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295 North Maple Avenue
Basking Ridge, NJ 07920

March 2, 1994

William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W. - Room 222
Washington, D. C. 20554

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MAR 2 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Re: Ex Parte Meeting in Docket No. 92-77 - Phase I (O+ Public Domain)

Dear Mr. Caton:

Ron Gramaglia and I, representing AT&T, met with Barbara Esbin, Deputy Chief of the Tariff Division, to discuss various issues in the above-cited docket. The attached letter and accompanying charts were the basis for the discussion. Please enter them in the record in this proceeding.

Two copies of this Notice were submitted to the Secretary of the FCC in accordance with Section 1.1206(a)(1) of the Commission's Rules.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert H. Castellano".

Robert H. Castellano
Director
Federal Regulation

Copy to: B. Esbin

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Robert H. Castellano
Director
Federal Regulation

Room 1119L2
295 North Maple Avenue
Basking Ridge, NJ 07920
908 221-2330

March 1, 1994

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street NW
Washington, DC 20554

Subject: ExParte Filing in Docket 92-77

Dear Mr. Caton:

On November 6, 1992, the FCC released an Order in Docket 92-77 that among other things, disposed of the phase of that proceeding known as "0+ Public Domain". The Commission concluded that this proposal would not serve the public interest, and directed AT&T to embark on a comprehensive education program directed at its cardholders. A plan to accomplish this was submitted by AT&T in December, 1992, and approved by the Common Carrier Bureau in February, 1993. In addition, it was suggested in the order that the industry attempt to work out arrangements for OSPs to be compensated for issuing dialing instructions to AT&T customers who had unintentionally reached an OSP other than AT&T. This letter will provide the status of both of these efforts, as well as updated AT&T market share information.

The attached charts show that AT&T successfully fulfilled its commitments to ensure that customers continued to have clear dialing instructions on how to use their AT&T calling card. Emphasis was placed on examining payphone signage to determine the presubscribed carrier, and how to "dial around" that carrier, if the customer wished. There is clear evidence, particularly in the use of AT&T's 800 number, that customers are continuing to learn how to use this dial around

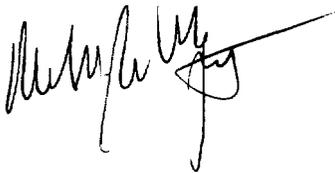
technique, and that dial around appears to be widely accepted method for reaching the customer's carrier of choice.¹

As for the so-called "operator transfer" arrangements, AT&T negotiated contracts with thirty one OSPs to compensate them for each issuance of dialing instructions. Most of these contracts are still in effect.

The last two charts contain information similar to that filed by AT&T in this proceeding, via a letter from me dated September 24, 1992.

Please contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to be "M. J. [unclear]", with a long horizontal line extending to the right.

¹As explained in the proceeding by AT&T and a number of the RBOCs, there is no direct method to measure dial around volumes for 10XXX access code calls.

CC Docket No. 92-77; Phase I
0+ Public Domain

An Update

March, 1994

AT&T

FCC Mandate

"...we require AT&T to (1) educate its cardholders to check payphone signage and to use 0+ access only at phones identified as presubscribed to AT&T; (2) to provide clear and accurate access code dialing instructions on every proprietary card issued; and (3) make its 800 access code number easier to use."

"...we seek further comment on methods for compensating operator services providers who continue to receive 0+ dialed proprietary card calls and who wish to transfer those calls to the card issuer for completion."

**- Report and Order; October 8, 1992 -
CC Docket No. 92-77; Phase I**

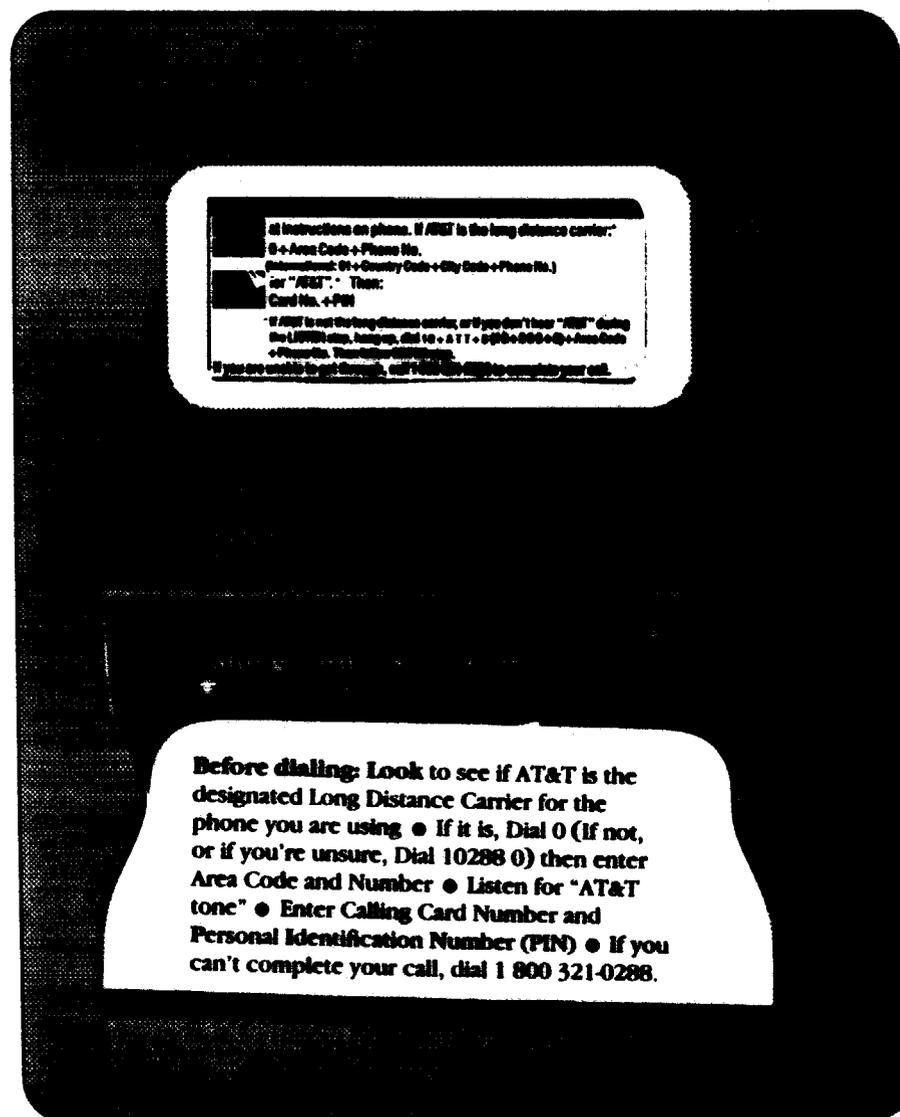
Communications Plan Implemented

■ Proprietary Card Dialing Instructions:

- all existing CIID cardholders were contacted by May, 1993
 - FCC-approved stickers issued
- all Universal Card holders were contacted by September, 1993
 - inactive UCS accounts received card sleeves
 - active UCS accounts received new cards

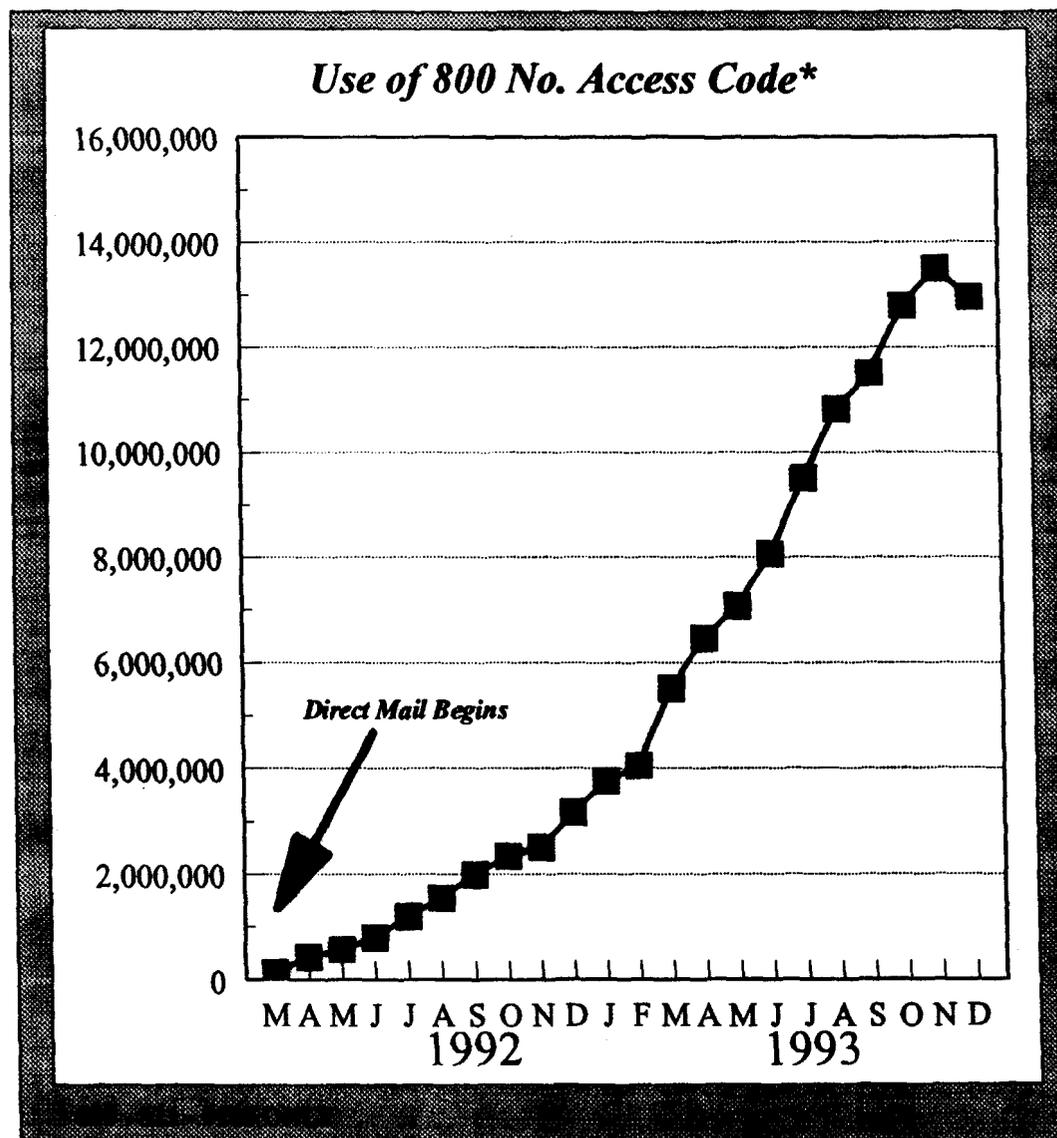
■ Education:

- direct mail campaign provided all card holders with revised dialing instructions
 - checking public telephone signage was emphasized
 - alternative dialing via access codes was reinforced
- Print/TV advertising reflected similar revisions



The Result

The impact of this effort on AT&T's customers is self explanatory.



Operator Services Transfer

"...we seek further comment on methods for compensating operator services providers who continue to receive 0+ dialed proprietary card calls and who wish to transfer those calls to the card issuer for completion."

**- Report and Order, October 8, 1992
CC Docket No. 92-77; Phase I**

- AT&T has entered into contracts with 31 Operator Services Providers; compensating them for providing dialing instructions to AT&T CIID card holders
- Over and above the direct mail efforts described earlier in this presentation, AT&T undertook yet another mailing in October, 1993 to 560,000 customers who received dialing instructions from operator services providers under these contract arrangements.

The Marketplace

The Card market share figures continue to track with AT&T's overall market share position

Interstate Traffic Carried by AT&T (%)

	1Q87	1Q88	1Q89	1Q90	1Q91	1Q92	1Q93	4Q93
Total Minutes*	73	70	67	63	63	63	61	61#
Card Minutes	74	71	68	59	59	64	61	62

* AT&T Interstate Minutes; FCC Quarterly Report

estimate based on Oct '93 and Nov '93 Actuals

Public Lines Presubscribed to AT&T

This figure, representing AT&T's share of presubscribed lines in public and aggregator locations, continues to dispel any notion of AT&T "remonopolizing" the card market

Then **68%**

Now **66%**

As was the case during the 0+ Public Domain proceeding, a large portion of the public lines presubscribed to AT&T do so with no form of incentive compensation

