IV. MAJOR INCONSISTENCIES BETWEEN PROPOSED COMMISSION RULES AND CONGRESSIONAL LANGUAGE AND INTENT

A number of the Commission's proposals and comments are at odds with the balance and language adopted by Congress, and the intent of Congress as evidenced by the legislative history. The parties affected by these rules deserve to have valid, clear, precise, and effective rules under which to operate. Failure of the Commission to follow the direction of Congress will result in unclear rules which are impossible to interpret or enforce, and may result in the appeal, stay or reversal of any rules adopted by persons recognizing that the statutory scheme has not been followed.

A fair reading of the Commission's NPRM indicates that the Commission has a particular mission or purpose in mind which is not consistent with the delicate balance considered and adopted by Congress. This may reflect the Commission's inability to distance itself from solutions considered in the past and embracing the new approach adopted by Congress. Where Congress has clearly liberalized the various means by which information services can be accessed and billed, the Commission seems to restrict those methods even further. Where Congress has provided significantly more emphasis on full and informative disclosure, the Commission seems to have ignored that mandate and purpose and not adopted proposed rule changes which clearly effectuate Congress' intent.

Pilgrim supports the efforts by the Commission to anticipate future competitive moves which may be made in the

industry, and to uniformly apply the requirements and restrictions under the Act and the rules to all calling patterns and billing mechanisms. In doing so, however, the Commission should explicitly recognize that these new restrictions and requirements will apply to all information services, regardless of the nature of the service provider or the content provided, including those of the various LECs and other carriers which are discussed below.

A. Written Requirement; Section 64.1501(b)(1)

In the proposed Section 64.1501(b)(1), the Commission considers the nature of the "written" requirement component of the presubscription agreement exceptions. The Commission is proposing to institute an "execution" requirement that was explicitly rejected by Congress. The NPRM states in paragraph 42 that "all presubscription agreements...be executed in writing." Again, at the end of paragraph 42, the Commission requests comments upon whether these agreements are "valid commercial instruments." Finally, in the proposed rules, the Commission refers to a "legally competent individual" and the "execution" of the written agreement.

As noted in the discussion of legislative history, Congress explicitly considered requiring that agreements be executed by the consumer to be charged for the call. Congress decided that, so long as a written agreement is delivered to the customer, the extensive notice provisions of the Act, which are

new, are satisfied. As noted by MCI in its comments to Sen. Harkin's office, the signature of an individual does not signify anything, does not demonstrate legal competence and only burdens the system. The best test for legal competence is the use of a calling card or the issuance of a check.

B. Listing of Telephone Number; Section 64.1510 (c)(2)

As proposed, Section 64.1510(c)(2), would require that the "phone bill shall ... [c]learly list the 800 or other toll-free number dialed" when a subscriber elects to pay by means of a phone bill for any information service billed pursuant to Section 64.1504(c)(1)(vi).[11] This requirement may have unintended consequences which could be harmful to consumers and carriers.

The apparent intent of the rule is to provide consumers adequate information on their phone bill about information services billed. While a laudable goal, the rule as adopted actually defeats that goal, and thwarts carriers' efforts to provide adequate information in many important circumstances. The proposed rule may also foreclose the use of 800 number access, a result expressly contrary to the very wording of the Act.

Carriers should be permitted to place the number and information on the bill which most clearly conveys to the

[11] Pilgrim notes that this restriction only applies to charges levied on a local telephone bill pursuant to a presubscription agreement, and not to those levied by the use of a calling card after accessing an 800 number.

consumer the exact nature of the service purchased. As toll free numbers are generally toll free, and the consumer is not being charged for access to that number, but for purchasing a service, placing the 800 number on the bill will only cause more confusion. As an alternative, the Commission should adopt a rule which provides more meaningful consumer information and carrier flexibility. As set forth at the end of these comments, the Commission should require that the carrier clearly display information about the service billed in the technically feasible manner most likely to promote consumer understanding of the service billed and the identity of the service provider. The identifying information should be set forth in a location separate from local and long distance telephone charges.

In addition, many LECs do not permit the placement of an 800 number in this part of the bill field, thereby preventing billing under this option at all. The adoption of requirement that is prohibited in practice would violate Congressional intent. In the alternative, the Commission could order the LECs to bill these calls as required by the statute and Commission's rules.

C. Requiring Pre-Existing, Delivered Calling Cards; Section 64.1501(b)(2)(i)

The proposed rule at Section 64.1501(b)(2)(i) appears to require that calling cards to which information services are billed are both pre-existing and delivered prior to being able to be used by a consumer. These requirements are contrary to

consumer preferences, widespread industry practice, the intent of Congress, and, in practice, will prohibit the delivery of many common and valuable information services.

As an initial matter, an enhanced information service provider cannot enforce or verify that a calling card is preexisting and has been physically "delivered." In fact, some calling cards issued by legitimate issuers do not fulfill the proposed requirements that a calling card be pre-existing or that an actual calling card be delivered. Pacific Bell, for instance, offers its customers the choice of whether or not to receive a newly issued Calling Card in the mail. The customer may choose to receive or not to receive a plastic card in the mail. Carriers would have no way of knowing if any particular Calling Card had been issued in a tangible form or not, and would have no way of knowing if delivery had been made.

In addition, this provision is incorrectly included as another type of presubscription or comparable arrangement. The calling card exception is a separate exception from the presubscription exception, and is subject to different rights and responsibilities. This proposed rule amendment is directly contrary to the statutory scheme and would be invalid on its face if adopted. Rather than attempt to amend its rules by patchwork, the Commission should scrap the proposed rule revisions and adopt revisions consistent with the statutory language and Congressional intent.

The Commission should rely on the detailed statutory

definitions, prohibitions and authorizations unless and until the new system of regulations, authorizations and new consumer protections proves inadequate. The wording of the statute itself, referring to a code, does not require delivery of a physical "calling card." In any event, to the extent that carriers are willing to accept the risk of charge denial for charges made to cards prior to card delivery, if any, carriers should be permitted to undertake that risk.

V. ADVANTAGES OF ASPECTS OF CURRENT SYSTEM

A. Benefits of 800 Number Access and Billing

The provision of information services over 800 numbers also offers other significant advantages to consumers not available over 900 numbers. Initially, 800 information services provide consumers the opportunity to shop through the services before making a decision whether to buy. In fact, in many instances, consumers can shop over the 800 number for free as long as they like and even disconnect without ever incurring any charges.

In contrast, when information services are provided over 900 numbers, consumers are usually required to make a snap purchase decision almost immediately after dialing the number without any opportunity to peruse, consider terms and conditions of the service and terminate the call without incurring any charges.

Information services dialed over 800 numbers and billed to a calling card also afford the consumer a very clear moment of purchase. The consumer, upon disclosing the card number, makes a clear and conscious decision to purchase the information service and knows the moment in which the consumer moves from the shopping to the paid mode. In the context of an 800 call, the moment of purchase is much better defined than in a 900 call context, in which the rules require only a brief preamble and a beep tone.

B. Instant Calling Cards Are Increasingly the Standard in the Industry

An impressive array of carriers, local and long-distance, issue calling cards instantly, or nearly instantly, over the telephone. Calling cards are being sold and issued by increasingly diverse means and are being made available to consumers with increasing speed and convenience. Calling cards are now distributed through retail distribution, electronic distribution, and conventional issuance of a card number to a customer by a carrier over the telephone. Calling cards come in pre-paid form. Post-paid and new combination forms have been discussed in the industry. Some are billed to the telephone subscriber's line, some are billed to credit cards, some are billed separately.

Carriers have invested vast sums in the information systems necessary to support increasingly rapid fulfillment of customers' needs, including rapidly issuing calling cards and

monitoring and controlling calling card usage and fraud.[12] Carriers compete heavily on the ability to rapidly fulfill their customers' needs, including providing Calling cards on demand.

Pacific Bell, for example, has installed a system promoted as Pacific Bell Quick Service, which purports to offer customers a rapid automated system for obtaining calling cards, making changes in custom calling features, blocking features, and so on. US West, Pacific Bell, AT&T and many other carriers are able to issue Calling card numbers to customers nearly instantly, over the telephone. All of these carriers, and probably many others, are able to issue new calling cards over the telephone when the customer dials an 800 number to make a request. Pacific Bell's Quick Service offers customers the ability to request a calling card through a completely automated voice response system reached by dialing an 800 number.

These are valuable consumer conveniences. The Commission should not interfere with these practices unless and until a need arises in the environment of the new requirements of the 1996 Act.

VI. ADDRESSING UNDERLYING DEFICIENCIES IN THE SYSTEM

A. 900 Number Patterns - Blocking as Consumer Protection

Previously, it seems to have been the attitude of the

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[12] Against this backdrop, Congress specifically authorized calling card billing for information services accessed via toll-free numbers.

Commission to require, as much as possible, all information service calls to be placed over 900 numbers. There is one particular aspect of 900 numbers that does meet most of the requirements and concerns of Congress and the various parties to these proceedings -- the ability of consumers to block access to the services, and to therefore avoid charges to their home telephone.

The ability to access blocking is of great benefit to carriers, and services providers as well. Unfortunately, the blocking for 900 access is not accessible to any party other than the local exchange carrier serving the customer. Unlike other types of blocking, such as collect, long distance or third party billing, 900 blocking cannot be accessed over line information database (LIDB) lookup by carriers and others.

Until 900 blocking information is available to all carriers, LECs will continue and guarantee their monopoly over 900 number access and billing. It is necessary both for expanded consumer protection and equal competition to make 900 blocking information available to all carriers, and to allow all carriers access to this information.

The consumer protection goals envisioned by Congress and the Commission will be furthered by inclusion of 900 blocking information in LIDB. Such access would permit all carriers and service providers to check this listing to determine whether to extend credit or permit access, regardless of the dialing pattern used. Such access also would permit the Commission to require

polling for 900 blocking in LIDB prior to connecting a party to an information service. The polling could be done for the originating line if presubscription is being used, or could be on the line indicated on a line based calling card. At a service provider's option, this line also could be polled by credit card and debit card issuers to assist in fraud prevention.

B. Deficiencies of 900 Service -- A Culprit in Rule Evasion

Contrary to the Commission's suggestions in the NPRM, the new methods of providing information and enhanced services using dialing patterns other than 900 numbers are not substantially motivated by a desire to deceive the public. The changes in calling patterns are driven by the deficiencies of the 900 dialing and billing system itself, deficiencies caused in large part by the LEC's refusal to share information, and exercise of unreasonable control over billing and collection.

When 900 number billing is processed by the LECs, the LECs consistently charge substantially higher rates for 900 transport and billing and collection services than for equivalent 800 and other transport and billing services.[13] A number of carriers, most notably Southwestern Bell, aggressively invoke

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[13] Pilgrim is requesting that the Commission grant it permission under Section 0.457 and 0.459 of the Commission's rules to provide confidential information to the Commission on the comparative cost of transport and billing and collection for 900 and non 900 services so that the Commission can appreciate the scope of this problem.

content review restrictions on offerings of competitive carriers and service providers, and use the result of content review to deny billing and collection and other services on a discriminatory basis.

Many carriers and service providers also believe that the LECs engage in anticompetitive activity by permitting a number of dialing and billing patters over their own networks for a variety of information services, some of which are discussed in detail below, while denying the same level of service to competing carriers and service providers for equivalent services.

These problems are only part of the reason why carriers and service providers attempt to avoid the use of 900 numbers and naturally migrate to other dialing patterns. Due to the extensive negative press surrounding 900 service, there is a stigma attached which naturally causes many callers to not want to dial a 900 number regardless of the nature of the service the customer desires to access.

Perhaps most importantly, 900 services can generally be accessed only from a caller's own home telephone. Only through the provision of information services by 800 or other generally accessible numbers with a line-based calling card can a customer regularly gain access to information services and have them billed to their home phone. This is especially important for a variety of telemessaging, voice store and forward and teleconferencing services likely to be used by persons travelling on business, and which are inaccessible over 900 numbers from

hotels and pay phones.

Congress' creation of yet another means of providing information services over toll free numbers evolved, in part, due to a recognition of the problems associated with 900 number services, as indicated by industry trends driving carriers and service providers to other dialing options. Congress also specifically wanted to avoid foreclosing the use of 800 number access for other traditionally non-free services such as IXC access and the sale of products and services over 800 numbers.

C. Any Rule Requiring 800 Numbers be Displayed On Phone Bill for Information Services Must be Accompanied by an Order Requiring LECs to Provide Billing and Collection Service for IXCs in the Required Format.

Most LECs billing and collections contracts flatly prohibit the type of billing required by §64.1510(c)(2). Any rule which requires carriers and service providers to use this billing format must also be accompanied by an order which requires LECs provide billing in the required format on a content and message neutral basis. Absent such a companion order, the effect of the rule will be to bar smaller and mid-size carriers and service providers from offering this type of information service at all while giving LECs and the very largest carriers a great competitive advantage.

VII. CONFLICTS WITH PRACTICES OF COMMON CARRIERS

Several of the Commission's proposals also interfere

substantially with the current practices and offerings of carriers, and will require major changes in the offering of information and enhanced services. Pilgrim provides a discussion of various individual carrier offerings and the probable impact of the proposed rules, and demonstrates that the services discussed below would be either completely prohibited or greatly restricted and lose much of their utility. As the proposals in the NPRM are neither mandated nor necessary to effectuate the intent of Congress, Pilgrim further urges the modification of the Commission's proposal.

A. AT&T True Messages

AT&T True Messages service may be accessed by dialing 1-800-CALL-ATT, 1-800-321-0288, 10ATT+, and a variety of other toll-free network access numbers. The service may be selected by the consumer by dialing menu option "#123". The service provides recording, storage, retry and delivery of voice messages and related services, all accessed by dialing an 800 number. AT&T True Messages service is typically billed to a calling card.

AT&T True Messages is an information service often billed to a calling card. Section 64.1501(b)(2) would restrict AT&T with respect to which calling cards could be accepted. Many carriers issue calling cards over the telephone, often instantly or with activation before delivery, which cards would not be available for use in charging calls to this service. As AT&T

would not be able to verify whether each card used by a caller had been issued in compliance with the proposed rule, AT&T will be unable to provide True Messages Service in its present form. This fact could force AT&T to eliminate or greatly restrict the use of this service.

The requirements of Section 64.1510(c)(2) could also interfere with the offering of this service. If AT&T were required to display True Messages charges on the phone bill as a call to a network access number such as 1-800-CALL-ATT, or worse, to 10288, significant consumer confusion could result, especially as it may become increasingly difficult to distinguish between the variety of services offered by AT&T, or other carriers access through an AT&T provided 800 access number.

B. AT&T Alliance Teleconference Service

AT&T Alliance Teleconference service may be accessed by dialing such numbers as 1-800-232-1234, 1-800-544-6363 and other numbers. A consumer generally dials an 800 number, requests service, provides AT&T with the telephone number to be billed and receives a return call from AT&T at the phone number to be billed. AT&T provides the consumer with another special 1-800 number and a PIN to be used to access the teleconference. The consumer hangs up, dials the new 800 number, enters the PIN, and joins the teleconference. The charge is billed to the telephone number as requested by the consumer.

The PIN issued by AT&T is instantly issued, has not

been mailed to the consumer, and, by its very nature and intent is not pre-existing. The requirements of proposed Section 64.1501(b) could seriously harm AT&T's ability to provide this valuable service.

Proposed Section 64.1510(c)(2) could interfere with this service as well. Requiring AT&T to display the 1-800 access number for the service would not necessarily improve consumer understanding of the charges, and could promote greater misunderstanding. The consumer is not, after all, charged for a call to an 800 number. The consumer is charged for the teleconference service.

Additionally, if AT&T were required to display "the 800 or other toll-free number dialed", which 800 number would AT&T be required to display? The first 800 number used to request service, or the second 800 number dialed to be connected?

For network security reasons, AT&T may very well prefer the 800 number dialed be used once and forgotten by the consumer. AT&T might prefer to increase network security by using a variety of temporary 800 numbers which, when combined with the PIN, allow AT&T to more accurately confirm the identity of the party using the service, while allowing the consumer the convenience of an abbreviated PIN. Thus, the 800 number dialed could be useful and meaningful only at the time of the call, and could have no meaning or use when the consumer is reading the phone bill.

Consumers would be best served if carriers offering this and similar services were required to find a means to put

something more meaningful than an 800 number on the phone bill. For example, AT&T could display a 700 number (which Pilgrim believes it does now for this service in most regions) along with explanatory text in the city field such as "TELECONF SVC".

C. NYNEX Time and Weather Recordings

NYNEX provides Time and Weather information on such numbers as 637-1234 and 936-1234 in the 617 area code. Pilgrim is aware of studies that demonstrate that consumers perceive these and similar services as toll free, which can be a valuable advantage for NYNEX. Clearly these numbers are NOT toll-free for many callers. Even though not toll free, these calls are typically not itemized on a caller's phone bill, unless placed through an IXC or charged to a calling card.

Calls to these numbers might be prohibited entirely by the new rule, unless billed to a pre-existing, delivered calling card. If the service is permitted in its present form, but IXCs cannot offer similar services billed to certain types of calling cards, a serious competitive imbalance exists.

Additionally, to avoid compounding this competitive imbalance, LECs must be required to bill all permitted information services for all other carriers. While charges for these calls are the same as any other calls to the central office where the service is provided, the company pays outside vendors to create weather forecasts and other information provided.

Pilgrim does not question the propriety of NYNEX's

service offering in any way. In fact, these services provide a valuable public service. NYNEX earns revenue on these services and uses a portion of the revenue earned to provide the service. However the service as provided would appear to violate the requirement of proposed §64.1510(c)(2), and would fall into the per se definition of information services pursuant to paragraph 48 of the NPRM. Imposing the new requirement would substantially increase NYNEX's cost for providing the service, and would likely result in substantially increased costs to consumers.

1. NYNEX Service Illustrates Serious Competitive Imbalance Between LECs and IXCs in the Provision and Billing and Collection of Information Services.

When LECs are permitted private dialing patterns for information services which are widely perceived to be toll-free and which are available only to the LEC itself, a serious competitive imbalance exists. IXCs seeking to provide information services accessed via 800 numbers face a myriad of LEC-created impediments, not the least of which is the flat refusal of many LECs to provide Billing and Collection service for this Congressionally approved service. At the same time, many LECs afford themselves the opportunity to bill consumers for information services on shorter, more convenient, 3-digit and 7-digit dialing patterns which are perceived as free calls.

Rules which purport to protect consumers regarding use of these information services are only meaningful if equally applied and if they afford both IXCs and LECs the same options

for providing service, including billing options. The Commission should adopt rules clarifying the requirement that LECs provide IXCs all billing services permitted under Commission rules and the 1996 Act, on a content and service neutral basis. Without such protection, it would be reasonable to assume that LECs will continue to provide themselves with various options for billing information services while refusing billing for similar services to IXCs.

2. Proposed Rules Create a Technically Infeasible Requirement on IXCs

The revision to Section 64.1501(b)(2), as proposed, would impose a technically infeasible requirement on NYNEX and all interconnecting IXCs to block all calling card calls to these information numbers. Any calling card call to one of these numbers would be in violation of the proposed rule. As a consequence, carriers would be required to identify all similar LEC operated plain old telephone service (POTS) numbers and block calling card calls to those numbers. Many carriers do not have the technical ability to perform this task, even if the requirement were economically feasible.

D. Bell Atlantic/NYNEX Mobile Info Assist Service

Bell Atlantic/NYNEX Mobile offers an information service called Info Assist which can be reached by dialing 411. While 411 is traditionally used for directory assistance, and to the best of Pilgrim's knowledge, is still free and/or perceived

as free in many parts of the country, Info Assist service offers much more.

Bell Atlantic/NYNEX Mobile customer service describes the service this way: "Info Assist is an Enhanced Information Service provided for Bell Atlantic/NYNEX Mobile through New York Telephone." The service offers standard directory assistance, call completion, Yellow Page search service, movie listing service, sports scores, local event information including costs, times and locations, restaurant guide service, and connections to traffic information service.

There is a special per-call charge for the service, plus the standard per-minute calling charges. The service is described by Bell Atlantic/NYNEX Mobile customer service as being offered "without pre-subscription".

Info Assist is a valuable service, but its provision in connection with proposed rules raises questions about whether LECs will be assisted by the Commissions' proposed rules in providing information services such as Info Assist over special dialing patterns widely perceived to be toll-free, and in providing themselves billing and collection service for these services, all while refusing similar dialing patterns and billing services for IXCs.

Under the proposed rules, Bell Atlantic/NYNEX Mobile might be prohibited from offering the service in its present form. If the service is permitted in its present form, but IXCs cannot offer similar services billed to certain types of calling

cards, a serious competitive imbalance exists. To avoid compounding this competitive imbalance, LECs must be required to bill all permitted information services for all other carriers.

E. Pacific Bell Local Exchange Numbers in Directory

Similar to the NYNEX offering discussed above, Pacific Bell (and other LECS) advertise a large number of locally dialed information services offered over the LEC network. Carriers face the same blocking difficulty to the extent that callers attempt to reach these numbers through the use of calling cards. In addition, as Pacific Bell is operating as the advertiser, information service provider and transport and billing company, all calls to these numbers which incur a charge of any type to the caller's telephone bill would per se be in violation of the Commission's proposed rules, as previously discussed.

F. Southwestern Bell Telephone Company

Southwestern Bell is cited in the NPRM as providing the Commission with examples of "Services seeking to exploit the TDDRA's tariffed services exemption".[14] Southwestern Bell itself provides a wealth of information services for which tariffed charges apply, including Time at 210-226-3232, and Weather at 210-737-1400. As Southwestern Bell apparently advertises for these services, these would fall under the per se definition of information services.

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[14] See NPRM at 9.

The Commission's proposed rules would seem to have the effect of either granting LECs an exclusive franchise in this sort of information service, or of prohibiting Southwestern from offering these services. If the service is permitted in its present form, but IXCs cannot offer similar services billed to certain types of calling cards, creating a serious competitive imbalance.

G. Telemessaging Services

LECs, IXCs and others offering Telemessaging Services would be greatly limited in offering certain consumer convenience features under the proposed rule requiring pre-existing delivered calling cards.

Telemessaging providers may wish to provide their customers such features as toll-free remote message access for dialing convenience away from home. Charges might apply to the home phone for use of the remote access features, or for use of other features such as Message Reply, Message Forward, Call Return, Call Completion, and other services. The proposed rule could eliminate many of these convenience features, or greatly limit the methods by which a consumer could sign up for or elect to use these features.

H. Other Information Services

1. Southwestern Bell Voice Dial Service

Southwestern Bell offers a service called Voice Dial

which allows a customer to pick up the telephone and say the name of the party they want to reach. There is a monthly and a per-call charge for this service. The service may be ordered over the telephone, and there is no written contact with the customer.

The service is offered at a point in time in the process of completing a call that is certainly perceived as toll-free, namely at the dial tone. If an IXC wanted to offer a similar service (as, for example, Sprint's Voice Activated Phone Card), it would be necessary for a customers to dial an 800 number prior to speaking their request. The service causes the customer to be billed for an information service without dialing any special access code, without a written pre-subscription agreement, and without a calling card.

The service would appear to either be offered in violation of current and proposed information service rules, or in the alternative, is offered in compliance, but in such a way that the LEC alone is able to offer the service in compliance. Even if the service complies with current and proposed rules, no IXC could offer a similar service. An IXC customer would have to dial a toll-free access code to gain access to a carrier's network. The proposed regulations could make it impossible for a customer to gain access to this service without a written pre-subscription agreement, which would be a significant competitive disadvantage for an IXC as compared with Southwestern Bell.

2. Internet Charges

Internet service access providers permitting a caller

to acquire internet access and have the charges appear on the caller's monthly bill would be prevented from doing so if the proposed rules are enacted, unless arrangements are made in writing.

VIII. CALLING CARD ISSUANCE PROCEDURES

As noted above, Congress set forth very specific requirements for the two permitted methods of providing information services via 800 numbers, with billing to a phone bill. The first one requires a written, including electronic, record of the terms and conditions to be sent to the consumer, but explicitly does not require execution of that agreement. The second permits credit card and calling card charges, but only so long as there is a detailed disclosure of the terms, conditions and costs prior to a charge being levied on each call.

Congress did not place a pre-existing agreement or written requirement on calling cards in its new definition of calling cards, and did not even reference the truth in lending requirements that appear in Commission rules. The only requirement adopted by Congress is that a code or number is issued, not that a card be issued.

Pilgrim submits that Congress recognized that the issuance of calling cards, even instant calling cards, is a common practice in the industry as noted herein, and that as competition for customers and new services increases, and pressures of the electronic marketplace dictate, such issuance of

calling cards and credit cards will be even more prevalent. What Congress appears to have intended is to require full disclosure of all the costs, terms and conditions prior to any charges being levied, and otherwise levying the entire risk of the transaction on the card issuer.

While it may be an advisable practice to issue an actual card under some circumstances, the issuer should be permitted to extend credit under the card, using its considered credit granting and fraud control mechanisms. Card issuers should be permitted to assume the risks, if they so choose, of extending credit under a card immediately upon its issuance. Issuers bear the substantial risks of non-payment for information service and other calls charged to a card, and have every incentive to responsibly issue cards and control their use.

Pilgrim also observes, as is apparent from MCI's comments provided to Senator Harkin's staff during consideration of the Congressional amendments, even the written signature of a consumer is no assurance of the legal competence of the individual. It would seem that the highest level of consumer protection, therefore, is to place the card issuer at risk of non collection unless and until full payment is made, so long as the customer has adequate notice of the protection they have under the statute.

IX. SPECIFIC SUGGESTED RULE LANGUAGE

Pilgrim submits the following rule changes which it

believes are fully consist with the statutory language and legislative history of the changes to Section 228 of the Communications Act, and as supported and recommended herein.

A. Access to 900 Blocking Information

Add to Section 64.1508 a new subsection (d) to read as follows:

> (d) Local exchange carriers, as soon as technically feasible, but no later than sixty (60) days from the effective date of this rule, shall make available 900 blocking requests as a separate line item in the line information database (LIDB) associated with every line in the local exchange carrier's system.
>
> > (1) Local exchange carriers must provide the access described in this section on a non-discriminatory basis to all interexchange carriers, other carriers and information service providers on an equal and non-discriminatory basis.
> >
> > (2) The rates, terms and conditions attendant to permitting access to the 900 blocking LIDB information shall be included in the tariffs of the carriers on file with this Commission.

B. Requirement for 900 LIDB Lookup

Add to Section 64.1510 a new subsection (d) to read as follows:

> (d) Any common carrier that provides access, billing or collection to itself, any other common carrier or information service provider must provide access and billing and collection, on a content neutral, service neutral and non-discriminatory basis, to any common carrier, service provider or other party, that performs a LIDB lookup for 900 blocking requests for all information service calls made on any dialing pattern permitted by law and Commission rules.

C. Calling Card Issuance Procedures

Add to Section 64.1510 a new subsection (e), to read as follows:

> (e) Calling card means an identifying number or code