TCAP EQUAL ACCESS - SCREEN LIST EDITING

- SLE SERVICE FEATURES:
  - END USER ABILITY TO CONTROL CALL FEATURES THAT USE "LISTS" E.G., SELECTIVE CALL ACCEPTANCE / REJECTION
  - END USER MAINTAINS LIST IN LEC SWITCH
  - LIST BASED ON "DIRECTORY NUMBERS" OR "DNs"
  - SS7 SIGNALING REQUIRED TO CHECK INTER-SWITCH DNs
    - » CHECK:
      - DNs ARE ACTIVE LINES IN SOME SWITCH
      - DNs BEING ADDED LIST USE VALID NPA-NXX
      - DN BEING ADDED WORKS FROM SS7-CAPABLE SWITCH
  - PRESENTATION FOCUS IS ON SS7 INTER-SWITCH, INTERLATA SCREEN LIST EDITING MESSAGES

J. JOERGER
MCI
ICCF #31

TCAP EQUAL ACCESS - SCREEN LIST EDITING

- TR-606 PROVIDES GENERIC ROUTING CAPABILITIES
  - SUPPORTS BOTH OPTIONS: BCC SELECT AND END-USER PIC
- TA-220 PROVIDES SPECIFIC SLE ROUTING RULES TO CONTROL TR-606 PROCEDURES

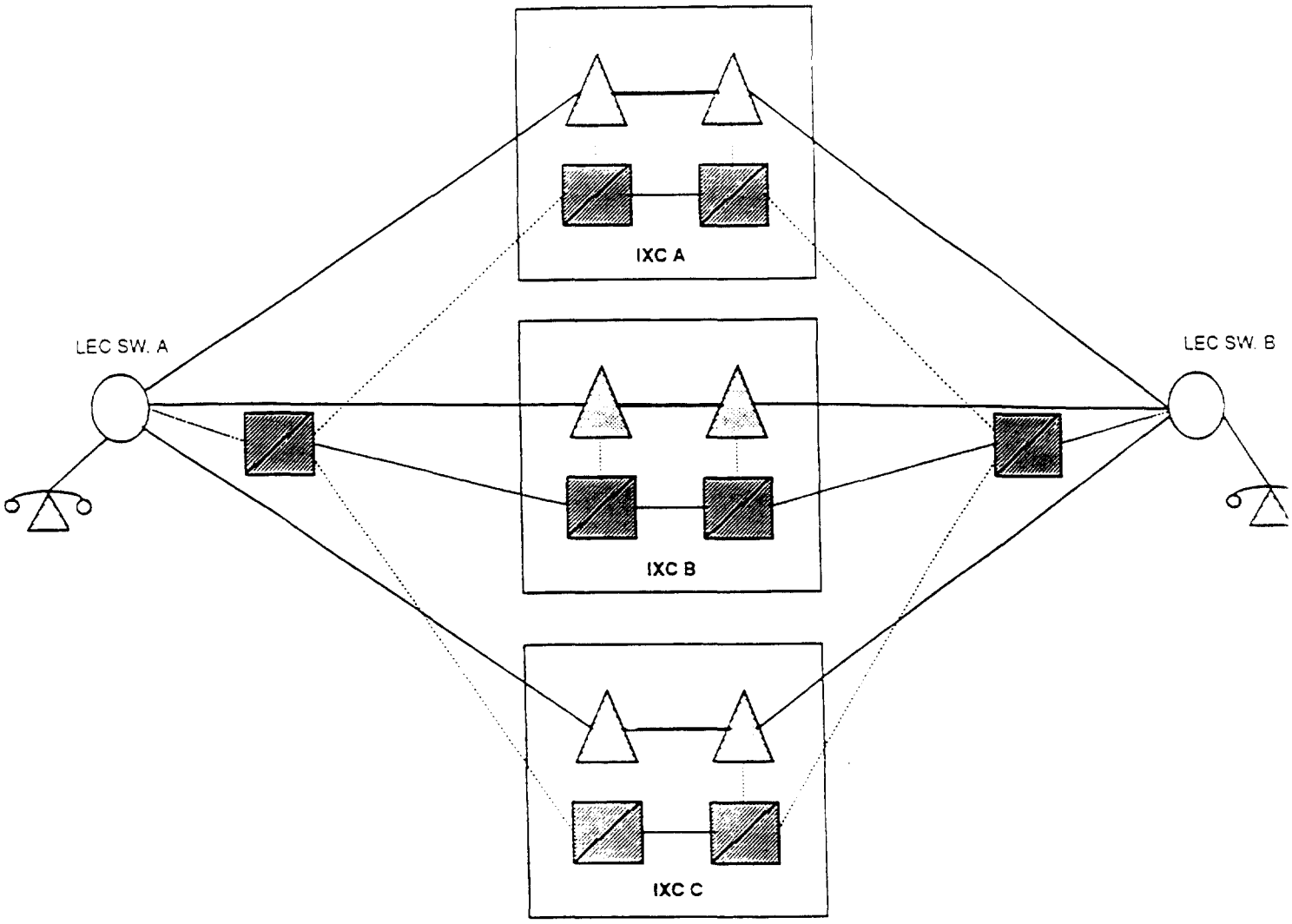
J. JOERGER
MCI
ICCF #31

TCAP EQUAL ACCESS - SCREEN LIST EDITING

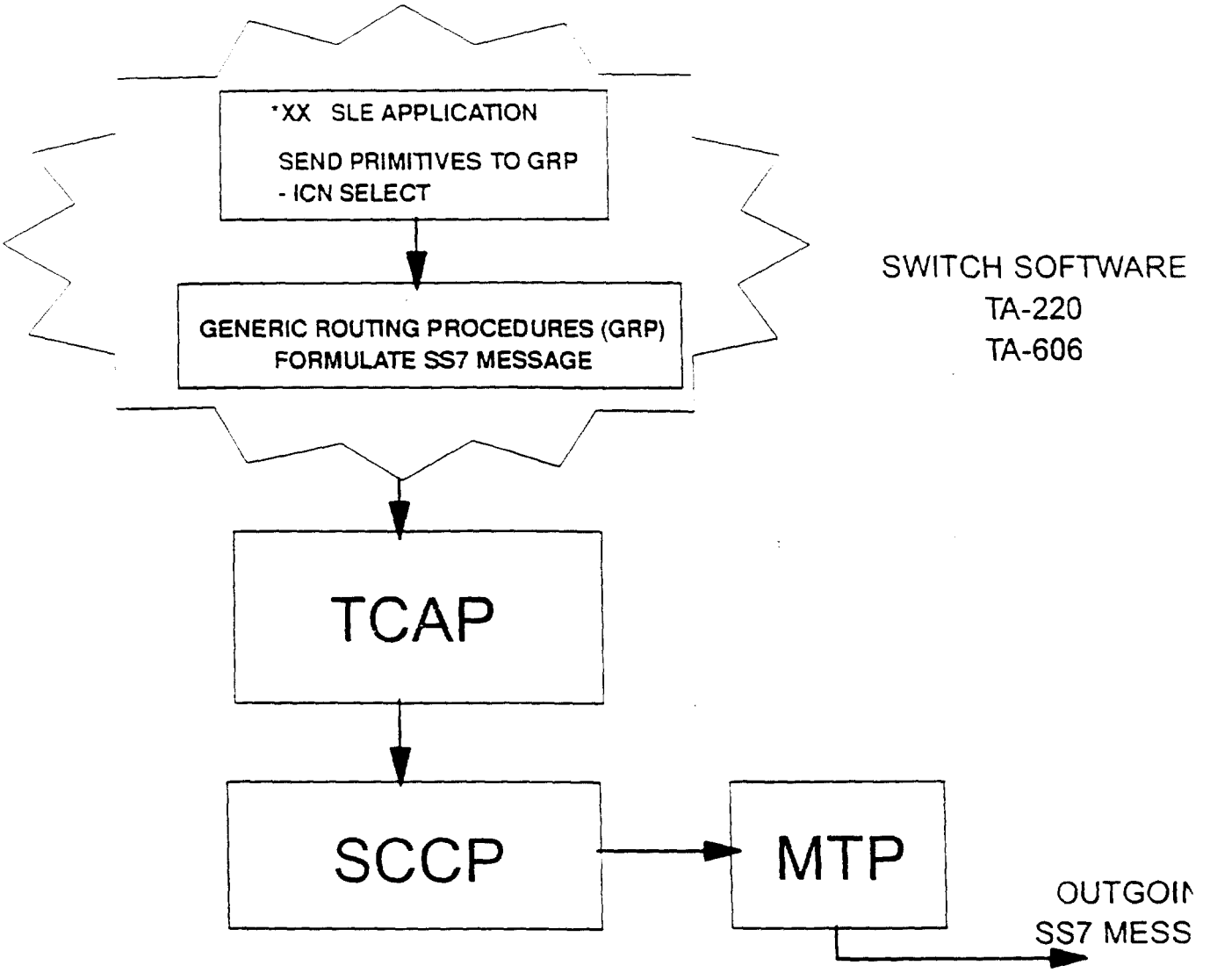
- ISSUE:
  - TA-NWT-000220 (ISSUE 4, JUNE 1993) SECTION 3.3.4.4 SHOULD BE REVISED TO INCLUDE MFJ INTENTIONS
    - » TCAP INFORMATION PRIMITIVE FOR "ICN SELECTION" CURRENTLY SPECIFIES "BCC-SELECT" METHOD TO DETERMINE MESSAGE ROUTING
    - » REVISE PRIMITIVE LIST TO INCLUDE MESSAGE ROUTING TO END-USER PRESUBSCRIBED CARRIER
    - » BOTH METHODS ARE SUPPORTED IN TA-NWT-000606, LSSGR CCS REQUIREMENTS

J. JOERGER
MCI
ICCF #31

TCAP EQUAL ACCESS -SCREEN LIST EDITIN



TCAP EQUAL ACCESS -SCREEN LIST EDITING



TCAP EQUAL ACCESS - SCREEN LIST EDITING

- **MFJ APPLICABLE TEXT:**

"Telecommunications means the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received, by means of electromagnetic transmission medium, including all instrumentalities, facilities, apparatus, and services (including the collection, storage, forwarding, switching, and delivery of such information) essential to such transmission." (IV.O)

J. JOERGER
MCI
ICCF #31

TCAP EQUAL ACCESS - SCREEN LIST EDITING

- **MFJ APPLICABLE TEXT (cont.):**

"Interexchange telecommunications means telecommunications between a point or points located in one exchange telecommunications area and a point or points located in one or more other exchange areas or a point outside an exchange area." (IV.K)

J. JOERGER
MCI
ICCF #31

TCAP EQUAL ACCESS - SCREEN LIST EDITING

- MFJ APPLICABLE TEXT (cont.)

  ... "no BOC shall, directly or through any affiliated enterprise:

  1. provide interexchange telecommunications ... (II.D)

J. JOERGER
MCI
ICCF #31

TCAP EQUAL ACCESS - SCREEN LIST EDITING

- MCI DOES NOT AGREE WITH LEC POSITIONS FROM ICCF #30 WHICH NOTED THAT SLE MESSAGES SHOULD BE ROUTED BASED ON BCC BUSINESS DECISIONS
- MCI BELIEVES THAT MFJ IS CLEAR THAT SLE MESSAGES ARE NOT "OFFICIAL" COMMUNICATIONS

J. JOERGER
MCI
ICCF #31

network features is inherently arbitrary. Thus, any decision based partly on the ONA process, which relies on the IILC, will be arbitrary.

The Hatfield Report also explains why the other proceedings mentioned in the Notice and the state of competition in enhanced services are irrelevant. The unbundling in the Expanded Interconnection proceeding is not the type of unbundling that is of any use to ESPs, and the IN proceeding has not resulted in any Commission actions. Ironically, as the Hatfield Report explains, the deployment of new technologies not only has failed to bring about more unbundling but has also made ESPs and other competitive service providers more vulnerable to abuses of the BOCs' monopoly power. The increasing complexity of the network resulting from the deployment of advanced technology makes it more feasible for the BOCs to use their control over signalling to discriminate against competitors in various ways described and documented in the Hatfield Report. Furthermore, enhanced services competition also makes that market more vulnerable to abuse by the monopoly BOCs. Enhanced services competition does nothing to loosen the BOC bottleneck in local exchange service. Finally, the Hatfield Report explains why fully separate subsidiaries more effectively protect against cross-subsidies and discrimination than do nonstructural regulations.

If there were any doubts about the BOCs' continuing monopoly

power in local exchange service and their propensities to abuse that power in adjacent competitive markets, the history of discrimination and other anticompetitive conduct since the Computer III Remand proceeding should erase any such doubts. In addition to the run-around to which MCI and others have been subjected in their pursuit of unbundled network features, as detailed in the Guggina Affidavit, and the abuses described in the ATSI letter, the following is a typical sample of BOC anticompetitive abuses:

- Attached hereto as Exhibit C is a letter from the Missouri Telemessaging Association to members of the Missouri Senate, dated March 30, 1992, discussing incidents of "unhooking" and other unfair marketing practices by Southwestern Bell and US West directed against voice messaging service providers and the competitive disadvantages arising from the unavailability of BOC network features needed by voice messaging providers. This letter confirms the accounts of similar abuses contained in the December 13, 1994 ATSI filing.

- Notwithstanding previously issued Industry Carrier Compatibility Forum (ICCF) guidelines concerning central office code assignment policies, to which New York Telephone Company had agreed, Teleport Communications Group (TCG) and MFS Communications Company, Inc. (MFS) were forced to complain to the New York State Public Service Commission about New York Telephone's failure to assign central office codes to them for use in offering competitive local exchange service. New York Telephone was ordered to make central office codes available to TCG and MFS in a non-discriminatory manner in accordance with the ICCF guidelines.[56]

- In spite of prior opinions of the New York PSC ordering intraLATA equal access, New York Telephone Company initially rejected MCI's request for such access as "premature" and not a "bona fide request," since New

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[56] Proceeding on Motion of the Commission to Investigate Performance - Based Incentive Regulatory Plans for New York Telephone, Case 92-C-0665 (NYPSC Oct. 4, 1993).

York Telephone had not yet filed the necessary tariff. The PSC had to intervene to instruct New York Telephone to provide intraLATA access in response to MCI's request as required by PSC order.[57]

- Earlier this year, this Commission found Ameritech's NPA "overlay" plan for the Chicago metropolitan area to be unreasonably discriminatory against competing paging and cellular carriers and unreasonably preferential to wireline carriers, especially Ameritech itself, in violation of Section 202(a) of the Communications Act, as well as an unreasonably "selective and asymmetric treatment of carriers in the administration of telephone number resources," in violation of Section 201(b) of the Act.[58]

- In early 1993, Southern Bell proposed an expanded area local service plan in South Carolina, which had the effect of converting what would have been intraLATA toll calls into local calls, charged at rates below the access charges that MCI and other IXCs have to pay to offer competitive intraLATA toll service. Independent LECs thereafter filed similar expanded area local service plans. MCI and other IXCs appealed the South Carolina Public Service Commission's approval of the plan, the implementation of which was stayed on the grounds that it would hinder the development of competition in the intraLATA market.[59] While the case was on appeal, it was discovered in another case that Southern Bell and other LECs had entered into a secret agreement regarding the rates they would pay each other for terminating expanded local area calls originated in another LEC's service area. The secret rates were less than the tariffed access rates MCI and other IXCs have to pay to terminate the same calls. In discovery and on cross-examination at a hearing, Southern Bell misrepresented the terminating rates the LECs were

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[57] See letter from Richard C. Fipphen, MCI, to Joseph A. Post, New York Telephone Co., dated May 20, 1994; letter from Joseph A. Post to Richard C. Fipphen, dated June 9, 1994; letter from Richard Stannard, Director, Communications Division, New York State Public Service Commission, dated July 5, 1994.

[58] Proposed 708 Relief Plan and 630 Numbering Plan Area Code by Ameritech - Illinois, IAD File No. 94-102, FCC 95-19 (released Jan. 23, 1995).

[59] Order Granting Stay, AT&T Communications of the Southern States, Inc., et al. v. BellSouth Telecommunications, Inc., CA No. 93-CP-40-4184 (S. Car. Circuit Court Nov. 11, 1993).

paying one another. Once the secret agreement became known, Southern Bell initially refused to offer similar terms to MCI and other IXCs.

- Despite Ameritech's hype for its mislabelled "Customer First Plan" filed at the Illinois Commerce Commission (ICC), and ostensible willingness to face competition, "its true response to competition," in the words of the ICC staff, has been to "fight it every inch of the way until ordered to permit it."[60] Earlier this year, the ICC, in response to a complaint brought by MFS Intelenet of Illinois, Inc., ruled that Illinois Bell had discriminated unreasonably against MFS by failing to offer MFS inter-carrier arrangements similar to those offered to independent telephone companies and required Illinois Bell to enter immediately into such an arrangement.[61]

- MCI, notwithstanding its prior authorization to provide local exchange services, was forced to bring a similar complaint seeking the same interim relief, which is still pending. The complaint alleges that Illinois Bell has been willing to provide MCI only with end user services in response to MCI's requests for interconnections that would enable it to provide competitive local exchange service.[62] Ironically, in response to the application submitted by MCI Metro Access Transmission Services, Inc. (MCI Metro) for authority to operate as a competitive exchange carrier in Illinois' "Market Service Area 1," Illinois Bell has taken the position that such service should be marketed separately from MCI's interLATA services and that MCI and MCI Metro should deal with each other on an arm's length basis, in spite of MCI's and MCI Metro's zero

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[60] Reply of the Staff of the Illinois Commerce Commission to Brief on Exceptions to the Hearing Examiner's Proposed Order at 1, MFS Intelenet of Illinois, Inc. v. Illinois Bell Telephone Co., No. 94-0422 (Ill. Comm. Comm'n Jan. 6, 1995).

[61] Interim Order, MFS Intelenet of Illinois, Inc. v. Illinois Bell Telephone Co., No. 94-0422 (Ill. Com. Com'n. Jan. 25, 1995).

[62] Complaint and Petition Requesting Expedited Relief of MCI Telecommunications Corporation, MCI Telecommunications Corporation v. Illinois Bell Telephone Co., No. 94-0483 (Ill. Com. Com'n. Nov. 22, 1994).

market share in local exchange services.[63]

- The Michigan Public Service Commission found that Michigan Bell improperly won a competitive bid for an interactive video service by pricing below its long-run incremental costs and by failing to include all appropriate related costs in its bid. The PSC held that such below-cost pricing must be assumed to have been subsidized from Michigan Bell's basic local exchange and access rates and that these violations constituted illegal anticompetitive activities.[64]

- In 1993, Pacific Bell secretly manipulated the California Public Utilities Commission (CPUC) intraLATA toll competition proceeding through unreported ex parte contacts with the CPUC that resulted in the significant weakening of consumer and competitive safeguards in the decision authorizing intraLATA toll competition. After Pacific Bell's ex parte manipulation was revealed, the decision was withdrawn, thus delaying intraLATA toll competition, to Pacific Bell's advantage.[65]

- Pacific Bell refuses to allow its Centrex customers to route intraLATA calls to competing toll carriers without dialing extra digits.[66]

- In 1993, the CPUC ordered Pacific Bell to pay a refund of $35 million and a $15 million penalty on account of its practice of charging its customers improper late-

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[63] See Testimony of Richard Kolb, MCI Metro Access Transmission Services, Inc., Docket No. 94-0400 (Ill. Com. Com'n. Jan. 17, 1995).

[64] City Signal, Inc. v. Michigan Bell Telephone Co., Case No. U-10225 (Mich. PSC May 21, 1993).

[65] Order Rescinding Decision 93-09-076, Alternative Regulatory Frameworks for Local Exchange Carriers, I.87-11-033, Decision 93-10-033 (CPUC Oct. 6, 1993); California Public Utilities Commission, General Counsel, "A Report to the Commission: A Review of the Events Surrounding D. 93-09-076 (IRD)" (Oct. 13, 1993).

[66] Closing Brief of MCI Telecommunications Corporation Re Motion for Immediate Issuance of Sua Sponte Relief, Ex Parte Order or Preliminary Injunction, MCI Telecommunications Corporation (U 5001 C) v. Pacific Bell (U 1001 C), Case No. 94-12-032 (CPUC Feb. 3, 1995). See also A Crack in the Monopoly, The Sacramento Bee, Jan. 12, 1995, at 20.

payment fees.[67]

- In 1993, after a civil antitrust jury trial, Southwestern Bell was found liable in the amount of over $15 million in damages to two competitive telephone directory publishers for having wrongfully denied access to its subscriber listing information and was enjoined to provide such information at specified rates to all independent publishers, including plaintiffs.[68] In the same month, a competitive service provider, Metro-Link Telecom Inc., was awarded $5.7 million in damages in another civil antitrust action against Southwestern Bell's operating subsidiary, SBC Communications Inc. SBC had tried to drive out Metro-Link by removing Metro-Link numbers from its telephone directories and refusing to assign it any new numbers.[69] Directory data seems to be a problem area for Southwestern Bell, which is the only RBOC that refuses to provide access to its directory database to other service providers.

- Southwestern Bell has been involved in two bribery scandals involving the Oklahoma Corporation Commission (OCC). In one, OCC Commissioner Bob Hopkins and a Southwestern Bell lobbyist were recently convicted in federal court of bribery. The lobbyist had bribed Hopkins to vote favorably on Southwestern Bell's request to apply $50 million in overearnings to network modernization, rather than refunding that amount to ratepayers.[70] The other involved Southwestern Bell's attempt to gain generally favorable treatment from OCC Commissioner Bob Anthony, which failed when Anthony went to the FBI after being approached by Southwestern Bell.[71]

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[67] Toward Utility Rate Normalization, Inc. v. Pacific Bell (U 1001 C), Case 91-03-006, Decision 93-05-062 (CPUC May 26, 1993),.

[68] Final Judgment, Great Western Directories Inc. and Canyon Directories, Inc. v. Southwestern Bell Corporation, et al., C.A. No. 2:88-CV-0218-J (N.D. Tex. July 2, 1993), appeal docketed, No. 93-1715 (5th Cir. Jan. 7, 1994).

[69] Mark Lewyn, How to Vault the Final Hurdle to Telecom Reform, Business Week, March 20, 1995, at 5.

[70] See Ex-Regulator, Lawyer Guilty in Bribe Case, The Daily Oklahoman, Dec. 1, 1994, at 1,2.

[71] See public statement of Commissioner Bob Anthony, Southwestern Bell Cause No. PUD 260 (Okla. Corp. Com'n Oct. 2, 1992).

- Southern Bell has had to settle certain proceedings arising from anticonsumer activities. In 1992, Southern Bell and the State of Florida settled a grand jury investigation of Southern Bell's sales and repair activities, including allegations that customer repair and maintenance records had been falsified and that customers had been billed for services they never ordered. The settlement required Southern Bell to refund $16.6 million to its customers.[72]

In short, monopoly is as monopoly does. As competition develops in markets adjacent to the BOCs' monopoly local exchange services, the BOCs can be counted on to fight an increasingly desperate rear-guard action to delay the loosening of the local exchange bottleneck. Using a variety of strategies, they have leveraged their remaining monopoly power to extort whatever advantage they can secure in emerging adjacent competitive markets, including the enhanced services market. The blithe suggestion in the Notice that BOC nondiscrimination reports have shown that discrimination has not occurred therefore cannot be taken seriously.[73] The development of competition in the enhanced services and other markets therefore has done nothing, and can do nothing, to diminish the threat of anticompetitive abuses. If anything, the vigor of competition in these other services only increases the vulnerability of competitive service providers to the BOC abuses.

Since the Commission's antidiscrimination rules are no

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[72] Southern Bell 'Agrees' With Florida Prosecutor; Distributes $16.6 Million, Telephone News, Oct. 19, 1992, at 2-3.

[73] Further Remand Notice at ¶ 29.

stronger than they were during the massive abuses reflected in the Computer III Remand record, and fundamental unbundling is now a dead letter, it can only be concluded that the BOCs will continue to discriminate against other ESPs in the provision of access, in marketing and in other ways. CEI, what remains of CNA and the other antidiscrimination rules -- which have not been significantly strengthened since Computer II, when they were found necessary along with structural separation[74] -- therefore cannot be considered a rational substitute for structural separation. As the House Judiciary Committee observed last year with regard to the BOCs' anticompetitive conduct, "these experiences highlight the propensity of various RBOCs to exploit their monopoly power and indicate the continuing limitations of Federal and State regulatory capabilities."[75]

Moreover, as illustrated by these examples, most of the discrimination and anticompetitive abuses against ESPs and other competitive service providers relates to intrastate enhanced and

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[74] See 47 C.F.R. §64.702(d)(2), (3). As the Commission previously stated, "[a]doption of structural separation in addition to these measures reflects our belief that these measures are not sufficient to ensure fair competition," and thus cannot provide a basis for elimination of structural separation. Policy and Rules Concerning the Furnishing of Customer Premises Equipment, Enhanced Services and Cellular Communications Services by the Bell Operating Cos., 95 FCC 2d 1117, 1134 (1983), aff'd sub nom. Illinois Bell Tel. Co. v. FCC, 740 F.2d 465 (7th Cir. 1984).

[75] House Judiciary Committee, Antitrust and Communications Reform Act of 1994, H. Rep. No. 559, Part 2, 103d Cong., 2d Sess. 59 (1994) (Antitrust and Communications Report), also citing BOC violations of the MFJ. Id. at n.245.

EXHIBIT C

MISSOURI TELEMESSAGING ASSOCIATION

Suite 106
11330 Olive Bolevard
St. Louis, MO 63141-7161

314-995-9000 (FAX) 314-995-1329

March 30, 1992

In Re: House Bill No. 1076

Dear Senator:

I am writing to you, on behalf of the Missouri Telemessaging Association regarding HB 1076, which is being considered by the Senate Commerce Committee. Although I represent the Telemessaging industry, our concerns apply to all other industries that compete with a local exchange telephone company.

Although there are many provisions of HB 1076 which we believe are not in the public interest, we will focus on our main concerns which are competive safeguards.

Our industry has been providing voice mail services to the public since they became commercially available in the early 80's. In March of 1988, Judge Harold Greene removed the restriction which allowed Southwestern Bell and other Bell operating companies to offer voice mail for the first time. The FCC's "non-structural safeguards" have not prevented the Bell operating companies from abusing their monopoly power to impede competition in the voice mail marketplace.

United States Representative Jack Brooks (D-Texas) has denounced the regional telephone companies as monopolies and plans to draft legislation to block their expansion into other businesses, such as information services. He sees the current situation as a telecommunications anarchy in which "rules are being made up on an ad hoc basis, with no coordination ... out of view of [the] American public."

We have documented hundreds of instances throughout the United States of unfair marketing practices. Two Bell operating companies, BellSouth and U.S. West, were among the first to aggressively offer voice mail services. It should not be a surprise that these monopolies have had a majority of the documented abuses.

In May 1991, the Georgia Public Service Commission concluded that Southern Bell "has actually used its monopoly position to deter competition in the voice messaging service market," causing "inevitable and likely irreparable harm..." It found evidence of specific abuses in three areas:

1. <u>Discriminatory access to network features</u>. The Georgia Public Service Commission explained that BellSouth:

has both the opportunity and incentive to use its monopoly control of the local market through its influence on whether, how and when competitors can access the local network. Further, the evidence shows that Southern Bell Telephone has not hesitated to take advantage of this opportunity ... and will continue to do so if left unchecked by the Commission.

II. Marketing abuses. The Georgia Public Service Commission held that BellSouth, through its preferential access to CPNI and its ability to engage in joint marketing and joint billing and collection, "unfairly trade[d] on Southern Bell Telephone's monopoly position to the immediate and irreparable detriment of a competitive voice messaging service market.

III. Cross-subsidization and predatory pricing. The Georgia Public Service Commission found record evidence suggesting that MemoryCall "cannot be offered at the price charged by Southern Bell Telephone and cover the true cost to Southern Bell Telephone of even just the phone lines, trunk lines and equipment necessary to technically provide MemoryCall ...."

Message World, a voice messaging service provider in Norcross, Georgia, signed two new customers for its voice mail offering and placed the necessary service orders (including a request for Call Forwarding No Answer) with BellSouth. Within days, Message World was informed by an angry client that the customers' calls were being routed not to the messaging bureau's voice mailboxes but to BellSouth's competing offering, "Memory Call." This problem is particularly troubling inasmuch as the messaging bureau placed its service order through BellSouth's "Vendor Marketing" office, a separate marketing arm designed to prevent joint selling of regulated and unregulated services.

Alert Telephone Answering Service, Inc., in Denver, keeps detailed records of customers lost to "poaching" by U.S. West solicitations. These records reveal that, since August 1989, U.S. West has regularly used employees involved in the provision of regulated local exchange service to solicit customers of competitive live operator answering services and voice messaging services to switch to U.S. West's offerings. Specifically:

1) Regulated service personnel have solicited customers of competing messaging services who call U.S. West to order call forwarding features.

2) Customers of competitors have been told that U.S. West would waive installation charges on its voice messaging service.

3) U.S. West regulated service personnel have offered extensive free trials of voice mail.

4) Messaging customers have been solicited for U.S. West's voice messaging service when they call to request the removal of call waiting, a relocation of service to another address, or the addition of phone or fax lines at existing addresses.

5) Messaging customers have also been solicited when calling U.S. West to inquire about their telephone bills or to report problems with telephone service.

6) The manager of one telephone answering company who called U.S. West to report loss of service on her telephone was offered a free trail of U.S. West's voice messaging service in lieu of a credit on her telephone bill.

7) U.S. West regulated service personnel have told prospective customers that the company's voice messaging service can offer conveniences not available from competitors because of technological limitations when, in fact, equivalent features are either not made available to competitors on an economic basis or are available only on an intraoffice basis.

Now that Southwestern Bell has recently begun to offer its own voice mail, the same type of monopoly abuse is occurring in Missouri in less than three months. Specifically:

--Southwestern Bell has used unlisted confidential telephone records to solicit voice mail customers.

--Southwestern Bell has violated the FCC ruling on "unhooking" by soliciting existing competitive voice mail customer.

--Southwestern Bell has taken a monopoly repair complaint and has used this to solicit voice mail.

--Southwestern Bell is soliciting new customers before competition ever has a chance to earn their business.

HB 1076 does nothing to correct these abuses.

Our customer must contract with the monopoly phone company in order to utilize our voice mail services. Every new resident or business must contact the monopoly in order to establish new service. This is as fair as having Domino's take and deliver Pizza Hut's orders.

The law must be amended to insure fair competition. A resolution adopted by the National Association of Regulatory Utility Commissioners (NARUC) needs to be added to this bill to provide the necessary safeguards. It calls for separate accounting, separate marketing and prohibits cross-subsidization. Our Missouri Public Service Commision Chairman, Kenneth McClure, was on the NARUC committee that proposed these safeguards.

I sincerely appreciate the opportunity to explain our position on this critical issue.

Sincerely,

Todd Kamp

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customer information and improper tying of local exchange and enhanced services. The requirement of a separate affiliate also provides greater certainty that network information will be disclosed in a timely and non-discriminatory manner to all users. Moreover, structural separation makes it easier for employees working on the local exchange side of a BOC's business to deal with their fellow employees in the BOC's enhanced services business on an arm's length basis, the same as they would with any other customer, by physically separating the carrier's local exchange and enhanced services operations. By making transactions between different operations more visible, structural separation reduces the risk that anticompetitive arrangements between affiliates will go undetected.

C. The Cost Accounting Rules Do Not Prevent Cross-Subsidies

Although the Notice is silent on the other half of the nonstructural regulations -- the cost accounting rules -- their effectiveness must be considered in any rational cost-benefit analysis of a policy shift from structural separation to structural integration under nonstructural safeguards. Assuming, as must be the case, that the cost allocation rules and other accounting regulations are still part of the regulations being substituted for structural separation, they must be an element in the balance.

As in the case of discrimination and other anticompetitive conduct, much of the cost shifting that occurs in connection with the provision of BOC enhanced services relates to the intrastate aspects of the affected enhanced services. To the extent that BOC enhanced services are offered on an intrastate basis, the cost shifting and misallocation opportunities that are presented thereby will largely affect intrastate costs. At the same time, this Commission, which has removed the protection of structural separation, cannot provide any other regulatory protection against intrastate cross-subsidies.

One of the more egregious examples of such intrastate cross-subsidies was uncovered by a California PUC audit, which found that state ratepayers had subsidized Pacific Bell's development of its voice messaging and other enhanced services. Pacific Bell entered into a settlement of these issues with the CPUC requiring it to refund $57 million to customers and to reduce its rates by $19.1 million.[76] In a related proceeding addressing Pacific Bell's application to transfer its enhanced services to a separate subsidiary, the CPUC required that ratepayers also be credited with the increase in value of the enhanced services assets in the form of an additional one-time rate reduction.[77]

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[76] Application of Pacific Bell, a corporation, for authority to increase certain intrastate rates and charges applicable to telephone services furnished within the State of California, Application 85-01-034, Decision 92-07-076 (CPUC July 22, 1992).

[77] Pacific Bell Transfer.