

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Calling Party Pays Offering	)	WT Docket No. 97-207
in the Commercial Mobile Radio Services	)	
	)	
	)	

**COMMENTS OF  
THE COALITION TO ENSURE RESPONSIBLE BILLING**

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## TABLE OF CONTENTS

	<u>Page</u>
Summary	i
1. CPP Cannot Succeed Without LEC Billing and Collections	2
2. Mandatory LEC Billing and Collections for CPP is Critical to Competition	6
3. The Commission is Authorized to Mandate LEC Billing and Collections for CPP	11
A. Title I Ancillary Jurisdiction	12
1. Statutory Purposes	13
B. Jurisdiction Under Section 332 of the Telecommunications Act	15
C. The Provision of BNA as a UNE	15
4. Conclusion	16

## SUMMARY

The Coalition to Ensure Responsible Billing (“CERB”) submits these comments on behalf of billing clearinghouses that submit third party telecommunications charges to local exchange carriers (“LECs”) for inclusion on consumers’ local telephone bills. Billing and collections of calling party charges is a necessary prerequisite of a successful calling party pays (“CPP”) system. Unfortunately, without a requirement that LECs must bill and collect for CPP, not all LECs will do so, and without a nationwide network of CPP availability, CPP will fail. The local telephone bill is the natural mechanism for billing and collecting charges for CPP calls. The local bill is ubiquitous, efficient and reliable. Consumers prefer to have telecommunications charges consolidated on the local bill, and they already are accustomed to being billed for interexchange and other non-local services on that bill. Furthermore, no viable alternatives to the local bill for CPP exist. Direct billing of CPP charges, for example, could easily cost as much as the charge being billed.

Absent a requirement that LECs provide billing and collections on a non-discriminatory basis, however, LECs may either elect not to offer CPP billing or may favor their own wireless affiliates to the detriment of competitors. CERB has already seen the anticompetitive behavior of LECs who seek to disadvantage third party LEC-billed competitors for ancillary services, such as voice mail, paging, and Internet access.

The Commission possesses the jurisdiction to impose a requirement on LECs to offer billing and collections for CPP -- on a non-discriminatory basis -- and should do so to promote competition and enhance consumer welfare.

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The Coalition to Ensure Responsible Billing (“CERB”)<sup>1</sup> respectfully submits the following comments in response to the Declaratory Ruling and Notice of Proposed Rulemaking in this proceeding concerning calling party pays service offering in the commercial mobile radio services.<sup>2</sup>

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<sup>1</sup> The Coalition to Ensure Responsible Billing (“CERB”) comprises billing clearinghouses that process more than 90% of all billing submitted to local telephone companies by third parties. These billing clearinghouses perform billing and collection functions for competitive providers of basic and enhanced telecommunications services.

<sup>2</sup> *In the Matter of Calling Party Pays Service Offering in the Commercial Mobile Radio Services*, WT Docket No. 97-207, Notice of Proposed Rulemaking, FCC 99-137 (released July 7, 1999) (“NPRM”).

CERB is composed of seven billing clearinghouses (also called billing aggregators).<sup>3</sup>

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<sup>3</sup> The members of CERB are Billing Concepts, OAN Services, Federal TransTel, HBS Billing Services, ILD Teleservices, Integretel, and USP&C.

The members of CERB have established billing and collection contracts with all of the Regional Bell Operating Companies (“RBOCs”), GTE, and most independent incumbent local exchange carriers to bill for the telecommunications charges of third parties on the local bill.

At the outset, CERB agrees with the Commission that Calling Party Pays (“CPP”) is beneficial to consumers and to competition.<sup>1</sup> CERB commends the Commission for its recognition of the vital role local exchange carrier (“LEC”) billing and collections can play in fostering a robust market for CPP. CERB submits that CPP cannot be successful without mandatory LEC billing and collections for calling party charges. Without a requirement that LECs must bill and collect for CPP, not all LECs will do so, and without a ubiquitous network of CPP availability, CPP will fail. Furthermore, absent a requirement that LECs provide billing and collections on a non-discriminatory basis, LECs will favor their own wireless affiliates to the detriment of competitors. The Commission possesses the jurisdiction to impose a requirement on LECs to offer billing and collection for CPP and to do so in a non-discriminatory fashion.

### **1. CPP Cannot Succeed Without LEC Billing and Collections**

The Commission seeks to develop the record regarding whether incumbent LECs should be required to provide CPP billing and collections and, if so, whether billing and collection should be provided on a non-discriminatory basis.<sup>2</sup> Without LEC billing and collection, CPP simply is not viable. In order to implement successful CPP, arrangements must be made for commercial mobile radio service (“CMRS”) providers to recover charges from calling parties. Most calling parties will place calls from local wireline telephones. Thus, the local telephone bill is the natural mechanism for billing and collecting charges for these calls. The local telephone bill is ubiquitous, efficient, reliable, and consumers already are accustomed to being

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<sup>1</sup> See *e.g.*, NPRM at ¶ 20 (The Commission found that “the availability of CPP as a service offering for wireless telephone subscribers has the potential to expand wireless market penetration and minutes of use and, in so doing, offers an opportunity to provide a near-term competitive alternative to incumbent local exchange carriers (ILECs) for residential customers.”).

<sup>2</sup> See NPRM at ¶¶ 56, 61, 62.

billed for interexchange and other non-local services on that bill. Furthermore, LECs are capable of providing billing and collections to third parties for intermittent services, as they now bill services such as 10-10-XXX dial around to their customers without technical or economic difficulty.

The Commission has previously suggested that alternatives to LEC billing and collection services are available for telecommunications services.<sup>3</sup> As a practical matter, however, it is CERB's experience over the 13 years since the Commission made that determination that these alternatives are not feasible for billing and collection of telecommunications services. Aside from the local bill, there is no nationally ubiquitous, reliable, economically feasible billing platform for CMRS providers to bill CPP calls. Further, because LECs already have relationships with most American households, the local bill is ideally suited as a vehicle for billing a small or intermittent charge. Finally, Americans prefer a consolidated telephone bill. Indeed, a study by the Yankee Group indicated that 80 percent of consumers prefer a single bill for their telecommunications services.<sup>4</sup>

Direct billing of CPP charges is not a viable option because the cost of a CPP call will often be less than the cost of preparation and postage for a direct bill.<sup>5</sup> If CMRS carriers were forced to bill customers directly for CPP charges, they simply could not remain competitive. The cost of creating and maintaining separate billing systems to every household is prohibitive and unnecessary. The LECs, as regulated monopolies in the market for local phone service, have already established pervasive nationwide coverage for billing charges, and competitors simply

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<sup>3</sup> Detariffing of Billing and Collection Services, CC Docket 85-88, Report and Order, 102 FCC 2d 1150 (¶ 37) (1986) ("Detariffing Order"), *recon. denied*, 1 FCC Rcd 445 (1986).

<sup>4</sup> Presentation of panelist E. E. Estey, Vice President, Government Affairs, AT&T Corporation, before the Federal Communications Commission Public Forum on Local Exchange Carrier Billing for Other Businesses (June 24, 1997).

<sup>5</sup> See e.g., Comments of AirTouch, *In the Matter of Calling Party Pays Service Option in Commercial Mobile Radio Services*, WT Docket No. 97-207, Notice of Inquiry, FCC 97-341, at 17 (Dec. 16, 1997) ("AirTouch Comments") ("In some cases, the billed amount is less than the cost of postage to mail the bill; in this instance separate bills from different carriers are much less effective than a single bill.").

need access to local bills in order to be competitive. The local bill allows billing and collections at the marginal cost of including additional charges on a bill that would already be generated to collect charges for telephone service. CMRS providers cannot duplicate the efficiencies of the local bill. LECs offset the cost of billing and collections – everything from postage costs to billing software – through revenue gained from local service and from third party billing contracts to bill and collect for telecommunications services. CMRS providers attempting to bill a single call would find themselves bearing all of those costs to produce a bill often for a small charge.

By consolidating small charges from a number of different service providers and arranging for them to be included on consumers' monthly phone bills, billing clearinghouses (in concert with LECs) allow start-up companies with innovative products or services, such as CPP, to take advantage of the billing economy of scale while developing their customer base for the new market. LEC billing reduces the barriers to entry for existing markets and also fosters the creation of new markets by eliminating the need to develop independent billing and collection services.

Although the use of credit card bills may once have seemed to offer a promising avenue for billing of services, such a billing mechanism cannot possibly reach all customers. Not all consumers wishing to utilize telecommunications services possess credit cards. In fact, Census Bureau statistics show that as of 1995, approximately one-third of American families *did not* have general purpose credit cards. Significantly, lower income consumers were less likely than other Americans to possess a credit card: only 26 percent of families earning under \$10,000 had credit cards, and only 53 percent of families earning between \$10,000 and \$24,999 used general purpose credit cards.<sup>6</sup> Moreover, even for those consumers who do hold credit cards, the market dynamic of customers switching balances from one card to another would make following each customer a costly and complex process. In addition, credit card billing currently does not provide for the necessary itemization of calls. Thus, credit cards lack the ubiquity, reliability,

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<sup>6</sup> U.S. Census Bureau, *Statistical Abstract of the United States* at 524 (Oct. 13, 1998).

and level of detail of the LEC-provided telephone bill, and lower-income consumers would be particularly difficult to reach without using the LEC bill.

Utility bills also are an inadequate substitute for the local telephone bill. LECs are already accustomed to providing billing and collections for telecommunications services, and most major billing clearinghouses have existing contracts with LECs nationwide. There would be enormous costs in terms of start up time, technical modifications, and up-front costs to replicate this system. Furthermore, consumers are accustomed to seeing telecommunications charges on their local telephone bills, but not on their utility bills. Forcing unrelated charges onto a utility bill would confuse customers and result in difficulty collecting charges, as well as consumer complaints.

Given that LEC billing and collections is essential to the development of a successful CPP market, it follows that CPP must be available nationwide. If a wireless CPP subscriber receives calls from parties in various states, all of those calls must be billable to the calling parties or the system fails. While some LECs, particularly those with sizeable wireless affiliates, have expressed an eagerness to implement CPP, others, such as SBC have refused to do so.<sup>7</sup> In a case where a wireless CPP subscriber in Washington, D.C., expected to receive a number of calls from a Bell Atlantic state, but also a number of calls from an SBC state, only a portion of the calls would be billable to the calling parties. Given this scenario, a consumer expecting to receive calls from various states would likely not elect to purchase CPP. The consumer would be denied a useful option and competition to local service would not be stimulated by wireless service.

## **2. Mandatory LEC Billing and Collections for CPP is Critical to Competition**

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<sup>7</sup> See Comments of SBC Communications, *In the Matter of Calling Party Pays Service Option in Commercial Mobile Radio Services*, WT Docket No. 97-207, Notice of Inquiry, FCC 97-341, at 16 (Dec. 16, 1997).

The Commission has requested comment as to whether the need for LEC billing and collection for CPP, if any, results from the potential for anti-competitive conduct.<sup>8</sup> CERB submits that it does. Characteristically, LECs have argued that there is no need to regulate billing and collections. They make the same self-interested argument in this proceeding. This argument is based more in the LECs' recognition that they possess sole control over a valuable asset -- the local bill -- than in any public interest analysis. As long as the LECs possess exclusive control over the local bill, they can use it to favor their own services and disadvantage competitors. While it has been suggested that billing and collections for CPP should be left to market forces, there are problems inherent in this approach. Primarily, absent a requirement that LECs must bill and collect for CPP charges, LECs are likely to engage in behavior that would sabotage effective rollout of CPP. As argued above, LECs could determine that they would simply refuse to offer billing and collections, leaving only a partially constructed system of CPP that would eventually collapse. More importantly, without a billing and collections requirement, and in the presence of a competitive incentive to discriminate, LECs will have both the incentive and the legal ability to favor their own services over those of competitors. Wireless providers who have access to billing and collection agreements established by their parent companies will enjoy competitive advantages over independent carriers.<sup>9</sup> CERB members have experienced this type of anticompetitive behavior by LECs who are competing with vendors for ancillary telecommunications services such as voice mail, paging, Internet access and other services.

Competitive providers who use the LEC bill to reach their customers offer a large variety of valuable and innovative services to consumers. Unfortunately, as LECs have begun to compete in the same markets for ancillary services, they have exhibited anticompetitive behavior favoring their own offerings. For example, many LECs are using anti-cramming initiatives as a

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<sup>8</sup> NPRM at ¶ 61.

<sup>9</sup> See also, Reply Comments of Vanguard Cellular Systems, *In the Matter of Calling Party Pays Service Option in Commercial Mobile Radio Services*, WT Docket No. 97-207, CTIA Petition for Expedited Consideration, DA 98-468, at 10-11 (June 8, 1998) (noting that AT&T wireless and RBOC affiliates each receive benefits from billing arrangements of their parent companies).

guise to reduce competition and monopolize the market for ancillary services; Bell Atlantic, SBC, Bell South and others have instituted moratoriums on new third-party billing on the local bill, have imposed near-zero complaint thresholds on competitors, or in other ways have sought to undermine their competitors. Some of these policies provide that competitors can be forever denied a place on the local bill for receiving even a minuscule number of complaints. But these policies do not apply to comparable services supplied by the LECs themselves. For example, Ameritech has refused to bill for an Internet access service on the grounds that it could exceed a certain cost, but Ameritech has not applied this limit to its own Internet access service, which also can exceed that cost. Cincinnati Bell has refused to bill for competitors' caller ID boxes, claiming that a policy prohibits them from billing "products." Despite this policy, Cincinnati Bell uses the local bill for its own competing equipment.

If the FCC does not mandate billing and collections for CPP services, and require those services to be provided in a non-discriminatory fashion, LECs may exhibit the same type of anticompetitive behavior toward unaffiliated wireless providers. If LECs are successful at driving competitive services off the bill, consumers who wish to pay for all of their telecommunications services on a single bill will be forced to use only LEC provided services. In this environment, LECs will benefit from significant competitive advantages and many other providers will ultimately be forced from the market. Allowing such a scenario to occur would deny consumers the lower prices and greater choices inherent in a robustly competitive market.

In the CPP context, Omnipoint has noted that unequal bargaining power between the LECs, who exercise exclusive control over the local bill, and CPP providers who need access to that bill, creates a concern that the market will not function effectively absent a billing and collections requirement.<sup>10</sup> Omnipoint notes that, notwithstanding a few limited trials, "SBC, CBT, Alltel and SNET have refused to offer billing and collections services to Omnipoint's

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<sup>10</sup> Comments of Omnipoint Communications, *In the Matter of Calling Party Pays Service Option in Commercial Mobile Radio Services*, WT Docket No. 97-207, CTIA Petition for Expedited Consideration, DA 98-468, at 4 (May 8, 1998) ("Omnipoint Comments").

billing partner that would allow Omnipoint to offer its wireless customers a CPP service that would bill CPP charges for calls originating in these LECs' home regions."<sup>11</sup> AirTouch further notes that although Pacific Bell's California tariff provides that Pacific Bell must offer billing and collection services to other carriers for third-party services, including wireless services, Pacific Bell has refused to offer those tariffed services to AirTouch for CPP.<sup>12</sup> United States Cellular Corporation also notes that the rates LECs charge for billing and collection leave cellular providers with a very slim profit margin, and that margin is likely to disappear as cellular rates continue to drop.<sup>13</sup>

In the absence of a billing and collections requirement, LECs will not only have an incentive to favor their own wireless affiliates, they will also have an incentive to favor large market players to the detriment of the variety of smaller providers who now compete for wireless consumers. In this proceeding, for example, AT&T has noted that its contracts with LECs, and its own ability to bill, provide a sufficient billing platform to implement CPP without regulatory intervention.<sup>14</sup> In contrast to many smaller providers, AT&T has substantial bargaining power, existing contracts with LECs, and its own established direct billing capabilities. Many smaller providers do not enjoy these benefits. A robust market for CPP service would feature many competitors, whether large or small, affiliated or unaffiliated. The Commission should recognize that AT&T's experience is not reflective of all market participants. Creating an environment where all providers can thrive will result in enhanced innovation, lower prices, and better service for consumers.

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<sup>11</sup> *Id.* at 3, 4.

<sup>12</sup> *See* AirTouch Comments, at 25.

<sup>13</sup> *See* Comments of United States Cellular Corporation, *In the Matter of Calling Party Pays Service Option in Commercial Mobile Radio Services*, WT Docket No. 97-207, Notice of Inquiry, FCC 97-341, at 6,7 (Dec. 16, 1997).

<sup>14</sup> Comments of AT&T Wireless Services, *In the Matter of Calling Party Pays Service Option in Commercial Mobile Radio Services*, WT Docket No. 97-207, CTIA Petition for Expedited Consideration, DA 98-468, at 3,4 (May 8, 1998).

In addition to requiring LECs to bill for all CMRS providers who offer CPP, the Commission should require that billing and collections be provided on a reasonable and non-discriminatory basis. LECs could thwart competition in CPP by providing billing and collections at such high rates that either consumers would not be willing to pay the high charges, or the charges would be internalized by the wireless providers who would be unable to earn a profit and would eventually exit the market. Wireless CPP service providers must be reasonably assured of recovering their costs to provide service, including costs associated with the LEC billing and collection. Omnipoint notes that while many LECs are offering a limited “CPP service option” at rates which appear reasonable, LECs have offered less reasonable terms to providers who request only the LEC billing and collections component of the LEC’s bundled service. LECs have offered charges of as much as \$0.72 to bill and collect for a one-minute CPP call. These rates, according to Omnipoint, far exceed “any incremental costs the LEC incurs by adding a single line to an existing billing statement and, more significantly, dwarf the rates these same LECs have established for their own bundled CPP service option.”<sup>15</sup>

Finally, the Commission has requested comment on the extent to which LECs could provide billing name and address (“BNA”) as an unbundled network element (“UNE”) to facilitate independent billing and collections.<sup>16</sup> CERB agrees with commenters that BNA should be treated as a UNE. Whether or not BNA is treated as a UNE, however, should have little bearing on whether a LEC billing and collections requirement is necessary to foster CPP. CERB submits that BNA is clearly *not* a viable alternative to LEC billing and collections for CPP. The cost of producing a direct bill, combined with the cost of purchasing BNA, make this option prohibitively expensive. Use of BNA is particularly untenable, compared with using the existing LEC platform, when utilized to send relatively small charges on a stand-alone bill. Further, BNA has limited practical value. Obtaining BNA is slow (it sometimes takes several weeks),

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<sup>15</sup> See Omnipoint Comments, at 5.

<sup>16</sup> NPRM at ¶ 66.

and many times it is unreliable. BNA information is often outdated and does not always reflect actual numbers and addresses, which are constantly changing. Furthermore, even if billing clearinghouses or vendors were to use BNA, they would still suffer a competitive disadvantage compared with LEC affiliates. Because LECs maintain the BNA databases, they have access to information that is more complete and more timely than BNA available to third parties.

Finally, the discussion of whether BNA is viable misses the point: consumers prefer a consolidated telephone bill for all their telecommunications purchases. If unaffiliated providers are denied access to the bill, LECs will certainly market their “one-stop-shop” bill to the detriment of the many vendors who would have to send individual bills to consumers.

### **3. The Commission is Authorized to Mandate LEC Billing and Collections for CPP**

The Commission has recognized the role LEC billing and collections may play in fostering CPP development, and has requested comment on the extent of its jurisdiction to require LEC billing and collections for CPP.<sup>17</sup> Specifically, the Commission has requested comment on “whether the statutory objectives of the Act support the assertion of ancillary jurisdiction here.”<sup>18</sup> The Commission may draw jurisdiction from its Title I authority, as well as from Section 332 of the Telecommunications Act.

In addition, Congress and the Commission have recognized, through Section 272 of the Telecommunications Act of 1996<sup>19</sup> and the Non-Accounting Safeguards Order<sup>20</sup> that it is in the public interest to require Regional Bell Operating Companies to provide non-discriminatory billing and collections to competitors for certain types of services that RBOCs provide through affiliates. The policy behind such a decision - that incumbents must be prevented from favoring

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<sup>17</sup> *Id.* at ¶ 64.

<sup>18</sup> *Id.* at ¶ 65.

<sup>19</sup> 47 U.S. C. § 272 (1999).

<sup>20</sup> *See* NPRM at ¶ 60 (citing Implementation of the Non-Accounting Safeguards of Section 271 and 272 of the Communications Act of 1934, as amended, First Report and Order and Further Notice of Proposed Rulemaking, 11 FCC Rcd 21905, 2207-08 (¶¶ 216-219) (1996) (“Non-Acctg. Safeguards Order”).

their own affiliates to the detriment of competitors- is sound and should be adopted in the CPP context.<sup>21</sup>

### **A. Title I Ancillary Jurisdiction**

The Commission can encourage the development of CPP, prevent discrimination, protect consumer choice, and promote competition through its Title I ancillary jurisdiction, despite its finding in the Report and Order on Detariffing of Billing and Collection Services (“Detariffing Order”) that it cannot exercise Title II direct jurisdiction over third party billing.<sup>22</sup> The Commission notes in the instant proceeding that it has generally declined to regulate the provision of billing and collections “unless regulation is needed to protect competition.”<sup>23</sup> Here, exercising jurisdiction over billing and collections is critical to competition. As discussed above, billing and collections through the local telephone bill is the linchpin of successful CPP. A robust CPP market will lead to greater competition in both wireless and landline local service.

In the Detariffing Order, the Commission recognized that it possesses the power to “regulate exchange carrier provision of billing and collection service” under Title I, where it chooses to exercise that power.<sup>24</sup> First, the Commission reasoned that this power stems from its “jurisdiction over ‘all persons engaged within the United States in such [interstate or foreign] communication.’”<sup>25</sup> Second, the Commission noted that the Telecommunications Act of 1934, as amended, defines “communication by wire,” which is subject to the Commission’s jurisdiction, to include “services . . . incidental to such transmission.”<sup>26</sup> Likewise, the Telecommunications

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<sup>21</sup> See Non-Acctg. Safeguards Order at ¶ 6 (Commission notes that in implementing Section 272 it intends to protect competition in certain markets “from the BOCs’ ability to use their existing market power in local exchange services to obtain an anticompetitive advantage in those new markets the BOCs seek to enter.”).

<sup>22</sup> See Detariffing Order at ¶ 35.

<sup>23</sup> NPRM at ¶ 59.

<sup>24</sup> See Detariffing Order at ¶ 36.

<sup>25</sup> *Id.* (quoting 47 U.S.C. § 152(a)).

<sup>26</sup> *Id.* (quoting 47 U.S.C. § 153(a)).

Act defines transmission by radio to include “services incidental to such transmission.”<sup>27</sup> In the Detariffing Order, the Commission found that this grant of authority would be sufficient to enable it to regulate exchange carrier provision of billing and collections to interexchange carriers, but declined to use that authority.<sup>28</sup> Here, this grant of authority is sufficient to regulate exchange carrier billing and collections to CMRS carriers for CPP. Finally, the Commission is empowered by Section 4(i) of the Telecommunications Act of 1934 to “perform any and all acts, make such rules and regulations, and issue such orders, not inconsistent with this Act, as may be necessary in the execution of its functions.”<sup>29</sup>

### **1. Statutory Purposes**

As an initial matter, the exercise of ancillary jurisdiction requires that such regulation would “be directed at protecting or promoting a statutory purpose.”<sup>30</sup> Two critical statutory objectives would be promoted by invoking Title I to ensure access – on non-discriminatory terms – to the local telephone bill for CPP: (1) the Commission’s general mission to perpetuate widespread communications; and (2) its mandate to promote competition in telecommunications services.

The Commission has a duty to promote widespread communication to all Americans.<sup>31</sup> Billing and collection of CPP services through the local telephone bill furthers this objective by making it feasible for competitive telecommunications providers to bill their services, thus fostering growth in the wireless industry and enhancing competition in the local

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<sup>27</sup> 47 U.S.C. § 153 (1994).

<sup>28</sup> Detariffing Order at ¶ 36.

<sup>29</sup> *Id.* (quoting 47 U.S.C. § 154(i)).

<sup>30</sup> *Id.* at ¶ 37.

<sup>31</sup> *See* 47 U.S.C. § 151 (The purpose of the Telecommunications Act of 1934 is to make available “to all the people of the United States . . . a rapid, efficient, Nation-wide, and world-wide wire and radio communication service with adequate facilities at reasonable charges.”).

market. To the extent that the Commission requires LECs to bill and collect CPP charges, and requires such billing and collections on reasonable and non-discriminatory terms, that action will stimulate the proliferation of existing and new telecommunication services.

The Commission may also invoke its ancillary jurisdiction in order to promote the objectives of the Telecommunications Act of 1996, which include providing “a pro-competitive, de-regulatory national policy framework designed to accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition.”<sup>32</sup> In the instant rulemaking, the Commission has recognized the competitive benefits that CPP may offer. Preventing LECs from discriminating against CPP services on the local bill is critical to fostering competition in the CPP marketplace, especially for small competitive service providers. Use of the local telephone bill – on a non-discriminatory basis – provides ubiquity and reliability and reduces transaction costs for CPP service providers, enabling them to enter the market and compete vigorously.

#### **B. Jurisdiction Under Section 332 of the Telecommunications Act**

In the case of landline-to-CMRS calls, the Commission has jurisdiction under Section 332(c)(1)(B) of the Telecommunications Act to declare that LECs must provide billing and collections, on non-discriminatory terms, to CPP providers. Section 332(c)(1)(B) requires common carriers to establish physical connections with CMRS providers pursuant to Section 201 of the Telecommunications Act.<sup>33</sup> Section 201(a) requires common carriers to establish “physical connections with other carriers, to establish through routes and charges applicable thereto and the divisions of such charges, and to establish and provide facilities and regulations for operating such through routes.”<sup>34</sup> An essential component of a physical connection for

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<sup>32</sup> H.R. Conf. Rep. No. 104-458, at 1 (1996) *reprinted in 1996 U.S.C.C.A.N.* 10.

<sup>33</sup> 47 U.S.C. § 332(c)(1)(B) (1999).

<sup>34</sup> 47 U.S.C. § 201(a) (1994).

CMRS providers who offer CPP is LEC billing and collections, without which a successful calling and payment system could not exist. In other words, establishing “through routes and charges applicable thereto” would be rendered meaningless if the originating carrier were not required to bill and collect for the CMRS terminating portion of the call. The Commission is therefore empowered under Section 332(c)(1)(B) to require LECs to provide billing and collections to CPP providers.

**C. The Provision of BNA as a UNE**

The Commission has requested comment on whether it possesses authority to classify BNA as an unbundled network element (“UNE”).<sup>35</sup> For the reasons discussed above, CERB submits that this inquiry is not relevant here. BNA is not an adequate tool for billing of CPP charges because it lacks the ubiquity, reliability, efficiency, and consumer preference of the local telephone bill. Without these features, CPP cannot survive.

**VI. Conclusion**

The Coalition urges the Commission to take the actions suggested herein to promote competition in telecommunications.

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<sup>35</sup> NPRM at ¶ 66.

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