



UNITED TELEPHONE COMPANY OF THE NORTHWEST  
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STATE OF WASH.  
UTIL. AND TRANSP.  
COMMISSION

October 17, 1990

HAND-DELIVERED

Mr. Paul Curl, Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Dr. S.W.  
Olympia, WA 98504-8002

Dear Mr. Curl:

Enclosed please find the original and nineteen copies of United Telephone Company of the Northwest's comments on the proposed rulemaking in Docket No. UT-900726 relating to Alternative Operator Services.

If you have any questions or comments, please feel free to contact me at the address above or by calling (503) 387-9290.

Sincerely,

A handwritten signature in cursive script that reads "Glenn Harris".

Glenn Harris  
Regulatory Relations Administrator

:egh

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BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

UT-900726

In the Matter of Proposed Amendments)  
to WAC 480-120-021, -106, -138, and )  
-141 Relating to Glossary, Alternate)  
Operator Services, Pay Telephones, )  
and Form of Bills )

COMMENTS OF UNITED TELEPHONE  
COMPANY OF THE NORTHWEST

United Telephone Company of the Northwest is sympathetic to the objectives underlying the proposed rules because we believe the public is ill-served by the deceptive practices and exorbitant charges of some AOS providers and by the efforts of some AOS providers and call aggregators to block, unjustifiably, access to the customer's preferred long distance carrier. United supports many of the rules as proposed, but will in these comments seek certain clarifications and express some concerns about how the rules are to be interpreted and what impact they might have on LECs such as United.

**1. United objects to specifically naming two other companies in the proposed rule as the standard-bearers.**

One of our concerns is the repeated use, in the proposed rules, of AT&T and U.S. West Communications, specifically by name, as the standard-bearers for operator service rates, quality of service, directory assistance charges, etc. While we agree completely that Alternative Operator Services should meet prevailing standards of service, we are dubious about defining "prevailing standards" simply by referring specifically to two out of the many companies operating in the State of Washington.

United, for instance, has its own directory assistance charges and may

well someday have its own operator services rates; we currently strive to meet the quality of service standards established in the Washington Administrative Code. Could this proposed rule set a precedent for comparing our charges, rates, and standards of service directly with those of U.S. West Communications and AT&T? And specifically: Could United ever be held to the rates and other standards of AT&T and/or U.S. West Communications, Inc.? We object strongly to the remotest possibility that this could ever be the case and would prefer to see some more general definition of prevailing rates and standards in the proposed rule.

**2. What do the words "tariffed rates" mean in Section (3)(e) of WAC 480-120-141? Tariffed by whom?**

This question is in the context of the concerns expressed above, in point #1.

**3. It should be sufficient for the local exchange company's name and number to appear on the bill with the provider of the service or the billing agent (clearinghouse).**

United is concerned about the proposed amendment of WAC 480-120-106 to read, "The portion of a bill rendered by the local exchange company on behalf of itself and other companies shall clearly specify the provider of the service and [rather than "or"] its authorized billing agent...." The proposed amendment goes on to add that the local exchange company's number may be used on this portion of the bill if it has full authority to investigate and adjust disputed calls.

United is the billing and collection agent for a number of alternative operator service providers, many of them through "clearinghouses" such as

Integretel or Zero Plus Dialing, Inc. (ZPDI). It appears--though this is not entirely clear--that the proposed rules in most sections intend the term "billing agent" to mean clearinghouses of this sort. If the proposed revision of WAC 480-120-106 contemplates that there would be a separate page of the bill not only for each clearinghouse, as there is now, but also for each AOS represented by each clearinghouse, then it is our opinion that both massive bills and massive customer confusion would result.

United strongly recommends, instead, that the rule revision be modified to indicate that the local exchange company's name and number (along with the billing agent or the AOS provider) may be used on this portion of the bill if it has full authority to investigate and adjust disputed calls. If the customer can easily get the full information he needs, have his complaint resolved and his refund (if appropriate) made, he simply does not need more bill pages to tell him that United is representing Integretel, which is representing FoneAmerica (for example).

**4. The proposed rule seems to make unreasonable demands on the local exchange companies to police and enforce the proper registration of individual AOS providers.**

Another concern is with the "policing" implications of the proposed rule. As written, the rule would make United responsible to "require that the billing agent provide to it a current list of each telecommunications company for which it bills.... The local exchange company shall, in turn, upon receiving it, provide a copy of this list to the commission for its review."

Our contracts with billing agents (clearinghouses) already require that all of their clients be registered telecommunications companies in the State of Washington. Since United would have no way of checking or verifying if the

names on a provided list were indeed all registered companies in the state and it appears to be the intention of the commission to make that check and verification anyway, why not require the billing agents to make certification to the local exchange company (by signing a contract, for instance) and mail their lists of registered clients directly to the commission? This would seem to be a much more efficient and realistic procedure.

Further, United is not in a position to even enforce, much less police, the requirement that all alternative operator services be registered, because we are generally the billing agent for the "billing agent" (as the term seems to be used in the proposed rule) and not for the individual AOS. If enforcement were our responsibility, we would be required to cut off the billing agent--and thus all the alternative operator services it represented--rather than the individual AOS at fault. In order to accomplish the latter, we would be required to have contracts with each individual AOS, again an expensive, inefficient, and burdensome requirement.

We suggest, therefore, that the proposed rule make it clear that it is the billing agent's responsibility to cut off its client if the client is in violation of the rule.

**5. A "reasonable" surcharge should be specified in the rule rather a particular amount.**

The proposed Section (9)(c) of WAC 480-120-141 states: "The charge to the consumer attributable to any commission, location fee, surcharge, or customer charge or fee of any kind for the benefit of a call aggregator may not exceed twenty-five cents for any sent-paid or non sent-paid call...." United wonders if it is wise to specify a particular amount in this rule when the alternative operator services industry is so new and volatile. The

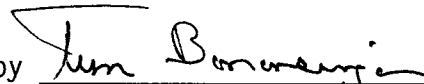
commission will have the option--and is clearly going to take the option--of looking at each provider's rate structure at the time of application for registration; we suggest specifying a "reasonable" surcharge rather than a particular amount in the rule and then exercising the commission's discretion at the time of application.

**6. United supports the new language specifying that the failure of call aggregators to comply with these rules is a violation by the AOS company.**

Again related to issues of policing and enforcement, United is very pleased to see the language of proposed Section (2) of WAC 480-120-141: "The AOS company is responsible for assuring that each of its customers complies fully with contract provisions which are specified in these rules. Failure to secure compliance constitutes a violation by the AOS company."

This is an area of responsibility that has not been entirely clear in the past and we strongly support the proposed specification that violation of posting or other requirements is an AOS violation, not a violation by the local exchange company.

Respectfully submitted October 17, 1990, by

  
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Tim J. Bonansinga  
General Counsel