

JUL 16 1999

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

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

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

AT&T Reply on Further Notice of Proposed Rulemaking

Pursuant to the Commission's Public Notice, AT&T Corp. ("AT&T") submits its reply on the Further Notice of Proposed Rulemaking ("FNPRM") regarding standard labels for line-item charges relating to federal regulatory action.<sup>1</sup>

Many commenters agree with AT&T (pp. 2-5) that the Commission's proposals raise significant legal and policy issues and should not be adopted. CTIA (p. 5), for example, suggests that the Commission "should refrain from mirroring its truth-in-billing regulations in political controversies that implicate significant First Amendment issues, especially when . . . the Commission has not - and cannot - defend the use of [the proposed] phrases as inherently more understandable than labels telecommunications carriers use currently."<sup>2</sup> And U S WEST

<sup>1</sup> First Report and Order and Further Notice of Proposed Rulemaking, FCC 99-72, released May 11, 1999, ¶ 71.

<sup>2</sup> See Dissenting Statement of Commissioner Harold Furchtgott-Roth, p. 2 ("[t]he idea that words selected by the Commission will cure [customer] confusion is unfounded by any empirical reality"). See also CTIA,

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(p. 1) "agree[s] with Commissioners Powell and Furchtgott-Roth that the Commission has crossed the line between appropriate regulation and interference with the carrier/customer relationship."<sup>3</sup>

Similarly, many commenters support AT&T's view (pp. 4-5) that forcing carriers to start all over again in educating their customers will be costly, counterproductive and not serve the Commission's intended purposes. For example, Sprint (p. 1) states that "any change in nomenclature to existing rate elements will itself result in costs and customer confusion," including billing system costs, customer education costs and customer care costs. Cable & Wireless (p. 2) also recognizes that "many carriers have legacy billing systems that are not easily adaptable" and that "carriers face the immediacy of achieving Y2K readiness."<sup>4</sup> And MCI WorldCom (p. 9) agrees that the newly proposed rule would require "interexchange carriers and long distance customers to relive the past year."

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p. 6 (the determinations here "involve[] core political speech").

<sup>3</sup> See also Bell Atlantic, p. 1.

<sup>4</sup> See also U S WEST, p. 3.

Moreover, MCI WorldCom (pp. i, 5) states that the proposed requirement

"will not promote [the] goal of protecting consumers and increasing customers' ability to comparison shop. Quite likely, it will lead to less accurate charge descriptions and result in apples-to-oranges comparison of line item charges among customers," [because] "carriers structure their rates differently . . . [and] need the flexibility to label their charges in the manner that best describes [their] particular . . . rates and rate structure to [their] customer base."<sup>5</sup>

MCI WorldCom (p. 7), citing many consumer-based sources, further demonstrates that trying to give customers a comparison point for individual line items on a bill serves little purpose. As MCI WorldCom (id.) correctly states, "[c]onsumer organizations and regulators for years have taken the position that the only meaningful comparison to be made is the customer's total bill based on that particular customer's calling pattern" (emphasis added).

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<sup>5</sup> Some state commenters (e.g., California PUC, p. 3) suggest that carriers should not be permitted to combine federally-related charges into a single line item. This suggestion is inconsistent with the Commission's rules, which expressly allow carriers to recover the costs of various federal support programs in any manner they choose. See Statement of Commissioner Michael C. Powell, p. 72 ("it is beyond question that the previous Commission expressly allowed carriers to do so, as we recently acknowledged") (emphasis in original; citation omitted).

Comparisons of specific sub-charges in a bill thus do not provide customers with very meaningful information.

Just as important, the decision to impose very specific requirements for this single category of charges is starkly inconsistent with the Commission's approach throughout the rest of the Order (¶ 10), which otherwise adopts "broad, binding principles, rather than detailed, comprehensive rules."<sup>6</sup> Indeed, the Order (id.) specifically finds "that there are typically many ways to convey important information to consumers in a clear and accurate manner." The labels used to describe specific line item charges relating to federal regulatory action are no different. Indeed, the comments show that there are many ways that the specific charges referenced here can be described in a non-misleading manner. Accordingly, the Commission should not prescribe mandatory labels for these charges but allow the market to determine the best way for carriers to inform customers about them.<sup>7</sup>

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<sup>6</sup> MCI WorldCom, p. 4.

<sup>7</sup> Cable & Wireless, p. 4 ("Cable & Wireless USA remains steadfast in its belief that . . . it is ultimately in the public interest to allow carriers the freedom to design and develop their own bills, including the labeling of individual charges"); MCI WorldCom, pp. 3, 6 ("[t]he highly competitive environment in which MCI WorldCom operates requires us to provide clear, truthful billing . . . [and t]here is no need for the

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To the extent that the Commission continues on its current path, Sprint (p. 2) and MCI WorldCom (p. 10) agree with AT&T (pp. 5-6) that the label "Long Distance Access" is likely to confuse customers. In addition to the confusion over the term "long distance" described by AT&T and MCI WorldCom, Sprint points out that consumers may also be confused by the use of the word "access." Thus, the term "Presubscribed Line Charge" supported by AT&T and Sprint would be more appropriate.

A number of commenters recognize that any mandatory labels relating to federal regulatory action should include the word "Federal" or "FCC" so that customers know which agency oversees the matter.<sup>8</sup> In addition, several commenters suggest that the label relating to federal universal service charges should include the word "fund" or "fee."<sup>9</sup>

Finally, it is clear that billing changes are almost never easy or cheap to implement, especially in light of

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Commission to interfere" especially "in light of the Commission's other billing description guidelines").

<sup>8</sup> Florida PSC, p. 2; California PUC, p. 2; Bell Atlantic, p. 1.

<sup>9</sup> AT&T, p. 6; California PUC, p. 2; U S WEST, p. 2.

Y2K issues.<sup>10</sup> Thus, the Commission should provide a substantial lead time before any such changes must be made effective. Moreover, both MCI WorldCom (pp. 10-11) and U S WEST (pp. 1-2) note that this aspect of the Commission's rules will likely be the subject of further requests for review. Accordingly, the Commission should defer the effective date of any requirement until after those issues have been decided.

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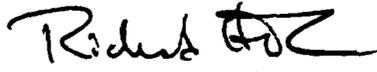
<sup>10</sup> E.g., AT&T, pp. 6-7; Cable & Wireless, p. 2; U S WEST, p. 3.

Conclusion

For the reasons stated above, the Commission should adopt rules consistent with AT&T's comments.

Respectfully submitted,

AT&T CORP.

By   
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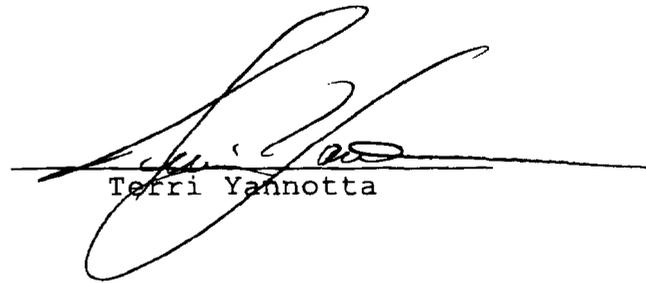
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July 16, 1999

CERTIFICATE OF SERVICE

I, Terri Yannotta, do hereby certify that on this 16<sup>th</sup> day of July, 1999, a copy of the foregoing "AT&T Reply on Further Notice of Proposed Rulemaking" was served by U.S. first class mail, postage prepaid, to the parties named on the attached service list.

  
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July 16, 1999

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