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January 15, 2003

BY ELECTRONIC DELIVERY

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: ***Ex Parte Presentation***
Provision of Directory Listing Information Under the Telecommunications 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; and Administration of the North American Numbering Plan, CC Docket No. 92-237

Dear Ms. Dortch:

On January 14, 2003, Dr. Andreas Albath, CEO of Telegate AG and Chairman of Telegate, Inc. (Telegate); Claus Eimer, President and CFO of Telegate; Stefan Timm, Senior Vice President and COO of Telegate; and Ruth Milkman, counsel to Telegate, met with William Maher, Gregory Cooke and Rodney McDonald of the FCC's Wireline Competition Bureau and also had separate meetings with Lisa Zaina, Senior Legal Advisor to Commissioner Adelstein and Daniel Gonzalez, Senior Legal Advisor to Commissioner Martin to discuss the above-referenced proceeding. On January 15, 2003, the same representatives of Telegate attended separate meetings with Christopher Libertelli, Legal Advisor to Chairman Powell; Jordan Goldstein, Senior Legal Advisor to Commissioner Copps; and Matthew Brill, Senior Legal Advisor to Commissioner Abernathy.

During these meetings, Telegate urged the Commission to take the actions needed to promote competition in the retail market for directory assistance services. A copy of the presentation used during these meetings is included with this submission. In addition, Telegate provided Mr. McDonald a copy of a report that Analysys submitted to the European Commission on September 27, 2002, recommending that regulatory authorities "fully adopt numbering parity" and abolish any numbering codes that favor incumbent carriers. The Analysys report can be found at http://europa.eu.int/information_society/topics/telecoms/regulatory/studies/documents/regfwkandmktdev_final_report_public_version.pdf.

Pursuant to section 1.1206(b)(2) of the Commission's rules, 47 C.F.R. § 1.1206(b)(2), this letter is being provided to you for inclusion in the public record of the above-referenced proceeding.

Sincerely,

Gil M. Strobel

Attachments

cc: Matthew Brill
Gregory Cooke
Jordan Goldstein
Daniel Gonzalez
Christopher Libertelli
William Maher
Rodney McDonald
Lisa Zaina

Liberalizing the Retail Voice DA Market

Dr. Andreas Albath, CEO Telegate AG, Germany and Chairman Telegate, Inc.

Claus Eimer, President and CFO Telegate, Inc.

Stefan Timm, Senior Vice President and COO Telegate, Inc.

Ruth Milkman, Lawler, Metzger & Milkman, LLC

January 2003

Who is Telegate?

- Global DA Service Provider
  - 12 call centers and more than 2,500 employees worldwide
  - Active in **Germany** (Retail and Wholesale), **Italy** (only Wholesale), **Spain** (Retail and Wholesale), the **UK** (Retail and Wholesale) and the **US** (only Wholesale)
- US Wholesale Business
  - Locations in Texas and California
  - Product offering includes Enhanced DA (including call completion), bilingual DA both for wireless and wireline carriers and corporate customers

US Retail Voice DA Market

- Market size $3-5 billion
- LECs have sole control of the main DA number 411
- For many carriers, DA has become the second largest source of revenue and profit
- Competitive efforts in the past have failed due to lack of equal access to numbering resources
  - MCI Worldcom 10-10-9000
  - AT&T 00-INFO

ILEC Monopoly Control over 411

- Increasing retail prices despite sinking cost
- Flat-rate (per call) pricing leaves no incentives to provide a thorough quality service
- No consumer choice regarding
  - Price
  - Quality
  - Service type
  - Innovation

Competition in Retail Voice DA is Beneficial for Consumers

- **Quality** of all DA services is improved as they become customer focused
- Consumers can **choose** the service/level they need and want
- **Competitive Prices**
- New and **innovative Services** are introduced
- **Focus on underserved markets** is increased – New competitors may focus on niche opportunities such as language-specific DA

The European Experience

- Germany
  - Liberalized in 1997
  - 450 million calls or $450 million market
  - Many new, innovative services have been introduced
  - 10 competitors which have captured nearly 40% of the German DA market
- UK
  - Liberalized December 10th, 2002
  - 720 million calls or $474 million market
  - 7 companies have already started service; many more to follow until the final withdrawal of 192 in August 2003; BT expected to lose 30% market share in 2003

Preconditions for Voice Retail DA

- Equal access to numbering resources
  - Simple short code for all service providers on all networks
- Fair billing arrangements with the carriers
- Network access
- Non-discriminatory access to subscriber data
- Allow broader service portfolio

Power of Voice
telegate