

may be oral. An interpretation that required a written approval to conduct a telephone transaction simply would be nonsensical.

On similar grounds, the Commission should not impose on carriers an obligation to obtain written approval for future use of CPNI when a customer has previously requested restricted treatment of CPNI. Such a requirement would be confusing and irritating to a customer who wants to make the change in the most convenient way possible for the customer. For example, some customers may not appreciate the consequences of a decision to restrict CPNI until they find themselves in the context of a Section 222(d)(3) call. Upon realizing that the carrier can be more responsive to the customer's needs if CPNI is not restricted, the customer is likely to try to revoke the prior restriction. The customer would not see any sensibility in a requirement that a revocation be in writing for future purposes, while it could be oral for the instant call.

BellSouth acknowledges that acceptance of oral approvals may raise evidentiary issues in the event of a subsequent dispute over whether approval had been given. However, BellSouth is accustomed to conducting business with its customers orally and its representatives are trained to document in company systems a variety of customer communications. Questions regarding whether an oral approval had been given are not likely to raise any new evidentiary concerns.

#### **IV. THE PROVISIONS OF SECTION 222 SUPPLANT THE COMPANY-AND SERVICE-SPECIFIC CPNI RULES OF COMPUTER III.**

The Commission's pre-existing CPNI rules apply to the marketing of CPE and enhanced services only by AT&T, GTE, and the BOCs. Moreover, the rules apply to AT&T differently than they apply to GTE and the BOCs. Additionally, the rules that

apply to GTE and the BOCs differ depending on whether the carrier is marketing CPE or enhanced services. In contrast, Section 222 by its terms applies in the same manner to all telecommunications carriers. Thus, Section 222 governs in the same manner all carriers' use of CPNI in marketing CPE and enhanced services. BellSouth urges the Commission to take this opportunity to rectify the disparate treatment of a handful of carriers by reconciling its hodgepodge of CPNI rules with the Act's clear mandate that all carriers be treated equally.

At the outset, it must be noted that Section 222 is predominantly a customer privacy protection statute. Section 222 ensures protection of a customer's CPNI by a scheme that: 1) permits internal use of CPNI by a carrier, consistent with reasonable customer expectations; 2) affords customers who have heightened privacy expectations an opportunity to restrict such use; and 3) requires disclosure to third parties only upon affirmative written direction from the customer. That this scheme applies by its terms to all carriers in the same manner is indicative of Congressional recognition that customers' privacy expectations do not vary from carrier to carrier. In other words, privacy principles command that the same protection measures be afforded customers of all carriers.

The only other grounds upon which differentiation between carriers might be suggested would be concerns of inequitable competitive consequences. As the Commission observes in the Notice, "[at least] *some* of the anticompetitive concerns [it] sought to address through the establishment of [its] CPNI rules may now be addressed

by the new Section 222<sup>35</sup> BellSouth submits, however, that *all* of the Commission's anticompetitive concerns are addressed by Section 222

For example, customers of carriers previously subject to the Commission's CPNI rules, including customers who are competing CPE and enhanced service providers have the same opportunity under Section 222 to restrict a carrier's use of CPNI. Similarly, customers remain able under Section 222 to authorize a carrier to provide their CPNI to a third party. Indeed, this latter statutory requirement expands upon past Commission rules by requiring subject carriers to make disclosure to any third party not just to competing CPE and enhanced service providers. These Section 222 opportunities for a customer to restrict a carrier's use of CPNI and to authorize its disclosure to a third party are the same tools the Commission employed to address its competitive concerns through its rules. Because Section 222 applies these requirements to all carriers, however, there is no reason for the Commission to retain separate rules for a handful of carriers.

Nor should the Commission retain particularized requirements for only a handful of carriers in implementing the CPNI safeguards, such as carrier-specific mailing obligations or computer password systems for access to service records. The Commission has acknowledged that "these additional CPNI restrictions are not necessary to secure the public interest objectives of the 1996 Act"<sup>36</sup> and tentatively concluded that they should not be extended to other carriers. By the same token, the

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<sup>35</sup> Notice at ¶ 41 (emphasis added).

<sup>36</sup> Notice at ¶ 40.

Commission has no basis for enforcing against the BOCs requirements that admittedly are not necessary to secure the public interest.

### CONCLUSION

For the reasons stated above, BellSouth urges the Commission to adopt an interpretation of Section 222 that both meets customers' reasonable expectations of carriers' use of business information and promotes competition in all telecommunications market sectors. An interpretation that presumptively permits internal use of CPNI, affords customers an opportunity to restrict such use, and requires disclosure of such information only upon affirmative written direction from the customer satisfies this standard.

Respectfully submitted,

BELLSOUTH CORPORATION

By:



William B. Barfield  
M. Robert Sutherland  
A. Kirven Gilbert III

Its Attorneys

Suite 1700  
1155 Peachtree Street, N.E.  
Atlanta, Georgia 30309-3610

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**FOR MORE INFORMATION CONTACT**

**Nicole Lipson, BellSouth Cellular Corp.**

**404-713-0081**

**lipsonn@mindspring.com**

**David Rogers, BellSouth Telecommunications**

**404-529-8053**

**david.rogers@bridge.bst.bls.com**

**FOR IMMEDIATE RELEASE**

**ATLANTA—June 4, 1996—BellSouth's cellular and telephone operations will begin joint marketing the next generation of wireless products and services in a family of integrated-use products which act as cordless phones in the home or office, and as cellular phones while mobile.**

**"We are integrating wireless technology into the way people communicate every day so that our products and services will be as familiar and commonplace to customers as their home phone," said Stan Hamm, group president-mobile systems, for BellSouth Corporation and president of BellSouth Cellular Corp.**

**"This is an ideal opportunity for BellSouth's wireless and telephone operations to come together on behalf of our mutual customers," said Charlie Coe, group president—customer operations, BellSouth Telecommunications. "As we expand our ability to offer cellular service through our telephone sales offices, we hope to make the integrated-use sets an exciting part of the cellular packages we offer."**

**BSCC completed a technical trial in Memphis, Tennessee and will begin a commercial test there June 10. The product will be available through a number of distribution channels, including BMI retail stores, direct sales and through other retail outlets such as Circuit City, Kroger and Wolf Camera and Video. Proposed commercial rollout in most BSCC markets nationwide will begin in August. The product will be rolled out with considerable advertising support.**

**-more-**

Customers will use one device that serves as a long-range cordless phone in and around the home, a wireless extension for an office desk phone and a traditional cellular phone when mobile.

Based on the response to the trial, Hamm added that BSCC expected vigorous acceptance of these types of products. BellSouth Cellular Corp. will begin offering Motorola's Personal Phone Series (PPS)<sup>™</sup> cordless cellular telephone as the first integrated-use product in a line of wireless in-home/out-of-home services.

There are many customer benefits to this type of product. Anne Malin, product manager in BSCC's Research and Development Lab, said that customers will enjoy the "two great phones in one. Customers can use the handset in and around their home, utilizing the landline phone service they've always relied on. Then they can get in their car, or walk to the park, and access the cellular macro-environment for true cellular service. And if they work for a company that's utilizing BellSouth Cellular's COSMOS in-building wireless service, they can use the same handset as a wireless extension of their desk phone. It's true anytime, anywhere communications."

Malin added that because the wireless handset operates on the 800 MHz system, even in the home when in the cordless mode, interference from wireless devices such as other cordless phones, baby monitors and garage door openers is next to nil. "We think this is the most advanced and best sounding cordless phone on the market."

Out of the BellSouth nine-state region, the products and service will be sold by BellSouth's cellular companies; such as Cellular One in Indianapolis, Indiana; Richmond, Virginia; and Milwaukee/Madison, Wisconsin and Bakersfield Cellular in California.

### **ACRE Technology**

The addition of an ACRE (Authorization and Call Routing Equipment) to the Mobile Switching Center or MSC, allows this call routing system to operate. The ACRE ensures a call will be correctly routed, transparently to the customer.

When customers move from the macro-cellular environment into the home, the ACRE tells the switch the customer is now at home, and to route the calls through the landline network or PSTN (public switched telephone network.)

When in the home environment, customers will receive their cellular calls routed through the PSTN to the home base station. In addition, that call can be picked up from any phone in the home. In the future, it will be possible to have landline calls follow into the cellular network.

Motorola's PPS phone operates as a cordless phone within 700-1000 feet of the base. "And with this multi-featured phone, Caller ID service purchased from a landline phone company will soon work when the phone is in the cellular mode," Coe said. The base station also operates as an intercom and has a built-in rapid and trickle charger so that the handset is always ready to go. Depending on the size of the battery a customer uses, talk-time in the cordless mode ranges from 240 to 480 minutes.

The entire line of new products will meet IS-91A requirements, which enables the handsets to work in the home as well as on in-building wireless systems.

BellSouth Cellular Corp. companies provide wireless communications services to more than 4 million customers in 216 markets owned by BellSouth and its partners in 15 states. BellSouth Mobility Inc and its partners operate in eight southeastern states. American Cellular Communications Corporation (ACC) markets operate under a variety of names in Alabama, California, Hawaii, Mississippi and Texas and as Cellular One in Illinois, Indiana, Virginia and Wisconsin. BellSouth Cellular Corp.'s Home Page on the Internet is located at <http://www.com/bbcc/>.

BellSouth Telecommunications, Inc., provides telecommunications service in Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee. With headquarters in Atlanta, BellSouth serves more than 21 million local telephone lines over one of the most modern networks in the world. For more information on BellSouth, visit our site on the World Wide Web at <http://www.bellsouth.com>.

*PPS is a trademark of Motorola, Inc.*

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**1100 Peachtree St., Ste. 1000**  
**Atlanta, Georgia 30309**

To obtain copies of other BellSouth Cellular Corp. announcements, please call PR Newswire's Company News-On Call at 1-800-738-5804, ext. 088644.

*The Atlanta Journal-Constitution*

**W** Wednesday, June 5, 1996 \*\*\*\*\*

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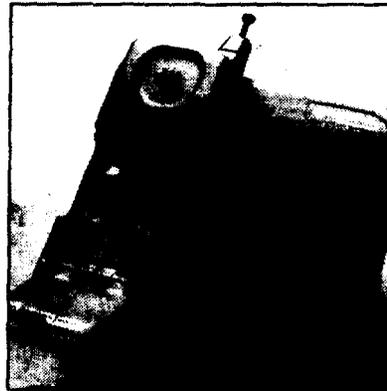
# Business Report

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## **ON TECHNOLOGY**

by Michael E. Kanell (e-mail: [mkanell@ajc.com](mailto:mkanell@ajc.com))



BellSouth Cellular

## **New generation**

**The Motorola PPS** is the first in the next generation of integrated-use products that will be marketed by BellSouth. The devices will act as cordless phones in the home or office and cellular phones while mobile.