ORIGINAL FILE
RECEIVED
JUL 7 - 1992
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 10554

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

COMMENTS
OF THE
UNITED STATES TELEPHONE ASSOCIATION

The United States Telephone Association (USTA) respectfully submits its comments on the above-referenced Notice of Proposed Rulemaking (NPRM). USTA is the principal trade association of the exchange carrier industry. Its membership of approximately 1100 local telephone companies provides over 98 percent of the telephone company-provided local access lines in the U.S.

The Commission initiated this rulemaking proceeding to consider billed party preference as the routing methodology for 0+ interLATA traffic. The Commission has tentatively concluded that billed party preference routing of all 0+ interLATA calls is in the public interest.[1]

I. INTRODUCTION.

In 1989 USTA filed a statement in support of the commencement of a rulemaking proceeding regarding billed party preference.[2] At that time, USTA listed several areas of concern

[1] NPRM at paragraph 1.

[2] In the Matter of Bell Atlantic Telephone Companies Petition for Rulemaking to Establish a Uniform Dialing Plan From Pay Telephones, RM-6723, April 13, 1989.

No. of Copies rec'd 0+10
List A B C D E

for resolution in order to achieve the potential benefits of billed party preference.

Recognizing that the Commission had conferred different equal access obligations and requirements on independent telephone companies, USTA stated nevertheless that a uniform national policy for billed party preference was needed, supported by clear, non-illusory rules that apply to all 0+ and 0- access providers. A patchwork approach, would only force local telephone companies to make investments that may be stranded or underutilized, as usage would migrate to stations not subject to billed party preference. Therefore, USTA concluded that, if implemented, billed party preference must be made mandatory for all operator services providers (OSPs) and aggregators.

USTA also suggested the need for specific rules to assure that owners of terminal equipment should not be able to defeat any billed party preference features offered by the local telephone company. These issues are raised in the current proceeding.

Before commenting on some of the specific issues raised in the NPRM, an understanding of what is meant by billed party preference is necessary. USTA would define billed party preference as the selection of the interexchange carrier by the party paying for the call, regardless of the telephone used to place the call, for all 0+ and 0- interLATA traffic. According to this definition, billed party preference would be mandatory

for all OSPs. The deployment of billed party preference as defined above would ensure that the billed party always has the opportunity to select his or her carrier of choice and will allow for the efficient use of exchange carrier investments. However, a significant concern remains that, if mandated, billed party preference would require significant investment in the network, yet, the NPRM does not propose a cost recovery mechanism.

II. COST RECOVERY.

As the Commission indicates, the record to date contains estimates of the cost to provide billed party preference ranging from $50 million to well over $500 million.[3] It is likely that the larger exchange carriers will update the record in their individual comments. Smaller exchange carriers have not been able to estimate the costs of implementing billed party preference as the extent of deployment has never been specified. The costs will vary for each company. However, if mandated, the capital expenditures and operating costs of billed party preference will be significant for all exchange carriers.

The Commission seeks comment on the estimated total costs of implementing and operating a billed party preference for a) interLATA payphone traffic, b) all interLATA public telephone traffic, including traffic from hotels and other aggregator locations, c) all interLATA 0+ traffic from any telephone; and,

---

[3] NPRM at paragraph 25.

d) all interLATA 0+ and 0- from any telephone.[4] In general, the major cost will be incurred to develop the technology to implement any of the listed options. Therefore, the bulk of the costs will be fixed, regardless of the option selection. Other lesser costs, such as adding or rearranging trunking facilities and modifying operator service system (OSS) switching capacity, will depend upon the volume of calls. Thus, the traffic sensitive costs of billed party preference would be less if the service is limited to interLATA payphone traffic than for all interLATA 0+ and 0- calls from any telephone. A description of some of the cost components follows.

Most exchange carrier end office switches will have to be modified to differentiate between 1+ and 0+ interLATA calls from 1+ equal access end offices. Trunking facilities may have to be augmented or rearranged to handle the interLATA 0+ traffic being routed to the OSS. New facilities between the OSS and the interexchange carrier may have to be built, depending upon the individual requirements of each company. Updates for every OSS would be required. This would include adding a new form of OSS signalling within the signalling system 7 (SS7) protocol so that additional information could be provided to the interexchange carrier when an exchange carrier forwards calls to it. Such information includes the called number, the calling card number and the method used to dial the call. The records in LIDB[5] for

---

[4] Id.

[5] For purposes of these comments, LIDB refers to all line number validation databases.

every working line will require population with information identifying a primary preferred carrier, an alternate preferred carrier and an international preferred carrier. Ongoing administrative costs to maintain, update and add new information will be significant. Other expenditures and investment may be required depending upon the company and the scope of billed party preference deployment.

Given the significance of the costs described above, appropriate recovery of the investment and expenses necessary to implement and operate billed party preference is necessary. The Commission should not mandate the implementation of billed party preference until cost recovery is assured.

The Commission also seeks comment on whether some or all of the benefits of billed party preference might be obtainable through alternative, less costly technologies.[6] Recent developments have improved the caller's ability to identify and use the OSP of his or her choice. For example, as the Commission points out, the Telephone Operator Consumer Services Improvement Act enacted by Congress in 1990 required the unblocking of equal access 10XXX calls at all aggregator locations.[7] The Commission adopted rules to do that and to require OSPs to

---

[6] NPRM at paragraph 29.

[7] 47 U.S.C. §226.

provide 950 or 1-800 access.[8] In addition, the Commission has required payphone presubscription and OSP branding.[9] Customers can also make limited choices regarding their choice of OSPs in accepting collect calls or in designating third party billed calls. However, it is unlikely that any alternative can provide the full benefits of billed party preference.

III. IMPLEMENTATION ISSUES.

As implied by the definition developed by USTA, the Commission should not limit billed party preference to a certain geographical area or to certain providers. Any type of phased-in approach will not be successful and will pose significant risks to exchange carriers.

The Commission seeks comment on the impact of access code dialing during the period before billed party preference is deployed.[10] As USTA stated in comments filed previously in this proceeding, the Commission should not create any incentive for customers to use access code dialing if billed party preference is to be implemented. Any such incentive would only serve to devalue the possible benefit of billed party preference, increase customer confusion and severely reduce the use of exchange

---

[8] Policies and Rules Concerning Operator Service Access and Pay Telephone Compensation, CC Docket No. 91-35, Report and Order and Further Notice of Proposed Rulemaking, 6 FCC Rcd 4736 (1991).

[9] Policies and Rules Concerning Operator Service Providers, CC Docket No. 90-313, Report and Order, 6 FCC Rcd 2744 (1991).

[10] NPRM at paragraph 18.

carrier networks. Customer education will be required if billed party preference is implemented to inform consumers of the new choices available to them.

It is possible that callers will have to provide the same information twice or speak to two operators in a billed party preference system, as observed by the Commission.[11] The technology to eliminate this problem is not yet available for all operator service switches. If the technology becomes available for all operator service switches and if the cost to deploy the technology can be recovered, this "double operator" problem can be alleviated.

USTA agrees with the representations presented in the NPRM regarding the impact of billed party preference on access times for operator service calls.[12] Within the context of SS7, access times would not be significantly higher utilizing a billed party preference system.

As noted in its 1989 statement and as implied by the definition of billed party preference, depending upon the satisfactory resolution of all cost recovery issues, USTA agrees that all exchange carriers and all providers of 0+ and 0- access should be required to implement billed party preference.[13]

---

[11] Id. at paragraph 26.

[12] Id. at paragraph 27.

[13] Id. at paragraph 31.

However, if all exchange carriers are required to incur the costs necessary to provide this service, it is only fair that the Commission amend its rules to prevent the use of automatic dialing or any mechanism, including access code dialing, to circumvent billed party preference. Any such mechanism would only create customer confusion by preventing customers from choosing the carrier to carry their call. It would also force exchange carriers into making investments that could be stranded or underutilized.

Any process adopted by the Commission by which a 0+ carrier is assigned to each telephone line for billed party preference should be of minimal cost to the exchange carrier and easy for customers to activate.[14] Separate balloting for the 0+ carrier would be expensive and time consuming. It could be confusing for customers as well. It would be convenient for customers to automatically utilize their 1+ equal access carrier as their primary carrier under billed party preference. They could be provided a period of time during which they could specify a different carrier if they so choose. They should be permitted to select a secondary carrier upon request. Of course all new customers would be provided the opportunity to select a 1+ equal access carrier as well as a primary 0+ carrier.

In non-equal access areas, 0+ calls could be assigned to the default interexchange carrier until equal access is implemented.

---

[14] Id. at paragraph 33.

Customers would then select all their carriers at the same time.

Finally, USTA recommends that the Commission consider the handling of commercial credit cards and foreign issued calling cards in a billed party preference environment in a separate proceeding.[15] This will prevent further confusion.

IV. CONCLUSION.

USTA continues to address areas of concern regarding the implementation of billed party preference. Of greatest importance is the issue of cost recovery. Given the significance of the costs involved, the Commission should not mandate the implementation of billed party preference until this issue is satisfactorily resolved. If cost recovery is assured, billed party preference may be implemented as described herein.

Respectfully submitted,

UNITED STATES TELEPHONE ASSOCIATION

By Linda Kent

Martin T. McCue
General Counsel

Linda Kent
Associate General Counsel

900 19th Street, NW, Suite 800
Washington, D.C. 20006-2105
(202) 835-3100

July 7, 1992

---

[15] Id. at paragraph 34.

CERTIFICATE OF SERVICE

I, Robyn L.J. Davis, do certify that on July 7, 1992 copies of the foregoing Comments of the United States Telephone Association were either hand-delivered, or deposited in the U.S. Mail, first-class, postage prepaid to the persons on the attached service list.

Robyn L.J. Davis

Federal Communications
Commission
Policy and Program Planning
Division
1919 M Street, NW
Room 544
Washington, DC 20554

Downtown Copy Center
1114 21st Street, NW
Washington, DC 20036

Roy Morris
Allnet Communications Services
1990 M Street, NW
Suite 500
Washington,DC 20036

Francine Berry
Mark Rosenblum
AT&T
295 North Maple Avenue
Room 3244J1
Basking Ridge, NJ 07920

Judith St. Ledger-Roty
Robert Aamoth
Reed, Smtih, Shaw and McClay
1200 18th Street, nW
Washington, DC 20036

Randall Lowe
Jones, Day, Reavis & Pogue
1450 G Street, NW
Washington, DC 20005

John Ligon
ITT Communications Services
100 Plaza Drive
Secausus, NJ 07096

Gary L. Liebert
J. Thomas Esslinger
Schmeltzer, Aptaker & Shepard,
P.C.
2600 Virginia Avenue, NW
Suite 1000
Washington, DC 20037

W. Dewey Clower
Howard Menaker
National Association of
Truck Stop Operators
1199 N. Fairfax Street
Suite 801
Alexandria, VA 22314

William Weisman
Weisman Enterprises
2626 W. Lake Street
Minneapolis, MN 55416-4405

Joseph Markoski
Ann L. LaFrance
Squire, Sanders & Dempsey
P.O. Box 407
Washington, DC 20044

Patrick Lee
Edward Niehoff
NYNEX
120 Bloomingdale Road
White Plains, NY 10605

Andrew Lipman
Russell Blau
Swidler & Berlin
3000 K Street,NW
Washington, DC 20007

Leon Kestenbaum
Richard Juhnke
U.S. Sprint
1850 M Street, NW
Suite 1110
Washington, DC 20036

Albert Kramer
Keck, Mahin & Cate
1201 New York Avenue, NW
Penthouse Suite
Washington, DC 20005

Robert Peak
Reboul, MacMurray, Hewitt,
Maynard & Kristol
1119 19th Street, NW
Suite 406
Washington, DC 20036

Henry Walker
Tennessee PSC
460 James Robertson Parkway
Nashville, TN 37219

Carol Sulkes
Central Telephone Co.
8745 Higgins Road
Chicago, IL 60631

Randolph J. May
Richard S. Whitt
Sutherland, Asbill & Brennan
1275 Pennsylvania Avenue, NW
Washington, DC 20004

Floyd Keene
Michael Pabian
Ameritech Servcies
2000 West Ameritech Center
Drive
Room 4H74
Hoffman Estates, IL 60196

William Barfield
Richard Sbaratta
BellSouth
1155 Peachtree Street, NE
Suite 1800
Atlanta, GA 30367

Linda Muir
Contel Corporation
P.O. Box 105194
Atlanta, GA 30346

David Smith
Debra Schiro
Florida PSC
101 East Gaines Street
Tallahassee, FL 32399

John M. Glenn
Maryland People's Counsel
231 East Baltimore Street
Ninth Floor
Baltimore, MD 21202

Bryan Moorhouse
Maryland PSC
231 E. Baltimore Street
Baltimore, MD 21202

Frank Krogh
John Scorce
MCI
1133 19th Street, NW
Washington, DC 20554

Paul Rodgers
Charles Gray
NARUC
P.O. Box 684
Washington, DC 20044

Richard Wiley
Danny Adams
Wiley, Rein & Fielding
1776 K Street, NW
Washington, DC 20006

Josephine S. Trubek
Rochester Tel. Center
180 South Clinton Avenue
Rochesters, NY 14646

William J. Sullivan
Richard C. Hartgrove
Southwestern Bell
1010 Pine Street
Room 2114
St. Louis, MO 63101

Jay C. Keithley
United Telecommunications
1850 M Street, NW
Suite 1110
Washington, DC 20036

Lawrence E. Sargeant
U S West
1020 19th Street, NW
Suite 700
Washington, DC 20036

William Werwaiss
SNET
227 Church Street
New Haven, CT 06506

James Tuthill
Pacific Bell and Nevada Bell
Room 1525
San Francisco, CA 94105

Alan Thiemann
Taylor, Thiemann & Aitken
908 King Street
Alexandria, VA 22314