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COMMUNICATIONS

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September 13, 1996

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Hon. William F. Caton
Acting Secretary
Office of the Secretary
Federal Communications Commission
Washington, D.C. 20554

RE: CC Dockets Nos. 96-146 and 93-22
Reply Comments on Proposed Rulemaking

Dear Secretary Caton:

Enclosed please find ten copies of the Reply Comments of Starlink Communications, LLC, in response to the Notice of Proposed Rulemaking, released on July 11, 1996, in the above-referenced proceedings.

Sincerely,

Jonathan R. Celniker
Staff Counsel

Enclosure

cc: Ms. Mary Romano (with diskette)

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List ABCDE

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Before the Federal Communications Commission
Washington, DC 20554

In the Matter of:	)	CC Docket No. 96-146
	)	
Policies & Rules Governing Interstate Pay-Per-Call and Other Information Services Pursuant to the Telecommunications Act of 1996	)	
	)	
In the Matter of:	)	CC Docket No. 93-22
	)	
Policies & Rules Implementing the Telephone Disclosure and Dispute Resolution Act	)	

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REPLY COMMENTS OF STARLINK COMMUNICATIONS, LLC

Starlink Communications, LLC ("Starlink") is in the business of reselling long distance telephone services to other carriers, service bureaus, and to the general public. Starlink provides Toll Free, 1+, Calling Card, Debit Card, 500 and 900 transport services, and data services for its customers. Starlink is a fast growing and innovative player in the telecommunications industry.

Starlink is committed to providing its customers, both other carriers and the general public, the best possible telecommunications services available. That is why Starlink generally supports the Federal Communications Commission's ("FCC") dedication towards providing end users of audiotext services effective consumer protection against confusing and misleading business practices. The FCC's application of the consumer protection rules for audiotext should and can be applied to all forms of audiotext services, regardless of dialing pattern, in order to ensure that consumers knowingly receive sophisticated telecommunications services at the lowest possible price.

Starlink seeks to comment on three specific issues raised by other Commentators: (1) measures by which the FCC and others in the industry can take to reduce consumer confusion about the audiotext industry and thereby minimize non-collectibles; (2) how the audiotext industry itself can take steps to protect consumers; and (3) the FCC should not unfairly burden resellers of long distance telephone service with the risk of non-collectibles when facilities based carriers, and not resellers, control the means by which to minimize the risk of non-collectibles through audiotext blocking.

I. The FCC Must Take Greater Steps Towards Permitting Consumers to Block Audiotext Services, Minimize Misleading Business Practices, and Reduce Non-Collectibles.

Starlink's primary goal with audiotext reform is to structure the industry in such a way as to maximize consumer protection against misleading business practices. Accordingly, Starlink wholeheartedly supports those Commentators who advocate measures which empower consumers to control or limit access to unwanted audiotext services. Specifically, Starlink supports initiatives that would: (1) apply existing consumer protection rules to all audiotext services, regardless of dialing pattern; (2) require all calls to information services, regardless of dialing pattern, to screen such calls against a database of numbers that have requested blocking to such services; (3) require all calls to information services, regardless of dialing pattern, to screen such calls against the Local Exchange Carrier's Line Information Data Base to ensure that such calls are not being generated from hotels, pay phones, and other public or semi-public locations; and (4) require consumers of information services to input the last four digits of their telephone from which they are calling to ensure proper screening of PBX and other complex telephonic systems which may not currently be able to screen such calls directly. Starlink also supports those Commentators who have advocated 900 number portability.

II. A Voluntary Rating System for the Audiotext Industry Would Help Consumers Make Rational Decisions about Audiotext Services.

In addition to the steps outlined above, Starlink believes that the industry itself has a duty to take certain steps to assist consumers with making rational decisions about their audiotext options. Specifically, Starlink believes that the audiotext industry should voluntarily rate each service in terms of its content. The system could imitate similar systems used to rate the degree of potentially offensive content and be modeled after similar ratings systems used in the context of the movie, television, and video game industries. Obviously, such a system would have to be specifically designed for the audiotext industry and apply to all audiotext services, regardless of dialing pattern.

An effective ratings system would benefit both consumers and the audiotext industry as a whole. Consumers would benefit because the ratings would warn them of potential services that they would otherwise find offensive; yet at the same time permit consumers to access those services which they would find informative or otherwise useful. Given technological innovation, consumers could block certain audiotext services at the Local Exchange Carrier level which they deemed offensive; while at the same time preserving access to those audiotext services which they deemed beneficial. Moreover, a ratings system empowers parents to decide for themselves which type of audiotext services they want their children to have access to; without losing the option of accessing other audiotext services or relying on the government to make such decisions for them. In fact, a voluntary rating system of audiotext services has the added benefit of obviating the need for the FCC or Congress to enact rules which would have the potential effect of chilling constitutionally protected speech.

The audiotext industry itself would benefit from a voluntary rating system of audiotext services. If consumers are able to take preventative measures against certain audiotext services, but permit access to other audiotext services, then the need for consumer protective rules would be minimized. For example, in the context of the motion picture industry, parents can effectively prevent their young children from going to see movies with an 'R' rating. In those rare instances when a young child sneaks into the theater to see a movie with an 'R' rating, parents cannot realistically demand the purchase price of the theater ticket back from the movie house. The same situation exists with audiotext. If parents can effectively control access to audiotext services because they believe that the content is inappropriate for their children; yet still incur charges for audiotext services for which they legitimately requested, parents should not be permitted to refuse to pay for such charges. Consumers have the obligation to pay for those services which they have legitimately incurred. A voluntary rating system, along with certain innovations in technology, would help achieve the twin goals of empowering consumers to choose which types of audiotext services they wish to have accessible, while at the same time minimizing the risk of unfair surprise when they receive bills for those audiotext services they have legitimately requested and enjoyed.

III. Since Facilities Based Carriers Control the Means by which to Minimize Non-Collectibles, They Should Bear the Burden of Non-Collectibles.

Typically, the party that controls the means to minimize risk carries the burden of suffering that risk. Despite this general rule, the Proposed Rules do the opposite. As Excel Telecommunications, Inc. ("Excel") thoughtfully explains, one of the effects of the FCC's Proposed Rules is that resellers will have to absorb greater costs through noncollectible bills than facilities based carriers, even though facilities based carriers control the means by which to

minimize those uncollectibles through audiotext blocking. This is both an unfair and unreasonable allocation of risk that the FCC must avoid.

The FCC's Proposed Rules provide consumers with greater protection against misleading business practices by requiring better disclosure of audiotext related bills. The effect of this disclosure will be an increase of noncollectible bills generated by audiotext content providers. Resellers, however, will be placed in the unfortunate position of still having contractual obligations to the facilities based carriers for the traffic generated by audiotext providers despite the fact that resellers have not received the related revenue from the nonpaying consumer. Should the facilities based carriers still demand full payment for services rendered to resellers under these circumstances, the burden of noncollectibles will rest entirely on resellers. This is an unfair consequence of the Proposed Rules because resellers do not have the capability to block audiotext services directly or limit customer access to such services. Only facilities based carriers currently enjoy the ability to block unwanted audiotext services. Accordingly, Starlink wholeheartedly agrees with Excel's recommendation that the FCC should make clear that facilities based carriers are prohibited from collecting from resellers charges which represent calls to audiotext providers for which the resellers themselves are unable to collect.

IV. Conclusion

Starlink believes that the FCC has taken a step in the right direction towards protecting consumers from misleading business practices in the context of audiotext services. However, the FCC can take greater steps to empower consumers to decide for themselves how they wish to enjoy audiotext services. That is why Starlink encourages the FCC to initiate a Rulemaking proceeding to invite public comments about the issues first raised by 900 Capital Services, Inc. in

its November 7, 1995 Petition.[1] The November 7, 1995 Petition is attached as Exhibit A. Moreover, the Proposed Rules impose on resellers of long distance services the economic burden of non-collectibles when that burden should fall on the party who controls the means to minimize this risk—facilities based carriers. Starlink encourages the FCC to hone in on these specific issues as it considers audiotext reform.

Respectfully submitted,

STARLINK COMMUNICATIONS, LLC

By: _____

George Holland, President & CEO

Marie Hogan, General Counsel

Jonathan Celniker, Staff Counsel

[1]. *See* In the Matter of 900 Capital Services, Inc. Petition for Rulemaking to Govern Audiotext Services Offered via Dialing Prefixes Other Than 900, filed November 7, 1995.

DUPLICATE

Before the
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, DC 20554

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In the Matter of	)	
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900 Capital Services, Inc.	)	RM No.
	)	
Petition for Rulemaking to	)	
Govern Audiotext Services Offered	)	
via Dialing Prefixes Other Than 900	)	

RECEIVED
NOV 7 '95
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

PETITION FOR RULEMAKING
TO GOVERN AUDIOTEXT SERVICES OFFERED VIA
DIALING PREFIXES OTHER THAN 900

Pursuant to Section 1.401 of the rules of the Federal Communications Commission ("FCC" or "Commission"), 47 C.F.R. § 1.401, 900 Capital Services, Inc. ("900 Capital"), by its attorneys, hereby requests the FCC to initiate a proceeding to adopt additional rules governing the provision of audiotext services.[1] The Commission's existing audiotext rules do not apply to any audiotext services other than those originated via a 900 dialing pattern.[2] By this Petition, 900 Capital urges the Commission to apply its "pay-per-call" rules, which are codified at 47 C.F.R. Sections 64.1501-64.1515, to audiotext services reached by means of alternative dialing prefixes such as 10XXX, 809 and 011. 900 Capital believes that the Commission's current rules have been instructive and useful guidelines for the 900 pay-per-call market, and that these rules would be equally instructive and useful guidelines for audiotext services reached via other dialing prefixes.

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[1] "Audiotext" services are also commonly referred to as "pay-per-call" or "information" services.

[2] This limitation is a function of the Commission's definition of "pay-per-call" services, as discussed in Section A.1. herein.

INTRODUCTION

900 Capital is a provider of a wide range of financial services to customers nationwide, as well as a major investor in the telecommunications market. One of 900 Capital's principal telecommunications activities is the short-term financing and factoring of accounts receivable derived from audiotext services. 900 Capital purchases audiotext accounts receivable from information providers, service bureaus and billing companies so that those entities may realize the return of their investment in advance of payment by end users. Through its factoring of hundreds of millions of dollars of audiotext accounts receivable, 900 Capital has acquired a knowledge of and interest in the various types of audiotext calls. 900 Capital is greatly interested in consumer satisfaction and protection in the audiotext business due to 900 Capital's significant financial exposure to chargebacks and uncollectibles.

Based on its experience with the audiotext marketplace, 900 Capital is concerned with the current chaotic state of the audiotext industry and with the manner in which the FCC is currently regulating audiotext services. These services provide telephone users with access to a variety of recorded and interactive information programs,[3] giving telephone users the ability to turn an ordinary telephone into a powerful source of information. Although most audiotext services require no additional equipment, no presubscription, and no special training or knowledge to use, as Congress and the FCC have noted, such services offer tremendous public benefits.

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[3] In most cases, telephone users are charged for accessing these programs. The rates for accessing these programs are different from, and usually higher than, the rates for ordinary telephone calls.

The convenience, low-cost and simplicity of audiotext services are the source of their many public benefits. Unfortunately, these same qualities are also the source of many abuses. These abuses have prompted action by the FCC, the Federal Trade Commission ("FTC") and the Congress. The Telephone Disclosure and Dispute Resolution Act ("TDDRA")[4], coupled with the rules promulgated by the FCC and the FTC pursuant thereto, is one significant example of the Federal government's efforts to protect consumers of audiotext services.

Unfortunately, despite these legislative and regulatory efforts, problems and confusion persist. Consumer concerns again are on the rise -- a fact reflected by increasing number of complaints lodged with the FCC and with the local exchange carriers ("LECs") who bill for many of these calls. Confusion regarding the types of calls that are properly "billable" by a LEC is also prevalent. Hoping to address some of these concerns, the Commission earlier this year convened a public forum to explore ways to address international audiotext problems.[5] However, attempts to deal with consumer issues have produced a patchwork of rules and policies that is both confusing and ineffective and that often burdens legitimate audiotext providers just as severely as it burdens abusers. This has caused legitimate uses to be hindered while abuses continue.

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[4] 47 U.S.C. § 228 (Supp. 1995).

[5] International Bureau to Crack Down on International Dial-A-Porn, Report No. 95-9 (released March 23, 1995).

By this Petition, 900 Capital hopes to persuade the Commission to initiate a rulemaking designed to curb consumer abuses and open audiotext services to the realization of their full potential.

A. Expansion of Current Pay-Per-Call Rules

1. The Commission Should Apply Its Pay-Per-Call Rules to All Audiotext Services, Regardless of Dialing Pattern.

The Commission's existing audiotext rules define "pay-per-call service" as service "accessed through use of a 900 number."[6] Further, "any service the charge for which is tariffed . . . ." is expressly exempted from treatment as a "pay-per-call" service.[7] Together, these provisions prevent the application of the existing audiotext rules to the full range of tariffed audiotext services accessed by dialing patterns other than the 900 prefix.[8]

900 Capital believes that, by limiting the application of its audiotext rules to 900 services only, the Commission has created a significant loophole and has failed to provide any safeguards for audiotext services offered via alternative dialing prefixes. Although "non-900" audiotext services are typically provided pursuant to tariff, the rates for such services are generally higher than those of the dominant carrier. This is the source of concern not only for consumers, but for the audiotext industry as a whole.

The current pay-per-call rules are inadequate to address the complex array of issues and problems associated with pay-per-call services, which include consumer confusion and,

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[6] 47 C.F.R. § 64.1501(a)(3).

[7] 47 C.F.R. § 64.1501(a)(4).

[8] Audiotext services have become generally available through a myriad of other prefixes such as 10XXX, 011 and 809.

in some cases, abuse on the part of consumers as well as information providers. Indeed, the chaotic situation surrounding pay-per-call/audiotext services has provided dishonest individuals with an unparalleled opportunity to defraud information service vendors by either refusing to pay their bill or lying about their knowledge of the calls.[9] Although alternative platforms for audiotext calls are in demand, and most consumers using such platforms are satisfied, the existence of such alternative dialing plans has contributed substantially to the confusion.

Rather than seeking to limit consumer access to audiotext services to 900 dialed calls (an effort which requires too much complex line-drawing to be practical), 900 Capital believes that the Commission should apply its existing rules to calling services that provide access to (i) audio information or audio entertainment or (ii) access to simultaneous voice conversation (*i.e.*, "chat" or "GAB" lines) ***even when*** accessed by dialing patterns other than the 900 prefix. The FCC has authority to do this pursuant to the TDDRA, which defines the term "pay-per-call services" in Section 228(i)(1)(C) as any service "which is accessed through use of a 900 telephone number ***or other prefix or area code designated by the Commission*** in accordance with subsection (b)(5) of this section."[10] Subsection (b)(5), in turn, directs the Commission to enact rules that require services for which a caller pays a per-call or per-time interval charge that is greater than, or in addition to, the charge for transmission of the call, to "be offered only through the use of certain telephone number

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[9] Almost any vendor can provide the Commission with examples of consumers who refuse to pay thousands of dollars worth of information services bills, while continuing to make information services calls every month.

[10] 47 U.S.C. § 228(i)(1)(C) (Supp. 1995)(emphasis added).

prefixes and area codes."[11] Thus, the FCC has been given the authority to designate prefixes in addition to 900 to be used for pay-per-call and audiotext offerings.

2. The FCC's Existing Rules Should Apply to All Information Services, Whether Tariffed or Not.

The Commission should also require all interexchange carriers whose call volumes are derived predominantly from access to audiotext services, or who pay commissions to marketing agents or others for stimulating traffic by advertising access to audiotext services via the carrier's network, to comply with rules required for pay-per-call service even if the service is offered on a tariffed or other basis. Although the Act specifically excludes tariffed services from the definition of "pay-per-call," that provision does not prohibit a rule which requires tariffed calls to information services that are not otherwise "pay-per-call" services within the meaning of the TDDRA to comply with the pay-per-call rules.[12]

Applying the pay-per-call rules to tariffed calls to information services would provide several significant benefits. First, it would extend the protections of the TDDRA to *all* calls to audiotext services, whether or not they fall within the narrow definition of "pay-per-call." Second, it would help end avoidance of the rule by eliminating efforts to devise a service that falls outside the FCC's definition of "pay-per-call" service. Third, it would provide a market benefit for audiotext services by enabling a form of number portability. Thus, although 900 numbers are not transferable from one carrier to another, other access services

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[11] 47 U.S.C. § 228(b)(5)(Supp. 1995). Services offering access to audio information, audio entertainment, and simultaneous voice conversation services also must be offered only through the use of certain telephone number prefixes and area codes.

[12] *See* 47 U.S.C. § 228(i)(2)(Supp. 1995).

permit information providers to switch long distance carriers without switching telephone numbers. For example, 10288-WEATHER could become 10222-WEATHER. Such transferability would facilitate competition in the market for audiotext transport services, and would undoubtedly lower the current 30 cent per minute prevailing price now charged by interexchange carriers for 900 transport by 25 percent or more. Market entry for new audiotext transport carriers also could be opened by this new approach.[13]

This approach also is legally immune from charges that it impinges on the First Amendment rights of callers or audiotext providers. Although efforts to restrict or prohibit the provision of audiotext services altogether would likely be challenged as unconstitutional, the FCC could accomplish its goal of protecting consumers and promoting competition simply by regulating calls to audiotext services uniformly.

B. Additional Audiotext Rules

In addition to expanding the application of the FCC's existing rules to all audiotext services, 900 Capital believes that the Commission should adopt additional rules, as necessary, to ensure that all pay-per-call blocking requests and billing restrictions are applied and honored for all dialing patterns. Specifically, 900 Capital requests that the Commission consider applying the rules set forth below concerning call screening, call handling and call billing to audiotext services regardless of the dialing pattern used to originate the call. These rules will materially enhance consumer protections for all users of audiotext services, and will thus benefit the industry as a whole.

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[13] The many public benefits of 900 number portability are described in the Teleservices Industry Association's Petition for Rulemaking, filed October 18, 1994, RM No. 8535. That Petition requests an FCC rulemaking to implement 900 number portability.

1. Call Screening

One of the most significant problems associated with non-900 calls to audiotext services is how to provide call blocking services to telephone subscribers. Oftentimes, subscribers are businesses that provide access to their telephones to a large number of individuals, and do not want such individuals to have access to audiotext services. Although the LECs have developed a blocking database for 900 numbers, there is no such database of numbers available to information service providers. Thus, there is currently no effective way for a telephone subscriber to prevent access to all information services from his phone.

The TDDRA and the Commission's rules require that the LECs offer blocking, free of charge, to residential telephone subscribers.[14] 900 Capital suggests that the Commission require all calls to information services, regardless of the dialing pattern, to be screened against a database of numbers that have requested blocking to 900 calling.[15] Similarly, these calls would need to be screened against the LIDB billing number screening database to ensure that calls were not placed from hotels, payphones, and other public and semi-public locations.[16] However, exceptions to the screening requirement could be created for calls charged to a valid and verified LEC or carrier calling card, upon presentation and

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[14] *See*, 47 C.F.R. § 64.1508.

[15] 900 Capital made this suggestion in response to FCC's Notice of Proposed Rulemaking on the presubscription of audiotext services offered via 800 numbers. At least some LECs indicated in their responses that 900 Capital's proposal is feasible.

[16] LIDB screening is currently required for operator assisted long distance calling and is an effective deterrent to fraudulent calling.

verification of a valid credit card, or pursuant to valid presubscription arrangements as defined by the Commission.

While screening audiotext calls against the 900 blocking and LIDB databases would eliminate the vast majority of consumer complaints, a third form of screening specific to the problems associated with PBXs also should be required for all non-900 calls to audiotext services. This is needed because some PBX owners, primarily businesses, choose to block 900 access in their PBX rather than through the local telephone company. These entities are not listed in the LEC 900 blocking database and therefore require some separate means of protection. This problem was specifically set forth in the comments of some LECs regarding the FCC's rulemaking on presubscription.

In particular, 900 Capital proposes that, before completing the call, all non-900 number calls to audiotext services that pass the 900 blocking and LIDB screening process also be required to ask the caller to input the last four digits of the telephone from which they are calling. These digits would then be checked against the phone number being transmitted with the call and, if the two sets of numbers do not match, the call would be blocked or transferred to an operator to request alternative billing (*e.g.*, credit card). Because callers from individual telephones connected to a PBX seldom know the actual ANI associated with that PBX, this matching process would screen out nearly all calls from PBX locations -- even if not configured to block 900 dialing. The few instances where this system fails could be rectified by the billing protections described below.

Other than use of the 900 blocking database, which is not currently accessible, 900 Capital has required its clients to employ all of the above-referenced safeguards. In light of

the high level effectiveness that 900 Capital has observed, it concludes that, in combination, they can ensure that the consumer protection afforded by the availability of 900 number blocking will be extended to audiotext services offered by means of other dialing patterns. 900 Capital urges the Commission to adopt rules requiring call screening for all audiotext services. Screening not only protects the telephone subscriber, but also the information services industry by preventing unbillable calls.

2. Call Handling

For audiotext calls which successfully pass the screening process described above, the consumer protections afforded pay-per-call users by the TDDRA should apply. In particular, Sections 228(c)-(f) of the Communications Act[17] should be imposed on all interexchange carriers providing access to audiotext services by means of 10XXX or other transport services *and* on interexchange carriers providing tariffed services which have 15 percent or more of their call value consisting of calls to access information services or which pay commissions to marketing agents or others who advertise the carrier's services as a means of reaching audiotext services.

In addition, by imposing these requirements on all calls to audiotext services, the Commission could ensure that all forms of access to audiotext services, regardless of dialing pattern and whether tariffed or not, would also be subject to the disclosure and advertising requirements of the TDDRA, as reflected in the rules of the FTC.[18] All carriers

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[17] 47 U.S.C. § 228(c)-(f)(Supp. 1995).

[18] Section 228(c)(1) requires common carriers to ensure, through contract or tariff, that audiotext providers comply with the FTC's regulations. 47 U.S.C. § 228(c)(1)(Supp. 1995).

transporting audiotext calls, in whatever form, would be required to demand compliance with the TDDRA from their information provider customers. Any party failing to observe these requirements would be subject to the FCC's enforcement powers under the TDDRA and the Communications Act.

The one significant scenario not covered by this approach is where foreign telephone companies pay commissions to U.S. information providers in order to stimulate calls into the foreign telephone system. These calls can travel on the network of any U.S. long distance carrier, even those that do not pay commissions themselves and whose traffic is not predominantly audiotext. Oftentimes the carrier does not know that the calls are to audiotext services.

900 Capital believes these arrangements can be discouraged by establishment of a screening and blocking process for all calls to known offender locations.[19] For example, all calls to certain locales, such as Sao Tome, could be screened against a database of audiotext numbers advertised in the U.S. with the Sao Tome country code before they are connected. Calls to numbers found in the audiotext database could be blocked or treated as information service calls, with all the attendant screening and mandatory disclosures and billing limitations.

This sort of screening would be similar to that undertaken today by many audiotext providers through services such as those provided by CardTel. A LIDB-like database of unbillable numbers is compiled and maintained to protect against abuses and to reduce

[19] In its April 3, 1995 public meeting regarding "Dial-A-Porn" issues, the International Bureau set forth its list of "offending" countries.

uncollectibles. By including in the database all publicized foreign numbers offering access to audiotext services in the designated countries, and then screening all calls to those countries against the database, the economic incentives of the foreign PTTs and the audiotext providers would be greatly reduced.

3. Billing

The third major element of consumer protection for audiotext callers is in the area of billing and dispute resolution. Consumer confusion often arises when non-900 number calls to audiotext services appear on a telephone bill characterized as 1+ or calling card long distance calls.

Furthermore, if these calls are characterized as a direct dialed or calling card, it is likely that a local exchange carrier may treat these calls as non-deniable, thereby raising consumer issues. The Commission can prevent this problem by directing that all audiotext calls subject to the expanded pay-per-call rules described above, if billed by a LEC, be characterized on the bill as an information service call. In addition to relieving consumer confusion, this action will enable LECs to categorize the calls properly as calls to audiotext services not eligible for disconnection for non-payment ("DNP") treatment. It would also separate such calls for purposes of handling inquiries and ensuring application of the TDDRA standards for dispute resolution. This action would require consistent use of call record identifiers when submitting tapes to LECs for billing and collection. Currently, non-900 calls to audiotext services are processed in a variety of ways depending upon whether the call is made via 809, 10XXX, 011 or otherwise. However, it is 900 Capital's understanding, some LECs are beginning to require audiotext calls to be formatted on a "01016" call record.

This record apparently notifies the LEC that the call is deniable, and therefore prohibits disconnection for nonpayment. Unfortunately, the LECs have not applied this requirement uniformly, and billing concerns continue to arise.

C. Technical Feasibility and Cost

The proposals set forth herein are affordable and feasible mechanisms for protecting consumers and information providers from abuses related to audiotext services. In fact, with the exception of the international call screening, all of them are being undertaken today by audiotext service bureaus and some resale interexchange carriers. Some further Commission direction in this area is necessary, however.

First, the Commission should instruct all LECs to include their 900 blocking databases in LIDB. This would ensure a complete and up-to-date blocking screen for audiotext calling. Of course, the costs incurred by the LECs in this database creation and maintenance could be recovered in the same fashion as for other LIDB screening services. Each time the database is accessed, a fee would be charged.

Moreover, 900 Capital does not believe this form of audiotext screening creates any consumer privacy concerns. The only information requested would be whether the billing number had a 900 block associated with it, similar to blocks available today on receipt of collect calls. The inquiry requires only a "yes" or "no" answer, it does not provide the identity or location of the caller nor would the actual database be accessible. Moreover, the beneficiary of the screening process is the consumer. It would be ironic indeed if a *de minimus* privacy concern was allowed to override the much more important consumer interest in maintaining the integrity of a 900 dialing block.

Second, the Commission should impose three requirements on interexchange carriers that complete calls to foreign locations known to pay commissions to U.S. agents to advertise overseas audiotext numbers. First, all calls to such locations should be screened against an audiotext number database to determine whether the called number is an audiotext service. Second, where the calls are determined to be for audiotext purposes, the carrier should (at its option) either block the call or subject it to all the audiotext call handling requirements. Third, interexchange carriers should be directed to share for database maintenance purposes all overseas audiotext numbers in countries on the Commission's list. The carriers would obtain this information through receipt of consumer complaints, noting public advertisements containing overseas numbers and by other means. This would ensure that whenever any interexchange carrier discovered that a particular international number required audiotext treatment, all other IXCs would quickly get the benefit of the same information and consumer protections could be implemented accordingly.

CONCLUSION

The tens of millions of dollars per month spent on alternate calling activity, coupled with the fact that the majority of calls to audiotext services are paid without a complaint, indicate that there is a strong and legitimate demand for access to audiotext services outside the 900 number dialing scheme. This Petition outlines a set of rules and policies that would benefit the public, the audiotext industry, the LECs and the IXCs that support these services. These rules would result in greater consumer protection, expanded consumer choices, and a

more competitive communications marketplace. 900 Capital requests that the Commission initiate a rulemaking proceeding to adopt these rules promptly.

Respectfully submitted,

900 CAPITAL SERVICES, INC.

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Its Attorneys

DATED: November 7, 1995