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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

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OFFICE OF THE SECRETARY

In the Matter of	)	
	)	
Provision of Directory Listing Information under the Telecommunications Act of 1996	)	CC Docket No. 99-273
	)	CC Docket No. 98-67
	)	
411 Presubscription	)	

WORLDCOM REPLY COMMENTS

WorldCom, Inc. ("WorldCom") respectfully submits these reply comments in response to initial comments on Telegate's proposal for presubscription 411 directory assistance (DA) service, Public Notice April 27, 2000.[1]

Existing Alternatives To ILEC Directory Assistance Services Do Not Provide Consumers True Competitive Choice

As noted in WorldCom's opening comments, the fundamental objective of the Telecommunications Act of 1996 is to bring consumers the benefit of competition in all telecommunications service markets.[2] In their opening comments, the incumbent local exchange carriers (ILECs) that responded to the *Notice* claimed that existing alternatives to ILEC services means there is already competition for DA services. As a result, say the ILECs, 411

[1] Public Notice, 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 (Apr. 27, 2000)(*Notice*).
[2] WorldCom Comments, p. 2, *citing* In the Matter of Petition of U S West Communications, Inc. for a Declaratory Ruling Regarding the Provision of National Directory Assistance and Petition of U S West Communications, Inc. for Forbearance, Memorandum Opinion and Order, CC Docket No. 97-172, para. 46 (rel. Sept. 27, 1999)(*USW Forbearance Order*). *See also*, In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, First Report and Order, CC Docket No. 96-98, para. 4 (rel. Aug. 8, 1996).

presubscription is not necessary.[3] However, their comments do not refute the merits of Telegate's proposal to remove the incumbents' advantage in offering DA services due to their historic local monopoly while providing consumers competitive choice.

The ILECs cite to the discussion in the *UNE Remand Order,*[4] in which the Commission determined that DA service was not a network element that must be unbundled pursuant to section 251 of the Act, to support the notion that competition in the DA market is "robustly competitive."[5] The Commission's discussion, however, was focused on whether access to ILEC DA service, as an unbundled network element, was necessary for competitive LECs (CLECs) to offer service. In that order, the Commission found that "incumbents do not have any particular advantage in obtaining the facilities needed to create a call center, including employees, real estate and computers."[6] The Commission determined that a CLEC did not need access to ILEC DA services because it could provide DA itself or use a third party provider. Telegate's proposal, however, is not about gaining access to the ILECs DA service, as supporters of the proposal intend to provide their own service. The ability of non-ILECs to provide this service merely demonstrates that to the extent retail competition exists today, more vibrant competition is possible with nondiscriminatory access to the 411 dialing code. As discussed below, ILECs maintain an advantage in the use of the 411 dialing pattern due to their control of the local market.

ILECs also refer to the Commission's decision in the *U S West Forbearance Order* (also referred to as *U S West National DA Order*) to support their claims of a competitive DA service

[3] U S West Comments, pp. 5-10; GTE Comments, pp. 2-5; and SBC Comments, p. 2.
[4] In the Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Third Report and Order and Fourth Further Notice of Proposed Rulemaking, CC Docket No. 96-98 (rel. Nov. 5, 1999)(*UNE Remand Order*).
[5] U S West Comments, p. 6; GTE Comments, pp. 2-3; SBC Comments, p. 2.
[6] *UNE Remand Order*, para. 451.

market,[7] one ILEC even indicates that Telegate's proposal could not be reconciled with the Commission's findings in this order.[8] The discussion of competition in the *U S West Forbearance Order* was centered on the *nonlocal* DA service market alone. Additionally, the order noted the existence of competitors in the market, not the degree of competitiveness. In fact, the Commission's public interest finding was based on a need to spur competition in the nonlocal DA market and to allow "customers [the] benefit from the convenience of using the 411 or 1-411 dialing code for the provision of regionwide directory assistance service."[9] Telegate's proposal is wholly consistent with these goals.

One ILEC also claims that CLEC competition expands 411 dialing.[10] The access of CLEC customers to 411 DA service does not constitute competitive choice. First, ILECs still dominate the local market, thus consumers are effectively barred from choosing their 411 DA provider. Second, competitive providers of DA service that do not provide local exchange service are currently excluded from the provision of 411 DA. Third, even with the expansion of local competition, consumers will be precluded from choosing a different provider for 411 DA service than the provider they chose for local exchange service.

The Commission has exemplified its goal for maximum consumer choice without the use of access codes when adopting a *minimum* presubscription standard for toll calls.[11] The Commission adopted a standard that does not limit a consumer's choice for presubscription for

[7] U S West Comments, p. 5; GTE Comments, p. 3.
[8] U S West Comments, pp. 1-2.
[9] *USW Forbearance Order*, paras. 50-1.
[10] U S West Comments, p. 7.
[11] Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Second Report and Order, CC Docket No. 96-98, paras. 49-50 (rel. Aug. 8, 1996)(*Dialing Parity Order*).

intraLATA toll calls to the customer's presubscribed local exchange or interLATA toll carriers. Instead consumers are allowed to presubscribe to a different provider for each of these services.[12] Moreover, linking the use of 411 to the provision of local exchange service provides the ILEC more incentive to maintain their monopoly control of the local market. As long as the ILEC maintains its dominance in the local market it will maintain itself as the dominant provider of 411 directory assistance services.[13]

ILECs also resort to Internet DA services as proof of a competitive market.[14] Again they confuse the issue, which is the existence of alternative service providers, not alternative services. Consumers should be afforded competitive choice via their wireline telephone. Internet, just as white pages, serves different purposes and users than 411. For example, if you are constructing a mailing list the Internet may better serve your needs, but the Internet does not serve the customers attempting to easily obtain a telephone number via the phone they will subsequently use to make the call. Moreover, many consumers do not have access to the Internet at all or may not have access at the moment they need to make the call.

Decrease In The Call Volume To ILEC Directory Assistance Services Indicates A Need For Presubscription, Not The Existence Of Competition

ILECs cite to the decrease in their call volumes as evidence of a competitive marketplace.[15] However, a decrease in call volume only indicates a decrease in the use of the

[12] *Id.* The Commission adopted the full 2-PIC method of presubscription over the "modified 2-PIC". Full 2-PIC allows customers to presubscribe to a telecommunications carrier for all interLATA toll calls and to presubscribe to another telecommunications carrier including, but not limited to, the customer's local exchange carrier for all intraLATA toll calls. The modified method would have required the customer to presubscibe to either its local exchange carrier or interexchange carrier for intraLATA toll. *See Id.*, para. 47.
[13] *See USWest Forbearance Order*, para. 44 [..."U S West will retain its advantageous use of the 411 dialing code until its local markets are open to competition..."].
[14] SBC Comments, p.1; GTE Comments, pp. 4-5.
[15] GTE Comments, p. 7; U S West Comments, pp. 8-9; SBC Comments, p. 2.

provider's service, not extent of competitive entry. The advent of true competition in the 411 DA service market by new providers will force ILECs, as well as competitors, to be innovative and cost efficient in their provision of the service in order to attract and maintain customers, which consequently will increase use of the service overall.

ILECs Maintain A Discriminatory Advantage In Directory Assistance Service

Assuming, *arguendo*, that there was more competition in the retail provisioning of DA service, this still begs the question of whether ILECs have a discriminatory advantage in providing the service. The Commission has recognized the advantage ILECs have in the use of the 411 dialing pattern and that it is an advantage they maintain due to their control of the local market.[16] Even ILEC comments note that the Act entitles providers of telephone exchange and toll service to dialing parity.[17] Furthermore, no ILEC provides an argument that precludes the Commission from providing such access to the non-carrier providers. As a matter of fact, the Commission has concluded "that [it] should encourage such competition in the provision of directory assistance, whether or not the particular directory assistance provider also provides telephone exchange service or telephone toll service."[18]

In its opening comments Metro One suggests that 555 access codes would be a better, lower cost alternative to 411.[19] Although WorldCom does not agree with Metro One that access codes are as pro-competitive as presubscription, let alone more so,[20] LECs should be required to route 555 numbers to the designated information service provider in the same manner that LECs route any local call.

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[16] *USW Forbearance Order*, para. 44.
[17] SBC Comments, p. 7.
[18] In the Matter of Provision of Directory Listing Information under the Telecommunications Act of 1934, as Amended, Notice of Proposed Rulemaking, CC Docket No. 99-273, para. 183 (rel. Sept. 9, 1999).

ILEC Cost Allegations Must Be Scrutinized

ILECs claim the cost for implementing presubscription is too high, a familiar theme when innovative ideas are proposed that would introduce competition for ILEC services.[21] There appears to be wide variation among the ILECs as to the estimated costs to accommodate this proposal. For example, GTE estimates the total cost of the proposal to be over $310 million.[22] U S West, on the other hand, estimates the total cost of the proposal to be closer to $100 million.[23] This suggests the Commission must carefully investigate all costs for which recovery is sought. The Commission should not allow recovery for costs, under the 411 presubscription cost recovery mechanisms, for upgrades used to support other Commission mandates or ILEC investment decisions.

Insofar as a cost is determined by the Commission to be appropriately recoverable, it must be recoverable in a competitively neutral manner. The Commission should designate a new charge for recovery of 411 presubscription costs. In no case should the Commission allow recovery through carrier access charges. Such cost recovery is not competitively neutral and is harmful to competition in access and interexchange markets.

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[19] Metro One Comments, p.6.
[20] *See* WorldCom Comments, p. 3.
[21] After an investigation of costs claimed in ILEC LNP tariffs, the Commission disallowed roughly $900 million. Public Notice, FCC Investigation Produces Lower Number Portability Charges for Customers of U S West Communications, Inc. (rel. July 9, 1999).
[22] GTE Comments, p. ii, 17.
[23] USW Comments, p. 15

ILEC Jurisdictional Concerns Are Unwarranted

ILECs note that state commissions have typically regulated the rates, terms, or conditions of service for DA services.[24] The ILECs do not cite an attribute of presubscription that would interfere with state commissions' ability to regulate these aspects of directory assistance. Furthermore, a requirement for DA presubscription does not appear to raise any additional issues than those presented by the Commission's presubscription requirement for intraLATA toll.

The ILECs also claim consumer protection issues. One ILEC claims that presubscription will remove the "affirmative control that the customer exercises when selecting a service provider" through the use of access codes. [25] On the contrary, although the timing for choice is different, presubscription affords consumers a choice of service providers combined with ease of use, something consumers are currently lacking. Furthermore, consumers will still have the ability to choose a different provider at the moment he or she uses the service, since presubscription does not preclude the use of services offered via access codes.

Allocating Two N11 Codes For Access To Telecommunication Relay Services May Minimize Delay But Undermines The Ease-Of-Use A Single TRS Access Number Offers

Comments filed by groups representing persons with hearing and speech disabilities recommend the Commission allocate two N11 codes for access to telecommunications relay service (TRS). They propose allocating 711 for text access and 511 for voice access.[26] The rationale given for this recommendation is a single nationwide access number will result in the consumer reaching the appropriate relay operator more slowly than would occur with multiple numbers. With single number access, such as 711, the caller will reach an automated platform

[24] GTE Comments, p. 18; SBC Comments, p. 7.
[25] GTE Comments, p. 19.

that will query the caller to select a desired voice service, and then if the caller is operating in text mode, will proceed to attempt to establish a connection in baudot protocol, and then if that fails, will attempt ASCII protocol, the TurboCode, and then other text protocols.

These queries take more time on average than would occur with a separate number for each text protocol and each voice relay service, as WorldCom pointed out at the Commission's June 16, 1999 Forum on 711 access.[27] CAN's recommendation to take actions that minimize delays would logically lead the Commission to assign a separate N11 code for every text and voice service offered by relay centers. Groups representing persons with speech and hearing disabilities have, in the past, argued that delays associated with a single access number are minimal, and a small inconvenience compared to the benefits from having a single, easy-to-use and easy-to-remember, nationwide number to access relay service. Applying the principle of minimizing delay will require multiple access numbers, and undermine the easy-to-use, easy-to-remember benefits that would flow from a single nationwide TRS access number.

In addition to undermining ease of use, WorldCom is concerned that the principle advocated by CAN will require more N11 codes than 511, since there are multiple voice services — e.g. speech-to-speech, language translation, and video relay, as well as multiple text protocols, possibly exhausting available N11 codes. At a minimum the Commission should develop a record more extensively weighing the benefits of all uses of remaining N11 codes, before establishing a precedent that available N11 codes will be assigned to various TRS services.

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[26] Comments of the National Association of the Deaf, Telecommunications Advocacy Network, Consumer Action Network, and TDI (CAN) at 9.

[27] Transcript of Comments of MCI WorldCom, Forum on 711 Access to Telecommunications Relay Services, CC Docket No. 92-105, June 16, 1999.

Conclusion

The initial comments in response to Telegate's proposal fail to provide sufficient reasons to deter the Commission from implementing 411 presubscription for DA service. Therefore, the Commission should do so expeditiously. The Commission should additionally consider presubscription of 711 for TRS service, but be cautious in allocating additional N11 numbers to various TRS services.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I, Vivian Lee, do hereby certify that copies of the foregoing Reply Comments of WorldCom, Inc. In the Matter of Provision of Directory Listing Information under the Telecommunications Act of 1996, 411 Presubscription were sent via first class mail, postage paid, to the following on this 14th day of June 2000.

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