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

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of	)	
	)	
Implementation of the Subscriber Carrier	)	
Selection Changes Provisions of the	)	
Telecommunications Act of 1996	)	CC Docket No. 94-129
	)	
Policies and Rules Concerning	)	
Unauthorized Changes of Consumers	)	
Long Distance Carriers	)	

AT&T REPLY

Pursuant to Section 1.429 of the Commission's Rules, 47 C.F.R.

§ 1.429, AT&T Corp. ("AT&T") submits this reply to the comments and oppositions of other parties to AT&T's petition for reconsideration (or, in the alternative for clarification) of portions of the Commission's Third Report and Order in this docket.<sup>1</sup>

ARGUMENT

I. The Expiration Provisions For LOAs Should Be Modified and Clarified.

AT&T's Petition showed (pp. 2-4) that the 60 day limit on the effectiveness of letters of authorization ("LOA") adopted in the Third Report and Order

<sup>1</sup> Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996; Policies and Rules Concerning Unauthorized Changes of Consumers Long Distance Carriers, CC Docket No. 94-129, Third Report and Order and Second Order on Reconsideration, 15 FCC Rcd 15996 (2000) ("Third Report and Order"). Comments on or oppositions to AT&T's Petition were filed by the Association of Communications Enterprises ("ASCENT"), BellSouth Corporation ("BellSouth"), Qwest Communications International, Inc. ("Qwest"), SBC Communications, Inc. ("SBC"), Sprint Corporation ("Sprint"), the Verizon Telephone Companies ("Verizon"), and WorldCom, Inc. ("WorldCom").

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will impose substantial unwarranted hardship on multi-line business customers who typically enter into negotiated agreements with interexchange carriers (“IXCs”) to add presubscribed lines to their existing business locations (or to entirely new locations) during the course of a term agreement – typically, several years. The Commission’s new rule could needlessly invalidate the blanket LOAs that these customers execute with their preferred carriers, and burden the customers and the IXCs that serve them with the need to repeatedly update those documents. Moreover, none of this significant effort and expense would provide additional consumer protection for these large, sophisticated business customers.

AT&T’s reconsideration petition is supported by all of the other IXC commenters. Sprint notes (p. 2) that “it makes little sense” to apply this new requirement to large business customers because it “wastes resources if every sixty days the carrier ha[s] to obtain newly signed LOAs from its business customers.” Similarly, ASCENT states (p. 7) that “there exists no reason to inconvenience the customer, the submitting carrier or the executing carrier by requiring the obtaining, verification and submission of multiple LOAs.” And WorldCom recognizes (p. 7) that “application of this rule to business customers would not only be unnecessarily paternalistic, it would be a disservice and added burden to these types of customers.”

The only opposition to reducing these unwarranted burdens on customers and the IXCs that serve them comes from SBC. (Significantly, BellSouth, Qwest and Verizon, the other LECs that have filed comments, have not opposed AT&T’s reconsideration request.) SBC contends (p. 2) that IXCs should submit orders to the LEC within sixty days after they are authorized by the customer, even though it may take far

longer to complete the customer's installation. This claim is a non sequitur; a carrier cannot submit a presubscription order unless the telephone line numbers to which that order applies are already known. Such identification is not possible if a large business customer does not establish a new location, or add new lines to an existing location, until months or even years after the execution of a LOA.

Additionally, SBC asserts that modifying the current "sunset" provision on LOAs "would impose undue hardship" on SBC's operating companies that have already implemented the sixty day period in their mechanized carrier selection systems. SBC claims that it would be required to make "major modifications" to those systems to distinguish between residential and small businesses subject to the sixty-day restriction, and multi-line business excluded from that provision. But SBC fails to provide an estimate of those alleged costs, and its further claim that it would be difficult to identify excluded businesses is patently frivolous: LECs like SBC already have identified multi-line business customers for purposes of assessing PICC charges. Finally, SBC's arguments entirely fail to take into account the unnecessary burdens on customers and IXCs that that the "sunset" provision imposes. In light of all these considerations, the Commission should reconsider its "sunset" provision by exempting LOAs from multi-line business customers.

II. The Commission Should Eliminate Any Apparent Inconsistency Between the Verification Elements for LOAs and Third Party Verification Calls.

In the Third Report and Order, the Commission adopted revisions to the Commission's carrier selection rules to specify the contents of a third party verification ("TPV") transaction.<sup>2</sup> AT&T's petition (pp. 4-7) demonstrated that, although the Third Report and Order indicates the Commission clearly intended to mirror the content requirements for LOAs in TPV calls, the revised rule as adopted also included a new requirement that the verifier obtain "the names of the carriers affected by the [preferred carrier] change" which appears nowhere in the Commission's requirements for LOAs. AT&T therefore requested the Commission to dispense with this language in the TPV requirements, to eliminate any inconsistency with the LOA requirements.

The parties that have filed in response to this aspect of AT&T's Petition unanimously agree that there should be no discrepancy between the content requirements for LOAs and TPV transactions.<sup>3</sup> As AT&T noted, and as these other filings likewise demonstrate, requiring verifiers to obtain the identity of an end user's current preferred carrier as a prerequisite to implementing a carrier change order would impose entirely unwarranted burdens on end users and on the newly-designated preferred carrier. First,

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<sup>2</sup> See Third Report and Order, 15 FCC Rcd at 16016, ¶ 40; 47 C.F.R. §64.112(c)(2)(iii).

<sup>3</sup> See ASCENT, p. 8; Qwest, pp. 2-4; Sprint, pp. 3-4; Verizon, pp. 2-3; WorldCom, pp. 3-6. Indeed, several of these parties state that, in light of the Commission's evident intent to mirror the LOA rule for TPV contents, the revised rule may not be interpreted to require verifiers to obtain the identity of the customer's current carrier. Sprint, p. 3; Verizon, p. 3; WorldCom, p. 2. Reconsideration of the decision would become unnecessary if the Commission clarifies the Third Report and Order in the manner these parties suggest.

as ASCENT (p. 8), Sprint (p. 3) and WorldCom (p. 5) all confirm, obtaining accurate information from end users about the identity of their current preferred carrier is likely to be extremely problematic due to customer confusion, fallible memories, and confidentiality concerns. In all events, moreover, as WorldCom (p. 5) correctly points out, provision of such information to the executing carrier is not required (and, as AT&T showed, is not even possible with current industry standard procedures).<sup>4</sup> Especially in light of the unusual agreement on this issue among commenters representing facilities-based IXCs, resellers, and even LECs, the Commission should grant AT&T's petition and rescind the reference in its revised TPV content rule to "the names of the carriers affected by the change."

III. The Commission Should Require Executing Carriers To Lift Freezes And Process Carrier Change Requests In the Same Three-Way Call.

AT&T's Petition (pp. 7-9) showed that the Third Report and Order erred in permitting, but not requiring, LECs to accept a carrier change order for processing in the same three-way call that those carriers are already required to accept to lift a carrier freeze, as mandated in the Section 258 Order.<sup>5</sup> See Third Report and Order, 15 FCC Rcd

<sup>4</sup> Accord, Sprint, p. 3 ("the information itself is superfluous"); Verizon, p. 3 (requiring the verifier to obtain such information "would be unnecessary to achieve any purpose connected with section 258"). And even if it possible for submitting carriers to provide the identity of the customer's current carrier, ASCENT correctly points out (p. 8) that this would only give rise to potential inconsistencies with the executing carrier's records that could frustrate implementation of customers' carrier change orders.

<sup>5</sup> Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996; Policies and Rules Concerning Unauthorized Changes of Consumers Long Distance Carriers, 14 FCC Rcd 1508, 1548 (1998)(¶127) ("Section 258 Order").

at 16030-16032, ¶¶ 74-76. The Commission acknowledged that requiring this procedure would be “an efficient means of effectuating a consumer’s carrier change request,” but refused to mandate that procedure merely because LECs have implemented additional methods for submitting change orders. *Id.* at 16030-16031, ¶ 74. AT&T showed that the availability of such other methods of ordering a carrier change does not logically justify subjecting both customers and their preferred carriers to substantial unnecessary inconvenience and delay in designating a new preferred carrier when they make use of the three-way call to lift a freeze. Other IXC’s mirror these concerns in their comments on AT&T’s reconsideration request.<sup>6</sup>

AT&T’s Petition is opposed by only two parties, SBC and Verizon. Like the Third Report and Order, neither of these LECs provides any logical basis for failing to process a carrier change order in the same transaction as a three-way call lifting a freeze. Thus, SBC points out (p. 4) that LECs have implemented mechanized systems by which IXCs can submit carrier change orders directly to those executing carriers. This observation is true, but irrelevant, because since the inception of the Commission’s presubscription program in 1985, LECs have also been required to accept carrier change

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<sup>6</sup> See ASCENT, p. 9 (“The Commission has identified no countervailing justification for failing to adopt a procedure pursuant to which a consumer’s carrier change request may be given effect quickly and efficiently;” noting that the result is at odds with “the Commission’s pro-consumer philosophy”). See also WorldCom, p. 8 (“A process that requires consumers to request a freeze be lifted for the purpose of changing carriers, but then does not allow them to make the change at the same time creates an unnecessary burden . . . Performance of these tasks in the same transaction ensures that the process is simple and provides consumers continued protection”).

orders submitted directly by end users to the LECs.<sup>7</sup> SBC's claims that AT&T's reconsideration request would require additional, purportedly burdensome "manual[] process[ing]" of customers' carrier change orders is thus wide of the mark.<sup>8</sup>

Similarly, Verizon asserts (p. 2) that AT&T's request "would have harmful results" because the Commission has permitted Verizon to implement a voice response unit ("VRU") process to lift carrier freezes, and states that the VRU cannot accommodate carrier change orders. Whatever the merits of Verizon's claim about the VRU's technical capabilities, Verizon ignores the fact that the Commission allowed the VRU method as an additional alternative to, and not a substitute for, three-way calling to lift a freeze.<sup>9</sup> The availability of the VRU process to lift a freeze thus offers no basis for a LEC's failing to also accept a carrier change order where the customer resorts to a three-way call for the purpose of lifting a freeze.<sup>10</sup> Accordingly, the Commission should

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<sup>7</sup> See Investigation of Access and Divestiture-Related Tariffs, 101 F.C.C.2d 911 (1985)("Allocation Plan Order")

<sup>8</sup> Indeed, SBC does not explain why it would not be even more "burdensome" for a LEC to require two separate calls, with consequent increases in staffing and holding and work times, to process a freeze lift and a carrier change order received directly from the same end user. SBC's further claim (p. 4) that combining these functions in the same call would require LECS "to evaluate whether to continue offering freeze programs" is entirely unsupported.

<sup>9</sup> Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996 (New York Telephone Company d/b/a Bell Atlantic-New York Request for Waiver), 14 FCC Rcd 12230, 12233 (1999) (¶ 8). Moreover, that relief applied only to New York., and not to other Verizon service territories.

<sup>10</sup> Verizon's specious claim that the relief AT&T seeks here would adversely affect the operation of its VRU appears calculated simply to mask the numerous serious design and implementation problems in that system which frustrate customers'

reconsider the Third Report and Order in this respect and should require LECs to accept three-way calls from customers and their preferred carriers to lift a freeze order and make a carrier change order in the same transaction.

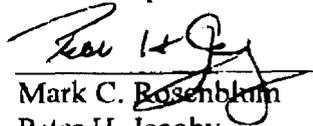
CONCLUSION

For the reasons stated above, the Commission should reconsider and modify, or in the alternative clarify, its Third Report and Order as requested by AT&T and other petitioners.

Respectfully submitted,

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(Footnote continued from preceding page)

ability to lift a carrier freeze. In response to AT&T's complaint regarding these abuses, the New York Public Service Commission has required Verizon to show cause why it should not immediately provide competing IXCs information on customers' freeze status, and to adopt other measures to rectify inequities in the current freeze process. See Joint Complaint of MCI Telecommunications, Inc., et al., Case 00-C-0897, et al., Order to Show Cause, Requesting Comments and Closing Cases (NYPSC, March 23, 2001).

CERTIFICATE OF SERVICE

I, Theresa Donatiello Neidich, do hereby certify that on this 15th day of May, 2001 a copy of the foregoing "AT&T Reply" was served by US first class mail, postage prepaid, on the parties named on the attached service list.

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