

TABLE OF CONTENTS

SUMMARY	i
Introduction	1
A. Legal Authority	3
B. Organization of the Bill.....	4
C. Full and Non-Misleading Descriptions	12
1. Descriptions of Services and Identification of Providers	12
2. Descriptions of Charges Resulting from Federal Regulatory Action	16
D. Provision of Consumer Inquiry/Complaint Information.....	22
Conclusion	23

SUMMARY

SBC supports the Commission's efforts to eliminate slamming, cramming and other fraudulent practices, but opposes re-regulation of billing and collection. Implementation of the proposals set forth herein would unnecessarily burden the billing process at the expense of all consumers, when the billing process is not the problem. The problem is in identifying the carriers who are guilty of cramming and slamming and then stopping those practices. SBC supports the establishment of a single, nationwide identification code at the national level and a requirement that such code be used on all transactions. Establishment of such a code requirement, together with the existing complaint procedures of the FCC and state commissions should be successful in ridding the industry of wrongdoers.

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
Truth-in-Billing)
and) CC Docket No. 98-170
Billing Format)
)
)

COMMENTS OF SBC COMMUNICATIONS, INC.

COMES NOW SBC Communications, Inc., to file its Comments in the Notice of Proposed Rulemaking in CC Docket No. 98-170 and, for such, would respectfully show the following:

INTRODUCTION

The objectives of the Commission in issuing the above-referenced Notice of Proposed Rulemaking ("NPRM") are laudable. Surely no one would disagree that end user customers are entitled to clear information about charges on their telephone bill. There can be wide disagreement, however, as to how to achieve that goal. The Commission detariffed billing and collection over ten years ago and there is no need to re-regulate this service now. As noted by the FCC, the advent of competition has played a significant role in the creation of the problems this NPRM seeks to solve; it is the position of SBC that competition will also provide effective solutions.

Inasmuch as the Telecommunications Act of 1996 sought to diminish the level of regulatory oversight of the telecommunications industry, while at the same time encouraging the growth of competition in the marketplace, it is inappropriate for the FCC to seek by way of this notice to increase regulatory oversight or to take steps which may, in fact, impede competition. In general, as competition increases, i.e., services are deregulated, there should be a corresponding decrease in the level of regulatory oversight of all aspects of the service.

SBC would also note that there is some overlap between this proceeding and the NPRM on the implementation of Section 255, WT Docket No. 96-198. In the later NPRM, the Commission asked "does the provider offer essential support services (e.g., service ordering, billing, repair service) that meet the needs of customers with disabilities? SBC believes that access to support services by people with disabilities, including billing, is better addressed in the Section 255 proceeding. Moreover, it is more appropriate and less confusing if issues pertaining to disability access are not raised tangentially in other proceedings.

SBC fully supports the Commission's efforts to eliminate slamming, cramming and other fraudulent practices. SBC has, for several years, employed major educational programs and materials for its customers because it is important that those fraudulent practices be eliminated and the customer be protected. It is equally important, however, that each carrier's first amendment

right to communicate with its customers also be protected. The language used in customer bills plays an important role in defining a telecommunications carrier's commercial image. For that reason alone, if a telecommunications carrier is required to incorporate into its bill specific language required by a federal or state agency, then the source of the required language should be clearly identified. In addition, all companies need guidance as to how to be in compliance with both state and federal rules.

A. Legal Authority

Comment has been requested on whether the Commission has jurisdiction to adopt each of the proposals in the Notice and commenters are also asked to address the jurisdictional basis of any additional proposals raised on the record of this proceeding. [Paragraph 13 of the NPRM]. The Commission has also sought comment on how its jurisdiction should complement that of the states and other agencies. [Paragraph 14 of the NPRM].

The Commission is authorized by the Telecommunications Act to oversee the charges, practices, classifications and regulations of the common carriers to ensure that such are just and reasonable. 47 U.S.C. 201(b). Nothing in the Act requires the Commission to prescribe billing style and verbiage. Rather the content of the Act seems to confer a review authority in which the Commission is empowered to review the actions of common carriers to determine if those actions are unjust and unreasonable and then to ensure that subsequent actions are just and reasonable.

B. Organization of the Bill

Comment has been requested as to whether the visual separation of different services would enhance a consumer's ability to distinguish among different services, service providers, and charges and allow consumers to determine quickly whether their bills contain any charges for services that have not been ordered or authorized, thereby deterring slamming and cramming. [Paragraph 17 of the NPRM]. Southwestern Bell Telephone Company, Pacific Bell and Nevada Bell ("the SBC LECs") already separate service charges of each service provider. For those providers that contract with the SBC LECs for billing and collection services the charges are billed on a separate bill page, with the carrier's name, toll-free telephone number and logo at the top of the page. The charges of providers that send their charges through a billing aggregator are not displayed on a separate page, but a text phrase "Billed on behalf of [name of provider]" is shown for each of those providers, with all of that provider's charges listed below. Aggregators have made the decision not to contract for separate pages for each of their providers, presumably because providers who bill through an aggregator generally do not bill enough items on a single bill to justify a full page. Indeed, often there is only a single charge on the bill for such a provider. Separating the charges of each provider by headings identifying the provider makes the clear distinction as to which service provider is responsible for the charges, even though the charges of multiple providers are displayed on the aggregator's page. The practice of

displaying the charges of each provider separately, regardless of which method is used, does provide a clear distinction as to which service provider is responsible for the charges and allows the customer to quickly determine the amount of each carrier's charges.

Southwestern Bell Telephone Company ("SWBT") recently announced a new program to help combat slamming within its five state area. (See Attachment A). Any time a change is made to a residential consumer's long distance provider, SWBT sends an automated message to that customer confirming the change. The customer then has the option of dialing a toll-free number to speak with a customer service representative, if there is a dispute or question about the change. Upfront notification of provider changes, as they occur, eliminates the accumulation of a month (or, in some cases, months) of unauthorized charges before the consumer becomes aware of the unauthorized change.

Pacific Bell and Nevada Bell notify both residence and business customers when their carrier provider is changed. This notification is done with the bill and displayed in the "Additions and Changes" bill section. A toll free number is provided for customers to verify their Interstate carrier. This procedure was implemented in compliance with California law SB1140, which became effective the first of January 1997.

The SBC Companies support establishment of a nationwide identifier system, which was an item incorporated into the Industry's "Anti-Cramming Best

Practices Guidelines." A single code should be established for each carrier, along with a requirement that the code be used to identify the charges of the carrier on every customer bill. In addition, carriers placing orders for other carrier's services should also be required to use the code. The widespread practice of operating under a host of DBAs or trade names makes it impossible for customers to identify which company truly provided the service. Using a single code per carrier would also curb "virtual" or "soft" slamming among "CIC-less resellers," which is one of the most difficult types of slamming to detect and remedy.

Alternatively, the Commission seeks comment on whether bills should be organized by provider with a description of the services furnished by each provider. [Paragraph 17 of the NPRM]. The SBC LECs all organize bill pages by provider for those providers that contract directly with the SBC LECs for billing and collection service. Each service provider decides what it wants to appear in its respective sections, however, and determines what descriptive text is used depending on the service marketed. Since the service provider is the most knowledgeable about the service, that provider is responsible for the service description. If the providers for whom the SBC LECs provide billing and collection services send the charges in an "invoice ready" format, then those charges will be detailed as directed by the respective provider on the end user customer's bill, subject to billing and collection contract requirements. Competition should drive each provider to offer a description that

meets its customer's needs; however, the SBC LECs review service descriptions submitted by the providers, in accordance with its billing and collections contracts.

The Commission also seeks comment on whether its proposals for segregation of charges for different services would serve a similar purpose in telephone bills generally. [Paragraph 17 of the NPRM]. The segregation of charges on a carrier by carrier basis is clearly helpful because it enables the customer to determine quickly and easily which carrier is responsible for the charges. The segregation of charges by type of service would not be helpful. As the Commission notes in the NPRM, the distinctions between the various categories of service evolve and blur over time. In addition, the bundling of services with a single charge that includes several types of services would make such segregation very difficult.

The effect of such separation varies with the type of service provided, as well. For example, wireless carriers often list the airtime charges and the toll charges side by side so that the customer can compare the cost of the total call, which allows a meaningful comparison with the bills of those carriers that offer a flat rate for the call that includes both the airtime and the long distance charges. Any requirement that those two different types of charges be separated would make such comparison much more difficult. There is also usually less potential for confusion as to the source of the charges on a wireless bill, since most wireless carriers do not provide billing and collection services for others.

For all of those reasons, the decision as to how to display the charges for each of the services offered by a carrier should be left to the carrier, subject to the discretion of the billing company pursuant to contract terms. Rules requiring a separate service per page per provider would make the customers' bills too large and would be too expensive to produce, and would defeat the Commission's goal of providing a bill simple enough for the customer to read and understand. For customers of wireless carriers (and perhaps others), it could render the billing data less, rather than more, comprehensible. It is impractical to organize charges by multiple categories, especially if a separate billing page were to be required for each category. The customer wants a simpler bill, not a bill that is bigger and more cumbersome to read.

The Commission seeks comment on its proposal that each bill include a single page or section summarizing the current status of the customer's services, including specific data outlined in the NPRM, as well as other data that would appropriately be included in that summary sheet. [Paragraph 18 of the NPRM]. SWBT bills contain a section that lists the toll carriers, local carriers and other service providers¹ that have charges on the customer's bill. Pacific Bell and Nevada Bell bills contain a face page that lists the total charges and the billing page number for up to four different carriers that may appear within the bill. If there are more than four carriers with charges on

¹ The carriers are listed unless they are submitting charges through a billing aggregator, in which case only the name of the billing aggregator is listed.

the bill, that fact is also indicated on the bill. Pacific Bell and Nevada Bell offer a detailed billing option upon request that provides a separate page detailing the summary of current charges for all carriers that have charges appearing on a bill. If the customer does not request the detailed billing option, then each company's charges are summarized within that company's section of the bill. Some states have very specific requirements for reflecting changes in the customer's bill. For example, in Kansas, SWBT is required to show any changes the first month they appear and other states may have similar requirements to meet the needs of their consumers.

All of the SBC companies are evaluating billing changes that will reflect more of the types of information discussed in Paragraph 18 of the NPRM. Great care must be taken as to the manner in which the information is presented to ensure that it does not result in more customer confusion. Individual carriers are in the best position to weigh those factors and make those determinations based upon the feedback they receive from their customers.

Comment is sought as to whether telephone bills should provide consumers with clear and conspicuous notification of any changes or new charges in their telephone bills, such as the benefits of having each telephone bill include, near the front of the bill, a separate page or section that highlights any changes in the customer's service status information or new charges since the consumer's last bill. [Paragraph 19 of the NPRM].

The SBC LECs already indicate which of their own services or charges have

been added to the customer's bill since the previous bill by displaying those charges in a special section. SWBT displays their new charges in the "Other Charges" section of the bill. Pacific Bell and Nevada Bell display those charges in the "Additions and Changes" section of the bill. To try to standardize the billing process for every company could raise significant cost considerations and would also inconvenience those consumers who are able to verify their bills under the current billing format.

The FCC requests comment on whether requiring carriers to provide clear and conspicuous notification of any new activity in a telephone bill would help consumers defend themselves against cramming, slamming, and other types of fraud, as well as any other proposals that would serve the same purpose. [Paragraph 19 of the NPRM]. Although the SBC LECs do indicate their own new additions to the bill by placing those charges in a special section of the bill, that section does not help consumers to defend themselves against cramming, slamming, and other types of fraud because the perpetrators of those types of fraud are, for the most part, intentionally misleading the consumer. The telephone billing systems are probably the most efficient and accurate billing systems in the world for small individual charges although there might be some ways to restructure telephone bills to provide additional billing detail. It is not at all certain, however, that such billing changes will help solve the fraud problem. Additional billing detail is of no help if it is not matched with the customer's memory or records to verify that the customer authorized the

charge. Customers do not necessarily remember every call they have made during the past month, nor do they necessarily remember every charge they have authorized, because most customers do not keep records of those charges on a day to day basis. Customers want a reasonable amount of billing detail, but every detail about every charge is more information than the average customer wants to wade through, especially if it tends to increase the volume and complexity of the bill.

The bill itself is not the only source of information about billing available to customers. Carriers could and should have a method of communicating with their customers. For example, SBC's wireless company provides a "welcome kit" that includes an "understanding your bill" section. That section explains the format of the bill and the various charges and information about other services offered. In addition, the wireless customer normally has signed a written contract that describes the various charges and services. Thus, the circumstances surrounding the billing process vary from carrier to carrier. Applying the same specific requirements to all carriers would increase cost and inhibit the ability to tailor the billing process to the needs of the customer base, for all carriers.

The fraud problem arises because a few unscrupulous carriers intentionally take advantage of the fact that telecommunications providers bill for a multitude of small transactions, many amounting to far less than a dollar per charge. It is important for telephone bills to be clear and to clearly identify each billing entity, but restructuring telephone bills will not completely bar the

imposition of unauthorized charges by unscrupulous carriers. The solution to that problem lies in the Commission's enforcement and legal prosecution of the repeat offenders and the carrier's enforcement of its billing and collections contracts, not in a very expensive redesign of the more than adequate billing systems already in place today.

C. Full and Non-Misleading Descriptions

1. Descriptions of Services and Identification of Providers

The Commission seeks comment on whether a requirement that each charge on a consumer's telephone bill be accompanied by a brief, clear, plain language description of the services rendered would help consumers determine the precise nature of the services for which they are being billed. [Paragraph 22 of the NPRM]. On balance, such a requirement would not be beneficial to consumers. A clear, plain language description of each charge on a consumer's bill cannot be added without adding additional pages to the bill. Some consumers who do not understand the precise nature of the services for which these are being billed would probably find explanations helpful, but the increase in verbiage and length of the bill would inconvenience the great majority of consumers who don't need the explanations and want a shorter, not longer, bill. Such requirement could also cause a significant increase in billing cost, which would ultimately have to be recovered from consumers.

Comment is sought on the types of information that would assist consumers in understanding the charges on the bill and whether requirements similar to those that apply to pay-per-call and information service charges should apply to billing for other services on the telephone bill. [Paragraph 22 of the NPRM]. All telephone usage charges that are billed by the SBC LECs for other carriers include that level of detail provided by the respective provider (e.g., the date, time and duration of each call). Voice Mail charges are billed on a monthly basis or on a usage basis. SWBT displays its own itemized usage-based charges in the "Other Charges" section of the bill. Pacific Bell and Nevada Bell bill "Pay-per-Call" charges in accordance with the instructions of the carrier that is submitting the charges for billing. The SBC LECs have worked to make their billing formats as clear as possible and do not believe that the imposition of specific billing requirements would be in the best interests of the general public.

The Commission seeks comment on whether a requirement that the name of the service provider be clearly and conspicuously identified in association with that entity's charges, as well as the name of the reseller, if any, would help consumers determine the actual identity of the carrier that is providing service and quickly detect slamming. [Paragraph 23 of the NPRM]. The SBC LECs already display the name of the service provider, as well as the billing aggregator, and a toll free number is displayed in the header of

each bill page for questions. SBC believes that this information aids the consumer in identifying the correct carrier responsible for the charge.

The Commission has also sought comment on any other proposals that would help consumers to identify the entities who originate charges on their telephone bills. [Paragraph 23 of the NPRM]. SBC believes that bills should display the name of the service provider; that information, together with a billing contact number, should give the consumers what they need to identify the entities who originate charges on their telephone bills.

The Commission seeks comment on whether telephone bills should differentiate between "deniable" and "non-deniable" charges and whether such disclosure on the bills would discourage unscrupulous service providers from contacting the consumer directly to misinform the consumer as to the consequences of non-payment. [Paragraph 24 of the NPRM]. Although the SBC LECs handle this matter in slightly different ways, all of the SBC LECs provide notice to the customers as to the types of charges that are "non-deniable" charges, i.e. charges for which local service cannot be disconnected, if the charges are not paid. When an account has non-deniable charges, such as 800 or 900 calls, SWBT prints an FYI explaining to the customer that they cannot be denied local or long distance service for non-payment of those charges. Pacific Bell and Nevada Bell provides notices on the back of the monthly telephone bills, advance toll letters and small business denial notices that basic service will not be disconnected for non-payment of

900, 976, or 700 calls or other information services, such as voice mail, electronic mail, voice store and forward, FAX store and forward, directory advertising and inside wire installation, even though those charges may be included in the "Total Due" shown on the bill. Any known and authorized disputable charges for Pacific Bell, Nevada Bell, a provider or a carrier are removed from the total displayed on denial notices.

SBC believes that these procedures effectively advise consumers of their right to withhold payment while they contest such charges. For that reason, SBC does not believe that any additional requirements are needed. Both of the types of notification provided by the SBC LECs clearly provide the customers the information they need to counter such misinformation, even if such notices cannot prevent unscrupulous service providers from contacting the consumer directly to make invalid threats. In addition, carriers not subject to tariff requirements generally operate pursuant to contracts which normally provide that a service can be suspended if any charge is past due for a certain period of time. Any attempt to draft non-deniable requirements for such carriers would merely confuse customers.

The Commission notes that the pay-per-call rules require bills to contain a statement that carriers may not disconnect local or long distance service for non-payment of charges for information services and seeks comment as to whether the expansion of this requirement to all charges for which service may not be terminated for non-payment would enable

consumers to make more informed choices about the use of their services and payment of charges. [Paragraph 24 of the NPRM]. As previously stated, SBC LECs routinely provide notice of the non-deniability of all types of non-deniable charges. Due to the various state requirements, any additional requirements could increase the size of the bills and, again, the cost to produce the bills.

The Commission also seeks comment on any other proposals that would convey information about non-payment liability to consumers in a clear and efficient manner. [Paragraph 24 of the NPRM]. The SBC LECs already provide adequate notice to customers that their local and long distance service cannot be discontinued for non-payment of non-deniable charges, where applicable.

2. Descriptions of Charges Resulting from Federal Regulatory Action

The FCC seeks comment on the extent to which carriers that pass on to their customers all or part of the costs of their universal service contributions or access charge obligations are also providing complete, accurate and understandable information regarding the basis for and amount of these new charges. [Paragraph 26 of the NPRM]. The SBC LECs have not yet implemented a specific interstate universal service contribution mechanism for end users, so there has not been any need, to date, for any explanation of such charges on their bills. SBC Wireless companies have implemented a universal service contribution. The contribution is a separate line

item under the "Other Charges" section rather than the taxes and fees section. The item is listed as "Federal Universal Service." In announcing the imposition of the charge, SBC Wireless described its purpose and did not present it as something the government mandated be passed on to the customer.

Comment is also sought as to whether the Commission should prescribe "safe harbor" language and how such language could be distributed most effectively; specific proposals are sought for safe harbor language for inclusion in bills of service providers that choose to include charges for recovering universal service contributions as separate line items on their bills. [Paragraph 27 of the NPRM]. Safe harbor language would be very helpful because it could eliminate unnecessary complaint proceedings. However, any carrier should be allowed to use its own language to convey the same message as that delivered via the safe harbor language.

Comment is sought on the types of information that such language should include to ensure that consumers understand fully the nature and purpose of such line item charges and whether any safe harbor language should include a description of the scope and purpose of universal service support mechanisms. [Paragraph 28 of the NPRM]. SBC has not yet developed any specific proposal for safe harbor language, but such language should generally include a clear description of the origin and purpose of these charges and an explanation of how the customer is billed for the recovery of these costs.

The Commission seeks comment on whether long distance carriers that include a separate line item for the recovery of universal service contributions should be required to explain the net reduction in their costs of providing long distance service since enactment of the 1996 Act, as well as what language might be appropriate for that purpose. [Paragraphs 28 and 29 of the NPRM]. Interexchange Carriers' certainly should be required to substantiate and verify their claims of having passed on to customers all of the Access Service charge reductions thus far. Customer bills, however, are not the appropriate forum for that verification process. Interexchange Carriers should be required to quantify and verify to the Commission that these cost savings have been passed on to all consumers not just those consumers that participated in special plans, such as MCI's "Lucky Dog" plan. It is not practical, nor reasonable, however, to try to determine the pro rata amount of a cost reduction on a per customer, per bill basis. In any event, customers are primarily concerned with the price that the customer must pay for the telecommunications services purchased by the customer. Any requirement that any type of costs be fully explained on customer bills will only irritate the vast majority of customers by needlessly increasing the complexity of the telephone bill.

Comment is also sought on whether IXCs that choose to recover access charge costs as separate line items on customer bills should be required to include additional language on those bills, with proposals for specific additional language, as appropriate. [Paragraph 29 of the NPRM].

There is no need for any requirement of additional language, but there should be a prohibition against self-serving statements by IXCs that indicate the LEC is responsible for various surcharges being assessed to consumers. Such statements are being made without any explanation that the structure of access rates (including PICCs) has been set by the FCC, that the charges are based upon the use of the LEC's public switched network, or that access charges are used to recover network costs for the public switched network that serves all customers. If IXCs are going to make statements about cost margins, then there should be an explanation that access charges are set at a higher level to insure a lower rate for local exchange service.

The Commission also seeks comment on the frequency of publication of safe harbor language and, if the safe harbor approach is inappropriate, suggestions for alternative approaches. [Paragraph 30 of the NPRM]. If some sort of safe harbor approach is adopted, then publication of that language once a year should suffice. The Commission should establish safe harbor language as an optional approach.

Comment is sought on the practice of certain carriers that impose on each consumer charges that are ascribed to the payment of universal service or access charges, but that exceed the costs for these items attributable to that consumer and, in particular, whether it is misleading or unreasonable, under Section 201(b) of the Act, for a carrier to bill a consumer for an amount identified as attributable to a particular cost while

charging more than the actual cost incurred. [Paragraph 31 of the NPRM].

Again, it is almost impossible to calculate on a per customer, per bill basis, any accurate allocation of a rate element designed to recover a specified sum of money. Identification of "cost" on an individual basis is not a subject that should be covered on a customer's bill. Telephone cost recovery through rate design has always been done on the basis of averages and those average rates almost never recover the precise amount that the rates were designed to recover; thus, the fact that an individual customer pays somewhat more than or less than that customer's pro rata share of the cost identified by the label does not constitute misrepresentation. Placing labels on those rates is misleading if the rate has been purposely designed to recover a total amount of money significantly in excess of the total cost identified by the label.

The Commission seeks comment on whether it would be helpful to consumers if carriers were required to explain in customer bills their reasons for assessing a flat fee or percentage charge that exceeds the cost incurred. Should carriers attributing line items to new government action be required to disclose exact cost reductions, such as a reduction in access charge costs, or other related benefits arising from government action? Also, should carriers who assess a presubscribed interexchange carrier charge (PICC) be required to show whether the corresponding reduction in the per-minute rate was actually passed on to that individual consumer? The Commission has also asked whether carriers should

include the exact cost of PICC and universal service obligations incurred as a result of serving that customer? [Paragraph 31 of the NPRM]. As previously stated, it would be nearly impossible to demonstrate on a per customer, per bill basis that the actual pro rata reduction was passed on to that customer. Even if such feat were possible, long, involved explanations of a carrier's cost adds complexity to telephone bills, it does not simplify those bills. Customer surveys performed by SWBT in Kansas reveal that 35% of residence customers would prefer a one-page bill. Customers want smaller, simpler bills, not bills that attempt to explain the history of telephone regulation and the cost basis for all of the charges shown on the bill. As RBOCs are given interLATA relief and there is full fledged competition in all aspects of the telecommunications marketplace, the forces of competition will dictate shorter bills and alternate sources of information (e.g., internet access to explanations), so that only the information needed by customers to verify that they are being billed the correct amount for the services and products they have purchased will be included in the bill.

Comment is sought on the benefits to consumers of identifying PICC and universal service charges by a standard name throughout the industry. [Paragraph 31 of the NPRM]. It would be beneficial to consumers to require that carriers use a standard name to identify PICC and universal service charges throughout the industry.

The Commission also seeks comment as to whether these proposals with regard to line item charges for universal service and access charges would be too regulatory and burdensome to carriers or possibly confusing to consumers. [Paragraph 32 of the NPRM]. The calculation of line item charges on a pro rata, per customer, per bill basis would be too burdensome to carriers and, even more certainly, too confusing to consumers. While customers may express a desire for clear explanations of their bill, they are not looking for theoretical arguments about cost and lengthy discussions about whether cost reductions have been flowed through to the customer on a precisely pro rata basis. What is needed is a clear statement that identifies what service has been rendered to a customer and what charges the customer is obligated to pay. If one can assume that a level playing field will be established, without obligations being imposed on some, but not all competitors, then competition will enable the customer to choose the competitor that offers the lowest charge for the package of services desired by that customer.

D. Provision of Consumer Inquiry/Complaint Information

Comment is sought on whether a requirement that each telephone bill include, in addition to the name of each service provider, a business address and toll-free telephone number for the receipt of consumer inquiries and complaints, would enable consumers to initiate action to resolve any billing questions or inquiries. [Paragraph 34 of the NPRM].

All of the SBC LEC bills already include the name of each of the service providers that directly contract with the SBC LECs for billing and collection services. Any requirements established should be directed to the charging carrier, not the billing carrier. The provider of billing and collection service cannot provide any more specific information, if that information has not been submitted by the carrier that is charging for the service. SBC does believe that data clearly identifying the provider of service enables consumers to initiate action to resolve any billing questions or inquiries and, again, would urge the Commission to establish a single nationwide carrier number identification program.

Finally, the Commission seeks comment on how to ensure that carriers provide consumers with correct information when consumers call with complaints or inquiries, and on any other proposals to ensure that consumers receive all information necessary to resolve billing disputes.

[Paragraph 34 of the NPRM]. The process currently in place is for the consumer to file a complaint, either with the state PUC or the FCC. Enforcement of the rules with significant fines has been successful in the past to rid the industry of the wrongdoers.

CONCLUSION

Much of the focus on the alleged inadequacies or deficiencies of the telephone bill in providing customer information is misplaced. The billing of products and services is merely the natural by-product of the sales process. The

bill is issued after the sale has already been made. The great majority of the problems this NPRM seeks to solve are problems arising from the fraudulent marketing of products and services, not the billing process itself. The problem is the intentional misrepresentation of the product or service, not flaws in the billing system. It has been SBC's experience that if the customer has actually purchased a product or service and the service provider has made the appropriate disclosures about how the service or product functions and how the charges for the product or service will appear on the bill, the customer is not confused by a simple or cryptic text phrase in the billing line item description.

SBC has spent a considerable amount of time and resources assessing customer needs and desires in regard to the billing process; that effort is reflected in the development of the billing formats currently used by SBC companies. Customers want clear and simple bills with less pages, less detail, less clutter, but with convenient access to more information where appropriate. While SBC recognizes the need for appropriate disclosure and for the provision of adequate information, there are more suitable communications channels for that information than the customer's monthly bill. Marketing materials, directory information, advertisements, brochures, and websites all provide those customers who really want additional information with adequate resources for securing that additional information, without burdening the billing process for all customers.

In the future, the competitive process will drive carriers to more efficiently and effectively market their services and allow the bill itself to be just that, a bill, not an encyclopedia of telecommunications information. While SBC does not argue with the proposition that the bill should be accurate and clear, some of the proposals here discussed attempt to burden the billing process with requirements that are more suited to the marketing of products and services.

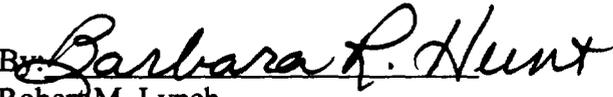
The competitive marketplace provides all telecommunications service providers with the appropriate incentive to be responsive in all areas of the business, but most especially in the billing process. All telecommunications providers need flexibility in their billing practices to meet customer expectations and to provide customers with customized choices that meet individual customer needs, without having a detailed prescription that stifles their creativity and the development of customer choices that were supposed to arrive with the advent of competition. Billing is yet another critical element that is already beginning to differentiate competitors in the marketplace.

For all of the reasons set forth above, SBC urges the Commission to limit its exercise of jurisdiction over the billing process to the establishment of a uniform, nationwide identification number system for carriers and the absolute requirement that all transactions of a carrier contain that identifying number. Such a requirement would not inhibit the marketing creativity of any carrier, but would allow the regulatory agencies, as well as law enforcement officials, to detect and eliminate the few wrongdoers who are intentionally misleading

customers and burdening the industry with fraudulent practices to the detriment of not only the public, but also the entire telecommunications industry.

Respectfully Submitted,

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November 13, 1998

CERTIFICATE OF SERVICE

I, Katie M. Turner, hereby certify that the foregoing, "COMMENTS OF SBC COMMUNICATIONS INC." in CC Docket No. 98-170 has been filed this 13th day of November, 1998 to the Parties of Record.

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

Katie M. Turner

November 13, 1998

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