

MCI's attempt now to show otherwise, three to four years after the fact, represent nothing more than a belated and collateral challenge that the Commission need not and should not entertain.

MCI's claim that it remains "unclear" that BNA must be provided for most 10XXX calling has no application to SWBT, Pacific or Nevada. These companies' provision of BNA service is not based on the fact that the call may be of the 10XXX variety. Further, no distinction is drawn in the tariff, relative to providing BNA service, between PIC'd and casual calling calls. SWBT, Pacific and Nevada reaffirmed recently that they have no plans to cease providing BNA service.²⁷ Moreover, SBC supports the principle that all LECs, whether incumbent or not, should provide IXCs with sufficient customer billing information to enable them to bill and collect for casual calling calls along with their PIC'd calls in a seamless fashion (should these IXCs choose to do so themselves or through a third party).

MCI's complaint regarding various restrictions on BNA use are unsubstantiated and irrelevant. Nowhere in its Petition does MCI provide specific facts demonstrating to what extent, if at all, these restrictions serve to multiply MCI's billing costs. Moreover, MCI should not be allowed to achieve elsewhere what it failed to pursue, or unsuccessfully pursued, just a few short years ago.

The Commission has squarely concluded that "[a]ccess to BNA will enable interstate service providers to seek payment for their services directly from the LEC [end-user]

²⁷ACTA Petition for Declaratory Ruling Regarding Access to Casual Calling Customer Billing Information, File No. ENF-97-04, Comments of SBC Communications, Inc., filed May 19, 1997, at 2.

customer."²⁸ MCI's criticisms of the LEC's tariffs represent its attempt to "end-run" the Commission's BNA-related orders without any sufficiently detailed showing that MCI's access to BNA does not enable it to bill and collect for its casual calling product. This attempt should be rejected.

V. THE TELECOMMUNICATIONS ACT OF 1996 DOES NOT SUPPORT A RETURN TO REGULATION OF LEC-PROVIDED BILLING AND COLLECTION SERVICES.

The Telecommunications Act of 1996 ("Act") signaled Congress' determination that the Commission regulate less, not more. In addition, the Act itself provides MCI with the tools it desires to attain the competitive equity it claims to seek. Accordingly, although MCI claims that it is not requesting that the LECs' provision of billing and collection services be re-regulated,²⁹ MCI's Petition is exactly that and should be dismissed.

As the Commission has noted, the Act erects a "procompetitive, deregulatory national framework."³⁰ MCI would have the Commission ignore this Congressionally-established framework. Worse, it would have the Commission reverse in part the eleven-year old Detariffing Order in which the Commission specifically decided that detariffing would "enhance competition in the billing and collection market by giving the LECs flexibility in

²⁸BNA Order, at para 1.

²⁹Petition, at 14.

³⁰Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98, FCC 96-333, Second Report and Order and Memorandum Opinion and Order, released August 8, 1996, at para. 1.

structuring and pricing their offerings."³¹ MCI's narrow focus on casual calling, while ignoring PIC'd calling, essentially asks the Commission to re-regulate one segment of a market more to its liking. Yet, MCI provides "no indication that the billing and collection services provided by LECs to INCs heretofore have been anything but profitable for [MCI]."³² MCI's invitation that the Commission disregard Congress' framework for the sake of enhancing MCI's casual calling revenues should be declined.

Moreover, the Act itself speaks directly to MCI's demands. It carefully identifies "information sufficient for billing and collection" as a network element.³³ Nowhere in the Act did Congress expressly call for more, and its declining to do so in the face of this limited obligation demonstrates that it affirmatively determined not to do so.

Moreover, with respect to BOCs, Section 272(c)(1) of the Act provides that in its dealings with a Section 272 affiliate, a BOC "may not discriminate between that company or affiliate and any other entity in the provision of...goods, services, facilities, and information." The Commission has fully addressed the scope of the BOCs' obligation in this regard, and has already concluded that billing and collection is a "service" encompassed within Section 272(c)(1) and its nondiscrimination protections.³⁴ Thus, to the extent that a BOC would provide billing and collection services to its Section 272 affiliate providing interLATA

³¹Detariffing Order, at para. 38.

³²MCI Petition, at 13.

³³47 U.S.C. Section 153 (29) (emphasis added).

³⁴Implementation of the Non-Accounting Safeguards of Sections 271 and 272 of the Communications Act of 1934, as amended, CC Docket No. 96-149, First Report and Order, FCC 96-489, released December 24, 1996 ("Non-Accounting Safeguards Order"), at paras. 202, 217.

telecommunications services, it also would be required to provide such services to competing IXCs (including MCI) at the same rates, terms and conditions. Bluntly stated, Section 272 already squarely addresses both of the matters MCI attempts to bring before the Commission.

MCI is fully aware of the principle that Section 272(c)(1) requires that BOCs must treat unaffiliated entities "in the same manner as they treat their Section 272 affiliates."³⁵ Indeed, it candidly concedes that in light of Commission rules already in place to implement Section 272, "enforcement actions are sufficient at present to secure IXC statutory rights."³⁶ This concession speaks volumes, and the Commission need say no more.

SBC also notes that at some point in the future, it will have a subsidiary that will provide interLATA telecommunications services to the public, and quite possibly, casual calling services as a component of such services. To this extent, that Section 272 company will have a need to bill and collect for its casual calling services. Thus, SBC supports the principle that all LECs, whether incumbent or not, should provide IXCs -- including SBC's own future Section 272 affiliate -- with sufficient information to allow them to bill and collect for their services, whether directly or through third parties. However, this measured position in no way stands as any support for MCI's much broader Petition.

Accordingly, the Commission should not initiate the rulemaking requested by MCI. Returning billing and collection services to regulation would be at odds with Congressional intent. Moreover, MCI already is well aware of and may rely upon its statutory rights. A

³⁵Id., at para. 202.

³⁶Petition, at 15.

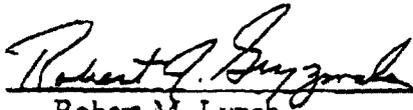
rulemaking to erect additional rules is neither required nor appropriate under these circumstances.

VI. CONCLUSION

A host of considerations suggest that there are no sufficient reasons that would justify initiating the rulemaking MCI seeks. There are already marketplace, regulatory and legal answers to both of the points MCI seeks to establish. Absent MCI's commitment to provide additional, detailed reasons why the Commission's or the industry's resources should be expended in a rulemaking proceeding -- particularly in view of the marketplace, regulatory and legal considerations enunciated here that MCI does not address -- the Petition should be denied outright.

Respectfully submitted,

SBC COMMUNICATIONS INC.

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July 25, 1997

BILLING WORLD

OCTOBER 1996

Attachment 1
Page 1 of 3

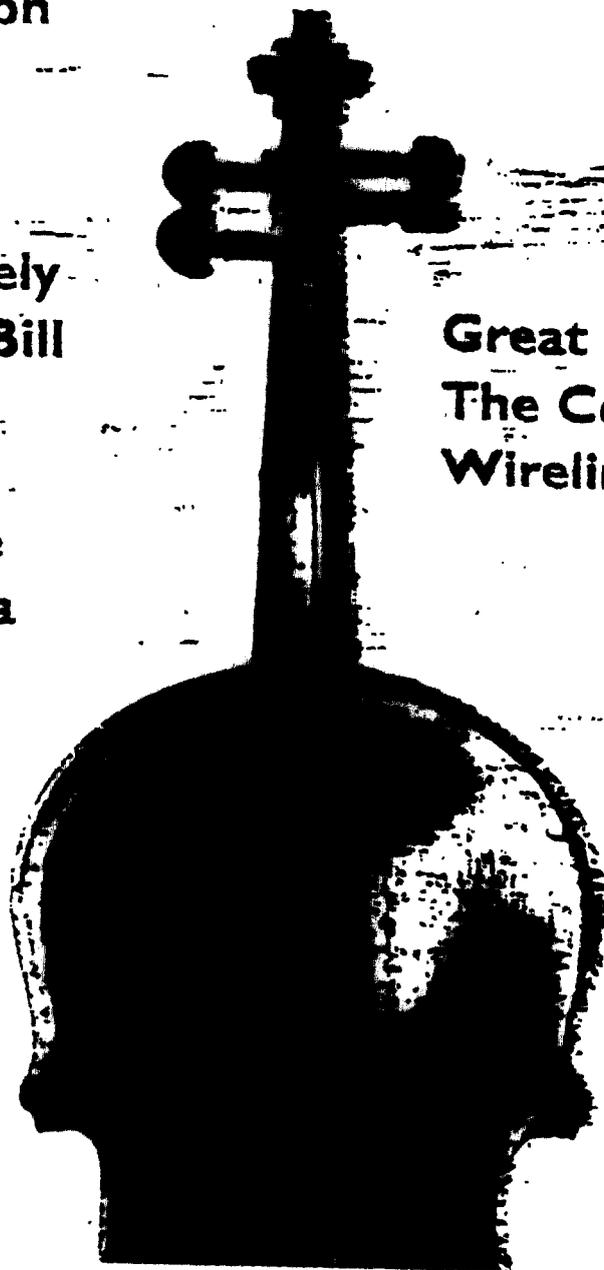
THE INFORMATION
SOURCE FOR
BILLING AND
CUSTOMER CARE

**The Challenges
of Interconnection
from a Billing
Perspective**

**AT&T Aggressively
Taking Back Its Bill**

**e
nce in the
gence Era**

**Great Performances:
The Consolidation of
Wireline Carrier Billing**



BULK RATE
U.S. POST
PAID
PERMIT
NO. 1000



AT&T Aggressively Taking Back Its Bill From the Local Exchange Carriers

Hurdles For Doing So Are Surprisingly Low

...our hope is to
maintain choice. We
have been able to
maintain a billing
relationship
with every RBOC,
except for SNET...

Tom Lang, division manager
for AT&T Direct Bill

The signing of the Telecom bill led some to speculate that customers would see a separation of their bill for local and long distance services before they would see all-inclusive one-stop shopping. That speculation has proven correct in several states as AT&T has led the way in bill take-back, but that company's aggressive strategy here is not necessarily being followed by other large DCCs—yet.

For an DCC to take-back its long distance bill from the local exchange carrier, it must first examine three potential issues: eliminating existing contracts with the LECs for providing printing, mailing and collections service; ensuring that the local public utilities commissions (PUCs) are not opposed to the take-back; and technological considerations such as how a company's billing system will accommodate the higher volume of printing and mailing. According to industry sources, none of these issues amount to much more than a speed bump.

AT&T's Bill Take-Back

Beginning in January, when AT&T sent out letters to some of its Illinois customers informing them that they would receive an AT&T long distance bill separate from their local service bill in 30 days, the nation's largest long distance firm has moved aggressively to take-back its long distance bill from the LEC. To date, customers in Michigan, Connecticut, Florida, Texas, Washington, New York and the New England region have received similar letters.

AT&T sees bill take-back as a strategic decision, driven by a need to give the company increased flexibility to introduce new services to consumers. For example, the AT&T bill features calling plan savings on the front page and new special offers, products and services throughout. Undoubtedly, it is also an effort to distance the company from the RBOCs in the customer's minds.

AT&T thus far has sent out a letter to those customers whom it has targeted for bill take-back, stating that in 30 days these consumers will receive two bills: one from the LEC, and one from the LXC. Also included in the letter was an 800 number customers should call if they wanted to keep receiving their long distance charges along with their local bill. In other

words, while the take-back was not mandatory for consumers, the method AT&T used required the consumer to take action to maintain their current billing practices.

Thus far, the vast majority of consumers who have been switched to the separate AT&T bill have not made that phone call, said Tom Lang, division manager for AT&T Direct Bill. "Choice is the key," he said. "And our hope is to maintain choice. We have been able to maintain a billing relationship with every RBOC, except for SNET where the billing relationship was terminated." Lang said AT&T would have preferred to allow Connecticut consumers to receive a combined local and long distance bill from SNET, but once the existing contract with the LEC expired earlier this year, contract renewal talks broke down. "It was a policy consideration for them," Lang said.

CPUC Gets Involved

It was a policy consideration for the California PUC as well, when in July it ordered AT&T to stop taking back billing from Pac Bell until customers are given "adequate notifications of their options," the CPUC said. AT&T was also ordered to send a letter to all residential customers receiving the AT&T bill to give them another opportunity to receive a single bill from Pac Bell for local and long distance charges.

The issue in California was not one of whether the take-back is legal, but whether the IXC had acted in accordance with CPUC rules. For example, the CPUC in a 1994 ruling required a 60-day notice, rather than the 30-day one AT&T provided. Also, AT&T failed to have the customer letter reviewed by the commission's Public Advisor's Office before sending it.

Apart from the CPUC action, many industry watchers believe the PUCs will not block bill take-back as a practice. "We inform the PUCs before we take [bill take-back] action," Lang said. "I don't want to speak for all of them, but we have had no significant issues from PUCs outside of California, or the FCC for that matter." Jim Folk, vice president of revenue operations for MCI, agrees. "It varies from PUC to PUC; some are more laid-back, some are more proactive," he said. "We never have found them to be roadblocks, however; they just want to know what is going on in advance."

RBOC Contracts

Another potential hurdle are the contracts the IXCs have signed with the LECs to provide the printing, mailing and collection services they have had in the past. While each contract is unique, most are flexible, IXC sources said. Some are even tailored around the idea that the IXC and the LEC will continue to do business "as long as we continue to do business, all the way up to time constraints or minimum requirements due." The source added, "Some vendors cared a lot about the terms of the contract, and were very proactive. Others were very much less so."

"Customers like to have one bill, and we are not at the point where we will force march them."

In general, most billing and collections contracts between the IXCs and the LECs last for two to five years, several sources said. Still, these contracts are not seen as much of an impediment by many IXCs, including MCI.

"Certainly, there are obligations we have to honor, or accept some kind of settlement if we cancel the contract," said MCI's Folk. While MCI, like most large IXCs, bills its commercial customers directly, most of its pre-subscribed and casual customers are billed using the RBOCs. (Pre-subscribed means MCI was selected by the consumer as their long

distance carrier, and casual means consumers use MCI for collect calls, operator services or LEC-offered calling cards.)

MCI recently made a splash with MCI One, a package bundling long distance, cellular and paging services. Eventually, this bundle will also include local telephony and satellite television services as well. Unlike AT&T, MCI is not proactively switching customers to a separate MCI One bill, which it sees as a product itself and not a strategic billing decision.

Technical Considerations, Future Choices

The largest IXCs, such as MCI and AT&T, say very little had to change for their billing systems to take-back the bill. Lang said AT&T had "no specific re-engineering of our long distance billing system" to take back the bill, although the company did "boof up" its software for printing, mailing, collections and remittance. Still, this action, intended to accommodate the increased volume of such activities, did not entail "significant dollars," Lang said.

MCI also feels ready to go, should a widespread bill take-back be in the future. "The entire computation and manipulation of the call detail is done in MCI's system" before it is sent to the RBOCs for printing and mailing, Folk said. "It would be more of a capacity issue; more printers, more storage capacity, etc."

Other sources agreed. "All of the long distance providers, down to the resellers, usually have some internal billing capabilities," said one executive with an IXC. "Some may have capacity issues...[but] I don't view that as an issue."

None of the IXC sources said they plan now or in the future to eliminate the combined RBOC-IXC bill for customers who wish to continue receiving it, although in some regions this arrangement was never an option in the first place.

"Customers like to have one bill, and we are not at the point where we will force march them [into accepting a separate MCI long distance bill]," Folk said. What will happen in the future is up in the air, however, he said. "We are still in a period of extreme flux in the industry...we will look at what comes out of the FCC on this, and move forward then."

"Customer choice is the key," said AT&T's Lang. "Those who do find the idea of a separate bill as something they are not interested in can keep the combined bill [through the RBOCs]. Our hope is to continue to maintain that choice."

AT&T to bill separately from Southwestern Bell

By Bruce Hixon
Austin American-Statesman Staff

8/1/96

AT&T no longer wants to be stuffed with Southwestern Bell. The company has begun notifying thousands of customers that it will no longer bill them through monthly statements mailed out by Southwestern Bell.

Instead, customers will receive a separate bill to be paid directly to AT&T.

"It's just all part of the evolving telecommunications industry and the competitive nature of it," said AT&T spokesman Larry Norwood. AT&T hopes to begin offering local phone service as well as long-distance soon.

AT&T is the nation's and state's largest long-distance company with about 65 percent of the market. Under new fed-

eral and state laws, it plans to begin selling local telephone service as well.

Not all customers will get the separate bill initially but AT&T eventually will bill all its long-distance customers separately from Southwestern Bell.

Other services, such as AT&T Wireless, still will be billed separately. But the goal, Norwood said, is to combine all AT&T service charges into one bill.

AT&T said the change in billing does not mean any increase in its charges.

At MCI, a spokeswoman, Leslie Ann, said the company continues to bill through Southwestern Bell for customers who have only long-distance service. However, if a customer subscribes to an additional MCI

See AT&T's, D2

Austin American-Statesman

AT&T's separate billing says competition is near

Continued from D1

service, such as paging, a single bill is mailed directly to the customer. Eventually she said, all customers will get a single MCI bill.

Although it's more convenient to pay one monthly bill, the separate billing by AT&T is good news because it is a harbinger of competition, said Janice Briesevalter, a telecommunications specialist for the Southwest regional office of Consumers Union.

"While on the one hand in the short term it's more inconvenient, in the long run it signals that there are going to be more competitive choices out there," she said.

AT&T and other long-distance companies have collected charges through Southwestern Bell since 1984, when a federal court consent decree broke up the old Bell system owned by AT&T. A combined bill allowed customers to write a single check each month for local and long-distance service. But now that Southwestern Bell will become its biggest competitor, AT&T is eager to bill separately.

Southwestern Bell believes customers want to deal with a single bill and a single company, said a spokeswoman, Denise Clarke. She said the company expects to give them both once it can offer long distance.

CERTIFICATE OF SERVICE

I, Katie M. Turner, hereby certify that the foregoing, "OPPOSITION OF SBC COMMUNICATIONS INC. TO PETITION FOR RULEMAKING OF MCI TELECOMMUNICATIONS CORPORATION" in Rulemaking (RM) No. 9108 has been filed this 25th day of July, 1997 to the Parties of Record.

A handwritten signature in cursive script that reads "Katie M. Turner". The signature is written in black ink and is positioned above a solid horizontal line.

Katie M. Turner

July 25, 1997

MARY L BROWN
DONNA M ROBERTS
MCI TELECOMMUNICATIONS CORPORATION
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WASHINGTON DC 20006

ITS INC
1919 M STREET NW RM 246
WASHINGTON DC 20554

ATTACHMENT 2

FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
MCI TELECOMMUNICATIONS CORPORATION)
) RM No. 9108
Billing and Collection Services Provided)
By Local Exchange Carriers for Non-Subscribed)
Interexchange Services)

**REPLY COMMENTS OF SBC COMMUNICATIONS INC.
REGARDING PETITION FOR RULEMAKING
OF MCI TELECOMMUNICATIONS CORPORATION**

SBC Communications Inc. ("SBC"), on behalf of Southwestern Bell Telephone Company ("SWBT"), Pacific Bell ("Pacific") and Nevada Bell ("Nevada"),¹ files these Reply Comments regarding the Petition for Rulemaking ("Petition") filed by MCI in the above-referenced matter. As explained below, the parties' comments, including those which take issue with the views of SBC, demonstrate that there is no reason to initiate a rulemaking. To the contrary, the comments simply reinforce those reasons which SBC advanced for not doing so. Thus, MCI's Petition should be denied.

¹ SWBT, Pacific and Nevada are referred to herein collectively as "SBC" unless otherwise indicated. Further, references in this pleading to other parties' pleadings shall refer to such parties by the acronyms used by them in their pleadings.

I. THE COMMISSION SHOULD DECLINE THE MAJOR IXCs' INVITATION TO HELP THEM NEGOTIATE A BETTER BARGAIN FOR THEIR UNILATERAL DECISION TO ENTER AND HEAVILY MARKET THE CASUAL CALLING BUSINESS.

Major IXCs do not simply make casual calling services available to the public. They spend millions of dollars on national advertising campaigns to spur demand for them. AT&T and MCI wage television, direct mail and other campaigns touting these services.² No commentator provides a specific reason why these firms should not be required to pay the billing and collection expenses caused by their own marketing and advertising decisions.

Furthermore, there is no showing in the comments that providing casual calling services is not profitable. AT&T only voices general concerns about its potential "return on sales," and vaguely recites that if it were required to direct bill non-subscribed callers, it "could expect to lose money on many invoices." Yet, AT&T agrees that as the amount billed to a given customer grows, LEC billing and collection services become less attractive and "and may be offset by other advantages of direct-billing."³ No commentator suggests that SBC's billing and collection plans present costs that preclude IXCs from continuing to offer, bill and collect for their casual calling services, and in fact, for some IXCs the prices for SBC's billing and collection services will decrease. In short, the major IXCs simply want the FCC to ensure them continued healthy profit margins.

² See, e.g., CWI, at 1-2.

³ AT&T, at 2, 3. Telco, while ostensibly supporting MCI's petition, generally concurs in MCI's view that the average monthly invoice for casual calling services is about \$6.82 and that the cost to invoice casual calling customers averages \$3.47 per invoice, i.e., the invoice cost is about 50% of the invoiced amount. Telco, at 11-12.

Certainly, there are uncollectibility concerns present in the casual calling market.⁴ However, uncollectibility concerns are present in every telecommunications market. Toll fraud will remain a concern in the casual calling market so long as IXCs continue to heavily market these services to the general public. But, neither the issue of toll fraud nor the IXCs' desire to maintain their profit margins is a sufficient reason for the Commission to initiate a rulemaking.

II. MCI's PETITION ALSO SHOULD BE DENIED BECAUSE NO ONE CAN AGREE ON THE APPROPRIATE SCOPE OF A RULEMAKING PROCEEDING.

The comments filed in this matter make it readily apparent that this docket has all the attractiveness of a snake pit. While MCI claims to request but a limited proceeding (albeit unjustified) regarding collect, third party, 10XXX, and "joint use" calling card calls, other parties ask the Commission to consider a host of additional matters. Consolidated and PTI ask the Commission to consider presubscribed (i.e., PIC'd) services.⁵ ISA asks that the Commission consider 900 and other like services,⁶ while Pilgrim asks the Commission to address the "full range of casual access services," including "one plus, zero plus, collect calling, calling card calling, CLASS services, *-code services, enhanced directory assistance, N11 calling, telemessaging, teleconferencing, time, weather, pay-per-call services, Internet

⁴ SBC, at 5; Telco, at 10..

⁵ Consolidated, at 2; PTL, at 2.

⁶ ISA, at 3.

access, and other information and enhanced services.”⁷ Frontier complains of a carrier’s “complaint reduction program” imposing a charge per end-user complaint/inquiry.⁸ HBS advances its “contest box” programs to solicit new customers and complains of an “excessive complaint surcharge” imposed in one carrier’s billing and collection contracts.⁹ And, while MCI purports to request only interim relief, others argue that the goal should not be adoption of merely transitional regulations.¹⁰

Given the multiple, splintered interests reflected in the comments of the parties, the Commission and the telecommunications industry would be better served by not initiating the rulemaking sought by MCI and/or the above-referenced parties. A host of orders already address these parties’ concerns, and no good purpose would be served by revisiting them.¹¹

⁷ Pilgrim, at 2.

⁸ Frontier, at 2.

⁹ HBS, at 6-7.

¹⁰ Pilgrim, at 6.

¹¹ See, e.g., Detariffing of Billing and Collection Services, Report and Order, 102 FCC 2d 1150 (1986) (“Detariffing Order”); Audio Communications, Inc. Petition for a Declaratory Ruling, Memorandum Opinion and Order, 8 FCC Rcd 8697 (1993) (“Audio Communications”); Polices and Rules Concerning Local Exchange Carrier Validation and Billing Information for Joint Use Calling Cards, Notice of Proposed Rulemaking, 6 FCC Rcd 3506 (1991) (“First Notice”); Second Report and Order, 8 FCC Rcd 4478 (1993) (“BNA Order”); Second Order on Reconsideration, 8 FCC Rcd 8798 (1993) (“Second BNA Recon Order”); Third Order on Reconsideration, FCC 96-38, released February 9, 1996 (“Third BNA Recon Order”); Implementation of the Non-Accounting Safeguards of Sections 271 and 272 of the Communications Act of 1934, as amended, First Report and Order, FCC 96-489, released December 24, 1996 (“Non-Accounting Safeguards Order”).

III. SBC HAS NO PENDING PLANS TO CEASE OFFERING BILLING AND COLLECTION SERVICES FOR CASUAL CALLING SERVICES AND WILL CONTINUE TO MAKE BNA INFORMATION AVAILABLE.

No party claims that SBC has told that party that SBC will no longer offer billing and collection services for casual calling services. For example, AmericaTel admits that its participation in this matter is based upon allegations raised by MCI and the pendency of the ACTA petition regarding BNA information.¹²

SBC has no pending plans to terminate its offering of billing and collection for IXCs' calling casual services. It has made available to casual calling providers alternative contracts for its billing and collection services and has provided these contracts to the Commission. These contracts will result in higher prices for some IXCs and lower prices for others. Moreover, even as MCI filed its petition, SBC was negotiating with it and continues to do so. If anything, it is MCI who has engaged in its own brand of "take it or leave it" negotiation by using the regulatory process as a means to trump ongoing contractual negotiations.

Finally, SBC emphasizes that SWBT, Pacific and Nevada have no plans to cease providing BNA service and that their provision of this tariffed service is not based on the fact that the call may be of the 10XXX variety. SBC agrees with the principle that all LECs should provide IXCs with sufficient customer billing information to enable them to bill and collect for their casual calling and PIC'd calls.¹³

¹² AmericaTel, at 2.

¹³ SBC, at 14 & n. 27 (further citing ACTA Petition for Declaratory Ruling Regarding Access to Casual Calling Customer Billing Information, File No. Enf. 97-04, Comments of SBC Communications Inc., filed May 19, 1997 at 2).

Given these considerations, no useful purpose would be served by the Commission's initiation of a rulemaking.

IV. THE TELECOMMUNICATIONS ACT OF 1996 AND COMMISSION PRECEDENT FULLY RESPOND TO COMMENTORS' BILLING AND COLLECTION CONCERNS.

In its initial comments, SBC pointed out that the Telecommunications Act of 1996 ("Act") and the Commission's precedent already sufficiently protect the billing and collection interests of casual calling providers.¹⁴ Those who oppose SBC's views either fundamentally misunderstand these protections or have determined that they no longer wish to accept them on their terms.

Section 272(c)(1) of the Act provides that in its dealings with a Section 272 long distance affiliate, a BOC "may not discriminate between that company or affiliate in any other entity in the provision of . . . goods, services, facilities and information." The Commission has concluded that billing and collection is a "service" encompassed within Section 272(c)(1) and its nondiscrimination protections.¹⁵ Thus, SBC agrees with WorldCom's observation that Section 272(c)(1) and the FCC's rules implementing Section 272(c)(1) provide that a BOC may not advantage its Section 272 affiliate by providing billing and collection services only to that affiliate or by imposing more onerous rates, terms and conditions upon unaffiliated IXCs.¹⁶

¹⁴ SBC, at 11-18.

¹⁵ Non-Accounting Safeguards Order, at paras. 202, 217.

¹⁶ WorldCom, at 6.

Accordingly, Section 272(c)(1) and the Commission's interpretation of it in the Non-Accounting Safeguards Order already meet IXCs' billing and collection concerns relative to casual calling. In short, the Act and the Commission have already addressed what AT&T claims are "incentives [BOCs] could not have possessed in 1985 to engage in discrimination, price squeezes and other anticompetitive behavior."¹⁷

The Commission should reject AT&T's suggestion that terms and conditions "that would make an arrangement facially unacceptable to entities not affiliated with a BOC would also violate Section 272(c)(1)."¹⁸ The Commission has affirmed that BOCs must treat IXCs "in the same manner as they treat their section 272 affiliates" and has rejected requests "to interpret section 272(c)(1) more broadly to conclude that a BOC must provide unaffiliated entities different goods, services, facilities, and information than it provides to its Section 272 affiliate in order to ensure that it is providing the same quality of service or functional outcome to both its affiliate and unaffiliated entities."¹⁹ The Commission correctly reasoned that to conclude otherwise would be "inappropriate as a matter of statutory construction, inconsistent with its legislative purpose, and unenforceable."²⁰ AT&T is not entitled to

¹⁷ AT&T, at 7. Moreover, MCI has already conceded that in light of the Non-Accounting Safeguards Order, rules are already in place to implement Section 272 such that "enforcement actions are sufficient at present to secure IXC statutory rights." SBC, at 17, citing, MCI Petition at 15.

¹⁸ AT&T, at 8.

¹⁹ Non-Accounting Safeguards Order, at para. 202 (emphasis added).

²⁰ Id.

something different than a BOC may provide to its Section 272 affiliate, whether with respect to billing and collection services or otherwise.

It also appears that no party sufficiently addresses the fact that the Act already identifies "information sufficient for billing and collection" as a network element.²¹ Had Congress intended to require that BOCs offer billing and collection services (whether in the casual calling service market or otherwise), it clearly knew how to do so and could have. Notwithstanding AT&T's desires, billing and collection services may not be regarded as an unbundled network element.

Some parties take issue with some of the BOCs' BNA rates and the Commission's limitations on the use of BNA information. However, it is noteworthy that Vartec devoted almost its entire pleading to the availability of "customer billing information" without any contention that the BOCs' BNA rates are unreasonable.²² In addition, AmericaTel wants to prevent "denial of affordable BNA information"²³ but nowhere suggests that current BNA rates are unreasonable.²⁴ Were SBC's or any other BOC's rates unreasonable, one would have expected Vartec and AmericaTel to have so asserted. In any case, to the extent that a party believes that a particular BOC's BNA rates are unreasonable, that party should be required to file for an investigation of those tariffs and to assume its proper burden of proof to

²¹ 47 U.S.C. Section 153(29) (emphasis added).

²² Vartec, at 3-7.

²³ ISA, at 3.

²⁴ Indeed, AmericaTel merely asks for an investigation of "whether, as MCI maintains," the BOCs' currently tariffed BNA rates are unreasonable. *Id.* At para. 6.

demonstrate that they are unreasonable.²⁵

Finally, the Commission should reject out of hand ISA's request that it consider adopting rules with respect to 900 and other like services.²⁶ Requests like this were roundly rejected by the Commission just a few years ago in a matter in which the Commission found that "the billing and collection services provided by IXCs for IPs [including 900 service providers] is subject to even more competition than the billing and collection services provided by LECs in the Detariffing Order and by AT&T in the AT&T Dial-It Order."²⁷

With respect to telemessaging, Section 260(a)(2) of the Act requires only that LECs not discriminate in their provision of "telecommunication services." Billing and collection services are administrative services, not telecommunication services.²⁸ Accordingly, the BOCs have no duty under the Act to bill and collect for unaffiliated providers' telemessaging services, except to the extent that Section 272(c)(1) may be applicable.

²⁵ U S WEST, at 2.

²⁶ ISA, at 3.

²⁷ Audio Communications, at para. 22. (emphasis added). Audio Communications is also instructive to those parties in the instant proceeding who claim that the "economies of scale" that may be enjoyed by BOCs is a factor which cuts in favor of mandating that BOCs bill and collect for either casual calling services or 900 information services. In connection with the latter, the Commission rejected the argument that "economies of scale" prevent new firms from competing with larger IXCs in the provision of 900 billing and collection services," relying in part upon its Detariffing Order which "rejected this argument in the context of LEC billing and collection when we found that that service was subject to competition, and IXC economies would almost certainly be smaller than LEC economies." Id., at para. 19 & n. 36. Indeed, n. 36 of the Audio Communications Order specifically referenced the availability of "clearinghouses" referred to in an prior Commission order which, so far as SBC can tell remains as a viable billing and collections vehicle for both 900 information service providers and long distance casual calling service providers as well.

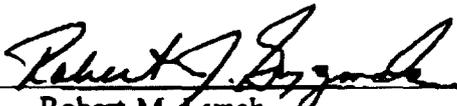
²⁸ Non-Accounting Safeguards Order, at para. 217.

V. CONCLUSION

Commentors whose views are contrary to those of SBC have presented no meritorious reason to take any action regarding either MCI's Petition or the plethora of additional rulemakings requested by some of the parties. MCI and other similarly situated IXCs may continue to rely upon the negotiation process, the Act and the Commission's prior precedent so as to meet their need to bill and collect for casual calling services. MCI filed its Petition to trump negotiations and to have the Commission preserve the profit margins fueled by its advertising campaigns. These considerations do not justify re-regulating services that have been detariffed for over ten years.

Respectfully submitted,

SBC COMMUNICATIONS INC.

By 
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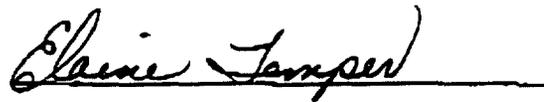
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Certificate of Service

I, Elaine Temper, hereby certify that the Reply Comments on Rulemaking No. 9108 of SBC Communications, Inc. have been served this 14th day of August, 1997 to the Parties of Record.

A handwritten signature in cursive script that reads "Elaine Temper". The signature is written in black ink and is positioned above a solid horizontal line.

Elaine Temper

August 14, 1997

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