3. Issue 027: Call Forward Busy/Don't Answer on All-Trunks Busy Situation.
4. Issue 029: Activation of Message Waiting Indication in non-SMDI Environment.
5. Issue 030: Message Waiting Indication: Ringback after Busy Transfer.
6. Issue 031: Switch-Computer Applications Interface (Telemessaging Applications).
7. Issue 033: Visual Message Waiting Indicator.
8. Issue 034: Call Busy/Idle Audio/Video Message Application.
9. Issue 036: Local Calling Area Abbreviated Dialing Access to Information and Enhanced Services.
10. Issue 037: ESP Provision of Call Control.
11. Issue 038: Call Forwarding Control Capabilities for End Users and ESPs

GTE is also familiar with all completed IILC resolutions. GTE's current and future participation in the IILC clearly allows it to obtain timely information about special ESP basic service needs.

In addition, GTE has obtained and reviewed BOC ONA plans, BOC ONA Special Report No. 5 and the BOC ONA Services User's Guide. This review has been invaluable in assisting GTE to determine ESP needs as well as identifying how well the BOCs have been able to satisfy those needs.

In summary: In its own business interests, GTE is actively engaged in efforts to determine and satisfy ESP needs. GTE assures the Commission that it will continue to do so.

9. Applying the *BOC Requirements* to GTE would not provide a net public benefit.

The majority of the public interest benefit the Commission believes will accrue from application to GTE of ONA and nondiscrimination safeguards has already been

realized. As demonstrated within these Comments, GTE has in place procedures that achieve essentially the same end result.

GTE is committed to meeting customer needs for network functionality, and doing so in a nondiscriminatory manner. As discussed *supra*, LEC network services face competition from many sources. The addition of millions of dollars of unnecessary costs will harm GTE's ability to compete and disserve, rather than further, the public interest.

Attachment A reflects GTE current estimates of cost for full compliance with the *BOC Requirements*, including: Contel properties; additional personnel; increases in wage levels since previous estimates; and automatic restriction of business customers with greater than 20 access lines. In the first year, it would cost nearly $20 million; over five years, $36 million; over ten years, $51 million. These costs will far exceed any conceivable public benefit.

For the BOCs, these various burdens replaced the even more onerous separate subsidiary requirements. But for GTE there is no offset. Imposition of the *BOC Requirements* will significantly increase its regulatory costs, will make significantly more difficult service to its customers.

A convenient summary of GTE's compliance with the *BOC Requirements* is reflected in the following table.

Table IV

Existing GTE Compliance with *BOC Requirements*

	BOC Requirement	GTE Compliance?
1.	Basic Service Unbundling	Yes
2.	Interface Functionality	Yes
3.	Pricing Terms, Conditions & Resale	Yes
4.	Technical Performance	Yes
5.	Nondiscrimination in Installation & Repair	Yes
6.	End User Access	Yes
7.	CEI Availability	Yes
8.	Recipients of CEI	Yes
9.	Collocation/Minimization of Transport Costs	Yes
10.	Allocation of Joint and Common Costs	Yes
11.	Network Information Disclosure	Partial
12.	Aggregate CPNI	Yes
13.	120 Day New Service Request Process	Yes
14.	Customer Proprietary Network Information	Partial
15.	Operational Support System Access	Partial
16.	Non-Discrimination Reporting	No

Accordingly: Applying to GTE the *BOC Requirements* would be costly and burdensome, and would provide no net public interest benefits.

VI. THE COMMISSION SHOULD NOT APPLY THE *BOC REQUIREMENTS* TO GTE EVEN ON A MORE LIMITED BASIS.

1. Applying the *BOC Requirements* to selected GTE serving areas would incur heavy proportionate costs that would far exceed any conceivable benefit.

The *Notice* (at para. 12) requests comment as to whether the *BOC Requirements* applied to GTE should be limited to "particular areas, such as large contiguous service areas" or whether a modified set of requirements is appropriate.

As discussed *supra*, in view of the very significant differences between the BOCs and GTE, application of the *BOC Requirements* to GTE would be a costly exercise that would confuse end-user customers and not significantly benefit ESPs. The question posed by paragraph 12 implies recognition that applying the *BOC Requirements* to the

entirety of GTE's serving areas -- including scattered rural sites[160] -- would make no sense whatever. Is it a plausible alternative to limit implementation of the *BOC Requirements* to those few large and contiguous areas that are served by GTE?

Limiting the *BOC Requirements* to selected GTE service areas would make only a slight reduction in total costs. This is because to a very great degree GTE's costs of compliance -- notably system development costs -- are not volume sensitive.[161] Thus, even a bifurcated set of requirements would significantly increase the cost and complexity of ongoing operations.

Assuming application of the *BOC Requirements* to selected GTE service territories, there are only three GTE locations that can be said to qualify in terms of paragraph 12: (i) west-central Florida, a service area that is reasonably large[162] and contiguous; Hawaii, a contiguous service area[163] that includes the 62nd largest MSA; and GTE's operating areas in California[164]. No other GTE service territory could be described as "large" and "contiguous."

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[160] An example might be Medicine Hat, Utah, where there is a GTE switching center having 37 lines. In D.91-141, the FCC modified its original plan for expanded interconnection on a nationwide basis. This recognized the case presented by GTE and others that the result would be pure waste. *See* D.91-141, Memorandum Opinion and Order, FCC 92-552 (released December 18, 1992). A comparable result would apply here if GTE had to implement the *BOC Requirements* at all its locations, including those where ESP activity is likely to occur far in the future, if ever.

[161] Here "volume" refers to the number of customers being polled, the number of central office entities being reported, and the number of tariffs being cross-referenced.

[162] 1.7 million access lines in seven contiguous counties.

[163] 564,000 access lines serving the entire state.

[164] While GTE serves a large number of customers in southern California (approximately 3.5 million), Attachment V shows that the serving territories are not contiguous. In addition, almost 200,000 of those customers are in Contel of California, Inc. Complicating the situation, the California commission has not yet permitted integration of Contel of California into GTE operations.

These facts suggest a plausible case for applying the *BOC Requirements* to GTE service areas can be presented in at most three states: Florida, Hawaii and California -- three states located thousands of miles away from each other. Application of the *BOC Requirements* only to GTE's Florida, Hawaii and California service territories would generate about 40 percent of the volume-sensitive costs of compliance and nearly 100 percent of the systems development costs. This would be a significant cost for questionable benefit.

Moreover, three-state application of the *BOC Requirements* is not the kind of action for which a federal program is typically in order, *i.e.*, a nationwide program that assures consistency of regulatory treatment. A three-state program -- particularly where the three states are located thousands of miles away from each other -- is by definition already a program tailored to conditions state by state. In addressing the question of whether the public in California would benefit by imposition of the *BOC Requirements* on GTE, surely the Commission should give weight to the fact that the very active and vigilant California commission has taken no such action. Nor has the Florida commission, which pays close attention to all telecommunications issues. Nor has the Hawaiian commission, despite the urging of the Hawaiian consumer advocate. The FCC should not give serious consideration to a three-state program absent active support from the three states involved.

Should any of these three state commissions decide the *BOC Requirements* should apply to GTE, the Commission should then give consideration to how federal guidelines might be shaped so as to be certain there will be fair recognition of state-specific concerns as well as federal policies.

In summary: Application of the *BOC Requirements* to selected portions of GTE's territory would incur heavy costs far exceeding any conceivable benefit.

2. GTE places special stress on the costs and burdens associated with certain of the *BOC Requirements*.

The heaviest burden that would arise from imposition of the *BOC Requirements* would involve CPNI restrictions or relate to required OSS access. The *BOC Requirements* as applied to CPNI and OSS would very costly, would offer no net benefit whatever. The reporting requirements in terms of costs are not of these dimensions; they would add to the great mass of essentially useless data ground out by industry under government mandate. These are for GTE the areas of greatest concern. However, in GTE's view, there is no justification for imposing any of the *BOC Requirements* on GTE.

Independently of the costs associated with any particular item, GTE must express very grave concern at the nature of the tentative findings in the *Notice* putting aside the tremendously important differences between GTE and the BOCs. There is a clear record maintaining this distinction. GTE urges the FCC -- whatever else it does -- to be certain that this distinction is carefully explored and analyzed, and reflected in the final Commission decision.

VII. IF THE COMMISSION CONCLUDES THERE IS A NEED FOR IMPOSITION OF ONA REQUIREMENTS, THIS SHOULD BE DONE BY FORMALIZING GTE's EXISTING PRACTICES.

The facts GTE has presented *supra* clearly indicate there is no justification for the Commission to apply the *BOC Requirements* to GTE. Without being subject to these restrictions, GTE:

(i) Has implemented ONA safeguards that satisfy the Commission's ONA goals and preclude discrimination against Enhanced Service providers.

(ii) Offers ONA services comparable in number and functionality to those offered by the BOCs.

(iii) Continues to pursue an active program to determine and satisfy ESP needs.

These factors demonstrate that the benefits of ONA already exist for GTE's customers.

GTE's implementation of CPNI, OSS access and network information disclosure safeguards was designed to satisfy the ONA goals established by the Commission and to accommodate GTE specific circumstances. If the Commission were to conclude that all or some part of the *BOC Requirements* should be applied to GTE, the FCC should recognize the soundness of GTE's existing practices and the degree to which these practices support the Commission's ONA/CEI goals while fitting the GTE environment. In that event, the FCC should conclude it is in the public's best interest to formalize GTE's existing practices.

In summary: The least damaging way to impose all or some portion of the *BOC Requirements* on GTE would be to formalize GTE's existing practices.

VIII. THE PROPOSED IMPLEMENTATION METHODOLOGY SHOULD NOT BE ADOPTED.

1. The proposed implementation methodology is flawed and should not be adopted.

The *Notice* (at para. 14) proposes an expedited schedule for application of *BOC Requirements* to GTE, reasoning "[t]he experience gained from the development of ONA and nondiscrimination safeguards for the BOCs should enable [the Commission] to streamline implementation of ONA and nondiscrimination safeguards by GTE." Comments are sought (*Notice* at para. 16) on two alternatives: (i) requiring GTE to simultaneously file an ONA Plan and ONA tariffs; and (ii) requiring GTE to file its ONA Plan in advance of its ONA tariffs. This proposal is seriously flawed. Its adoption would compromise ONA activities currently in progress by GTE.

GTE works hard to be responsive to its customers -- IXCs, end-users and ESPs. As part of this commitment to customers, GTE has developed and is in the process of

implementing an interstate switched access feature group unbundling service offering to IXCs.[165] Access billing systems changes are scheduled to be completed permitting a switched access feature group unbundling tariff filing in July, 1993. During 1992, GTE met with AT&T, MCI, Sprint and ATC to inform them of GTE's intentions and to seek their input regarding such a filing.

GTE has expended considerable time and money to prepare this service offering.[166] If the Commission orders GTE to file an ONA Plan simultaneously with, or prior to, an ONA tariff, this could have the practical impact of delaying the planned July filing by GTE. Ironically, the Commission in its requirement for GTE to do what the BOCs do, would have delayed what GTE what was already voluntarily attempting to do.

Should the Commission order GTE to file an ONA Plan and ONA tariffs, GTE recommends the ONA Plan be filed and approved in advance of a tariff filing. This will minimize the cost of developing the tariff.

In summary: The Commission should revise its unworkable implementation plan.

2. The proposed timetable for implementation is inadequate.

The *Notice* (at n.38) proposes that under either implementation alternative: "GTE will be subject to, and be required to implement, requirements as they exist twelve months after release of the [*Order*] in this proceeding." This proposal places GTE in the unenviable and perhaps impossible task of attempting to hit a moving rules

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165 GTE is not required to do so, but since the BOCs have been required to do so, GTE must, to meet customer needs.

166 Based on market research, GTE's tariff will not unbundle as many BSEs as typically found in BOC tariffs. Given the market response to the BOC feature group unbundling tariff filings, GTE's effort may not result in many IXC orders. However, GTE continues with its July 1993 tariff filing plan in order to provide customers with options.

target. It should not be adopted. Further, it creates a potentially untenable and decidedly disadvantaged position vis-a-vis the BOCs.

It is not at all unlikely that between now and twelve months after release of the *Order* there will be changes to *BOC Requirements*. For example, as recently as January, 1993, the Commission released an order that revised deployment projection time periods.[167] Other minor, or major, changes could take place in the next 15-18 months. For example, the ongoing investigation of the lawfulness of ONA rate levels may lead to changes in the cost support rules.

Although GTE has implemented certain procedures similar to BOC procedures, that does not mean GTE could make immediate changes to mirror BOC changes.[168] Further, regarding the areas where GTE has not implemented such procedures, a last-moment change to a requirement that GTE was in the process of implementing could easily result in GTE not being able to achieve compliance with the *Order*. It is not uncommon for a change to be implemented quicker in something that is already working (BOC procedures and processes) than in something being built (GTE procedures and processes).

Should the Commission apply all or part of the *BOC Requirements* to GTE, the fair and logical provision would give GTE twelve months for compliance from the date of any order.[169] Any subsequent change to BOC/GTE requirements should include specific and reasonable timeframes for compliance. Such timeframes should take into account any unique GTE implementation circumstances.

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[167] *BOC ONA Amendment Reconsideration Order.*

[168] Conversely, in many cases the GTE procedure or process may be more flexible than the BOC procedure or process.

[169] GTE is not confident that all *BOC Requirements* could be implemented within twelve months. For example, some systems revisions are likely to require more than a year to implement. GTE might need to request limited waivers for some *BOC Requirements*.

In summary: The Commission should adopt an implementation schedule that is reasonable.

3. *GTE must be able to make its own decision on how to effect compliance.*

The *Notice* (at para. 18) proposes to streamline implementation of nondiscrimination safeguards by allowing GTE to implement each requirement in a way already approved for one of the BOCs in an ONA plan, unless GTE justifies a different method.

As GTE has stressed in these comments, there are substantial differences between GTE and the BOCs. If all or some portion of the *BOC Requirements* were applied to GTE, GTE must be able to make its own decision on the method of compliance. This may include selecting the way Bell Atlantic complied with one aspect and Ameritech complied with another. It may also involve a method developed for GTE's situation. GTE urges the Commission not to extend itself into micromanagement. Having established a requirement, it then becomes the task of the company to determine the implementation method most suitable.

In summary: If all or some part of the *BOC Requirements* are imposed on GTE, the company should be able to make its own decisions on how to comply, selecting as appropriate from the methods employed by various BOCs, or those it develops.

Respectfully submitted,

GTE Service Corporation and
its affiliated domestic
telephone operating companies

Richard McKenna HQE03J36
GTE Service Corporation
P.O. Box 152092
Irving TX 75015-2092
(214) 718-6362

Gail L. Polivy
1850 M Street NW
Suite 1200
Washington DC 20036
(202) 463-5214

February 22, 1993

Their Attorneys

Certificate of Service

I, Ann D. Berkowitz, hereby certify that copies of the foregoing "GTE's Comments" have been mailed by first class United States mail, postage prepaid, on this 22nd day of February, 1993 to all parties listed:

Albert Kramer
KECK, MAHIN & CATE
1201 New York Avenue, NW
Penthouse Suite
Washington, DC 20005

Ann D. Berkowitz

A

ATTACHMENT A

ESTIMATED COST OF GTE COMPLIANCE WITH BOC ONA RULES

RULE	1st YEAR COST	5 YEAR CUMULATIVE COST	10 YEAR CUMULATIVE COST
CPNI	$1,804,000	$5,007,000	$10,660,000
Network Information Disclosure	539,000	1,329,000	2,217,000
Reporting (1)	1,316,000	1,472,000	1,716,000
OSS Access	15,847,000	28,411,000	36,855,000
Total Capital & Expense	$19,506,000	$36,219,000	$51,448,000

Note (1): Includes Installation & Repair and GTE ONA User Guide

B

ATTACHMENT B

GTE RECEIPT

GTE Northwest Incorporated

P.O. Box 1003
Everett, WA 98206-1003
206 261-5321

April 27, 1992

Reply To
WA0101RA

Mr. Mike Hennigan, Carrier Analyst
Informal Complaints and Public Inquiries Branch
Enforcement Division
Common Carrier Bureau
Federal Communications Commission
Washington, D.C. 20554

RE: Voice-Tel Northwest
IC-92-04125
Notice of Informal Complaint
Dated March 23, 1992

Dear Mr. Hennigan:

On behalf of GTE Northwest Incorporated (GTE-NW), the undersigned responds to the captioned Notice of Informal Complaint concerning a letter from the law firm of Keck, Mahin & Cate on behalf of Voice-Tel Northwest.

The allegations of Voice-Tel center on one particular incident where a party named RE/MAX Realtors of Lake Oswego, Oregon chose to place its business with GTE-NW rather than with Voice-Tel. Attached is a copy of a letter from RE/MAX dated April 15, 1992 that puts the Voice-Tel complaint in perspective.

This letter terms the Voice-Tel complaint "unwarranted" and "state[s] unequivocally that the sales process, installation, and follow up by the GTE-NW Team, was professional and ethical." The letter says of GTE-NW employee Sue Carr: "Sue Carr was very professional and answered my questions thoroughly. At no time did she mention to me that Digital Sound voicemail was going to be available." Further, the letter indicates the customer is generally knowledgeable as to relevant offerings and in particular was aware of GTE-NW's offering, "Digital Sound in the C.O. [which] was no secret..." The customer "chose to look into the possibility of this service [and] requested that GTE-NW provide RE/MAX Associates with a second proposal and complete demonstration of these services." The customer had given no commitment to Voice-Tel--"no contracts signed and no letter of intent"; believed that Voice-Tel "did not offer a total solution"; and "made the decision to install Centranet with Digital Sound solely on cost and application."

As indicated by the RE/MAX letter, the Voice-Tel assertions of unfair practices are unfounded. Responding specifically to Voice-Tel's allegations:

1. GTE-NW's tariffs for the furnishing of CentraNet service do not represent unlawful "bundling." In terms of the call transfer feature, it is correct to say this feature may not be purchased from GTE-NW independently of CentraNet. The reason is because as a technical matter the call transfer feature is inseparable from the furnishing of CentraNet service provided by current equipment.

2. GTE-NW does not engage in unfair competitive practices. In this regard, the only specific allegation of Voice-Tel is the case of RE/MAX, where the customer's letter (attached) demonstrates there was no unfairness.

3. GTE-NW does not engage in unfair discrimination with respect to its tariffed services. GTE-NW's pricing provides no "unfair competitive advantage" for its voice message service. GTE-NW's policy is to comply with federal and state laws prohibiting unfair discrimination.

4. The pricing of GTE-NW's CentraNet service is fully justified. This fact was demonstrated when the relevant tariff filings were made before the Public Utility Commission of Oregon, which duly approved the tariff.

The only particular case cited by Voice-Tel to support its allegations is RE/MAX. The letter of RE/MAX itself discredits those assertions. We are left then with completely unsupported assertions coupled with matter that properly belongs in a petition for rulemaking, i.e., the arguments that there should be imposed on GTE-NW a COG requirement and a compulsory-agency requirement and a blanket authorization requirement. Such proposals were made in the past, were carefully considered by the Commission, and were rejected. Furnishings of Customer Premises Equipment, CC Docket No. 86-79, 2 FCC Rcd 143, 156-158 (1987), reconsideration, 3 FCC Rcd 22, 27-28 (1988).

Even more farfetched is Voice-Tel's insistence that new rules should be established to, for example, bar GTE-NW from selling voice messaging under certain circumstances. Whatever the merits of these proposals, they ask the FCC to take action in the nature of rulemaking, and are therefore not appropriate for consideration in a complaint proceeding.

We trust this provides you with the information required to resolve this matter. If further questions arise, kindly contact the undersigned.

Very truly yours,

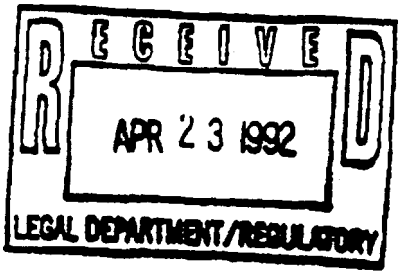
Fred Logan
Regional Director - Regulatory Affairs

FEL:neu
Attachment

c: Voice-Tel Northwest

LEGAL DEPARTMENT

APR 22 1992



April 15, 1992

Mr. Tom Jesmer
GTE Northwest
1800 41st Street MC-2pm
Everett, Washington 98203

RE: GTE Centranet/Digital Sound vs Voice-Tel

Dear Mr. Jesmer,

On November 4, 1991 I received a voice messaging proposal from Voice-Tel presented by Mr. David Ellsworth. I would like to respond to his accusation of unreasonable sales practices by GTE Northwest.

RE/MAX Associates, Inc., through the course of about 6 months had requested proposals for a new telephone and voicemail system from several vendors. Although, Voice-Tel did not offer a total solution, in an effort to find the most cost effective solution I allowed Mr. Ellsworth to present his product.

His voicemail proposal was interesting to us and I pursued it further by investigating the Centranet services that were necessary for his voicemail to operate.

Earlier that year Mr. Dale Clark had presented a Centranet proposal from GTE and I didn't believe the Centranet information in Mr. Ellsworth's package was correct. I informed him that I would be calling Sue Carr myself to verify the information he had given me.

Sue Carr was very professional and answered my questions thoroughly. At no time did she mention to me that Digital Sound voicemail was going to be available.

My background in telecommunications includes 13 years of experience from PNB prior to deregulation, to major account sales with GTE and IBM/ROLM. I am extremely familiar with the procurement process and contract obligations. I also maintain contact and close friendships with people in the business, and typically know what new technology is hitting the market. The installation of Digital Sound in the C.O. was no secret and I chose to look into the possibility of this service. I requested that GTE provide RE/MAX Associates with a second proposal and complete demonstration of these services.

RE/MAX associates, inc.
5335 s.w. meadows, suite 151
lake oswego, oregon 97035
phone: (503) 684-4744
an independent member broker

I feel it is unfortunate that an unwarranted complaint was filed with the FCC. There were no contracts signed and no letter of intent given to Voice-Tel. RE/MAX Associates, Inc. made the decision to install Centranet with Digital Sound solely on cost and application.

Because of my extensive training in business ethics, I can state unequivocally that the sales process, installation, and follow up by the GTE Team, was professional and ethical.

Sincerely,

Kay Hawkey
Vice President

C

ATTACHMENT C

What Bottleneck?

Abstract of

Local Exchange Service:
What Bottleneck?
by Edward C. Beauvais
Director-Federal Regulatory Matters
GTE Telephone Operations*

Draft: August 15, 1992

Competition in the telecommunications industry is thought of by many as AT&T, MCI and Sprint fighting it out for the customer's long distance dollar. When these firms speak about the local exchange company, the term "monopoly" is frequently heard. In fact, some use the term "bottleneck" to describe the control they allege local telephone companies have on telecommunications service.

While there remains a widespread perception that competition has not yet made it to the grassroots level of telecommunications, nothing could be further from the truth. Today's local exchange companies face competition in almost every aspect of their business--including the provision of basic local exchange service.

* I am very grateful to Ed Lowry of Bell Atlantic for his assistance in the condensation of this paper from its 85 page version to its current form. The assistance of the members of the Policy Analysis Subcommittee of USTA is also acknowledged.