

AARP

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September 17, 1999

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

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SEP 17 1999

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

RE: Calling Party Pays Rulemaking

Dear Ms. Roman Salas:

AARP hereby submits its comments on WT Docket No. 97-207. We have included the original and ten additional copies for distribution to Mr. David Siehl in the Wireless Bureau Policy Division, the five Commissioners and relevant staff.

If any questions arise, please give me a call at 202/434-3804.

Sincerely,



Jeff Kramer
Legislative Representative

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

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SEP 17 1999

**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY**

In the Matter of)
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Calling Party Pays Service Offering)
in the Commercial Mobile Radio Services)
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)
)

WT Docket No. 97-207

COMMENTS

OF AARP

September 17, 1999

Calling Party Notification

The Need for Effective Nationwide Calling Party Notification

AARP strongly believes that some effective form of calling party notification is critically important to avoid consumer confusion during a national introduction of Calling Party Pays offerings. The Commission asks if there should be a uniform nationwide standard that specifies a manner in which wireless carriers must indicate to a caller that the caller will be billed for his or her call to the wireless phone. AARP supports such a standard.

A uniform nationwide notification system that would apply to all calls would facilitate the implementation of CPP. We agree with the Commission that such a system would enable the calling party to make an informed decision as to whether to proceed with completing a call. Additionally, such a system would make it easier for industry and consumer groups to implement customer education programs at a national level. Industry education campaigns should consist of billing statement inserts, advertisements using a variety of media sources, and informational publications that could be obtained free of charge.

Implementation

While a uniform nationwide notification system is essential, it is not likely to be effective without the active support of the states. Therefore, AARP recommends that the states, through their respective Public Utility Commissions, work with the Commission to develop a national notification procedure. Further, we support the Commission's proposal to tailor the notification system so that states would be able to protect their intrastate interests without undermining the benefits of the nationwide system.

AARP recognizes that the states have traditionally served as the guardians of consumer protection. We urge that any nationwide system that is implemented be structured so as to respect the authority of the states to enforce deceptive trade statutes and not preempt them in the area of consumer protection.

Proposed Means and Content of Calling Party Notification

AARP believes that the means and content of the calling party notification is a critical issue. The calling party should be made aware of the fact that the party he or she is trying to reach subscribes to calling party pays, what the cost of the call is likely to be and that the calling party is free to terminate the call at no cost.

Due to the novelty of the concept of Calling Party Pays, AARP recommends that an educational message be played for consumers. We understand that alternate proposals suggest that a distinctive tone would be adequate notice that a consumer had connected with a calling party

pays subscriber. We ask the Commission to reject those proposals. Members of AARP, many of whom will have just recently been introduced to wireless services, would be better served by a message announcing their contact with a CPP customer. We recommend that this message service continue for an extended, indefinite period of time.

As to the content of the message, AARP concurs with the Commission's view that minimally, the message should contain:

- 1) Notice that the calling party is making a call to a wireless phone subscriber that has chosen the Calling Party Pays option, and that the calling party therefore will be responsible for payment of airtime charges.
- 2) Identification of the wireless service provider.
- 3) The per minute rate, and other charges, that the calling party will be charged by the wireless service provider.
- 4) Notice that the calling party will have an opportunity to terminate the call prior to incurring any charges.

AARP recommends that the Commission consult with the states, with AARP and other consumer groups prior to finalizing what specific information the message is required to contain. The provision of the information outlined above will facilitate decision-making for the calling party. However, we recognize that some consumers will grow weary of listening to the full recorded message, when they intend to complete the call regardless. Therefore, we recommend that the Commission require that the uniform nationwide notification system offer all callers a notice that the calling party is making a call to a wireless phone subscriber that has chosen the CPP option, and that the calling party therefore will be responsible for payment of airtime charges. At that point, the calling party would be given the option of hearing the additional information regarding rates and carrier information. Adoption of such a system would inform and protect consumers without compromising the Commission's goal of increased, cost effective use of wireless phone services.

Rates

While it may not necessarily be the case, AARP is concerned that calling parties might be required to pay excessively high charges for calls made to CPP subscribers. In this regard, we echo the concerns of Commissioner Susan Ness regarding whether a competitive market is sufficient to ensure that price gouging does not occur.

AARP is pleased that competition thrives in the wireless business, in contrast to other telecommunications services. Consumers have a variety of choices among wireless providers in

virtually every area of the country, and can thus benefit from direct competition. However, once a consumer chooses a provider and elects to subscribe to Calling Party Pays, the calling party is at the mercy of the wireless service provider. The calling party is forced to make a decision about whether to complete the call at a high rate or terminate the call. Absent rate regulation, there is no mechanism in place to monitor excessive rates. Granted, indirect competition exists by virtue of the fact that a CPP subscriber may become aware of the excessive rates either by hearing about them from a calling party or because the subscriber notes that incoming calls have decreased. By then, however, both the caller and the subscriber have been disadvantaged.

Since the states do not have authority to set rates or to regulate the wireless industry, AARP believes it is imperative that the FCC exercise its jurisdictional authority to either cap rates for Calling Party Pays calls or set up a functionally equivalent rate scheme. Under this scenario, the rate for a CPP call could not be any higher than the rate for a regular outgoing call that the subscriber might make. This would allow direct competition to take hold. Further, a subscriber would know up front what rate his callers would be paying and would be able to choose a provider based on that information.

Billing and Collection

Regarding billing and collection, AARP is less concerned about who provides the billing service than we are about ensuring that consumer confusion be held to a minimum. We are confident that whether the billing is done by the local exchange carrier, as is common practice, or by other entities, the wireless service providers will be successful in finding someone to generate bills for them.

Regardless of who actually mails out the bills, AARP believes it is important that some basic rules be followed. We ask that Calling Party Pays charges appear in a format consistent with the Truth-in-Billing requirements that the Commission enacted in April. In short, this means that when consumers open their billing statement, they will be able to discern easily what charges were based on CPP calls. The billing statement should itemize each call and provide the consumer with the name, address and phone number of the wireless service provider who has assessed these charges.

One of the benefits of CPP for the subscriber is that it facilitates budgeting because the subscriber has complete control over time spent on self-initiated calls, being exempt from paying for incoming calls. Disclosure on the calling party's billing statement will supply that individual with information with which to make similar budgetary decisions. Based on how much certain providers are charging, calling parties will be able to decide if they should terminate calls handled by some providers.

While AARP is not recommending an FCC directive mandating local exchange company billing, we do suggest that CPP charges be included in the billing statement that contains local exchange

and long distance service charges, rather than in a separately mailed billing statement. A major factor in the public's acceptance of the Calling Party Pays concept will be the ease with which it is implemented and maintained. Including the charges on the primary billing statement is one way to accomplish that goal.

Conclusion

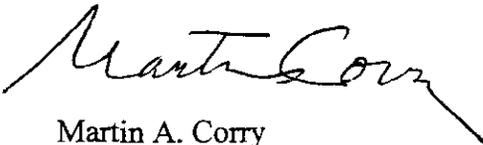
AARP supports the adoption and implementation of a voluntary Calling Party Pays system for wireless telephone service subscribers. We believe that the Commission's plan as outlined in the Declaratory Ruling and Notice of Proposed Rulemaking, with recommended changes, will provide consumers with the necessary flexibility to make decisions. Additionally, we urge the Commission to adopt other changes recommended by AARP to ensure that consumers receive needed protections in the areas of access, rates, and disclosure.

We recognize that one of the Commission's reasons for publishing this Notice is to make wireless phones more attractive to large numbers of customers. By removing obstacles that now impede wireless telecommunications carriers, the Commission hopes to "spur the acceptance of wireless services as a competitive alternative" to wireline phones. That is not our reason for becoming involved in this issue.

As indicated earlier, AARP is interested in this issue because more and more of our members and their families are subscribing to wireless telephone service for the convenience, safety and security it offers them. Calling Party Pays is a means to ensure that the benefits wireless service provides are enhanced by enabling consumers to leave their phones on and by reducing the reluctance to accept incoming calls.

Calling Party Pays is an idea whose time has come. AARP commends the Federal Communications Commission for its forward-looking Notice of Proposed Rulemaking on this topic. We ask the Commission to seriously consider our recommendations, and we look forward to working with you and the industry to implement CPP in the near future.

Sincerely,



Martin A. Corry
Director
Federal Affairs