

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Commission Ordered
Investigation into Truth-in-Billing for
Telecommunications Services

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Case No. 99-853-TP-COI

In the Matter of the Amendment of the
Minimum Telephone Service Standards
As Set Forth in Chapter 4901:1-5 of the
Ohio Administrative Code.

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Case No. 00-1265-TP-ORD

REPLY COMMENTS OF WORLDCOM, INC.

On August 31, 2000, WorldCom, Inc. (WorldCom) and various other interested parties submitted initial comments regarding the Staff-proposed revisions to the current Minimum Telephone Service Standards (MTSS). WorldCom hereby submits its replies to the positions taken by the other participants.

It is not WorldCom's intent to respond to all of the statements made by other parties. In many instances, parties have commented on rules which WorldCom did not address in its initial pleading. Unless specifically discussed in these reply comments, WorldCom simply has no position on such issues. Otherwise, the failure of WorldCom to address the comments of other parties regarding the rules addressed in WorldCom's initial comments should not be considered to be agreement with such comments.

I. GENERAL OBSERVATIONS

A. Carrier-to-Carrier Relationships and the MTSS

For the most part, all of the commenting parties urged the Commission to permit

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competition to guide the provision of telecommunications services, and that the heavy hand of regulation should be lessened as competition develops. Worldcom agrees with these principles, but would remind the Commission that competition is still in the embryonic stages in Ohio, particularly for residential and small business customers (see OCC comments, 2-3). Because entering into the market and attracting customers is still a daunting task for CLECs, and because the ILECs are still monopolies for the provision of most services, including wholesale services, the retail MTSS rules should not be equally applied to CLECs and ILECs. This is particularly true with respect to the installation and repair standards and the penalties due to customers when these standards are not met. Without standards governing the carrier-to-carrier relationship, it will often be impossible for the CLECs to comply with the MTSS.

WorldCom repeatedly noted this dichotomy throughout its initial comments, especially with respect to those rules which impose performance obligations on CLECs for activities over which they have no control. The commenting parties have suggested possible remedies for the anomalies and WorldCom particularly supports the Sprint suggestion that the MTSS be applicable to the retail operations of the ILECs but not the CLECs (see, Sprint comments, 3-4; also CLEC Group comments, 5). Sprint has proposed various modifications to the rules to effectuate this recommendation, and WorldCom supports those modifications as well.

The CLEC Group has also recommended that the Commission incorporate into the MTSS the wholesale performance standards which are being developed by several collaboratives before this Commission, which is similar to WorldCom's recommendation that different standards be developed for carrier-to-carrier relationships if the Commission continues to require compliance with the MTSS by CLECs. Under no circumstances should the Commission adopt

the recommendation by Ameritech that the MTSS requirements should have no application to the wholesale relationships between CLECs and ILECs, and that these relationships be governed strictly by interconnection agreements (Ameritech comments, 5). CLECs are customers of the ILECs and, just like residential and small business customers, have no choice but to order resale services and UNEs from the ILECs. Ameritech's comments are similar to the Staff's observations with regard to the elimination of the recourse provisions of Rule 02. For all of the reasons discussed in WorldCom's initial comments, the Commission should either relieve CLECs from compliance with the repair and installation requirements or, at a minimum, retain the recourse provision of the current MTSS.

B. Extended Area Service

The OCC devoted much of its comments to a discussion of extended area service (EAS) in Ohio and has recommended that the MTSS include a requirement that customers be provided with minimum toll-free calling areas (OCC comments, 30-32). WorldCom urges the Commission not to address EAS in this docket. The Commission has EAS rules, Chapter 4901:1-7 Ohio Administrative Code, which, *inter alia*, require IXC's (including WorldCom) to provide calling statistics in many of the EAS cases considered by the Commission. WorldCom has long had grave concerns with the EAS process in Ohio, and agrees that a review of the current EAS rules is long overdue. However, this evaluation should take place in a separate docket, and not this one.

II. REPLY COMMENTS ON SPECIFIC RULES.

A. Rule 01 "Definitions".

WorldCom agrees with those parties recommending that the definition of Rule 01(9), “business day”, be modified to exclude Saturdays, Sundays and holidays.

B. Rule 02 “General Provisions”.

The OCC supports the position of WorldCom and the other CLECs that the recourse provision of the current rules be retained, for all of the reasons set forth above and in WorldCom’s initial comments. WorldCom also notes that almost all of the parties submitting comments in this docket agreed that Rule 02(C) should be eliminated or substantially revised.

C. Rule 03 “Records and Reports”.

WorldCom agrees with the parties that recommended the elimination of the proposed final sentence of Rule 03(C). It should also be noted that OCC has proposed that the information reported to the Commission under both paragraphs (C) and (D) be reported to the OCC as well. It bears repeating that CLECs would not necessarily be able to report the outages referred to in Rule 03(C) and (D) if service is being provided via resale or UNEs, as noted by both WorldCom and Verizon in the initial comments.

D. Rule 04 “Local Service Provider Tariffs”.

The option of maintaining website tariffs in lieu of hard copies at the Commission (Rule 04[a]) engendered many comments by the parties, with the carriers generally supporting the proposal and OCC opposing it. WorldCom also supports the concept that tariffs may be provided on company websites, but the controversy fostered by the Staff recommendation supports WorldCom’s observation that all tariff filing requirements be removed from the MTSS and addressed in the local service guidelines. The Commission should not address and resolve isolated tariff issues in the context of this proceeding when comprehensive rules for all

telecommunications carriers are under consideration in the combined rulemaking dockets, Case No. 99-998-TP-COI and 99-563-TP-COI.

The commenting CLECs have also objected to the tariff map requirement for the same reasons discussed by WorldCom, and all commenting parties recommended that Rule 04(B)(6) be clarified with respect to the use of deposits and advance payments to establish creditworthiness.

E. Rule 05 “Subscriber Complaints”.

OCC has recommended that carriers be required to advise residential subscribers of the OCC’s complaint handling procedures and has proposed specific language to be incorporated into Rule 05(A). WorldCom opposes this recommendation because it may be confusing for a customer, when discussing a particular problem with a customer service representative, to be given this information. It is also impossible to tell, from the recommendation language insertion, exactly when the customer is supposed to be given this information. Information about the OCC is provided to the customer by other means, and there is no need to include it in this rule. WorldCom also would prefer not to have the phrase “subscriber’s representative” inserted into this rule. There is no question but what the OCC has the right to represent residential subscribers, but giving customer information other persons or entities identifying themselves as “representatives” may pose some confidentiality problems.

F. Rule 06 “Consumer Safeguards and Information”.

WorldCom agrees with the commenting parties that the requirement to send the customer bill of rights with the first bill of all customers is burdensome and unnecessary (Rule 06[A][3]). Indeed, WorldCom questions why the Staff believes that changes to the current rule are necessary at all. The full bill of rights is very long and it is likely that customers will not read it. If a

customer is interested in reading the full bill of rights, after reading the synopsis currently being provided in the first bill, the carriers can provide a copy upon customer request. In this regard, OCC's suggestions that additional information be added to the customer bill of rights simply makes it more likely that the customer will not read it if he/she hasn't requested it in the first place.

WorldCom also supports the proposed clarification of the CLEC group to Rule 06(B)(1) that CLECs not be required to provide directories with the numbers for all EAS and EAS pilot routes of the ILEC. Indeed, as reflected in the comments of the ILECs, it appears that the Staff's proposals regarding the inclusion of the numbers for EAS areas are not workable.

F. Rule 07 "Marketing Practices".

Most commenting carriers expressed some reservations with Rule 07(B), which requires carriers to provide customers with sufficient information to make economical choices. WorldCom agrees with the CLEC comments that, in actuality, the rule should not be applicable to CLECs which have every incentive to provide their customers with the best possible service. However, if the rule is to apply to CLECs, then WorldCom agrees with that the rule should not be applied to require a listing of all services and charges, but rather enough information to lead to informed choices. Furthermore, the concept expressed by OCC that a CLEC should have to request permission to discuss products and services (OCC comments, 53) should be rejected by the Commission. WorldCom is aware of the Commission's July 20, 2000, order in Case No. 99-938-TP-COI, the investigation of Ameritech's compliance with the MTSS, but it would be patently unfair to apply the findings in that case to CLECs who are struggling to keep customers and will avoid taking actions which would cause customers to switch carriers.

WorldCom notes that most commenting carriers agreed with WorldCom's initial observations regarding solicitation on inbound calls (Rule 07[E]), and would limit this rule provision to internal "do not solicit lists" for outbound telemarketing.

G. Rule 08 "Slamming".

WorldCom supports the recommendation of the CLEC group that a new section be added to this rule regarding the transfer of customer accounts from one carrier to another where the FCC has granted a waiver of its verification and authorization procedures (CLEC Group comments, 13). WorldCom also has no objection to the suggestions made by several carriers and OCC that Rule 08 refer specifically to the FCC verification and authorization procedures (47 C.F.R. §§64.1100 and 64.1150, reflecting the legislative intent of R.C. §4905.72-4905.74. However, WorldCom does object to the suggestions by OCC that the Ohio rules go beyond the FCC requirements; for example a requirement that the carrier inform a subscriber about the informal complaint procedures (OCC, 57-58). The same is true for OCC's recommended cramming procedures; WorldCom does not object to a reference in the Ohio rules to the FCC cramming procedures, but does object to OCC's proposed section (F) that goes beyond the FCC rules in several instances. Indeed, the OTIA has recommended that all of Rule 08 can be deleted in light of the legislative adoption of the FCC procedures (OTIA comments, 10) and this recommendation has merit. The current MTSS slamming rule is at odds with the FCC process, and the Commission should not perpetuate this problem. WorldCom also agrees with Sprint's observations that proposed section (D) should be eliminated and that the Commission has plenary authority to handle situations of intentional slamming without creating this provision.

Although several carriers, and the OTIA, have recommended the elimination of the

“welcome kit” requirement from the Ohio rules, others have objected to the same sections addressed in WorldCom’s comments. Specifically, the requirement that the packet be mailed in five days is problematic (Sprint Comments, 38) and this timing requirement certainly should not be made more restrictive, as OCC recommends. Furthermore, no carriers have access to information regarding the subscriber’s current carrier (Rule 08[B][2]), or the name of the person submitting the change (Rule 08[B][5]). OCC’s recommendation that the welcome packet include the specific date upon which the service change was requested is also problematic for the reasons discussed in WorldCom’s initial comments (page 11). Finally, as noted by WorldCom, the customer contact information requirement is redundant and unnecessary.

OCC’s suggestion that all carriers be required to provide a Preferred Carrier Freeze is highly anti-competitive and should be rejected. There is so little competition in the local service market, especially the residential market, that there is absolutely no justification for such an offering, and customers will simply be hampered in their ability to make a carrier switch when the time comes. The Commission should not even entertain the suggestion that such freezes are appropriate for local service providers until some viable level of competition has been demonstrated.

H. Rule 10 “Local Service Provider Recommended Service Offerings”.

The Staff did not recommend any substantive changes to current Rule 09, which has been renumbered as Rule 10. OCC, however, has made recommended changes to this rule that go far beyond the minimum service offering requirements of 911 service availability, operator services, directory assistance, access to TRS and non-published number service. At pages 59-62 of its comments, OCC suggests that carriers also be required to provide a lifeline services, warm line

service and various forms of blocking. These items have been considered by the Commission in other dockets and should not be interjected into this one. The components of basic local exchange service are currently under investigation in Case Nos. 99-998-TP-COI and 99-563-TP-COI, and the OCC should raise these issues in that docket. As is the case with the tariff requirements, the Commission should have only one set of rules dealing with specific issues. In an effort to streamline the MTSS, it is time to eliminate sections of the rules that are duplicated elsewhere.

I. Rule 11 “Directory Assistance”.

WorldCom agrees with the comments of the other parties that it is impractical to implement a requirement that new or changed telephone numbers be made available “immediately” to directory assistance. As is the case with many other services, WorldCom purchases updates for its own directory assistance service from the ILECs, and therefore cannot provide listing changes to its customers any faster than the ILECs can provide these changes. Without further evidence that the current two day timeframe is causing a problem, WorldCom recommends that the rule not be changed.

J. Rule 12 “Operator Services, Intercept Services and Busy Line Verification”.

Similar to the concerns raised by various carriers regarding changes to the directory assistance database, WorldCom concurs with the carrier objections regarding the provision directory assistance services “free of charge” when a subscriber’s name has been listed incorrectly in the directory. CLECs generally contract with the ILECs for the publishing of directories and therefore have no control over errors or omissions. Furthermore, WorldCom provides national directory assistance service and simply cannot provide the necessary call screening that would be

required by this provision.

K. Rule 13 “Establishment of Service”.

WorldCom supports the comments of the CLEC group and would urge the Commission to limit that applicability of this section to residential customers, for all of the reasons set forth in the CLEC’s initial comments at pages 16-17. Indeed, the Staff-proposed revisions to this section represent a step backwards. Current Rule 14(B)(3) permits carriers to use financial criteria other than the criteria listed in Rule 4901:1-17-03(A)(2) for determining the creditworthiness of nonresidential customers. In Case No. 96-1175-TP-ORD the competitive carriers argued that because nonresidential customers have more choices in selecting carriers than residential customers, mandatory creditworthiness criteria are unnecessary and anti-competitive. This is still the case today and no reason has been presented for this rule change. CLECs should be permitted to evaluate the financial stability of business customers in accordance with standard business practices. WorldCom also agrees with the comments of other carriers that payment of outstanding balances may only be required for the same “type” of service a customer is seeking to establish or re-establish, in addition to the same class of service (residential or nonresidential). Not only is this proposed language vague and confusing, it could be interpreted as severely limiting the ability of a carrier to require the payment of past due balances prior to the provision of service.

WorldCom also concurs with the CLEC’s observations that proposed Rule 13(A)(3)(d) simply invites toll fraud by requiring carriers to provide 1+ service to customers who have outstanding toll balances with other IXC’s. There is no public policy justification for a requirement that certain customers be permitted to obtain service when previous bills for such

service remain unpaid. In this regard, the OCC's recommendations that carriers be required to offer installment payments for past due balances and that the failure to make such installment payments not be used as grounds for disconnection is tantamount to requiring carriers to provide free service (OCC comments, 63-64). Such a recommendation, which appears to be based on the inability of one ILEC to identify past due balances as either local or toll, should certainly not be adopted for all carriers.

With regard to the use of toll caps as a means by which creditworthiness can be established, Rule 13(A)(3)(b) should be clarified to permit toll caps as an option in addition to the other means by which a customer can establish financial capability. Current Rule 14 permits toll caps as an option and there is no reason to limit the use of toll caps as proposed by the Staff. Indeed, it would seem that a toll cap would be preferable to a mandatory deposit requirement, which WorldCom addressed in its initial comments. WorldCom objects to OCC's recommendation that customers be notified in writing of the applicability of toll caps and the means by which toll caps will be removed (OCC comments, 67) and also objects to any mandatory requirements for the removal of toll caps. All of these restrictions are not appropriate in a competitive environment such as the toll market. It bears repeating that when customers have competitive choices, they may choose another carrier if they are dissatisfied with the credit policies of a particular carrier. The adoption of OCC's suggestions move the MTSS in the wrong direction.

L. Rule 14 "Residential Service Guarantors".

In its initial comments, WorldCom suggested that Rule 14 be applicable only to local exchange service. Alternatively, WorldCom supports Sprint's recommendation that Rule 14 be

eliminated, for all of the reasons set forth on page 27 of its initial comments.

M. Rule 15 “Subscriber Bills”.

In light of the comments filed by the carriers and the OCC regarding subscriber bills, it seems that WorldCom’s suggested incorporation of the FCC’s Truth-in-Billing rules into the MTSS would resolve many concerns. CBT made the same recommendation (CBT comments, 22) and Verizon referred to the FCC requirements in discussing the Staff proposal (*e.g.* Verizon comments, 19). Indeed, even the OCC has stated that the Staff-proposed rule appears to include all of the FCC requirements “except one” (OCC comments, 69). WorldCom has explained the difficulties presented for a national carrier when state rules such as the MTSS go beyond the FCC requirements, and similar concerns were expressed by other carriers as well.

As to specific provisions of Rule 15, WorldCom objects to OCC’s recommendation that OCC contact information be placed on the bill for all of the reasons that WorldCom objected to including Commission contact information. Too much information detracts from the items which are truly necessary for customer understanding of the bill content. Furthermore, OCC acknowledged that this suggestion was rejected in Case No. 96-1175-TP-ORD because the OCC represents only residential customers, and because, as WorldCom has stated, providing OCC contact information on bills and disconnection notices is duplicative and unnecessary. There is no need for the Commission to change its position on this issue.

Furthermore, WorldCom would note that placing contact information for the Commission and for the OCC could well cause customers to call those agencies with billing questions, which ultimately must be referred back to the carrier. Calling the wrong place to obtain billing information will create customer frustration and should be avoided. Billing questions should be

directed to the carrier, and thus the carrier contact number is the only information that should be placed on customer bills.

WorldCom agrees with Sprint's comments at pages 27-28 regarding rate information on customer bills. It should be noted that Rule 15(B)(3)(iii) and (C)(4) require carriers to include the actual rates for both local measured and toll service. The total price and number of minutes is included now on customer bills and the rate per minute can easily be determined from that information. The call distance for local calling plans is also unnecessary information and should be deleted.

Several of the concerns raised by WorldCom were echoed by other carriers. For example, Verizon, the CLEC Group and CBT all opposed various aspects of Rule 15(J), the billing summary requirement for toll services. WorldCom would direct the Commission's attention to the other recommendations made by WorldCom in its initial comments, urges the Commission to reject the Staff-proposed billing summary for the reasons expressed in those comments.

N. Rule 17 "Denial or Disconnection of Service".

As discussed above with respect to Rule 13, WorldCom agrees with Verizon that Rule 17(B)(3) will work to promote toll fraud by permitting customers to avoid the payment of toll bills and obtain toll service from another IXC provider (Verizon comments, 21).

The Staff proposed partial payment application rule, Rule 17(C), appears to have caused some confusion. WorldCom's interpretation of the Staff proposal is that all payments would be apportioned to regulated local service before regulated toll or non regulated services. However, in the case of payments made when past due balances exist, the Staff has, in the past, taken the position that all local charges must be paid before past due toll charges be paid. While some

parties supported this policy, WorldCom continues to believe that the payment of current charges, when amounts for past due toll remain unpaid, will be confusing to customers who believe that they have paid past due balances to avoid disconnection. While customers are advised that local service will not be disconnected for nonpayment of toll, it still might be the desire of customers, when making a partial payment, to pay off past due balances. The Commission should not continue the Staff's practice of applying partial payments to both past due and current local service before paying past due toll service.

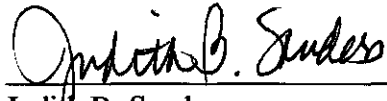
O. Rule 20 "Minimum Service, Quality and Adequacy of Service".

Several parties have commented on the Staff's expansion of the answer times in Rule 20(D), and WorldCom agrees with the Staff's general direction in this regard. However, WorldCom questions whether section (D) of Rule 20 should be applicable to CLECs at all. If customers are dissatisfied with the service being provided by competitive carriers, they can change to another carrier. Like many other aspects of the MTSS, CLECs are motivated to provide high quality customer service in order to retain customers, and will be incented by competition to promptly answer the phone.

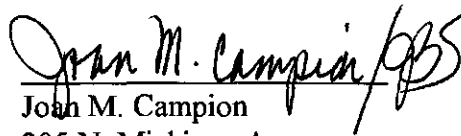
III. CONCLUSION

WorldCom appreciates the opportunity provided by the Commission to submit these comments and reply comments. As indicated in the introduction section, WorldCom did not intend to repeat its initial observations in this reply to the positions of other parties. To the extent WorldCom has not addressed a particular rule provision herein, the Commission is respectfully invited to refer to WorldCom's initial comments.

Respectfully submitted,

A handwritten signature in cursive script, reading "Judith B. Sanders". The signature is written in dark ink and is positioned above a horizontal line.

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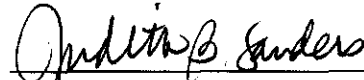
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CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of the foregoing Reply Comments on the parties listed below via first class U.S. mail, postage prepaid, this 14th day of September, 2000.


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