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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	CC Docket No. 99-273
Provision of Directory Listing	)	
Information Under the Telecommunications	)	CC Docket No. 98-67
Act of 1934, As Amended	)	

BellSouth Reply Comments

BellSouth Corporation ("BellSouth"), by counsel and on behalf of its affiliated companies, submits these Reply Comments in response to comments received by the Common Carrier Bureau ("Bureau") pursuant to its *Public Notice* in the above referenced proceeding.[1]

The comments provide no sustainable basis for adopting the proposal of Telegate, Inc. ("Telegate") for the Commission to require local exchange carriers ("LECs") to implement presubscription to 411. With only limited exception, commenting parties overwhelmingly agreed with BellSouth that such action would impose substantial industry costs with no appreciable consumer benefit. Further, those few parties offering nominal support for the proposal provided woefully insufficient information or argument to overcome the proposal's inherent deficiencies. Accordingly, the Commission should not require presubscription to 411.

[1] *See, Common Carrier Bureau Seeks Further Comment on Telegate's Proposal for Presubscription to "411" Directory Assistance Services,* CC Docket Nos. 99-273 and 98-67, *Public Notice,* DA 00-930, released April 27, 2000 *("Public Notice").*

The comments similarly demonstrate a lack of sufficient information upon which the Commission could or should require presubscription to 711 for telecommunications relay services. As BellSouth suggested in its Comments, this aspect of the Bureau's inquiry should be withdrawn.

I. The Comments Confirm That The Commission Should Not Require Presubscription to 411.

Commenting parties convincingly demonstrated that the Commission should not adopt Telegate's proposal of mandatory presubscription for 411.

A number of parties echoed BellSouth's observation that the issues raised by the proposal extend well beyond the narrow inquiry posed in the *Public Notice*.[2] Even competing providers of directory assistance concurred that Telegate's proposal should not be considered in this proceeding.[3] Indeed, WorldCom's suggestion that the Commission use this directory listing proceeding to address literally all aspects of the presubscription process for IXCs drives home BellSouth's point that the proposal and the issues it spawns are well beyond the scope of this docket.[4] Such arguments clearly are so far off the map that the Commission cannot readily address them here.

Numerous commenting parties also were united in objecting to Telegate's proposal on its merits. At the outset, few supported Telegate's contention that the directory assistance market is not already competitive.[5] Rather, parties showed that current participants are competing very effectively and making substantial inroads on

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[2] *See, e.g.,* GTE at 17-19; Bell Atlantic at 2; SBC at 7-10; USTA at 5-6, 9-12.

[3] INFONXX at 1-7, 8-10.

[4] WorldCom at 10-12.

[5] USTA at 2-3; SBC at 2; Bell Atlantic at 6-7; GTE at 2-10; US West at 5-10.

LECs' directory assistance businesses.[6] For this reason, this Commission itself has only recently reaffirmed the competitive nature of this market.[7] Others showed that competition is flourishing among directory assistance providers to be the "behind the scenes" providers for LECs and wireless carriers who, in turn, compete for subscribers with "bundled" service offerings, including directory assistance.[8] Thus, there has been no showing that there is even a need for the Commission to take any further steps to ensure continuing development of competition among directory assistance providers.

Nor was there any solid endorsement of the 411 presubscription proposal itself. To the contrary, BellSouth and others observed that Telegate already competes in Germany utilizing a unique dialing code without presubscription -- quite successfully according to Telegate -- as do AT&T and WorldCom in the United States. Even Metro One, itself a competing directory assistance provider, agreed that presubscription is not necessary or desirable and expressed a preference for unique dialing code alternatives rather than a 411 presubscription requirement.[9] Finally, the comments of WorldCom, the only party affirmatively supporting Telegate's 411 presubscription proposal without

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[6] SBC at 2; US West at 8-9.

[7] *See,* US West at 5-6; Bell Atlantic at 6-7.

[8] INFONXX at 7-8. Although there has been no basis demonstrated for moving forward with Telegate's proposal, if the Commission nevertheless does so, it should not consider ILECs separately from CLECs, as INFONXX advocates. *Id.* at 8. CLECs and ILECs compete against each other with the same "bundles" of services, including use of the 411 dialing code for directory assistance, and it would be unfair to subject only one set of these competitors to a requirement that effectively strips directory assistance from the bundled offering. BellSouth does agree with INFONXX, however, that Telegate's proposal should in no case be extended to wireless carriers. *Id.* at 7-8.

[9] Metro One at 6-7. Although Metro One also appears to prefer its proposed 411XX dialing scheme over 10-10 or 555 dialing arrangements, it provides little explanation of its preference. Nor does it provide any supporting analysis for its proposal that the Commission require implementation of 411XX dialing. Metro One's dialing proposal thus fares no better than Telegate's as a required alternative dialing option.

material change, must be substantially discounted for WorldCom's failure to recognize the significant technical and cost constraints of the proposal, as discussed below.

In addition to showing the lack of need or demand for 411 presubscription, commenting parties also showed that Telegate's technical and cost assessments were way out of line. Moultrie, for example, a small rural carrier, notes that AIN technology is not ubiquitous, and that implementation could raise some carriers' per query costs substantially.[10] Larger LECs similarly showed that substantial technological upgrades and deployments would still be required, causing the industry as a whole to incur costs several order of magnitude higher than the projections of Telegate.[11] In contrast, WorldCom's technical and economic assessment, consisting of nothing more than a conclusory assertion that AIN and SS7 are already deployed nationwide and based only on WorldCom's self-professed and questionable knowledge of local exchange carrier networks,[12] provides Telegate no support beyond mere repetition. Low Tech introduces even more technical and cost variables by making "key modifications" to Telegate's proposal, such as requiring that it be dependent on the AIN Release 0.2 N11 Trigger.[13] Further, in addition to the technology costs, parties showed that a balloting process would

[10] Moultrie at 2-3.

[11] GTE at 10-17; US West at 14-19.

[12] WorldCom at 2.

[13] Low Tech at 1-5. Low Tech's not so subtle suggestion that "additional modest upgrade costs might be incurred by LECs" if the Commission required implementation of the AIN Release 0.2 N11 Trigger is erroneous both in its implied magnitude and in its implicit underlying premise that LECs would bear the costs of any such technological upgrade to implement presubscription. BellSouth agrees with the several commenters who assert that if the Commission were to require any presubscription in this proceeding, all such costs should be borne by the beneficiaries of the result, *i.e.,* the competing directory assistance providers.

cost hundreds of millions of dollars across the industry[14] and would have little likelihood of success or ultimate consumer benefit.[15]

Thus, as BellSouth showed in its Comments and as was echoed elsewhere, the costs of Telegate's presubscription proposal cannot be justified in comparison to the demonstrated lack of public benefits. Accordingly, Telegate's proposal should be rejected.

II. The Bureau's Proposal for 711 Presubscription Should Be Withdrawn.

In its Comments, BellSouth observed that there was not enough substance to Telegate's proposal for 411 presubscription to carry presubscription of 711 on its coattails. Thus, to the extent NAD-TAN's expectations or analysis of the potential for 711 presubscription are dependent on the Commission taking some action with respect to 411 presubscription,[16] BellSouth and others have shown that that is not a desirable avenue of pursuit. Several commenters also note the potential disruptive effect that sudden introduction of presubscription to TRS providers would have on state-awarded TRS contracts[17] or on current efforts to implement 711 as the universal TRS dialing code.[18]

On the other hand, BellSouth does recognize NAD-TAN's view that TRS users may be interested in easily accessing a TRS "provider of choice".[19] BellSouth also acknowledges that many of the consumer protection risks associated with 411

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[14] Bell Atlantic at 8-9; GTE at 17.

[15] Metro One at 4-5.

[16] NAD-TAN at 10-14.

[17] Bell Atlantic at 10-11.

[18] SBC at 10-11.

[19] NAD-TAN at 5.

presubscription may not be as great with 711 presubscription for TRS. Nonetheless, this proceeding, which originated with directory assistance listing obligations of LECs, remains an inappropriate context in which to consider all of the ramifications of 711 presubscription. Therefore, if the Commission chooses to pursue this concept further at this time, it should do so in a proceeding without the baggage of directory assistance issues. In the meantime, however, BellSouth continues to urge the Bureau to withdraw its proposal for 711 presubscription from this proceeding.

CONCLUSION

For the reasons set forth herein, BellSouth urges the Commission to reject Telegate's proposal for presubscription to 411, and urges the Bureau to withdraw its inquiry into presubscription of 711 for TRS from this proceeding.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I have this 14th day of June, 2000, served the following parties to this action with a copy of the foregoing **BellSouth Reply Comments,** reference CC Docket No. 99-273 and CC Docket No. 98-67, by hand delivery or by placing a true and correct copy of the same in the United States Mail, postage prepaid, addressed to the parties as set forth on the attached Service List.

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