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**Federal Communications Commission
1919 - M Street, N.W.
Washington, D. C. 20554**

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See *MCI v. FCC*, 515 F.2d 385 (D.C. Cir. 1974).

Report No. CC 98-1

COMMON CARRIER ACTION

January 29, 1998

**FCC ADOPTS PRICE DISCLOSURE REQUIREMENT FOR
AWAY-FROM-HOME CALLS;
Public Phone Prices To Be More Readily Available to Consumers
(CC Docket No. 92-77)**

As part of its continuing effort to address complaints about high rates for away-from-home calls, the Commission today required long distance carriers providing service at public phones to orally notify callers of their right to obtain rate quotations before carriers may connect and bill for calls. Consumers will be able to find out the total price of a phone call, including any surcharges, by simply pressing a button, such as the pound key, or staying on the line. The price disclosure requirement will give consumers the opportunity to decide not to place calls from phones with high rates, or place long distance calls by "dialing around" to the carrier of their choice. As carriers compete for public phone customers on the basis of price, competition in this segment of the telecommunications market will be enhanced.

The Commission today adopted the price disclosure requirement in an Order concerning operator service provider (OSP) calls. OSP calls are those made from payphones and other aggregator locations, such as hotels, hospitals, airports, and educational institutions, where callers dial 0+ the number being called. Such calls are routed through the carrier, or the OSP, chosen by the premises or public phone owner. High prices for OSP calls are the subject of the Commission's third largest area of telephone-related complaint, with the Commission processing more than 5,000 such complaints in just the past two years.

Current Commission rules require carriers to orally identify themselves at the beginning of phone calls. Public phone owners must also post directions on how to obtain price quotations near or on their phones. Consumers therefore must typically hang up and place another call if they wish to obtain rate information. The price disclosure requirement adopted today will make it quicker and more convenient for consumers to get price quotations, while permitting consumers to bypass rate disclosures if they wish.



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The Commission declined to adopt several other proposed solutions in this proceeding. One such approach is Billed Party Preference (BPP), whereby aggregators would be required to ensure that all 0+ calls are automatically routed to the carrier preferred by the party being billed for the call, after consulting a database indicating the billed party's preferred OSP. The Commission found that the price disclosure requirement adopted today would afford the same level of consumer protection as BPP, but at far less cost to the industry. The Commission also declined to prescribe rate caps or require carriers to disclose only rates that are significantly above the industry norm. The Commission concluded that a more practical, pro-competitive, and deregulatory approach is for all price information to be readily available to consumers. This approach is supported by many members of the industry and consumer advocates, such as the National Association of Attorneys General, and a number of state regulatory commissions, including those in California, North Dakota, and Pennsylvania.

Today's Order also concludes that carriers should continue to file and maintain "informational tariffs" at the FCC, as required by the Communications Act. The Order, however, requires OSPs to file more detailed and specific information concerning their rates. The Order also adopts other changes to the form and content of these tariffs in order to better serve the public.

All public phones must comply with the price disclosure requirement by July 1, 1998, with a limited exception for certain phones that must first be modified or replaced.

Action by the Commission January 29, 1998, by Second Report and Order and Order on Reconsideration (FCC 98-9). Chairman Kennard, Commissioners Ness, Furchtgott-Roth, Powell, and Tristani, with Commissioner Tristani issuing a separate statement.

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