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

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Federal Communications Commission
Office of Secretary

In the Matter of Billed Party Preference for InterLATA 0+ Calls	CC Docket 92-77

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RESPONSE OF BELL ATLANTIC, BELLSOUTH AND NYNEX

Bell Atlantic,[1] BellSouth Corporation on behalf of its affiliated companies, and the NYNEX telephone companies submit the following answers to the questions asked in the Commission's Notice dated October 10.

1. Are there any industries in which price disclosure to consumers at the point of purchase is not the normal practice? If so, what are those industries and what are the particular circumstances surrounding the developments of those industries?

Yes. Although a consumer buying a product typically knows exactly how much she will pay at the point of purchase, she often will not know how much a service will cost. This is true for services ranging from having a plumber fix the leak in the shower to spending five days in the hospital for surgery. In some of these cases, such as the service of plumber, the consumer has the ability to find out in advance what the rate for service will be; this, of course, is also true for operator services. In other instances, such as individual services rendered during a hospital stay, the individual providing the service would not know the price if asked.

[1] The Bell Atlantic telephone companies serving New Jersey, Pennsylvania, Delaware, Maryland, Virginia, West Virginia and the District of Columbia and Bell Atlantic Communications Inc.

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This is also true of usage of other "utility" services, such as gas, water and electric service. A consumer does not know how much he will pay for water or electricity when he turns on the washing machine.

2. What kinds of technologies (including payphone equipment and associated software) are currently available to provide on-demand call rating information for calls from payphones, other aggregator locations, and phones in correctional institutions that are provided for use by inmates? Commenters should discuss the anticipated declining cost of these technologies, assuming a wide-spread demand for these services.

We know of no system that provides on-demand rating information to consumers on 0+ calls from all locations.

Automated Coin Toll Service tells customers using network-controlled coin sets how much money to deposit to place a 1+ call. This software automatically calculates the amount due, announces the amount to the caller, detects deposits, totals the amount deposited and monitors the call to request more coins as needed. This software handles the processing of 1+ calls as soon as they reach an operator switch. It is not designed, and cannot be readily modified, to provide rate information on request during the processing of a 0+ call.

There are also capabilities in "smart payphones," payphones that are not controlled by the network, that can be programmed to provide users with this type of information.

3. Are there any telecommunications markets outside of the U.S. that already make use of price disclosure prior to call completion, for example, in the U.K.? If so, please provide the technological and financial details behind the implementation of these services and any indication as to the cost and benefits from the perspective of consumers.

As far as we have been able to determine, including making inquiries to affiliates in the United Kingdom, there are no communications markets that use price disclosure prior to completion of 0+ calls.

4. Some commenters have claimed that price disclosure prior to call completion would create an unacceptable delay to consumers. Are there any studies that substantiate or dispute this contention and are those studies available? Are there any studies available that provide indications of consumer satisfaction or dissatisfaction with 0+ services provided in this fashion?

There are no studies of consumer satisfaction or dissatisfaction with 0+ services provided in this fashion because 0+ services are not provided in this way. We have not conducted studies of how much delay customers would accept in exchange for receiving price disclosure because there has never been any consumer or market demand for such a service.

However, there are a number of studies and analyses of call processing times and customer tolerance of "delays" in processing telephone calls. The following conclusions can be drawn from these materials: There is variation in today's telephone network in how long it takes to set up an ordinary direct-dialed telephone call, depending on such factors as the types of switches and types of signaling employed, the number of switches involved in the call, the number of digits in the called number and the traffic load at the time of the call. Each individual database look-up adds to call processing time, as do recorded announcements. Consumers are more tolerant of delays when they are making a "different" type of call, such as a call to an international destination or from a cellular telephone, or when they are receiving a "new" service. This tolerance does not last long, however, as what was different or new rapidly becomes commonplace. For example, 800 service was once "new and different," and callers were tolerant

of greater set-up times. By 1994, user expectation for 800 service had become *more stringent* than for ordinary toll calls.

Consumers make millions of 0+ calls every day. This is not a new or different service. There is no indication that consumers want per-call price disclosure or that they would view it as an improvement to existing 0+ call services. Therefore, we have no reason to believe that they would be particularly tolerant of the call processing delays that would result.

Because the systems to provide this capability do not exist, we have not tested the call processing delay that it would introduce. However, based on existing services involving call processing database look-ups and announcements, we would estimate that it would add nine to twelve seconds to the set-up time of 0+ calls.

5. If some or all of embedded base equipment and software are incapable of providing audible notice to consumers for on-demand call rating, what time period would be reasonable for substituting equipment and software that is capable of doing so?

Providers of operator switches have advised us that equipment of this type could be available 18 to 24 months after specifications for it have been agreed upon.

6. What percentage of interstate 0+ calls do calls from correctional institutions constitute, both in quantity and dollar volume, over the last 5 years?

Bell Atlantic, BellSouth and NYNEX do not track the number of 0+ interstate calls made from correctional institutions.

7. What effects, if any, will the recent Report and Order in *In the Matter of Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996*, Policies and Rules Concerning Operator Service Access and Pay Telephone Compensation, CC Docket Nos. 96-128, 91-35, FCC 96-388 (released September 20, 1996) have on this proceeding?

None that we can foresee.

Respectfully submitted,

BELL ATLANTIC
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NYNEX TELEPHONE COMPANIES

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Dated: November 13, 1996

CERTIFICATE OF SERVICE

I hereby certify that on this 13th day of November, 1996 a copy of the foregoing "Response of Bell Atlantic, BellSouth and NYNEX" was served on the parties on the attached list.

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