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

JUL 17 1996¹

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)	
)	CC Docket No. 92-77
Billed Party Preference for)	
InterLATA 0+ Calls)	

AT&T COMMENTS

Pursuant to the Commission's Public Notice,¹ AT&T Corp. ("AT&T") hereby comments on the Second Further Notice of Proposed Rulemaking ("SFNPRM"), FCC 96-253, released June 6, 1996. In the SFNPRM (¶ 3), the Commission proposes to (1) establish "benchmarks" for operator service providers' ("OSPs'") rates and associated charges based upon the charges of the three largest interstate OSPs² and (2) require OSPs that charge rates above such benchmarks plus a stated percentage to disclose the applicable charges orally to consumers before completing a call. Alternatively (id.), the Commission seeks comment on whether it should require all OSPs to disclose their rates on all 0+ calls. The SFNPRM (¶ 4) also seeks comment on whether it should forbear from applying the informational tariffing requirements of Section 226 to OSPs.

¹ 61 Fed. Reg. 30581, June 17, 1996.

² See also SFNPRM, ¶ 23.

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SUMMARY

The Commission should not adopt benchmark rates for OSP calls that are based upon the rates of only the three largest OSPs. If the Commission nevertheless finds it necessary to do so, it should exempt those "benchmark" carriers from any regulations that require the delivery of additional price-related information on 0+ dialed calls. In all events, the Commission should not impose wasteful and baseless regulations that would require all OSPs to provide additional rate information on all 0+ calls, and it should apply the same tariff forbearance rules to AT&T's operator services as it applies to AT&T's other interstate services.

ARGUMENT

As AT&T has previously stated, it does not support the establishment of "benchmark" rates based upon the charges of any specific carrier or small group of carriers, because such carriers' rates may not be reflective of the costs of other carriers.³ Thus, to the extent the Commission finds it necessary to establish any benchmarks, they should be based upon a statistical sampling of the rates of all OSPs.⁴ Moreover, contrary to the assumption in

³ See AT&T's Comments in this docket, dated April 12, 1995 ("AT&T Comments"), p. 4; AT&T's Reply Comments, dated April 27, 1995 ("AT&T Reply"), p. 6-7, which are incorporated herein by reference.

⁴ If, however, the Commission establishes a benchmark based solely upon the rates of the largest carriers, its rules

the SFNPRM, a "one size fits all" benchmark is not appropriate,⁵ because there are many different types of operator service calls, each of which requires different amounts and types of work and causes carriers to incur different costs.⁶ Further, any formula for determining benchmarks should be simpler to apply than the one proposed in the SFNPRM, which uses weighted averages based upon OSP shares of the entire domestic interstate interexchange market and attempts to create "blended" rates for different types of calls.

AT&T is even more seriously concerned, however, about the Commission's indication that it might adopt rules

(footnote continued from previous page)

should explicitly exclude those carriers from any requirements under the new rules. Given the vigorous competition among those carriers for all types of 0+ calling from all types of phones, their rates can be presumed reasonable and within consumers' expectations. Thus, any new rules should be narrowly applied solely to the carriers whose behavior has necessitated them (see AT&T Reply, p. 8).

⁵ The SFNPRM (¶ 26) proposes a single benchmark that would be set based upon the "average of the highest rates the three largest OSPs charged" based on six different characteristics.

⁶ For example, the amount of work time and reduced completion rate for operator-dialed person-to-person calls make the costs of such calls substantially higher than for customer-dialed station-to-station calling card calls.

⁷ See SFNPRM, Appendix E, p. 4.

that would inconvenience consumers and increase carriers' costs by imposing rate information requirements on all 0+ calls. There is no rational basis to impose additional regulations on the vast majority of 0+ calls, which the Commission recognizes are already "priced at or below the levels at which consumers expect them to be priced."⁸ Notwithstanding the few thousand complaints that are registered with the Commission each year as the result of high prices from some OSPs,⁹ these complaints represent a minuscule fraction of the tens of millions of 0+ calls that are dialed annually. Thus, there is no basis to saddle AT&T and other large OSPs -- who are not the source of significant consumer complaints -- with higher costs, or subject their customers to significant inconvenience, simply because some other OSPs have higher prices.

Additionally, applying the proposed informational requirements to all carriers is clearly unnecessary and could be unworkable in practice. First, TOCSIA already requires all presubscribed OSPs at aggregator phones to make rate information available to consumers on request.¹⁰ Additional information requirements imposed on all 0+ calls

⁸ SFNPRM, ¶ 15.

⁹ Id., n.22.

¹⁰ Section 226(b)(1)(C).

will slow call processing for consumers and carriers alike, and it will add to the access costs of every OSP, irrespective of the costs of developing notification systems that do not currently exist. Moreover, OSPs are not able to determine whether a customer has dialed a call using the "0+" code or a 10XXX access code, because LECs often strip the "10XXX" prefix on calls dialed using such codes. Thus, OSPs cannot accurately determine which calls are placed using the 0+ prefix, and they would be forced to inconvenience even those consumers who specifically dialed their 10XXX access codes.

Finally, whatever informational tariff filing rules the Commission decides to impose on smaller OSPs, there is no basis to require AT&T to follow different tariffing procedures for its operator services calls than for its other interstate calls. Accordingly, the Commission should apply the same permissive detariffing rules to AT&T's operator services as it applies to AT&T's other services pursuant to its ongoing proceeding in CC Docket No. 96-61.¹¹

¹¹ Policies Concerning the Interstate, Interexchange Marketplace, FCC 96-123, released March 25, 1996. AT&T incorporates by reference herein its comments (filed April 25, 1996) and reply (filed May 24, 1996) on the tariff forbearance issue in that docket.

CONCLUSION

For the reasons stated above, the Commission should adopt rules consistent with AT&T's comments herein.

Respectfully submitted,

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July 17, 1996