The Competitive Telecommunications Association ("Comptel") also recommends that the Commission "focus upon the solutions which respond to the specific causes of the problem of unacceptably low subscribership among certain population groups" and not upon simply prohibiting disconnection.[50]

D. A Federal Prohibition Would Be Unsound Policy

There also is no sound theoretical basis for the prohibition, contrary to PULP's arguments. PULP states:

> There is no reason why basic local telephone service should be cut off because the customer failed to pay for long-distance charges, or for that matter, any other service. The provider of competitive services who bills through the local exchange company gains collection "leverage" if there is a threat of local service termination that is unavailable to carriers who bill and collect for their own services or through other collection services.[51]

PULP supports "denial or blocking of service from a provider who has not been paid,"[52] and states that "[t]he Commission should clarify that any blocking of access to interstate services should be selective, so that any denial of access is limited to unpaid carriers or service providers."[53]

---

[50] Comptel, pp. 6-7.
[51] PULP, p. 4.
[52] Id. at 7.
[53] Id. at 10.

PULP does not explain why disconnection of service should be tied to the carrier who is unpaid or what the practical effects of that tying would be. Today LECs often perform billing for IXCs. The LEC normally buys the accounts receivable of the IXC. In the case of a default, the LEC is the unpaid party and as a last resort in most states can disconnect service. In addition, IXCs have already entered some LEC markets and soon will provide local services.[54] Via pending legislation, LECs soon may be entering the IXC business. As companies become one-stop-shops, this distinction that concerns PULP will become less prevalent. The unpaid IXC carrier could often be the same carrier that is providing local service.

Accordingly, the CPUC points out that soon the prohibition on disconnection would "mean that a carrier cannot disconnect some of its services for non-payment of other services provided by the same carrier."[55] The CPUC explains: "This type of policy implicitly views some services as essential and others as 'non-essential' and states that essential services should not be disconnected for non-payment of non-essential services."[56] The CPUC points out:

> Prior to implementing any rules, certain aspects of the Commission's policy need further clarification. Specifically, what types of "essential" service does the Commission want to ensure access to at the expense of non-payment of other less essential services? California currently has a number of policies to ensure access to essential services. California's recently enacted "warm line" law prohibits disconnection of access to emergency services for any reason,

[54] E.g., in California the CPUC has authorized local competition starting January 1, 1996. See CPUC, p. 5.
[55] Id. at 5.
[56] Id.

> including non-payment of local or long distance charges. (California Public Utilities Code Section 2883) The California legislature views 911 services as the most essential telephone service which should not be disconnected under any circumstances. California also prohibits disconnection for non-payment of information services and enhanced services.[57]

Time Warner agrees that "a disconnect policy should differentiate between essential and discretionary services and not allow disconnection of the essential service for non-payment of discretionary service."[58]

As the CPUC points out, in California 9-1-1 emergency services are considered essential, and we do not disconnect them for nonpayment or other reasons. If, contrary to our advice, the Commission were to mandate a disconnection prohibition, the Commission should limit it to these emergency services.

E. Our Disconnection Policy Is Proper And Reasonable

We do not believe that it is improper for a LEC to discontinue service for failure to pay a long distance bill. Local and long distance service, both intrastate and interstate, are closely related basic telephone services. People do not generally purchase a phone solely for local calling; they do so to call wherever they want, whenever they want. Both intrastate and interstate long distance calls may be as important as local calls, especially in rural areas. In addition, the pricing of toll and local

---

57 Id. at 4-5.
58 Time Warner, p. 8.

services is interrelated. Although the subsidy is and should be decreasing with the advent of competition, one of the reasons we can keep local service low is the subsidy from toll. If we cannot effectively collect charges for toll, some of that subsidy may be lost. Because some people have trouble controlling this calling and because it is toll calls that can cause high bills, LECs have developed toll restriction services. But the types of telephone service are not inherently different.

Treating closely related services together for purposes of both billing and refusing to extend further credit (e.g., disconnection) is normal business practice. For instance, cable TV companies have their own basic services and premium services for which they purchase programming from third parties. The cable TV companies bill for all these services and disconnect the whole package for nonpayment of any part of the total bill. Moreover, disconnection of cable TV is no light matter. The Camden, New Jersey Study compared lower-income persons' perceptions of telephone service to their perceptions of cable TV and concluded concerning cable TV:

> By contrast, some households reported a willingness to invest in cable instead of the telephone because: a) cable offers inexpensive entertainment that is more cost effective than any other comparable expenditure; b) the many hours and large variety of entertainment available provide more satisfaction to more members of the household than the discrete phone calls that constitute telephone service; c) full service cable, including additional tiers of service, may keep children at home and away from the dangerous streets; d) in households with few material comforts, cable offers a visible sign of material well-being.[59]

[59] Camden, New Jersey Study, Executive Summary, p. 3.

In our disconnection practice, we are careful to not disconnect local or long distance basic telephone services for nonpayment of any other services, including: nonregulated charges (e.g., inside wire, enhanced services); information services (i.e., 976, 900, 800, or 700); or Federal, 911 State or Telephone User's tax claims. We also do not disconnect for disputed amounts owed, where the customer has sent the disputed amount to the CPUC for holding until the dispute is resolved, or for disputed toll claims. *In addition, we have declined requests that we bill for non-telecommunications goods and services.* We give written notice (normally seven days) and attempt to talk to the customer prior to disconnection in an effort to make acceptable arrangements to avoid disconnection. In addition, we try to help the customer avoid ever reaching the point of disconnection by providing customers with early warnings if their toll service is unusually high and offering Billed Number Screening, Information Call Service Blocking, and (soon) Toll Restriction and Toll Blocking.[60] As also discussed in our comments, we place our customer on limited disconnect for seven days, which allows partial service and keeps the account open so that service can be easily restored if the customer makes full payment or enters a payment program.[61]

We believe that our disconnect policies, together with the special services we offer, are proper and reasonable. They provide protection for the customer who has not paid his or her telephone bills, while protecting us and our general body of ratepayers

---

[60] See Pacific Bell and Nevada Bell, pp. 22-26.
[61] See id. at 24-25.

from increased costs and prices. A prohibition on disconnects would remove this latter protection, without providing any observable benefits to subscribership levels.

F. The Costs Of A Prohibition On Disconnects Are Substantial

Although the potential benefits of a prohibition on disconnection are speculative at best, the costs of a prohibition are real and proven. The parties who recommend that the Commission mandate a prohibition do not address the harms, which we discussed in detail in our comments.[62] These harms, however, would have broad impact. The Camden, New Jersey Study explains the credit problem as follows:

> In the new information infrastructure, telecommunications access is the equivalent of a nearly unlimited line of credit. As the features and capabilities of the public network expand, the risk that marginal users will consume more services than they can pay for increases. The key issue in universal service policy is how to maximize access for users while minimizing credit risk for service providers. This problem is complicated by the new role of local exchange carriers as billing and collection agents for long distance companies.[63]

The toll restriction services discussed above help maximize user access while minimizing credit risk (and, thus, minimizing the negative effects on other subscribers). With the prohibition on disconnection, however, there is no clear evidence that subscriber access would rise, but there is concrete evidence that credit risk would

---

[62] See id. at 15-19.

[63] Camden, New Jersey Study, Executive Summary, p. 2 (emphasis added).

multiply. Bell Atlantic reports that, as a result of the prohibition in Pennsylvania, "Bell Atlantic has experienced a nearly 400% increase in uncollectables...."[64] GTE reports a "threefold" increase in uncollectables in Pennsylvania as a result of the prohibition.[65] Bell Atlantic's "uncollectables in Delaware have risen 159%" as the result of a prohibition on disconnects.[66] Others also provide evidence of sharp increases in net bad debt as a result of prohibitions on disconnects.[67]

In addition, other costs would rise substantially. In Pennsylvania, Bell Atlantic suffered "a sharp rise in administrative expenses."[68] In fact, Bell Atlantic's "administrative costs have risen by over $24 million per year" in Pennsylvania because of the prohibition on disconnects.[69] The prohibition greatly increases the amount of time that service representatives have to spend explaining procedures to customers who are confused about how their payments are being allocated.[70] This labor intensive process raises carriers' costs and reduces efficiency. Moreover, multiple balance billing required for this allocation process requires expensive software changes in carrier billing systems as well as switches and takes up scarce switch capacity.[71]

In addition to these high costs of implementation, the prohibition on disconnecting local service also prevents LECs from completely disconnecting

---

64 Bell Atlantic, pp. 3, A-2.
65 GTE, p. 36.
66 Bell Atlantic, p. A-3.
67 See, e.g.: Bell South, p. 4; EarthCall, p. 4; MCI, p. 15; OAN, p. 3; US West, pp. 5-6.
68 Bell Atlantic, p. 3.
69 Id. at A-2.
70 See Pacific Bell and Nevada Bell, p. 18.
71 See MCI, p. 4.

interstate service for nonpayment of interstate charges. The problems this causes are illustrated by Consumer Action's comments. Consumer Action supports the prohibition on disconnects, and states that even with Toll Restriction customers should be able to make 800 calls.[72] Since some 800 service calls are charged to the calling party, customers could build up unlimited unpaid charges without losing their telephone service. Even if Consumer Action's recommendation concerning 800 calls is rejected, we cannot use technology to selectively block calls to 800 information calling services or to selectively block access to the IXC 800 call completion platform.

Consumer Action also states that Toll Restriction should prevent collect and calling card calls.[73] This is a proper goal. We cannot, however, use technology to selectively block interstate terminating calls that may be charged to the terminating customer, including collect calls and interstate bill-to-third number calls.

We could attempt to rely on operators to check Line Identification Database ("LIDB") systems to block these calls, but all IXCs do not validate all calls through LIDB, and foreign operators cannot technologically validate all calls, permitting calls to get through that may never be paid for. The large number of IXCs that customers can access and transfer among would increase the opportunities for intentional nonpayment and fraudulent use of the telephone networks. Again, this would increase costs for all subscribers and ultimately could reduce subscribership.

---

[72] Consumer Action, p. 4.
[73] Id.

Potential fraud losses are huge. 1995 fraud losses for the industry have been estimated at $5-8 billion.[74] We have found that anytime service is left in place, some people will exploit the situation. For instance, we already have had approximately 160 cases of fraud in connection with misuse of Quick Dial Tone service. Fraud is performed in numerous ways, and new ways constantly are being developed. The key tool in controlling fraud is to disconnect service as soon as the fraud is detected. We attempt to call the suspect and send a letter explaining why we disconnected the line and the suspect's recourse, but our tariff allows disconnection without prior written notice in order to mitigate losses in cases of organized call-sell fraud. We have demonstrated to the CPUC that we have a 99.6% accuracy rate for taking down lines for fraud. If, contrary to our advice, the Commission were to prohibit disconnection for nonpayment, it certainly should allow disconnection for fraud and allow our state tariffed procedures to continue.

G. **The Commission Should Not Require LECs To Distinguish Between Interstate And Intrastate Toll For Purposes Of Disconnection Or Toll Blocking**

Costs caused by a prohibition on disconnection of local service for failure to pay for interstate service or by a mandate that LECs offer toll blocking service would be even higher if the Commission actually required LECs to differentiate between interstate and intrastate toll traffic for these purposes. Nonetheless, although the Maine Public

---

[74] "Telecom & Network Security Review," April 1995, Telecommunications Advisers, Inc.

Utilities Commission ("Maine") properly recommends that the Commission leave disconnection prohibitions to the states, it also recommends that the Commission order LECs to separate interstate and intrastate traffic in their billing systems. Maine asserts that a "telephone company that cannot or does not separate its single balance bill and disconnection notice into intrastate and interstate baskets will continue to seek collection and demand payment of the entire unpaid balance to avoid disconnection of local service."[75] Actually, the LEC could separate all toll (without distinguishing between interstate and intrastate) and not disconnect local service for nonpayment of toll. Customers do not normally distinguish between interstate and intrastate toll, and a distinction here would not serve any public interest. Numerous parties, including parties already subject to prohibitions on disconnects, oppose any mandate of this distinction because of the added costs of switch software changes and the lack of benefit from the distinction.[76]

If, contrary to our advice, the Commission were to adopt a prohibition on disconnection of local service for nonpayment of interstate toll service, its intent to protect local service would be carried out more fully and efficiently if the LEC lumped all toll together in complying with the prohibition. Similarly, any requirement to offer interstate toll blocking services would be enhanced if the LEC offered to block all toll. Therefore, the Commission should clarify that its suggested interstate mandates would

---

[75] Maine, p. 3.

[76] See e.g., Ameritech, p. 7; Bell Atlantic, p. A-1; GTE, p. 24; Idaho, p. 3; Pennsylvania, p. 6; Rochester, p. 6; USTA, pp. 4-6.

not require separation of interstate from intrastate toll for purpose of disconnection or blocking.

H. In Particular, The Commission Should Avoid Any Mandate Where Carriers Offer Toll Restriction Or Toll Management Products

Finally, if the Commission (again, contrary to our advice) decides to take any action concerning a prohibition on disconnection, the Commission should acknowledge that the prohibition is not needed, at least at this time, where LECs offer Toll Restriction service or a Toll Management system as a credit tool to help keep customers on the network. In that event, the prohibition would apply only to LEC operations where a Toll Restriction or Toll Management product was not offered within a reasonable time after the effective date of the Commission's order. Toll Restriction, for instance, could be offered free as a credit product in the following manner on a trial basis for appropriate customers:

- Customers unable to pay their bill would be offered toll restriction free of charge as an alternative to disconnection at that time. This would demonstrate a commitment to work with the customer to try and resolve the problem.
- Customers who have been previously disconnected for non-payment and are now trying to get phone service would be offered the toll restriction product as a means of controlling toll.
- Customers with outstanding balances trying to get or maintain phone service would be afforded six months to make up any outstanding balance payments to the Company if they use toll restriction.
- A condition on all the above would be to reserve the right to disconnect immediately for misuse or fraud.

Even this alternative would create serious drawbacks by reducing the flexibility for carriers to work with states concerning subscribership issues. Mandating particular services or alternatives nationwide is not a good idea. Carriers and states need to experiment and to apply different tools in different areas and for different people, who vary according to their willingness and ability to pay. Moreover, the situation is rapidly changing. There is general agreement that toll management systems based on spending limit products are not feasible today,[77] although there appears to be some progress.[78] There also are proposals that IXCs develop spending limit and toll blocking products.[79] As Teleport Communications Group ("TCG") points out, it is likely that competition will bring a variety of these types of services to market.[80] In the mean time, in order to mitigate burdens on general ratepayers, the Commission should avoid mandates that will reduce carrier flexibility and efficiency and will increase costs.

IV. THE COMMISSION SHOULD SUPPORT MODIFICATIONS TO FEDERAL LIFELINE AND LINK-UP SERVICES AND SHOULD CONSIDER A SEPARATE PROGRAM FOR SCHOOLS AND LIBRARIES

Lifeline and Link-Up Assistance

The Commission should support modifications to federal Lifeline and Link-Up programs. As Consumer Action explains, self certification of income has worked well in

---

[77] See, e.g., Illinois Consolidated Telephone Company, p. 2; OPASTCO, p. 7; Pacific Bell and Nevada Bell, p. 26; TDS, pp. 6-8; United, p. 2.

[78] Southwestern Bell, pp. 19-20.

[79] See, e.g., Puerto Rico Telephone Company, p. 6; Colorado, p. 7.

[80] TCG, p. 3. See also EarthCall Communications, p. 5.

California. It "keeps administrative costs to a minimum and does not put paperwork barriers in the way of eligible consumers."[81] Fraud or mistake has not been a significant problem.[82]

There is other support for a California-type program. The Telecommunications Resellers Association points out that California's successful performance in attracting eligible households "may be replicated in other states if they adopt streamlined application procedures similar to California."[83] Southwestern Bell generally approves of the "explicit funding mechanism used in California" in which "all customers - - business and residence, including lifeline customers - - pay the surcharge" for the Universal Service Fund.[84] Southwestern Bell, however, states that the high lifeline service penetration rate in California "seems to suggest that the qualifying criteria may be too easy to meet."[85] Actually, the criteria are proper. The high penetration rate reflects the high percentage of low income families in California, the thorough job that has been done to inform eligible households of the program, and self-certification.[86]

The Commission should support a change in the federal Lifeline and Link-Up programs to allow self-certification. The current verification requirements not only

---

81 Consumer Action, p. 8.
82 See NPRM, para. 52, n.64.
83 Telecommunications Resellers Association, p. 7.
84 Southwestern Bell, p. 10.
85 Southwestern Bell, p. 10, n. 9.
86 Based on 1990 census data, we estimate that 85.4% of eligible households are receiving lifeline service. Many believe, however that the Census undercounted low-income households. Taking various estimates and issues into consideration, we estimate that the percentage of eligible households in California not receiving lifeline is approximately 20%.

prevent California from fully benefiting from the federal programs, but most important they create a barrier for eligible households to obtain needed assistance.

Consumer Action also states its belief that "high installation charges are a key deterrent to people signing up for phone service." Accordingly, Consumer Action "supports the policy in California in which low income consumers can receive service by paying a $10 installation fee."[87] In order to assist highly-mobile, lower-income households, we believe that the Commission should support not only this low fee, but the expansion of Link-Up assistance to include unlimited installations per year.

Consumer Education Concerning Lifeline Assistance

Pacific Bell is extremely active in educating lower-income customers concerning our assistance programs.[88] We agree both with Bell Atlantic that these programs normally should be carrier-initialed[89] and with Montana Independent Telecommunications Systems that market forces encourage consumer awareness.[90]

The State Consumer Advocates assert that consumers are generally unaware of the availability of assistance[91] and that information should be provided in the front of telephone directories.[92] Pacific Bell provides information on California's Universal Lifeline Telephone Service ("ULTS") in the front of our telephone directories and takes

---

87 Consumer Action, p. 4.
88 See Pacific Bell and Nevada Bell, pp. 11-13.
89 Bell Atlantic, p. 6.
90 Montana Independent Telecommunications Systems, p. 9.
91 State Consumer Advocates, p. 11.
92 Id. at 7.

many other steps to increase consumer awareness of ULTS. These additional steps include:

- Service Representative discussions with customers
- Residential service confirmation letters
- General Notification to all non-ULTS customers: bilingual English/Spanish
- Mass media advertising
- Public Service Announcements
- Community Agency outreach
- Migrant camp outreach
- Fairs and festivals
- Bill insert information
- 800-21 GUIDE information
- Multi-lingual ULTS brochures (support discussions with customers)
- 800 audiotext (supports certification and notification)
- Pacific Bell Internet Home Page information

The California Affordability Study found that a majority of our lower-income customers are aware of ULTS and can correctly describe it.[93] We are striving to increase this awareness.

Consumer Action recommends a federal consumer education fund like the one established by the California legislature.[94] Pennsylvania also recommends a federal consumer education fund.[95] We are reluctant to support this subsidy, which ultimately would affect the rates for all customers, without current private and public programs having had more of a chance to work and without more consideration of what a federal program would add to existing programs. Moreover, our current consumer awareness programs meet the needs of our states, but state needs differ and programs should not

---

[93] California Affordability Study, p. 7.5 concerning "matched customers."
[94] Consumer Action, pp. 6-7.
[95] Pennsylvania, p. 18.

be forced into a national mold. We are very interested in any ideas that the Commission and other parties may have for improving consumer education. The Commission should consider establishing a federal and state regulatory forum to consider this and other subscribership issues.

Assistance For Schools and Libraries

The Commission should consider a separate assistance program for schools and libraries based on our "Education First" program. Comments filed in this proceeding provide good advice concerning the establishment of a national program.

We agree with Southwestern Bell that assistance to schools and libraries is beyond the scope of Lifeline's purpose.[96] We also agree with Ameritech that the decisions concerning placement of phones in schools and libraries must be made at the local level.[97] In addition, we agree with Time Warner that the marketplace and corporate citizenship should be depended upon to the extent possible and that LECs should not be ordered to provide certain options.[98]

We also agree with Time Warner that "before it extends a program similar to the Lifeline program to schools and libraries, the Commission must clearly define the terms 'school' and 'library.'" Time Warner recommends that the Commission "... limit the scope of any program implemented to provide low-cost telephone lines to accredited public and private institutions of learning and to libraries accessible by individual

---

[96] Southwestern Bell, p. 11.
[97] Ameritech, p. 9.
[98] Time Warner, p. 9.

members of the general public."[99] Time Warner's definitions appear generally consistent with the joint comments of the Consortium for School Networking and other school and library associations:

> We encourage you to ensure that elementary and secondary schools and public libraries - - especially those in rural areas - - have affordable access to the telecommunications and information technologies which are the future of American prosperity.[100]

We believe that it would be best to start with the schools identified by these associations: K-12.

Using these definitions, we agree with the suggestion by NYNEX that the Commission consider establishing an "explicit, discrete fund" for the purpose of "providing access to the National Information Infrastructure, including the Internet." NYNEX states that contributions to the fund would come "from all telecommunications service providers...."[101] We agree with NYNEX that "[i]n a competitive environment, it is unfair to impose such burdens on the LECs and their customers alone."[102] A national program potentially could be modeled after Pacific Bell's "Education First" program. As Chairman Hundt recently point out:

> Pacific Bell, for example, has initiated a program to offer a free year of ISDN service to public and private schools, and has discounted rates after the year is

---

[99] Id. at 10.
[100] Consortium for School Networking, et. al, p. 5.
[101] NYNEX, p. 2.
[102] Id. at 9.

> up. This is not just good citizenship, it is also good business.[103]

A similar national program would directly address Chairman Hundt's concern that:

> ... 45 million American children go to school in a 19th-century world. Only 12% of the classrooms have basic phone lines, and only 3% of our classrooms have computer networks.[104]

As Chairman Hundt pointed out in an earlier speech: "Phone lines in classrooms are the on-ramps to the information superhighway. They are gateways to the information age."[105]

The challenge is great, and the need is urgent. Telecommunications providers, states, and the federal government should work together to move our schools into the 21st Century by the year 2000.

V. COMPETITION, COMMUNITY GROUPS, AND CARRIERS ARE HELPING TO SERVE MOBILE CUSTOMERS

The comments show that competition is making voice mail and prepaid debit cards widely available and that carriers are helping with various community group programs to extend voice mail to people without telephone service.[106] The Commission

---

[103] "The Challenge Of Competition," Reed Hundt Speech To USTA, November 2, 1995, p. 7.

[104] Id. at 6.

[105] Reed Hundt October 10, 1995 Speech to COMPTEL, p. 5.

[106] See, e.g., Colorado, p. 11; ITAA, p. 6; Pacific Bell and Nevada Bell, pp. 29-32; TDS, p. 11.

should help in this area by seeking an expansion of the Census Bureau's CPS questions to include these and other (e.g., paging) service alternatives,[107] so that we may better assess their affect on subscribership.

VI. TO HELP EXPAND SERVICE TO UNSERVED AREAS, THE COMMISSION SHOULD BEGIN A PROCEEDING TO PROVIDE MORE SPECTRUM FOR BETRS

There is broad agreement that a lack of available spectrum is reducing carriers' abilities to use BETRS to help expand telephone service to unserved areas.[108] In November of 1992, several parties filed a Petition for Rulemaking to expand the availability of spectrum for BETRS by allowing it to share spectrum with the 450 MHz Air-To-Ground Radiotelephone Service.[109] The Commission should move forward with a rulemaking to accomplish that purpose.[110]

---

[107] See Pacific Bell and Nevada Bell, pp. 33-34; Pennsylvania, p. 4.

[108] See NTCA, pp. 6-7; Pacific Bell and Nevada Bell, pp. 33-35; US West, p. 12; USTA, p. 15. Other parties also discuss their use of BETRS. See, e.g., Alaska Telephone Association, p. 5; Montana Independent Telecommunications Systems, p. 8; United, p. 3.

[109] Petition For Rulemaking, by USTA, NTCA, OPASTCO, NRTA, and REA, to Authorize Co-Primary Sharing of the 450 MHz Air-Ground Radiotelephone Service with BETRS, RM-8159, November 9, 1992.

[110] See Letter to Kenneth P. Moran, Chief Accounting and Audits Division, Common Carrier Bureau, from Jeffrey B. Thomas, Senior Counsel, Pacific Bell, dated November 3, 1995 (filed November 6, 1995), regarding CC Docket No. 95-115, Subscribership and Usage of the Public Switched Network, RM-8159, BETRS.

VII. CONCLUSION

For all the above reasons, the Commission should allow LECs to continue to develop solutions for increasing telephone subscribership and to continue to work with state commissions on this goal. Additional federal support in ways discussed above would be helpful, but mandates are not needed and would reduce the flexibility needed to develop solutions that address local problems. The best solutions aim at the root cause of subscribership problems by helping customers to control their calls. These solutions prevent the problems up-front, rather than trying to cure them later by passing the burden onto the LECs and the general ratepayers.

Respectfully submitted,

PACIFIC BELL
NEVADA BELL

Jeffrey B. Thomas

LUCILLE M. MATES
JEFFREY B. THOMAS

140 New Montgomery Street, Rm. 1529
San Francisco, California 94105
(415) 542-7661

JAMES L. WURTZ
MARGARET E. GARBER

1275 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
(202) 383-6472

Their Attorneys

Date: November 14, 1995

0121729.01