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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

In the Matter of )  
)  
Policy and Rules Concerning the )  
Interstate, Interexchange Marketplace )  
)  
Implementation of Section 254(g) )  
of the Communications Act of 1934, )  
as amended )

CC Docket No. 96-61

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COMMENTS OF THE CASUAL CALLING COALITION

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## **EXECUTIVE SUMMARY**

The Casual Calling Coalition (“Coalition”) opposes the Commission’s tentative conclusion to forbear the tariff requirement for non-dominant interstate interexchange carriers. The Coalition consists of interexchange carriers that provide “casual calling” services to consumers—that is, interexchange services that can be selected by a consumer on a call-by-call basis without presubscribing or otherwise establishing a prior relationship with the carrier. These services include, for example, access code (10XXX+), third-party credit card, and collect calling services. These services should raise special concerns for the Commission in the context of tariff forbearance, because of the difficulty of establishing a binding contractual relationship for this type of service in the absence of tariffs.

The Coalition respectfully submits that the statutory criteria essential to a determination that forbearance is required are not met in this instance. Should the Commission determine otherwise, however, the Coalition proposes that the Commission implement permissive tariffing. The Coalition also proposes that the Commission continue to apply the tariff filing requirement for casual calling service providers; or, at the very least, permit tariff filings from these carriers on a voluntary basis.

To realize its goal of promoting competition in the long distance market, the Commission must ensure that carriers and consumers alike have access to information regarding service offerings and rates. Tariffs are essential to ensure informed decision making by consumers. Moreover, tariffs provide the Commission with information necessary to properly administer the Section 208 complaint process and to monitor the industry on an informal basis.

The Coalition believes that forbearing from the tariff requirement is premature at this time for two reasons. First, the entry of the Regional Bell Operating Companies into the long distance market raises new concerns regarding cross-subsidization. Second, the Commission should evaluate the effects of the recently enacted Telecommunications Act of 1996 on the long distance market before relieving itself entirely of its monitoring duties. A reasonable waiting period will provide the Commission with more reliable information to determine whether forbearance is actually consistent with the Telecommunications Act. In the meantime, the Coalition encourages the Commission to develop internal procedures that will reduce the administrative burdens of tariff filings.

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**COMMENTS OF THE CASUAL CALLING COALITION**

The Casual Calling Coalition (“Coalition”) hereby submit its comments in response to the Commission’s Notice of Proposed Rulemaking in the above-captioned docket concerning proposed initiatives to eliminate tariff filing requirements for non-dominant interstate interexchange carriers.<sup>1</sup>

The Coalition applauds the Commission’s continuing efforts to develop pro-competitive policies as envisioned by the Telecommunications Act of 1996.<sup>2</sup> As detailed below, however, any reduction in administrative burdens resulting from detariffing is negligible when compared to the overall anticompetitive impact on smaller long distance carriers and the consumers who benefit from their presence in the long distance market. Accordingly, the Coalition urges the

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<sup>1</sup> See *In the Matter of Policy and Rules Concerning the Interstate, Interexchange Marketplace*, CC Docket No. 96-61 (released March 25, 1996) (“*NPRM*”).

<sup>2</sup> Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996) (the “Telecom Act”).

Commission to maintain the current tariff filing system and develop internal procedures that alleviate the administrative burdens of tariff filings.

In the alternative, should the Commission find that tariff forbearance is consistent with the Telecom Act, the Coalition strongly encourages the Commission to implement a policy of permissive tariffing. The Coalition believes that an optional tariffing policy, at the very least, is required to ensure the integrity of the interstate interexchange market.

## **I. INTRODUCTION AND STATEMENT OF INTEREST**

The Casual Calling Coalition is a group of switch-based telecommunications carriers that provide interexchange services to residential and business customers both domestically and internationally.<sup>3</sup> Along with many other domestic interexchange carriers, the members of the Coalition offer customers the option of using their services without presubscribing to their network or establishing an account before calling. There are a number of services available today that allow consumers to place a long-distance call without having opened an account or entered into a contract with the carrier. Some of these services include collect calling, billing to a third-party credit card (LEC calling card, VISA, MasterCard, etc.), and access code dialing (10XXX+, described in more detail below).

Unlike many other carriers, however, the members of the Coalition actively market these “casual calling” options, especially access code dialing, as a key element of their business plans. Customers are encouraged to dial a company’s “carrier identification” or “access” code which

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<sup>3</sup> The members of the Coalition are Long Distance Wholesale Club; Telco Communications Group, Inc., d/b/a Dial & Save; and Vartec Telecom, Inc.

routes the customer's long distance call to the company's long distance network rather than the "1+" carrier presubscribed to the phone from which the call is made.<sup>4</sup> Not only are small carriers providing this service to an increasingly large share of the market, but the concept has gained significant exposure and customer acceptance in the marketing campaigns of the "big three" carriers. For example, MCI initiated its version of access code calling in its "1-800-COLLECT" campaign. "1-800-COLLECT" is MCI's effort to gain market share for collect calls at transient locations such as pay telephones via an 800 number. In attempts to duplicate the success of MCI's access code calling plan, both AT&T and Sprint have cloned similar programs. AT&T has recently devoted significant resources to publicize its access code so that customers will "dial-around" no-name operator service providers presubscribed to pay telephones to reach AT&T.

Critical to the success of casual calling is public access to information regarding service offerings and carrier charges contained in the tariffs filed at the Commission. Casual calling service providers utilize this data to simplify and disseminate rate information for residential and business customers, thereby providing consumers with accurate and current information necessary to make informed decisions regarding their long distance service. As a result of these efforts,

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<sup>4</sup> After the AT&T Divestiture, equal access and access code dialing were integral components of the public policy to promote competition in the long distance market. Equal access as defined by the Divestiture Court and the Commission required the LECs to offer access to the local exchange network in a manner that is "equal in type, quality, and price" to that offered to AT&T. Under equal access, customers have a variety of means of selecting a preferred carrier, including presubscription as well as dialing a Carrier Access Code ("CAC") such as 10XXX, or 950-0XXX, where the XXX is a three-digit Carrier Identification Code ("CIC").

consumers now enjoy greater vendor selections, lower prices, and state of the art-service that would not otherwise be available.

## **II. FORBEARANCE FROM THE TARIFF REQUIREMENT IS NOT CONSISTENT WITH THE PUBLIC INTEREST**

Because the tariff filing requirement is a necessary component of the Commission's efforts to protect industry standards for both service providers and consumers, the Coalition encourages the Commission to find that the statutory criteria for forbearance are not met in the current interstate interexchange environment. The forbearance provision in the Telecom Act seeks to eliminate unwarranted and futile regulations, but not to eradicate regulations necessary to promote competition and consumer interests. The Commission is therefore authorized to forbear from enforcement of the tariff requirement, or any other regulation, *only if* the following criteria are met: (1) the regulation is unnecessary to ensure that the rates, practices, classifications, or regulations enforced by telecommunications carriers are just and reasonable and are not unjustly or unreasonably discriminatory; (2) enforcement of the requirement is not necessary for the protection of consumers; and (3) forbearance from applying such provisions or regulations is consistent with the public interest.<sup>5</sup> Additionally, the Telecom Act requires the Commission to consider whether forbearance will promote a competitive marketplace, including the extent to which forbearance will enhance competition among telecommunications service providers.<sup>6</sup> The

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<sup>5</sup> Communications Act of 1934, Section 10(a), as amended by the Telecom Act, § 401.

<sup>6</sup> *Id.* at § 10(b).

Coalition respectfully submits that forbearance is not in the public interest, for the reasons discussed below. Accordingly, the Commission must maintain the current filing system

***A. Tariffs Are Necessary to Ensure Just and Reasonable Rates***

The first statutory criterion for forbearance requires a finding by the Commission that application of the tariff requirement is not necessary to ensure that the rates and practices of telecommunications carriers are just and reasonable and are not unjustly or unreasonably discriminatory. The Coalition respectfully submits that the Commission has not adequately considered the importance of tariff data in determining what constitutes just and reasonable rates and practices.

Specifically, the Coalition questions the Commission's reliance upon market forces and the administration of the complaint process to ensure that carriers act reasonably in the provision of telecommunications services.<sup>7</sup> The efficient operation of a competitive market depends, among other things, on the availability of accurate information to both producers and consumers.<sup>8</sup> As new carriers enter the long distance market, tariffs provide an accurate measure of rates that must

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<sup>7</sup> See *NPRM* at ¶ 28 (stating that the "Communication Act's objectives of just and reasonable, and not unjustly or unreasonably discriminatory rates can be achieved effectively through market forces and the administration of the complaint process.")

<sup>8</sup> See generally D.F. Spulber, *Regulation and Markets*, pp. 56-65 (1989). High transaction costs have long been acknowledged among economists as a source of market failure. Transaction costs consist of all the costs enabling an exchange to take place, including the costs of being informed about the price, quality and availability of a product. Additionally, transaction costs include the costs of specifying the contingencies that may arise from monitoring a contract, and the legal costs of enforcing a contract.

be charged in order to remain competitive with incumbent carriers.<sup>9</sup> To consumers, tariffs provide a reliable source of information that can be used to measure the value of new service offerings. Without tariffs, carriers are simply more likely to depart from just and reasonable ratemaking, and consumers will find it more difficult to detect such departures. While some carriers may intentionally charge unsuspecting consumers unreasonable rates, other companies may simply miscalculate the market value of service due to lack of information.

One way that information is disseminated in competitive markets is through advertising. This is quite common in the long-distance industry; many carriers use forms of advertising (print and broadcast advertising, direct mail, and others) that prominently feature price comparisons. Their ability to use this form of advertising, however, is completely dependent on the availability of accurate and timely price information from other carriers. Without this information, consumers would encounter more difficulty detecting unreasonable or discriminatory practices, challenging rate changes, and comparing service offerings.

The Commission has expressed some concern that publication of tariffs may contribute to tacit price collusion.<sup>10</sup> That has not been a serious concern, however, in other industries where the publication of prices is either required (new car stickers) or common practice (the stock

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<sup>9</sup> Rate information is of particular importance to carriers that provide service using a least-cost analysis. To remain competitive with the incumbent long distance carriers, least-cost service providers rely on rate information to determine the most cost-effective method of routing customer calls.

<sup>10</sup> See *NPRM* at ¶¶ 21, 31. See also *Policy and Rules Concerning Rates for Competitive Common Carrier Services and Facilities Authorization*, Sixth Report and Order, 99 FCC 2d 1020, 1040 (1985) (“Sixth Report and Order”) vacated, *MCI Telecommunications Corp. v. FCC*, 765 F.2d 1186 (D.C. Cir. 1985).

market, supermarkets, restaurants, gas stations, and nearly every other form of business). Where price “signalling” has been a real concern, it has generally involved the advance announcement of future prices.<sup>11</sup> Any concern that long-distance tariffs could be used to send price signals, however, can be minimized by the Commission’s current practice of accepting such tariffs on one day’s notice. Moreover, a rule prohibiting the filing of such tariffs more than one business day before their effective date could further limit the opportunities for price collusion.<sup>12</sup>

As discussed in Section IV, below, tariffs have also proven valuable to the Commission when investigating and adjudicating Section 208 complaints. Section 208 of the Communications Act, as amended, charges the Commission with the task of investigating and adjudicating petitions submitted by parties challenging the lawfulness of a charge, classification, regulation, or practice of any common carrier subject to the provision. The successful administration of this duty depends upon the accumulation of reliable information by the Commission. It would be difficult for the Commission to determine whether challenged rates are unjust, unreasonable, or *unreasonably discriminatory* in the absence of any specific information about market rate levels.

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<sup>11</sup> For example, the United States Government recently settled an antitrust action against eight airlines and the Airline Tariff Publishing Company alleging price collusion by the defendants. Specifically, the court entered a Final Judgment submitted by the Government prohibiting the defendants from, among other things, corroborating with other airlines to “fix, establish, raise, stabilize, or maintain any fares” and disseminating any information regarding the planned or contemplated fares or changes to fares. *See United States v. Airline Tariff Publishing Co.*, No. 92-2854, 1994 WL 502091 (D.D.C. Aug. 10, 1994).

<sup>12</sup> Furthermore, even if tariff filings were likely to be used as a tool for price collusion, forbearance would not be an effective means of deterring such activity. Carriers could simply choose to publish their prices by other means, such as by posting them on Internet home pages, and achieve the same result as by issuing tariffs.

In sum, tariffs are necessary to ensure that carriers charge rates that are just and reasonable and are not unjustly or unreasonably discriminatory. In the absence of tariffs, both carriers and consumers are likely to incur additional costs that would otherwise be avoided under the current tariff filing system.

***B. Tariffs Are Necessary to Protect Consumer Interests***

The second criterion of the forbearance policy requires a finding by the Commission that tariffs are not necessary to protect the interest of the consumer. A major benefit of a centralized tariff filing system is that consumers receive information necessary to make informed decisions about long distance services. Additionally, tariffs help carriers to minimize the administrative costs associated with long distance service thereby providing consumers with the lowest price possible.

In the *NPRM*, the Commission suggests that the filing of tariffs harms consumers by undermining the development of vigorous competition. To the contrary, the Coalition contends that tariffs minimize the transaction costs associated with information gathering and carrier liability, thereby encouraging new entrants into the long distance market. Additionally, the public has become increasingly reliant upon carriers and information service providers to digest and simplify tariff language. In particular, consumers rely upon rate comparisons provided by service providers when selecting their long distance carrier.

The Coalition submits that tariffs enable carriers to respond unilaterally to changes in the marketplace. Interexchange carriers are more likely and better able to respond to market forces if they can do so in one concerted effort rather than having to go back and renegotiate each contract separately. Absent tariffs, carriers would be more reluctant to offer additional services

or respond to price changes because of the administrative costs associated with renegotiating contracts.

*C. Tariffs are Necessary to Further the Public Interest*

The final criteria for the forbearance policy requires a determination by the Commission that tariffs are not necessary to ensure the public interest. As part of this determination, the Act requires that the Commission inquire as to “whether forbearance from enforcing the provision or regulations will promote competitive market conditions, including the extent to which forbearance will enhance competition among providers of telecommunications service.”<sup>13</sup> The Commission posits that detariffing will promote competition and deter price coordination.<sup>14</sup> As discussed above, however, the Coalition believes that any potential for price coordination through tariffs is minimal and easily deterred.

As noted above, access to rate information provides small companies with the data necessary to remain competitive with incumbent carriers. The minimal costs of producing tariffs versus the high costs of executing individual contracts allow more carriers to remain in the long distance market, thereby enhancing competition as intended by the Act. Further, contrary to the Commission’s beliefs,<sup>15</sup> tariffs do not prohibit companies from introducing new products to the market but instead provide reliable information regarding the status of the long distance market

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<sup>13</sup> Communications Act, § 10(b).

<sup>14</sup> *NPRM*, para. 30.

<sup>15</sup> *See NPRM* at ¶ 30 (citing Sixth Report and Order, 99 FCC 2d at 1030.)

and the availability of new technology.<sup>16</sup> Accordingly, tariffs are necessary to promote the public interest.

### **III. FORBEARANCE SHOULD NOT APPLY TO CASUAL CALLING SERVICES**

Even if the Commission determines that forbearance from the tariff filing requirement is justified for domestic interexchange services in general, the Coalition requests that the Commission either exempt casual calling service providers from the detariffing decision altogether or, at the very least, implement permissive tariffing whereby casual service providers may file tariffs with the Commission on a voluntary basis. The Coalition believes that the Commission should not extend the forbearance decision to casual or transient calling services. The Coalition believes that mandatory detariffing not only penalizes carriers that provide casual calling services but is likely to undermine the success of the casual calling industry.

As noted in the introduction, a variety of interexchange carriers now derive a substantial portion of their revenue from access code calling including carriers that utilize a 10XXX code, collect calling, third-party billing, and other forms of casual calling. Tariffs filings are essential to the operations of these service providers. Casual calling is designed to permit consumers to select carriers on an impermanent basis by “dialing around” their presubscribed carriers.

For the most part, these consumers choose to dial the CIC codes of the interexchange service carrier without ever contacting the carrier. Moreover, these casual callers choose to

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<sup>16</sup> Tariffs could deter the introduction of new services if the Commission required lengthy advance notice, submission of cost and demand data, or other burdensome filing procedures traditionally associated with review of dominant carriers’ tariffs. These problems do not exist, however, under the existing streamlined one-day notice process.

utilize access code calling without entering into a contract with the interexchange carrier. Thus, it would be both impractical and impossible to require casual users to sign a contract before using non-presubscribed services. If the Commission decides to forbear from enforcing the tariff policy, casual service providers will be forced to execute contracts with every customer, thereby eliminating the most unique—and, for the consumer, the most convenient—aspect of casual calling.

Significantly, tariffs provide a cost-efficient method of describing the legal relationship between carriers and consumers. As such, tariffs are a reliable source for settling conflicts between carriers and consumers. As noted above, the most critical marketing tool for casual service providers is that callers are able to use the service on a temporary basis without entering into a contract with the casual carrier. Because casual calling requires the provisioning of service without benefit of contract, tariffs are a simple way of establishing the carrier's liability to the customer. Specifically, tariffs include the rates charged for the service and the carrier's liability for improper activity. Without an established contractual relationship, injured consumers would be forced to bring damage claims under a theory of quantum meruit. Consequently, courts would have to assume the challenge of interpreting the legal relationship between service providers and consumers. Even more disturbing is the possibility that determinations regarding the value of long distance service would be left to juries.

The Coalition is concerned that the forbearance proposal will undermine existing market policies that promote consumer choice. In the *NPRM*, the Commission refers to its decision to forbear the tariff requirement for providers of commercial mobile radio services ("CMRS") as

a basis for its tentative conclusion to require mandatory forbearance in this docket.<sup>17</sup> As evidenced by the CMRS industry, the repercussion of tariff forbearance, however, is that consumers are forced to enter long-term contracts with fixed rates. This result is contrary to the Commission's established policy of providing consumers with increased choices and flexibility in determining their long distance carrier.

In sum, tariffs are necessary to protect the interests of consumers who utilize casual calling services. Tariffs provide consumers with a basis to determine the services that are being used and the charged rates for those services. Without tariffs, casual consumers would incur unnecessary uncertainty and risks. They would have no way of ascertaining what the current rates are before completing the phone call. Thus, the Commission should not require forbearance from the tariff requirement for casual service providers.

#### **IV. MANDATORY FORBEARANCE IS NOT PRESCRIBED BY THE ACT**

The Telecom Act does not authorize mandatory forbearance from the tariff filing requirement. Accordingly, the Coalition requests that the Commission not expand its forbearance decision beyond what is required under the Telecom Act. Even if, contrary to the arguments in the preceding section, the Commission were to find that forbearance is consistent with the statutory criteria, it should adopt only a voluntary forbearance policy, and permit carriers to continue to file tariffs if they so choose.

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<sup>17</sup> See NPRM at ¶ 28; *Implementation of Sections 3(n) and 332 of the Communications Act, Regulatory Treatment of Mobile Service*, GN Docket No. 93-252, Second Report and Order, FCC Rcd 1411, 1478 (1994).

A plain reading of the forbearance provision indicates that Congress intended to provide the Commission with the authority to refrain from enforcing regulations under limited circumstances. The plain language of the statute speaks in terms of removing, not imposing, restrictions on carriers. Thus, for example, Section 10(a)(1) authorizes the Commission to “forbear *from applying*” a regulation or statutory provision, if “enforcement of such regulation or provision is *not necessary*” to achieve the statutory goals. (Emphasis added.) This and other provisions of Section 10 authorize the Commission to excuse carriers from compliance with mandatory provisions of the Act or of its regulations. The forbearance policy, however, does not authorize the adoption of new binding obligations, such as a mandatory prohibition against tariff filings. Further, nothing in the Telecom Act limits the ability of any telecommunications provider to continue to abide by the forborne regulation on a voluntary basis.<sup>18</sup>

The Coalition submits that authority not to enforce a regulation is not equivalent to a mandatory prohibition. Thus, a decision by the Commission to forbear from the tariff filing requirement does not permit the Commission to implement detariffing on a mandatory basis.

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<sup>18</sup> Indeed, the Commission’s interpretation of “mandatory forbearance” would be absurd if applied to many other provisions of the Communications Act, as amended. For example, Section 254(g) of the Act, which is under consideration in this proceeding, requires that “the rates charged by providers of interexchange telecommunications services to subscribers in rural and high cost areas shall be no higher than the rates charged by each such provider to its subscribers in urban areas.” Conceivably, if the Commission made the appropriate findings under Section 10, it could permit carriers to deaverage their interexchange rates notwithstanding the command of Section 254(g). If the theory of “mandatory forbearance” were valid, however, the Commission could go even further and *require* all carriers to increase their rates to subscribers in rural and high cost areas, which would be a patently absurd result and surely would not be in compliance with the intent of Congress.

## V. MANDATORY DETARIFFING IS NOT IN THE PUBLIC INTEREST

The Coalition opposes the Commission's tentative conclusion to require mandatory forbearance as contrary to the public interest. Because tariffs are vital to the success of the interexchange marketplace, the Coalition requests that the Commission implement the tariff requirement on an optional basis. Additionally, the Coalition believes that the Commission can achieve its objectives of eliminating the filed rate doctrine, discouraging price collusion, and reducing the administrative burdens of tariff filing without implementing a mandatory detariffing requirement.

As discussed below, consumers derive numerous benefits from tariff filings, including greater vendor selection, increased awareness, lower prices, and better quality services. Tariffs provide the most effective means of disseminating information regarding long distance service to the public. With this data, consumers are able to compare the services and rates offered by competing carriers to make informed decisions when selecting their long distance carrier.

Significantly, consumers have become more reliant on long distance service providers and consumer groups to do their comparison shopping. Although consumers have a definite interest in acquiring information about interexchange carriers, most consumers simply do not have the time or resources to adequately survey the long distance market. Additionally, the existence of hundreds of interexchange carriers from which to choose is likely to overwhelm consumers and encourage carrier selection based upon name recognition alone. Further, mandatory detariffing will force consumers to commit to carriers on a trial-and-error basis, resulting in perpetual "switching," discontinuity and eventual frustration on the part of consumers.

Limited information regarding service offerings and rates are likely to encourage anti-competitive pricing by interexchange carriers. While some carriers may intentionally misprice their products, many companies will simply miscalculate the value of the service offerings due to lack of information about the marketplace. As a result, new entrants run the risk of entering into long-term contracts based upon poor calculations which could eventually lead to their economic demise.

Market realities indicate that companies tend to act less competitively when there is no information available regarding products and services than when information is readily available. For example, in the commodities market, farmers rely heavily on published rates to determine the current market value of their product. This practice is widely accepted and provides farmers with a means of charging consumers prices that accurately reflect the value of their product. Similarly, the success of the stock market depends upon the availability of accurate information on a minute-by-minute basis. Because of the easy access to price information, market participants are able to make informed decisions regarding the sale and purchase of stock.

Likewise, the success of the interexchange market, particularly the casual service industry, depends upon the carrier's ability to obtain reliable information concerning services and rates offered by competitors. While the Coalition sympathizes with the Commission's concern that tariffs may produce collusive pricing efforts, these concerns have not yet materialized and are clearly outweighed by the competitive benefits of public access to information.

For purposes of dispute resolution, tariffs provide the Commission with valuable information necessary for the proper administration of the Section 208 complaint process as well as for the informal monitoring of ratemaking and industry trends. Traditionally, the Commission

has relied upon data procured from tariff filings to provide the background information necessary to properly adjudicate customer complaints. Forbearance from the tariff requirement would effectively limit the Commission's ability to accumulate sufficient information to make informed decisions regarding individual claims.

Contrary to the Commission's position, the Coalition submits that requiring carriers to maintain tariffs on company premises is not sufficient to ensure the integrity of the complaint process and is likely to prove unreliable and administratively inefficient. Without Commission oversight, carriers have no incentive to maintain updated tariffs. Moreover, the Commission will incur additional costs as a result of increased petitions under Section 208 and increased Staff resources to respond to individual complaints.

Further, the entry of the Regional Bell Operating Companies ("RBOCs") into the long distance market raises new concerns regarding the possibility of cross-subsidization. In particular, the Coalition is wary that mandatory detariffing will tempt RBOCs to utilize advantages in the local exchange market to support their long distance service offerings. As a preventive measure, tariffs are needed more than ever to provide the Commission with the ability to monitor rate changes, particularly rate changes that may indicate cross-subsidization by local exchange carriers.

Finally, the Coalition submits that the Commission can address lingering concerns regarding possible invocation of the filed rate doctrine and reducing the administrative burden without implementing mandatory forbearance. In Paragraph 34, the Commission expresses concern that voluntary tariff filings might invoke certain rights arising from the filed rate doctrine which allows carriers to change the terms and conditions of contract tariffs and other long-term service agreements. To the contrary, however, the implementation of a forbearance policy

indicates to the public that the Commission makes no legal representation concerning the validity of the tariff.

The implementation of an optional tariff filing requirement will automatically reduce the number of tariffs filed at the FCC.<sup>19</sup> Although some smaller carriers have a defined interest in filing, many would choose to cease filing tariffs because they do not offer casual calling service or the costs of maintaining public files outweighs the advantages to their company.

To further reduce the administrative burdens incurred by the Commission in collecting tariffs, the Commission should require that carriers submit tariffs on computer diskettes. Additionally, the Commission could limit the information submitted by carriers. Specifically, the Commission could limit companies to filing tariff data comparable to prospectus filings required by the Securities and Exchange Commission ("SEC"). Rather than providing tariffs under the current format, the Commission could limit tariff filings to company information and service offerings. This alternative significantly reduces the information that must be filed at the Commission while continuing to provide the public with information needed to make informed choices about their long distance service.

## **CONCLUSION**

For the foregoing reasons, the Coalition requests that the Commission resist the urge to forbear the tariff filing requirement for non-dominant interstate interexchange carriers and

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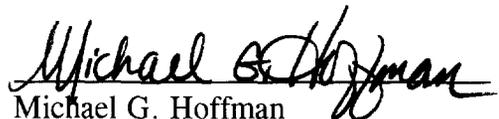
<sup>19</sup> Although the Commission's goal is to reduce its administrative burden associated with tariff filings, the Coalition emphasizes that reduction of the Commission's administrative burden is not one of the statutory criteria for forbearance under the Telecom Act.

maintain the current tariff filing system. The Coalition strongly believes that tariff filings are essential if the interstate interexchange market is to achieve the intended results of the Telecommunications Act of 1996. As explained above, tariff filings provide carriers, consumers, and the Commission with pertinent information regarding rates, service offerings, and the overall status of the long distance industry. Any administrative burden incurred by the Commission is negligible when compared to the benefits of lower prices, greater choices and higher quality service that will accrue to consumers.

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