

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)
)
Truth-in-Billing and Billing Format) CC Docket No. 98-170
)
National Association of State Utility Consumer) CG Docket No. 04-208
Advocates' Petition for Declaratory Ruling)
Regarding Truth-in-Billing)

**COMMENTS
OF THE
NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION,
THE ORGANIZATION FOR THE PROMOTION AND ADVANCEMENT OF
SMALL TELECOMMUNICATIONS COMPANIES
AND THE
WESTERN TELECOMMUNICATIONS ALLIANCE**

The National Telecommunications Cooperative Association (NTCA), the Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO), and the Western Telecommunications Alliance (WTA) (collectively, the Associations)¹ submit these comments in response to the Second Further Notice of Proposed Rulemaking (FNPRM) in the above mentioned proceeding.² The Associations agree with the Commission in this proceeding that consumers should have access to accurate, meaningful information in a billing format that they can understand. However, the Associations are concerned that if the Commission enacts the proposals in this proceeding, it will impose additional burdens and costs on rural

¹ The Associations are membership organizations that collectively represent the majority of independent rural incumbent local exchange carriers (LECs) providing service in the United States.

² *In the Matter of Truth-in-Billing and Billing Formant, National Association of State Utility Consumer Advocates' Petition for Declaratory Ruling Regarding Truth-in-Billing, Second Report and Order, Declaratory Ruling, and Second Further Notice of Proposed Rulemaking, CC Docket No. 98-170, CG Docket No. 04-208, FCC 05-55 (rel. March 18, 2005).*

LECs, without accomplishing the stated goal of providing consumers with easy to understand telephone bills. Rather than impose new billing requirements, the Commission should investigate substantiated complaints, enforce its rules and punish any wrongdoers.

In 1999, local exchange carriers were forced to upgrade their billing systems in response to the Commission's Truth-in-Billing First Report and Order.³ Carriers were required to abide by basic billing principles and follow specific rules regarding the format of their bills. Carriers bought new software, trained their personnel on the new bill format, and prepared to answer consumer questions. Now, the Commission proposes to force the small LECs to upgrade their billing systems yet again and implement a new billing format. Upgrading billing systems is an expensive endeavor and something the Commission should not require without clear, concrete evidence that new regulations will actually accomplish the stated goal of providing the consumer with an easy to understand telephone bill and without trying other, less regulatory and less expensive methods first.

The truth-in-billing requirements have been in place for more than six years. The Commission states that the record reflects that consumers "still experience a tremendous amount of confusion regarding their bills."⁴ In an effort to "alleviate" this situation, the Commission tentatively concludes that where carriers choose to list charges in separate line items on their customers' bills, government mandated charges must be placed in a section of the bill separate from all other charges. However, the Commission provides no evidence whatsoever that proves or suggests that further

³ *In the Matter of Truth-in-Billing and Billing Format*, First Report and Order and Further Notice of Proposed Rulemaking, CC Docket No. 98-170, 14 FCC Rcd 7492 (1999) (Truth-in-Billing First Report and Order).

separating charges on a bill will actually alleviate customer confusion. In fact, it is quite possible that making the changes proposed will create additional confusion as consumers must get accustomed to new bill formats with more categories of charges. Before the Commission imposes new costs on rural LECs, there should be hard evidence on the record that consumers will be helped, not harmed, by rules that create new categories of charges. The Commission must consider the fact that new truth-in-billing requirements will divert resources that could otherwise be devoted to the provision and upgrading of services and customer care.

Despite the apparent record of customer confusion, the Commission has never enforced its current truth-in-billing requirements. The Associations fully support the notion that telephone bills should be clear, non-misleading and in plain language. The Associations support the authority of the Commission to enforce its truth-in-billing requirements. However, as Commissioners Adelstein and Copps point out, the current truth-in-billing rules have not been the basis for a single enforcement action in the years that they have been in effect.⁵ Instead of forcing hundreds of rural LECs to modify their billing systems, the Commission should enforce its rules and punish any bad actors.

The FNPRM's Initial Regulatory Flexibility Analysis requests comment on the effects of the Commission's proposals on small entities, and whether any rules should apply differently to small entities.⁶ There are potentially significant costs associated

⁴ FNPRM, ¶ 39.

⁵ See, Statements of Commissioner Jonathan S. Adelstein, and Michael J. Copps, both Approving in Part, Dissenting in Part, *Truth-in-Billing and Billing Format: National Association of State Utility Consumer Advocates' Petition for Declaratory Ruling Regarding Truth-in-Billing*, Order, Declaratory Ruling and Second Further Notice of Proposed Rulemaking, CC Docket No. 98-170, CG Docket No. 04-208, FCC 05-55 (rel. March 18, 2005).

⁶ FNPRM, Appendix C, para. 19.

with new billing requirements. The Associations therefore request that as the Commission considers revising its truth-in-billing requirements, it prepare an independent analysis of the costs involved and the overall impact on small businesses. The Regulatory Flexibility Act requires the Commission to consider alternative regulation for small carriers. The Associations propose that absent real evidence of systematic wrong-doing by small carriers, no small carrier should be forced to spend its limited financial and human resources needlessly updating its billing system.

The Commission's proposal to obligate carriers to disclose material rates and terms of service at the point of sale or during a telephone conversation between the carrier and a consumer before the customer signs any contract is one that the Associations support. This proposal will impose minimal costs on the industry, but the consumer benefit is great. The customer should be fully informed about the full rate he or she will pay, including any "non-mandated" line items and a reasonable estimate of government mandated surcharges. The consumer benefit of this requirement outweighs the minimal cost to the carriers.

CONCLUSION

The Associations agree with the Commission that consumers should be able to understand their telephone bills, and the Associations' members make every effort to ensure that they do. However, it does not make sense for the Commission to set up a new billing regime that will financially burden rural LECs without the Commission having first tried to enforce its current truth-in-billing requirements and with no

evidence that new rules will make telephone bills easier to understand. Rather than forcing small carriers across the country to modify their billing systems, the Commission should target those carriers not in compliance with the existing rules.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I, Gail Malloy, certify that a copy of the foregoing Comments of the National Telecommunications Cooperative Association, Organization for the Promotion and Advancement of Small Telecommunications Companies and the Western Telecommunications Alliance in CC Docket No. 98-170, CG Docket No. 04-208, FCC 05-55 was served on this 24th day of June 2005 by electronic mail to the following persons.

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