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

In the Matter of	
Provision of Directory Listing Information Under the Communications Act of 1934, As Amended	CC Docket No. 99-273
The Use of N11 Codes and Other Abbreviated Dialing Arrangements	CC Docket No. 92-105
Administration of the North American Numbering Plan	CC Docket No. 92-237

REPLY COMMENTS OF VERIZON

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REPLY COMMENTS OF VERIZON

Summary 1

I. The Commission Lacks Authority To Require 411 Presubscription.............................. 4

II. 411 Presubscription Cannot Be Justified in the Name of Competition.......................... 6

A. The DA Business Is Fully Competitive Already. 6

B. There Is No Consumer Demand for This Arrangement. 7

C. The Telegate Proposal May Not Be Justified as Promoting Competition in the Local Exchange Market.. 8

D. The European Experience Is Irrelevant. 9

III. The Telegate Proposal Is Extremely Costly and Not in the Public Interest. 9

A. The Telegate Proposal Involves Significant Costs.. 9

B. There Is No Need for an Administrator.. 12

C. Other Factors Weigh Heavily Against the Telegate Proposal............................ 12

IV. The Commission Should Not Adopt Any of the Other Access Proposals for Directory Assistance.. 15

A. 411 Dialing Should Not Be Eliminated... 15

B. National 555 Numbers Should Not Be Required. 17

C. Access Could Be Provided Through Directory Assistance CACs. 19

D. 411XX, 411XXX or 411XXXX Dialing Should Not Be Required. 20

E. Voice Recognition Systems Are Not a Solution. 21

Conclusion... 22

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Summary

Nothing in the comments rebuts Verizon's demonstration that Telegate's presubscription proposal should be rejected.

In fact, the comments confirm that there is very little support for Telegate's proposal. Several major non-LEC suppliers of DA services oppose it outright,[1] while others give it only lukewarm support.[2] Significantly, there is no consumer support for the proposed elimination of the easy 411 DA access that the Commission has supported and that consumers enjoy.

1 AT&T, InfoNXX.

2 MetroOne says that the Commission should first order 1010 access, then it should order other forms of access, and only then should it begin to consider either 411 presubscription or voice recognition systems. Two non-LEC DA suppliers (CVS and Premier) don't take a position on presubscription.

The comments also confirm that there is vigorous competition in the DA marketplace. MetroOne, one of the proponents of changes to DA dialing patterns, attaches a market report prepared by Frost & Sullivan. This report concludes:

> "Wireline DA providers are faced with strong and increasing competition from wireless and Internet providers of DA."[3]

> "Another directory assistance service that is stealing revenues from wireline providers is the standard telephone book."[4]

> "Opportunities for increasing market revenues abound for every market participant."[5]

> "Customer loyalty is wavering. There are many more directory assistance service alternatives than in the past."[6]

This report includes an extensive discussion of "market restraints" on DA services,[7] but never suggests that existing dialing differences are restraining any provider. It also identifies "challenges" for DA providers,[8] but never suggests that it is a challenge for DA providers to get consumers to use dialing arrangements other than 411.

The same proponent of new dialing arrangements urges the Commission to "look at the DA market as a unified one."[9] This is surely correct. This unified market includes local exchange carriers and CMRS providers that use 411 access, interexchange carriers that offer 00 dialing, a variety of providers that provide toll-free calling, the Internet and "the standard

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[3] MetroOne Att. A at 1.

[4] MetroOne Att. A at 1.

[5] MetroOne Att. A at 4.

[6] MetroOne Att. A at 29.

[7] MetroOne Att. A at 16-21.

[8] MetroOne Att. A at 21-25.

[9] MetroOne at 4.

telephone book." This "unified market" offers consumers a plethora of options and choices, is fully competitive and is not in need of regulatory help.

The comments, moreover, make clear that Telegate's proposal — which will neither benefit consumers nor promote competition — will cost millions of dollars. The proponents of new dialing arrangements only speculate about what the network changes might cost or offer only conclusory statements that the costs would be low. Verizon, however, detailed costs of 411 presubscription that would exceed $190 million for its companies alone. And that figure did not include the more than $18 million price tag for changes to its operation support systems and tens of millions of dollars for customer care. Nor did it include the costs of the balloting and allocation that several commentors advocate, costs that would exceed $130 million for Verizon alone.

Nor are other alternatives any more attractive. A number of them would involve eliminating 411 dialing altogether. This would not benefit consumers. 555 access for multiple DA providers can best be provided through AIN, at a cost to Verizon of more than $100 million.

Finally, none of the commentors has made a case for Commission jurisdiction to order 411 presubscription. 411 DA has always been recognized as an intrastate service, over which the Commission lacks jurisdiction. The dialing parity cannot be the basis of an order requiring a LEC to provide comparable dialing arrangements for non-carriers or for the provision of a non-telecommunications service. The Commission's number administration authority alone does not give it the power to require presubscription or the implementation of other dialing arrangements. Finally, the general provisions of sections 201(b) and 202(a) simply do not apply to LEC access to DA services.

The Commission should, therefore, reject the Telegate proposal for presubscribing 411 dialing for DA services, not eliminate consumer-friendly 411 dialing for DA access and not require other costly and unnecessary additional dialing arrangements.

I. The Commission Lacks Authority To Require 411 Presubscription.

411 DA services have always been considered intrastate and are regulated by the States. This is because DA services were traditionally provided over intrastate facilities and, even where interstate facilities were involved, because they have been viewed as related to telephone exchange service and subject to State regulation.[10] The States have set the prices for 411 DA services and established the terms and conditions under which these services have been offered. The Commission, therefore, has no jurisdiction over the way the service is provided and may not require 411 presubscription any more than it could have required intrastate intraLATA presubscription before the 1996 Act.

Nothing in the comments supports the various bases for federal jurisdiction suggested in the Notice.

WorldCom relies on the Commission's 211 order to support its claim that the Commission's number administration authority gives it the power to require presubscription.[11] While the Commission in that case assigned 211 for a specific use (access to community information services) and required telecommunications carriers to deliver 211-dialed calls, it never attempted to prescribe to whom such calls would be delivered or how the community information agency to receive 211 calls would be selected.[12] Those decisions, like the decision

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[10] 47 U.S.C. § 221(b).

[11] WorldCom at 7-9.

[12] *Use of N11 Codes and Other Abbreviated Dialing Arrangements*, 15 FCC Rcd 16753 at ¶ 21 (2000).

over 411 routing, was properly left to the States. In fact, in that same order, in connection with use of the 311 code, the Commission emphasized the continued role of the States even where an N11 code had been assigned for some purpose nationwide.[13] This decision makes clear that the Commission's number administration authority does not equate to complete authority over how intrastate calls are handled.

Nor does the Second Circuit's affirmance of the Commission's requirement for ten-digit dialing with area code overlays suggest greater Commission authority, as WorldCom claims.[14] In that case, the court merely affirmed the Commission's authority to determine "the number of digits dialed"[15] to make a local call was part of the Commission's "exclusive jurisdiction over those portions of the North American Numbering Plan that pertain to the United States."[16] Nothing in that decision remotely suggests that the Commission has authority over where those local calls would be delivered, which would be a matter for the State.

WorldCom also relies on the general rulemaking authority in section 201(b) of the Act.[17] But that provision only empowers the Commission to write rules "to carry out the provisions of the Act." But this is not a separate grant of authority or jurisdiction. There must be some independent provision in the Act that gives the Commission jurisdiction before it can use section 201(b) as the authority to write rules, and there is no such independent provision here. WorldCom's suggestion that the Act's "fundamental goal" of promoting innovation and investment could be such an independent provision is plainly misplaced. If that were the case,

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13 15 FCC Rcd 16753 at ¶ 28.

14 WorldCom at 8-9.

15 *People of the State of New York v. FCC*, 267 F.3d 91, 104 (2d Cir. 2001).

16 267 F.3d at 104.

17 WorldCom at 9-10.

then the Commission could override state jurisdiction so long as it could justify the action as promoting innovation and investment — effectively eliminating section 2(b) of the Act.[18]

Telegate points to this same provision and the Commission's interLATA presubscription requirement as proof of the Commission's authority to order 411 presubscription.[19] The difference, of course, is that in that case the Commission was requiring presubscription for *interstate* calls (and interstate calls only).[20] In fact, the Commission recognized that, before the passage of the 1996 Act's dialing parity requirements, it lacked authority to require intrastate presubscription. Because DA services are intrastate, the Commission's section 201 authority and its interstate presubscription precedent are irrelevant.

II. 411 Presubscription Cannot Be Justified in the Name of Competition.

Even if the Commission had the necessary authority — which it does not — it would not be in the public interest to require 411 presubscription. 411 presubscription is not needed to add competition to the DA marketplace and it would do nothing to further competition for local services.

A. The DA Business Is Fully Competitive Already.

The Frost & Sullivan study correctly reports on the state of the DA market:

> "Wireline DA providers are faced with strong and increasing competition from wireless and Internet providers of DA."[21]

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[18] 47 U.S.C. § 152(b).

[19] Telegate at 24-26.

[20] Thus, the Commission ordered "that the interstate access tariffs of the local exchange carriers must be revised to reflect the allocation plan." *Investigation of Access and Divestiture Related Tariffs*, 101 F.C.C.2d 911 ¶ 40 (1985).

[21] MetroOne Att. A at 1.

> "Internet sites that offer directory assistance are also becoming more of a threat to wireline directory assistance providers."[22]
>
> "Another directory assistance service that is stealing revenues from wireline providers is the standard telephone book."[23]
>
> "Opportunities for increasing market revenues abound for every market participant."[24]
>
> "Customer loyalty is wavering. There are many more directory assistance service alternatives than in the past."[25]
>
> The primary factors identified as causing declining prices for DA services (without call completion) are "intense competition" from wireless DA services and the increased use of Internet directories.[26]

No intervention is needed to make this market competitive because it is already competitive today.

B. There Is No Consumer Demand for This Arrangement.

Once again, as has been for the past two years, the record is barren of any trace of any interest by real consumers for a presubscription option for DA. Nor is there any suggestion that they want 411 dialing eliminated. The only people who seem to think that consumers are dissatisfied or that they want choices that they do not have are a few DA service competitors, who want LECs to spend hundreds of millions of dollars to simplify their business plans.

Nor, in spite of claims by Telegate and its supporters,[27] are consumers suffering from bad service or high prices. In fact, as MetroOne's own expert reports, "Verizon has distinguished

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22 MetroOne Att. A at 1.

23 MetroOne Att. A at 1.

24 MetroOne Att. A at 4.

25 MetroOne Att. A at 29.

26 MetroOne Att. A at 33-34.

27 Telegate at 18-19.

itself by offering the lowest priced services, while maintaining high accuracy and customer service standards."[28] In February of this year, Verizon received only 46 complaints about its DA services — less than one complaint for every million DA calls handled. And Verizon's customer satisfaction surveys score DA at over 95 percent. Verizon showed in its comments that its prices for DA service are among the lowest in the industry, significantly lower than those of its major carrier competitors. More competition is not needed to spur Verizon to improve its service or to lower its prices.

InfoNXX claims that the fact that DA prices have not declined in same way as long distance prices shows that more competition is needed in the DA market.[29] InfoNXX ignores two important facts, however, which indicate that the lack of sharp reductions in DA prices should not be surprising and is not evidence of the LECs' market power. First, much of the reduction in long distance prices is attributable to the drastic reduction in the access charges interexchange carriers pay to local exchange carriers.[30] Second, DA service is very different from toll services, in that it is relatively more labor intensive and benefits far less from cost-reducing technical advances.

C. The Telegate Proposal May Not Be Justified as Promoting Competition in the Local Exchange Market.

But even if this were a competitive factor, 411 presubscription would not advance this competition since competitive carriers are already free to choose their own DA provider. This is because a local exchange carrier can already use 411 to give its customers access to its own DA

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28 MetroOne Att. A at 49.

29 InfoNXX at 4.

30 See FCC, "FCC Reduces Access Charges by $3.2 Billion: Reductions Total $6.4 Billion Since 1996 Telecommunications Act," dated May 31, 2000.

service or to any other DA service the LEC selects. All local exchange service providers are free to choose a DA supplier in a competitive market. And, under the Commission's rules, local exchange competitors (as well as their directory assistance providers) already get all they need from the incumbents to allow them to provide DA service to their customers. 411 presubscription is, therefore, completely irrelevant to local service competition.

D. The European Experience Is Irrelevant.

Once again, Telegate provides extensive information about activities in Europe.[31] But, as the Taylor-Ware declaration explained, the market situation in Europe was and still is very different from that in the U.S. Whether or not new dialing arrangements were really necessary in Europe to foster competition and improve service, they are plainly not required in this country.

III. The Telegate Proposal Is Extremely Costly and Not in the Public Interest.

The lack of any competitive need for 411 presubscription is far outweighed by the cost and other problems with the proposal.

A. The Telegate Proposal Involves Significant Costs.

In its comments, Verizon identified the following network costs of 411 presubscription:

Making switches AIN capable	$101.2 million
Certifying switches already AIN capable	$ 3.2 million
DMS-100 upgrades for 411 AIN trigger	$ 84.0 million
AIN SCP and trunking	$ 3.2 million

This $191.6 million estimated price tag would not be the full extent of Verizon's costs, however.

Verizon would also be required to modify some two dozen existing operation support systems to permit 411 presubscription. For example, Verizon would have to modify the systems

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31 Telegate at 4-18.

it uses to enter and store customer records to record the customer's 411 presubscription choice, just as those systems record the choice of interLATA and intraLATA toll carriers. Verizon has several different systems of this type, for different types of customers and in different parts of the country. It also has systems that allow people to order service over the Internet. Systems would have to be changed to accept presubscription orders directly from DA providers and to inform DA providers when customers presubscribe to them. Verizon would, similarly, have to modify the systems CLECs use to order Verizon wholesale services to allow them to order their customers' presubscription choice. Verizon would, of course, have to be able to implement these presubscription choices in its network. To accomplish this, Verizon would have to send presubscription information from the order entry systems through intermediate systems to the SCP. Other systems would have to be modified to have 411 presubscription information available to Verizon service representatives when customers call with questions about their bill or service. The estimated cost of this effort is at least $18 million.

With 411 presubscription, Verizon service representatives presumably would be required to explain the selection option to new customers and to obtain a choice from them. Even if this took only a minute or two per call, with millions of such conversations every year, this would amount to well over 100 person-years of effort annually.

As if these costs were not enough — and not enough to doom the 411 presubscription proposal — some commentors advocate requiring balloting and allocation as part of the presubscription plan.[32] Ballot and allocation would significantly increase the cost of 411 presubscription. Based upon analyses done by Verizon for state intraLATA toll presubscription

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[32] *E.g.*, Telegate at 20-22.

proceedings, developing the customer letter and ballot, printing and mailing would cost about 48 cents per customer,[33] or roughly $19.1 million for Verizon's more than 39 million customers. Postage for returned ballots, assuming 20 percent are returned, is another $3 million. Processing the customer presubscription selection would cost about $3 per account, or more than $23.7 million. If the Commission were to require a second mailing and ballot before allocation (as it did for interLATA presubscription), this would cost $33.5 million, again assuming a 20 percent return rate. The cost of allocating the more than 25 million non-selecting customers (more than $51 million) would bring the total to more than $130.3 million for Verizon alone. Telegate may think that $130 million is a "relatively modest" cost[34] — although it does not volunteer to pick up the tab for a balloting/allocation process that benefits only companies like itself — but the public and the Commission know otherwise.

Added to the previously identified costs, even only $18 million for OSS modifications and $10 million for customer care would bring the total to $219 million. If the Commission is inclined to reconsider its rejection of balloting and allocation, the total would be $349 million.

WorldCom claims that 411 presubscription is "essentially" customized routing, which ILECs could readily provide without AIN.[35] The declaration it submitted does not support this conclusion. That declaration says that line class codes could be used to translate "its customers' DA calls . . . into a new 10-digit number that the switch will send to WorldCom's long-distance

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[33] This assumes there would be a mailing for each customer account. If the Commission were to require a separate mailing for each *line*, these numbers would be substantially higher.

[34] Telegate at 21. Its claim that balloting could be done for $1.13 per line is simply incredible, in that this price does not even cover the cost of postage.

[35] WorldCom at 2.

FGD trunk groups."[36] This does not provide customers with a 411 choice that is different from its presubscribed carrier choice — in this case, they will be the same — and, therefore, would not satisfy a presubscription requirement.[37]

B. There Is No Need for an Administrator.

Neustar has volunteered to be the administrator of 411 presubscription information. As Verizon and others explained, no such function is required. Systems are already in place for LECs to receive presubscription information from their customers and for forwarding that information to the affected providers. Systems of this sort have been used since interLATA presubscription was introduced in 1984. Carriers are familiar with them, and they have designed their other systems to be compatible with them. The only thing that Neustar suggests it could add are "back offices" for new providers and cost savings for "some DA providers."[38] Verizon, of course, has no objection to Neustar's selling these services to any providers that want to use them. There is no need, however, for the Commission to insert an additional, presumably costly step in the process by requiring providers to use Neustar's services.

C. Other Factors Weigh Heavily Against the Telegate Proposal.

The Notice flagged other issues raised by Telegate's presubscription proposal. The comments on each of them reveal other reasons for rejecting that proposal.

Slamming. MetroOne tries to minimize the fact that 411 presubscription would create a new field of operation for slammers by saying that "DA toll providers are common carriers and

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[36] Caputo Dec. ¶ 15.

[37] In addition, there are limitations in certain switches to the number of additional line class codes that can be accommodated. For example, the DCO could only accommodate one or two additional DA providers.

[38] Neustar at 3.

already subject to the Commission's rules and regulations."[39] But this observation misses the point. Under Telegate's proposal, providers which are not common carrier toll providers could offer presubscribed DA services, and they are not subject to the Commission's regulation. Even if they were, section 258(a) of the Act covers only unauthorized changes in a subscriber's "provider of telephone exchange service or telephone toll service," categories that would not appear to include DA. Rather than listening to MetroOne, the Commission here should heed the warnings of the California PUC, with its extensive experience in dealing with slammers, that it would need additional resources to deal with all the slamming complaints that 411 presubscription would generate.[40]

Billing. Verizon and others showed that the Commission may not require LECs to bill for DA providers and that it should not even if it could. MetroOne asks the Commission to establish just such a requirement.[41]

MetroOne says that "the Commission has Title II jurisdiction over billing and collection for directory assistance" because DA is a basic or adjunct to basic service.[42] This is nonsense. Sixteen years ago, the Commission found that billing and collection for basic toll service was not a Title II service — "billing and collection services provided by local exchange carriers are not subject to regulation under Title II of the Act."[43] The Commission further concluded that "because there is sufficient competition to allow market forces to respond to excessive rates or

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39 MetroOne at 26.

40 CPUC at 5.

41 MetroOne at 24-26.

42 MetroOne at 24.

43 *Detariffing of Billing and Collection Services*, 102 F.C.C.2d 1150 at ¶ 34 (1986), *recon. denied*, 1 FCC Rcd 445 (1986).

unreasonable billing and collection practices on the part of exchange carriers, no statutory purpose would be served by continuing to regulate billing and collection service for an indefinite period."[44]

MetroOne then argues for Title I jurisdiction.[45] But, again 16 years ago, the Commission determined that it could not exercise its ancillary jurisdiction under Title I unless it would "be directed at protecting or promoting a statutory purpose."[46] But if there was no statutory purpose in 1986 for the Commission to require LEC billing in a toll services market dominated by AT&T, then there surely can be no such purpose in a robustly competitive DA market in 2002.

Moreover, as a factual matter, the Commission has repeatedly found that LEC billing services are not "essential," that there are other providers offering billing services and that this marketplace is competitive. The Commission's findings that LEC billing services are subject to sufficient competition were well documented. The record clearly showed that "competition is defined not only by credit card companies, collection agencies, service bureaus and the LECs, but by the customers (ICs) themselves."[47] It also showed that "there are no barriers to entry" and that "capital costs are relatively low."[48] These findings were correct then and remain correct today.[49]

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44 102 F.C.C.2d at ¶ 37.

45 MetroOne at 24-25.

46 102 F.C.C.2d at ¶ 37 (quoting Second Computer Inquiry, 77 F.C.C.2d 384, 433 (1979)).

47 102 F.C.C.2d at ¶ 37.

48 102 F.C.C.2d at ¶ 38.

49 Billing a charge for a long distance call or a 900 information service is no different than billing a charge for a call to a DA provider. In each case, the service provider establishes a business relationship with the caller and can bill the caller itself or contract with third party billing agents.

Pay-per-call rules. MetroOne says that section 228 would never apply to DA services.[50] But the only exemption from the pay-per-call requirements are for "directory services provided by a common carrier or its affiliate or by a local exchange carrier or its affiliate."[51] To the extent that Telegate or MetroOne is not a "common carrier" or "local exchange carrier," they would not qualify for the exemption. Their services would have to comply with section 228, including the requirement that its service be provided only through 900 dialing.[52]

IV. The Commission Should Not Adopt Any of the Other Access Proposals for Directory Assistance.

Perhaps because they recognize the overwhelming case against 411 presubscription, a number of commentors focus now on other proposals. But these proposals are actually even less attractive than 411 presubscription because they all involve the elimination of 411 dialing that consumers have come to enjoy. And most, like presubscription, are largely dependent on AIN, with its $108 million price tag.

A. 411 Dialing Should Not Be Eliminated.

None of the supporters of these alternative dialing requirements has refuted the Commission's conclusion that "continued use of 411 to call local directory assistance services [is] justified by public convenience and necessity."[53] Any proposal that involves the elimination of this dialing option should be rejected.

AT&T points to a special benefit of 411 DA access in this time of frequent area code changes and the introduction of ten-digit dialing. "In those cases, [customer] confusion was

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50 MetroOne at 27.

51 47 U.S.C. § 228(i)(2).

52 47 U.S.C. § 228(b)(5).

53 12 FCC Rcd at ¶ 47.

mitigated by the fact that customers could dial 411 to determine the proper area code to dial. In the case of eliminating 411, however, customers would not know where to call for assistance."[54]

InfoNXX wants to eliminate not only 411 but 555-1212 as well.[55] Its claim that elimination of these familiar dialing patterns "is essential to ensure genuine competition in the retail DA market."[56] But the record is clear — in the Taylor-Ware declaration and the Frost & Sullivan report — that "genuine competition" already exists.

Elimination of 411 (or 411 and 555-1212) would also involve real costs. Consumers would continue to dial these numbers, and Verizon would have to deal with millions of such calls. Each of these calls would have to be routed to special announcements. Unlike other types of customer announcements (*e.g.*, "The number you called has been disconnected," "You need to use an area code when you dial this number"), this announcement probably will not be able to give the caller definitive instructions on how to complete the call to DA. Many callers would immediately call the Verizon business office after hanging up on the announcement. All this costs money, for the equipment to provide those announcements, the additional uncompensated network usage and the time of the service reps to deal with consumer questions.

Finally, Telegate, oddly, says that 411 is "popularly associated" with directory assistance, but has not been "assigned by the Commission for that purpose."[57] In 1997, the Commission

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54 AT&T at 11.

55 InfoNXX at 18-19.

56 InfoNXX at 18.

57 Telegate at 24.

noted that "411 has long been assigned for access to" DA[58] and continued that assignment for that purpose.

In sum, it is hard to believe that consumers, in whose name the Commission would presumably take this step, would be pleased with the elimination of their familiar dialing patterns.

B. National 555 Numbers Should Not Be Required.

Some of the commentors claim that LECs have refused to provide them with 555 access services — InfoNXX claims, for example, that "the ILECs have refused to implement 555 numbers for anyone but themselves."[59] This is simply not true. In fact, in several states, Verizon has a tariffed service, called Easy Number Call Routing Service, that allows 555 numbers assigned by NANPA to the customer to be routed to the customer's location.

InfoNXX approached Verizon about a 555 access offering last year. In addition to pointing out other existing services that could immediately meet InfoNXX's needs for broad access using a single easily identifiable number, Verizon also opened up a discussion with InfoNXX about its requirements for a new 555 access arrangement (how it wanted the 555 number translated and routed, anticipated volumes, billing arrangements, etc.). InfoNXX has provided little specific information, and these discussions are still underway.

As some of its proponents acknowledge, the best way to provide 555 access would be through AIN,[60] and its ubiquitous deployment would, therefore, involve many of the same costs as 411 presubscription, some $108 million for Verizon alone.

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58 *Use of N11 Codes and Other Abbreviated Dialing Arrangements*, 12 FCC Rcd 5572 ¶ 47 (1997).

59 InfoNXX at 12.

60 MetroOne Att. 5 at 7.

Some commentors suggest end office translation of dialed 555 numbers rather than AIN, to translate the dialed 555 number to a routable ten-digit telephone number.[61] But this approach would be very cumbersome and labor intensive, requiring separate switch translations in every switch, translations that must be modified in each switch every time a new provider entered the market, an existing provider left, the provider's terminating number changed etc. Translating every 555 number into some ten-digit number uses switch memory — the more DA providers, the more memory required. Many switches serve customers in multiple rates centers, each one of which requires separate translation tables of its own. As InfoNXX acknowledges,[62] this method of routing would require memory upgrades throughout Verizon's network.

It would also raise other problems. The most logical translation would be to a toll-free number, but, as one of the proponents of 555 dialing points out,[63] this would require a subsequent dip into the toll-free database to complete the call, as well as comparatively pricey per minute toll-free service rates.

InfoNXX urges 555 dialing for all DA providers because "a retail DA market characterized by consumers actively selecting their DA provider every time they place a DA call would be highly efficient."[64] If this is true, of course, it further undermines Telegate's presubscription proposal that is based on the notion that it is better for consumers to make a single choice through presubscription than repeated choices through dialing. But, even more important, if InfoNXX is right that per-call choice is the best arrangement, then that is exactly the

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61 *E.g.*, InfoNXX at 13-14.

62 InfoNXX at 13.

63 InfoNXX at 13.

64 InfoNXX at 16.

environment that exists today. Callers can access a variety of DA providers through a variety of dialing arrangements, ranging from two-digit "00" dialing through ten-digit numbers. Callers are making this "active selection of their DA provider" every day by the millions, and the DA marketplace is already working efficiently. Elimination of 411 dialing in favor of mandatory 555 numbers for everyone is unnecessary and, worse, senseless and wasteful.

C. Access Could Be Provided Through Directory Assistance CACs.

If the Commission concludes, contrary to all the evidence, that the DA market is not competitive and that regulatory intervention is required, then it could authorize the assignment of carrier identification codes to, and the use of corresponding carrier access codes by, DA service providers. The infrastructure for delivering calls based on the dialed carrier access code ("CAC") is already in place, and LECs deliver calls on that basis today.[65] However, there are limitations to such an approach.

This would require carrier identification codes to be assigned to every DA provider. As the Commission has recognized elsewhere, however, the unchecked assignment of CICs can present problems.[66] For example, there are limitations in the number of CICs that certain LEC switches can handle. DMS10 switches typically accommodate only 255 CICs[67] and a GTD5 switch only 500 CICs, and Verizon has hundreds of these switches in its network today. Additional switch development would be required in each one of these switches to handle the

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65 However, if the Commission envisions that callers would be able to reach DA by dialing the CAC followed by either 411 or 0, then additional switch modifications would be required, as CAC plus 411 or 0 are not recognized as dialable numbers today.

66 *Policies and Rules Concerning Unauthorized Changes of Consumers Long Distance Carriers,* 15 FCC Rcd 15996 ¶¶ 27-28 (2000).

67 A new generic software release can increase this to 512, at a cost of more than $100,000 per switch.

additional CICs that would likely be required to accommodate the new DA providers that would request them. The CIC capacity of the DCO has recently been increased from 255 to 2048, but it costs $30,000 per switch to make that upgrade.

D. 411XX, 411XXX or 411XXXX Dialing Should Not Be Required.

In their comments, Verizon and others explained that 411XX and 411XXX dialing will not work in the existing public switched network. First, the network cannot accommodate five- or six-digit dialing today. In addition, the digits "411," like the other N11 codes, are recognized as a complete telephone number, and switches process them without waiting for additional digits. The North American Numbering Plan would have to be changed to accommodate these new dialing patterns, with the agreement of the other countries involved. 411XX and 411XXX would also limit the number of possible DA providers, including all the existing carrier DA providers, to 100 or 1000, figures that are likely too low.

Apparently in recognition of this latter fact, MetroOne urges 411-ACIC dialing.[68] This seven-digit dialing, of course, would effectively eliminate the convenience of "abbreviated dialing" for DA services.

It would require switch modifications to make 411-ACIC a dialable telephone number. After such changes are made, 411-ACIC dialing could, like 555, best be provided through AIN, with its $108 million cost. Switch-based translations tables cannot now route 411-ACIC calls because there is no logic in the switch that can be used to look in a translation table for such a call. Switch modifications to change this would be expensive and would take at least two years to implement after the design specifications had been agreed to.

[68] MetroOne at 19.

If MetroOne really contemplates having the switch use the existing CIC records in the switch (rather than translation tables), other problems would arise. First, as previously discussed, there are real limitations in certain switches of how may CICs can be stored, limitations that would cost tens of millions of dollars to eliminate. Second, calls routed based on CICs would have to be sent with Feature Group D signaling, but it is not at all clear that this would be acceptable to DA providers that are not themselves carriers.

E. Voice Recognition Systems Are Not a Solution.

MetroOne proposes that LECs deploy voice recognition and response systems to allow callers to select their DA provider on a call-by-call basis.[69] This is the least consumer-friendly of all the proposals that have been made.

Voice response systems can be very useful in many contexts, but they are not suited to functions like this. They work well when the caller can respond simply by pushing a key on her telephone — that is, they work well except for those customers with rotary dial phones. They can also work fairly well when the system can tell the caller what to say — *e.g.*, "Say 'schedules' or 'reservations'." They don't work particularly well, however, for open-ended inquiries — "Say the name of the directory assistance provider you want to use." The systems would presumably have to be programmed to recognize all the possible variations on the provider's name. "ATT" and "AT and T" is relatively easy, but how about "MCI," "MCI WorldCom," "MFS WorldCom," and "WorldCom," not to mention "LDDS"? And how does one pronounce "InfoNXX" anyway? On top of that, will the system be expected to recognize product names advertised by the

[69] MetroOne at 23.

providers, such as "00 Info" (and its variants "Zero Zero Info," "Oh Oh Info," "Double Oh Info," "Double Zero Info" and all forms of "Nil Nil" for British visitors)?[70]

Verizon does not use voice recognition systems for call routing today. MetroOne's proposal would, therefore, require Verizon to deploy such systems with the capacity to handle all calls to 411, roughly $17 million. But, even more important, Verizon would have to have a way to transform the caller's spoken words into signals that can be sent to the switch and used to route the call. The way to do this is AIN technology, which would involve the same $191 million cost for 411 presubscription described in our comments. But that's not all. Such a system would require an AIN release 0.2 feature called "Send-To-Outside-Resource," which allows the call attempt to be temporarily connected to the voice response unit. This capability has not even been developed for two types of switches Verizon uses (DMS-10 and GTD5), and Verizon does not know what these two manufacturers might charge for it. In addition, Verizon has not deployed AIN 0.2 ubiquitously even on switches for which the capability is available, which would involve additional costs.

Implementing this proposal would be extraordinarily expensive, and it would create a system that is probably less attractive for consumers than any of the other ideas that have been put forth in this proceeding. Like these other proposals, it too should be rejected.

Conclusion

The Telegate proposal and all the other proposals that it has spawned are solutions to a problem that does not exist in this country. DA competition is already thriving. Consumers

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70 Other questions raised by this proposal, but not answered by its proponent, include: How should the system handle callers who do not respond? Should there be any provision for foreign language options?

should not be saddled with hundreds of millions of dollars of unnecessary costs. The Commission should promptly close this inquiry.

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