Bell Atlantic
1300 I Street, N.W.
Suite 400 West
Washington, DC 20005

Donald C. Brittingham
Director - Wireless Matters
Government Relations
202-336-7873

EX PARTE OR LATE FILED

Bell Atlantic

June 1, 1999

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 – 12th Street, SW
Room: TW-A325
Washington, DC 20554

Re: WT Docket No. 97-207

Dear Ms. Salas:

On May 27, 1999, an Ex Parte was filed by the Bell Atlantic Government Relations office regarding the above-referenced matter. Due to an administrative error, the wrong attachment was included with this filing. The enclosed is a complete copy of the Ex Parte with the correct attachment.

If you have any questions about this filing, please call me at the above number.

Donald Brittingham

Attachment

cc: J. Schlichting (cover only)
D. Siehl (cover only)

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Ms. Magalie Roman Salas
Secretary
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Room: TW-A325
Washington, DC 20554

Re: WT Docket No. 97-207

Dear Ms. Salas:

On April 8, 1999, Howard Woolley of Bell Atlantic and the undersigned met with Jim Schlichting and others from the Wireless Telecommunications Bureau to discuss the Commission's proceeding on Calling Party Pays. In that meeting, we presented an overview of market research recently conducted by Bell Atlantic Mobile.

While the Commission's ex parte rules do not require that this information be disclosed, we are filing a summary of our market research presentation with your office at Mr. Schlichting's request. Please include a copy of this ex parte presentation in the record for the above captioned proceeding. If you have any questions, you may call me on (202) 336-7873.

Donald C. Brittingham

Attachment

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D. Siehl (cover only)

- **Objectives**

  Gauge the impact of CPP on the wireless industry:

  - Likelihood of acceptance among wireline customers
  - Increased propensity to give out wireless phone number
  - Anticipated increase in incoming calls

- **Methodology**

  - Based on 850 telephone interviews
  - Average interview length 20 minutes

- **Sample**

  - 600 Cellular customers (300 mainly business users; 300 mainly personal users)
  - 250 Landline customers
  - Customer sample selected from lists provided by Cellular Carrier; screened for business or personal use (60% of total usage, respectively)
  - Landline sample based on random digit dialing; eligibility based on home bill payment; household income above $25,000 annually.

- **Statistical Significance**

  - Results of sample surveys are subject to error; the sampling error for CPP samples is:
    - » For n=600 +/-4%
    - » For n=300 +/-6%
    - » For n=250 +/-6%

Usage Profile

- Business users are higher spenders than personal users, as would be expected.
- The same pattern holds for average monthly minutes of use.
- However, despite these differences in spending and usage levels across the two groups, there is very little differentiation in terms of incoming and outgoing call patterns. On average, across all customers, only 19% of calls are reported to be incoming.
- The average length of an incoming call is significantly shorter than for an outgoing call.
- There is evidence that personal users who receive incoming calls are more inclined to control the length of the call than are business users in the same situation.

  [Note: Detailed user data is considered confidential, and therefore, is not shown.]

Number Distribution

- Business users are significantly more likely to distribute their cellular phone numbers than are personal users. Nearly a third (31%) of business users say more than 30 people know their cellular number, compared to 9% of personal users who say the same thing.

- Among those who do not distribute their number, about one-third say it is because "it costs me to accept calls" (33%). The second most common reason is that they don't want to receive incoming calls (28%), followed by the reason that the phone is only used for emergencies (18%). The latter explanation is far higher for personal users (26%) than for business users (4%).

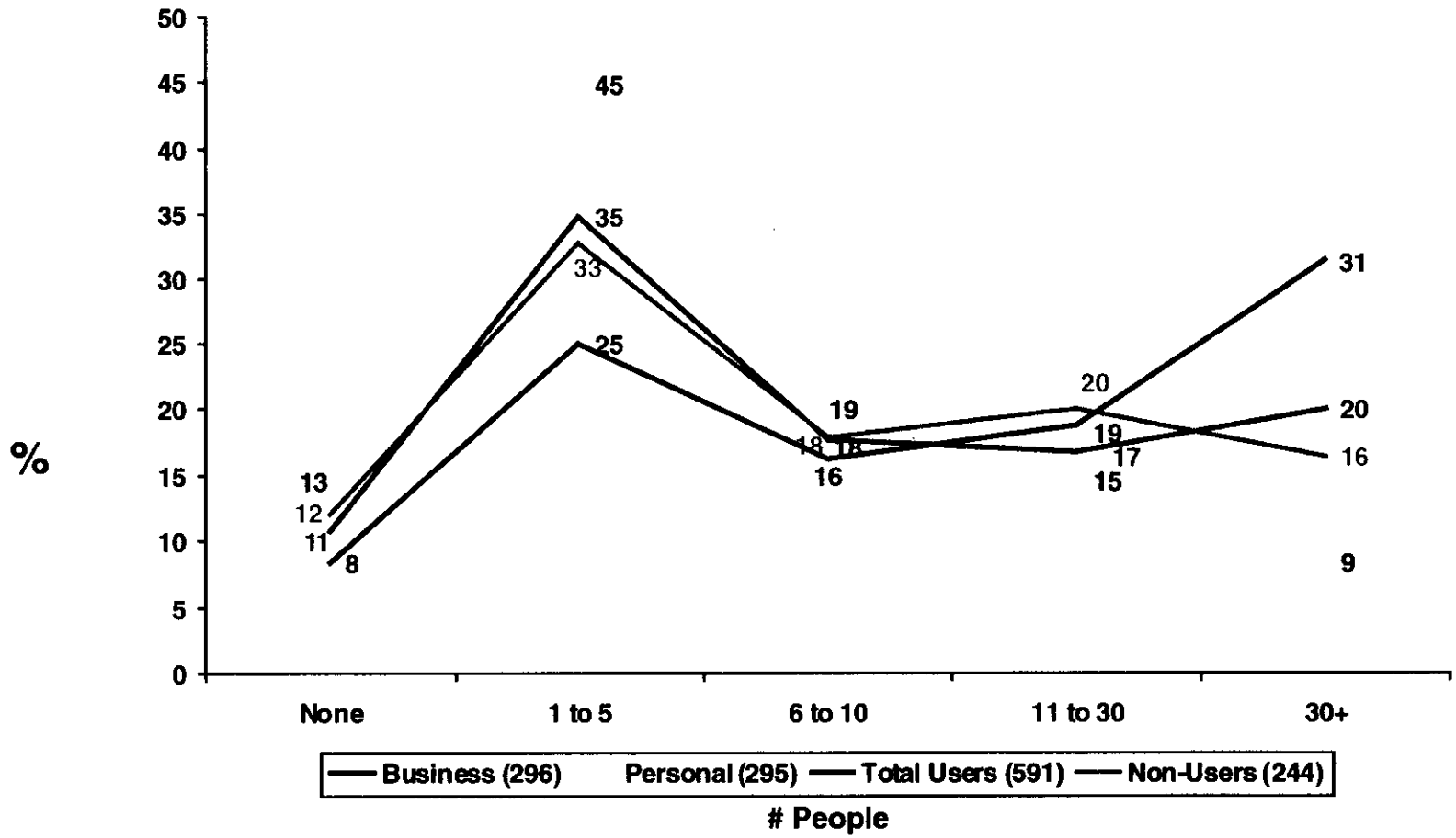
- Only 12% of non-users say they do not know anyone who has a wireless phone. On average, non-users know four people with wireless phones and have the number for three out of four of these people.

- Nearly two out of three respondents say they have tried to reach someone by calling a cellular phone number (63%). These callers have tried to call a cellular phone three times, on average.

- Non-users were asked whether or not they thought the current charging structure for incoming calls is fair or not. A greater proportion disagreed that the current charging structure is fair compared to those who agree (55% vs. 37%).

Wireless Number Distribution

- non-users: how many wireless phone numbers do you know?
- cellular users: how many people have your wireless phone number?

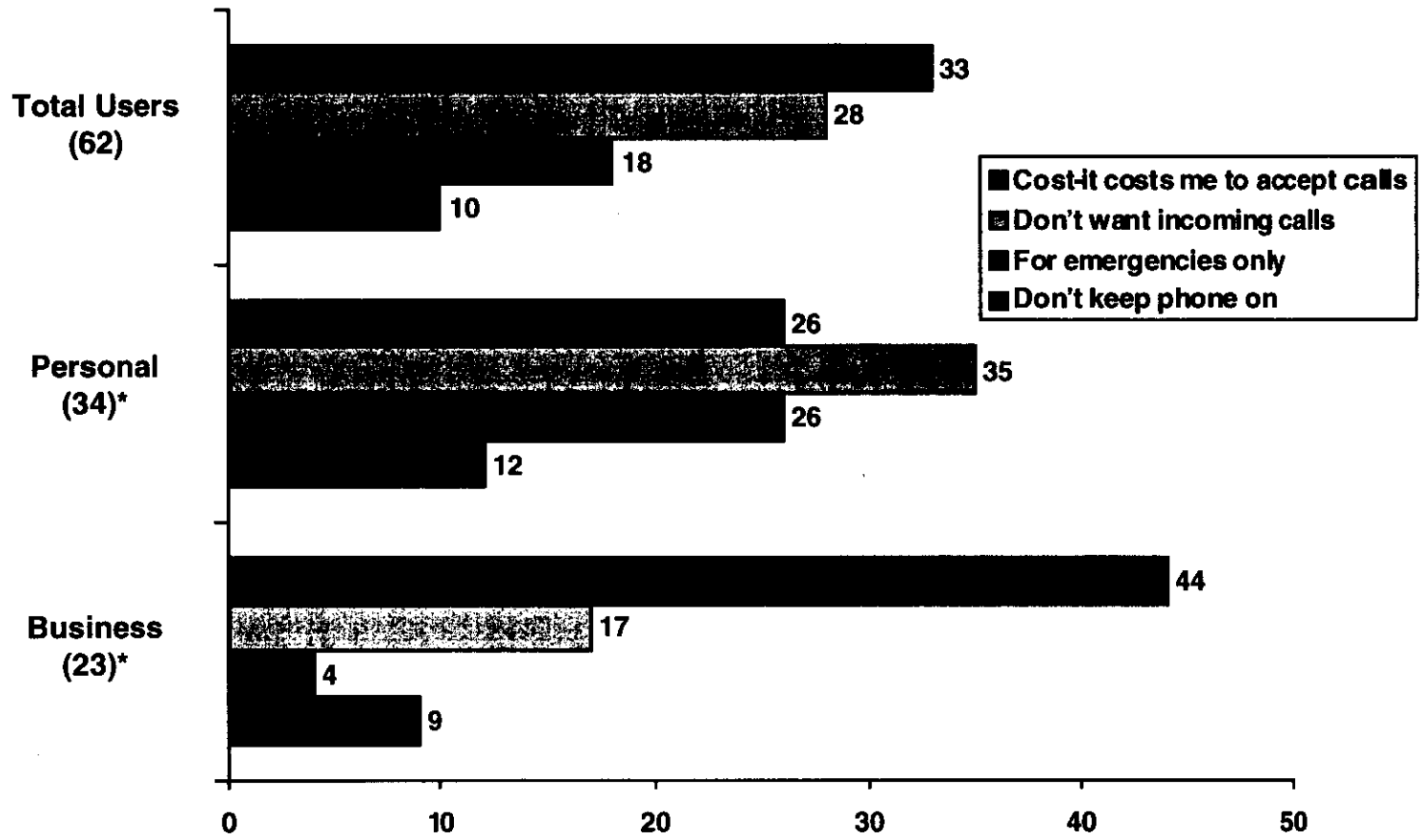


Q.4: *(non-users) Approximately how many people do you know who have wireless phone service?*

Q.6a: *(users) Approximately how many people would you say you have given your cellular phone number to?*

Reasons for not Giving out Cellular Phone Number

-cellular users-



Q.6b: *Why does nobody have your cell phone number?*

*Caution-small bases

Contact with Cellular Users

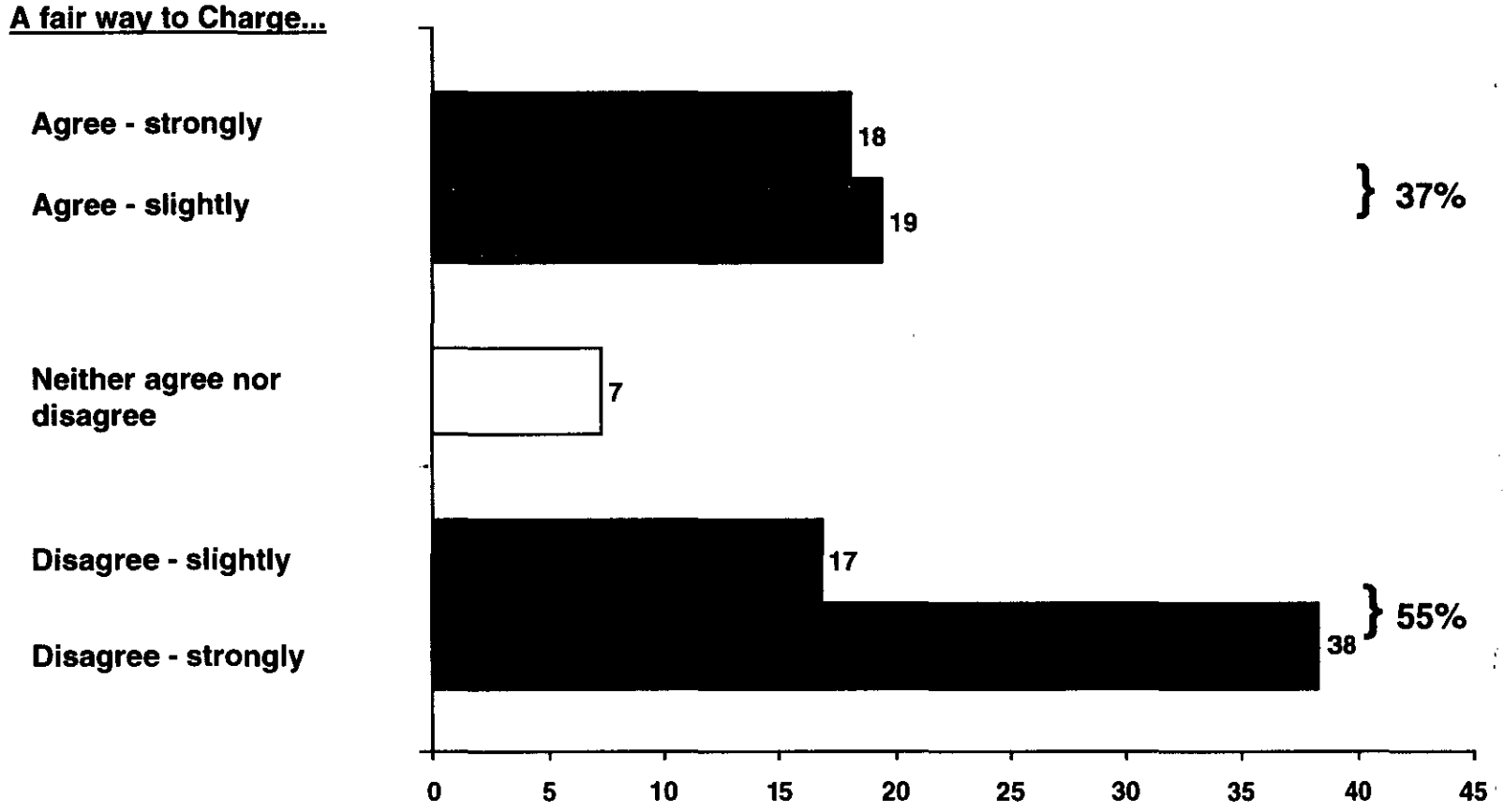
-non-users-

Average number of people you know who have cellular phones **(Q.4)**	4.0	(244)
% who do not know any cellular users	12%	(244)
Average number of users for whom you have cellular phone number **(Q.5b)**	2.7	(211)
% who have ever tried to reach someone on their cell phone **(Q.6)**	63%	(250)
Average number of times have tried to reach a cellular phone number **(Q.7)**	3.1	(157)

Q4: *Approximately how many people d you know who have wireless phone service?*
Q.5b: *And of these people how many of their cellular phone numbers do you have?*
Q.6: *% who have ever tried to reach someone on their cell phone.*
Q.7: *Average number of times have tried to reach a cellular phone number.*

Reactions to 'Cell User Pays for Incoming Calls'

- non-users -



Q.11: *Do you agree or disagree that this is a fair way to charge for incoming calls to a cell phone? Is that strongly or just slightly...?*

Base: All non-users excluding DKs (232)

Reactions to the Concept

- Reactions to the concept are positive.

  Half of all users rate the concept positively (7-10), with over one-fourth giving a 9 or 10 rating. Just over one-fourth rate it negatively (0-3).

  Slightly more non-users rate the concept positively (55%), and significantly fewer rate it negatively (18%).

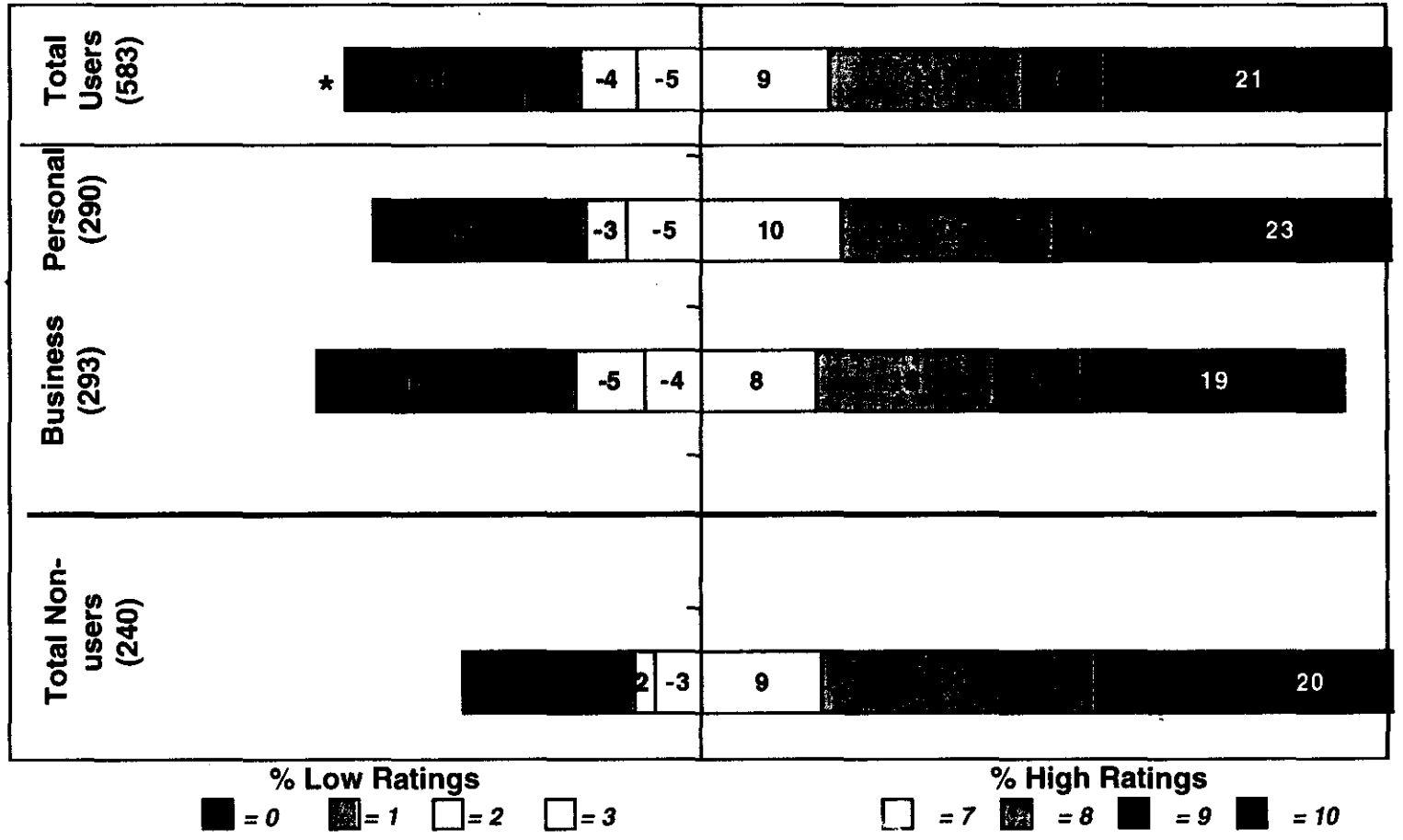
- There are no significant differences between personal and business users in terms of their overall reactions to the concept.

The Concept Description

"Now I would like to describe something that Bell Atlantic Mobile is considering implementing. Currently cell phone users are charged for both making and receiving calls on their cellular phone. The new feature is called 'Calling Party Pays'. [*Cell Users*: It would switch the cost of incoming calls from you, the cellular user, to the person who is making the call. For a minimal monthly administration charge, you would have unlimited, free incoming calls - just like on your home phone.] [*Non-cell users*: It would switch the cost of incoming calls from the cell phone user to the person who is making the call. For a minimal monthly administration charge, cell users would have unlimited, free incoming calls - just like on a home phone.] With CPP there would still be the option to pay for some incoming calls from certain people that the cell user/ you may not want to have to pay to reach them/you on their cell phone. "

Overall Concept Rating

- 0-10 scale -



Q.8: *(user) and* ***Q.13:*** *(non-user) Please rate this service idea on a scale from zero to ten where zero is the lowest possible score that you could give and 10 is the best possible score.*

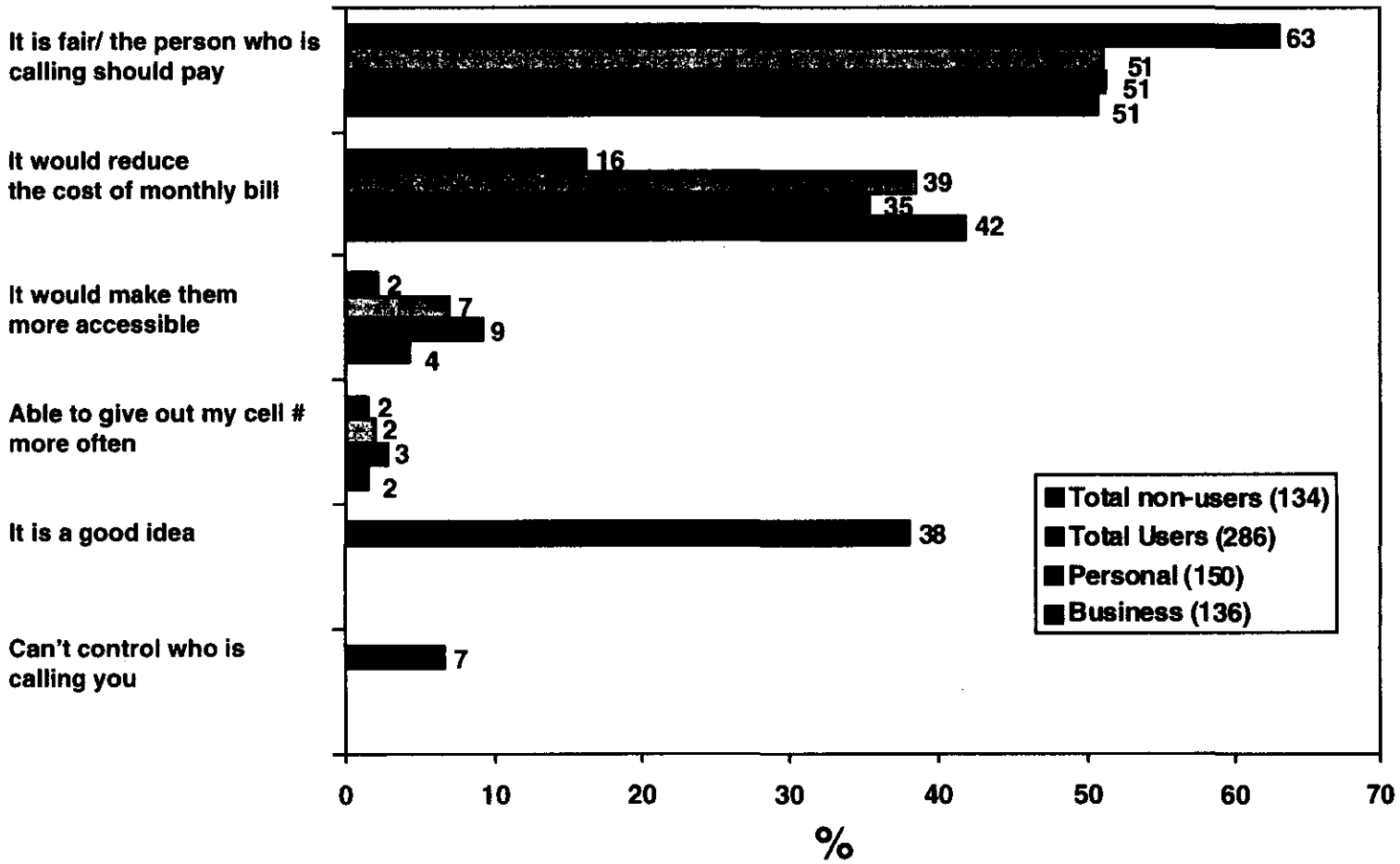
* Significantly higher among users than non-users

Reasons for Reactions

- Reasons for liking the concept have mainly to do with fairness. Users also like the potential for reduction in the amount of their monthly bill.
- Significantly more personal than business users cite the potential for increased accessibility as a reason for liking the idea.
- Users who give negative ratings say this is primarily because they don't want callers to have to pay to reach them.
- For the business segment, reflecting badly on the business or making the user look cheap are major drawbacks.
- For personal users who give negative ratings, the fact that they receive few incoming calls means they see little advantage to the service. This is also the reason cited by the greatest number of those who give the service neutral ratings. Although they are not against CPP in principle, they cannot see the advantage to themselves because close to two-thirds (63%) say they never or rarely use the phone for incoming calls.

Reasons for Positive Rating

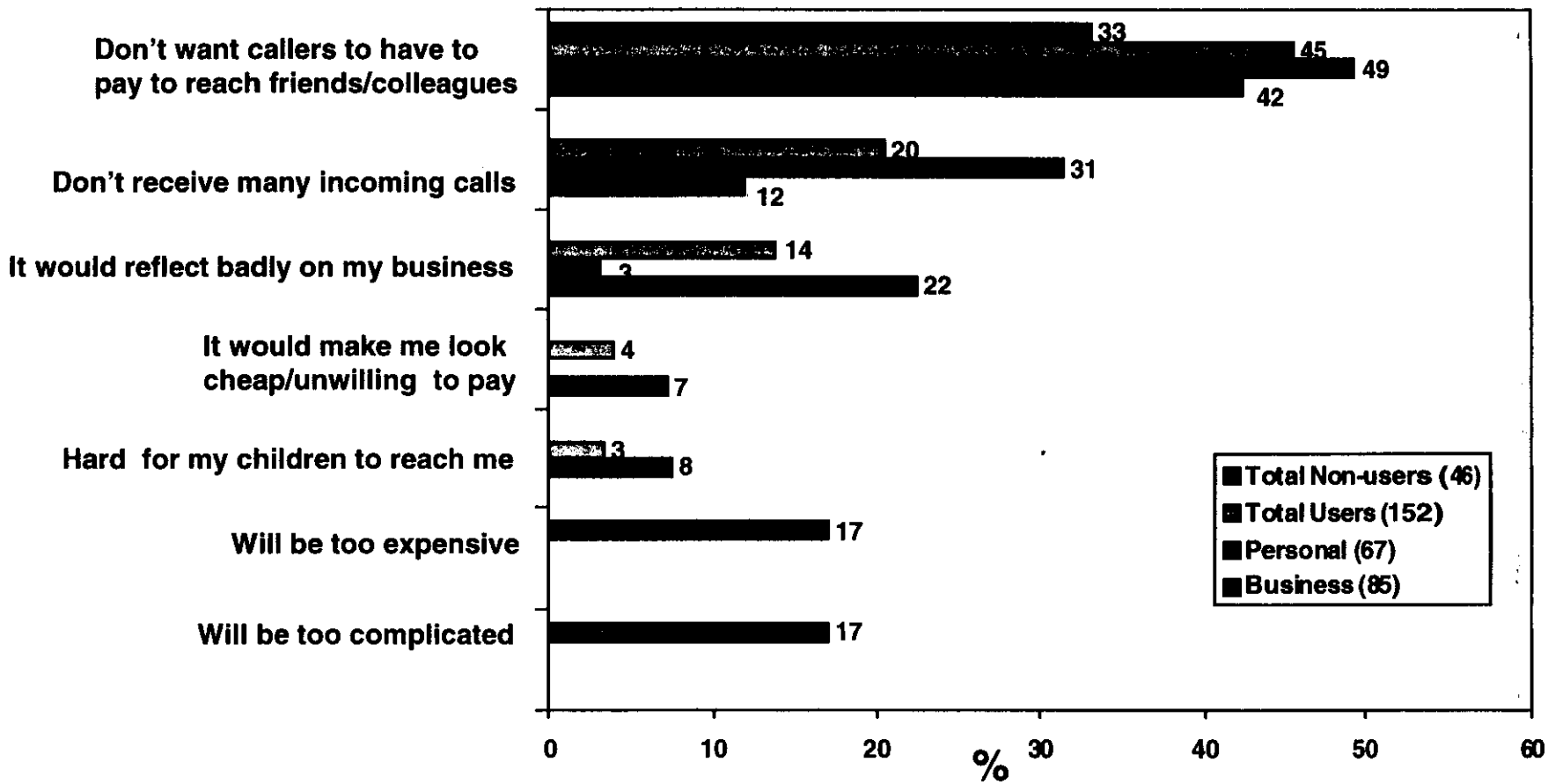
- 7,8,9,10 -



Q.9: *(user) and* ***Q.14:*** *(non-user) Why do you rate the Calling Party Pays service in this way?*

Reasons for Negative Rating

- 0,1,2,3 -



Q.11: *(user) and* ***Q.15:*** *(non-user) Why do you rate the Calling Party Pays service in this way?*

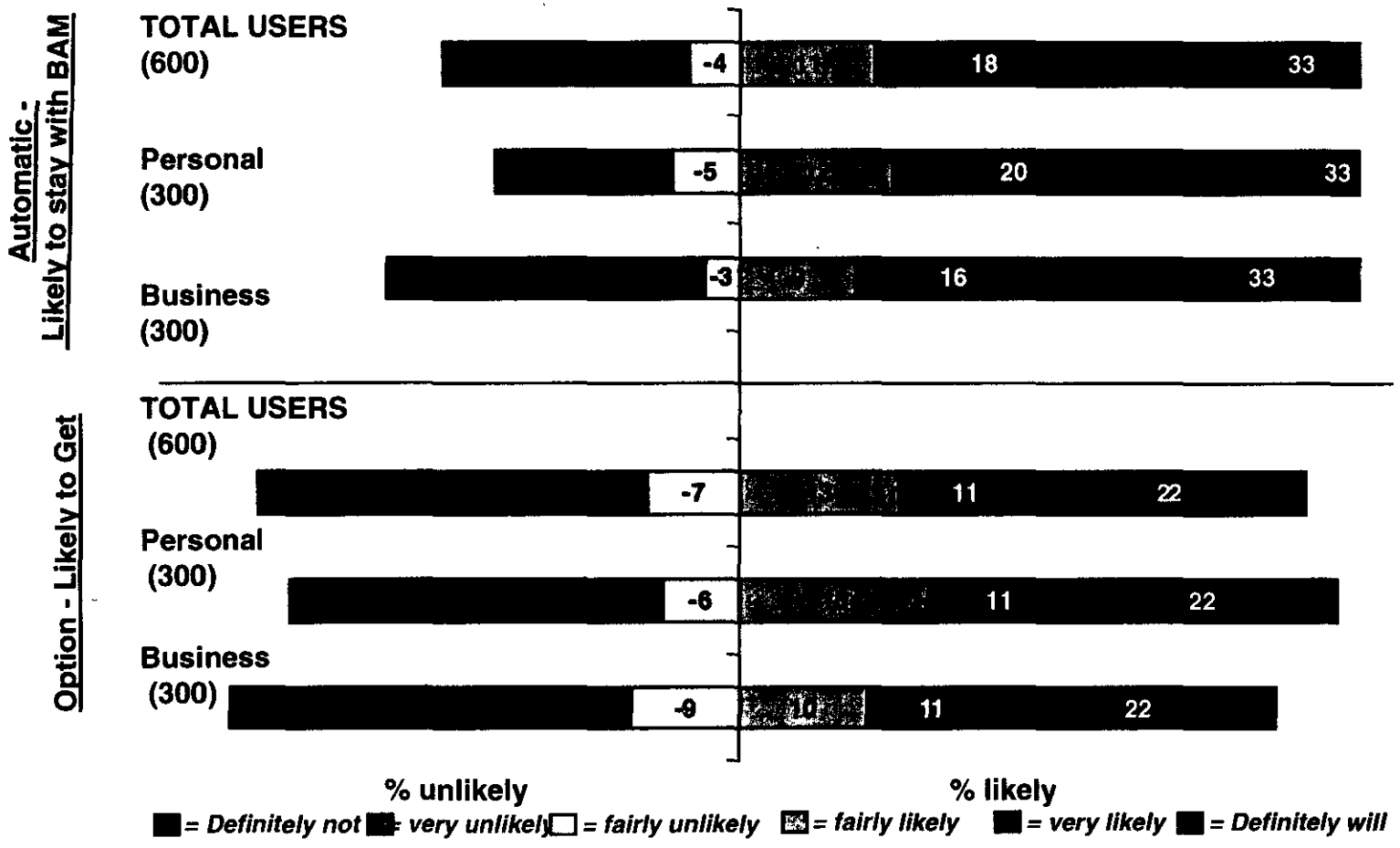
Mandatory versus Optional Service

- One-fourth of customers say they would be likely to switch providers if the service were mandatory.

- Non-customers' overwhelming preference is for choice. Over three-quarters (79%) think CPP as an option is a good idea. A significantly smaller proportion (66%) think CPP as a mandatory feature is a good idea.

Mandatory vs. Optional Service

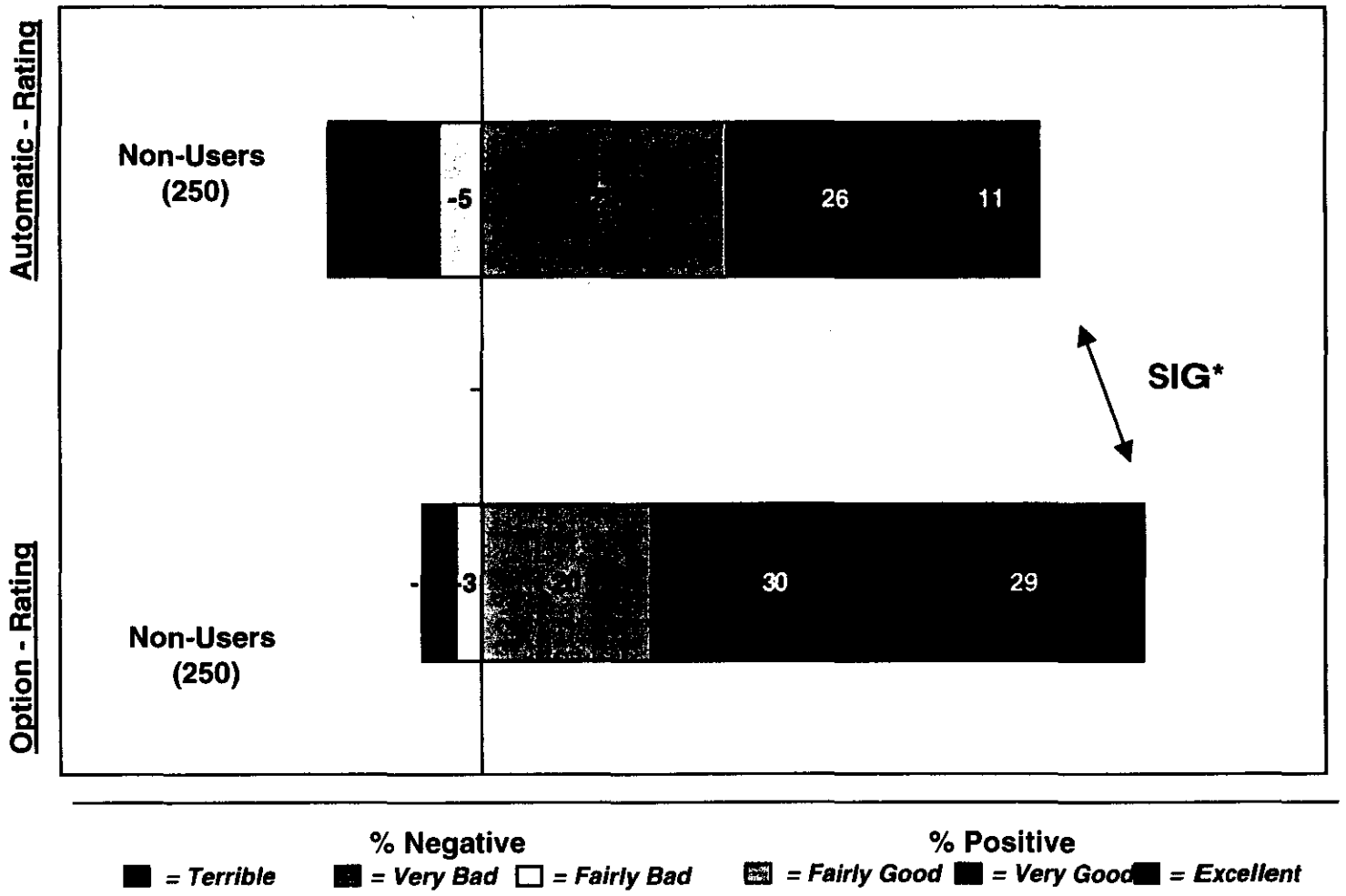
-cellular users-



Q.14: *If Bell Atlantic were to introduce Calling Party Pays as an automatic feature how likely would you be to keep Bell Atlantic Mobile as your cellular provider?*
Q15: *If Bell Atlantic were to introduce Calling Party Pays as an option how likely would you be to get it?*

Mandatory vs. Optional Service

- non-users -



Q.17a: *What do yo think of the idea of Bell Atlantic introducing Calling Party Pays as an automatic feature to all of their customers?*
Q.17b: *What do you think of Bell Atlantic Mobile introducing Calling Party Pays as an option?*