

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

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Federal Communications Commission
Office of Secretary

In the Matter of)

Southwestern Bell Telephone Company's)

Comparably Efficient Interconnection Plan)
for the Provision of Security Service)

CC Docket Nos. 85-229, 90-623,
and 95-20

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**REPLY COMMENTS OF
SOUTHWESTERN BELL TELEPHONE COMPANY**

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SUMMARY*

The comments of Ameritech and AICC seek to have the Bureau reject SWBT's Security Service CEI Plan not on its merits, but on the basis of an overbroad interpretation of the prohibition contained in Section 275(a)(1) of the Act. As in the Bell Atlantic CEI Order, the Bureau should reject any opposition based upon Section 275 as being outside of the scope of this proceeding, and limit its consideration to the Commission's CEI plan requirements. SWBT has complied with those requirements and adequately addresses the single concern actually raised by AICC about the CEI Plan itself. The Bureau should approve SWBT's Security Service CEI Plan.

SWBT's planned activities do not violate the Section 275 prohibition, nor constitute the provision of "alarm monitoring service," a term defined with particularity in Section 275(e).

SWBT's Security Service permissible activities include:

- Alarm CPE sales, which will include the sale, installation, maintenance, and repair of the customer premises equipment ("CPE"). A separate CPE contract, with distinct terms, conditions, and charges, will be executed between SWBT and the customer.
- Billing and collection activities, where SWBT performs the same type of billing and collection activities that it currently performs for interexchange carriers.
- A non-exclusive sales agency relationship, with SWBT selling and otherwise marketing the services of an unaffiliated entity providing the alarm monitoring service. The customer will know who the actual provider is, and will be required to enter into a contract for alarm monitoring service with that provider, which contract will control the terms, conditions, and price. The unaffiliated entity will also perform customer services associated with its provision of alarm monitoring service.

The relationships between SWBT, the alarm monitoring service provider, and the customer can be summarized as follows:

- No common control or other interest between SWBT and the alarm monitoring service provider.

* The abbreviations used in this Summary are as defined in the main text.

- In addition to contractual privity directly with the customer, the alarm monitoring service provider is fully identified and disclosed in sales contacts, premises inspections, bills, and customer collateral material.
- The alarm monitoring service is provided only by the alarm monitoring service provider, including customer service for the alarm monitoring.
- SWBT is paid by the alarm monitoring service provider for billing and collection, and commissions for its sales agency activities, but does not share in the revenues of the alarm monitoring service provider.
- The relationship between SWBT and the alarm monitoring service provider is not exclusive for either.

SWBT performs none of the functions that constitute "alarm monitoring service," which are performed solely by independent provider of the alarm monitoring service. SWBT's limited role and activities do not result in it being "engaged in the provision of alarm monitoring service."

No specific objection is raised to SWBT's CPE activities, with AICC conceding that SWBT is free to perform those activities. Billing and collection does not constitute the provision of "alarm monitoring service," and being paid for those activities does not violate Section 275. All customer bills will reflect the different roles of SWBT and the provider, even when the separate charges from SWBT and the alarm monitoring service provider are billed in a lump sum. In acting as a sales agent for the alarm monitoring service provider, SWBT is not "engaged in the provision of alarm monitoring service." Prior Commission decisions, most notably the Sales Agency Order, have never considered sales agents to be providing the underlying service. The Bureau should not transform this proceeding into a rulemaking proceeding, especially one that broadens the Section 275 prohibition such that all relationships between alarm monitoring service providers and BOCs are precluded.

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Provision of Security Service)	

**REPLY OF
SOUTHWESTERN BELL TELEPHONE COMPANY**

Southwestern Bell Telephone Company ("SWBT"), by its attorneys, submits this Reply to the comments filed in opposition to its CEI plan for Security Service ("CEI Plan" or "Plan") by the Alarm Industry Communications Committee ("AICC") and Ameritech Corporation ("Ameritech"). Notwithstanding the fact that this proceeding is limited to SWBT's compliance with CEI plan requirements, only the comments of AICC even nominally address SWBT's Plan and then in a footnote with a single objection. Inasmuch as that sole objection to the CEI Plan is invalid, the Bureau should approve the SWBT's CEI Plan.

The vast bulk of Ameritech's and AICC's comments are directed at alleging that SWBT's proposed Security Service violates Section 275 of the Telecommunications Act of 1996 ("Act"). Those comments are outside the scope of this proceeding and should be ignored.¹ However, as shall be seen, SWBT's Security Service has been carefully constructed to ensure full compliance with Section 275.

¹ See *Bell Atlantic Telephone Companies Offer of Comparably Efficient Interconnection to Providers of Internet Access Services*, CCBPol 96-09, Order, para. 47 (released June 6, 1996) ("Bell Atlantic CEI Order").

I. ALL OBJECTIONS BASED UPON SECTION 275 ARE OUTSIDE OF THE SCOPE OF THIS PROCEEDING

Yesterday, in approving a CEI plan filed by the Bell Atlantic Telephone Companies ("Bell Atlantic"), the Bureau rejected challenges that were grounded in the Act. In opposing an Internet CEI plan, MFS Communications Company ("MFS") had argued, *inter alia*, that the proposed Internet service violated Sections 251 and 252 of the Act. The Bureau concluded that

MFS's arguments regarding Sections 251 and 252 of the Communications Act are beyond the scope of this proceeding. This proceeding is limited to determining whether Bell Atlantic's CEI plan complies with the Commission's Computer III requirements.

Bell Atlantic CEI Order, para. 47. After disposing of the other arguments raised against Bell Atlantic's CEI plan, the Bureau approved it.

The Bureau is confronted with the identical situation here. All of the arguments made by Ameritech and all but one of AICC's are based upon Section 275. The Bureau should follow the Bell Atlantic CEI Order by also concluding that those oppositions are outside the scope of this proceeding, and limiting this approval process to the Commission's CEI requirements. Inasmuch as SWBT has complied with those requirements and has fully addressed the single CEI issue raised by AICC,² the Bureau should approve SWBT's Plan.

II. SWBT'S ACTIVITIES ARE NOT PROHIBITED BY SECTION 275 OF THE ACT

Notwithstanding that applicable prior Bureau ruling, SWBT will provide a further explanation of its planned activities and relationship with the alarm monitoring service provider in

² See page 14 *infra*.

order to assure the Bureau that SWBT's activities comply with Section 275.³ SWBT's Security

Service consists of the following permissible activities:

- **Alarm CPE sales**, which will include the sale, installation, maintenance, and repair of the customer premises equipment ("CPE"). A separate CPE contract, with distinct terms, conditions, and charges, will be executed between SWBT and the customer.
- **Billing and collection activities**, where SWBT performs the same type of billing and collection activities that it currently performs for interexchange carriers.⁴
- **A non-exclusive sales agency relationship**, with SWBT selling and otherwise marketing the services of an unaffiliated entity providing the alarm monitoring service. The customer will know who the actual provider is, and will be required to enter into a contract for alarm monitoring service with that provider, which contract will control the terms, conditions, and price of the alarm monitoring. The unaffiliated entity will also perform customer services associated with its provision of alarm monitoring service.

A BOC may perform each of these activities, whether separately or together, without violating Section 275.⁵

Section 275(a) instead only prohibits SWBT from "engag[ing] in the provision of alarm monitoring service." As set forth in Section 275(e), "alarm monitoring service" is defined in

³ At the same time, this proceeding should not be used to engage in de facto rulemaking. See page 12 *infra*.

⁴ Of course, SWBT will not deny or disconnect local service for a failure to pay its own CPE charges or the alarm monitoring service provider's charges.

⁵ The exception to the Section 275 prohibition against a BOC being engaged in the provision of "alarm monitoring service" was created for the exclusive benefit of Ameritech, notwithstanding the fact that Ameritech is an affiliate of a BOC indistinguishable from SWBT or any other BOC with respect to any competitive concerns relating to the provision of alarm service. See Section 275(a)(2) (Ameritech is the only BOC to which that exception factually applies). Indeed, as originally passed by both houses, the prohibition would not have exempted the acquisition of an alarm company by Ameritech in September 1995. See House Bill No. 1555, proposed Section 273(a)(2), and Senate Bill No. 652, proposed Section 258(f), which only exempted from the general prohibition activities lawfully engaged in as of January 1, 1995, and June 1, 1995, respectively.

pertinent part as

a service that uses a device located at a residence, place of business, or other fixed premises -- (1) to receive signals from other devices located at or about such premises regarding a possible threat at such premises to life, safety, or property, from burglary, fire, vandalism, bodily injury, or other emergency, and (2) to transmit a signal regarding such threat by means of transmission facilities of a local exchange carrier or one of its affiliates to a remote monitoring center to alert a person at such center of the need to inform the customer or another person or police, fire, rescue, security, or public safety personnel of such threat . . . (emphasis added)

Other than providing transmission capabilities under tariff as a local exchange carrier, SWBT performs none of the functions that constitute "alarm monitoring service." Each of those functions are performed solely by the independent alarm monitoring service provider. The relationships between SWBT, the alarm monitoring service provider, and the customer can be summarized as follows:

- No common control or other interest between SWBT and the alarm monitoring service provider.
- Two separate contracts: one between SWBT and the customer for CPE and CPE-only associated services, the other between the alarm monitoring service provider and the customer for the alarm monitoring service.
- In addition to contractual privity directly with the customer, the alarm monitoring service provider is fully identified and disclosed in sales contacts, premises inspections, bills, and customer collateral material.
- The alarm monitoring service is provided only by the alarm monitoring service provider, including customer service for the alarm monitoring.
- SWBT is paid for billing and collection, and commissions for its sales agency activities, but does not share in the revenues of the alarm monitoring service provider.
- The relationship between SWBT and the alarm monitoring service provider is not exclusive for either party. SWBT remains free to act as a sales agent for other alarm monitoring service companies, and the alarm monitoring service provider may use other sales agents or other distribution channels where SWBT sells its alarm monitoring service.

These limited roles, activities, and attributes simply do not place SWBT in the position of being “engaged in the provision of alarm monitoring service.”

A. SWBT IS PERMITTED TO SELL CUSTOMER PREMISES EQUIPMENT USED FOR ALARM MONITORING SERVICE

SWBT intends to enter into contracts for the sale, installation, maintenance, and repair of CPE that can be used to provide alarm monitoring service. The contracts will be solely between SWBT and customers, with separately stated terms, conditions, and prices for the CPE and associated services. The Bureau should note that, with the exception of the sale of the CPE, those associated activities are “services,” bellying any insinuation that “SWBT Security Service” somehow indicates that SWBT will be engaged in the provision of alarm monitoring service.

As acknowledged by both commentors,⁶ these activities do not violate Section 275. Any contrary construction of Section 275 would be patently unreasonable. First and foremost, the definition of “alarm monitoring service” declares it to be a “service”; CPE is a “good.” Also, the CPE-associated services that SWBT will perform do not comprise any of the functions that constitute “alarm monitoring service.” Finally, as the Bureau may be aware, many purchasers of this type of CPE do not even subscribe to remote monitoring services, but rather use the CPE to provide a premises-only alarm. Inasmuch as remote monitoring is required before the Section 275(a)(1) prohibition applies, attempting to include CPE within that prohibition would create a practical nightmare with an anticompetitive effect (e.g., BOCs could sell CPE if it was not to be connected to a remote monitoring center, but would be forbidden to sell if such a connection was

⁶ See AICC, at p. 3 n.6 (“Section 275 permits the BOCs only to provide sales, installation and maintenance of alarm monitoring CPE”); Ameritech, at p. 2 (notes SWBT’s CPE activities, but apparently only objects to relationship between SWBT and the alarm monitoring company).

to be made). Such a distinction would be akin to prohibiting the sale of CPE to be used for interLATA service, but not intraLATA service. Accordingly, there can be no doubt that SWBT's planned CPE activities are not prohibited by Section 275. AICC's use of this permissible activity in its chart to imply a violation of Section 275 is thus disingenuous at best.⁷

B. BILLING AND COLLECTION ACTIVITIES ARE NOT PROHIBITED BY SECTION 275

SWBT will also perform billing and collection services for the provider of the alarm monitoring service. Again, such activities do not place BOCs in the position of being "engaged in the provision" of the service being charged. Beyond the fact that billing and collection activities simply cannot be read into the rather detailed definition of "alarm monitoring service," the Commission has never considered billing and collection activities to be equivalent to providing the service being billed and collected. In the detariffing proceeding, the Commission concluded that billing and collection is a financial and administrative service that is offered by other companies.⁸ Given that the Commission doubted that billing and collection performed for another carrier was "common carriage" or even a "communications service,"⁹ it had already implicitly rejected any notion that by billing and collecting for a service, the entity providing those financial and administrative functions was engaged in the provision of the underlying service. Moreover, if billing and collection was interpreted to involve a BOC in actually providing the service being

⁷ AICC, p. 10 ("CPE Installed and Maintained by:").

⁸ *Detariffing of Billing and Collection Services*, CC Docket No. 85-88, Report and Order, 102 FCC 2d 1150, 1168, 1169 (1986).

⁹ *Id.*, p. 1169.

billed, BOCs would have previously been forbidden by the Modification of Final Judgment¹⁰ ("MFJ") from performing billing and collection activities for interLATA services. Of course that was not the case, and BOCs continue to perform such activities despite the Act's similar interLATA prohibition. Accordingly, SWBT's plan to perform the range of billing and collection activities for the alarm monitoring service provider is permissible under Section 275.

As one should expect, SWBT will be compensated for its billing and collection activities. The fact that SWBT's compensation is generated from the payment of alarm monitoring service charges does not, however, result in SWBT either "sharing" in the monitoring revenues¹¹ or being engaged in the provision of alarm monitoring service. Being paid does not transform permissible work into prohibited work.

SWBT's current plan is that, where permitted, a single amount will be billed that will reflect the total of both SWBT's CPE charges and the alarm monitoring service provider's charges. The bill will note, however, that the alarm monitoring service is being provided by an unaffiliated provider, who will be identified by name. Since the customer will have two separate contracts (one with SWBT for the CPE, and one with the alarm monitoring service provider for its service), there is no "bundled" package. The two separate charges are simply combined for billing purposes. There is nothing unlawful or inappropriate about such a billing practice. The Bureau should ignore AICC's insinuations of the contrary.¹²

¹⁰ United States v. Western Electric Co., 552 F. Supp. 131 (D.D.C. 1982).

¹¹ As stated in the Plan at page 2 and as elaborated upon at page 11 *infra*, the alarm monitoring provider is not affiliated with SWBT in any way.

¹² See AICC, p. 10, where AICC included these permissible activities in its chart as "Invoices Rendered in the Name of:" and "Customer Payments Made Payable to:".

C. SALES AGENCY RELATIONSHIPS ARE NOT RESALE ARRANGEMENTS, AND AGENTS DO NOT PROVIDE THE SERVICE SOLD

SWBT will act as a sales agent for the unaffiliated entity providing alarm monitoring service. Beyond the fact that SWBT will not be performing the functions set forth in the definition of "alarm monitoring service," no one can reasonably assert that a sales agent engages in the provision of the service sold for and provided exclusively by another. Sales agency relationships are quite common in the telecommunications industry, and have not been considered by the Commission or State regulators to constitute the provision of the underlying service.

For example, the Commission instituted a sales agency program when structural separation was required of BOCs for the provision of CPE.¹³ Under that structure and approved plans, BOC affiliates were permitted to sell and otherwise market BOC-provided telecommunications services. By performing that role (and being compensated for the sales made on a commission basis), neither the structurally-separate BOC affiliate nor any other sales agent actually provided the underlying telecommunications service being sold. SWBT is not aware of a single instance where a sales agent was required to be certified as a carrier by any State, was required to file tariffs with any State or the Commission, or otherwise was treated as the carrier as a result of its role as a sales agent.

Similarly, cellular carriers use sales agents to sell and otherwise market their telecommunications services, and those agents are not seen as providing cellular service by either the Commission or customers. As SWBT proposes with regard to alarm monitoring service, cellular sales agents sell the cellular provider's service for that provider's account in exchange for

¹³ See Sales Agency Order, 98 FCC 2d 943 (1984).

payment on a commission basis.¹⁴ Indeed, in describing the role and relationship of the cellular sales agent to its principal, courts invariably refer to the principal as the 'provider' of cellular service.¹⁵ These current, daily examples of situations where the Commission, the law, and the marketplace distinguish between sales agents and the entity actually providing the underlying service itself contradict AICC's professed belief that policing such a distinction is "impossible in the real world."¹⁶

Like those other sales agents, SWBT will not be a reseller/provider of alarm monitoring service. The terms and conditions of the alarm monitoring service will be set forth in the contract between the customer and the provider and remain within its control (e.g., charges, term, alarm monitoring service description and standards, limitations of liability). AICC's continuous use of the term "resell" is thus wholly unjustified. SWBT will not set the price for the alarm monitoring service or rebrand the service as SWBT's, clearly falling outside the previous Commission

¹⁴ Cellular sales agents also sell and install CPE under separate contract with the customer, in the same manner as SWBT proposes.

¹⁵ See, e.g., Metro Communications Co. v. Ameritech Mobile Communications, Inc., 984 F.2d 739, 741 (6th Cir. 1993) ("Each [plaintiff] entered into an agency contract with [Ameritech], a provider of cellular telephone services and equipment."); Cellular Plus, Inc. v. Superior Court, 14 Cal. App. 4th 1224, 1229 ("This case involves a lawsuit . . . against the two licensed providers of cellular telephone service"); GTE Mobilnet of S. Tex. Ltd. Partnership v. Telecell Cellular, Inc., 1995 Tex. App. LEXIS 1985 (Tex. App. 1985) ("The appellees are authorized agents of GTE Mobilnet. . . . Mobilnet provides cellular telephone service to its customers."); American Cellular Network Corp. v. Car-Talk, Inc., 1990 Del. Ch. LEXIS 76 (Del. Chancery 1990) ("The only other company [beside the cellular carrier plaintiff] that the FCC has licensed to provide cellular telephone service within the Wilmington CGSA is Bell Atlantic. . . . Thus, the highly competitive Wilmington area market for providing cellular telephone service has only two key 'players'").

¹⁶ AICC, p. 14.

decisions cited by AICC.¹⁷ AICC and Ameritech both have the contractor/subcontractor analogy backwards -- at most, SWBT's limited role as a sales agent might make it a subcontractor of the alarm monitoring provider, but could never make the provider the subcontractor.

Consistent with the nature of the sales agency relationship, purchasers of alarm monitoring service will be made aware of the actual, unaffiliated provider of the alarm monitoring service at all times. In fact, from the first telephone contact with a potential customer, the unaffiliated alarm monitoring service provider will be clearly identified as the provider of the monitoring service. Interested customers will enter into a separate service contract with the alarm monitoring service provider, which will include service charges and general terms and conditions (term, alarm monitoring service description, limitations of liability, notice provisions). SWBT will again inform the customer of the separate roles to be played by SWBT and the alarm monitoring service provider during the premises assessment by a SWBT sales representative. After installation, the customer will be given instructions on how to call the alarm monitoring service provider using an "800" number selected by the provider in case of emergency, and other provider-designated numbers for service-related inquiries (such as update of emergency contact information, resolution of alarms, communication of personal health information). When a customer calls SWBT to inquire about the alarm monitoring service (as opposed to equipment or billing complaints or questions), the customer will be referred to the alarm monitoring service provider. On bills rendered to the customer, the alarm monitoring service provider will be clearly and separately identified. All associated correspondence and materials (e.g., yard signs, window stickers, other customer collateral) will further identify the alarm monitoring service provider.

¹⁷ AICC, p. 8 n.10.

Claims that SWBT will be the “sole customer contact and would actually undertake all aspects of the offering of alarm service to consumers”¹⁸ are thus demonstrably false, and AICC’s assertion that “Customer Inquiries/Problems Directed to” SWBT is simply wrong.¹⁹

In sum, there is no attempt to conceal the identity of the provider of the alarm monitoring service, or to confuse the customer into believing that SWBT is providing alarm monitoring service. There will be no branding of the alarm monitoring service as SWBT’s as AICC alleges.²⁰ To the contrary, the existence and identity of the unaffiliated alarm monitoring service provider will be open and well-known, with the customer contracting separately with that service provider and being reminded on at least a monthly basis with each bill.

D. NEITHER SWBT NOR ANY OF ITS AFFILIATES HAVE ANY INTEREST IN THE ENTITY ACTUALLY PROVIDING THE ALARM MONITORING SERVICE

In addition to its statements in the Plan,²¹ SWBT wishes to allay any concerns that may be raised by AICC and its unjustified use of quotation marks around “unaffiliated”²² -- the entity that will provide the alarm monitoring service is completely independent of SWBT. Neither SBC Communications Inc. nor any of its affiliates has any equity or equitable interest in the alarm monitoring service provider, and has not acquired any option, right of first refusal, or other

¹⁸ See e.g., AICC, p. 6.

¹⁹ AICC, p. 10. As explained above, SWBT will bill and collect for the provider, which will include handling customer billing inquiries.

²⁰ AICC, p. 7.

²¹ See e.g., Plan, pp. 2, 4.

²² AICC, p. 10.

contractual right to gain any such interest. Further, there is no creditor/debtor relationship with the alarm monitoring service provider, and thus no security interest in it, its customer contracts, or any part of its operations. Simply stated, there is no basis for AICC's professed concern about Southwestern Bell having a "superior right" to the provider.

III. THE BUREAU SHOULD NOT ALLOW THIS LIMITED PROCEEDING TO BE TRANSFORMED INTO A RULEMAKING

SWBT desires to resolve any questions under Section 275 that are necessary to have the Plan approved. However, at the same time, the Bureau should not accede to Ameritech's or AICC's attempt to turn this CEI plan approval process into a general rulemaking on Section 275. The Commission may only undertake a rulemaking to implement Section 275(d), and has done so. Both commentors nevertheless suggest various analyses and formulations of Section 275 that would be applied generally to every possible relationship between a BOC and a provider of alarm monitoring service.²³ Notwithstanding AICC's statement that Section 275 means what it says, AICC attempts to re-define the Section 275 prohibition from "engaging in the "provision of alarm monitoring service"" to "prohibit BOC participation in the alarm monitoring *business*,"²⁴ and to similarly re-define "alarm monitoring service" so as to "encompass[] the totality of the relationship with the customer."²⁵ In seeking to so drastically re-write Section 275, AICC is urging several broad pronouncements that would proscribe lawful and consumer-benefitting

²³ Ameritech, p. 3 (carving the definition of "alarm monitoring service" into three parts, apparently to be applied in the disjunctive); AICC, pp. 7, 8 (a three-part standard, each with multiple subparts used for analysis).

²⁴ AICC, p. 4 (emphasis in original).

²⁵ AICC, p.7

relationships between BOCs and providers of alarm monitoring service.

Section 275 was not meant to foreclose any and all BOC involvement in the alarm monitoring industry. Had Congress intended such a result, it could have very easily dictated that result by adopting language that prohibited BOC involvement with any aspect of the alarm business beyond tariffed transmission service. Congress instead only prohibited "alarm monitoring service," which was narrowly defined to proscribe a specific set of activities that, if performed by a BOC, would violate the Section 275 prohibition. Any attempt to expand the definition to encompass other activities or to read Section 275(a)(1) so broadly as to prohibit absolutely any BOC relationship with a provider of alarm monitoring service would not only violate that definition, but would also deny such providers possible efficiencies and consumers the benefits of those efficiencies and increased competition. Section 275 was intended to prohibit BOCs from engaging in the provision of alarm monitoring service, not to protect providers of that service from increased competition from each other through permissible relationships with BOCs, such that the public is denied the benefits of such competition.

The Bureau thus should reject the misplaced invitation to address any Section 275 issue not specifically raised by SWBT's Plan as those matters are not properly before the Bureau and are likely outside of the Bureau's delegated authority to approve CEI plans.

IV. SWBT'S CEI PLAN COMPLIES WITH COMMISSION REQUIREMENTS

AICC's concerns regarding SWBT's potential use of customer proprietary network information ("CPNI") is misplaced, and there is no need for SWBT to amend its CEI Plan in this regard.²⁶ The purposes for which CPNI may lawfully be used, consistent with the provisions of

²⁶ AICC, p. 6 n.8.

Section 222 and 275(d) of the Act, are currently the subject of the Commission's Notice of Proposed Rulemaking ("NPRM") in *Implementation of the Telecommunications Act of 1996: Telecommunications Carriers' Use of Customer Proprietary Network Information and Other Customer Information*, CC Docket No. 96 - 115. At paragraph 47 of the NPRM, the Commission tentatively concludes that a customer's authorization given under Section 222(c)(1) would not extend to any records concerning the occurrence of calls received by alarm monitoring service providers.

SWBT intends to comply with Section 275 in all respects, and of course will abide by the Commission's final rules implementing it. However, the actual rules governing implementation of both Sections should be fleshed out in Docket No. 96 - 115 after Commission deliberation on the comments received, not in the context of this proceeding in which but a few parties are involved. In any case, it preliminarily appears that the Commission's tentative conclusion referenced above may be fairly stated. If so, SWBT would concur that customer approval given under Section 222(c)(1) would not extend to data indicating the occurrence of calls received by alarm monitoring service providers, and that it could not use information concerning the content of calls received by such providers to market such services. Of course, CPNI would include information beyond occurrence and content of calls, and a customer still may approve usage of such information consistent with both Section 222(c)(1) and Section 275(d)(1). SWBT's CEI Plan provisions say no more. Thus, AICC's concerns are not well taken and no plan amendment is necessary.

A. SWBT WILL WITHDRAW THIS CEI PLAN IF THE BUREAU DETERMINES THAT SUCH A PLAN IS NOT REQUIRED BY PREVIOUS COMMISSION ORDERS

Ameritech implies that SWBT must be the provider of the alarm monitoring service inasmuch as the Plan was filed.²⁷ To the contrary, SWBT understands an approved CEI plan is required prior to a BOC selling or otherwise marketing an enhanced service. If the Bureau determines that there is no such requirement when the BOC is merely acting as a sales agent, SWBT asks for confirmation of such a limitation and would thereafter withdraw this CEI plan.

V. CONCLUSION

Having addressed the single issue raised in response to SWBT's proposed CEI Plan, the Bureau should approve the Plan forthwith. Section 275 does not provide a basis on which to reject the CEI Plan. SWBT has demonstrated the CPE activities that it will contract for with

²⁷ Ameritech, pp. 2, 3.

customers, and the billing and collection, and sales agency activities that it will perform for the provider of the alarm monitoring service do not violate Section 275.

Respectfully submitted,

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June 7, 1996

CERTIFICATE OF SERVICE

I, Katie M. Turner, hereby certify that the foregoing, "Reply Comments of Southwestern Bell Telephone Company's Comparably Efficient Interconnection Plan for the Provision of Security Service" in CC Docket Nos. 85-229, 90-623 and 95-20, has been filed this 7th day of June, 1996 to the Parties of Record.



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