



**MCI Telecommunications Corporation**

1801 Pennsylvania Avenue, NW  
Washington, DC 20006  
202 887 2372  
FAX 202 887 3175

**Frank W. Krogh**  
Senior Counsel and Appellate Coordinator  
Federal Law and Public Policy

ORIGINAL

DOCKET FILE COPY ORIGINAL

December 11, 1997

EX PARTE OR LATE FILED

EX PARTE

RECEIVED

DEC 11 1997

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, D.C. 20554

Re: Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98

Dear Ms. Salas:

MCI Telecommunications Corporation (MCI) wishes to bring to the Commission's attention, in connection with the above-captioned proceeding, the attached articles from the Washington Post and Time Magazine concerning the problems created for consumers by the Bell Operating Companies' (BOCs') refusals to share directory listings with competitors. The articles demonstrate that the BOCs' conduct is not only anticompetitive but also anti-consumer as well.

The BOCs' use of their directory databases while denying access to others violates Sections 251 and 252 of the Act. The First Interconnection Order<sup>1</sup> held that directory assistance is a network element that an incumbent local exchange carrier (LEC) must make available on an unbundled basis upon request to a telecommunications carrier under Section 251(c)(3).<sup>2</sup> Moreover, incumbent LECs are required "to provide access and unbundled elements that are at least equal-in-quality to what the incumbent

<sup>1</sup> First Report and Order, Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98, Interconnection between Local Exchange Carriers and Commercial Mobile Radio Service Providers, CC Docket No. 95-185, FCC 96-235 (released Aug. 8, 1996), aff'd in part and rev'd in part on other grounds sub nom. Iowa Utilities Bd. v. FCC, No. 96-3321 and consol. cases (8<sup>th</sup> Cir. July 18, 1997).

<sup>2</sup> Id. at ¶ 538.

No. of Copies rec'd  
List ABCDE

021

Letter to Magalie Roman Salas  
December 11, 1997  
Page 2

LECs provide themselves...."<sup>3</sup>

The Second Interconnection Order<sup>4</sup> held that the dialing parity provisions of Section 251(b)(3) "require[] LECs to share subscriber listing information with their competitors, in 'readily accessible' tape or electronic formats, and that such data be provided in a timely fashion upon request."<sup>5</sup>

We agree with MCI that "by requiring the exchange of directory listings, the Commission will foster competition in the directory services market and foster new and enhanced services in the voice and electronic directory services market."... [W]e require the LEC providing the listing to share listings in a format that is consistent with what that LEC provides in its own directory.

....

We further find that a highly effective way to accomplish nondiscriminatory access to directory assistance, apart from resale, is to allow competing providers to obtain read-only access to the directory assistance databases of the LEC providing access.<sup>6</sup>

Thus, an incumbent LEC must provide competing providers "nondiscriminatory access to ... directory assistance databases" "consistent with what that LEC provides in its own directory." In other words, an incumbent LEC must provide competing providers

---

<sup>3</sup> Id. at ¶ 313.

<sup>4</sup> Second Report and Order and Memorandum Opinion and Order, Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98, Interconnection between Local Exchange Carriers and Commercial Mobile Radio Service Providers, CC Docket No. 95-185, FCC 96-333 (released Aug. 8, 1996), aff'd in part and rev'd in part on other grounds sub nom. California Pub. Util. Comm'n. v. FCC, No. 96-3519 and consol. cases (8<sup>th</sup> Cir. Aug. 22, 1997).

<sup>5</sup> Id. at ¶ 141.

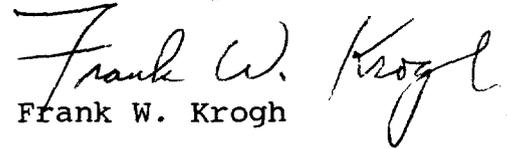
<sup>6</sup> Id. at ¶¶ 141, 143. The Commission also noted in the Second Interconnection Order that "[t]he obligation of incumbent LECs to provide operator services and directory assistance as unbundled elements is in addition to the duties of all LECs ... under section 251(b)(3) and the rules we adopt herein." Id. at ¶ 118.

Letter to Magalie Roman Salas  
December 11, 1997  
Page 3

of directory assistance and reverse directory services with all listings used by the LEC for its own directory assistance and reverse directory services. There are no exceptions for listings of customers of other LECs that are made available to, and used by, a LEC that is requested to provide access to a competitive provider. The attached articles demonstrate that any other approach would stifle, rather than "foster[,] competition in the directory services market and ... new and enhanced services in the voice and electronic directory services market."

Two copies of this Notice and attachment are being submitted for inclusion in the public record of this proceeding in accordance with Section 1.1206(a)(1) of the Commission's Rules.

Yours truly,

  
Frank W. Krogh

cc: A. Richard Metzger, Jr.  
Richard Welch  
Carol Mattey  
Geraldine Matisse  
John Muleta  
Ruth Milkman

# Long-Distance Information? Don't Count on It

---

By Mike Mills

Washington Post Staff Writer

---

The phone rang in the office of a District dentist and at the other end was a very angry woman, calling long distance. Why, she demanded, wasn't President Clinton answering her letters about her son's troubles in the Army?

Receptionist Elizabeth Jaramillo, who answered the call, knew immediately what had happened: Once again, a directory assistance operator had given out the number for the

wrong White House. The caller wanted the place where the president lives; she got the office of Jaramillo's employer, Dr. Susan Whitehouse. "It happens all the time," said Jaramillo. "Lately I've noticed it's getting worse."

Across the country, long-distance directory assistance is handing out bum information with increasing frequency, telephone industry executives concede. Callers are being told cities don't exist, area codes can't be searched or famous landmarks aren't listed. And for this they're charged nearly a buck each time.

If you thought competition in the telephone business was supposed to improve service such as directory assistance, you thought wrong. The problem: As local phone companies, such as the Washington area's Bell Atlantic Corp., begin to compete against long-distance carriers and each other, many are refusing to share updated lists of customers' phone numbers.

So companies such as AT&T Corp. are scrambling to assemble their own lists of phone numbers, using whatever sources they can.

See NUMBERS, A22, Col. 1

# Competing Long-Distance Phone Companies Scramble to Assemble Directory Listings

NUMBERS, From A1

can find—credit card data, motor vehicle records, electronic scans of Bell companies' telephone books. Garbage in, garbage out, goes the old computer mantra. The resulting databases often are larded with errors, which the operators unknowingly pass to callers.

Dial the number AT&T gives you when you ask for City Hall in New York City and chances are good that Andrew Shabasson, manager of the City Hall Billiard Club across the street, will pick up the phone.

"On my shift I get at least 15 to 20 wrong numbers a day," said Shabasson one recent day, as he directed customers to a table. "I get marriage license calls, death certificate calls, questions about housing permits."

Ask for the Baltimore City Police Department, and an AT&T operator may give you the number for University of Baltimore Campus Police. The Los Angeles Coliseum has no number, according to another operator. In Des Moines, a county judge answers when you thought you were calling the U.S. attorney's office there.

"It's a huge problem for information professionals and new small businesses," said Tom Sterner, a private investigator with Decision Strategies/Fairfax International LLC in the District, who said his company's own number didn't

show up on AT&T's listings until 18 months after it moved from New York.

It used to be that when somebody dialed, say, 612-555-1212, the long-distance company always sent the call directly to operators at the local phone company in Minneapolis, who would provide the requested listing. The local phone company collected a fee from the long-distance company for that help.

But that was back when local and long-distance phone companies weren't getting into each other's business. In 1995 AT&T decided to handle its own listings: By hiring non-union operators from regional service centers—at half the wages of unionized Bell operators—the company figured it could do the job more cheaply and not give any business to its soon-to-be rivals, the regional Bells.

Moreover, the Bells had begun putting their own audible "logos" on their directory calls, such as when James Earl Jones's voice says "Welcome to Bell Atlantic" in this area. "You really don't want your competitor using your time and money to brand their service" with your own customers, said AT&T spokeswoman Pat Mallon.

The Telecommunications Act of 1996 requires local phone companies to make listings available to every company, but the law says nothing about how or at what specific price.

Bell Atlantic says it complies with the law by providing direct links to its own

operators, at a fee, same as always. "We're providing an up-to-date database," said spokesman Ellis Edwards. "AT&T made a purely competitive decision. They did not want a company they consider a major competitor providing directory assistance to them."

But what companies such as AT&T want are raw data from the local companies' computers, at a reasonable price. It would be fed into the new directory services computers for use by their operators.

"Bell Atlantic is the worst," said Dan Evanoff, chief executive of Excell Agent Services LLC, a fast-growing Phoenix operator services company that AT&T hired to handle more than half of its directory requests. "We constantly call, write and ask for a change in their policy. We've sent certified letters to their CEO. They didn't even respond."

Mike Hollobow, senior product manager for directory assistance for Ameritech Corp., which is experimenting with its own nationwide directory service makes a similar complaint: "They want us to tap into their computers and pull names off one name at a time" at a fee each time. "We're not interested. We need all of their listings."

So AT&T, Ameritech and others are trying to assemble their own lists of phone numbers and are finding out how hard it is. They are tapping direct-mail companies, utility and credit card billing

data, motor vehicle records, even scanning printed phone books that often are months old. Excell, which has received the brunt of the criticism for wrong AT&T numbers, acours 300 different sources for listings, according to Evanoff.

In these databases, "non-published" numbers sometimes get published. And operators looking for a general phone number for a large business often end up giving out some far-flung office extension or fax number.

Ask for the Four Seasons Hotel in Beverly Hills, for example, and AT&T gives you the listing for the group sales office, which few people need.

The White House has missed more than a few calls. Until a few months ago, Ameritech's database refused to display the correct number unless operators typed in the word "The" before White House. And even then, if operators aren't careful, they'll give out the number for dentist Susan Whitehouse, the Whitehouse Cleaners or the clothing outlet called The White House in Union Station.

"We probably get about six or seven wrong numbers a day," said Phyllis Johnson, manager of The White House retail outlet. "They say 'damn, this is the number the operator gave me.'"

AT&T customers trying to get num-

bers for the Washington region fare better than Ameritech customers because AT&T farms out that business not to Excell but to CFW Communications Co., a Waynesboro, Va., local phone company that uses the high-priced system of sending callers to Bell Atlantic.

Elsewhere, AT&T is fighting to improve its image. Excell operators are being trained to handle specific geographic regions and understand dialects.

Tomorrow, AT&T plans to unveil an updated national directory service in Seattle, Denver and other cities in which people can dial "00" to find phone numbers in any area code. The price will be the same as today's service, 95 cents for two listings.

AT&T also hopes to mitigate one of consumers' biggest gripes: that operators often are unable to find a number unless the caller knows the exact town where it's located. Operators "will stay with you for as long as it takes to find what you're looking for," said one industry executive.

Other long-distance carriers have been spooked by AT&T's troubles. MCI Communications Corp. and Sprint Corp. still hook customers directly to the Bells, though MCI gradually is using its own operators wherever it can get raw listings data from a Bell company.

The Federal Communications Com-

mission, which implements the 1996 law and regulates the phone companies' interstate business, has stayed out of the fight. "We would hope the marketplace would hash this out and find new solutions," said one commission official.

But state regulators are getting involved. MCI recently persuaded Virginia and Maryland regulators to force Bell Atlantic to hand over its raw data at low prices—a victory that AT&T now may be able to duplicate. But MCI has yet to prevail in the District.

In the end, competition may force companies to share data. Bell companies Ameritech, BellSouth and US West all recently began offering nationwide directory services to customers. By no coincidence, those three also are the most cooperative among the Bells when it comes to offering data—even to Excell. Bell Atlantic, too, is hoping to get into the nationwide directory assistance business.

But how cooperative will, say, Ameritech be when Bell Atlantic comes calling for Midwestern listings?

"I'll say, 'Go jump off the nearest pier,'" said Ameritech's Hollobow. "You're not getting our listings until we get yours."

Staff researcher Richard Dreezen contributed to this report.

BUSINESS

TRoubLED INFORMATION

# Directory Resistance

Getting long-distance information is a crank call, thanks to a fight between AT&T and the Baby Bells

By S.C. GWYNNE AUSTIN

**D**ES MOINES, IOWA, IS MISSING. SO ARE Deming, N.M., the Albuquerque police department, the New York Stock Exchange, the Dallas Cowboys and countless ordinary folk. An alien plot? Close. The once simple act of obtaining long-distance information has become the latest casualty of deregulation. These days a call for out-of-state information not only gets you way out of state—not the one you think you're dialing—but often doesn't get you any information either. The misinformation is the result of a spitting contest between AT&T and the local phone companies, as they begin to compete head to head.

Call New York information from Houston, for example, and ask for the New York Stock Exchange. No listing. Nope. Or call Dallas—Irving, to be precise, home of the Dallas Cowboys—and ask for the number of Du'Boys. No listing. You provide the address—1 Cowboys Parkway—and are finally given a number, which produces only the screech of the no-such-number signal. The list goes on: no number for state representatives' offices in New England, or for the Mayflower hotel in Washington, D.C. One operator, when asked for a number in Des Moines, informed the caller that there was no such place.

What is going on here? In a word: deregulation. The seminal event in the deterioration of long-distance information occurred two years ago, when AT&T got into the business of providing its own long-distance directory-assistance service rather than connecting its customers to Alice or Joe at the local phone company, with

whom AT&T used to have an agreement.

Now, as AT&T competes with its former children, some of the regional operating companies, a.k.a. the Baby Bells, are no longer sharing their database of phone numbers with Ma Bell. The upshot is that AT&T has assembled replacement services consisting of one subcontractor, Excell Agent Services in Phoenix, Ariz.; two of its own regional centers; and a few stray agreements with Baby Bells. Thus when you're in, say, Oregon calling to find a Florida number, your long-distance information operator is likely to be in Phoenix, Scranton, Pa.; or Augusta, Ga. (MCI and Sprint still have agreements

with the Bells—but that could change once they start competing locally.)

Meanwhile, AT&T is doing everything from teaching geography to operators (hint: Des Moines is in Iowa) to rou New York City calls to a specific set of operators who might have heard of the exchange or Grand Central Terminal. "We are cleaning it up," says AT&T spokeswoman Pat Mallon. She cites Silicon Valley and Long Island as recent successes, problems still exist in some vital areas Washington, because the city covers 1 area codes and its information system don't "talk" to one another. There's some work to be done. Earlier this year request for Squaw Valley, the famous resort in California where the 1960 Winter Olympics were held, produced incorrect numbers from all over the region. One operator finally got close, providing a number for the Olympic Village—something has not existed for 30 years. —With reports by Mary Hylton/Austin and Alan M. Poe New York

