

ORIGINAL

EX PARTE OR LATE FILED

**BELLSOUTH**

**BellSouth**  
Suite 900  
1133-21st Street, N.W.  
Washington, D.C. 20036-3351  
  
ben.almond@bellsouth.com

**Ben G. Almond**  
Vice President-  
Federal Regulatory  
  
202 463-4112  
Fax 202 463-4198

October 31, 2000

RECEIVED

OCT 31 2000

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW, Room TW-A325  
Washington, DC 20554

RE: CC Docket No. 96-115, Telecommunications Carriers' Use of Customer Proprietary Network and Other Customer Information; CC Docket No. 96-98, Implementation of the Local Competition Provisions of the Telecommunications Act of 1996; CC Docket No. 99-273, Provision of Directory Listing Information Under the Telecommunications Act of 1934, As Amended **Ex Parte**

Dear Ms. Salas:

This is to inform you that on October 30, 2000 representatives of SBC Communications, Inc., Verizon, Qwest and BellSouth met with Yog Varma, Deputy Chief of the Common Carrier Bureau and Charles L. Keller, Chief of the Network Services Division, Common Carrier Bureau concerning issues related to the above referenced proceeding.

The attached document was used for discussion purposes. Please associate this notification and the accompanying material with the referenced docket proceeding. During the discussion more specific information was provided, for instance, concerning the accuracy rates, customer usage of DA services and state requirements for free call volumes, etc. This supplemental information will shortly be organized and submitted for the record in the proceeding.

The attached list provides the names of the representatives in attendance for the meeting.

If there are any questions concerning this matter, please contact the undersigned.

Sincerely,



Ben G. Almond  
Vice President-Federal Regulatory

Attachment

Cc: Yog Varma  
Charles L. Keller

Number of Copies 2  
CLASSIFIED

Directory Assistance  
October 30, 2000

BellSouth, Qwest, SBC and Verizon

Representatives:

BellSouth

Trip Agerton  
Mary Henze  
Ben Almond

SBC

Jan Rogers  
Susan Goodson  
Celia Nogales

Qwest

Clark Connif  
Elridge Stafford

Verizon

Vinnie Woodbury  
Marie Breslin

# Directory Assistance

October 30, 2000

BellSouth, Qwest, SBC and Verizon

# PURPOSE

- Share our view of the market reality
  - Directory Assistance is an important business
- Telegate aggressively pushing presubscription
  - numerous ex partes and assertions
- Understand your view and direction

# REALITY OF THE MARKET

- Directory assistance is competitive
  - NDA Forbearance
  - UNE Remand Order
- Quality is excellent
- State Jurisdiction

# ISSUES

## Assertions

- Inaccurate information
- Poor service quality

## Reality

- Numerous third party audits reflect accuracy rates in the 90's
  - Companies conduct periodic audits
- Telegate fails to substantiate its claims
- State service requirements
- Quality assurance/monitoring
- Negligible complaints based on millions of daily calls
  - Statistically Zero
- Incentive based pay on accuracy and courtesy

# ISSUES

## Assertions

- Reduced innovation
- Unserved communities

## Reality

- Significant innovation has occurred  
ex: National Directory Assistance, Enhanced Directory Assistance (Wireless), Call Completion
- Ubiquitous/reliable service
- Bilingual call handling

# ISSUES

## Assertions

- Low technical cost

## Reality

- Telegate grossly underestimated.
- Technical Cost Categories
  - OSS/ IT Costs
  - AIN Deployment
    - Increase Records Storage Capacity
    - Increase Query Volumes
    - Development of Actual New Feature
  - Provisioning
  - Switch Development and Deployment Costs
    - Billing Capabilities

# ISSUES

## Assertions

- AIN and SS7 already deployed
- Balloting and allocation fairest, most pro-competitive method

## Reality

- Not ubiquitous
  - Some switch platforms don't support AIN
  - Small Carrier Impact
- Balloting very expensive and disruptive
  - Bell Atlantic estimated at \$70 M
- Allocation is “gift” market share

# ISSUES

- Legality
  - No Commission Jurisdiction
  - Procedural issue
- Public Interest
  - Where is consumer outcry for change?
  - Public confusion
  - Costs exceed perceived benefit
  - Weighing Public Policy vs. One Private Company's Interests
- State PUC Authority
  - Social contract (allowances)
  - Pricing regulation
  - FCC preemption

# ISSUES

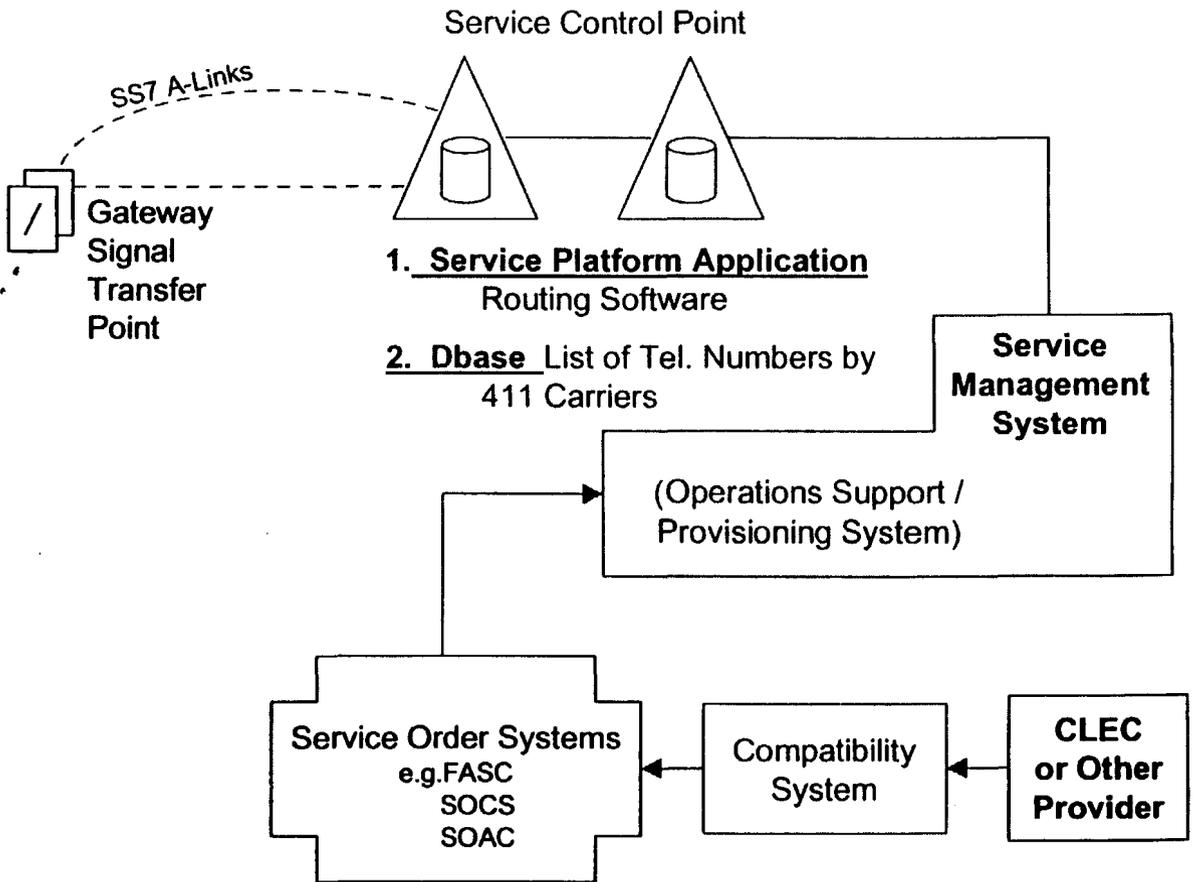
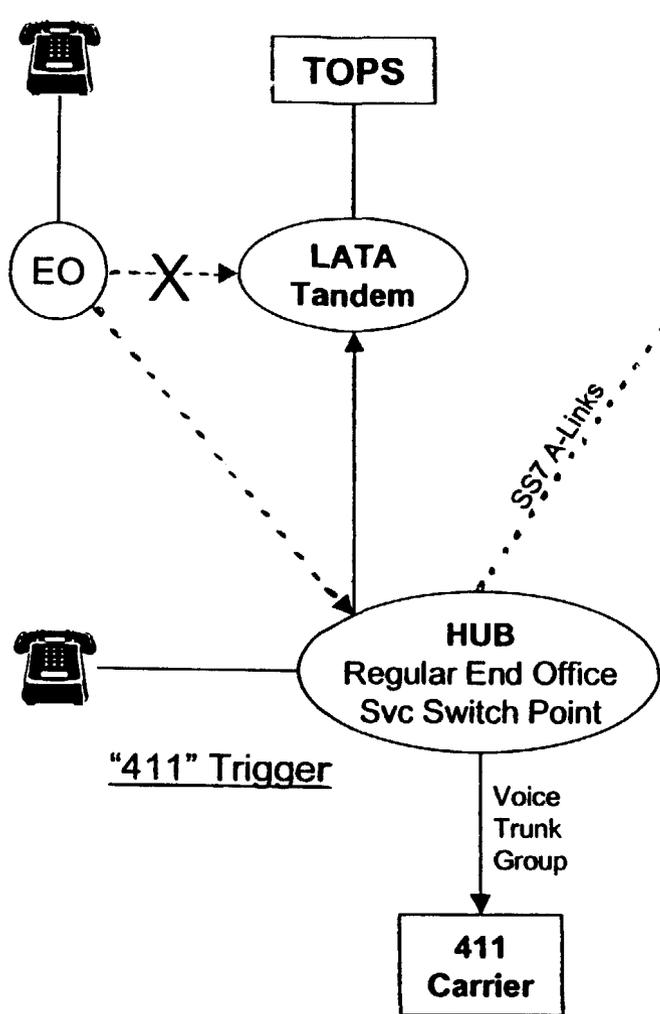
- Slamming
  - Administrative nightmare
  - Non-carrier DA providers or ISPs not regulated
  - FCC/FTC resources to handle complaints
  - Consumer impact vs. cost to administer
- Market Entry and Exit
  - Rules for future balloting and allocation
  - Stranded subscribers
  - Obligation to provide?

# CONCLUSION

- Directory Assistance is:
  - competitive
  - robust
  - innovative
- Presubscription is expensive and disruptive
- Market dynamics will prevail

# FCC PREVIOUSLY RECOGNIZED COMPETITIVE REALITY OF DA

- UNE Remand: Paragraphs 447-449
  - “Alternatives in the Marketplace. Competition in . . . directory assistance has existed since divestiture. Such competition has accelerated in the directory assistance market.”
- US WEST NDA Order: Paragraph 10 & Footnote 87
  - AT&T, MCI, Metro One and INFONXX cited



ORIGINAL

EX PARTE OR LATE FILED

**BELLSOUTH**

**BellSouth**  
Suite 900  
1133-21st Street, N.W.  
Washington, D.C. 20036-3351  
  
ben.almond@bellsouth.com

**Ben G. Almond**  
Vice President-  
Federal Regulatory  
  
202 463-4112  
Fax 202 463-4198

October 31, 2000

RECEIVED

OCT 31 2000

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW, Room TW-A325  
Washington, DC 20554

RE: CC Docket No. 96-115, Telecommunications Carriers' Use of Customer Proprietary Network and Other Customer Information; CC Docket No. 96-98, Implementation of the Local Competition Provisions of the Telecommunications Act of 1996; CC Docket No. 99-273, Provision of Directory Listing Information Under the Telecommunications Act of 1934, As Amended **Ex Parte**

Dear Ms. Salas:

This is to inform you that on October 30, 2000 representatives of SBC Communications, Inc., Verizon, Qwest and BellSouth met with Yog Varma, Deputy Chief of the Common Carrier Bureau and Charles L. Keller, Chief of the Network Services Division, Common Carrier Bureau concerning issues related to the above referenced proceeding.

The attached document was used for discussion purposes. Please associate this notification and the accompanying material with the referenced docket proceeding. During the discussion more specific information was provided, for instance, concerning the accuracy rates, customer usage of DA services and state requirements for free call volumes, etc. This supplemental information will shortly be organized and submitted for the record in the proceeding.

The attached list provides the names of the representatives in attendance for the meeting.

If there are any questions concerning this matter, please contact the undersigned.

Sincerely,



Ben G. Almond  
Vice President-Federal Regulatory

Attachment

Cc: Yog Varma  
Charles L. Keller

Number of Copies ct /  
CLASSIFIED

Directory Assistance  
October 30, 2000

BellSouth, Qwest, SBC and Verizon

Representatives:

BellSouth

Trip Agerton  
Mary Henze  
Ben Almond

SBC

Jan Rogers  
Susan Goodson  
Celia Nogales

Qwest

Clark Connif  
Elridge Stafford

Verizon

Vinnie Woodbury  
Marie Breslin

# Directory Assistance

October 30, 2000

BellSouth, Qwest, SBC and Verizon

# PURPOSE

- Share our view of the market reality
  - Directory Assistance is an important business
- Telegate aggressively pushing presubscription
  - numerous ex partes and assertions
- Understand your view and direction

# REALITY OF THE MARKET

- Directory assistance is competitive
  - NDA Forbearance
  - UNE Remand Order
- Quality is excellent
- State Jurisdiction

# ISSUES

## Assertions

- Inaccurate information
- Poor service quality

## Reality

- Numerous third party audits reflect accuracy rates in the 90's
  - Companies conduct periodic audits
- Telegate fails to substantiate its claims
- State service requirements
- Quality assurance/monitoring
- Negligible complaints based on millions of daily calls
  - Statistically Zero
- Incentive based pay on accuracy and courtesy

# ISSUES

## Assertions

- Reduced innovation
- Unserved communities

## Reality

- Significant innovation has occurred  
ex: National Directory Assistance, Enhanced Directory Assistance (Wireless), Call Completion
- Ubiquitous/reliable service
- Bilingual call handling

# ISSUES

## Assertions

- Low technical cost

## Reality

- Telegate grossly underestimated.
- Technical Cost Categories
  - OSS/ IT Costs
  - AIN Deployment
    - Increase Records Storage Capacity
    - Increase Query Volumes
    - Development of Actual New Feature
  - Provisioning
  - Switch Development and Deployment Costs
    - Billing Capabilities

# ISSUES

## Assertions

- AIN and SS7 already deployed
- Balloting and allocation fairest, most pro-competitive method

## Reality

- Not ubiquitous
  - Some switch platforms don't support AIN
  - Small Carrier Impact
- Balloting very expensive and disruptive
  - Bell Atlantic estimated at \$70 M
- Allocation is “gift” market share

# ISSUES

- Legality
  - No Commission Jurisdiction
  - Procedural issue
- Public Interest
  - Where is consumer outcry for change?
  - Public confusion
  - Costs exceed perceived benefit
  - Weighing Public Policy vs. One Private Company's Interests
- State PUC Authority
  - Social contract (allowances)
  - Pricing regulation
  - FCC preemption

# ISSUES

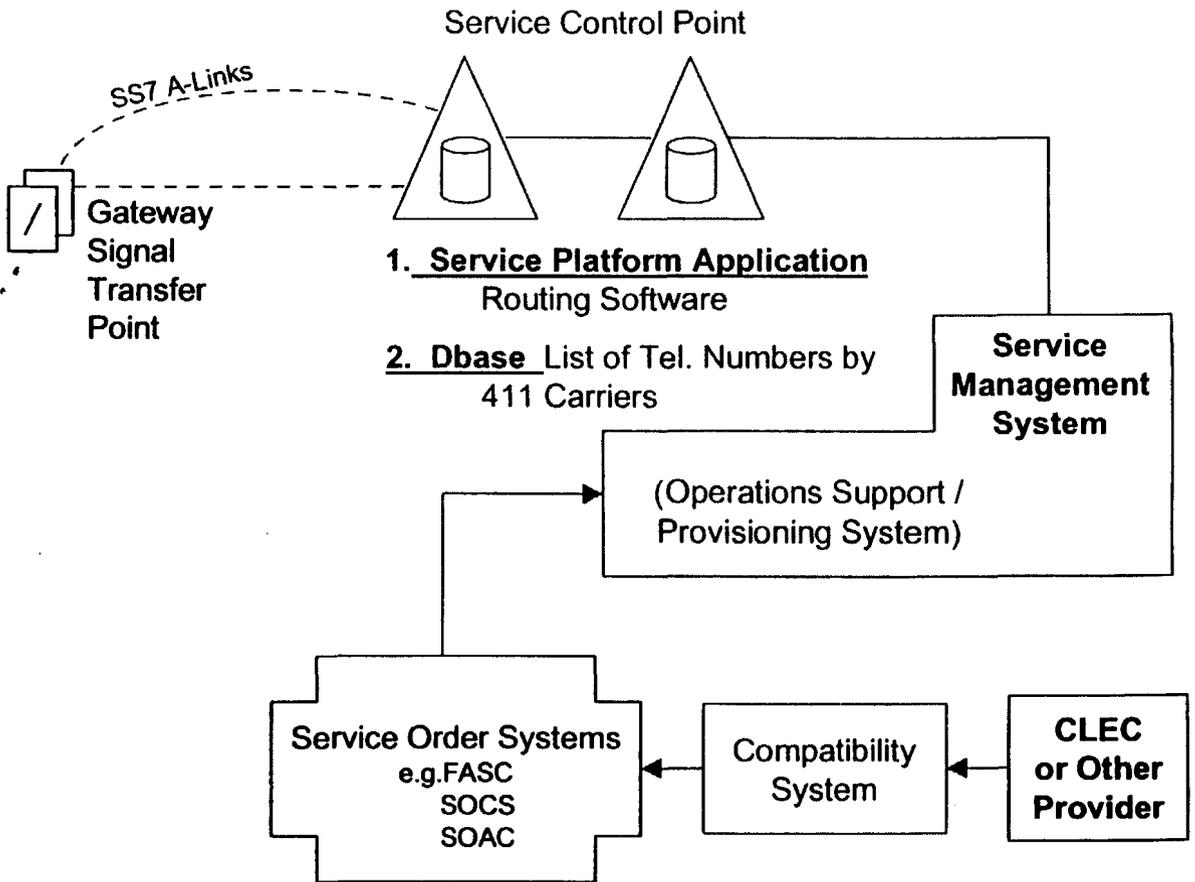
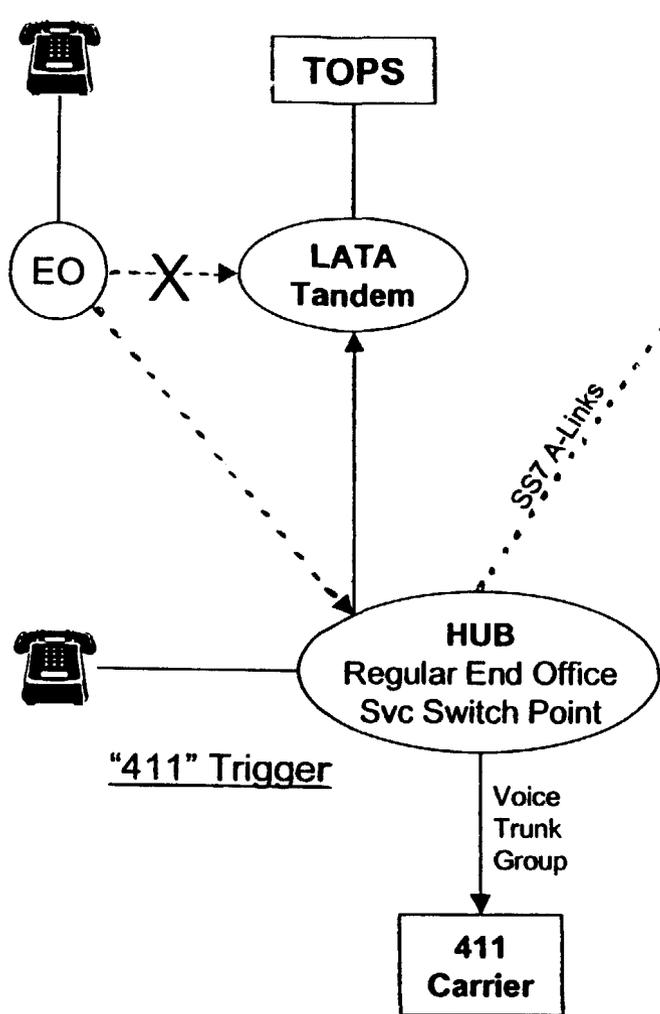
- Slamming
  - Administrative nightmare
  - Non-carrier DA providers or ISPs not regulated
  - FCC/FTC resources to handle complaints
  - Consumer impact vs. cost to administer
- Market Entry and Exit
  - Rules for future balloting and allocation
  - Stranded subscribers
  - Obligation to provide?

# CONCLUSION

- Directory Assistance is:
  - competitive
  - robust
  - innovative
- Presubscription is expensive and disruptive
- Market dynamics will prevail

# FCC PREVIOUSLY RECOGNIZED COMPETITIVE REALITY OF DA

- UNE Remand: Paragraphs 447-449
  - “Alternatives in the Marketplace. Competition in . . . directory assistance has existed since divestiture. Such competition has accelerated in the directory assistance market.”
- US WEST NDA Order: Paragraph 10 & Footnote 87
  - AT&T, MCI, Metro One and INFONXX cited



RECEIVED

NOV 2 2000

ORIGINAL

**BELLSOUTH**

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

EX PARTE OR LATE FILED

**BellSouth Corporation**  
Suite 900  
1133-21st Street, N.W.  
Washington, D.C. 20036-3351

mary.henze@bellsouth.com

**Mary L. Henze**  
Executive Director  
Federal Regulatory Affairs

202 463-4109  
202 463-4631 Fax

November 2, 2000

Ms. Magalie Roman Salas  
Secretary, Federal Communications Commission  
445 12<sup>th</sup> Street, SW, TW-A325  
Washington, DC 20554

*Re: CC Dkt. 96-115, Telecommunications Carriers' Use of Customer Proprietary Network and Other Customer Information; CC Dkt. 96-98, Implementation of the Local Competition Provisions of the Telecommunications Act of 1996; CC Dkt. 99-273, Provision of Directory Listing Information Under the Telecommunications Act*

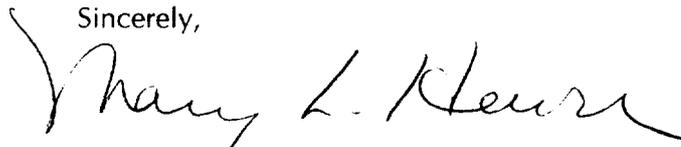
Dear Ms. Salas:

On Wednesday, November 1, the undersigned and Ben Almond of BellSouth and Susan Goodson of SBC met, in separate meetings, with Anna Gomez (Office of Chairman Kennard), Rebecca Benyon (Office of Commissioner Furchtgott-Roth), Kyle Dixon (Office of Commissioner Powell), and Deena Shetler (Office of Commissioner Tristani). Participating via conference call were Sidney White and Dan Fancher of BellSouth and Jan Rogers of SBC. The purpose of the meeting was to discuss the pricing of Directory Listing Services.

Directory assistance listings are a competitive wholesale service and should have market based pricing. Support for this position can be found in the UNE Remand Order and in Section 251(b)(3) of the Telecom Act. Additional support can be found in FCC approved 271 filings and state approved interconnection contracts. Material covered in the meeting is attached.

This notice is being filed pursuant to Sec. 1.1206(b)(2) of the Commission's rules. If you have any questions concerning this filing, please do not hesitate to contact me.

Sincerely,



Mary L. Henze

cc: A. Gomez  
R. Benyon  
K. Dixon  
D. Shetler

# Directory Assistance Listing Pricing

FCC Ex Parte Presentation November 1, 2000

# DA Listing prices should be market-based

- UNE Remand Order: OA, DA, DA listings are competitive services
- LEC's obligations to provide DA listings exists under Section 251(b)(3)
- No obligation to provide at cost-based prices
- DA listings are not telecommunication services; Section 201 not applicable

# DA Listing should be market-based

- UNE Remand Order Paragraph 473:
  - when a service is no longer a UNE “it would be counterproductive to mandate that the incumbent offers the element at forward-looking prices. Rather, the market price should prevail, as opposed to a regulated rate which at best, is designed to reflect the pricing of a competitive market.”

# DA Listing should be market-based

- FCC's Texas 271 Order paragraph 348:  
LECs' obligations that do not fall under UNE requirement are not subject to the requirement that rates be based on forward-looking costs.

# DA Listing should be market-based

- FCC approved SWBT's Texas 271-compliant interconnection agreement (T2A) with market-based DA listing prices.
- Oklahoma and Kansas commissions approved market-based pricing in 271-compliant interconnection agreements.
- Market-based pricing rates are in hundreds of SWBT interconnection agreements approved by state commissions since 1996.

# DA listings should be utilized for voice DA service

- LECs' obligations are for wholesale DA listings per Section 251(b)(3) of the Act.
- DA listings use restrictions reflect parity with LECs' own use of DA listings.
- Customer's name, address and telephone number information used for other purposes (Internet, printed directories, etc.) can be negotiated under a separate agreement.

# DA listings should be utilized for voice DA service

- LEC's obligation to provide name, address and telephone number to directory publishers is contained in Section 222(e) of the Act. This obligation is separate from the 251(b)(3) obligation to provide OS, DA and DA listings to competing carriers.
- FCC and Congress acknowledged different uses for customer information and should be treated separately.

# Direct access to DA database vs. DA listings in bulk

- CLECs and toll carriers can access LEC's DA database on a query-by-query basis under 251(b)(3) of the Act.
- Listings obtained in bulk, with daily updates allow competing DA operators to access listing information in their own database.

# DA listings in bulk with daily updates at market based pricing

- DA listings are competitive services and should be priced to best address the market
- Parties should be free to negotiate their own agreements
- Usage of DA listings purchased in bulk is on the “honor system;” thus inappropriate

# DA Listing prices should be market-based

- DA listings are competitive wholesale services
- LEC's obligations to provide DA listings exists under Section 251(b)(3), not 251(c)(3)
- No obligation to provide at cost-based prices

ORIGINAL

**BELLSOUTH**

**BellSouth Corporation**  
Suite 900  
1133-21st Street, N.W.  
Washington, D.C. 20036-3351

mary.henze@bellsouth.com

**Mary L. Henze**  
Executive Director  
Federal Regulatory Affairs

202 463-4109  
202 463-4631 Fax

December 15, 2000

**EX PARTE OR LATE FILED**

**RECEIVED**

**Ex Parte**

**DEC 15 2000**

**FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY**

Ms. Magalie Roman Salas, Secretary  
Federal Communications Commission  
445 Twelfth Street, SW  
Room TW-A325  
Washington, DC 20554

Re: Provision of Directory Listing Information; CC Dkt. No. 99-273

Dear Ms. Salas,

On December 14, the undersigned and Sid White of BellSouth, Jan Rogers and Janine Quinn of SBC, Vinny Woodbury of Verizon, and Eldridge Stafford of Qwest, met with Yog Varma, Jared Carlson, Dennis Johnson, and Greg Cooke (via conference call) of the Common Carrier Bureau to discuss the above-referenced proceeding.

During the meeting the companies discussed their opposition to the 411 prescription proposal and presented data to support their position. A copy of the presentation used during the meeting is attached.

This notice is being filed pursuant to Sec. 1.1206(b)(2) of the Commission's rules. If you have any questions concerning this filing, please do not hesitate to contact me.

Sincerely,



Mary L. Henze

Attachment

- cc: Y. Varma
- J. Carlson
- G. Cooke
- D. Johnson

No. of Copies rec'd  
List ABCDE 041

411 Facts and Issues  
Opposing  
Presubscription

BellSouth, Qwest, SBC and  
Verizon

December 14, 2000

# Five Major Points

- Most customers call 411 infrequently.
- LECs provide quality DA service.
- Most State Commissions mandate LEC service quality, free call allowances and special exemptions.
- Industry provides access to Spanish speaking operators.
- Telegate figures misleading; Balloting & Allocation costs alone estimated at \$419M.
  - *BLS, Qwest, SBC & Verizon alone*

# **Most Customers call 411 infrequently.**

- Verizon study: DA users in Massachusetts
  - 8.5% of customers make 60% of all DA calls and
  - 61.7% of all customers make 1 or fewer calls per month.
- SBC: 80 percent of residential accounts made three or fewer DA calls each month
  - (California PUC, Decision 00-11-042, November 21, 2000, Page 14)
- Qwest studies show customer concentration: 80% of DA usage by 5% of customers
- BellSouth: 79.5% of residence customers, 82.1% of business customers make 1 or fewer DA calls per month

**Why presubscription for all if so few utilize?**

# **LECs provide quality DA service.**

- Qwest's third party research indicates 90%+ fulfillment rate
- Verizon studies indicate 96%+ fulfillment
- BellSouth's Quality program:
  - Semi-annual independent audits of database accuracy ( most recent 97%)
  - Semi-annual independent audits of fulfillment level of operators successfully completing a DA request (95%).
  - Internal observations for performance pay (add'l \$1/hour)
- SBC DA database accuracy: 96 to 99%

**State regulatory oversight requires quality.**

**Most State Commissions mandate LEC service quality, free call allowances and special exemptions.**

- LEC's required to provide DA ubiquitously.
- How will State Commissions mandate service quality, free call allowances and special exemption requirements equitably when DA is provided by non-regulated entities?
- See the following two matrices of unique state service quality, allowance and special exemption requirements.

**Telegate ignores state regulatory requirements.**

## DIRECTORY ASSISTANCE SERVICE

STATE	EXEMPTIONS	CALL ALLOW	
		Res.	Bus.
<b>Alabama</b>	Certified disabled residential customers	0	0
<b>Arizona</b>	Special Needs-Certified Impaired Vision/Motion	1	1
<b>Arkansas</b>	Hospitals; Certified disabled customers	2	2
<b>California</b>	Certified disabled residential customers; Organizations whose primary purpose is assisting w/severe vision disabilities; Customers w/lines not equipped w/ANI	3 (SBC) 5 (Verizon)	0 2
<b>Colorado</b>	Special Needs-Certified Impaired Vision/Motion	0	0
<b>Connecticut</b>	Certified disabled customers; Pay telephone	2	0
<b>Delaware</b>	Hospitals; Certified disabled customers; Pay telephone	1	0
<b>Dist. Of Colum.</b>	Certified disabled customers; Pay telephone	5	0
<b>Florida</b>	Certified disabled customers	3 (BS) 3 (Verizon)	3 1
<b>Georgia</b>	Certified disabled customers	0	0
<b>Hawaii</b>	Public & Convenience Payphones; Hospitals; Certified disabled customers	10	10
<b>Idaho (Northern)</b>	Hospitals; Certified disabled customers; Special Needs-Certified Impaired Vision/Motion	1 (Qwest) 2 (Verizon)	1 2
<b>Idaho (Southern)</b>	Hospitals & Certified disabled customers; Special Needs-Certified Impaired Vision/Motion	0 (Qwest) 2 (Verizon)	0 2
<b>Illinois</b>	Hotels/motels; Hospitals; Dormitory phones; Certified disabled customers	0	0
<b>Indiana</b>	Hospitals; Certified disabled customers	0	0
<b>Iowa</b>	Hotels/motels; Hospitals; Special Needs-Certified Impaired Vision/Motion	2	2
<b>Kansas</b>	Handicapped	0	0
<b>Kentucky</b>	Certified disabled customers; Customers served by an out-of-state DA Bureau; If there is an error in Directory	3 (BS) 0 (CBT)	3 0
<b>Louisiana</b>	Certified disabled customers (res. or bus.); Hospitals; Hotel/Motel	1	1
<b>Maine</b>	Certified disabled customers; Pay telephone	3	0
<b>Maryland</b>	Hospitals; Certified disabled customers; Pay telephone	6	0
<b>Mass.</b>	Certified disabled customers; Elderly; State Gov.; Requests for non-pub/non-list; Pay telephone	10	10
<b>Michigan</b>	Hotels/motels; Hospitals; Certified disabled customers	5 (SBC) 3 (Verizon)	5 3
<b>Minnesota</b>	Special Needs-Certified Impaired Vision/Motion	1	1
<b>Mississippi</b>	If there is an error in Directory; Certified disabled customers; Hospitals; Hotel/Motel	0	0
<b>Missouri</b>	Certified disabled customers	30R (SBC - if not in the directory) 3 (Verizon)	10B 3

## DIRECTORY ASSISTANCE SERVICE

<b>Montana</b>	Special Needs-Certified Impaired Vision/Motion;	3	3
<b>Nebraska</b>	Special Needs-Certified Impaired Vision/Motion	0	0
<b>Nevada</b>	Handicapped; Pay telephones	3	0
<b>New Hampshire</b>	Certified disabled customers; Pay telephone	5	5
<b>New Jersey</b>	Hotel/motel; Hospitals; Certified disabled customers; Pay telephone; Mobile	4	0
<b>New Mexico</b>	Special Needs-Certified Impaired Vision/Motion; Hospitals; Nursing homes; "0" or 911 Emergency	0	0
<b>New York</b>	Certified disabled customers & pay telephone lines	0	0
<b>N. Carolina</b>	Certified disabled customers; 1 <sup>st</sup> 25 local DA calls on BS payphones	5 (BS) 3 (Verizon)	5 3
<b>N. Dakota</b>	Special Needs-Certified Impaired Vision/Motion	0	0
<b>Ohio</b>	Hospitals; Hotel/motel; Certified disabled customers; Pay Telephones	0 (SBC) NC for DA (Verizon)	0
<b>Oklahoma</b>	Handicapped; Hospitals	5	5
<b>Oregon</b>	Special Needs-Certified Impaired Vision/Motion	2	2
<b>Pennsylvania</b>	Hospitals/nursing and convalescent homes; certified disabled customers	2	0
<b>Rhode Island</b>	Hospitals; Certified disabled customers; Requests for non-pub/non-list; Pay telephone lines	5	5
<b>S. Carolina</b>	Hotels; Hospitals & Certified disabled customers; Rate 10 cents from "indigent" BS payphone stations	3 (BS) 2 (Verizon)	0 2*
<b>S. Dakota</b>	Special Needs-Certified Impaired Vision/Motion	0	0
<b>Tennessee</b>	Certified disabled customers; Elderly (>65)	6 *	6*
<b>Texas</b>	Hospitals; Certified disabled customers	3 (SBC) 3 (Verizon)	0 3
<b>Utah</b>	Special Needs-Certified Impaired Vision/Motion; Hospitals; Nursing homes; WATS; "0" or 911 Emergency	0	0
<b>Vermont</b>	Certified disabled customers	3	0
<b>Virginia</b>	Hospitals, certified disabled customers, pay telephone lines	3	3
<b>Washington</b>	Hotel/motel; Hospital patient lines; Certified disabled customers; Special Needs-Certified Impaired Vision/Motion	0 (Qwest) 4 (Verizon)	0 4
<b>W. Virginia</b>	Certified disabled customers, pay telephone lines	2	0
<b>Wisconsin</b>	Hotel/motel; Hospitals; Certified disabled	0	0
<b>Wyoming</b>	Special Needs-Certified Impaired Vision/Motion	0	0

\* SC – Call allowance is not applicable to pay telephones

\* TN – Applicable to the aggregate of all intrastate listing requests

12/11/2000

## DA Answer Time Requirements By LEC By State

Alabama	10 seconds	PSC	
Arkansas	100% of the calls answered in 15 seconds	Telecommunications Providers Rules 13.02	Penalty - Arkansas rules provide for penalties for non compliance with state rules
Arizona	85% of DA		Arkansas rules provide for penalties for non compliance with state rules
California	9 seconds average in 1/2 hour increments and 85% of calls must be answered within 12 seconds	CPUC General Order 133A & 133B	
Colorado	85% of DA		\$50K/mo. DA or T/A (\$100K/mo risk)
Connecticut	6.0 (regulated)	DPUC	
DC	85% within 10 seconds		\$50K/mo. DA or T/A (\$100K/mo risk)
Delaware	80% within 10 seconds		
Florida	90% within 30 seconds if answered by live operator 95% within 15 seconds if answered by automated system Transfer to live operator within 55 second	PSC	
Georgia	90% within 20 seconds	PSC	
Idaho	None	N/A	
Illinois	5.9 seconds average	Advantage Illinois	OS/DA answer time/service quality influences price index formula that results in a downward adjustment if service deteriorates
Indiana	7.7 seconds average or 80% answered in 10 seconds	Indiana Administrative Code 170-IAC-7-1 1-11	Commission has the authority, after an investigation, to issue directives to remedy any sub-standard performance.
Iowa	90% of all operator calls within 10 secs average to be 5 secs	N/A	
Kansas	N/A	N/A	
Kentucky	Average speed of answer not to exceed 8 seconds	PSC	
Louisiana	NONE	N/A	
Maryland	79% within 10 seconds		
Massachusetts	within 4.0 seconds	DTE	
Michigan	100% of the calls answered in 10 seconds	Michigan Telecommunications Act Commission Rule 484.64	A DA provider shall take corrective action and submit a written report to the commission if its average answer time per month for local directory assistance calls is more than 10 seconds for three consecutive months.
Minnesota	None	N/A	
Mississippi	"Must be efficient"	N/A	
Missouri	6 seconds average, 8 seconds surveillance	Chapter 32 of MO PSC rules (4 CSR 240-32.080)	If service within any exchange falls to or below the surveillance level, the company shall immediately investigate and take appropriate corrective action.
Montana	DA - 80% of Qtr Hrs within 10 secs		

## DA Answer Time Requirements By LEC By State

STATE	ANSWER TIME REQUIREMENT	SOURCE	PENALTY
NC	85% within 10 seconds	PSC	
Nebraska	80%-90% within 10 seconds		
Nevada	85% of calls answered in 12 seconds (no average requirement)	NAC 704.68476.1(G)	
New Hampshire	85% within 10 seconds	PUC	
New Jersey	80% within 10 seconds		
New Mexico	None	N/A	
New York	within 6.3 seconds	PSC	
North Dakota	None	N/A	
Ohio	7 seconds average	Advantage Ohio	Advantage Ohio's price cap plan includes OS/DA Service Quality Factor(SQF)/answer requirements as a factor in price index formula resulting in downward adjustment of revenues if service deteriorates.
Oklahoma	N/A	N/A	
Oregon	None	N/A	
Pennsylvania	None	N/A	
Rhode Island	within 4 seconds		
SC	80% within 30 seconds	PSC	
South Dakota	None		
Tennessee	85% within 10 seconds	PSC	
Texas	5.9 seconds	Senate Bill 560 Substantive Rule 26.54	If service quality falls below the applicable performance benchmark for an exchange, that indicates a need for the utility to investigate. Take appropriate corrective action, and provide a report of such activities to the TPUC.
Utah	None	N/A	
Virginia	None	N/A	
Washington	None	N/A	
West Virginia	85% within 10 seconds		
Wyoming	80% of all operator calls within 10 secs		

## **Industry provides language-specific services.**

- BellSouth & SBC: Spanish speaking call centers & other assistance.
- Qwest & Verizon have special language assistance for Spanish speaking customers.
- Special language services are evaluated/expanded as market evolves.
- LEC operator language skills reflect the communities they serve.

# **Telegate figures misleading; B&A costs alone estimated**

**\$419M . . . . . *BellSouth, Qwest, SBC & Verizon***

- Verizon analysis calculates balloting and allocation costs at \$3.30 per billed customer. (See Attachment 1)
- BellSouth, Qwest, SBC and Verizon estimate their B&A costs at \$419M.  
(Approximately 127M billed customers at Verizon calculation of \$3.30 per)
- The \$419M estimate does not include additional costs such as network upgrades, customer support, customer notification and education, ordering and billing systems or training.
- Telegate recently raised its estimates 1,204% for network upgrades alone. (\$23M to \$300M)
- What about cost to Independents and CLECs?

# Conclusion

- Where is customer demand for change?
- Customers would be required to presubscribe to a service most use infrequently.
- LECs provide quality DA service as demonstrated in high fulfillment rates.
- Presubscription would require significant changes by State Commissions.
- LECs continue to meet customer demand for language assistance.
- No cost/benefit justification; enormous cost and customer confusion for no clear benefit.

## Attachment 1

### Telegate Proposal for Prescription to 411 Directory Assistance Services Balloting/Allocation for Business and Residence

#### Verizon Balloting/allocation cost estimate:

1. develop ballot and customer letter, print ballot and letter, stuff envelopes, pay postage \$22.1M  
(\$. 50 per customer account X 44,100,000 Verizon customer bills)
  - develop/provide letters and documents to DA providers to confirm their participation in allocation process.
  - develop/provide schedules to DA providers for balloting and allocation process.
  - create ballots, accompanying letters and ballot return envelopes.
  - Print ballots and letters
  - Stuff envelopes, provide postage, and send ballots to residence and business customers.
  
2. pay postage on 'returned' ballots (maximum 20% return rate) \$ 2.9M  
(20% X 44,100,000 Verizon bills = 8,820,000 returned ballots X \$.33)
  
3. receive and process returned ballots \$26.5M  
(\$ 3.00 per ballot X 8,820,000 subscriber ballots)
  - collect, open and sort ballots
  - develop letter and send confirmation back to customer
  - program customer to specific DA provider (systems integration)
  - develop lists and send to chosen DA provider
  - customer education calls for incomplete/confused response.
  - \$3.00 administrative cost includes \$.33 postage; \$2.67 labor
  - \$2.67 labor equates to 6.2 minutes union work to perform all of the above functions (conservative estimate)
  
4. develop and print customer letter, stuff envelopes, pay postage for 2nd ballots \$ 14.1M  
(\$.40 per customer account X 35,280,000 Verizon customer bills)
  - create/print accompanying letters and ballot return envelopes.
  - stuff envelopes w/ letter and 2<sup>nd</sup> ballot, provide postage, and send ballots to residence and business customers.

Attachment 1

**Telegate Proposal for Prescription to 411 Directory Assistance Services**  
**Balloting/Allocation for Business and Residence**

5. pay postage on returned 2nd ballots (20% X 35,280,000 = 7,056,000 returned ballots X \$.33)	\$ 2.3M
6. receive and process returned 2nd ballots (\$3.00 per ballot X 7,056,000 subscriber ballots)	\$21.2M
<ul style="list-style-type: none"><li>• collect, open and sort ballots</li><li>• develop letter and send confirmation back to customer</li><li>• program customer to specific DA provider (systems integration)</li><li>• develop lists and send to chosen DA provider</li><li>• customer education calls for incomplete/confused response.</li><li>• \$3.00 administrative cost includes \$.33 postage; \$2.67 labor</li><li>• \$2.67 labor equates to <u>6.2 minutes</u> union work to perform all of the above functions (conservative estimate)</li></ul>	
7. allocate remaining subscribers to DA provider, develop lists, notify DA providers, program/process delinquent subscribers ( \$2.00 X 28,224,000 subscriber billing accounts)	\$56.4M
<ul style="list-style-type: none"><li>• random allocation process based on actual % choices of DA provider in each switching entity for those non-choosing customers in that switching entity</li><li>• develop allocation lists and forward to DA providers (DA providers will notify customers)</li><li>• program customer to specific DA provider.</li><li>• Customer education incoming calls.</li><li>• \$2.00 administrative costs to process customer equates to <u>4.7 minutes</u> of union work to perform the above functions. (conservative estimate)</li></ul>	
<b>TOTAL ESTIMATED BALLOTING/ALLOCATION COST</b>	<b>\$145.5M</b>