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

In the Matter of	)	
	)	
Rules and Regulations Implementing	)	CG Docket No. 02-386
Minimum Customer Account Record	)	
Exchange Obligations on All Local and	)	
Long Distance Carriers	)	

REPLY COMMENTS
OF
THE NATIONAL ASSOCIATION OF
STATE UTILITY CONSUMER ADVOCATES

In initial comments, the National Association of State Utility Consumer Advocates ("NASUCA")[1] supported the establishment of minimum Customer Account Record Exchange ("CARE") obligations for all local exchange carriers ("LECs") and interexchange carriers ("IXCs"), in order to ensure that all affected carriers are notified when a customer makes a change in carriers. Such minimum standards would prevent all-too-common customer confusion and carrier mis-billings. The initial comments were

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[1] NASUCA is a voluntary, national association of 44 consumer advocates in 42 states and the District of Columbia, organized in 1979. NASUCA's members are designated by the laws of their respective states to represent the interests of utility consumers before state and federal regulators and in the courts. *See, e.g.*, Ohio Rev. Code Chapter 4911; 71 Pa. Cons. Stat. Ann. § 309-4(a); Md. Pub. Util. Code Ann. § 2-205(b); Minn. Stat. Ann. Subdiv. 6; D.C. Code Ann. § 34-804(d). Members operate independently from state utility commissions, as advocates primarily for residential ratepayers. Some NASUCA member offices are separately established advocate organizations while others are divisions of larger state agencies (*e.g.*, the state Attorney General's office). Associate and affiliate NASUCA members also serve utility consumers, but have not been created by state law or do not have statewide authority.

filed in response to the Federal Communications Commission's ("Commission's") *Notice of Proposed Rulemaking* ("*Notice*") seeking comment on whether the Commission should impose mandatory minimum standards.[2]

NASUCA here replies to various of the industry comments submitted in response to the *Notice*.[3] NASUCA's failure to address here any specific comment should not be deemed to be acquiescence to the substance of that comment.

Support for the adoption of CARES is widespread among the industry, and among regulators who have received myriad consumer complaints about the ineffective and inefficient carrier changes that occur in the absence of CARES. NARUC's comments are especially telling: NARUC asserts that

> [b]ased on estimates provided by NARUC member states, it appears that somewhere between 30% to 50% of billing-related telecommunications complaints received by State Commissions stem from a breakdown in communications among the numerous carriers involved in changing a customer's primary interexchange carrier (PIC).[4]

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[2] FCC 04-50 (released March 25, 2004), summarized at 69 Fed. Reg. 20845 (April 19, 2004).

[3] Comments were filed by NASUCA and by the Alliance for Telecommunications Industry Solutions ("ATIS"); Americatel Corporation ("Americatel"); AT&T Corp., MCI, Inc., and Sprint Corporation ("Joint Petitioners"); BellSouth Corporation ("BellSouth"); California Public Utilities Commission and the People of the State of California ("CPUC"); the Cellular Telecommunications & Internet Association ("CTIA"); Cincinnati Bell Telephone Company ("CBT"); Creative Support Solutions ("CSS"); Eliot Spitzer, Attorney General of the State of New York ("NYOAG"); Frontier and Citizens Telephone Companies ("Frontier/Citizens"); Intrado Inc. ("Intrado"); Martin Group, Inc. ("Martin"); the National Association of Regulatory Utility Commissioners ("NARUC"); the National Telecommunications Cooperative Association ("NTCA"); Neustar, Inc. ("Neustar"); New England Conference of Public Utility Commissioners ("NECPUC"); Nextel Communications, Inc. ("Nextel"); the Office of the People's Counsel for the District of Columbia ("OPC-DC"); Oklahoma Rural Telephone Companies ("ORTC"); Public Utility Commission of Texas ("Texas PUC"); Qwest Communications International Inc. ("Qwest"); SBC Communications ("SBC"); TDS Telecommunications Corp. ("TDS"); Telcordia Technologies ("Telcordia"); the Texas Statewide Telephone Cooperative, Inc. (TSTCI"); Time Warner Telecom ("Time Warner"); United States Telecom Association ("USTA"); Working Assets Funding Service dba Working Assets Long Distance ("Working Assets"); and Verizon.

[4] NARUC at 3.

NARUC also notes that at an industry forum in Boston, industry participants acknowledged that twenty per cent of carrier changes fail to flow through seamlessly.[5] As stated in NASUCA's initial comments, seamless transactions are in the best interest of customers and carriers alike.

The NYOAG identifies "inadequate information sharing among carriers" as a "major source of consumer billing error complaints," citing more than 500 residential consumer complaints over the course of five months against a single carrier.[6] The NYOAG and NECPUC describe the same sort of problematic scenarios highlighted in NASUCA's initial comments.[7]

The Texas PUC notes that "[t]he goal is to protect customers from continued billing for services that the customer sought to cancel, an issue that gave rise to numerous and continued customer complaints."[8] And CPUC notes that "the lack of a uniform, mandatory customer account record exchange system … has created confusion where none need exist."[9]

The adoption of minimum CARE standards is supported by a variety of players within the industry. This includes regional Bell operating companies, such as

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[5] Id.

[6] NYOAG at 2-3; see also id. at 2, n.2.

[7] Id. at 3; NECPUC at 2-3.

[8] Texas PUC at 2. The Texas PUC's decision to adopt standards but not a standard CARES mechanism (id.) is appropriate for a single state; on the national level, this Commission should adopt standard practices that all carriers nationwide will have to follow.

[9] CPUC at 3.

BellSouth, SBC and Verizon[10]; long distance companies, such as Working Assets[11] in addition to the Joint Petitioners[12]; wireless companies, such as Nextel[13]; local service competitors, such as Time Warner[14]; and firms that provide services to carriers, such as CSS, Intrado, Neustar, and Telcordia.[15] ATIS, the industry organization that develops technical standards supports making CARES a requirement.[16] This broad range of support shows the error in some of the commenters' claim that this is merely an IXC issue.[17] It also shows the error in TDS' claim that the current process meets carriers' needs.[18]

USTA opposes the adoption of minimum CARE obligations.[19] USTA's view is undermined by its primary claim -- that the current optional system is "workable."[20] This claim is flatly contradicted by regulators' demonstration of the current system's widespread problems. USTA's claims that mandatory sharing is not needed because

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[10] BellSouth at 1; SBC at 4; Verizon at 2. Qwest supports mandatory information sharing (at i) but does not support a mandatory process. Id. at 2. Qwest's (and others') reliance on non-uniform processes is discussed below.

[11] Working Assets at 1.

[12] Interestingly, the Joint Petitioners do not address the all-too-common situation where an IXC, having been contacted by a customer to cancel service, does not share that information with the customer's LEC. Thus the LEC still has the customer in its records as presubscribed to the IXC, which can result in problems down the road.

[13] Nextel at 1.

[14] Time Warner at 2.

[15] CSS at 3; Intrado at 3; Neustar at 6-7; Telecordia at 1-2.

[16] ATIS at 1.

[17] See, e.g., TDS at 1.

[18] Id. at 4.

[19] USTA at 1.

[20] Id. at 2. Likewise, ORTC says (at 3) that the current system is "working." This is also contradicted by the record.

"free markets [should] address customer satisfaction"[21] ignores the fact that even fully competitive free markets have difficulty dealing with externalities, which are rife in the CARE environment.

The main opposition to making CARES mandatory comes from smaller ILECs and their organizations, whose main complaint is the cost of adopting the standards.[22] Yet as the Joint Petitioners point out,

> None of the Joint Petitioners exchange the data necessary to ensure the seamless transfer of a customer from one IXC to another with all of the 3,065 LECs listed in the Local Exchange Routing Guide ("LERG"). To the contrary, each of the Joint Petitioners has managed to enter into relationships for the exchange of customer account information with less than half of the LECs.[23]

This patchwork of information exchange methods may suit the small carriers, but it clearly makes it more difficult for their customers to change IXCs.

Alone among the opponents, Frontier presents estimates of the costs it would incur by adopting CARES.[24] Even at face value, the cost of under $1.50 per access line[25] does not appear unreasonable, especially when amortized over a reasonable period. TDS' costs also appear to assume adoption of all of the Transaction Code Status Indicators ("TCSIs") contained in the Joint Petition.[26] To the extent that the Commission does not completely adopt the Joint Petition, TDS' and the other small ILECs' costs will be less.

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[21] Id. at 3.

[22] CBT raises the same points as this group, despite the fact that CBT, with its 800,000+ access lines in a compact, mostly urban and suburban territory and more-than-hefty earnings, says (at 3) that it currently complies with the CARE process.

[23] Joint Petitioners at 7.

[24] TDS at 2-3.

[25] Id. at 3.

[26] Id. at 2.

Summary and Conclusion

Nothing in the other parties' comments causes NASUCA to change its recommendation that the Commission focus on the following transactions, and impose the following information-sharing requirements:

Carrier contacted by customer	To change or eliminate which carrier	Carriers that must be notified (and by whom)
New LEC	LEC	• Losing LEC (notified by New LEC) • PIC'd IXC (notified by Losing LEC)
New LEC	LEC and IXC	• Losing LEC (notified by New LEC) • New PIC'd IXC (notified by New LEC) • Losing PIC'd IXC (notified by New LEC)
LEC	IXC	• New PIC'd IXC (notified by LEC) • Losing PIC'd IXC (notified by LEC)
New IXC	IXC	• LEC (notified by New IXC) • Losing PIC'd IXC (notified by LEC)
IXC	Drop IXC	• LEC (notified by IXC)

Qwest identifies each of these situations as ones where information sharing should be mandatory.[27] Qwest adds "order rejection" as a sharing requirement;[28] NASUCA agrees.[29]

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[27] Qwest at 9-11.

[28] Id.

[29] Martin asserts (at 1) that mandatory CARES is necessary only where there is local exchange competition. As the chart shows, many of the transactions where seamless transfer is needed are not driven by local competitive conditions.

NASUCA's proposals were based on estimates of which carrier is most likely to have the information that needs to be communicated to the other carriers (for example, the "old" LEC will always have information about the customer's PIC'd IXC[30]), and to minimize the number of communications that need to occur (hopefully reducing the chances for errors). None of the commenters opposing mandatory minimum CARES address those issues.[31]

A process that ensures that all affected carriers are notified when a customer changes carriers would benefit consumers and promote competition. The Commission should adopt NASUCA's recommendations.

Respectfully submitted,

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June 18, 2004

[30] This information is likely to be more accurate than information gathered from the customer, which would still have to be confirmed by the LEC.

[31] See, e.g., Verizon at 2.