MCI

MCI Telecommunications Corporation
1801 Pennsylvania Avenue, NW
Washington, DC 20006
202 887 2307
FAX 202 887 3175

Susan Jin Davis
Senior Counsel
Federal Law and Public Policy

EX PARTE OR LATE FILED

RECEIVED

APR 23 1998

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

April 23, 1998

VIA HAND DELIVERY

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
1919 M Street, NW Room 222
Washington, DC 20554

DOCKET FILE COPY ORIGINAL

Re: Ex Parte Presentation in CC Docket No. 97-231; CC Docket No. 97-121; CC Docket No. 97-208; CC Docket No. 97-137

Dear Ms. Salas:

On Thursday, April 23, 1998, Steven C. Johnson, Vice President of ISN Services and Solutions, Stuart Miller, Senior Manager, Karen Reidy, Attorney, Jerome Epstein, attorney with Jenner and Block, and the undersigned met with David Kirschner and Bill Bailey of the Policy Division and Greg Cooke of the Network Services Division.

The purpose of the meeting was to discuss directory assistance and operator services. The attached document outlines the topics discussed. I would note that MCI did not address in this meeting the merits of any cases pending before the FCC.

Two copies of this Notice are being submitted to the Secretary of the FCC in accordance with Section 1.1206(a)(2) of the Commission's rules.

Sincerely,

Susan Jin Davis

Attachment

cc: Carol Mattey
Michael Pryor
Melissa Newman
David Kirschner
Bill Bailey
Greg Cooke

Directory Assistance and Operator Services

MCI

MCI Telecommunications Corporation

April 23, 1998

Overview

- The Telecom Act, FCC Orders, and the 8th Circuit Court clearly require nondiscrimination:
  - "Non-discriminatory access" = all information available to an RBOC operator including rates, terms, conditions that they charge themselves, CLECs, and independents and extended coverage areas
  - "Equal-in-quality" = non-published indicators, non-listed, caption sets, etc.
  - Provided at UNE prices that reflect "cost based rates"; "what the RBOCs charge themselves, if anything"
  - Type of access = electronic transfer of data as ordered by FCC
  - Timely fashion" = upon request with daily updates

Overview - Cont.

- FCC has ruled RBOCs obtain all listings "solely because of their dominant position throughout the region"
  - States generally require access to directory listings, however not always in non-discriminatory forms
- Section 271 requires nondiscriminatory treatment (checklist items ii, vii, xii) regarding:
  - Unbundled Network Elements
  - Directory assistance
  - Dialing parity

Customers Benefit from Competition

- MCI seeks to be a competitive provider of Directory Assistance services
- Public should get the most accurate and up-to-date listing information available, regardless of underlying carrier
  - If carriers are unable to acquire data from LECs, they will be forced to use other less reliable sources of data (ATT example)
    - Results
      - Customer dissatisfaction
      - Increased cost to consumer

Customers Benefit from Competition - Cont.

- New Services that Competitors Can Provide to Consumers With Non-Discriminatory Access and the Ability to Provide Own OS/DA Product, Include:
  - Reverse number search
  - Nationwide call completion
  - Enhanced Information:
    - Zip code information
    - Internet Addresses
  - Call Completion: LD and Local
  - Enhanced Response Speed

Requirements

- Access to entire Directory Assistance database in nondiscriminatory and readily accessible formats:
  - Reciprocal exchange of data
  - Mag tape or electronic format
  - Cost-Based Pricing
- Operator Services and Directory Assistance Custom Routing and Branding at reasonable, cost-based rates

The Telecom Act and FCC Orders

- 251 (b) (3) of the Act

  Imposed on all providers of Local Exchange Service:

  "DIALING PARITY --The duty to provide dialing parity to competing providers of telephone exchange service and telephone toll service, and the duty to permit all such providers to have **nondiscriminatory access to telephone numbers, operator services, directory assistance, and directory listing, with no unreasonable dialing delays.**"

- FCC Second Report and Order

  51.217 Nondiscriminatory access: telephone numbers, operator services, directory assistance services, and directory listings.

  "(ii) Access to directory listings. A LEC shall provide directory listings to competing providers in **readily accessible magnetic tape or electronic formats in a timely fashion upon request.** A LEC also must permit competing providers to have access to and read the information in the LEC's directory assistance databases."

The Telecom Act and FCC Orders (cont.)

- FCC Second Report and Order

  Paragraph 141

  " We conclude that section 251(b)(3) requires 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. **The purpose of requiring "readily accessible" formats is to ensure that no LEC, either inadvertently or intentionally, provides subscriber listings in formats that would require the receiving carrier to expend significant resources to enter the information into its systems.** 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."

The Telecom Act and FCC Orders (cont.)

- FCC First Report and Order

  Paragraph 538

  "… incumbent LECs must provide access to databases as unbundled network elements. We find that the databases used in the provision of both operator call completion services and directory assistance must be unbundled by incumbent LECs upon a request for access by a competing provider. **In particular, the directory assistance database must be unbundled for access by requesting carriers** … We find that the arrangement ordered by the California Commission concerning the shared use of such a database by Pacific Bell and GTE is one possible method of providing such access."

The Telecom Act and FCC Orders (cont.)

- FCC First Report and Order

  Paragraph 313

  "... we require incumbent LECs to provide access and unbundled elements that are at least **equal-in-quality to what the incumbent LECs provide themselves,** and allow for an exception to this requirement only where it is technically infeasible to meet. We expect incumbent LECs to fulfill this requirement in nearly all instances where they provision unbundled elements because we believe the technical infeasibility problem will arise rarely."

The Telecom Act and FCC Orders (cont.)

- Eighth Circuit Court

  -- UNE and unbundling

  "Moreover, even though the definition limits the general terms 'features, functions, and capabilities' to those "that are provided by means of such facility or equipment," the definition definitively declares that subscriber numbers, databases, signaling systems, and information sufficient for billing and collection qualify as such features, functions, and capabilities, and thus are network elements under the Act."

  "Our agreement with the FCC's determination that the Act broadly defines the term 'network element' leads us also to agree with the Commission's conclusion that operator services, directory assistance, caller I.D., call forwarding, and call waiting are network elements that are subject to unbundling. We believe that operator services and directory assistance qualify as features, functions, or capabilities that are provided by facilities and equipment that are used in the provision of telecommunication services."

The Telecom Act and FCC Orders (cont.)

-- Impairment

"For similar reasons we also uphold the Commission's articulation of the 'impairment' standard under subsection 251(d)(2)(B). The Commission determined that a requesting carrier's ability to provide a particular service will be impaired 'if the quality of the service the entrant can offer, absent access to the requested element, declines and/or the cost of providing the service rises.'"

The Telecom Act and FCC Orders (cont.)

- FCC Grant of Bell South Forbearance, Docket Number 96-149
  Paragraph 81
  "...We agree with MCI that BellSouth obtained directory listings from other LECs for use in its directory assistance services solely because of its dominant position in the provision of local exchange services throughout its region."
  Paragraph 82
  "...Based on the record before us, we conclude that these competitive advantages stem from BellSouth's dominant position in the provision of local exchange services in the BellSouth region. These advantages will persist if BellSouth continues to deny unaffiliated entities access to all of the listing information that it uses to provide reverse directory services or if BellSouth fails to provide such access at the same rates, terms, and conditions, if any, that it charges or imposes on itself. We therefore conclude that , until it provides such access at those rates, terms, and conditions, BellSouth's subscriber listing information practices will be unjustly or unreasonably discriminatory within the meaning of section 10(a)(1)."

The Telecom Act and FCC Orders (cont.)

- Section 271:
  - "(ii) Nondiscriminatory access to network elements in accordance with the requirements of sections 251(c)(3) and 252(d)(1)."
  - "(xii) Nondiscriminatory access to such services or information as are necessary to allow the requesting carrier to implement local dialing parity in accordance with the requirements of section 251(b)(3)."

Issue 1: Refusal to Provide Access to Entire DA Database

- Access must include all listings available to RBOC operator:
  - BOCs provide their own data but:
    - Refuse to provide non-published and independent LEC listings
    - Claim ownership, license, or intellectual property rights
    - BA: Refuse to provide regional listings that all regional companies possess
- BOCs offer electronic directory assistance using same directory assistance data used for voice, including non-pub listings and ITC listings

Issue 2: Limiting Access To Read-Only

- Read-only access is discriminatory
  - Causes complete dependency on LEC systems
  - Imposes unreasonable dialing delays
    - RBOCS do not use their in-house EDA service for 411 Directory Service because it is too slow
    - Standard DA systems provide sub-second response times
  - Requires every carrier to comply with RBOC definition of 411 service in terms of coverage, search criteria
  - Denies competitors opportunities to add to data value
- Read-only access creates barrier to entry:
  - Service is no longer platform independent
  - Requires each CLEC to implement different platform for each LEC they interface with

Issue 2: Limiting Access To Read-Only - Cont.

- Read Only Inhibits New and Enhanced Services:
  - FCC defined "readily accessible" as ability to put data into own system in order to "foster competition in the directory services market and foster new and enhanced services in the voice and electronic directory services market"
  - New services include
    - Reverse number search
    - Nationwide call completion
    - Zip code information

Issue 2: Limiting Access To Read-Only - Cont.

- Read-only is inefficient, particularly for operation across multiple LECs
  - Separate platform for each LEC means completely different operation for each of these
  - Different screens, different data search criteria/method of search (area code, book, etc.)
  - No control over response times
- LEC has complete access to highly proprietary competitive DA information CLEC-by-CLEC (i.e. number of searches, type of searches, speed of search, accuracy of found ratio, etc.)

Issue 3: Failure to Provide Dialing Parity

- If a LEC offers interstate or intrastate toll service within its region, it must provide dialing parity as defined by the Commission
  - Unbundled element
  - Dialing parity
- If a LEC offers payphone service, it must provide dialing parity
  - FCC Payphone Report and Order

    "291. ... "accordingly affirm our tentative conclusion that the benefits of dialing parity requirements adopted pursuant to Section 251(b)(3) of the 1996 Act should extend to all payphone location providers."

Issue 3: Failure to Provide Dialing Parity - Cont.

- Rural and other exemptions impact MCI's ability to enter the market with local directory assistance service
  - Independent carriers contacted
  - Bona fide requests made
  - Some rural telcos say they do not want to risk exemption by negotiating with MCI

Issue 4: Failure to Provide Custom Routing and Custom Branding of OS/411

Each Requires "MOSS" Signaling Even Though FGD is Technically Feasible

All Claim that Branding is a Function of the Custom Routing
-MCI Operator/DA Technology Allows Branding Based on Originating ANI and has done so Since 1991

Ameritech	Bell Atlantic/Nynex	Bell South	US West	SWBT/PB
No Trial	No Trial, BA agrees on technical feasibility, Nynex claims non-feasible	Trial in GA unsuccessful	No Trial	Technically Infeasible

MCI is willing to take all resold calls and provide branding for the industry

Issue 4: Failure to Provide Custom Routing and Custom Branding (Cont.)

- Resale Operator Services:
  - MCI provides its own OS services to facility based customers
  - Resale ANIs require "customized routing" from RBOCs
    - None have implemented customized routing
    - Insist on "MOSS" signaling even though FGD is technically feasible

Issue 5: Failure to Provide Non-Discriminatory Access to 911 Databases

- 911 Databases:
  - RBOC will provide 10 digit 911 numbers only at high price
  - Won't guarantee accuracy of data
  - RBOC operators system contains 911 PSAP numbers, but RBOCs will not provide to MCI

Issue 6: Cost-Based Pricing
Current Negotiated Pricing Schedule

RBOC	State	# Listings	Avg # Updates/Mo	Listing Cost
Bell Atlantic	New York	9,210,000	555,000	TBD
	Virginia	3,560,000	155,000	TBD
Bell South	Florida	4,170,000	366,000	$0.010
	Georgia*	2,150,000	210,000	$0.035
	Louisiana	1,165,000	104,000	$0.275
Pac Bell	California	8,460,000	810,000	$0.008
GTE	California	1,900,000	135,000	$0.017
	Hawaii	610,000	130,000	$0.040
	Florida	1,535,000	120,000	$0.017

***Georgia in the BellSouth Region is the only state that MCI is paying for data on a per found listing basis. In all other states, in all other RBOC regions, MCI is paying for a data on a per listing basis.**