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*Via E-Mail & U.S. Mail*

Carole Washburn  
Executive Secretary  
Washington Utilities and Transportation  
Commission  
1300 S. Evergreen Park Dr. S.W.  
P.O. Box 46250  
Olympia, Washington 98504-7250

Re: Staff Investigation Report UT-060962

Dear Ms. Washburn:

In connection with its investigation of AT&T Communications of the Pacific Northwest, Inc.'s ("AT&T's") alleged improper billing for collect calls from certain correctional facilities in Washington State, Staff has asked AT&T to respond to four additional questions related to its billing practices. Below are AT&T's responses to the four additional questions.

### **Staff's Questions and AT&T's Responses**

#### **Question No. 1: Please explain better why AT&T cannot re-credit collect-called customers.**

There are several significant obstacles to AT&T's ability to re-credit customers listed on the previously produced spread sheets. First, as AT&T has stated, it does not now nor did it have the ability to generate a list of customers by name and address. Mr. Hyland's Affidavit, attached to AT&T's Response to Order to Produce Records, dated August 15, 2006, explained that the systems only generated a list of telephone numbers<sup>1</sup> and that these numbers were passed along to third parties who assigned the rates and eventually billed the customers usually through the underlying Local Exchange Carrier ("LEC") such as Qwest or Verizon. And as you will recall, in June of 2005, AT&T sold the system capable of generating the telephone numbers spreadsheets to GTEL Holdings, Inc. (whose regulated Washington affiliate is Global Tel\*Link Corporation (collectively

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<sup>1</sup> Recall Mr. Hyland stated that the systems produced information on the originating and terminating telephone numbers, the duration of the calls, the date of the calls, and, after rating, the rate of the calls. But the only "customer" identifier is the telephone number itself.

“GTL”). All contracts associated with the service were also either assumed by or sent to GTL.

Second, as described in further detail below, determining the names and addresses of the customers is both an arduous task as well as one that may not be particularly accurate in its attempt to re-credit the correct called parties. This is why:

- Even assuming AT&T could accurately find names and address associated with the calls shown on the spreadsheets, not all customers actually paid their bills. “Uncollectibles” in the prison payphone business tend to be very significant, so assuming all the spreadsheet calls reflect money paid essentially overstates the recredits potentially due to customers.
- At a minimum, assuming that AT&T had access to its sold systems, the following process would likely be required: (1) all records would need to be reviewed to extract the called parties’ telephone numbers, which would need to be cross-referenced in the Telcordia Local Exchange Routing Guide (“LERG”) to determine the applicable operating company number (“OCN”) (using NPA-NXX-Ns, for thousand-block pooled numbers or NPA-NXXs for other, non-pooled numbers), (2) the OCN would need to be converted into the operating company name using “Table 1” of the LERG for the month in which the call was made, (3) each number would need to be cross-referenced in the relevant local number portability (“LNP”) database for the relevant time period to confirm the whether the number had been ported, in which case the operating company name would be different than that disclosed by the OCN in the LERG, (4) if the LNP database indicated that the number had been ported, the number would have to be checked against the National Portability Administration Center (NPAC) Database for the relevant time period, likely by querying each number individually, and (5) using the operating company names and associated numbers obtained in (2) and (4), each carrier would need to be contacted to request the names and addresses associated with the relevant numbers. Most carriers have policies restricting disclosure of customer data, and even if a request was made, it is uncertain whether the carrier would agree to disclose the relevant information.
- Even if AT&T could eventually discover the name and address of the customers that actually paid, it would still—in general—not be able to legally assume the task of re-crediting itself; rather, it must work through GTL and its current or previous third party billers, if any.

**Question No. 2: Describe the steps, if any, AT&T takes to ensure billing accuracy when it employs third party billers. Do we still employ ZPDI or CBS (now Securus) for any other billing purposes in Washington?**

Generally, when AT&T enters into contracts with third party billing companies certain contractual covenants help to ensure billing accuracy. These covenants typically

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include provisions on the parties' reporting obligations, dispute and quality assurance processes and audits of such companies' activities as they relate to the services provided to AT&T.

AT&T no longer employs the services of either ZPDI or CBS in the state of Washington.

**Question No. 3: State whether AT&T has recovered from ZPDI the cost of any damage caused by improper billing.**

As of yet, AT&T has not recovered from ZPDI the cost of any damage alleged to have been caused by improper billing.

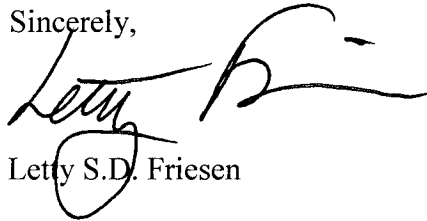
**Question No. 4: On the spreadsheets, are the miss-billed customers those billed only by ZPDI?**

AT&T is still investigating and has not confirmed that the alleged miss-billed customers were billed only by ZPDI. AT&T will supplement its response if it is able to determine that a company other than ZPDI billed customers.

Given AT&T's procedural due process rights, it does not offer an assessment of the accuracy of Staff's investigative report, it does—however—stand by its previous responses, and again clarifies with respect to Response to Request No. 2, that AT&T generally provided interLATA toll service and some, limited intraLATA toll service.

AT&T appreciates the opportunity to provide further information regarding Staff's questions, and its representatives are available to provide further input as it becomes available or as Staff requires.

Sincerely,



Letty S.D. Friesen