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

In the Matter of	)	
	)	
Consumer Information and Disclosure	)	CG Docket No. 09-158
	)	
Truth-in-Billing and Billing Format	)	CC Docket No. 98-170
	)	
IP-Enabled Services	)	WC Docket No. 04-36

COMMENTS
of the
ORGANIZATION FOR THE PROMOTION AND
ADVANCEMENT OF SMALL TELECOMMUNICATIONS COMPANIES

I. INTRODUCTION & SUMMARY

The Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO)[1] hereby submits these comments in response to the Notice of Inquiry (NOI) issued in the above-captioned proceedings.[2] The Commission should not impose additional truth-in-billing rules on rural ILECs. A consumer's choice of service provider and service plan is based in large part on information provided by rural ILECs' customer service representatives, from the carriers' websites, and from advertisements. The existing rules, coupled with the information

[1] OPASTCO is a national trade association representing approximately 520 small incumbent local exchange carriers (ILECs) serving rural areas of the United States. Its members, which include both commercial companies and cooperatives, together serve more than 3.5 million customers. Almost all of OPASTCO's members are rural telephone companies as defined in 47 U.S.C. §153(37).
[2] *Consumer Information and Disclosure*, CG Docket No. 09-158, *Truth-in-Billing and Billing Format*, CC Docket No. 98-170, *IP-Enabled Services*, WC Docket No. 04-36, Notice of Inquiry, FCC 09-68 (rel. Aug. 28, 2009) (NOI).

available from these other sources, are sufficient to ensure that customers of rural ILECs are able to make informed decisions.

For rural ILECs, the cost of mandatory modifications to their end-user bills would be disproportionately higher on a per-customer basis than for most other service providers. These costs could potentially delay other network upgrades that improve the actual services to which customers subscribe. Thus, imposing additional truth-in-billing rules on rural ILECs would most likely fail to pass a rational cost-benefit analysis.

In the event that the Commission determines that additional rules are necessary for rural ILECs, it should consider one or more industry-developed consumer codes that would allow carriers to utilize their expertise in customer relations to develop the most appropriate billing format and disclosure policies. If the Commission chooses not to take this approach, any new truth-in-billing rules applied to rural ILECs should continue to take the form of flexible, broad principles.

Finally, the Commission should extend the existing truth-in-billing rules to interconnected voice over Internet protocol (VoIP) providers. Consumers are increasingly substituting VoIP services for traditional telephone service, and these providers hold their services out as substitutes for traditional telephone service. Thus, it is appropriate that these carriers comply with the same truth-in-billing rules as local exchange carriers (LECs) so that their customers can be assured of receiving bills that adhere to the existing principles.

II. THE COMMISSION SHOULD NOT IMPOSE ADDITIONAL TRUTH-IN-BILLING RULES ON RURAL ILECS BECAUSE THE EXISTING RULES, ALONG WITH INFORMATION AVAILABLE VIA OTHER SOURCES, ARE SUFFICIENT TO ENSURE THAT CONSUMERS ARE ABLE TO MAKE INFORMED DECISIONS

When the Commission adopted the existing truth-in-billing rules, it wisely adopted flexible yet unambiguous principles that, among other things, require common carriers to provide their customers with bills that are clearly organized and that contain non-misleading descriptions of the billed charges. The Commission took this approach, in part, to avoid requiring carriers to make costly upgrades to their existing billing systems.[3] There has been no indication since these rules were adopted that large numbers of rural ILECs' customers have experienced confusion regarding their bills. Moreover, with many other communications service providers offering competing and complimentary services in their territories, rural ILECs have a strong incentive to distinguish themselves, which includes the provision of clear and non-misleading information on bills and via other sources. The existing truth-in-billing rules for rural ILECs therefore remain sufficient to ensure that their customers can make informed decisions.

A. A consumer's choice of communications service provider and service plan is based in large part on information available from sources other than the customer bill

The NOI seeks comment on several issues related to how a consumer chooses both a service provider and a service plan,[4] and inquires as to whether consumers are receiving adequate point-of-sale disclosures so that they will understand the charges that

[3] *Truth-in-Billing and Billing Format*, CC Docket No. 98-170, First Report and Order and Further Notice of Proposed Rulemaking, 14 FCC Rcd 7492, 7499 (1999) (First Report and Order), ¶10.
[4] NOI, ¶¶23-34.

appear on their bills.[5] The Commission should consider that a consumer's choice of service provider, and the services they subscribe to, are based in large part on information provided by customer service representatives, advertising, and other sources unrelated to the end-user bill. For instance, information such as the length of trial and promotional periods, and the prices that will apply thereafter, is typically provided by rural ILECs' customer service representatives when consumers contact the provider to inquire about or initiate service. This information is also often found on rural ILECs' websites and in advertisements.

With regard to bundled services,[6] consumers understand that by purchasing a bundle they are paying less for each service than if they were purchased individually. This is, after all, the primary reason a consumer will subscribe to a bundle in the first place. Thus, it follows that consumers recognize that terminating one or more services in the bundle may raise the price they pay for the remaining services. In any event, OPASTCO members have reported that they disclose the possibility that prices may increase for the remaining services should the consumer choose to cancel one or more of the components of a bundle. This disclosure may take place at the time service is initiated and/or when a customer calls to cancel any portion of the bundle. In addition, OPASTCO members have reported that when a customer calls to cancel one service in a bundle, they are provided with information on other bundles or individual service offerings that may be a better fit for their communications service needs.

Rural ILECs take seriously the disclosure of information that existing and potential customers need in order to make informed decisions regarding the purchase of

[5] *Id*., ¶31.
[6] *Id*., ¶33.

communications services. Customer goodwill is important to rural ILECs that must strive to retain customers and attract new ones in order to remain viable in a competitive marketplace. Thus, rural ILECs make the disclosures discussed above to ensure that their subscribers fully understand the services they will receive and the prices they can expect to see on their bills. These practices, coupled with the existing requirement to provide bills that are clearly organized and that contain non-misleading descriptions of billed charges, give consumers in rural service areas the information they need to make informed decisions regarding a rural ILEC's service offerings. Therefore, additional truth-in-billing rules for rural ILECs are not necessary.

B. Additional truth-in-billing rules for rural ILECs would impose costs that far outweigh any benefit to consumers

The NOI correctly notes that, "…disclosure policies [should] have a high ratio of consumer benefit to industry cost."[7] OPASTCO agrees and points out that for rural ILECs, the cost of mandatory modifications to their end-user bills would be disproportionately higher on a per-customer basis than for most other service providers. Indeed, changes to the bill format, or the information provided on them, can potentially be costly for rural ILECs, largely due to software modifications that are necessary to accommodate the changes. These costs will be incurred regardless of whether a rural ILEC processes their own bills (typically via billing systems designed by third-party billing companies) or outsources their billing. For rural ILECs with limited financial resources, these costs could delay other network upgrades that improve the actual communications services to which customers subscribe. As stated above, there is no indication that large numbers of rural ILECs' customers are experiencing confusion

[7] *Id*., ¶5.

regarding their bills as these carriers have always been committed to providing consumers with clear and non-misleading information. Consequently, it is more than likely that additional truth-in-billing rules imposed on rural ILECs would not pass a rational cost-benefit test and should therefore not be adopted.

In the event that the Commission determines that additional rules are necessary for all service providers, including rural ILECs, one approach it should consider is permitting the industry to develop one or more consumer codes.[8] Industry-developed consumer codes would allow service providers to utilize their experience in customer relations, taking into account the types of customer inquiries and complaints most often received, to develop the most appropriate billing format and disclosure policies. This approach would also take into consideration the fact that service providers employ many different types of billing systems, and would provide them with the flexibility necessary to minimize the cost of compliance.

If the Commission chooses not to allow the industry to develop its own consumer codes, any new truth-in-billing rules applied to rural ILECs should continue to take the form of flexible, broad principles, as opposed to more detailed rules governing the format of, or information provided in, customer bills. As the FCC has previously stated, "…there are typically many ways to convey important information to consumers in a clear and accurate manner."[9] Rural ILECs know how to best serve their customers and should be afforded as much flexibility as possible with regard to their bills while still complying with the truth-in-billing rules. Equally as important, a flexible, principle-

[8] *Id*., ¶¶32, 37.
[9] First Report and Order, 14 FCC Rcd 7499, ¶10.

based approach would allow rural ILECs to find the least costly way of adopting their bills to adhere to the new rules, to the ultimate benefit of their subscribers.

C. The Commission should extend its existing truth-in-billing rules to interconnected VoIP providers

An important step that the Commission should take with respect to its existing truth-in-billing rules is to extend them to interconnected VoIP providers.[10] As the NOI acknowledges, consumers are increasingly substituting VoIP services for traditional telephone service[11] and VoIP providers themselves hold their services out as substitutes for traditional telephone service.[12] As a result, the Commission has already seen fit to require providers of interconnected VoIP services to comply with many obligations applicable to traditional LECs, including the provision of enhanced 911 (E911),[13] compliance with customer proprietary network information (CPNI) rules,[14] compliance with the Communications Assistance for Law Enforcement Act (CALEA),[15] and contributing to the Universal Service Fund (USF).[16] Thus, it is appropriate that these

---

[10] NOI, ¶18.
[11] *Id*.
[12] For example, Time Warner, on its website, states that its digital phone service "…serves up all of the popular calling features that customers expect from their phone service provider…With Digital Phone from Time Warner Cable you can keep your current home number so you can continue to receive calls from your family and friends without interruption …VoIP technology allows Time Warner Cable to use these new broadband networks to offer subscribers high quality, reliable, local and long distance telephony services." http://www.timewarnercableoffers.com/?cid=54716&affid=325823137 4::PoorGEO_time%20warner.
[13] *IP-Enabled Services*, WC Docket No. 04-36, *E911 Requirements for IP-Enabled Service Providers*, WC Docket No. 05-196, First Report and Order and Notice of Proposed Rulemaking, 20 FCC Rcd 10245 (2005).
[14] *Implementation of the Communications Act of 1996: Telecommuniations Carriers' Use of Customer Proprietary Network Information and Other Customer Information*, CC Docket No. 96-115, *IP-Enabled Services*, WC Docket 04-36, Report and Order and Further Notice of Proposed Rulemaking, 22 FCC Rcd 6927 (2007).
[15] *Communications Assistance for Law Enforcement Act and Broadband Access and Services*, ET Docket No. 04-295, RM-10865, First Report and Order and Further Notice of Proposed Rulemaking, 20 FCC 14989 (2005).
[16] *Universal Service Contribution Methodology*, WC Docket No. 06-122, *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, *1998 Biennial Regulatory Review –Streamlined Contributor Reporting Requirements Associated with Administration of Telecommunications Relay Service, North American Numbering Plan, Local Number Portability, and Universal Service Support Mechanisms*, CC

carriers comply with the same truth-in-billing rules as LECs so that their customers can be assured of receiving bills that adhere to the existing principles.

III. CONCLUSION

The Commission should not impose additional truth-in-billing rules on rural ILECs. The existing rules, along with information provided by rural ILECs' customer service representatives and from other sources, are sufficient to ensure that customers of rural ILECs are able to make informed decisions.

For rural ILECs, the cost of mandatory modifications to their customer bills would be disproportionately high and it is doubtful that additional rules imposed on these carriers would pass a rational cost-benefit test. If further action is deemed necessary, the Commission should consider allowing the industry to develop one or more consumer codes. At most, additional rules imposed on rural ILECs should continue to take the form of flexible, broad principles, which would allow rural ILECs to provide bills that best serve their customers' needs while also minimizing costs.

Finally, the Commission should extend the existing truth-in-billing rules to interconnected VoIP providers. Given that consumers are increasingly substituting VoIP services for traditional telephone service, it is appropriate that these providers comply with the same truth-in-billing rules as LECs so that their customers can be assured of receiving bills that adhere to the existing principles.

Docket No. 98-171, *Telecommunications Services for Individuals with Hearing and Speech Disabilities, and the Americans with Disabilities Act of 1990*, CC Docket No. 90-571, *Administration of the North American Numbering Plan and North American Numbering Plan Cost Recovery Contribution Factor and Fund Size*, CC Docket No. 92-237, *Number Resource Optimization*, CC Docket No. 99-200, *Telephone Number Portability*, CC Docket No. 95-116, *Truth-in-Billing and Billing Format*, CC Docket No. 98-170, *IP-Enabled Services*, WC Docket No. 04-36, Report and Order and Notice of Proposed Rulemaking, 21 FCC Rcd 7518 (2006).

Respectfully submitted,

ORGANIZATION FOR THE PROMOTION AND ADVANCEMENT OF SMALL TELECOMMUNICATIONS COMPANIES

By: /s/ Stuart Polikoff
Stuart Polikoff
Vice President – Regulatory Policy
and Business Development

Brian Ford
Regulatory Counsel

21 Dupont Circle, NW
Suite 700
Washington, DC 20036
(202) 659-5990

October 13, 2009

CERTIFICATE OF SERVICE

I, Brian Ford, hereby certify that a copy of the comments by the Organization for the Promotion and Advancement of Small Telecommunications Companies was sent via electronic mail, on this, the 13th day of October 2009, to those listed on the attached sheet.

By: /s/ Brian Ford
Brian Ford

SERVICE LIST
CG Docket No. 09-158
CC Docket No. 98-170
WC Docket No. 04-36
FCC 09-68

VIA E-MAIL

Best Copy and Printing, Inc.
fcc@bcpiweb.com