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September 17, 2004

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Via Electronic Filing

Marlene H. Dortch
Secretary
Federal Communications Commission
The Portals
445 12th Street, S.W.
Washington, D.C. 20554

Re: **EX PARTE**
CG Docket No. 02-386

Dear Ms. Dortch:

Walter McGee and the undersigned, on behalf of Working Assets Funding Service, d/b/a Working Assets Long Distance ("Working Assets"), met on September 16, 2004 with Jay Keithley, Lisa Boehley, Erica McMahon, Richard Smith of the Consumer and Governmental Affairs Bureau to discuss the above-captioned proceeding. Mr. McGee participated in the meeting by teleconference.

During the meeting, Working Assets focused on the arguments raised in the attached presentation and otherwise discussed the positions reflected in its filings in this proceeding. Specifically, Working Assets urged the Commission to adopt the Transaction Code Status Indicators ("TCSIs") recommended by the joint petitioners in the proceeding as the minimum standard for the provision of timely and accurate customer account record exchange ("CARE") information. Working Assets also urged the Commission to adopt certain minimum terms and conditions for CARE contracts executed between local exchange carriers and long distance carriers.

During the meeting Working Assets was asked to provide some additional descriptions of the CARE information needed by a long distance company when an end-user changes its local exchange carrier. When this happens, the long distance company needs to know two pieces of information: 1) that the long distance customer has changed its local exchange carrier; and 2) whether that customer changed his or her long distance carrier at the same time as the local change was made. The simplest way to communicate the needed information would require that the old or new local exchange carrier send a CARE record to the long distance company

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documenting the local carrier change and also stating whether or not the long distance carrier was changed as well. This would require the two local exchange carriers to include that information as part of the CARE process that occurs between them, so that the carrier with the responsibility to notify the long distance company would have the necessary information. Working Assets does not believe, however, that local exchange carriers share this information today.

If the Commission does not want to require the local exchange companies to inform each other of the old and new long distance companies, then the former local exchange company should always be required to send a "line loss" CARE record, TCSI 2233, to the long distance carrier identified as the PIC in its records, and the new local exchange carrier should send the former long distance company any one of the applicable 20XX TCSIs (generally end user transfer of local exchange carrier information, for example 2033). Unless the Commission requires the new local exchange carrier to always capture the identity of the long distance carrier that was the consumer's PIC just before the change in local exchange companies, the former local exchange carrier must provide this TCSI to the old long distance company. This is so because it appears from the information provided in the proceeding that the new local exchange carrier does not obtain or record the identity of the prior long distance carrier when the customer chooses a bundled product from the new local exchange company. Operationally the customer is entered into the new local exchange carrier's system as receiving both local and long distance from his or her new local carrier.

Unless the old and the new local exchange carriers are required to exchange information regarding the identity of the former long distance company, the TCSI 2233 is the only information that the former long distance carrier would receive. With this information, combined with no usage on the customer's former long distance account, the former long distance company may be able to deduce that the customer is no longer PIC'd to it, and has changed to another long distance company. As this demonstrates, adequate CARE records are absolutely necessary for a long distance company to know that it should cease billing a monthly recurring charge to its former customer after the customer has chosen another long distance carrier. At present, Working Assets believes that when the customer has chosen the new carrier for both long distance and local services, neither the former or new local exchange carrier has all of the necessary information, hence the need for the local exchange carriers to exchange CARE information, as described here.

In addition, Working Assets was asked to comment on the adequacy of the mandatory minimum CARE codes proposed by the Joint Petitioners. Working Assets supports adoption of the Joint Petitioners' proposed mandatory minimums. These CARE codes will provide the long distance carriers with the information necessary to accurately install, invoice, and uninstall their customers in most circumstances.

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Pursuant to Section 1.1206(b) of the Commission's rules, an electronic copy of this letter is being filed. Please contact the undersigned if you have any further questions.

Sincerely,

/s/ Cheryl A. Tritt

Cheryl A. Tritt

cc: Jay Keithley
Erica McMahan
Lisa Boehley
Richard Smith

EX PARTE PRESENTATION

WORKING ASSETS LONG DISTANCE

- Timely and accurate Customer Account Record Exchange (“CARE”) information is essential to help ensure that long distance customers are properly billed and are not slammed or crammed.
 - NARUC member states estimate 30-50 percent of billing related telecom complaints received by state commissions can be directly traced to incomplete communications among responsible carriers when a customer changes its primary long distance provider.
- A majority of commenters agree that the CARE process must be improved if critical customer services such as accurate billing, installation and disconnection are to be properly provided.
- The Commission should adopt the Transaction Code Status Indicators (“TCSIs”) recommended by the Joint Petitioners as the minimum standard for CARE information that local exchange carriers provide to long distance carriers.
- The Commission should adopt certain minimum terms and conditions as “preferred outcomes” for CARE contracts because local exchange carriers have no incentive to offer CARE services on a fair and reasonable basis.
- A customer’s local exchange carrier remains the sole source of CARE information. Because market forces cannot ensure that customers are properly billed and not inadvertently slammed, some regulatory oversight is required if small long distance companies are to have timely access to this information under reasonable terms and conditions.
- In Working Assets’ experience, local exchange carriers have been less willing to provide CARE information on reasonable terms and conditions since they have been allowed to compete directly with the long distance carriers.
- Some local exchange carriers, specifically SBC, now refuse to provide essential CARE information unless the long distance company executes a contract. For small carriers such as Working Assets, these contracts are presented on a “take it or leave it” basis.
 - Because the local exchange carriers refuse to negotiate any agreement for CARE information, the smaller long distance companies must operate under contracts with terms and conditions that are unfair and unreasonable. For example, SBC’s form contract for CARE information allows SBC to cease providing CARE information to a long distance company on no notice and for no cause and requires Working Assets to receive “bundles” of CARE information that do not necessarily correspond to the CARE information that Working Assets actually needs to properly services its customers.
- Small long distance companies lack the market power to engage in meaningful negotiations for CARE services, and the Commission should clarify the obligations of local exchange carriers for the provision and receipt of CARE information.