



December 16, 2003

VIA FACSIMILE TRANSMISSION TO: (502) 564-3460; (502) 564-7279; AND U.S. MAIL

Thomas Dorman, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602-8294

Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602-0615

DEC 23 2003

Re: AT&T Discontinuance of 900 Service

Dear Mr. Dorman:

ACI Billing Services, Inc. is a telecommunications billing clearinghouse for various business to business, or business to consumer, AT&T Multiquest information provider customers. We have just learned that AT&T is requesting permission from the Washington Utilities and Transportation Commission that it be permitted to discontinue its intrastate Multiquest 900 Service effective December 31, 2003. Although we have not seen a similar notice directed toward intrastate Multiquest 900 services in your State, it is possible that such notice might not have come to our attention. We therefore write to advise this Commission of the circumstances surrounding AT&T's intent to discontinue this service and, should AT&T request this Commission's permission to do so prior to February 14, 2004, to ask that such request be denied for the reasons stated below.

AT&T's request to use the state regulatory process in Washington and perhaps other States is an outrageous and disingenuous attempt by AT&T to use state regulatory processes to make an end run around an FCC order prohibiting the very action that AT&T now seeks to accomplish in the state(s). After a lengthy proceeding, the Federal Communications Commission ("FCC") recently denied AT&T's request to discontinue its interstate Multiquest 900 services as of December 31, 2003, and instead ruled that AT&T may discontinue service no sooner than February 14, 2004. The FCC's order was based on important public policy and consumer protection concerns. Those same concerns are equally applicable to intrastate Multiquest 900 services and AT&T should not be permitted to deny businesses and consumers in this State the protections afforded

them by the FCC order. A copy of the FCC order setting forth the many important policy and consumer protection reasons why service must be continued until at least February 14, 2004 is enclosed for the Commission's reference.

AT&T's action is all the more reprehensible in light of the fact that in a submission to the FCC, also attached¹, AT&T requested that discontinuance be granted as of December 31, 2004, "or as soon thereafter as possible" (emphasis added). In that same submission, AT&T noted that the timing of the FCC decision on its application was important "so that implementation steps in the state jurisdictions can be coordinated." Clearly, contrary to what it represented to the FCC, AT&T now cares nothing about coordination. Indeed, just the opposite is true – AT&T is trying to use the state processes to circumvent the FCC's order and, if allowed to be put into effect, would disrupt services to State consumers and businesses.

Finally, in other comments and a sworn declaration to the FCC (not attached), AT&T stated that AT&T cannot dismantle its 900 platform on a "piecemeal" basis, but must keep the entire platform operating for as long as any customers are being served. If AT&T cannot dismantle the platform on a piecemeal basis, how is it that on a piecemeal basis it can discontinue intrastate service, while keeping the rest of the platform operational? Therefore, AT&T cannot discontinue only intrastate services on December 31, 2003, and any letters to customers indicating an intent to do so are merely efforts to scare them into believing that their service will be disrupted sooner than the FCC order has assured them will be the case.

In sum, it is strongly requested, for important policy and well as other reasons, that AT&T's request to discontinue its Multiquest 900 services be granted effective only as of February 14, 2004.

Thank you for your consideration. If you have any questions, or require any assistance, please do not hesitate to contact me at (818) 678-4658.

Sincerely,



Steven J. Rosenthal

¹ The copy of the AT&T ex parte submission attached to this document has the date of December 9, 2003 because though the copy we have is the copy that was received from the FCC from AT&T, it is a Microsoft Word copy which automatically changes the date of the document to the date when it is printed. Though we do not know the precise date of the document, it was submitted by AT&T to the FCC on September 30, 2003.

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

In the Matter of)	
)	
AT&T Communications' Application to)	
Discontinue Domestic Telecommunications)	Comp. Pol. File No. 645
Services)	
)	

MEMORANDUM OPINION AND ORDER

Adopted: November 21, 2003

Released: November 21, 2003

By the Chief, Wireline Competition Bureau:

I. INTRODUCTION

1. This *Memorandum Opinion and Order* addresses an application by AT&T Communications (AT&T) to discontinue providing certain domestic telecommunications services, specifically AT&T MultiQuest 900 Services, to customers, pursuant to section 214(a) of the Communications Act of 1934, as amended (the Act),¹ and section 63.71 of the Federal Communications Commission's (Commission's) rules.² As explained in greater detail below, we grant AT&T permission to discontinue its MultiQuest 900 Services no earlier than February 14, 2004.

II. BACKGROUND

2. On April 7, 2003, AT&T filed the above-referenced application with the Commission, requesting authority, under section 214(a) of the Act and section 63.71 of the Commission's rules, to discontinue its MultiQuest 900 Services, which are "business-only" 900 services that many customers use for applications such as check-clearing and employment services.³ AT&T states that it planned to discontinue providing MultiQuest 900 Services on December 31, 2003, and

¹ 47 U.S.C. § 214(a).

² 47 C.F.R. § 63.71.

³ *Application to Discontinue Domestic Telecommunications Services*, Comp. Pol. File No. 645 (filed Apr. 7, 2003) (AT&T Application) at 1. AT&T's MultiQuest 900 Services permit interactive communications between end-user locations and MultiQuest 900 customer locations. MultiQuest 900 Services include a dedicated transport service (AT&T MultiQuest Interacter Service) and a switched access transport service (AT&T Express900 Service), and the footprint for these services covers the mainland United States, Alaska, Hawaii, Puerto Rico, and the U.S. Virgin Islands.

that it notified its customers of its intent by letters dated April 7, 2003.⁴ AT&T argues that it would be financially burdensome for it to continue to operate its MultiQuest 900 Services beyond December 31, 2003.⁵

3. Many of AT&T's customers filed comments with the Commission in response to AT&T's notice, objecting to the proposed discontinuance on the grounds that they would be unable to find a reasonable alternative to the service by the end of 2003.⁶ Some of these customers preferred to retain the same 900 numbers they had received from AT&T.⁷ These customers, through their agent, ACI Billing, Inc. (ACI),⁸ explored ways to transfer the MultiQuest 900 exchanges as a block of numbers, to another carrier.⁹ By Public Notice dated July 9, 2003, the Bureau invited comment on AT&T's application and indicated that, in accordance with the streamlined procedures set forth in section 63.71(c) of the Commission's rules, the application would be deemed to be automatically granted on the thirty-first (31st) day after the release date of the notice, unless the Bureau notified AT&T that the grant would not be automatically effective.¹⁰ Accordingly, the automatic grant date for the AT&T Application would have been August 8, 2003. However, in response to further concerns raised by several commenting parties, the Bureau issued a second Public Notice on August 8, 2003, removing the AT&T application from streamlined treatment and requesting additional public comment.¹¹

4. In response to both the July Public Notice and the August Public Notice, the Commission received comments and *ex parte* communications from 19 parties.¹² According to

⁴ AT&T Application at 1-2, Attach.

⁵ Letter from Michael F. Del Casino, Regulatory Division Manager, AT&T, to Marlene H. Dortch, Secretary, Federal Communications Commission, Comp Pol. File No. 645 (filed Oct. 8, 2003) (AT&T Oct. 8 *ex parte* Letter) at 1.

⁶ See Bank of America Comments; Bank of the West Comments; Charter One Technology Services Comments; Corporate Network Management Comments; FleetBoston Financial Comments; Hewlett-Packard Company Comments; Huntington National Bank Comments; Network Telephone Services, Inc. Comments; People's Bank Comments; Philips Consumer Electronics North America Comments; PNC Comments; Sonic Foundry, Inc. Comments; Sterling National Bank Comments.

⁷ *Id.* See ACI Comments at 10.

⁸ ACI is a billing and collection agent serving nearly 150 of AT&T's customers. ACI Comments at 4.

⁹ ACI Comments at 10.

¹⁰ *Comments Invited on AT&T Communications Application to Discontinue Domestic Telecommunications Services*, Public Notice, Comp. Pol. File No. 645, DA 03-2254 (rel. Jul. 9, 2003) (July Public Notice). See 47 C.F.R. §§ 0.91, 0.291.

¹¹ *AT&T Communications Application to Discontinue Domestic Telecommunications Services Not Automatically Granted*, Public Notice, Comp. Pol. File No. 645, DA 03-2623 (rel. Aug. 8, 2003) (August Public Notice).

¹² These include ACI, Bank of America, Bank of the West, Charter One Technology Services, Corporate Network Management, the Delaware Division of Corporations, Experian, FleetBoston Financial, Hewlett-Packard Company, the Huntington National Bank, Jartel, Inc., Network Telephone Services, Inc., North County Communications, (continued....)

some parties, AT&T's MultiQuest 900 Services are unique "business-only" services, for which standard 900 services and other service options (such as credit card calls or 800 service) could not substitute.¹³ Commenters contend that, because of the difficulties involved with obtaining a new 900 service provider, AT&T's April 7, 2003 customer notice was inadequate.¹⁴ In addition, commenters also argue that if AT&T discontinues service, customers will lose their currently identifiable 900 numbers when they begin service with a new provider.¹⁵ Parties argue that, as a result, many members of the public that use AT&T's MultiQuest 900 Services will not receive notice of the service change unless AT&T supplies an intercept message informing callers of the new number.¹⁶ Consequently, the commenters request that AT&T be required to continue its MultiQuest 900 Services until customers are able to migrate to new 900 service providers and the public has been given reasonable notice of the number change.¹⁷ AT&T argues that it gave customers sufficient notice of its intent to discontinue, and that it has offered to increase the

(Continued from previous page)

People's Bank, Philips Consumer Electronics North America, PNC, Sonic Foundry, Inc., Sterling National Bank, and TALX Corporation (TALX).

¹³ See, e.g., ACI Comments at 5-6, 10-12; Letter from Jean L. Kiddoo, Counsel to ACI Billing Services, Inc., to Marlene H. Dortch, Secretary, Federal Communications Commission, Comp. Pol. File No. 645 (filed Aug. 6, 2003) (ACI Aug. 6 *ex parte* Letter) at 2.

¹⁴ *Id.*

¹⁵ ACI Comments at 10-12; TALX Comments at 4-5; Delaware Division of Corporations Comments at 1. See Experian Comments at 1; Jartel, Inc. Comments at 1.

¹⁶ See ACI Comments at 14-15; ACI Aug. 6 *ex parte* Letter at 2; Letter from Loretta J. Garcia, Counsel to TALX Corporation, to Marlene H. Dortch, Secretary, Federal Communications Commission, Comp. Pol. File No. 645 (filed Aug. 15., 2003) (TALX Aug. 15 *ex parte* Letter) at 2; Letter from Loretta J. Garcia, Counsel to TALX Corporation, to Marlene H. Dortch, Secretary, Federal Communications Commission, Comp. Pol. File No. 645 (filed Sept. 23, 2003) (TALX Sept. 23 *ex parte* Letter) at 2; Letter from Loretta J. Garcia, Counsel to TALX Corporation, to Marlene H. Dortch, Secretary, Federal Communications Commission, Comp. Pol. File No. 645 (filed Oct. 10, 2003) (TALX Oct. 10 *ex parte* Letter) at 1-2.

¹⁷ The Delaware Division of Corporations maintains that AT&T should not discontinue service until June 30, 2004. Delaware Division of Corporations Comments at 1. TALX argues that AT&T should not discontinue service until May 7, 2004. See TALX Aug. 15 *ex parte* Letter at 1-2. ACI contends that AT&T should not discontinue service until February 29, 2004. Letter from Jean L. Kiddoo, Counsel to ACI Billing Services, Inc., to Marlene H. Dortch, Secretary, Federal Communications Commission, Comp. Pol. File No. 645 (filed Oct. 29, 2003) (ACI Oct. 29 *ex parte* Letter) at 1. Other commenters argue that if number portability is not available for AT&T's 900 numbers, the Bureau should deny AT&T's application. See, e.g., Experian Comments at 2; Corporate Network Management Comments at 2. However, the Commission has declined to require number portability for 900 services. See *Common Carrier Bureau Seeks Comment on North American Numbering Council Recommendation Concerning Feasibility of Number Portability of 500 and 900 Numbers*, Public Notice, CC Docket No. 95-116, DA 99-1527 (rel. Aug. 3, 1999) (seeking comment on the North American Numbering Council recommendation that the Commission should suspend consideration of the issue); see also *In the Matter of Telephone Number Portability*, CC Docket No. 95-116, Second Report and Order, 12 FCC Rcd 12281, 12352-53, para. 130 (Aug. 18, 1997) (indicating that recommendations will be deemed to have been adopted by the Bureau when the Chief does not act within 90 days of the conclusion of the comment cycle).

preamble portion of subscribers' recorded messages, at no additional charge, so that they may alert their customers to the change in service.¹⁸

III. DISCUSSION

5. Section 214(a) of the Communications Act, as amended, states that "[n]o carrier shall discontinue, reduce, or impair service to a community, or part of a community, unless and until there shall first have been obtained from the Commission a certificate that neither the present nor future public convenience and necessity will be adversely affected thereby."¹⁹ The primary purpose of this requirement is to reduce the harm to consumers caused by discontinuances of service, which is an important aspect of the Commission's general obligation under the Act to protect and promote the public interest.²⁰ As the Commission has stated, "we have retained the right to delay grant of a discontinuance authorization if we believe an unreasonable degree of customer hardship would result,"²¹ and we will review each application to determine whether proper notice has been given, whether customers or other end users are able to receive service or a reasonable substitute from another carrier, and whether the public convenience and necessity is otherwise adversely affected.²²

6. The Commission has considerable discretion in determining whether to allow a carrier to discontinue service pursuant to section 214.²³ The Commission considers a number of factors in balancing the interests of the carrier and the affected user community, including (1) the financial impact on the common carrier of continuing to provide the service, (2) the need for the service in general, (3) the need for the particular facilities in question, (4) the existence, availability, and adequacy of alternatives, and (5) increased charges for alternative services, although this factor may be outweighed by other considerations.²⁴ As we discuss below, in

¹⁸ AT&T Reply at 1, 9, 10-11; Letter from Michael F. Del Casino, Regulatory Division Manager, AT&T, to Marlene H. Dortch, Secretary, Federal Communications Commission, Comp Pol. File No. 645 (filed Oct. 31, 2003) (AT&T Oct. 31 *ex parte* Letter) at 2; AT&T Sept. 26 *ex parte* Letter at 2; AT&T Reply at 9-10. See AT&T Oct. 8 *ex parte* Letter at 2. See ACI Oct. 29 *ex parte* Letter at 3. We note that TALX uses its 900 number preamble to notify its customers of the impending discontinuance. TALX Comments at 9.

¹⁹ 47 U.S.C. § 214(a).

²⁰ See 47 U.S.C. § 201.

²¹ *Policy and Rules Concerning Rates for Competitive Common Carrier Services and Facilities Authorizations Therefor (Competitive Carrier First Report and Order)*, 85 FCC 2d 1, 49 (1980).

²² See 47 C.F.R. § 63.71(a); see, e.g., *AT&T Application to Discontinue Interstate Sent-Paid Coin Service Not Automatically Granted*, Public Notice, NSD File No. W-P-D-497 (Aug. 3, 2001) (requiring AT&T to show how it will minimize the negative impact on the affected customers).

²³ *FCC v. RCA Communications, Inc.*, 73 S.Ct. 998, 1002 (1953).

²⁴ *Application for Authority Pursuant to Section 214 of the Communications Act of 1934 to Cease Providing Dark Fiber Service*, File Nos. W-P-C-6670 and W-P-D-364, 8 FCC Rcd 2589, 2600, para. 54 (1993) (*Dark Fiber Order*); remanded on other grounds, *Southwestern Bell v. FCC*, 19 F.3d 1475 (D.C. Cir. 1994). See *Verizon Telephone Companies, Section 63.71 Application to Discontinue Expanded Interconnection Service Through Physical Collocation*, Order, WC Docket No. 02-237, FCC 03-256 (rel. Oct. 22, 2003).

weighing these five factors, we find that the record supports requiring AT&T to continue to provide its MultiQuest 900 Services until February 14, 2004.

7. *Factor 1: The financial impact on AT&T of continuing to provide MultiQuest 900 Services.* We agree with AT&T that it would suffer substantial financial hardship unless we grant it permission to discontinue providing its MultiQuest 900 Services.²⁵ Because AT&T found that its MultiQuest 900 Services were no longer profitable,²⁶ AT&T notified its customers on April 7, 2003, that it planned to terminate MultiQuest 900 Services as of December 31, 2003, and that its customers would have to find alternative service providers.²⁷ AT&T estimates its December 2003 revenues at between \$50,000 and \$55,000 but argues that, with monthly costs of \$500,000 to serve its remaining customers, its monthly costs to operate the platform far exceed its revenues.²⁸ We agree with AT&T that its fixed costs are high and that, despite continued business from ACI's clients, TALX Corporation, or the Delaware Division of Corporations, AT&T likely will not recoup its losses from continuing to operate the MultiQuest platform.²⁹ Accordingly, we find that continued provision of its MultiQuest 900 Services would constitute a significant financial burden for AT&T.

8. *Factors 2 and 3: The need for AT&T's MultiQuest 900 Services.* Because the same facts apply to our analysis of factors 2 and 3, we examine them together. Commenters state that they use AT&T's MultiQuest 900 Services to provide a variety of services, including employment verification for prospective employers, available-funds verification for creditors, technical support for business and home users of electronics equipment, as well as government and law enforcement applications.³⁰ AT&T's customers laud the cost-effectiveness and ease of use of the MultiQuest 900 Services, which permit quick access to information with a single phone call.³¹ We agree with the commenters that argue that a "business-only" 900 service has unique value to their businesses.³² ACI points out that AT&T's "business-only" 900 service is distinct from other 900 services. While many local exchange carriers (LECs) disable generic 900 services at the switch, they are willing to pass calls using the two AT&T MultiQuest "business-

²⁵ We disagree with ACI's argument that AT&T would suffer no hardship because it would continue to receive revenue. See ACI Aug. 6 *ex parte* Letter at 2. See also AT&T Reply, Declaration of Laurie B. Brown at 2.

²⁶ AT&T Oct. 8 *ex parte* Letter at 1.

²⁷ AT&T Application at 1-2, Attach.

²⁸ See AT&T Oct. 8 *ex parte* Letter at 1 (also indicating that approximately \$250,000 of its monthly costs are fixed costs); AT&T Reply, Declaration of Laurie B. Brown at 2; ACI Aug. 6 *ex parte* Letter at 2.

²⁹ AT&T Oct. 8 *ex parte* Letter at 1; ACI Aug. 6 *ex parte* Letter at 2; AT&T Reply, Declaration of Laurie B. Brown at 2.

³⁰ See, e.g., TALX Comments; ACI Comments; Hewlett-Packard Company Comments; Huntington National Bank Comments; People's Bank Comments; Experian Comments.

³¹ *Id.*

³² See, e.g., ACI Comments at 5-6, 10-12. ACI Comments at 12; ACI Aug. 6 *ex parte* Letter at 2.

only” exchanges (1-900 225 and 1-900 555).³³ For these reasons, we conclude that the commenters have shown a specific need for the AT&T MultiQuest 900 Services.

9. Several commenters also argue that the telephone numbers that AT&T provided are themselves of value, and not easily interchangeable with new 900 numbers, because those numbers had been disseminated among the public for years and were being used by many callers whose identity is unknowable.³⁴ AT&T’s subscribers were unable to make arrangements that would allow them to retain their current 900 numbers once they switch to an alternative service provider. Commenters argue persuasively that having to switch 900 numbers, in addition to service providers, would impose an additional hardship on subscribers, whose end-user customers face possible service disruption. To prevent possible loss of service to the public, we agree that some additional time may be necessary to alert the public to the existence of an alternative “business-only” service.

10. *Factor 4: The existence, availability, and adequacy of alternatives.* As described above, we agree with commenters that AT&T’s MultiQuest 900 Services are distinct from other 900 services because of their “business only” features. ACI also argues that other services, such as 800/Credit Card and 800/PIN, are inadequate substitutes for a variety of reasons.³⁵ For example, ACI’s clients’ end users typically would not possess the credit card or identification numbers necessary to process calls using these services.³⁶ Commenters also persuasively argue that, at the time AT&T filed its application, it was the only 900 service provider to offer a “business-only” application.³⁷ ACI represents the largest single group of remaining AT&T MultiQuest customers, and has worked diligently to obtain access to another “business-only” 900 service.³⁸ According to its October 29, 2003 *ex parte* Letter, ACI has identified an alternative “business-only” 900 service, and expects that, by the end of November 2003, its clients will have contracted with Champion Communications, a subsidiary of MCI, to provide an alternative “business-only” 900 service.³⁹ Accordingly, we find that most AT&T subscribers have now found adequate alternatives to AT&T’s MultiQuest 900 Services and are in the process of transitioning to these alternative services. ACI nonetheless argues that an additional 2 months of notice, beyond December 31, 2003, is necessary to complete provisioning for the new service and

³³ ACI Comments at 5-6. According to ACI, LECs were concerned about the “entertainment” nature of many 900 services. *Id.*

³⁴ ACI Comments at 10-12; TALX Comments at 4-5; Delaware Division of Corporations Comments at 1. *See* Experian Comments at 1; Jartel, Inc. Comments at 1.

³⁵ ACI Comments at 8-10.

³⁶ ACI Comments at 8-10. In addition, 800 services require extra transactional steps that would lengthen call times. *Id.*

³⁷ *See, e.g.*, ACI Comments at 5-6, 10-12; ACI Aug. 6 *ex parte* Letter at 2.

³⁸ *See* ACI Comments; ACI Aug. 6 *ex parte* Letter; ACI Oct. 29 *ex parte* Letter.

³⁹ ACI Oct. 29 *ex parte* Letter at 2.

for ACI's customers to alert their end users to the new numbers prior to discontinuance.⁴⁰ Another of AT&T's remaining customers, TALX Corporation (TALX), also has obtained an alternate service and is directing its customers to the new number.⁴¹

11. Some commenters also argue that, because they will have to use a new 900 number when they switch providers, AT&T should provide some way for AT&T's subscribers to notify unknown end users that they must use an alternate number once AT&T discontinues its service. ACI has requested that AT&T keep its platform operational in order to allow customers to receive the new number when they call the old number.⁴² TALX also requests that AT&T provide specific intercept messages and forward calls to the new service numbers.⁴³ AT&T argues, however, that it would be technically infeasible to provide customer-specific intercept messages after it discontinues its MultiQuest 900 Services.⁴⁴ According to AT&T, prior to discontinuance, customers may use the preamble portion of their recorded message for the same purpose, and AT&T has agreed to extend this free preamble time from 18 seconds to 28 seconds, without additional charge to subscribers.⁴⁵ We find that the customer-specific messages currently available, including the free preamble time AT&T has agreed to extend by 10 seconds, will permit subscribers to alert their end users to the details of the substitute services they have chosen. We find that requiring an additional customer support apparatus, as TALX suggests,⁴⁶ would be burdensome and unnecessary given the other methods of customer notice that have been available.⁴⁷

12. We further acknowledge that the Delaware Division of Corporations (Delaware) indicates that it has not found alternative service and argues that, prior to delivering its corporate services to the public through an alternative provider, or a web-based application, it must

⁴⁰ ACI Oct. 29 *ex parte* Letter at 2-3.

⁴¹ TALX indicates that it will provide customers access to its database through an 800 number and through Internet access. TALX Aug. 15 *ex parte* Letter at 2. TALX also has access to another 900 number but, for various reasons, TALX cannot use this number as a substitute for AT&T's MultiQuest 900 Services. *Id.* at 1.

⁴² ACI Reply at 3.

⁴³ TALX Sept. 23 *ex parte* Letter at 2; TALX Oct. 10 *ex parte* Letter at 1-2.

⁴⁴ See Letter from Michael F. Del Casino, Regulatory Division Manager, AT&T, to Marlene H. Dortch, Secretary, Federal Communications Commission, Comp Pol. File No. 645 (filed Sept. 26, 2003) (AT&T Sept. 26 *ex parte* Letter). AT&T says that after it discontinues its MultiQuest 900 Services, it will only be able to route 900 callers to a generic announcement that could alert callers that the called number has been discontinued, but which customers could not tailor to their own end-user consumers. AT&T Sept. 26 *ex parte* Letter at 1.

⁴⁵ AT&T Oct. 31 *ex parte* Letter at 2; AT&T Sept. 26 *ex parte* Letter at 2; AT&T Reply at 9-10. See AT&T Oct. 8 *ex parte* Letter at 2. See ACI Oct. 29 *ex parte* Letter at 3. We note that TALX uses its 900 number preamble to notify its customers of the impending discontinuance. TALX Comments at 9.

⁴⁶ TALX requests that AT&T be required to direct callers, after it discontinues service, to contact AT&T customer service for more information concerning substitute services. TALX Oct. 10 *ex parte* Letter at 1-2.

⁴⁷ See AT&T Oct. 31 *ex parte* Letter at 1.

perform a cost analysis and, possibly, conduct a bidding process.⁴⁸ However, we find that Delaware has had adequate time, since AT&T's April 7, 2003 notice, to commence its internal state process or, at a minimum, to alert its users that the 900 numbers it obtained from AT&T could be out of service as early as December 31, 2003. In addition, we note that while Delaware does not currently offer online access to corporate information, its website does direct users to alternative sources for this information, in addition to its 900 number, including an alternative telephone number that consumers can call, and a list of vendors that do provide direct web access.⁴⁹ Therefore, we find that the administrative difficulties that Delaware faces in obtaining a new 900 service should not prevent potential seekers of its corporate information from learning how to access this information. In addition, we urge Delaware to begin its necessary process for obtaining an alternative service provider, such as ACI's customers' new provider, Champion Communications.

13. *Factor 5: Increased charges for alternative services.* Commenting parties also have indicated that they will incur substantial costs to alert their customers that they must use alternative services.⁵⁰ The Commission will consider increased charges to consumers in determining whether grant of service discontinuance adversely affects the public convenience and necessity, but increased consumer charges may be outweighed by other factors.⁵¹ In this case, there is no indication in the record that the cost of the alternative services will themselves be substantially higher than AT&T's MultiQuest 900 Services.

14. *Balancing the five factors.* Balancing these factors, we conclude that, although AT&T should be allowed to discontinue its MultiQuest 900 Services, there is sufficient cause to require AT&T to continue to provide MultiQuest 900 Services until February 14, 2004. Although AT&T gave nearly 9 months notice to its subscribers, we find that it was difficult for many subscribers to find alternative "business-only" 900 service, because no such alternative

⁴⁸ Delaware Comments at 1.

⁴⁹ See Delaware Comments.

⁵⁰ ACI Aug. 6 *ex parte* Letter at 2.

⁵¹ The relevant inquiry is whether the alternative services are priced so high that most users cannot afford to purchase them. *AT&T Corp. Application for Authority Under Section 214 of the Communications Act, as Amended, to Discontinue the Offering of High Seas Service and to Close its Three Radio Coast Stations (KMI, WOM, and WOO)*, File No. ITC-MS-19981229-00905, Order on Reconsideration, 16 FCC Rcd 13636, 13644, para. 15 (Int'l Bur. 2001). See *American Telephone and Telegraph Co. Application for Authority Pursuant to Section 214 of the Communications Act to Discontinue the Offering of Type 400 Switching System Service*, File No. T-D-23028, Memorandum Opinion, Order and Certificate, 63 FCC 2d 371, 372-73, para. 4 (1977) (finding that increased charges to consumers were outweighed by other factors favoring grant of the application to discontinue service). See also *AT&T Corp. Application for Authority Under Section 214 of the Communications Act, as Amended, to Discontinue the Offering of High Seas Service and to Close its Three Radio Coast Stations (KMI, WOM, and WOO)*, File No. ITC-MS-19981229-00905, Memorandum Opinion and Order, 14 FCC Rcd 13225, 13230, para. 10 (Int'l Bur. 1999) ("the Commission has made it clear that the mere fact that an alternative service costs more than the discontinued service, or requires customers to purchase additional equipment, does not render the alternative service nonviable as a substitute").

service existed at the time AT&T filed its application.⁵² A new "business-only" 900 service provider has now been located, but this new service will not be provisioned until after AT&T's proposed discontinuance date.⁵³ Based on the record, we find that AT&T's proposed December 31, 2003 discontinuance date does not permit its subscribers adequate time to obtain the new "business-only" 900 service and alert their end-user customers to the new 900 numbers they should call. However, we also find that AT&T will incur substantial costs to continue to keep its MultiQuest 900 Services platform operational and that AT&T's April 7, 2003 notice provided adequate time for most subscribers to begin to find alternative services or to notify their customers of the impending discontinuance of the MultiQuest 900 Services. Therefore, we find that the record justifies a short extension of AT&T's MultiQuest 900 Services but does not support requiring AT&T to operate its MultiQuest platform for the longer periods that some commenters request.⁵⁴ Accordingly, we require AT&T to continue to operate its platform until February 14, 2004.⁵⁵ In addition, we require AT&T to extend subscriber preamble time by 10 seconds without additional charge to subscribers, as AT&T has committed to do in its filings in this proceeding. Under these circumstances, discontinuance will not cause undue customer harm and will serve the public interest, and we conclude that, with these conditions, AT&T may discontinue providing MultiQuest 900 Services, consistent with its filed representations.

IV. ORDERING CLAUSE

15. Accordingly, IT IS ORDERED that, pursuant to sections 1, 4(i), and 214 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), 214, and sections 0.91, 0.291, and 63.71 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, 63.71, AT&T's Application to Discontinue Service IS GRANTED IN PART, in a manner consistent with the findings in this Order.

FEDERAL COMMUNICATIONS COMMISSION

William F. Maher, Jr.
Chief, Wireline Competition Bureau

⁵² See ACI Oct. 29 *ex parte* Letter.

⁵³ ACI Oct. 29 *ex parte* Letter at 2-3. According to ACI, the contracting process will continue through November 2003, orders will be placed in late November and into December, and provisioning for T-1 lines, which is necessary to support the new service, will take approximately 60 days to complete. *Id.*

⁵⁴ See *supra*, n.17.

⁵⁵ According to ACI's October 29 *ex parte* Letter, its subscribers require 2-4 weeks to complete contracts, 60 days to provision their service, plus an additional allowance for holiday delays and customer notification. ACI Oct. 29 *ex parte* Letter at 2-3. We find that a February 14, 2004, discontinuance date accommodates ACI's objectives, given that its customers have known since April 2003 of the imminent need to change service providers.



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December 9, 2003

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, SW, Room TWB-204
Washington, DC 20554

Re: Application to Discontinue AT&T MultiQuest 900 Service

Dear Ms. Dortch:

Today I met by phone with Greg Cooke of the Wireline Competition Bureau regarding the above mentioned topic. The conversation focused on the timing of the discontinuance, the kind of implementation steps that all required, and customer notification. AT&T reiterated its desire to exit this market on December 31, 2003 or as soon thereafter as possible. AT&T further restated its position that MultiQuest costs significantly exceed the revenue that the service generates and that customers have been given sufficient notice to transition to replacement services. AT&T also stated that the timing of a decision on this Application is important so that implementation steps in the state jurisdictions can be coordinated.

One electronic copy of this Notice is being submitted to the Secretary of the FCC in accordance with Section 1.1206 of the Commission's rules.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Del Casino".

cc: Greg Cooke