

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[20]The Commission has focused on the transmission of customer information from the originating LEC's OSS to the IXC OSS. However, this is not the only function within an interLATA 0+ call where SS7 would impact the LEC access time related to billed party preference. With billed party preference, the originating LEC would also collect billing information and perform a LIDB query to identify the billed party's chosen 0+ interLATA carrier. These functions, using SS7, will take approximately seven seconds and two to five seconds, respectively.

SS7 could also reduce overall access time (*i.e.*, total access time which includes LEC and IXC call handling) in situations where the IXC chooses to launch a data base query to perform billed number screening or to validate a calling card.

However, while the caller would not have to dial an access code, a data base query would have to be launched to determine the billed party's chosen IXC. LIDB queries can take up to five seconds before timing out. AABS adds menu and selection time of two seconds (for an LEC calling card) to 20 seconds (for a bill-to-third-number call) depending on the call type and the caller's familiarity with AABS. Adding the 2-5 seconds for the SS7 transfer from the LEC OSS to the IXC OSS, the total access time, the savings due to no longer having to dial an access code is outweighed by added processing time related to billed party preference, as illustrated by the following comparison:

Access Code	Time Saved by Not Dialing Access Code	Additional Processing Time With BPP
10XXX	2.5 sec.	6 - 30 sec.
950-XXXX	3.5 sec.	6 - 30 sec.
1-800-XXX-XXXX	5.5 sec.	6 - 30 sec.

(b) The significance of any increase in access time given that callers would be receiving instructions from the LEC during the call set up period, which could reduce the incidence of call abandonment.

USWC Response: Customer instruction would be given *before* call processing begins in order for the caller to enter billing information. For this reason, customer instruction will not overlap with call processing.

Paragraph 28: Comment on the effect billed party preference would have on competition in the provision of payphones and the public interest ramifications of any such impact, given the other benefits and costs of billed party preference.

USWC Response: The Commission is correct that billed party preference would diminish and, perhaps, eliminate 0+ presubscription commission compensation between OSPs and PPPs. Without a replacement compensation mechanism, this would likely reduce private payphone competition in high-volume, long-distance markets. However, the impact of billed party preference on payphone competition could be minimized if the Commission, in ordering billed party preference, also prescribed compensation for all operator-assisted calls at a level comparable with current commission payments.[21]

If the Commission were to require the implementation of billed party preference, and include specially prescribed compensation between OSPs and PPPs on all operator-assisted, interLATA calls, USWC would urge the Commission to prescribe equitable compensation in relation to LEC compensation received in connection with such calls (*e.g.*, switched access revenues related to the pay telephone element as a component of its total switched access revenue requirement). USWC is concerned that prescription of PPP compensation that is higher, incrementally or in the aggregate, than that which LECs receive via pay telephone switched access charges would unfairly disadvantage LECs in competing for payphone locations with high-volume long-distance usage. USWC suggests that the Commission consider altering LEC payphone compensation to conform to mechanisms and compensation levels created for PPPs.

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[21]*See NPRM*, 7 FCC Rcd at 3032 ¶ 28 and n.38.

USWC also concurs with the Commission's preference that any prescribed compensation associated with operator-assisted payphone calls be on a per message basis rather than an average-based surrogate.[22] USWC suggests that the Commission issue a notice to solicit industry comment on the feasibility of developing a per message compensation plan for all operator assisted, interLATA payphone calls.

Paragraph 29: Comment on whether some or all of the benefits of billed party preference might be obtainable through alternative, less costly technologies.

USWC Response: USWC is unaware of any less costly technologies that would provide billed party preference or its promised benefits.

Paragraph 31: The scope of Commission action required to assure the integrity of billed party preference.

(a) If the Commission concludes that billed party preference for certain operator-assisted calls is in the public interest, should it require all LECs to implement this system for such calls?

USWC Response: If the Commission concludes that billed party preference is in the public interest, it should require that all LECs implement this routing plan. This view is based on the premise that billed party preference is under consideration primarily to resolve end-user/consumer confusion, and to replace more complex and

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[22]*See Policies and Rules Concerning Operator Service Access and Pay Telephone Compensation, Report and Order and Further Notice of Proposed Rule Making*, 6 FCC Rcd. 4736, 4747 ¶ 43 (1991), *Second Report and Order*, FCC 92-170, rel. May 8, 1992, at ¶¶ 13-15.

time-consuming long-distance dialing alternatives with traditional and convenient 0+ dialing.

Many operator-assisted, long-distance calls are placed by the traveling public, which, over time, places 0+ calls from different LEC territories. To require billed party preference of some but not all LECs would perpetuate the confusion created by the need to use different dialing alternatives depending on where the caller happens to be at any given time. Less than universal implementation would also dilute the clear end-user/consumer benefits promised by billed party preference. If billed party preference is required, it should be mandatory for all LECs.

Moreover, the majority of independent LECs have the same OSS switch types as USWC. Thus, there is no apparent technical reason to exclude these LECs from any requirement to implement billed party preference.

(b) If the Commission concludes that billed party preference for certain operator-assisted calls is in the public interest, should it amend its Part 68 rules to preclude traffic aggregators and payphone providers from using automatic dialing mechanisms to program their phones to dial around billed party preference on such calls?

USWC Response: USWC agrees with the Commission's tentative conclusion that it should consider amending Part 68 rules to preclude traffic aggregators and payphone providers from using automatic dialing mechanisms to program their phones to dial around billed party preference on such calls.

First, billed party preference's primary benefit is to ensure that consumers indeed are routed to the IXC or OSP of their (or the billed party's) choice. Where automatic

dial-around mechanisms are deployed, only by coincidence would the end users be routed to his or her preferred carrier -- only when the end user's and the aggregator's chosen carrier happened to be the same. Outside of such a coincidence, the aggregator's carrier will be different from the end user's preferred carrier, and, worse yet, the identity of the aggregator's carrier will be unknown to the end user.

Second, automatic dialing mechanisms usually, if not always, convert a call the end user intended to be a 0+ call to a 1+ direct dialed or 1-800-XXX-XXXX call. Because billed party preference would not apply to 1+ calls, it would be impossible to apply a billed party preference cost recovery/compensation charge element to those calls involving automatic dialing mechanisms. Thus, this technology not only would defeat the primary benefit of billed party preference to end users, it would interfere with the ability of LECs to recover the costs of billed party preference.

Third, and perhaps most important, USWC believes that the use of automatic dialing mechanisms is rapidly growing. This technology offers to aggregators and other emerging resellers a significant opportunity to gain unregulated revenues for a relatively small investment. Unless acknowledged, the use of such technology could grow even broader, further devaluing the benefits of billed party preference.

Paragraph 32: Comment on the types of calls for which billed party preference should be implemented.

USWC Response: USWC believes that billed party preference should apply to all 0+ and 0- interLATA calls and to all interLATA calling card, collect and billed-to-

third-number calls placed using 0+ or 0- dialing. Applying billed party preference to all of these call types only makes sense if the reason for requiring this routing system is to eliminate customer confusion and inconvenience caused by differing dialing schemes. This uniformity would be particularly beneficial to frequent callers that place operator-assisted calls from different types of telephones (*e.g.*, payphones, aggregator phones, *etc.*).

Paragraph 33: By what process should a 0+ carrier be assigned to each telephone line?

USWC Response: Because customers have already chosen a preferred carrier for 1+ interLATA calls, USWC believes that the 0+ carrier for each telephone line subject to presubscription should be determined by default to the presubscribed 1+ carrier. USWC favors a simple notification to customers that they have the opportunity to select a 0+ carrier other than their chosen 1+ carrier and that they may do so by notifying their LEC. In 1+ non-equal access areas, USWC favors a more structured procedure to ask customers to select a 0+ carrier.

Paragraph 34: Comment on how commercial credit cards and foreign-issued calling cards would be handled in a billed party preference environment and how LECs would handle calls billed to users in foreign countries.

USWC Response: USWC has no comment on these matters at this time.

Paragraph 35: Comment on the process by which a secondary OSP might be assigned for each telephone line.

USWC Response: USWC favors a method which would allow the primary 0+ carrier to designate the secondary OSP. Further, USWC believes the primary 0+ carrier should be required to notify all of its customers of their option to choose a secondary 0+ carrier and advise them of their right to do so by notifying their LEC.

III. IF ADOPTED, BILLED PARTY PREFERENCE RULES MUST PROVIDE FOR FULL COST RECOVERY

The Commission has tentatively concluded that, if required, billed party preference would be treated as a "new" service under LEC price cap regulation.[23] USWC concurs in this tentative conclusion. However, greater assurance of cost recovery for billed party preference is warranted, given the huge sums this routing scheme is likely to cost. Unless LECs can be assured of full recovery of total unseparated implementation costs, USWC would oppose billed party preference.[24]

Two major concerns in this regard are the extent to which interLATA carriers (IXCs and OSPs) might be able to choose not to participate in billed party preference and the extent to which such carrier may be able to dial around billed party preference.

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[23]*See NPRM*, 7 FCC Rcd. at 3031 n.30.

[24]Although the *NPRM* speaks only about interLATA (and presumably interstate) operator-assisted traffic, when the costs of implementing billed party preference are subjected to jurisdictional separations, the greater portion of them would be allocated to the intrastate jurisdiction. Although a few state regulatory commissions have reacted positively to the billed party preference concept, their enthusiasm may decrease if the lion's share of the costs of billed party preference were to be recovered through state rates.

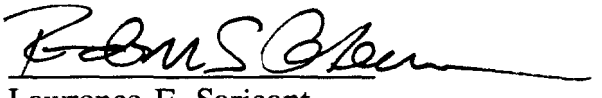
If billed party preference, and any associated compensation or cost recovery mechanisms, were applied to 0+ and 0- calls only, presumably an incentive would be created among interLATA carriers to avoid billed party preference by coaching their customers to use other dialing schemes (*e.g.*, 10XXX, 950-XXXX, 1-800-XXX-XXXX). If such tactics were used on a large scale, the per message cost of billed party preference could be extremely expensive and would likely increase if dial-around resources were used. This is not to say that the Commission should prohibit access code calling if billed party preference is found to be in the public interest. However, a clear tension exists between billed party preference and existing access code dialing mechanisms which the Commission must resolve should it decide to require billed party preference. The Commission must also definitively state which IXCs and OSPs must participate in the billed party preference routing scheme and under what circumstances.

IV. CONCLUSION

For the foregoing reasons, USWC believes that if billed party preference is required, it would make sense only if it is (1) required of all LECs; (2) applied to all 0+ and 0- interLATA traffic (including interLATA calling card, collect, bill-to-third-number and person-to-person calls initiated with 0+ and 0- dialing); (3) buttressed by Commission prohibition of the use of auto dialing mechanisms to program telephones to dial around billed party preference on 0+ and 0- interLATA calls; and (4) premised on full recovery of the costs of implementing and providing billed party preference.

Respectfully submitted,

U S WEST Communications, Inc.

By: 

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