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Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)
)
 Pacific Bell and Nevada Bell)
 Comparably Efficient Interconnection)
 Plan for the Provision of Basic Telephone)
 Service) CC Docket No. 96-128
)
 Implementation of the Pay Telephone)
 Reclassification and Compensation Provisions)
 of the Telecommunications Act of 1996)

ORDER

Adopted: April 15, 1997

Released: April 15, 1997

By the Deputy Chief, Common Carrier Bureau:

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I. INTRODUCTION

1. On December 26, 1996, pursuant to the requirements of the Commission's orders in the payphone rulemaking proceeding,¹ Pacific Bell and Nevada Bell (jointly "PacTel") filed a comparably efficient interconnection (CEI) plan for the provision of payphone service.² In that proceeding, the Commission directed each Bell Operating Company (BOC) to file an initial CEI plan describing how it will comply with the Commission's Computer III³ CEI equal access parameters and nonstructural safeguards for the provision of payphone services.⁴ BOCs must make available on a nondiscriminatory basis the regulated basic services they provide to independent payphone service providers (PSPs) and to the BOCs' own payphone operations to provide payphone services.⁵

2. The Commission gave public notice of the filing of PacTel's CEI plan on January 13, 1997.⁶ On February 12, 1997, seven parties filed comments with the Commission

¹ Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, CC Docket No. 96-128, Report and Order, FCC 96-388 (rel. Sept. 20, 1996) ("Payphone Order"), appeal docketed sub nom., Illinois Public Telecommunications Ass'n v. FCC and United States, Case No. 96-1394 (D.C. Cir., filed Oct. 17, 1996), Erratum (rel. Sept. 27, 1996), recon. FCC 96-439 (rel. Nov. 8, 1996) ("Reconsideration Order"); Order, DA 97-678 (Common Car. Bur. rel. Apr. 4, 1997) ("Clarification Order").

² Pacific Telesis filed the CEI plan on behalf of Pacific Bell and Nevada Bell. Pacific Bell's and Nevada Bell's Comparably Efficient Interconnection Plan for Payphone Service (filed Dec. 26, 1996) ("PacTel CEI Plan"). See also Reply Comments of Pacific Bell and Nevada Bell (filed Feb. 27, 1997) ("PacTel Reply").

³ Amendment of Section 64.702 of the Commission's Rules and Regulations, CC Docket No. 85-229, Phase I, 104 FCC 2d 958 (1986) (Phase I Order), recon., 2 FCC Rcd 3035 (1987) (Phase I Recon. Order), further recon., 3 FCC Rcd 1135 (1988) (Phase I Further Recon. Order), second further recon., 4 FCC Rcd 5927 (1989) (Phase I Second Further Recon.), Phase I Order and Phase I Recon. Order vacated, California v. FCC, 905 F.2d 1217 (9th Cir. 1990) (California I); Phase II, 2 FCC Rcd 3072 (1987) (Phase II Order), recon., 3 FCC Rcd 1150 (1988) (Phase II Recon. Order), further recon., 4 FCC Rcd 5927 (1989) (Phase II Further Recon. Order), Phase II Order vacated, California I, 905 F.2d 1217 (9th Cir. 1990); Computer III Remand Proceedings, 5 FCC Rcd 7719 (1990) (ONA Remand Order), recon., 7 FCC Rcd 909 (1992), pets. for review denied, California v. FCC, 4 F.3d 1505 (9th Cir. 1993) (California II); Computer III Remand Proceedings: Bell Operating Company Safeguards and Tier 1 Local Exchange Company Safeguards, 6 FCC Rcd 7571 (1991) (BOC Safeguards Order), recon. dismissed in part, Order, CC Docket Nos. 90-623 & 92-256, FCC 96-222 (rel. May 17, 1996); BOC Safeguards Order vacated in part and remanded, California v. FCC, 39 F.3d 919 (9th Cir. 1994) (California III), cert. denied, 115 S.Ct. 1427 (1995) (referred to collectively as the Computer III proceeding).

⁴ Payphone Order at para. 202.

⁵ See id. at paras. 146, 200-04.

⁶ Pleading Cycle Established for Comments on Pacific Telesis Comparably Efficient Interconnection Plan for Payphone Service, Public Notice, CC Docket No. 96-128, DA 97-72 (rel. Jan. 13, 1997).

opposing the plan.⁷ PacTel submitted reply comments on February 27, 1997.⁸ For the reasons discussed below, we approve PacTel's CEI plan.

II. BACKGROUND

3. The payphone rulemaking proceeding implemented Section 276 of the Communications Act of 1934, as amended.⁹ Section 276 directed the Commission to prescribe a set of nonstructural safeguards for BOC payphone service to implement the statute's requirements that any BOC that provides payphone service: (1) shall not subsidize its payphone service directly or indirectly from its telephone exchange or exchange access service operations; and (2) shall not prefer or discriminate in favor of its payphone service.¹⁰ The 1996 Act provided that such safeguards must, at a minimum, include the nonstructural safeguards equal to those adopted in the Computer III proceeding.¹¹

4. In the Payphone Order, the Commission determined that the Computer III and Open Network Architecture (ONA)¹² nonstructural safeguards would "provide an appropriate

⁷ Comments of the American Public Communications Council on PacTel's CEI Plan (APCC Comments); AT&T's Comments On Pacific Bell's Comparably Efficient Interconnection Plan (AT&T Comments); Comments of the Inmate Calling Service Providers Coalition on PacTel's CEI Plan (ICSPC Comments); MCI Telecommunications Corporation Comments (MCI Comments); Comments of Oncor Communications, Inc. (Oncor Comments); Comments of San Diego Payphone Owners Association and Payphone Service Providers Group on Pacific Bell's Proposed CEI Plan for Payphone Services (SDPA Comments); Comments of Telco Communications Group, Inc. on Pacific Bell's and Nevada Bell's CEI Plan (Telco Comments). On February 13, 1997, the California Payphone Association filed comments on PacTel's CEI plan and moved for a one day extension of time for filing its comments in this proceeding. See Comments of California Payphone Association on Pacific Bell's and Nevada Bell's CEI Plan for Payphone Service (CPA Comments), and Motion of California Payphone Association for Extension of Time to File Comments (CPA Motion).

⁸ PacTel Reply.

⁹ 47 U.S.C. § 276. Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996 Act), codified at 47 U.S.C. §§ 151 et seq. Hereinafter, all citations to the 1996 Act will be to the 1996 Act as it is codified in the United States Code. The 1996 Act amended the Communications Act of 1934. We will refer to the Communications Act of 1934, as amended, as "the Communications Act" or "the Act."

¹⁰ 47 U.S.C. § 276(b)(1)(C).

¹¹ Id.

¹² See Filing and Review of Open Network Architecture Plans, 4 FCC Rcd 1 (1988) (BOC ONA Order), recon., 5 FCC Rcd 3084 (1990) (BOC ONA Reconsideration Order); 5 FCC Rcd 3103 (1990) (BOC ONA Amendment Order), erratum, 5 FCC Rcd 4045, pets. for review denied, California v. FCC, 4 F.3d 1505 (9th Cir. 1993), recon., 8 FCC Rcd 97 (1993) (BOC ONA Amendment Reconsideration Order); 6 FCC Rcd 7646 (1991) (BOC ONA Further Amendment Order); 8 FCC Rcd 2606 (1993) (BOC ONA Second Further Amendment Order), pet. for review denied, California v. FCC, 4 F.3d 1505 (9th Cir. 1993) (collectively referred to as the ONA Proceeding).

regulatory framework to ensure that BOCs do not discriminate or cross-subsidize in their provision of payphone service."¹³ Accordingly, the Commission required the BOCs to file "CEI plans describing how they will comply with the Computer III unbundling, CEI parameters, accounting requirements, CPNI requirements as modified by section 222 of the 1996 Act, network disclosure requirements, and installation, maintenance, and quality nondiscrimination requirements."¹⁴ Obtaining approval of its CEI plan is one of the criteria a BOC must meet before its payphone operations may receive compensation for completed intrastate and interstate calls using a payphone under the new compensation plan established in the payphone proceeding.¹⁵

5. The Payphone Order required BOCs to "provide tariffed, nondiscriminatory basic payphone services that enable independent [payphone service] providers to offer payphone services using either instrument-implemented 'smart payphones' or 'dumb' payphones that utilize central office coin services,¹⁶ or some combination of the two in a manner similar to the LECs."¹⁷ Those tariffs must be filed with the applicable state regulatory commission.¹⁸ Additionally, BOCs must file with the Commission tariffs for

¹³ Payphone Order at para. 199. In addition, the Commission adopted accounting safeguards for BOC and incumbent LEC provision of payphone service on an integrated basis. See Implementation of the Telecommunications Act of 1996: Accounting Safeguards Under the Telecommunications Act of 1996, CC Docket No. 96-150, Report and Order, FCC 96-490, para. 100 (rel. Dec. 24, 1996).

¹⁴ Payphone Order at para. 199. In its notice of proposed rulemaking regarding the CPNI and other customer information provisions of the 1996 Act, the Commission concluded that its previously established CPNI requirements would remain in effect, pending the outcome of that rulemaking, to extent that they do not conflict with the CPNI provisions of the 1996 Act. See Implementation of the Telecommunications Act of 1996: Telecommunication Carriers' Use of Customer Proprietary Network Information and Other Customer Information, CC Docket No. 96-115, Notice of Proposed Rulemaking, 11 FCC Rcd 12513, 12529 (1996) (CPNI NPRM).

¹⁵ Reconsideration Order at para. 132. In addition to an approved CEI plan, in order to receive compensation, the Reconsideration Order requires that "a LEC must be able to certify the following: (1) it has an effective cost accounting manual ("CAM") filing; (2) it has an effective interstate CCL tariff reflecting a reduction for deregulated payphone costs and reflecting additional multiline subscriber line charge ("SLC") revenue; (3) it has effective [intrastate] tariffs reflecting the removal of charges that recover the costs of payphones and any intrastate subsidies; (4) it has deregulated and reclassified or transferred the value of payphone customer premises equipment ("CPE") and related costs as required in the Payphone Order; (5) it has in effect intrastate tariffs for basic payphone services (for "dumb" and "smart" payphones); and (6) it has in effect intrastate and interstate tariffs for unbundled functionalities associated with those lines." Id. at para. 131.

¹⁶ A "smart" payphone has capabilities programmed into it that perform certain functions, such as rating calls or collecting or returning coins. A "dumb" payphone does not have such capabilities but must instead rely on central office controls to collect and return coins or perform other functions.

¹⁷ Reconsideration Order at para. 162.

¹⁸ Id.

unbundled features or functions that are either used by a BOC's payphone operations to provide payphone service or offered by the BOC to unaffiliated PSPs on an unbundled basis.¹⁹

III. SERVICE DESCRIPTION

6. PacTel provides several types of local exchange services, which can be used with a "smart" or "dumb" payphone²⁰ that has touch-tone capability: COPT Service (Basic) service; COPT Coin Line service; COPT Charge-a-Call service; Inmate service, and Enhanced COPT Access Line service.²¹ Most of these services can be ordered as either "outward only" or "bothway" service.²² In all cases, the demarcation point between PacTel's network and unregulated equipment is the minimum point of entry (MPOE).²³

7. COPT Service (Basic) is a measured (with respect to local calls) local exchange service that is designed to work with "smart" payphone sets. This service is available in two versions: bothway or outward only. This service includes blocking and screening,²⁴ but the PSP's payphone must provide all desired coin features (such as coin control, call rating, and coin return).²⁵ While independent PSPs can obtain operator services,

¹⁹ Payphone Order at paras. 146-148; Reconsideration Order at paras. 162-163; Clarification Order at para. 8.

²⁰ A "smart" payphone has capabilities programmed into it that perform certain functions, such as rating calls or collecting or returning coins. A "dumb" payphone does not have such capabilities, but instead must rely on central office controls to collect and return coins, and perform other functions.

²¹ PacTel CEI Plan at 3; Letter of Polly L. Brophy, Senior Counsel, Pacific Telesis, to Christopher Heimann, Policy Division, Common Carrier Bureau (March 20, 1997) ("Policy Division March 20 Ex Parte").

²² PacTel CEI Plan at 3. "Bothway" service allows a payphone both to receive incoming and to make outgoing calls. "Outward" only service permits a payphone only to make outgoing calls.

²³ Id.

²⁴ Call blocking prevents the completion of certain types of calls from a payphone (e.g., calls to 900 and 976 numbers, or domestic 10XXX 1+ calls and international 10XXX 011+ calls). Billed number screening is a feature to prevent alternate billed calls from being made to the payphone line (e.g., by indicating to the operator that collect or third party number calls cannot be billed to the payphone line). See Letter from Polly L. Brophy, Senior Counsel, Pacific Telesis, to James Schlichting, Chief, Competitive Pricing Division, Common Carrier Bureau, Attachment I (March 20, 1997) ("Pricing Division March 20 Ex Parte").

²⁵ Coin control is a feature that controls the collection and counting of coins deposited into payphone equipment, and which allows sent-paid calls to be completed. Call rating provides a payphone with rating information on coin sent-paid calls. Coin return is used to release coins for uncompleted calls. Id.

including card verification and acceptance, for intraLATA calls, from PacTel, they also may make arrangements with another service provider to do so.²⁶

8. COPT Coin Line service is a flat-rated local exchange service that is designed to work with "dumb" payphones. Two versions of this service are available: bothway or outward only. Coin Line service includes central office-based blocking and screening, as well as the following central office-based coin features: coin control, call rating, and coin return.²⁷

9. COPT Charge-a-Call service is a measured service designed for coinless payphone sets and may be used only to originate 0+ and toll-free access calls. In particular, the service allows third party, collect, calling card and credit card billing. Two versions of the service are available: bothway or outward only. Billed number screening is included. IntraLATA calls are handled by PacTel's operator services, including its automated card verification and acceptance systems, which generally accept the card of any issuer with which PacTel has a card honoring agreement.²⁸

10. Inmate service is offered in several different versions. In California, Pacific Bell offers four measured inmate services for smart payphones, all of which include network-based billed number screening. These services allow PSPs to elect, on a non-chargeable basis, among several types of call handling procedures used by PacTel's operator services are as follows: (1) bothway service that blocks all calls except coin sent-paid calls, intraLATA (toll and local) 0+ collect-only calls, interLATA 0+ calls, and certain free calls; (2) bothway service that blocks all calls except intraLATA 0+ collect-only calls and interLATA 0+ calls; (3) outward only service that blocks all calls except coin sent-paid calls, intraLATA (toll and local) 0+ collect-only calls, interLATA 0+ calls, and certain free calls; and (4) outward only service that blocks all calls except intraLATA 0+ collect-only calls and interLATA 0+ calls. Pacific Bell also offers two flat-rated inmate services for dumb payphones, which include central office coin control and billed number screening. These services allow PSPs to elect, on a non-chargeable basis, among several types of procedures used by PacTel's operator services to handle calls from dumb payphones. These optional procedures are as follows: (1) bothway service that blocks all calls except local coin sent-paid calls and 0+ collect only calls; and (2) outward only service that blocks all calls except local and toll coin sent-paid calls and 0+ collect-only calls. In Nevada, Nevada Bell will offer two inmate services for smart payphones (CPICS). In addition, PSPs may provide CPICS for use by PSPs that wish to offer high capacity digital data services, or, where COPTs or equivalent services are not available, by individual flat rate business line or individual flat rate trunk. These services are:

²⁶ PacTel CEI Plan at 3-4. See also Policy Division March 20 Ex Parte.

²⁷ PacTel CEI Plan at 4. See also Policy Division March 20 Ex Parte. In Nevada, COPT Coin Line Service is offered as a measured service where technically feasible. Where not technically feasible, it is offered as a flat-rated service. Policy Division March 20 Ex Parte at 4.

²⁸ PacTel CEI Plan at 4. See also Policy Division March 20 Ex Parte at 2.4.

(1) measured line, two way service, which is the same as Basic COPT service; and (2) outgoing only service that blocks all calls except 0+ collect only calls (otherwise, this service is the same as Basic COPT service).²⁹

10. Enhanced COPT Access Line service is a measured line service offered by Nevada Bell, which is designed to operate with smart payphones requiring special central office features and equipment. Two versions of this service are available: bothway or outward only. This service provides the following additional central office-based features: standard analog loop, line side answer supervision, and operator services identification.³⁰

IV. COMPLIANCE ISSUES

A. CEI Plan Requirements

11. The Commission's CEI requirements were originally established in the Computer III proceeding, in which the Commission adopted a regulatory framework to govern the provision of integrated enhanced and basic services by the BOCs.³¹ As applied in the payphone context, the CEI requirements are designed to give independent PSPs equal and efficient access to the regulated basic payphone services that the BOCs use to provide their own payphone services.³² BOCs must also provide payphone services to independent PSPs on a nondiscriminatory basis as required in the payphone rulemaking proceeding.³³ The Commission, in its Computer III proceeding, established nine specific CEI requirements,³⁴ which are discussed below. PacTel has described in its submissions how its basic telephone service will satisfy each of the Commission's nine CEI requirements. We review below PacTel's CEI plan with respect to each of these requirements.

²⁹ PacTel CEI Plan at 4-5; Policy Division March 20 Ex Parte at 2-4.

³⁰ Policy Division March 20 Ex Parte.

³¹ See Phase I Order, 104 FCC 2d at 1026, para. 128. Requiring BOCs to file CEI plans was one of the nonstructural safeguards adopted by the Commission, in lieu of structural separation, to prevent cross-subsidization and discrimination. As a first step in implementing the Computer III framework, the Commission permitted the BOCs, which remained subject to various structural separation requirements, to offer individual enhanced services on an integrated basis following approval of service-specific CEI plans. BOCs were required to describe in their CEI plans: (1) the enhanced service or services to be offered; (2) how the underlying basic services would be made available for use by competing enhanced service providers; and (3) how the BOCs would comply with the other nonstructural safeguards imposed by Computer III. See Phase I Order, 104 FCC 2d at 1034-59, paras. 142-200.

³² Payphone Order at paras. 146, 200-04.

³³ Reconsideration Order at para. 163-65.

³⁴ Phase I Order, 104 FCC 2d at 1039-1043, paras. 154-166.

1. Unbundling of Basic Services

12. The Payphone Order deregulated LEC payphones and classified those payphones as CPE.³⁵ In addition to providing tariffed coin service so competitive payphone providers can offer payphone services using either instrument-implemented "smart" payphones or "dumb" payphones that utilize central office coin services, a LEC must tariff unbundled payphone features that the LEC uses or provides on an unbundled basis.³⁶ Moreover, BOCS, but not other LECs, must unbundle additional network elements when required by a state or requested by payphone providers based on the specific criteria established in the Computer III and ONA proceedings.³⁷

13. The Payphone Order requires BOCs to file CEI plans that explain how they will unbundle basic payphone services.³⁸ Specifically, a BOC must indicate how it plans to unbundle, and associate with a specific rate element in the tariff, the basic services and basic service functions that underlie its provision of payphone service.³⁹ Nonproprietary information used by the BOC in providing the unbundled basic services must be made available as part of CEI.⁴⁰ In addition, any options available to the BOC in the provision of such basic services or functions must be included in the unbundled offerings.⁴¹

14. PacTel represents that the basic network services used by its payphone service operations ("PubCom") will be offered unbundled from its other basic service offerings,⁴² and that independent PSPs and PubCom will have available to them the same tariffed network services for use in providing payphone services.⁴³ According to PacTel, prior to the effective date of the 1996 Act, it had already made available to independent PSPs services that allowed them to offer payphone services using either smart or dumb payphone sets, and that it is

³⁵ Payphone Order at para. 142.

³⁶ Payphone Order at paras. 146-148; Reconsideration Order at paras. 162-163, 165; Clarification Order at para. 8.

³⁷ Payphone Order at 148; Reconsideration Order at para. 165.

³⁸ Payphone Order at para. 204.

³⁹ Id. (citing Phase I Order, 104 FCC 2d at 1040). See also Reconsideration Order at para. 213.

⁴⁰ Payphone Order at para. 204 (citing Phase I Order, 104 FCC 2d at 1040).

⁴¹ Id. See also Reconsideration Order at para. 213 (citing Phase I Order at 1040).

⁴² PacTel CEI Plan at 5.

⁴³ Id. at 3.

continuing to make such services available.⁴⁴ PacTel asserts that these basic network capabilities are associated with specific rate elements in its existing tariffs,⁴⁵ and that it will make available to independent PSPs additional unbundled services through the 120-day ONA service request process.⁴⁶

15. APCC and SDPA contend that PacTel's CEI plan must be rejected because it fails sufficiently to unbundle PacTel's payphone services.⁴⁷ APCC states that, while PacTel bundles some features with both its COPT Service (Basic) and coin line services (e.g., screening service), some features are only included with coin line service (e.g., answer supervision).⁴⁸ APCC argues that PacTel should be required to price features the same, regardless of whether the features are offered on an unbundled basis or bundled with the line, and regardless of whether such features are used with COPT Service (Basic) or coin lines.⁴⁹ APCC claims that, without such unbundling and separate tariffing, "it is not possible to determine whether all discrimination between [COPT Service (Basic)] line services and coin line services has been eliminated, and whether PacTel's 'basic payphone line' is uniformly tariffed at cost-based rates."⁵⁰ While SDPA acknowledges that the Commission declined to order significant unbundling, it argues that relying only on the ONA procedure unreasonably shifts the burden of pursuing effective unbundling to independent PSPs.⁵¹

⁴⁴ Id. at 5-6. PacTel claims that its current state tariffs are consistent with the requirement that carriers file state tariffs to make available central office coin transmission services, which allow PSPs to offer payphone services using either smart or dumb payphone sets if the carrier provides such services to its own payphone operations. Id. at 6 n. 11. PacTel also notes, however, that it plans to add classes of services to its state tariffs. Id. Specifically, PacTel states that Nevada Bell will offer COPT Coin Line service and COPT Charge-a-Call service pursuant to tariffs filed on January 15, 1997. Id. at 4 n.6 and n.7. On January 15, 1997, Nevada Bell filed tariffs for both of the foregoing services. See PacTel Reply, Exhibit A.

⁴⁵ PacTel CEI Plan at 6 (noting that, as discussed above, Nevada Bell plans to tariff COPT Coin Line service by January 15, 1997).

⁴⁶ Id.

⁴⁷ APCC Comments at 6; SDPA Comments at 6.

⁴⁸ APCC Comments at 6.

⁴⁹ Id. at 6-7.

⁵⁰ Id. at 7.

⁵¹ SDPA Comments at 6. SDPA avers that, so long as PacTel's COPT service, which is comprised of a variety of bundled services, is not fully unbundled and there is no structural separation, there is a strong potential for discrimination by PacTel in favor of its payphone operations. Id.

16. PacTel responds that our CEI requirements do not require it to unbundle particular features from existing service offerings.⁵² Rather, PacTel argues, the unbundling requirement requires that "the basic, regulated network services that our PSPs use must be unbundled from other basic services so that other PSPs can purchase and use them in the same manner as our PSPs."⁵³ PacTel claims that its CEI plan demonstrates compliance with this requirement.⁵⁴

17. We find that PacTel's plan satisfies the CEI unbundling requirement contained in the payphone proceeding. The payphone rulemaking proceeding requires BOCs to offer transmission services that enable unaffiliated PSPs to offer payphone services using either "smart" or "dumb" payphones, or to offer inmate calling services.⁵⁵ In addition, consistent with the requirements of the payphone proceeding, BOCs must provide, on a tariffed basis, the unbundled features and functions that they provide to unaffiliated PSPs or to their own payphone operations.⁵⁶ PacTel's plan, as supplemented, satisfies these requirements. We note that PacTel may unbundle additional features and functions, states may require further unbundling, and independent PSPs may request additional unbundled features and functions through the ONA 120-day service request process.⁵⁷ Any other unbundled features and functions provided by PacTel must comply with the tariffing and CEI requirements of the payphone proceeding, Computer III and ONA.

18. We reject APCC's and SDPA's contention that PacTel must further unbundle its payphone services at this time. As noted in the Clarification Order, the Commission's payphone orders "do not require that LECs unbundle more features and functions from the basic payphone line . . . than the LEC provides on an unbundled basis."⁵⁸ In the Clarification Order, we stated that if, for example, a BOC provides answer supervision bundled with the basic payphone line, the BOC is not required either to unbundle that service from its state tariff for payphone service, or to tariff that service at the federal level. If the LEC, however, provides answer supervision separately, on an unbundled basis, either to affiliated or

⁵² PacTel Reply at 10 n.20.

⁵³ Id. ("[a]s part of its CEI offering, the basic services and basic service functions that underlie [a] carrier's enhanced offering must be unbundled from other basic service offerings and associated with a specific rate element in the CEI tariff.") (emphasis in original) (quoting Computer III at para. 158).

⁵⁴ Id.

⁵⁵ Payphone Order at para. 146.

⁵⁶ Reconsideration Order at para. 146.

⁵⁷ Clarification Order at para. 8. n.23.

⁵⁸ Clarification Order at para. 16 (citing Payphone Order at para. 148; Order on Reconsideration at para. 165).

unaffiliated PSPs, the LEC must tariff that feature in both the state and federal jurisdictions.⁵⁹ Thus, PacTel is not obligated at this time to unbundle from its basic payphone service offerings any features that PacTel does not offer on an unbundled basis to itself or to others. Independent PSPs may request PacTel to unbundle its coin line service further through the 120 day ONA process.⁶⁰

2. Interface Functionality

19. The interface functionality requirement obligates the BOC to make available standardized hardware and software interfaces that are able to support transmission, switching, and signaling functions identical to those used by the BOC's payphone service.⁶¹

20. PacTel represents that it "will interconnect its payphone services to its network only by means of the tariffed network services with standardized technical interconnections that are available to all PSPs."⁶² It adds that no special interfaces, signaling, abbreviated dialing, derived channels or other capabilities will be made available only to its pay telephone operations.⁶³

21. Telco asserts that PacTel does not adequately describe how it intends to provide interface functionality, but, instead, merely states that PSPs may connect their payphone CPE to Pacific Bell's standardized technical interfaces.⁶⁴ Telco claims that Pacific Bell "provides no further explanation or meaningful detail regarding the technical

⁵⁹ Clarification Order at para. 16. That order clarified that the unbundled features and functions addressed in the payphone rulemaking proceeding are network services similar to basic service elements ("BSEs") under the ONA regulatory framework. BSEs are defined as optional unbundled features that an enhanced service provider may require or find useful in configuring its enhanced service. Id. at para. 17 (citing Filing and Review of Open Network Architecture Plans, Phase I, Memorandum Opinion and Order, FCC 88-381, 4 FCC Rcd 1 (1988) ("BOC ONA Order"). In this case, the unbundled features are payphone-specific, network-based features and functions used in configuring unregulated payphone operations provided by PSPs or LECs. Some of the LECs use terms such as tariffed "options" and "elective features" to refer to network services that other LECs call features and functions. The Clarification Order concluded that "[o]ptions and elective features must be federally tariffed in the same circumstances as features and functions must be federally tariffed, depending on whether they are provided on a bundled basis with the basic network payphone line (state tariff), or separately on an unbundled basis (federal and state tariffs)." Id. (citing Application of Open Network Architecture and Nondiscrimination Safeguards to GTE Corporation, 11 FCC Rcd 5558 (1995)).

⁶⁰ Payphone Order at para. 148; Reconsideration Order at 165.

⁶¹ Payphone Order at paras. 202-03; Phase I Order, 104 FCC 2d at 1039, para. 157.

⁶² PacTel CEI Plan at 5.

⁶³ Id.

⁶⁴ Telco Comments at 2-3.

requirements a PSP must meet to connect to the network interfaces, and provides absolutely no description of the interfaces."⁶⁵ In addition, SDPA asserts that, even if PacTel does not make special network interfaces available to PubCom in the future, "it does not address unique network serving arrangements for the LEC's payphone division which may already be in place."⁶⁶

22. PacTel responds that, as part of its CEI offering, it is only required to make available standardized interfaces that are able to support functions identical to those utilized in the service provided by the LEC.⁶⁷ PacTel claims that it makes such interfaces available through the standard technical interconnections in the tariffs attached to its CEI plan and in the services offered in its new state tariffs attached to its reply.⁶⁸ PacTel adds that it provided information and technical disclosures for interfaces in its network disclosures on January 15, 1995.⁶⁹ In response to SDPA, PacTel represents that its PSPs do not, and will not, have any high-capacity or specialized serving arrangements that are not available to all PSPs.⁷⁰

23. We find that PacTel's CEI plan comports with the interface functionality requirement. As stated above, the interface functionality requirement only obligates a BOC to make available standardized hardware and software interfaces that will be able to support transmission, switching, and signaling functions identical to those used by the BOC's payphone service. PacTel represents, and Telco does not deny, that it has done so. Beyond the filing of network disclosures, which PacTel states it has filed, this parameter does not require PacTel to provide technical details in the CEI plan explaining how PSPs will connect to PacTel's network.

3. Resale

24. The resale requirement established in Computer III obligates a "carrier's enhanced service operations to take the basic services used in its enhanced service offerings at their unbundled tariffed rates as a means of preventing improper cost-shifting to regulated operations and anticompetitive pricing in unregulated markets."⁷¹ Based on the requirement in

⁶⁵ Id.

⁶⁶ SDPA Comments at 5.

⁶⁷ PacTel Reply at 27.

⁶⁸ Id.

⁶⁹ Id. (adding that, since it has offered the subject services for years and the interfaces are standard, no further description is needed).

⁷⁰ Id. at 28.

⁷¹ Phase I Order, 104 FCC 2d at 1040, para. 159.

the Payphone Order and the Reconsideration Order, any basic services provided by a BOC to its payphone affiliate, as well as any payphone service provided to others, must be available on a nondiscriminatory basis to other payphone providers.⁷²

25. In its CEI plan, PacTel represents that its "payphone service operations will take all basic services at unbundled tariffed rates."⁷³ We therefore find that PacTel's CEI plan comports with the resale requirement. We are not persuaded by Telco's argument that PacTel's plan is insufficient, because it "fails to provide any specificity as to what combinations will be offered for resale, whether resale will be offered on a nondiscriminatory basis, or what mechanisms will exist to enable competitors to ensure that resale obligations are being met."⁷⁴ We find that PacTel's representation that all basic services provided to its payphone operations will be available, pursuant to tariffed arrangements, to all PSPs, is sufficient to meet this CEI requirement. It is not required to provide in its CEI plan the level of detail sought by Telco in order to comply with the resale CEI requirement. To the extent that Telco's objections are based on concerns that PacTel's tariffed payphone offerings unlawfully discriminate against unaffiliated PSPs, such specific, fact-based claims should be addressed in federal or state tariff proceedings or in a formal complaint action against PacTel.

4. Technical Characteristics

26. This requirement obligates a carrier to provide basic services with technical characteristics that are equal to the technical characteristics the carrier uses for its own payphone services.⁷⁵

27. PacTel represents that it will use the same tariffed basic services to provide payphone services as are available to its payphone competitors, and that the technical characteristics of the basic services provided to independent PSPs will be equal to those of the basic services used for PacTel's own payphone service operations.⁷⁶ Telco does not challenge this representation, but asserts that PacTel should provide further detail to enable the Commission to determine that there will be no discrimination between affiliated and unaffiliated PSPs.⁷⁷ We find that PacTel is not required by our CEI rules to furnish the additional information requested by Telco in order to satisfy the technical characteristics

⁷² Payphone Order at para. 200; Reconsideration Order at para. 211.

⁷³ PacTel CEI Plan at 6.

⁷⁴ Telco Comments at 2-3.

⁷⁵ Payphone Order at paras. 199-207; Reconsideration Order at paras. 218-220; Phase I Order, 104 FCC 2d at 1041, para. 160.

⁷⁶ PacTel CEI Plan at 6-7.

⁷⁷ Telco Comments at 3.

requirement. We therefore conclude that PacTel's CEI plan comports with the technical characteristics CEI requirement. To the extent that Telco obtains credible evidence that PacTel has unlawfully discriminated against unaffiliated PSPs in the assignment of access lines, Telco may initiate a formal complaint action against PacTel.⁷⁸

5. Installation, Maintenance, and Repair

28. The Payphone Order requires BOCs to describe in their CEI plans how they will comply with the nondiscrimination requirements in Computer III and ONA regarding the quality of service, installation, and maintenance.⁷⁹ This requirement ensures that the time periods for installation, maintenance, and repair of the basic services and facilities included in a CEI offering to unaffiliated PSPs are the same as those the carrier provides to its own or its affiliated payphone service operations.⁸⁰ BOCs also must satisfy reporting and other requirements showing that they have met this requirement.⁸¹

29. In its CEI plan, PacTel states that "its procedures ensure that the time periods for installation, maintenance, and repair of the basic services and facilities provided to independent PSPs are the same as [it] furnish[es] to [its] own payphone operation."⁸² For example, PacTel represents that its employees are trained to process work according to due dates (for service installation) and customer commitment times (for trouble reports), and that many of its systems monitor due dates or commitment times to ensure that work is completed as agreed with the customer.⁸³ PacTel also avers that its payphone operations will place orders for network services, and make trouble reports on network services and receive information on the status of network repairs, in the same way as do other PSPs.⁸⁴ In addition, PacTel states that all service orders are entered into its Service Order Retrieval and Distribution System with standard service intervals or customer-negotiated due dates.⁸⁵

⁷⁸ See 47 U.S.C. § 208.

⁷⁹ Payphone Order at para. 207.

⁸⁰ Payphone Order at para. 203; Phase I Order, 104 FCC 2d at 1041, para. 161.

⁸¹ The Payphone Order does not impose any new continuing reporting requirement, because BOCs are already subject to reporting requirements pursuant to Computer III and ONA. BOCs must report on payphone services as they do for basic services. Phase I Order, 104 FCC 2d at 1041, para. 161. PacTel must provide quarterly reports on installation and maintenance of its basic services. Id. at 1055-1056, para. 192-193.

⁸² PacTel CEI Plan at 7.

⁸³ Id. PacTel adds that it evaluates its employees on their ability to meet due dates and commitment times and the quality of the repair or installation service. Id.

⁸⁴ Id. at 8-9.

⁸⁵ Id. at 8

Finally, PacTel declares that, "[s]ubject to limited exceptions, trouble reports are worked on in the order received," and that the "primary consideration is the nature of the trouble."⁸⁶

30. APCC and SDPA assert that PacTel's CEI plan must provide further detail regarding how it will provide installation, maintenance, and repair on a nondiscriminatory basis to unaffiliated PSPs.⁸⁷ For instance, APCC contends that, while PacTel states that independent PSPs will have comparable access to service order processing, installation, maintenance, and repair service, it does not indicate specifically what type of access is permitted to its payphone division personnel.⁸⁸ APCC also asserts that PacTel's plan must discuss PacTel's service ordering procedures when a location provider changes from a PacTel payphone to an independent PSP payphone, or vice versa, to assess whether service orders are treated equally in this context.⁸⁹ APCC argues that PacTel must specify the procedures it will use to ensure that PacTel will not engage in unfair marketing practices when its payphones are replaced by independent PSP payphones.⁹⁰ In addition, APCC insists that PacTel should amend or refile its CEI plan to state how maintenance and repairs will be handled for the installed base, where no network interface has yet been installed, and to identify for its payphone offerings the demarcation point between the switched network and a payphone provider's inside wire.⁹¹

31. APCC further asserts that, to the extent PacTel shares personnel, it must describe in detail what specific steps it will take to ensure that there will be no discrimination

⁸⁶ Id. at 9.

⁸⁷ APCC Comments at 17; SDPA Comments at 4.

⁸⁸ APCC Comments at 14. See also SDPA Comments at 4-5 (the Commission should ensure that "PubCom will not have preferential access (e.g., via dedicated phone lines or electronic mail) to Pacific Bell's service-ordering systems or to the LEC's service-ordering or network installation personnel"); CPA Comments at 12-13 ("If PubCom is allowed access to Pacific Bell's LEC service ordering systems, . . . independent PSPs must be allowed equivalent access.")

⁸⁹ APCC Comments at 14.

⁹⁰ APCC Comments at 15 ("PacTel's service ordering procedures must specify that PacTel's payphone division is not notified when a new service order is placed for an IPP payphone").

⁹¹ APCC Comments at 15. APCC claims that PacTel "discriminates against subscribers of its [COPT Service (Basic)] service (independent PSPs) and favors subscribers of its coin line service (its payphone division)," by treating the demarcation point differently depending on whether a payphone uses COPT Service (Basic) (network interface twelve inches within PacTel's protector or building terminal) or coin line service (demarcation point at the set). Id. at 16.

against independent PSPs.⁹² Finally, CPA claims that PacTel has previously accorded the following accommodations, which facilitate efficient installation of payphone stations and enclosures, to its payphone operations: (1) special telephone numbers for ordering services and testing lines; (2) provision of duplicate keys to access lock boxes on customer premises; and (3) access to node boxes for efficient testing of lines.⁹³ CPA argues that if these accommodations continue to be accorded to PubCom, they must be accorded to all PSPs without discrimination.⁹⁴

32. In its reply, PacTel reiterates that its payphone operations will place orders for network services in the same manner as other PSPs.⁹⁵ In addition, PacTel clarifies that its procedures for ordering network services will remain the same when a location provider changes a PacTel payphone division payphone to an independent PSP payphone, and vice versa,⁹⁶ and that its network personnel will not service payphones.⁹⁷ In response to APCC's concerns about repairs and maintenance for its installed base, PacTel states that, as set forth in its tariffs, the demarcation point is at the minimum point of entry.⁹⁸ In response to CPA, PacTel clarifies that: (1) PubCom will not have access to any special telephone numbers for ordering services and testing lines that are not available to all PSPs; (2) it will not provide PubCom keys to access lock boxes on customer premises; and (3) PubCom will not have access to node boxes for efficient testing of lines, unless such access is made available to other PSPs.⁹⁹ Finally, PacTel avers that, like any other PSP, its PSPs will not receive notification when a new service order is placed for an independent PSP payphone.¹⁰⁰

33. On April 10, 1997, CPA filed an ex parte communication with the Commission, which alleged that Pacific Bell had recently initiated changes to its service order

⁹² APCC Comments at 17. APCC acknowledges that PacTel indicated that payphone division personnel will not service the network, but complains that PacTel "does not state that it will prohibit network personnel from servicing payphones." Id. at 16 (emphasis in original).

⁹³ CPA Comments at 18.

⁹⁴ Id.

⁹⁵ PacTel Reply at 29.

⁹⁶ Id. PacTel adds that, if conflicts arise over who is the location provider of record, its service center will stay out of the conflict, and PacTel will provide service to whomever qualifies for and orders the service from its tariff. Id. at 29-30.

⁹⁷ Id. at 30.

⁹⁸ Id.

⁹⁹ PacTel Reply at 30.

¹⁰⁰ Id. at 30-31.

procedures that are inconsistent with assurances made by Pacific Bell in its CEI plan and in responses to comments on that plan.¹⁰¹ Specifically, CPA alleges that Pacific Bell has: (1) eliminated the assignment of account representatives to particular independent PSPs and required that all calls to the COPT Service Center be directed to a single telephone number; (2) required that payphone service regrade orders (*i.e.*, an order by an independent PSP requesting that it replace Pacific Bell's PSP operation in providing service at a particular location) be directed to PubCom in the first instance, rather than to the COPT Service Center;¹⁰² (3) altered its procedures for confirming due dates for service orders; and (4) refused to process "supersedure" orders (which request the conversion of responsibility for a COPT line from one independent PSP to another) until any past due balance on the superseded account has been paid, and rejected such orders rather than holding them until payment has been made.¹⁰³ CPA further alleges that COPT Service Center representatives have informed independent PSPs that routine customer service tasks are on hold, because all of the center's resources are being devoted to system record changes to account for all PubCom's coin lines as tariffed COPT Coin lines.¹⁰⁴

34. PacTel responds that COPT service orders for all PSPs must be submitted to and will be processed by Pacific Bell's COPT service center, regardless of whether an order replaces an existing Pacific Bell PSP service.¹⁰⁵ PacTel also represents that, under its new procedures, all regrades will be handled in the same manner.¹⁰⁶ PacTel states that, when any PSP seeks to replace the service of another PSP at a particular location, the incoming PSP has two choices: (1) request Pacific Bell to install an additional line at the location and incur installation costs, or (2) negotiate an agreement with the existing PSP to supersede the existing service to the incoming PSP, and incur much lower charges by avoiding installation charges.¹⁰⁷ PacTel represents that, historically, when an independent PSP sought to replace

¹⁰¹ Letter from Martin A. Mattes, Graham & James LLP on behalf of CPA, to William F. Caton, Acting Secretary, Federal Communications Commission (April 10, 1997) (CPA April 10 Ex Parte).

¹⁰² CPA claims PubCom is unprepared to address service orders from independent PSPs, and that regrade orders are not being processed by Pacific Bell. Id. In addition, CPA argues that Pacific Bell's claims that it will not disclose or use the CPNI of independent PSPs without approval, except in the provision of service, and that PubCom will not receive notification of new service orders placed for independent PSP payphones, are contradicted by the requirement that independent PSPs must direct service orders for regrade service to PubCom. Id. (citing PacTel CEI Plan at 14, PacTel Reply at 31).

¹⁰³ Id.

¹⁰⁴ Id.

¹⁰⁵ Letter from Nancy K. McMahon, Senior Counsel, SBC Communications Inc., to William F. Caton, Acting Secretary, Federal Communications Commission (Apr. 11, 1997) (PacTel April 11 Ex Parte).

¹⁰⁶ Id.

¹⁰⁷ Id.

Pacific Bell PSP service, the COPT service center would forward information to a contract administrator, who would identify and attempt to resolve any contractual issues.¹⁰⁸ PacTel represents that, by contrast, when an independent PSP sought to replace another independent PSP, the PSPs negotiated supersedure among themselves, and that the COPT service center obtained the outgoing PSP's authority to supersede the account before processing the supersedure order.¹⁰⁹ PacTel represents that, now, all PSPs must negotiate a supersedure with the outgoing PSP, including Pacific Bell's PSP, before placing a supersedure order with the COPT service center, and that the service center has been informing independent PSPs that they must call Pacific Bell's PSP to regrade Pacific Bell PSP service.¹¹⁰ PacTel adds that independent PSPs that do not want to negotiate a supersedure with Pacific Bell's PSP may, as always, submit a new installation order for the site at issue.¹¹¹

35. In addition, PacTel acknowledges that it no longer assigns COPT service center representatives to particular accounts, but represents that a PSP that requests a particular representative will be transferred to that representative or, if the representative is not available, may elect to have the call returned by that representative or to work with another, available representative.¹¹² PacTel also represents that the COPT service center has not changed any of its procedures for confirming due dates to PSPs.¹¹³ PacTel further represents that the requirement that an outgoing PSP account be paid in full before a supersedure order is processed is a long standing Pacific Bell policy.¹¹⁴ Finally, PacTel represents that the COPT service center has not put routine customer tasks on hold pending completion of any

¹⁰⁸ Id.

¹⁰⁹ Id.

¹¹⁰ Id. PacTel claims that Pacific Bell's PSP operation has been staffed and ready to review the status of accounts and to negotiate supersedures as appropriate since April 1, 1997. Id. PacTel argues that the fact that PSPs must negotiate supersedures among themselves does not raise any CPNI issues or the possibility of improper notice of new service orders, because Pacific Bell's COPT service center will not disclose any such information regarding independent PSPs to its own PSP operation. Rather, an incoming PSP will have to disclose to Pacific Bell's PSP the same information that it would have to disclose to any other PSP that it seeks to replace. Id. PacTel states that it is unclear why the incoming PSP would have to disclose to Pacific Bell's PSP operation any more information than it would under the previous regrade process, of which CPA approves. Id.

¹¹¹ Id.

¹¹² Id.

¹¹³ Id.

¹¹⁴ Id. PacTel represents that the COPT service center holds a supersedure order until the balance is paid, and that a PSP that does not want to wait until the outgoing PSP has paid the account may either pay the balance due or submit a new installation order. Id. PacTel notes that the incoming PSP would have to obtain the amount of the balance due from the outgoing PSP. Id.

special project, and that the Center is not aware of any other deterioration in its ability to process service requests.¹¹⁵

36. We find that PacTel's CEI plan comports with the installation, maintenance, and repair requirement. We conclude that PacTel's CEI plan, together with the representations that PacTel has made in this proceeding, provide sufficient detail on the procedures it will employ to ensure that the installation, maintenance and repair functions will be performed on a nondiscriminatory basis. For example, PacTel represents that it will provide installation, maintenance and repair on a nondiscriminatory basis. In addition, PacTel represents that its payphone operations will place orders for network services, and make trouble reports on network services and receive information on the status of network repairs, in the same way as other PSPs, and that the time intervals for providing installation, maintenance and repair will be the same for all PSPs. We find that the record evidence with respect to PacTel's installation, maintenance and repair procedures for PSPs satisfies our CEI requirements.

37. We reject CPA's claim that certain changes to Pacific Bell's service order procedures are inconsistent with representations made by Pacific Bell in its CEI plan. We are satisfied that PacTel has adequately demonstrated that, as a result of these changes, all regrades and supersedure orders will be treated on a nondiscriminatory basis. In addition, we find that Pacific Bell's new procedures do not raise CPNI issues or the possibility of improper notice of new service orders. PacTel represents that Pacific Bell's COPT service center will not disclose any such CPNI regarding independent PSPs to its own payphone operation. The fact that an independent PSP that wants to supersede Pacific Bell's PSP at a particular location will have to negotiate with Pacific Bell's PSP does not alter our conclusion, because Pacific Bell avers that its COPT service center will not disclose any CPNI or information about new service orders to Pacific Bell's payphone operation. Moreover, as PacTel notes, independent PSPs that do not want to negotiate with Pacific Bell's PSP may always submit a new installation order for the site at issue. Additionally, CPA offers no authority, and we find no basis in the Commission's Payphone Orders or CEI rules, for requiring Pacific Bell to assign COPT service center representatives to particular accounts. Finally, we find that PacTel's representations -- namely that Pacific Bell's COPT service center has not changed any of its procedures for confirming due dates to PSPs, that Pacific Bell has long required outgoing PSPs' accounts to be paid in full before processing supersedure orders, and that the COPT service center has not put routine customer service tasks on hold -- adequately respond to the other concerns raised by CPA.

6. End User Access

38. With regard to payphone services, this parameter requires the BOC to provide to all end users the same network capabilities to activate or obtain access to payphone

¹¹⁵ Id.

services that utilize the BOCs facilities. This parameter also requires the BOC to provide all end users equal opportunities to obtain access to basic network facilities.¹¹⁶

39. According to PacTel, its payphone service operations will use the same tariffed services available to all independent PSPs.¹¹⁷ As a result, PacTel's payphone service operations will only present end users with the same network-based operational characteristics that are available to independent PSPs for presentation to their end users.¹¹⁸ PacTel represents that no unique abbreviated dialing or signaling arrangements, and no special service channel access arrangements, are or will be associated with its payphone service operations.¹¹⁹ We find that PacTel's CEI plan comports with the end user access requirement established by the Commission.

7. CEI Availability

40. This requirement obligates a carrier's CEI offering to be available and fully operational on the date that it offers its corresponding payphone service to the public. The requirement also obligates the carrier to provide a reasonable time prior to that date when prospective users of the CEI offering can use the CEI facilities and services for purposes of testing their payphone service offerings.¹²⁰

41. The payphone rulemaking proceeding established the following tariffing requirements for LECs. LECs must file tariffs in the states for basic payphone services that enable independent PSPs to offer payphone services using either smart or dumb payphones and for any unbundled features that the LECs provide to their payphone operations or to others.¹²¹ LECs are not required to file tariffs for the basic payphone line for smart and dumb payphones with the Commission.¹²² As stated in the Clarification Order, a LEC is required to file federal tariffs for payphone-specific, network-based features and functions "only if the

¹¹⁶ See Phase I Order, 104 FCC 2d at 1041, para. 162; Payphone Order at para. 199.

¹¹⁷ PacTel CEI Plan at 10.

¹¹⁸ Id.

¹¹⁹ Id.

¹²⁰ The testing period is necessary "to balance the conflicting interests of the carrier, which should have a reasonable period to develop, test, and 'de-bug' its CEI offerings before making them publicly available, and other CEI users, such as competitors, that might suffer an unfair competitive disadvantage if carriers were able to test and perfect their . . . services -- particularly, their interconnection with the basic underlying facilities -- while withholding those same basic facilities from others." Phase I Order, 104 FCC 2d at 1041, para. 163.

¹²¹ See Clarification Order at para. 8.

¹²² Reconsideration Order at paras. 162-163.

LEC provides them separately and on an unbundled basis from the basic payphone line, either to its payphone operations or to others"¹²³

42. The Clarification Order also granted all LECs a limited waiver of the federal tariffing requirements for unbundled features and functions that a LEC must meet before it is eligible to receive payphone compensation. Pursuant to this waiver, LECs must file interstate tariffs for unbundled features and functions within 45 days of the release date of the Clarification Order, with a scheduled effective date of no later than 15 days after the date the tariff is filed.¹²⁴ In addition, each BOC was required to file, by April 10, 1997, a written ex parte document that advises the Commission on the status of intrastate tariffs for the features and functions that it has not yet federally tariffed, and stating that it commits to filing federal tariffs for such features and functions within 45 days of the release date of the Order.¹²⁵

43. PacTel represents that its underlying basic services are, and will be, available to its own payphone service operations and to independent PSPs at the same time in any given geographical service area.¹²⁶ PacTel also represents that all of Pacific Bell's CEI services, except inmate services for use with "dumb" payphones, have been available for testing and use by independent PSPs for many years prior to the filing of PacTel's new tariffs, and therefore no additional testing period is required.¹²⁷ PacTel adds that Nevada Bell's COPT Service (Basic) has, similarly, been available to independent PSPs for many years, and that no additional testing period is required for that service as well.¹²⁸ PacTel acknowledges that Pacific Bell's and Nevada Bell's Inmate Services for use with "dumb" payphones, Nevada Bell's Coin Line service, Nevada Bell's Charge-A-Call service, and Nevada Bell's Enhanced COPT access line service, have not been available to independent PSPs, but represents that these services have been in use by Pacific Bell or Nevada Bell for years.¹²⁹ PacTel contends that, if the Commission finds that a testing period would be required for these services absent a waiver, the Commission should grant Pacific Bell and Nevada Bell waivers of the testing period requirement, based on the same rationale that the

¹²³ Clarification Order at para. 18.

¹²⁴ Clarification Order at paras. 21.

¹²⁵ Id. at para. 22.

¹²⁶ PacTel CEI Plan at 11.

¹²⁷ Id.; Letter from Jeffrey B. Thomas, Pacific Telesis, to Christopher Heimann, Policy Division, Common Carrier Bureau (April 1, 1997) ("Policy Division April 1 Ex Parte").

¹²⁸ Policy Division April 1 Ex Parte.

¹²⁹ Id.

Commission used to grant waivers of the network disclosure requirements.¹³⁰ PacTel represents that, if it adds other CEI services in future, it will provide independent PSPs a reasonable testing period prior to using such new basic service offerings in the provision of its payphone services.¹³¹

44. PacTel filed with its CEI plan its current state tariffs for payphone services.¹³² With its reply, PacTel submitted new state tariffs for payphone services for both Pacific Bell and Nevada Bell.¹³³ According to PacTel, these new state tariffs were effective on April 1, 1997, for Pacific Bell, and are expected to be effective by April 15, 1997, for Nevada Bell.¹³⁴

45. APCC contends that the CEI plan must be rejected on the ground that PacTel did not file federal tariffs.¹³⁵ It contends that, pursuant to the Reconsideration Order, PacTel must file tariffs for unbundled features at both the state and federal levels, and that the only service for which a federal tariff is not required is the basic access line.¹³⁶ APCC concludes that PacTel's plan cannot be approved until it has filed all required federal tariffs, including tariffs for coin line features.¹³⁷

46. In an ex parte filing, PacTel represents that, in accordance with the requirements of the Clarification Order, Pacific Bell will file federal tariffs for the following unbundled features and functions: international direct distance calling, 10XXX selective

¹³⁰ Id. PacTel contends that that rationale is applicable here, because providing a testing period prior to Pacific Bell's or Nevada Bell's continued use of these services would require interruption of customer service, which would be contrary to the public interest. Id. In the Payphone Order, the Commission waived the notice period for the disclosure of network information relating to basic network payphone service in order to ensure that payphone services would be provided on a timely basis consistent with the deregulatory requirements of that order. See, infra, para. 57.

¹³¹ PacTel CEI Plan at 11.

¹³² PacTel CEI Plan, Attachment A.

¹³³ PacTel Reply, Exhibit A.

¹³⁴ Policy Division April 1 Ex Parte; Policy Division March 20 Ex Parte.

¹³⁵ APCC Comments at 5.

¹³⁶ Id.

¹³⁷ Id.

blocking for bothway Basic COPT service, and answer supervision.¹³⁸ PacTel further represents that Nevada Bell will file federal tariffs for international direct distance calling.¹³⁹

47. APCC also argues that PacTel must be required to disclose where coin line service is not available and whether PacTel has any payphones currently installed in those areas.¹⁴⁰ PacTel responds that there are no areas in Pacific Bell's or Nevada Bell's service territories where the BOC currently offers, or where, in future, the BOC will offer, payphone services to its affiliated payphone operations that are not available to unaffiliated PSPs.¹⁴¹

48. We find that PacTel's plan complies with the CEI availability requirement.¹⁴² We reject APCC's argument that PacTel must file a federal tariff for all payphone service features and functions, except for the basic access lines for payphone services. As stated in the Clarification Order, BOCs need only submit federal tariffs for payphone-specific, network-based features and functions if the BOC provides them separately and on an unbundled basis from the basic payphone line, either to its payphone operations or to others.¹⁴³ As noted, PacTel has committed to file federal tariffs for international direct distance calling, 10XXX selective blocking for bothway Basic COPT service, and answer supervision in Pacific Bell's territory, and for international direct distance calling in Nevada Bell's territory.

49. We also conclude that PacTel is not required to identify in its CEI plan specific geographic areas where coin line service is not available or to state whether PacTel has any payphones in such areas. PacTel has provided sufficient information about the availability of such services. In addition, PacTel represents that there are no areas in its service territories where it currently offers, or will, in future, offer, payphone services to its affiliated payphone

¹³⁸ Letter from Polly L. Brophy, Senior Counsel, SBC Communications Inc. ("SBC"), to William F. Caton, Acting Secretary, Federal Communications Commission (Apr. 10, 1997) (PacTel April 10 Ex Parte).

¹³⁹ Id.

¹⁴⁰ APCC Comments at 9.

¹⁴¹ PacTel Reply at 26 ("For any services that are not available in some areas, that lack of availability would apply equally to our own PSPs as to others."). PacTel notes that its tariff states that its coin line service is "available in Pacific Bell's exchange areas of all exchanges as defined on maps filed as part of Pacific Bell's tariff schedules," and that this service is available throughout Nevada Bell's territory. Id.

¹⁴² We note that our conclusion that PacTel's CEI plan complies with the CEI availability requirement, and therefore our approval of its CEI plan, is contingent on the effectiveness of PacTel's state tariffs for payphone services. As noted above, PacTel represents that its new tariffs for payphone services were effective on April 1, 1997, for Pacific Bell, and are expected to be effective by April 15, 1997, for Nevada Bell. We note further that, because we are relying on the states to review LEC tariffs for basic payphone services, our conclusion that PacTel has satisfied the CEI availability requirement does not represent a determination that PacTel's basic payphone services are tariffed in accordance with the requirements of Section 276.

¹⁴³ Clarification Order at para. 18.

operations without making such services available to independent PSPs. We find that PacTel is not required to identify how many of its payphones are "smart" payphones and how many are coin line. We find no basis in our CEI requirements or the payphone orders for directing PacTel to identify how many of its payphones are "smart" payphones and how many are coin line for purposes of satisfying our CEI requirements.

50. Finally, we grant PacTel's request that we waive the 90-day notice requirement for Nevada Bell's provision of COPT Service (Basic) service, Coin Line service, Charge-A-Call service, and Enhanced COPT access line service, and for Nevada Bell's and Pacific Bell's provision of Inmate Services for use with "dumb" payphones. Therefore, Nevada Bell and Pacific Bell may continue to provide such services through the use of the CEI offering described herein without first providing ninety days for unaffiliated carriers to test the service. This waiver is reasonable in this context because, unlike the provision of a new enhanced service, Nevada Bell and Pacific Bell have been offering payphone services using the foregoing services for many years.¹⁴⁴ To bar Nevada Bell and Pacific Bell from continuing to use such services to provide payphone services for a period of ninety days would result in a suspension of service. Nevada Bell and Pacific Bell are not, however, relieved of their obligation to permit unaffiliated PSPs upon request to conduct testing of the foregoing offerings. For purposes of approving this CEI plan, we simply waive the requirement that Nevada Bell and Pacific Bell may not offer the foregoing services before such testing is accomplished. PacTel states that if and when other basic services are deployed, it will provide independent PSPs a reasonable testing period prior to using such new basic service offerings in the provision of its payphone services.¹⁴⁵

8. Minimization of Transport Costs

51. This requirement obligates carriers to provide competitors with interconnection facilities that minimize transport costs.¹⁴⁶ PacTel represents that its tariffed basic payphone services are not distance-sensitive, and thus all PSPs, including its own, pay the same price for such services regardless of distance from PacTel's central offices.¹⁴⁷ We find that PacTel's CEI plan comports with the minimization of transport costs requirement established by the Commission.

¹⁴⁴ Policy Division April 1 Ex Parte.

¹⁴⁵ PacTel CEI Plan at 11.

¹⁴⁶ Payphone Order at paras. 202-03; Phase I Order, 104 FCC 2d at 1042, para. 164.

¹⁴⁷ PacTel CEI Plan at 11. PacTel adds that, if it does offer and use tariffed basic payphone services on a distance-sensitive basis, it will minimize transmission cost differences between its collocated unregulated payphone equipment and PSPs by using price parity standards that the Commission has approved. Id. (citations omitted).

9. Recipients of CEI

52. This requirement prohibits a BOC from restricting the availability of its CEI offering to any particular class of customer or PSP.¹⁴⁸

53. PacTel avers that none of the tariffs for its payphone services restrict the ability of independent PSPs or any class of customers to purchase its payphone services.¹⁴⁹ We find that PacTel has proposed to provide service to CEI recipients in compliance with the Commission's requirements.

B. Other Nonstructural Safeguards

54. In addition to the CEI requirements established in Computer III, and applied to BOC provision of payphone services in the Payphone Order,¹⁵⁰ a BOC that provides payphone services must comply with requirements regarding the use of customer proprietary network information (CPNI), disclosure of network information, and nondiscrimination reporting.¹⁵¹

1. Customer Proprietary Network Information

55. The Payphone Order requires PacTel to explain how it will comply with the Computer III CPNI safeguards,¹⁵² to the extent they are not inconsistent with section 222 of the Communications Act, as amended.¹⁵³ Although the requirements of section 222 became effective immediately upon enactment, the Commission has initiated a proceeding to consider regulations interpreting and specifying in more detail a telecommunications carrier's obligations under this provision.¹⁵⁴ The Commission has concluded that its existing CPNI regulations remain in effect, pending completion of the CPNI rulemaking, to the extent they do not conflict with section 222.¹⁵⁵

¹⁴⁸ Payphone Order at paras. 202-03; Phase I Order, 104 FCC 2d at 1042, para. 165.

¹⁴⁹ PacTel CEI Plan at 12.

¹⁵⁰ Payphone Order at para. 202. See also Reconsideration Order at para. 210.

¹⁵¹ Phase II Order, 2 FCC Rcd at 3082, paras. 73-75.

¹⁵² See Phase II Order, 2 FCC Rcd at 3095, para. 156.

¹⁵³ Payphone Order at para. 205 (citing 47 U.S.C. § 222 and CPNI NPRM).

¹⁵⁴ CPNI NPRM at para. 2.

¹⁵⁵ Id. at para. 3 (noting that, to the extent that the 1996 Act requires more of a carrier, or imposes greater restrictions on a carrier's use of CPNI, the statute governs).