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August 27, 2004

## VIA ELECTRONIC FILING

Mr. K. Dane Snowden  
Chief, Consumer & Governmental Affairs Bureau  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

Re: Ex Parte Communications, CC Docket No. 99-273

Dear Dane:

Thank you for your time yesterday to discuss with Lois Pines and myself the consumer benefits from Commission action to deregulate directory assistance and promote retail DA competition. We wanted to review briefly the highlights of this proceeding:

DA prices are rising. As we discussed and as documented in this proceeding, consumers have witnessed rising prices for DA since passage of the 1996 Act -- one of the only areas in telecom in which the Bureau of Labor Statistics shows prices *rising*, and going up substantially in many states. Consumers in more than twenty states pay more than one dollar for a simple directory assistance call -- a retail price that represents a huge mark-up over the wholesale price of the service. Consumers also suffer because the rising prices are paired with no innovation -- wireline directory assistance lacks the features of driving directions, movie listings, restaurant reservations, and multiple languages that the industry offers wireless customers in other countries around the world.

Why are consumers stuck with rising prices and stagnant quality? Incumbent carriers have a lock on retail directory assistance services because they control 411, and given the tremendous advantage that short dial string gives incumbent carriers, no serious competitor can take on incumbent carriers' offering of directory assistance. Yet the experience in a number of EU countries shows that consumers are anxious to change DA providers if given the choice. In just one year of DA competition in the U.K., the incumbent carrier, British Telecom, has lost more than half of its market and a dozen companies entered the market, offering consumers a range of services and various price points. The result: consumers have higher quality service at competitive prices.

U.S. consumers also should benefit from DA competition. Consumer groups and state utility regulators all have recognized the benefits of the Commission promoting retail DA competition. Earlier this year, NARUC adopted a Resolution calling on the FCC to promote directory assistance competition, and Commissioner Bob Nelson, Chair of the NARUC Subcommittee on Communications, recently wrote to Chairman Powell urging prompt Commission action. Similarly, both the American Association of Retired Persons and the National Consumers League have filed comments in this proceeding recognizing the tremendous

COVINGTON & BURLING

Mr. K. Dane Snowden  
August 27, 2004  
Page 2

consumer benefit that will be realized by FCC action to give consumers DA price and service competition.

By copy of this letter to Ms. Marlene Dortch, Secretary, we are notifying her that we spoke with you on August 26, 2004, to discuss the matters reviewed herein. If there are any questions, please contact the undersigned.

Sincerely,



Gerard J. Waldron  
*Counsel to InfoNXX, Inc.*

cc: Mr. Jeffrey Carlisle  
Mr. William Dever  
Mr. Rodney McDonald  
Mr. Christopher Libertelli  
Mr. Matthew Brill  
Ms. Jessica Rosenworcel  
Mr. Daniel Gonzalez  
Mr. Scott Bergmann  
Ms. Marlene H. Dortch  
Mr. Robert Tanner