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NEW YORK STATE
PUBLIC SERVICE COMMISSION

Proceeding on Motion of the Commission to : Case 98-C-1079
Investigate New York Telephone Company's :
Proposal to Discontinue Offering Information :
Services :
:

Prefiled Testimony of Lawrence Weiss

Q. Please state your name, address and current occupation?

A. Lawrence Weiss. I am a New York resident and President of Larry Weiss Associates, Inc., a provider of 540 information services and an audiotex service bureau. Larry Weiss Associates and its predecessors, affiliates and other companies previously owned by me, are respectfully referred to herein as "LWA". I submit this testimony in opposition to BA-NY's application for leave to withdraw all its InfoFone tariffs and terminate this service.

Q. Briefly describe your background?

A. I was involved in the broadcasting, advertising, and electronics businesses during the period 1969 to 1988, working as a broadcaster, advertising company President, and senior executive for a major electronics retailer.

Q. How did you become interested in the telecommunication field?

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2 A. Throughout my life, I have been interested in electronics,
3 telecommunications, computers and related "gadgets" and, in the
4 early 1980's, began experimenting with the technology of
5 combining voice recordings with computer memory. In 1984, I
6 created what I believe was the first interactive audiotex
7 bulletin board for singles. It operated through a POTS line,
8 with monthly subscriptions paid by credit card. Subscribers
9 could record a notice about themselves or send a message to
10 another subscriber who previously recorded an ad. The next year,
11 1985, I created a similar service for the gay community.

12

13 Q. Were there any drawbacks with the LWA POTS line business?

14 A. This LWA POTS line business was quite small, receiving only
15 a few hundred calls per month. The potential market for this
16 service was limited by the subscription credit card format. Few
17 potential customers will subscribe to such a service on a monthly
18 basis or pay for such calls by credit card. Further, the credit
19 card nature of the service resulted in unacceptably high
20 chargebacks, great difficulties in billing because banks wanted
21 credit card imprints, and high premium costs to LWA for bank
22 credit card services, reducing LWA profits substantially.

23

24 Q. How did you become an InfoFone information provider?

25 A. When BA-NY announced the creation of its IINS service in or
26 about 1988, I foresaw an opportunity to create a different
27 singles bulletin board business billed directly to callers

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2 through BA-NY's monthly billing statements. I terminated my
3 existing programs and became an IINS information provider,
4 forfeiting my existing POTS lines and the goodwill they had
5 accrued, and created two 540 IINS dating bulletin board services
6 in the New York metropolitan area LATA, one for heterosexuals and
7 the other for the gay community.

8 Based on my belief that, when operated as a pay-per-call
9 InfoFone service through BA-NY, a singles bulletin board business
10 had significant potential to grow and expand, I left my
11 advertising business and at all times since 1988 I have
12 exclusively engaged in providing telephone information services
13 and providing relating services, including the operation of a
14 service bureau which assists others in providing these services.
15

16 Q. Was LWA's switch from a POTS line to IINS successful?

17 A. My belief proved correct. Upon the creation of LWA's IINS
18 singles bulletin boards, call volume quickly increased to several
19 thousand calls per week. Both services are still in service,
20 although call volumes are lower due in whole or in part to the
21 tremendous competition from other providers who have since
22 entered the IINS market and to my decision not to institute a
23 summer advertising program or take other steps to promote the
24 programs due to BA-NY's announcement last summer that it intended
25 to terminate the service. I believe there are now more than 50
26 InfoFone telephone information providers providing such services
27 in the New York metropolitan area LATA.
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Q. Has LWA expanded its InfoFone service since 1988?

A. In or about 1992, LWA started a new information service in Rhode Island offering time and weather information and soon instituted that IINS program in New York. LWA's time and weather service offers local weather information, extended weather information and, where applicable, marine weather information. I am not aware of any other local time and weather telephone information service that provides callers with an extended five day forecast and marine weather information.

Additionally, beginning in or about 1989, LWA began to expand its singles bulletin board programs and later its time and weather programs into other New York and New England regions in which Bell Atlantic North and its predecessors provided InfoFone services. Currently, LWA offers a gay bulletin board program in the Boston LATA and time and weather programs in the Buffalo, Syracuse, Binghamton, Albany, Poughkeepsie, Boston, Holyoke, Maine and Rhode Island LATAs. LWA offers no telephone information services in any part of the country other than the areas served by Bell Atlantic North.

Q. Upon learning of BA-NY's decision to terminate the New York InfoFone services, did LWA scale back any of its plans for growth?

A. LWA had plans to set up two 976 numbers the summer of 1998, but those plans were placed on hold when BA-NY announced its intention to terminate its InfoFone service. LWA also advised

1
2 perspective service bureau clients of BA-NY's intention to
3 terminate the service, resulting in a loss of new service bureau
4 business. (See below pages 8-9)
5

6 Q. How do BA-NY's prices compare to those charged by other
7 local exchange carriers in areas where LWA offers its services?
8

9 A. BA-NY's InfoFone charges are significantly higher than Bell
10 Atlantic's charges for services in New England. Although BA-NY
11 charges LWA for its New York metropolitan area InfoFone service
12 26 cents for the first minute, 7 cents for each additional
13 minute, and 12 percent of the IPs per call charge to the caller,
14 Bell Atlantic's other New England services (in Boston, Holyoke,
15 Maine and Rhode Island) all charge substantially less. For
16 example, in Boston, Bell Atlantic charges 20 cents for the first
17 minute and 6 cents for each additional minute with no additional
18 percentage per call charge. Although LWA charges a lower per
19 call price in Boston (75 cents per minute) than in New York (95
20 cents for the first minute) for its time and weather lines, LWA's
21 gross margins are higher in Boston than in New York.

22 Q. Is price the only consideration which affects call volume?

23 A. LWA offers what it believes to be high quality, low priced
24 services to its customers. Although effective advertising
25 affects call volume, so does price; lowering the price can result
26 in increased volume. LWA competes with National Telephone
27 Enterprises, Inc. and many other providers of telephone
28 information services singles bulletin boards.

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Q. Do LWA's services serve the public interest?

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Q. How does LWA's dating bulletin board serve the public interest?

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Q. Can you identify other information services which serve the public interest?

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A. Other InfoFone information services, often unavailable anywhere else in any other form, similarly operate in the public interest. For example, one of the subscribers to the LWA service bureau offers a Russian language maritime employment service providing information that, to my knowledge, cannot be obtained

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2 any place else. Another former subscriber (now deceased) was a
3 well known investment adviser who offered his unique and valuable
4 expertise to busy investors, in a convenient easy access call.
5 Still another provides information concerning other types of
6 employment opportunities.

7 The InfoFone time, weather, lottery and sports lines fulfill
8 a need of New York residents to receive immediate, minute-by-
9 minute updates on these events and opportunities.

10
11 Q. What will be the result to LWA, if BA-NY terminates its
12 Infofone service?

13 A. In the event that BA-NY terminates its InfoFone service, LWA
14 (and I believe the vast majority of the other InfoFone
15 information providers) will be forced out of business, resulting
16 in a loss of equity in the business slowly acquired over many
17 years without compensation for that equity loss, and its tens of
18 thousands of loyal customers will be deprived of information
19 services they have been relying on for nearly a decade. As shown
20 below, LWA cannot earn sufficient revenue to support this
21 business through POTS lines, "900" services, or in any other
22 manner.
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3 Q. Has the threat of termination by BA-NY effected LWA's
4 service?

5 A. The threat of termination is already affecting LWA's
6 services. Advertising in newspapers and in broadcast media has
7 been essential to the maintenance and growth of LWA's business
8 and LWA has consistently engaged in a careful program of planned
9 advertising, advertising at certain times and in certain ways to
10 build call volume, and at other times when volume is high,
11 reducing or eliminating its advertising. Recently, through late
12 1997 and early 1998, as part of a pre-planned media strategy, LWA
13 placed its advertising placement on hold. This past summer, LWA
14 had intended to relaunch substantial advertising placement in the
15 New York metropolitan area for its singles bulletin boards.
16 However, with BA-NY's announcement, these plans have been
17 deferred indefinitely pending a revaluation of this proceeding
18 and a determination as to whether BA-NY's InfoFone service will
19 continue. There is no benefit from creating a new customer base
20 through advertising if LWA will soon be forced out of business.
21 The result of this reduction in advertising has been a steady
22 decline in call volume for its singles services. Additionally,
23 LWA has in good conscience, had to turn away over a dozen
24 prospective new IP clients who wanted to retain the services of
25 its service bureau. These prospective IPs were not aware of BA-
26 NYs intentions (BA had not informed them) and they were prepared
27 to invest considerable money and time in their new ventures not
28 knowing they might be shut down within the year. Upon my

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2 informing them of BA-NY's proposed plans, some IPs decided to
3 proceed, but most elected not to proceed, resulting in lost
4 business for LWA.¹
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6 Q. What would become of LWA if BA-NY is successful in
7 terminating its InfoFone services?

8 A. If BA-NY succeeded in terminating its InfoFone services, LWA
9 would be forced to go out of business because there are no viable
10 alternatives for providing this service, for the reasons
11 discussed below.
12

13 Q. Is BA-NY correct when it says that InfoFone services can be
14 provided by a CLEC?

15 A. Although BA-NY asserts that InfoFone services could be
16 provided by a CLEC, I am unaware of any CLEC who is willing to
17 provide such services.
18

19 Q. What would be entailed for a CLEC to provide service similar
20 to BA-NY's?
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23 ¹ While LWA has acted responsibly in this matter during
24 this termination inquiry, BA-NY has not apparently acted
25 with reasonable restraint and candor. Although LWA's
26 service bureau is now turning away new potential information
27 providers in view of the possible termination, BA-NY has not
28 done the same. Rather BA-NY is continuing to take orders
and collect money from new applicants without advising them
that BA-NY intends to terminate this service.

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3 A. To provide this service, a CLEC would have to acquire and
4 maintain sufficient switching equipment, lines and trunks to
5 handle large call bursts generated by the InfoFone services. The
6 legendary high peak load for the service² and the consequent low
7 utilization rates for most lines leaves the equipment under-
8 utilized except at times of peak load (e.g., during occasional
9 lottery drawings and sporting events, etc.). More important, a
10 CLEC would have to arrange a billing and collection agreement
11 with BA-NY to provide these services in a manner similar to the
12 way they are currently provided; and an interconnection agreement
13 with BA-NY to facilitate transport of the calls. A CLEC would
14 also have to make arrangements with a third party financial
15 institution for safe management of the IP's money collected from
16 BA-NY by the CLEC for the benefit of IPs.

17
18 Q. Did you make any independent inquiry to see if there are any
19 alternatives if BA-NY terminates its service?

20 A. Following BA-NY's announcement of its termination, I sought
21 to determine whether a CLEC could service this business. Even if
22 a CLEC were willing to design and build the network, build or
23 renovate a building to house the network, identify and obtain a
24 site for the facility, and obtain financing for the project, all

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27 ² Despite several IP information requests directed to
28 this issue, BA-NY has refused to provide any information to
IPs concerning peak load call count for any period of time.

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2 quite expensive, BA-NY's own policies and procedures provide
3 insuperable barriers to provision of these services by a CLEC.
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5 Although BA-NY offers billing and collection services to
6 interexchange ("IXC") carriers, I am advised by BA-NY that, as a
7 matter of policy, it will not provide billing and collection
8 services to CLECs, has never done so, and is not set up to do so.
9 Without BA-NY billing and collection, no such service can be
10 provided since only BA-NY has access to information regarding the
11 origination of such calls that would permit billing and
12 collection. BA-NY's billing and collection is also essential in
13 order to enable the calls to appear on BA-NY's monthly phone
14 bills, as they are today.

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16 Q. If BA-NY's billing and collection services were available
17 to CLEC's would BA-NY pricing structure permit them to provide
18 economical services?

19 A. Even if BA-NY were willing to change its policies and
20 provide billing and collection services to CLEC's, BA-NY's price
21 structure would make it impossible for the CLEC to provide
22 economically viable services. I am advised that BA-NY charges
23 about 30 cents per call to IXC's and 3rd party billers for
24 billing and collection even though BA-NY's costs for this
25 service, according to recent findings of the Commission in 93-C-
26 0451, are two cents per call. See Exh. E. Aside from the
27 unconscionable BA-NY profit from this unregulated service (1500
28 percent per call), the high price that the CLEC would have to

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2 charge to recover BA-NY's charges, its fixed and variable costs,
3 and a reasonable profit would destroy the InfoFone service.
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5 Q. Based on current pricing structure what would occur if BA-NY
6 were permitted to discontinue its service and CLEC's allowed to
7 operate under the current pricing structure?
8

9 A. A CLEC would have to pay BA-NY at least 34 cents at current
10 rates for a one minute call. After adding the CLEC's own costs
11 and profit margins, the CLEC would likely have to charge the
12 InfoFone IPs at least 60 cents per call for the first minute.
13 This exceeds current charges to all callers to 976 services,
14 forcing 976 MAS information providers out of business or
15 requiring them to steeply increase their prices. Such a price
16 could also exceed interactive IPs first minute charge to callers
17 for all 550 services and for many IINS services. When other IP
18 costs are added to such substantial charges included, such as the
19 substantial advertising costs that this service requires,
20 virtually no IP will be able to remain in business.
21

22 Q. Are there any other reservations that LWA has concerning
23 operation under CLECs?

24 A. LWA opposes the use of a third-party CLEC for several other
25 reasons. First, IPs have no assurance that their existing
26 telephone numbers will be seamlessly transitioned through this
27 hypothetical CLEC. According to the information imparted to IPs
28 at the July 11, 1998 meeting, BA-NY intended to return all

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2 InfoFone numbers to the North American Numbering Plan, an
3 independent agency with no obligation to insure that information
4 providers maintain their numbers at all, let alone seamlessly.
5 Even if the North American Numbering Plan reassigned the numbers
6 to a CLEC, the information providers have no assurances that they
7 would receive them from the CLEC.

8 Preservation of existing telephone numbers is essential to
9 each and every information provider because of the goodwill that
10 attaches to those numbers. High volume services with substantial
11 goodwill, which were generally developed over many years at
12 substantial cost, are known to callers by their telephone
13 numbers, not their corporate or trade names. The transfer of
14 those numbers to any party other than the present holder would
15 transfer the goodwill of a business to that third-party without
16 compensating the information provider.

17 Neither BA-NY nor the Commission can guarantee that all
18 InfoFone telephone numbers are allocated to the CLEC and that the
19 CLEC will allocate them, seamlessly, to the existing holders. A
20 return of telephone numbers of this magnitude (if at all) to the
21 North American Numbering Plan never occurred before; there is no
22 precedent for what would occur or how it would occur. This
23 places each and every information provider in jeopardy in any
24 transition to a CLEC.

25 In addition, any CLEC who provides this service in place of
26 BA-NY would be a largely unregulated monopolist. As a
27 monopolist, with no competition and limited regulatory oversight,
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2 that CLEC would have every incentive to charge maximum -- i.e.,
3 monopoly -- prices. LWA could not accept a transfer of this
4 service to a supplier of monopoly services with inadequate
5 constraints on the prices it can charge or the terms and
6 conditions it can offer.

7
8 A CLEC's charges would be unacceptably high for the reasons
9 discussed above. Currently, LWA charges 95 cents per minute for
10 its time and weather service. If a CLEC charged 60 cents per
11 minute, LWA could not cover those costs and remain in business
12 due to the high costs of advertising and other costs of business.

13 Q. Has LWA had any experience with CLECs or other non-Bell
14 Atlantic services that would raise doubts regarding the ability
15 of CLEC to provide this service?

16 A. LWA opposes using a CLEC because of its prior unsatisfactory
17 experiences with other carrier services in the past. Several
18 years ago, LWA formed a service bureau and set up a co-located
19 facility with MCI, a largely unregulated provider of pay-per-call
20 services, at MCI's point of presence in East Meadow, New York,
21 with 30 T-1's. The experience was a nightmare.

22 MCI regularly changed the rules and the rates, it would take
23 six months for MCI to approve and install a new line, and MCI was
24 highly unreliable. Ultimately, LWA terminated its relationship
25 with MCI, losing a large sum of money as a result.

26 LWA also previously obtained several lines from Telesphere,
27 an IXC "900" carrier who offered pay-per-call services, including
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2 billing and collection. Soon after LWA enrolled in that service,
3 Telesphere terminated its business and filed for bankruptcy,
4 without distributing to the IPs the IP money they had recovered
5 from callers. Although LWA lost money as a result of the
6 bankruptcy, as a recent subscriber, its losses were modest as
7 compared with the other long-term information provider
8 subscribers, many of whom lost everything.
9

10 Q. Are "900" services a viable alternative in your opinion?

11 A. No. Transfer of this service to an interexchange carrier
12 ("IXC") is unacceptable for several reasons. First, an
13 interexchange carrier would require that LWA obtain ten digit
14 "900" numbers, and forfeit its existing seven digit number,
15 including the goodwill in its telephone number and therefore in
16 its business -- goodwill that it has taken years to accrue.
17

18 Q. How do rates for "900" services compare with rates for BA-
19 NY's InfoFone service?

20 A. "900" rates are substantially higher than IINS rates,
21 reflecting long distance charges between callers that may only be
22 blocks apart. AT&T charges customers 32 cents per minute and ten
23 percent for billing and collection if they have T-1s. If the
24 customer has no T-1s, like LWA and the vast majority of the
25 information providers, AT&T charges 44 cents per minute plus 15
26 percent of customer charges for billing and collection. In
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2 addition, AT&T charges a \$1,000 installation fee and \$75 per
3 month per telephone number.

4 With InfoFone charges of 26 cents for the first minute, 7
5 cents for each additional minutes, and 12 percent for billing and
6 collecting, depending on the length of the call, AT&T per call
7 charges can be as much as seven times higher than BA-NY's charges
8 and its installation and monthly line charges are ten times
9 higher.

10 LWA could not continue its service if it had to pay AT&T
11 rates. Even if LWA quadrupled charges to customers to cover the
12 increased costs, LWA could not survive because it would lose at
13 least 90 percent of its business and still could not cover its
14 costs due to declining volumes, let alone make a profit.

15
16 Q. Do "900" services differ in other respects from BA-NY's
17 InfoFone services?

18 A. LWA offers its services locally and can only market them
19 locally. Dating bulletin boards and time and weather services
20 are by their nature local. Since "900" services are all
21 nationwide and LWA cannot advertise nationwide, by subscribing to
22 "900" services, LWA would be paying for services it will never
23 use.

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25 Q. Are there any other disadvantages to "900" services in your
26 opinion?
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3 A. The perceived adverse image of "900" services in the market
4 makes them undesirable. "900" services conjure up images of
5 scams and sleaze in the minds of many consumers. A reputable
6 service like LWA does not want to be associated with that
7 stereotype.

8 Consumers believe that "900" services, with their ten digit
9 dialing numbers, are a high cost, long distance service. Many
10 will not call for that reason, without even obtaining rates for
11 the service.

12 Q. Do POTS lines offer an acceptable alternative to LWA?

13 A. No. LWA would never revert to providing its time and
14 weather or its singles bulletin board services through a POTS
15 line because it would require changing its telephone number,
16 resulting in a forfeiture of the goodwill its lines have built up
17 over the past decade.

18 Also, the demand for a credit card business is insufficient
19 to make it a viable business. These calls are "impulse" calls;
20 callers make them because they are convenient. Many callers have
21 no credit cards, but do have access to telephones. Even for
22 those callers that do have credit cards, credit cards are
23 generally inconvenient and therefore unacceptable, requiring as
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2 they do retrieving the credit card, dialing the credit card
3 number, and waiting for approval.³
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5 Further, many potential callers are unwilling to use credit
6 cards for safety concerns. To use a credit card POTS line, a
7 customer must be able to trust that the credit card information
8 that it provides will not be abused by the information provider.
9 Many cautious New Yorkers who would trust a well-known airline or
10 department store with their credit card number would never trust
11 information providers, who are known only by their telephone
12 number and have little or no trade name recognition.

13 Q. What would the result be if LWA were required to use a POTS
14 line?

15 A. If LWA services became a POTS credit card service, its
16 dating bulletin board service would decline to by 90 percent
17 (i.e. to 10 percent) of its current volume and its weather
18 service would decline to 5 percent.
19

20 Q. Are there any other viable alternatives to BA-NY's InfoFone
21 service?
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25 ³ The fact that callers do not like dialing extra numbers,
26 including credit card numbers, is evidenced by BA-NY's 411
27 directory assistance where many callers, after receiving a
28 telephone number from directory assistance, choose to have BA-NY
connect the call directly for an extra 35 cents, rather than
dialing it themselves.

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3 A. There are no viable alternatives other than InfoFone for
4 providing pay-per-call telephone information services to New York
5 callers.

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7 Q. What features of the InfoFone services do your customers
8 find most appealing?

9 A. These Info-Fone services provide callers unwilling to wait
10 with immediate, readily accessible information. The information
11 is particularly desirable to many customers who obtain weather,
12 lottery, sports information, employment opportunities, and stock
13 reports on demand, with no waiting, for a low fee. The
14 importance of impulse calling is shown by the fact that all
15 households have telephone books, yet many people dial BA-NY's 411
16 information service, at 35 cents per call, rather than opening
17 their telephone book and obtain a number without cost.

18
19 Q. Are radio and television adequate alternatives to your
20 services?

21 A. Radio and television are not substitutes because the
22 customer must wait for the program with the desired information
23 to air. Many services, like LWA's voice personal service, cannot
24 be provided by radio or television. The Internet is no
25 substitute because many New Yorkers have no access to the
26 Internet and many of the InfoFone services, such as the voice
27 bulletin board service, cannot be provided by Internet.
28 Moreover, obtaining information on the Internet is a much slower

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2 process, since it takes time to boot up a computer, load
3 software, dial in, log on, and find a web page. Newspapers and
4 magazines are not substitutes, providing new information only
5 once per each 24 hours at most.

6 I am unaware of any viable substitute for these programs
7 that offers the low cost, availability on demand, universal
8 access that this service offers to New Yorkers.
9

10 Q. Are call volumes declining?

11 A. BA-NY's October 6, 1998 Presentation states that one BA-NY
12 reason for terminating this service is declining call volumes.
13 IPs express no opinion on whether 976 MAS call volumes are
14 declining. But LWA does contest BA-NY's claim that IINS and GBS
15 call volumes are necessarily declining.

16 The IINS and GBS call volume figures contained in BA-NY's
17 October 6, 1998 Presentation at best reflect a slight decline in
18 IINS call volume. However, I challenge the accuracy of the
19 numbers in BA-NY's October 6, 1998 presentation. Call count
20 figures generated by LWA equipment invariably reveal that monthly
21 BA-NY's call counts are often low by as much as 11 percent.

22 Moreover, LWA's time and weather call volumes are not
23 declining, even though LWA is withholding advertising of those
24 services pending the outcome of this termination proceeding.
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26 Q. Has LWA ever complained of inaccurate BA-NY's call counts?

27 A. From time to time, LWA has complained to BA-NY about these
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3 discrepancies. Whenever BA-NY sent an engineer to review these
4 complaints and those engineers observed a discrepancy, LWA would
5 never be able to locate the engineer after the review and BA-NY
6 never pursued the engineer's findings.

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8 Q. Can LWA accurately test BA-NY's claim regarding call volume?

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10 A. LWA has no ability to test the accuracy of BA-NY's claims
11 regarding call volume or its belief that IINS call counts
12 understate call volumes because BA-NY has systematically declined
13 to provide IPs with any information in response to information
14 requests regarding this issue in this proceeding.

15
16 Q. Does LWA have any evidence to dispute BA-NY's call count
17 accuracy?

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19 A. In 93-C-0451, issues of call count accuracy were addressed
20 for 976 MAS. I am advised that the Commission found substantial
21 inaccuracy for 976 call counts and that many of the call counts
22 were manually adjusted. I am also advised that, when IINS
23 information providers requested that Judge Robinson permit them
24 to participate in the 93-C-0451 proceeding, Judge Robinson
25 rejected that request on November 20, 1995 and IINS was excluded
26 from that proceeding. Accordingly, IINS, GBS and Circuit 9 have
27 had no opportunity to test the accuracy of BA-NY's claims
28 regarding call counts for their services.

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3 Q. Does LWA have any evidence that BA-NY competes with
4 information provider[s]?

5 A. Although BA-NY has refused to answer information requests
6 describing information services that it, or any of its affiliates
7 or subsidiaries, now provides or previously provided that compete
8 with information services provided by InfoFone subscribers, BA-NY
9 has previously represented its intention to provide such
10 competing services.

11 In a 1996 submission to the New York State Public Service
12 Commission, BA-NY confirmed that it had provided such information
13 programming in the past and that it would continue such services
14 in the future, saying:

15 Thus, without disclosing proprietary plans which
16 may from time to time be developed and changed, it is
17 safe to assume that in one form or another NYNEX will
18 offer services that compete with the IP's 976 messages.
19 This may occur directly or through various other types
of offerings such as video information that would be
cross elastic with IP messages. NYNEX may choose to
enter such businesses directly, or through various
equity interests, joint ventures, partnerships or other
alliances."

20 See Exh. A. Although BA-NY denied in answers to discovery
21 requests in this proceeding that it intended to provide InfoFone
22 services, it did not deny an intent to provide other information
23 services.

24 Despite BA-NY's persistent refusal to provide substantive
25 answers to information requests concerning its past and present
26 information programming, BA-NY currently owns several pay-per-
27 call information services. For example BA-NY currently provides
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2 pay-per-call directory assistance service. This service provides
3 callers to 411 with telephone numbers, addresses and zip codes
4 for listed telephone numbers at a cost of 35 cents per call.

5 This BA-NY pay-per-call information service is no different
6 than any information service provided by the InfoFone information
7 providers, except that it involves three digit dialing rather
8 than seven digit dialing is required. Moreover, BA-NY has
9 announced an intention to expand this pay-per-call service
10 nationwide.

11
12 Q. Do you compete with BA-NY in providing information services?

13 A. BA-NY is my competitor at this time in providing time and
14 weather services. BA-NY began offering pay-per-call time and
15 weather services at least a quarter century ago under the 936-
16 1616 and 936-1212 numbers. It continued with that service until
17 in or about the early 1980's, when it was permitted to maintain
18 ownership of the service, but required to spin off day-to-day
19 operation of the service.

20 Following that, BA-NY held an annual auction for the
21 privilege of operating its time and weather services. Based on
22 invitations LWA received to bid, it is my best recollection that
23 BA-NY recently placed a minimum bid of \$500,000 on its weather
24 number and \$150,000-\$200,000 on its time number. Information
25 concerning bids received and the amount that the winning bidder
26 paid to BA-NY for this service are presently unknown.
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Q. Does any other affiliate of BA-NY offer information services?

A. Although BA-NY failed to answer information requests regarding this, Bell Atlantic-Mobile also offers a competing pay-per-call telephone traffic information line for a cost of 50 cents per call, a Bloomberg financial news report, and many other pay-per-call information services.

Q. How do BA-NY charges compare with other local exchange carriers?

A. BA-NY's charges for its InfoFone service are far higher than those charged by Bell Atlantic local exchange carriers serving other areas. While BA-NY charges 540 information providers 26 cents for the first minute, 7 cents for each additional minute, and twelve percent of all revenues received, Bell Atlantic's local exchange carrier in Boston only charges 20 cents for the first minute and six cents for each additional minute, with no percentage per call charge.

The Commission has made a finding that the per call cost for call origination and transport is 4 cents, 2 cents for call processing, and 2 cents for call billing and collection. See Commission 97-7 Decision and Order in Case No. 93-C-0451. These same rates should apply to IINS and GBS since the services are in material respects similar.

BA-NY's current IINS charges (26 cents for the first minute, 7 cents for each additional minute and 12% of the customers total

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2 call costs) afford BA-NY substantial per call excess contribution
3 (i.e., monopoly profits of \$2.96 for a 20 minute call at 65 cents
4 per minute and \$3.90 for a 20 minute call billed at \$1.00 per
5 minute).

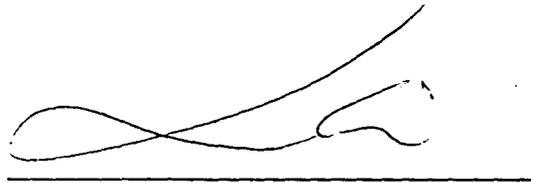
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7 Q. What has been the effect on you of BA-NY's announced
8 termination?

9 A. BA-NY's announced termination has had a substantial adverse
10 effect on me personally. I signed a contract on a new house just
11 one week before the termination was announced. Because of the
12 dire economic threat posed by the termination, and the extreme
13 anxiety it creates, I have become physically ill, suffering from
14 a number of ailments, and have had to put off my planned wedding.
15 While I cannot presume to speak for all information providers, I
16 believe that many others are suffering in much the same way.
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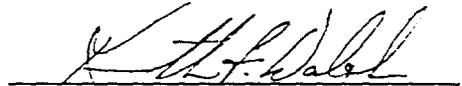
CONCLUSION

In view of the foregoing, BA-NY should not be permitted to withdraw any of its InfoFone services and tariffs, contribution should be removed from the IINS, GBS and Circuit 9 services, and BA-NY should be required to insure call count accuracy.



Lawrence Weiss

Sworn to before me this
11 day of December, 1998



Notary Public

KENNETH G. WALSH
Notary Public, State of New York
No. 02 WA-5011216
Qualified in Queens County
Commission Expires 04/12/99