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January 13, 1999

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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

Re: CC Docket No. 96-115 and 96-149
Telecommunications Carriers' Use of Customer Proprietary Network Information (CPNI)

Dear Ms. Salas:

Today, Darlene Richeson, May Chan, Chris Carter, and Richard Wolfe of GTE Service Corporation met with Carol Mattey, Margaret Egler, Bill Agee, Anthony Mastando, and Eric Einhorn of the Policy Division of the Common Carrier Bureau, and Peter Wolfe of the Wireless Telecommunications Bureau. The purpose of the meeting was to reiterate GTE's concerns regarding the CPNI rules as they relate to CPE, Information Services, Win-Back, and Bundling. The attached material was used to facilitate the discussion of these issues.

Please include this letter, and the attached discussion material, in the record of this proceeding in accordance with the Commission's rules concerning ex parte communications. Please call me if you have any questions.

Sincerely,

Darlene P. Richeson

Darlene P. Richeson

Attachments

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List ABCDE

CPNI
CC Docket No. 96-115
CC Docket No. 96-149

GTE

Regulatory Client Services

January 13, 1999

CPNI - CPE

- The prohibition on the use of CPNI to market CPE absent consent impedes the ability of carriers to engage in effective wireless digital migration and ADSL.
- For wireless customers, CPE is bundled with service, is network-specific, and is part of the total service that customers expect wireless carriers to offer.
- Wireless carriers have not historically tracked the sale of CMRS handsets, and the Commission's Clarification Order therefore does not promote the ability of wireless carriers to provide customers with expanded CPE options.

CPNI - Information Services

- Customers expect services such as voicemail to be part of the total service.
- Bundled with wireless services.
- Without the ability to use CPNI, carriers cannot target high volume users or those with many incoming calls for beneficial services such as voicemail.

CPNI - Win-Back

- Restriction deters competition by prohibiting carriers from using CPNI to determine which customers might benefit from follow-up offers.
- The restriction is not required by Section 222, which clearly authorizes the use of CPNI to render service to the customer regardless of the status of the customer.

CPNI - Bundling

- "…unless and until…" - they're here!
- GTECC has existed as a bundler of services since September of 1997.
- Experience shows service distinctions do not "facilitate[] any convergence of technologies and services…"

CPNI - Bundling

- J.D. Power analysis - Bundled households are <u>more likely</u> than non-bundled households to:
  - Be satisfied with local telephone service
  - Spend less on local & long distance calls
  - Retain current carrier for future LD service
- Westin/Aragon studies were commissioned and were arguably out of context.

CPNI - Bundling

- AT&T's 'One Rate' program demonstrates that TSA service distinctions will indeed "disappear naturally."
- Wireless and long distance services were historically linked but arbitrarily separated by pricing convention.
- Local services have little if any opportunity to timely evolve in a similar manner.

CPNI - Bundling

- GTECC's customers are openly invited to rely upon GTECC as their single source telecommunications supplier *today*.
- TSA service distinctions are transparent to customers with respect to outbound marketing activity.
- The same cannot be said with respect to inbound calling.

CPNI - Bundling

- GTE, as an enterprise, recommends that the FCC forbear from enforcing a specific passage in Section 222(d)(3).
- In the alternative, GTE, as an enterprise, recommends that the FCC interpret the same passage as being rendered moot .