

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

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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

AT&T Petition for Waiver

Pursuant to Section 1.3 of the Commission's Rules (47 C.F.R. § 1.3), AT&T Corp. ("AT&T") respectfully submits this Petition for Waiver of portions of the Commission's First Report and Order ("Order") in the above-captioned matter.¹

Specifically, AT&T requests that the Commission grant AT&T additional time to implement those portions of the Order which require AT&T to identify (1) "deniable" and "non-deniable" charges and (2) new service providers on subscriber bills.² Such a waiver is required in light of the technical problems and development cycles incident to

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

² See 47 C.F.R. Sections 64.2001(c) and 64.2001(a)(2)(ii).

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implementation of the Commission's requirements.³ These problems affect AT&T in its roles as (a) a long distance carrier billing its own charges; (b) a long distance carrier obtaining billing services from third parties; and (c) a local service provider billing local, long distance and unregulated charges. Moreover, they affect AT&T's billing for both business and residential services.

The Commission's new rules will, immediately upon effectiveness, require that AT&T, either when obtaining billing from third parties or when billing on its own behalf, provide directly on the telephone bill information concerning the nature of the telephone charges and advice on whether nonpayment of particular charges could lead to disconnection of local service. AT&T will also be required to identify "new" service providers whose charges did not appear on the previous bill. This is not information that is presently displayed on AT&T's bills, and therefore new

³ On July 26, 1999, AT&T filed a Petition for Reconsideration of the Order, asking that the Commission modify portions of the Order related to the treatment of deniable and non-deniable charges for business customers. In the event that the Reconsideration Petition is granted, the waiver of Section 64.2001(c) sought herein for business customers will no longer be required.

work must be undertaken to provide these capabilities, either by AT&T or by its third party billing agents.

As the accompanying affidavits show, in most cases, changes in the billing systems themselves will be required.⁴ These are non-trivial changes, and quick implementation is simply not possible. Moreover, for AT&T's own billing systems, implementing the required changes could interfere with AT&T's previously scheduled billing and other systems development work, including considerable Year 2000 systems work that is now underway or scheduled.

These problems are compounded by the fact that AT&T today uses internally many separate and independent billing systems to bill different types of customers. Therefore separate projects for each billing system will need to be scheduled and integrated with other work already underway for that system.

AT&T has determined that two of its business billing systems (SBS and WEFOS) can be reconfigured to provide the necessary "deniable/non-deniable" information without major

⁴ The attached affidavit of Rebecca Melick provides the factual information underlying of this waiver request with respect to AT&T's billing for business services. The attached affidavit of Gavin Norwitz provides factual information with respect to AT&T's billing for residential or consumer services.

systems development work.⁵ AT&T estimates that the work necessary for that particular billing system to provide the necessary information can be completed by February 1, 2000, through the introduction of special billing messages. AT&T therefore requests a waiver to permit that implementation schedule for bills produced by those billers.

However, the great majority of AT&T's billing systems, for both business and consumer customers, do not have the present ability to insert on customer bills the information on deniable and non-deniable services or new service providers required by the Commission's Order.⁶ Accordingly, it will be necessary to undertake specific system development projects to develop and implement the various modifications that will be necessary to provide this information on customer bills. Such development takes considerable time.

For example, the current lead time on billing system modifications for AT&T business customers is 12 to 15 months from formal initiation of the billing system

⁵ Melick Affidavit, ¶ 3. SBS is used principally to serve small and medium size business customers. WEFOS is used principally to bill medium size business customers.

⁶ Melick Affidavit, ¶ 3; Norwitz Affidavit, ¶ 2.

development. It is not possible to shorten that period, because AT&T's systems development processes have a number of efforts already underway, many of which have Y2K implications. Moreover, there are regular deployment dates scheduled for business services billing system modifications.⁷ Additionally, because the Commission's rule affects multiple systems, AT&T will have to implement changes in several independent billing systems, and different technical and development work is likely to be required for each such system. Accordingly, requests a waiver until at least October 22, 2000 (the scheduled date for 3d Quarter 2000 billing system modifications) to permit that ordinary development cycle to be followed.⁸

AT&T's Consumer Services organization also is in communication with its over 1,200 third party billing service providers (primarily local exchange companies) regarding compliance with the Commission's Guidelines with respect to the 85% of AT&T long distance bills rendered by

⁷ Melick Affidavit, ¶ 5; Norwitz Affidavit, ¶ 3.

⁸ AT&T's Consumer Services organization, which deploys different internal billing system development cycles but faces similar problems, requires until September 1, 2000 to complete the work necessary for the billers that serve residential customers. Norwitz Affidavit, ¶ 3.

those entities.⁹ This is a mammoth task that cannot be accomplished in the timeframes established by the Commission. Indeed, USTA has sought permanent relief for the small LECs from compliance with the Order (see Petition by USTA for an Expedited Waiver or Stay, dated July 16, 1999), which has made it very difficult to negotiate with these companies at this time. Based upon AT&T's experience in negotiating billing arrangements with local exchange providers, AT&T estimates that it will take at least fifteen months to make the arrangements necessary to assure AT&T's bills will be in compliance with the new rules.¹⁰

For the reasons stated above, if the Commission does not grant AT&T's petition for reconsideration,¹¹ AT&T requests that the Commission waive the effective date of

⁹ A small proportion of AT&T's business customers are billed by these same entities. Because the billing relationships between AT&T and these entities are managed by the AT&T Consumer Services organization, the same issues apply to AT&T business customers billed by these entities. Melick Affidavit, ¶ n.1; Norwitz Affidavit, n.1.

¹⁰ Norwitz Affidavit, ¶¶ 4-5.

¹¹ As noted above, AT&T has petitioned the Commission to reconsider the requirement that business customers receive such information on their bills. If, in fact, the Commission grants AT&T's petition, as AT&T respectfully believes it should, AT&T still requires a waiver until the Commission rules on the petition.

its Section 64.2001(c) requirements for business customers billed by the SBS and WEFOS billers until February 1, 2000 and for all other AT&T business services billers until October 22, 2000. In addition, AT&T requests that the Commission waive the effective date for its Section 64.2001(a)(2)(ii) for all AT&T billers and its Section 64.2001(c) requirements for AT&T consumer billers until September 1, 2000. Finally, for all AT&T customers billed through third party billers, AT&T requests that the Commission provide AT&T fifteen months from the effective date of its rulings on the petitions for reconsideration and waivers filed in this proceeding to implement the requirements of the above-cited rules.

Respectfully submitted,

AT&T CORP.

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local services are not presently capable of indicating that particular charges are "deniable" or "non-deniable" as those terms are used in the Commission's Order and the new rules thereunder.¹

3. AT&T has identified two billing systems used for business services that can be reconfigured to provide the necessary "deniable/non-deniable" information without major systems development work. AT&T estimates that these billing systems, SBS and WEFOS², could be fitted to provide the necessary information by February 1, 2000, through the introduction of special billing messages. AT&T therefore requests a waiver until that date to permit that implementation schedule.

4. Most of AT&T's billing systems for business customers do not have the ability to insert the necessary information on deniable and non-deniable services. System development and modification will be necessary to provide this information.

¹ A small proportion of AT&T's business customers are billed by the same third parties that bill for AT&T's Consumer Services organization. The issues associated with billing for these customers are described in the Norwitz Affidavit, ¶¶ 4-5.

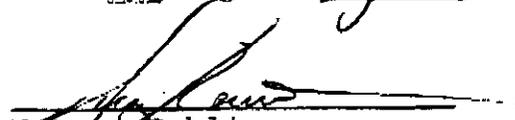
² The SBS system is principally used to bill small to medium size business customers. The WEFOS system is used principally to bill medium size business customers.

5. The lead time on billing system modifications for business customers is 12 to 15 months from formal initiation of the billing system development process. AT&T will have to implement changes in several independent billing systems, and different technical and development work is likely to be required for each such system. Moreover, new billing releases for business services are issued on a pre-planned basis, and the earliest release AT&T could meet is the one due on October 22, 2000. Thus, AT&T will require until at least that date to complete and implement the development work needed to provide information on deniable and non-deniable charges on business services billers other than the ones identified above.

I state, under penalty of perjury, that the foregoing statements are true to the best of my knowledge, information and belief.


Rebecca Melick

Subscribed and sworn to before me
this 27th day of August, 1999


Notary Public

Terri Iannotta
Notary Public
Expires 4/08/2002

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AFFIDAVIT OF GAVIN NORWITZ
ON BEHALF OF AT&T CORP.

1. My name is Gavin Norwitz. My business address is AT&T, 295 North Maple Avenue, Basking Ridge, New Jersey 07920. I am District Manager for Consumer Billing Strategy, AT&T Consumer Services. In this position, I have responsibility to ensure that billing for AT&T Consumer Services, specifically wireline long distance and local services are in compliance with new regulatory directives. I have personally been involved in the analysis of the impact of the FCC's Truth in Billing Order (FCC 99-72) ("Order") upon AT&T's consumer billing services, both for local and long distance services. In particular, I have examined what changes AT&T will need to implement in the numerous billing systems for consumer services in order to comply with the Commission's rules.

2. AT&T Consumer Services today bills its customers either through its own billing system or through independent third party billing suppliers. AT&T bills

about 85 percent of its consumer long distance customers through local exchange companies. The remainder are billed through its internal billing system. Virtually none of these billing systems are capable of compliance with two specific elements of the Order by September 6, 1999. Specifically, these requirements are the "non-deniability" notice and the new service provider notice.

3. We have determined that the system development necessary to make the internal AT&T consumer billing systems compliant will require not less than twelve months beyond the effective date of September 6. This takes into account not only our continuing efforts to be Y2K compliant but also the need to allocate our limited resources among an extremely large number of competing interests, many of which are critical to our business or compliance with state law or regulation. The system changes required to comply with the Commission's new rules are substantial and time-consuming, with extensive testing necessary to ensure that they work and that the information provided to consumers is accurate. For example, the programming changes require us to modify our ordering, provisioning, account maintenance systems and associated interfaces to capture and store the required information so that it will be accessible to the

billers for display on the bill, which itself must be reformatted to support the new reporting requirements.

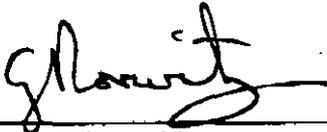
4. For its long distance billing that is provided by other parties, AT&T has been in communication with its outside billing suppliers - primarily local exchange companies - and is facing a myriad of differing requirements and negotiations in order to agree on acceptable notices.¹ Indeed, AT&T has determined that there are over 1,200 local exchange companies whose bills will need to be modified to comply with the new rules. Additionally, virtually all these companies are the subject of at least one waiver request.

5. Based on AT&T's longstanding experience in negotiating with these billing vendors, AT&T estimates that it will need approximately fifteen months to reach

¹ A small percentage of AT&T's business customers are billed through the same third parties that bill for AT&T's Consumers Services organization, which manages the billing relationships with these entities. Melick Affidavit, n.1. Accordingly, the issues discussed here apply to all AT&T customers billed by third parties.

agreement with all the LECs and to have their billing systems updated to comply with the Commission's new rules.

I state, under penalty of perjury, that the foregoing statements are true to the best of my knowledge, information and belief.


Gavin Norwitz

Sworn to before me this 27th
day of August, 1999


Notary Public

Terti Iannotta
Notary Public
Expires 4/08/2002