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BEFORE THE  
Federal Communications Commission

WASHINGTON, D.C.

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JUL 13 1992

In the Matter of )  
 )  
Amendment of Part 61 of the )  
Commission's Rules to Require )  
Quality of service Standards in )  
Local Exchange Carrier Tariffs )

RM-7967  
AAD 92-39

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

ORIGINAL  
FILE

REPLY COMMENTS

The International Communications Association ("ICA") and the Consumer Federation of America ("CFA") (the "Joint Petitioners"), hereby reply to the comments filed on their Petition for Rulemaking.<sup>1/</sup> In their petition, the Joint Petitioners requested that the Commission institute a rulemaking for the purpose of requiring local exchange carrier's ("LECs"), subject to price cap regulation, to include quality of service standards in their interstate tariffs.<sup>2/</sup> Such a requirement would provide, at minimal or no cost to the LECs and the Commission, important information for users, promote network reliability, allow for the comparison of alternative service providers where available, and reduce the number of disputes between carriers and customers.

1/ Public Notice, DA 92-634 (May 21, 1992).

2/ Specifically, the Joint Petitioners suggest that LEC tariffs include standards for bit error rate and availability for digital transmission services, and signal-to-noise ratio, call completion statistics, and post-dial delay for analog dial-up services.

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The Joint Petition was supported by the Tele-Communications Association ("TCA"), an association of telecommunications managers, the Independent Data Communications Manufacturers Association, Inc. ("IDCMA"), whose members manufacture and market equipment used for computer communications, and the Information Technology Association of America ("ITAA"), the principal trade association of the computer software and services industry.

TCA supports the petition on the grounds that the inclusion of service quality standards in carrier tariffs would help users to better plan their networks, and to "benchmark" carriers and identify any carriers that have unreasonably low standards. TCA Comments at 4. Tariffing would also ensure that any change in the LECs' standards would occur only after public notice.<sup>3/</sup> Id.

IDCMA suggests that tariffing will discourage carriers from taking actions that will degrade network quality, provide some protection against discrimination, facilitate CPE design and provide the stimulus for local exchange competition. IDCMA Comments, 5-6. ITAA recommends that the carriers tariff service quality standards for individual services and facilities, not for their overall network. ITAA Comments at 4.

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3/ TCA recommends that LEC tariffs also include installation and repair intervals for all services and error-free seconds for digital service and that the Commission adopt Chairman Sikes' proposal for a semi-annual report card that would disclose the LECs' actual service quality levels. TCA Comments, 5-6. While TCA's recommendations go beyond the scope of the Joint Petition, the Joint Petitioners suggest that they deserve full consideration by the Commission.

Not surprisingly, the petition is opposed by the LECs' themselves.<sup>4/</sup> Generally, the LECs suggest that the Commission rejected a similar proposal in prior orders concerning service quality and that the same proposal is now the subject of a pending Application for Review, that the proposed requirement would be burdensome, that competition will ensure quality service, that the information is readily available from the LECs and ARMIS reports filed with the Commission, and that LEC service quality has not degraded as a result of price caps.

The carriers' arguments are without merit. In the Service Quality Orders,<sup>5/</sup> the Commission recognized that the inclusion of service quality standards in interstate tariffs "would provide a basis for ready benchmarking and would remove uncertainty." 6 FCC Rcd at 2991-2992. Based on the information before it at the time, however, the Commission did not adopt such a requirement, suggesting that tariffing service quality standards would be burdensome to the LECs and put the Commission in the position of ruling on the acceptability of standards.<sup>6/</sup> Id.

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4/ See Comments of Rochester Telephone, Southern New England Telephone, Bell Atlantic, GTE, United States Telephone Association, US West, Southwestern Bell, Ameritech, United Telephone Companies, BellSouth, and NYNEX Telephone Companies. The only other opponent is MCI, an interexchange carrier that suggests that there is no proof of widespread service degradation and that aggrieved consumers could rely on the Commission's complaint process.

5/ See Policy and Rules Concerning Rates for Dominant Carriers, 6 FCC Rcd 2637 (1991); recon. 6 FCC Rcd 2974 (1991); application for review pending ("Service Quality Order").

6/ The Commission noted that it would "watch for cause to revisit the proposal" in the future. Id.

Since the release of the Service Quality Orders, significant new evidence has become available which suggests that the Commission should now revisit the issue of whether LECs should be required to tariff their internal quality of service standards. In particular, the release in February 1992 of a report by the House Subcommittee on Telecommunications and Finance reveals publicly for the first time information about the LECs' internal service quality standards.<sup>7/</sup>

More recently, the Commission has proposed within the context of the LEC Price Cap Proceeding expanding the service quality reports currently required from the LECs.<sup>8/</sup> The fact that the Commission is now seeking additional information from the price cap LECs suggests that the only substantial issue left to be decided is whether service quality information should also be in the LEC tariffs.<sup>9/</sup>

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<sup>7/</sup> See "Review of Telephone Network Reliability and Service Quality Standards," Majority Staff Report of Subcommittee on Telecommunications and Finance (February 1992). Section 1 and 2 of the report were attached to the Joint Petition. This information was not part of the record to be considered by the Commission in its review of the Common Carrier Bureau's decision concerning service quality issues.

<sup>8/</sup> Public Notice, DA 92-898 (July 7, 1992).

<sup>9/</sup> The Joint Petitioners take offense to the LECs that suggest that residential users would not have any need for tariffed service quality standards. As an initial matter, the reliability of the public switched telephone network is a matter of immense concern for all telecommunications users. Moreover, unacceptable noise levels or low call completion ratios are critical to users of home computers for either personal or business use.

The fact that most LECs were able to provide internal service quality standards to the House Subcommittee on relatively short notice is compelling proof that such standards are readily available to the LECs. It is simply a matter of adding the information to carriers' tariffs, which at a minimum are filed annually. Therefore, requiring the carriers to include their existing standards in their tariffs will not impose any significant administrative burden on the LECs, and to the minimal extent that it does, would be outweighed by the public interest in having this information in tariffs.

This information is critical because there is little or no competition for local exchange services. Today, all residential users and almost all business users are captive customers of a monopoly service provider of local exchange bottleneck local exchange facilities, and do not have the option of choosing another local telephone company if service quality faltered. It is precisely because meaningful competition does not exist in the local telephone exchange that Joint Petitioners targeted price cap LECs in the petition.

Moreover, the inclusion of service quality standards in LEC tariffs will not impose any regulatory lag. The Commission accepts and processes LEC access tariffs on a routine basis. The Joint Petitioners do not expect this procedure to change as a result of the additional information to be provided by the LECs.

On the other hand, the Joint Petitioners' proposal is likely to minimize regulatory lag and administrative expenses by reducing Commission involvement in the process.<sup>10/</sup> This is so because LEC customers will be on notice of the quality of service to be provided. Any failure by a LEC to perform is likely to be quickly and informally resolved. Today, a user who encounters a significant decline in service quality has no choice but to initiate formal legal proceedings, either in court or at the FCC, both of which require significant expense.<sup>11/</sup>

The LECs maintain that service quality has not been deteriorating as a result of price caps. While the Petitioners do not have any first-hand information, a recent press report indicates that the frequency of major network outages may be increasing.<sup>12/</sup>

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10/ As stated in the petition, the Joint Petitioners are not requesting that the Commission develop national service quality standards.

11/ MCI's suggestion that aggrieved users can rely on the Commission's formal complaint process reflects an apparent lack of understanding by MCI that users require the resolution of network reliability issues in a timely, efficient manner. The formal complaint process simply does not provide quick, meaningful results for many users.

12/ "Report details public net outages over last quarter," Network World, July 13, 1992, at 2.

CONCLUSION

WHEREFORE, for the above stated reasons, the International Communications Association and the Consumer Federation of America continue to urge the Commission to initiate a rulemaking for the purpose of requiring LECs to include existing service quality standards in their tariffs.

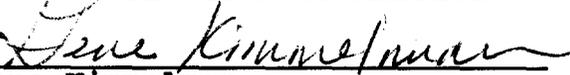
Respectfully submitted,

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July 13, 1992

**CERTIFICATE OF SERVICE**

I, Laura K. Higgins, hereby certify that a true and correct copy of the foregoing "Reply Comments of the International Communications Association" were mailed, postage prepaid, this 13th day of July, 1992, to the following:

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