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MAY 27 1999

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Before the  
Federal Communications Commission  
Washington, D.C. 20554

In the Matter of )  
)  
Communications Assistance for Law Enforcement )  
Act: Revenue Estimates of Five Manufacturers )

CC Docket No. 97-213

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**REPLY COMMENTS  
OF THE  
UNITED STATES TELEPHONE ASSOCIATION**

The United States Telephone Association (USTA) respectfully submits its reply to the comments filed May 17, 1999 in the above-referenced proceeding. In its comments, USTA reiterated the point that CALEA requires the Commission to consider costs when determining whether new technical standards must be developed. In addition, USTA pointed out that the revenue estimates provided in the Public Notice provide a basis for making that determination. However, the Commission must recognize the fact that the estimates represent only a portion of the costs which carriers will be forced to incur if the punchlist items are adopted by the Commission and included in the J-STD-025.

The Department of Justice/Federal Bureau of Investigation (DOJ/FBI) are the only party to this proceeding who fail to acknowledge the relevance of cost information under Section 107. Their interpretation is contrary to the statute and cannot be adopted by the Commission. The DOJ/FBI request a more meaningful opportunity to analyze the estimates. Given that the DOJ/FBI have refused to provide any cost information, the revenue estimates and the implementation cost estimates provided by carriers in this proceeding provide a reasonable basis upon which to estimate how expensive it will be to implement CALEA. As USTA and others

have pointed out, the costs will vary depending upon the vintage of the switch and the number of upgrades and the timing of the upgrades necessary to make switches CALEA-compliant. There are also engineering, installation, training, capacity and hardware costs necessary to support the electronic surveillance.

The DOJ/FBI complain that the estimates are overstated because they do not reflect discounts. There is no evidence on the record that any discounts are available to reduce the costs to carriers. The DOJ/FBI are engaging in pure speculation regarding whether any discounts exist and such speculation cannot be relied upon by the Commission.

The DOJ/FBI provide a number of additional reasons as to why the estimates are overstated. However, the Commission must be aware that none of these issues has been resolved. For instance, the DOJ/FBI claim that capacity costs will be reimbursed, but there has been no indication by the DOJ/FBI as to what capacity costs will be eligible for reimbursement. The DOJ/FBI also claim that the government will reimburse costs for CALEA solutions on equipment, facilities or services installed or deployed prior to January 1, 1995. However, the definition of installed or deployed adopted by DOJ/FBI severely reduces the costs that would qualify for reimbursement. Likewise, the definition of significant upgrade or major modification proposed by DOJ/FBI would also limit the costs which could be reimbursed. These "cost-saving" measures claimed by DOJ/FBI do not diminish the costs of CALEA implementation, they only excuse the government from reimbursing carriers for these costs and, contrary to the statute, force these costs to be borne by carriers and their customers.

Until the following issues are resolved, it is difficult to predict the costs to implement CALEA by wireline carriers: resolution of DOJ/FBI negotiations with switch manufacturers regarding a "buy-out" arrangement; DOJ/FBI release of a final definition of significant upgrade

and major modification; DOJ/FBI provision of switch specific quantities for pen register, trap and trace and content requirements, and DOJ/FBI determination of eligible capacity costs.

If the Commission is interested in real "cost-saving" measures, as required by Section 107, the Commission should compare the estimates provided for the J-STD-025 and the punch list. For example, significant cost savings can be realized by utilizing content channels to deliver dial digit extraction and network tones to law enforcement as provided for in the J-STD-025. Law enforcement can use its own equipment to detect and record the post-dialed digits and network progress tones. These two punch list items are extremely hardware intensive and based, the estimates, are two of the most expensive punch list capabilities.

Respectfully submitted,

**UNITED STATES TELEPHONE ASSOCIATION**

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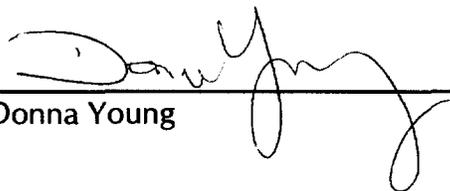
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**CERTIFICATE OF SERVICE**

I, Donna Young, do certify that on May 27, 1999, copies of the accompanying Reply Comments of the United States Telephone Association were either hand-delivered, or deposited in the U.S. Mail, first-class, postage prepaid to the persons on the attached service list.

  
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