COVINGTON & BURLING

1201 PENNSYLVANIA AVENUE NW
WASHINGTON, DC 20004-2401
TEL 202.662.6000
FAX 202.662.6291
WWW.COV.COM

WASHINGTON
NEW YORK
SAN FRANCISCO
LONDON
BRUSSELS

GERARD J. WALDRON
TEL 202.662.5360
FAX 202.778.5360
GWALDRON@COV.COM

September 7, 2005

Via Electronic Filing

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554

Re: Ex Parte Notice - CC Docket No. 99-273

Dear Ms. Dortch:

On Tuesday, September 6, 2005, Lois Pines, Regulatory Counsel to InfoNXX, Inc., and the undersigned met with Monica Desai, Jay Keithley, and Gene Fullano with the Consumer and Government Affairs Bureau; and Tom Navin, Julie Veach and Ian Dillner with the Wireline Competition Bureau to discuss the need for Commission action to implement competition in the retail directory assistance market. We discussed the successful introduction of competition in the United Kingdom, Italy, and France (which will be open for competition this fall). We emphasized that elimination of the 411 and 555-1212 codes were essential along with the requirement that all DA providers use 555 as the platform for directory assistance and related services. We explained how competition had generated innovation of services and competitive prices for the E.U. market and urged the Commission to allow U.S. consumers to enjoy the same benefits. Lastly, we discussed the wholesale directory assistance market, its pricing structure, and the numerous companies which have the resources, know-how, and personnel to enter the U.S. retail DA market. We also discussed the material contained in the attached handouts.

Please contact the undersigned with any questions.

Sincerely,

Gerard J. Waldron
Counsel to InfoNXX, Inc.

Attachments

cc: Ms. Monica Desai
Mr. Jay Keithley
Mr. Genaro Fullano
Mr. Thomas Navin
Ms. Julie Veach
Mr. Ian Dillner

DC: 1896257-1

Briefing on US and EU Directory Assistance Market: Consumers & Industry Ready for Competition

Federal Communications Commission

September 6, 2005

Who is InfoNXX?

InfoNXX, a privately-held company founded in 1992 and headquartered in Bethlehem, PA, is emerging as a major global directory assistance service provider.

U.S. wholesale competitive DA provider serving wireless carriers and competitive local exchange carriers. Services include free "call completion" connecting the caller to the requested number, movie listings, restaurant reservations, driving directions and other "enhanced" information services.

U.K. subsidiary – The Number UK – has emerged as a market leader in the newly-competitive UK directory enquiries market, offering enhanced, high-quality services.

Committed to innovative service offerings and high quality customer service, including use of live operators.

FCC Retail DA Proceeding:

INFONXX®

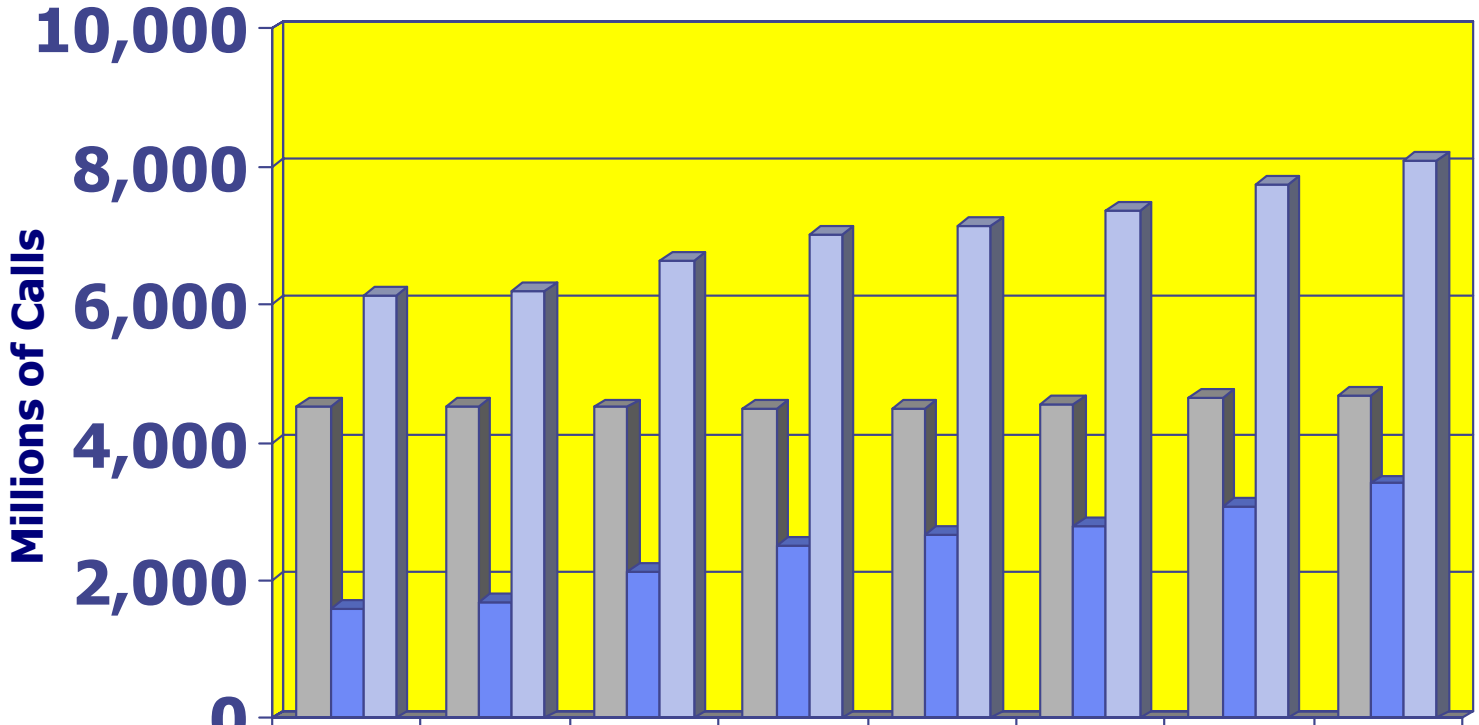
Lessons from the UK

Background and Purpose

- Retail DA NPRM (Jan. 2002) acknowledged that the wireline retail directory assistance market is one of the few telecom markets that has not seen competition and sought comment on possible regulatory measures to promote such competition
- NPRM asked about:
  - Benefits of wireline retail DA competition
  - Consumer reaction to competitive DA models
  - Possible methods for accomplishing retail DA competition

Market Forecast

DA Call Volume will Exceed 6.6 Billion by YE2005



	2003	2004	2005	2006	2007	2008	2009	2010
Fixed line	4,539	4,514	4,512	4,500	4,485	4,573	4,650	4,690
Wireless	1,587	1,688	2,135	2,506	2,654	2,790	3,087	3,407
Total	6,126	6,203	6,647	7,006	7,139	7,363	7,737	8,097

Source: The Pierz Group, 5.2005

Pricing Opportunity

INFONXX®

What is the wholesale price for DA?

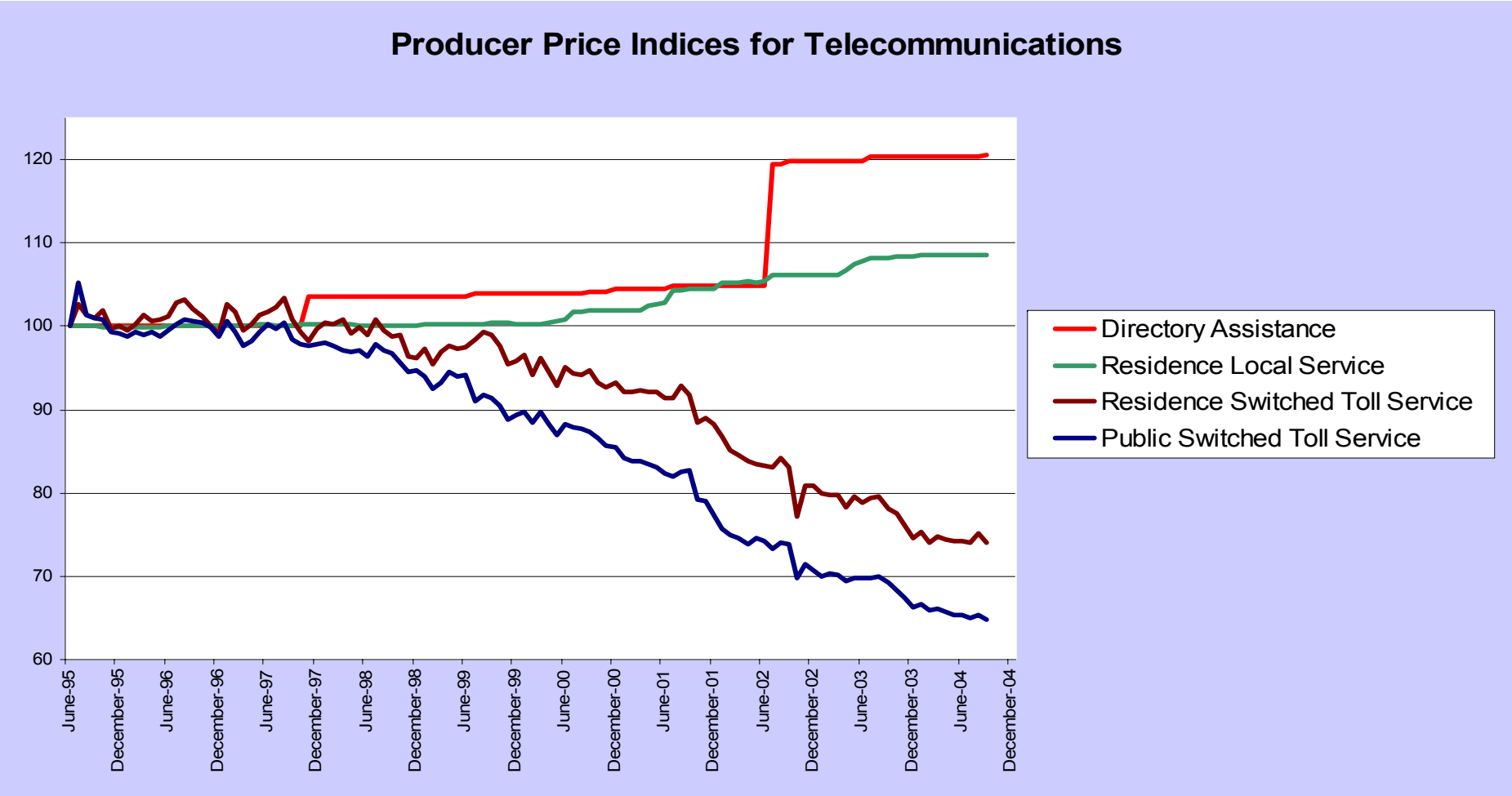
- **Live Operator = $.17 - $.38**
- **Average Price = $.23 - $.32**

DA Price Increases (since Nov. 2001)*

	Local		LD	
Verizon	112%	$0.65	74%	$1.05
SBC	67%	$0.98	74%	$1.79
Bell South	87%	$0.96	25%	$1.18
Qwest	25%	$1.16	8%	$1.17

CPI Increase = 10.1%

* Weighted averages based on population



Source: Bureau of Labor Statistics, Producer Price Index Revision-Current Series (September 2004) (June-September 2004 preliminary). Data are presented across BLS's conversion from the Standard Industrial Classification (SIC) system to the North American Industry Classification System (NAICS), which occurred at the end of 2003, by reference to the SIC to NAICS Concordance Table.

Many States Have High DA Prices

- 31 States with Local DA at or over $1.25
- 41 States with LD DA at or over $1.25
- 12 States with LD DA at or over $1.50

FCC Retail DA Proceeding: Lessons from the UK

INFONXX®

UK Transition Procedure

- New 118XXX codes were allocated to all applicants by lottery
- 118XXX services and traditional 192 service were jointly available for 8-month transition period
- 192 service eliminated effective 8/24/2003
  - OFTEL mandated basic elements of a solution for referring 192 callers to new services (open to all on an equal and fair basis)
  - DA service providers formed a non-profit corporation responsible for procuring a referral solution satisfying OFTEL's criteria

FCC Retail DA Proceeding: Lessons from the UK

INFONXX®

UK Consumers Have Made The Transition

- Massive marketing campaigns have made consumers aware of the transition from 192 to 118XXX services
- According to BT Wholesale, nearly half of directory enquiry calls made on 8/24/2003 were made to 192; by 8/31/2003, the portion of calls to 192 had fallen to about a third, where it remained as of 9/07/2003
- Lower Prices: BT's price for a directory enquiry call has fallen from 40p prior to the introduction to 35p after competition; some companies offer 30p per call

Italy

- Market opens Oct. 1 for fixed and Dec. 1 for mobile
- InfoNXX already handling DA calls on available number, poised to use 12 XY standard code Oct. 1
- New entrants = Spending hundred million euros
- 13 companies paid to enter market, including Telegate Italia, Infocall, TIM italia, Conduit Enterprises, Telecom Italia, Wind Telecommunicazioni, Concierge Company, Servizio di Consultazione Telefonica, and Vodafone

France

- Market opens Nov. 2 for fixed and mobile
- InfoNXX ready to enter market, spending tens of millions of euros
- 25 companies preparing to enter, including Scoot France, Conduit, Belgacom SA, France Telecom, Bouygues Telecom, and Telemedia

DA Competitors Agree:

555 Numbers For All Providers – A Workable Solution

DA competitors agree that implementation of 555 numbers for *all* retail DA providers is the way to bring effective competition to the U.S. retail DA market.

- **Elimination of the US default codes – 411 & 555-1212 – is a prerequisite to competition.**
- **Consumers will readily adapt to using 555 numbers. They are already familiar with the use of 555 numbers for information services.**
- **ILECs already route 555 numbers – therefore, a 555 solution would not be administratively or technically burdensome.**
- **Nine years ago, the Commission adopted a decision that entities other than LECs should be able to use national and regional 555 numbers.**

US Wholesale DA Market Providers – Possible Entrants

- Bell South
- Excell
- iTouchpoint
- Live Source
- Metro One
- Qwest
- SBC/SNET
- Tell Me
- vCustomer
- First Data Corp.
- Telus

Bold Entries are for changes since the previous chart 5/31/04

State	ILEC	Notes	Reg. Status	Status Date	DA Res local/toll	DA Res LD	DA Bus local/toll	DA Bus LD	DACC	REV	Allowances & Exemptions: Calls	Handicap	Hospital	Other Allowances or notes	effective date	tariff checked
Alabama	BellSouth	3	Reg/Pricing Flex	Sep-95	0.95	0.95	0.95	0.95			none	Yes(local)	No		N/C	11/15/04
Alaska	ACS/Alascom				0.60	1.25	0.60	1.25			none			Fairbanks local is $0.75	**11/24/04**	11/8/04
Alaska	GCI				0.50	1.99	0.50	1.99							N/C	7/29/03
Arizona		4	Competitive	Jun-99	1.15	1.15	1.15	1.15	free w/local		1 local bus&res	Yes(local)	No		**4/1/03**	12/8/04
Arkansas	SBC	2&3			1.25	**1.99**	1.25	**1.99**	0.30	0.95	none	Yes(local)	Yes(local)	Credit card billed, payphone, $1.40.	**10/15/04**	11/15/04
California	PAC/SBC	3	Regulated		0.46	**1.99**	0.46	**1.99**		0.95	local res 3, bus 0	Yes(local)	No	Nat'l DA from $1.50 to $1.99	**11/1/04**	11/15/04
California	VZ(gte)	2			0.46	1.25	0.46	1.25	0.50		local res 5, bus 2	Yes(local)	No	Nat'l DA from $.95 to $1.25; DACC from .45 to .50.	**5/5/04**	11/17/04
Colorado	Qwest	4	Deregulated	Apr-00	1.25	1.25	1.25	1.25	free + toll		none	Yes (+LD)	No		N/C	12/29/03
Connecticut	Verizon	4	Regulated		0.65	1.25	0.65	1.25	0.35		Local 3 res	Yes (+LD)	No	Business Category Search $1.25	3/1/04	11/17/04
Connecticut	SNET/SBC	4	Regulated		**1.25**	**1.25**	**1.25**	**1.25**	0	.75/1.25	none	Yes (+LD)	No	Reduced DACC from $.35 to $0.00	**2/18/04**	11/15/04
Delaware	Verizon	4	Comp/Pricing Flex	Oct-99	1.25	N/A	1.25	N/A			none	Yes(local)	Yes(local)	Business Category Search $1.25	**8/9/04**	11/17/04
Dist. Of C	Verizon	1			**0.42**	1.25	**0.42**	1.25			local res 5	Yes (+LD)	No	Local DA from .37 to .42	**2/5/04**	11/17/04
Florida	BellSouth	1	Reg/Pricing Flex	Jan-96	0.76	1.25	0.76	1.25		0.85	None	Yes(local)	No		**8/2/04**	11/15/04
Florida	VZ(gte)	1			**0.70**	1.25	**0.70**	1.25			**local 3 res 1 bus**	Yes(local)	No		**9/1/04**	12/3/04
Florida	Sprint	1			0.65	0.95	0.65	0.95			local 2 bus&res	Yes(local)	No		**10/24/03**	2/2/04
Georgia	BellSouth	3	Reg/Pricing Flex	Aug-95	1.25	1.25	1.25	1.25	free		none	Yes(local)	No		N/C	4/23/04
Hawaii	Verizon	1&5			**0.50**	0.95	**0.50**	0.95	0.45		**local 5 bus&res**	Yes (+LD)	Yes (+LD)	coin (public)	**7/15/04**	12/3/04
Idaho No.	Qwest	1	Regulated		0.35	0.85	0.35	0.85	NA		local 1 bus&res	Yes(local)	Yes(local)		N/C	12/29/03
Idaho So.	Qwest	4	Deregulated	Apr-89	1.25	1.25	1.25	1.25	free w/local		none	Yes(local)	No		N/C	12/29/03
Illinois	Ameritech/SBC	1	Comp/Pricing Flex	June-05	1.25	**1.25**	0.95/1.25	**1.25**	0.35	0.95	none	Yes(local)	No	Nat'l DA from $.95 to $1.25; Bus w/ 1-4 lines $.95	**3/26/04**	11/15/04
Indiana	Ameritech/SBC	1	Comp/Pricing Flex	May-01	1.25	**1.99**	1.25	**1.99**	0.20	0.95	local res	Yes(local)	Yes(local)	Eliminated 2 free single line business DA calls	**8/12/04**	11/29/04
Iowa	Qwest	4	Deregulated	Feb-01	1.25	1.25	1.25	1.25	NA		none	Yes (+LD)	No		N/C	12/29/03
Kansas	SBC	2	Deregulated	Jun-01	1.25	**1.99**	1.25	**1.99**		0.95	none	Yes(local)	No	Bus. Category Search, $1.50; 3rd party billed, $3.75	**10/7/04**	11/15/04
Kentucky	BellSouth	3	Reg/Pricing Flex	Jul-00	1.25	1.25	1.25	1.25	free		none	Yes(local)	No	Introduced $.75 surcharge	*12/1/04*	11/15/04
Louisiana	BellSouth	6	Reg/Pricing Flex	Dec-01	**0.85**	1.25	**0.85**	1.25			local 1 bus&res	Yes(local)	Yes(local)	Increased Local DA from $.44 to $.85	**8/1/04**	11/15/04
Maine	Verizon	4			0.45	0.95	0.45	0.95			local res 3	Yes(+LD)	No		N/C	11/17/04
Maryland	Verizon	2			0.25	1.25	0.40	1.25			res 6 local or LD	Yes (+LD)	Yes (+LD)		N/C	11/17/04
Massachusetts	Verizon	7			0.34/0.95	1.25	0.34/0.95	1.25	0.35		10 in state Bus/res	Yes	No	65+ years waived, also state & muni divs, NP & NL	N/C	11/17/04
Michigan	Ameritech/SBC	**2 (was 1)**	Pricing Flex	Feb-01	1.25	1.50	1.25	1.50			**local res 1, bus 0**	Yes(local)	No	Local DA from $1.00 to $1.25	**3/26/04**	11/15/04
Minnesota	Qwest	1	Competitive	Dec-98	**0.66**	1.25	**0.66**	1.25	0.35		local 1 bus&res	Yes(local)	Yes(local)	Raised Local DA from $.60 to $.66	9/4/04	12/8/04
Mississippi	BellSouth	2	Reg/Pricing Flex	Jan-96	**1.00**	1.25	**1.00**	1.25	0.30		none	Yes(local)	Yes(local)	Increased Local from $.93 to $1.00	**8/1/04**	11/15/04
Missouri	SBC	3	Regulated		**0.68**	**1.27**	**0.68**	**1.27**	0.30	0.95		Yes(local)	No	30 res, 10 bus local allow, for new # or NL or NP only	**7/10/04**	6/9/04
Montana	Qwest	4	Competitive	Dec-00	0.95	0.95	0.95	0.95	0.35		local res 3	Yes(local)	No		N/C	12/8/04
Nebraska	Qwest	4	Deregulated	Apr-86	1.25	1.25	1.25	1.25	free w/local		none	Yes (+LD)	No		N/C	12/8/04
Nevada	PAC/SBC	3	Regulated		**1.10**	1.25	**1.10**	1.25	0.45		local res 3	Yes(local)	No	NDA initiated July 19, 2003	**11/8/04**	11/15/04
Nevada	Sprint	4			1.45	1.45	1.45	1.45	free		none	Yes(local)	No		**2/20/03**	2/2/04
New Hampshire	Verizon	4	Regulated		0.40	0.95	0.40	0.95	0.35		local 5 bus&res	Yes(local)	No		N/C	11/17/04
New Jersey	Verizon	7	Competitive		**0.50**/0.75	1.25	0.75	1.25	0.30		local res 4	Yes(local)	Yes	Hotel/Motel; BCS $1.25	**7/26/04**	11/17/04
New Jersey	Sprint	3			0.20	0.95	0.20	0.95			res 10, bus 0	Yes	Yes	Hotel/Motel	N/C	11/17/04
New Mexico	Qwest	4	Regulated		**0.72**	0.85	**0.72**	0.85	0.35		none	Yes(local)	Yes	Raised Local DA from $.69 to $.72	**9/1/04**	12/8/04
New York	Verizon	1	Regulated		0.80	1.25	0.80	1.25	0.35		none	Yes (+LD)	No	Bus. Category Search $1.25	**3/1/04**	11/17/04
North Carolina	BellSouth	8	Regulated		0.52/0.50	0.85	0.52/0.50	0.85			local 4 bus&res	Yes(local)	No		N/C	11/17/04
North Dakota	Qwest	4	Non-regulated	Jan-99	1.25	1.25	1.25	1.25	free w/local		none	No	No		N/C	11/15/04
Ohio	Ameritech/SBC	3	Regulated		1.10	1.50	1.10	1.50			none	Yes(local)	Yes(local)	Increased Local DA from $.75 to $1.10	**3/12/04**	11/15/04
Oklahoma	SBC	2	Regulated		0.49	1.50	0.49	1.50	0.25	0.95	**local res 3, bus 1**	Yes(local)	Yes(local)	Call allowances reduced 11/21/03	**6/28/04**	11/30/04
Oregon	Qwest	4	Regulated		0.50	0.85	0.50	0.85	0.35		local 2 bus&res	Yes(local)	Yes(local)		N/C	12/8/04
Pennsylvania	Verizon	9	Regulated		0.57	0.95	0.57	0.95	0.30		res 2, dorms 2	Yes (+LD)	Yes (+LD)	Nursing homes	N/C	11/17/04
Puerto Rico	PRTC				0.75	N/A	0.75	N/A	0.30		none				??	7/30/03
Rhode Island	Verizon	4	Comp Svc Gp IV		0.55	1.25	0.55	1.25	0.35		res 5,	Yes(+LD)	Yes	Eliminated 3 business call allowance	**9/27/03**	11/17/04
South Carolina	BellSouth	1	Comp/Pricing Flex	Jan-96	1.25	1.25	1.25	1.25			res 2 local	Yes(local)	Yes(local)	Nursing homes	N/C	4/30/04
South Dakota	Qwest	4	Deregulated	Dec-99	1.25	1.25	1.25	1.25	free w/local		none	Yes(+LD)	No		N/C	1/23/04
Tennessee	BellSouth	4	Regulated		**0.59**	0.85	**0.59**	0.85	0.45		local 6 bus&res	Yes(local)	No	Increased Local DA from $.40 to $.59	**9/10/04**	11/15/04
Texas	SBC	3	Pricing Flex		1.25	1.50	1.25	1.50	**0.25**	0.95	res 2 local or max 6 listings	Yes(local)	Yes(local)	DACC from $.05 to $.25; 3rd party billed, $1.40	**9/10/04**	11/30/04
Texas	VZ(gte)	1			1.25	1.25	1.25	1.25			res 3 local + 1/HNPA call	Yes(+LD)	Yes(+LD)		N/C	12/3/04
Texas	Sprint	8			1.45	1.45	1.45	1.45			res 3 local	Yes(+LD)	Yes(local)	LD DA not available from hospitals	**4/1/03**	2/2/04
Utah	Qwest	4	Competitive	Oct-99	1.25	1.25	1.25	1.25	free w/local		none	Yes(+LD)	No		**12/1/03**	12/8/04
Vermont	Verizon	4			0.64	0.95	0.64	0.95	0.35		res or stud.ctrx 3 local	Yes(+LD)	No	Disabled calling cards	N/C	11/17/04
Virginia	Verizon	2			0.29	1.25	0.29	1.25		0.95	res&bus 3 local	Yes(+LD)	Yes(local)	LD DA not available from hospitals	N/C	11/17/04
Washington	Qwest	4	Competitive	Apr-99	1.25	1.25	1.25	1.25	free w/local		none	No	No	no exemptions Qwest Exc & Netw Svcs sec 6 sheet 2 5/1/02	N/C	12/8/04
Washington	Verizon	1			0.95	1.25	0.95	1.25	free		local res 2, bus 1	Yes(+LD)	Yes(local)	Hotel/Motel	N/C	11/17/04
West Virginia	Verizon	4	Competitive (III)		**0.75**	1.25	**0.75**	1.25	**0.50**		res & dorms 2 local	Yes(+LD)	No	Local DA from $.70 to $.75	**6/1/04**	11/17/04
Wisconsin	Ameritech/SBC	3	Pricing Flex		1.25	1.99	1.25	1.99		0.95	none	Yes(local)	No	Nat'l DA from $1.50 to $1.99	**10/7/04**	11/15/04
Wyoming	Qwest	4	Non-regulated	Nov-95	1.25	1.25	1.25	1.25	free w/local		none	Yes(+LD)	No		N/C	12/8/04

Long Distance Providers

Company	Access method	Rate	Jurisdiction
AT&T	"00 INFO"	1.99	National
	10-10-ATT-00	1.99	National
	1-800-CALLATT	1.99	National
	NPA-555-1212	1.99	National
Sprint	NPA-555-1212	2.49	National
MCI	10-10-9000	0.99	National
	NPA-555-1212	**3.49**	National
VarTec	10-10-987	2.49	National
	+ NPA-555-1212		

NOTES REGARDING LOCAL and LD definitions

	Local	LD
1	Local area listings	All listings outside local call area
2	Within HNPA	All listings outside HNPA area
3	Within LATA	All listings outside LATA
4	Within the state	All listings outside the state
5	Hawaii inter-island free if 808-555-1212 is dialed	
6	Louisiana has 3 rates Local, intralata(toll) and interlata	
7	Mass.& NJ have 3 rates intralata, intrastate & interstate	
8	3 rates local, HNPA and outside HNPA	
9	PA 2 rates regional calling area and outside regional calling area	

Effective 2.1.05, MCI will raise its 555-1212 National DA rate from $2.49, to $3.49.