

ALJ/MCK/bwg

Decision 97-06-109 June 25, 1997

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**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Investigation of the Commission's Own Motion into  
the Regulation of Cellular Radiotelephone Utilities.

And Related Matters.

188-11-040  
(Filed November 23, 1988)  
(Pet. for Modification filed  
September 13, 1996)

Application 87-02-017  
(Filed February 6, 1987)

Case 86-12-023  
(Filed December 12, 1986)

**DECISION GRANTING IN PART PETITION TO MODIFY DECISION 90-06-025**

This decision arises out of a petition filed by AirTouch Cellular (AirTouch) and certain of its affiliates<sup>1</sup> to modify Decision (D.) 90-06-025, 36 CPUC2d 464 (1990). In that decision, we noted that "landline callers do not need to worry about the possibility that a number they wish to call may, unbeknownst to them, involve cellular service and may be charged at much higher rates than conventional landline service," because "cellular customers are charged for all cellular calls, whether they are on the originating or terminating end of the call..." (Id. at 481; footnote omitted.) After soliciting comments on whether this arrangement -- which is known as "called party pays" -- should continue, we concluded:

"We concur that the LECs should not be allowed to bill the calling party at cellular service rates at this time. However, PacBell and other parties may share the results of any billing feasibility study based on the 'calling party

<sup>1</sup> The petition states that AirTouch is the managing general partner of these affiliates, which consist of the Los Angeles SMSA Limited Partnership, the Sacramento-Valley Limited Partnership, and Modoc RSA Limited Partnership. Hereinafter, references to AirTouch include these affiliates as well as AirTouch Cellular.

pays' principle for our consideration, and comment by other cellular carriers. Any such billing proposal shall be made by formal application." (Id.)

This conclusion was also reflected in Ordering Paragraph (OP) 5 of D.90-06-025, which states that "LECs shall not enter into a billing arrangement with cellular carriers to bill cellular rates to landline customers initiating a call to a cellular customer at this time."<sup>2</sup>

AirTouch's petition seeks to modify D.90-06-025 and obtain immediate authorization to implement what AirTouch is now referring to as "caller pays" (CP) service. Specifically, AirTouch seeks interim authority to enter into the agreements necessary to implement CP service with local exchange carriers (LECs) and vendors of Advanced Intelligent Network (AIN) services.<sup>3</sup> AirTouch proposes that, while this petition is pending, it should be granted interim authority to conduct a market trial of CP service pursuant to the Market Trials Guidelines we have adopted for Pacific Bell (Pacific).<sup>4</sup> Finally, AirTouch argues that, after this market trial has been concluded, it

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<sup>2</sup> The discussion quoted in the text is also reflected in Findings of Fact 36-38 and Conclusion of Law 7. (See 36 CPUC2d 511, 514.)

<sup>3</sup> AIN is explained in D.95-12-016 (mimeo. at 15-17), as well as in the August 8, 1996 First Report and Order of the Federal Communications Commission in CC Docket No. 96-98, FCC 96-325. As stated in the First Report and Order:

"[AIN] is a network architecture that uses distributed intelligence in centralized databases to control call processing and manage network information, rather than performing those functions at every switch. An AIN-capable switch halts call progress when a resident software 'trigger' is activated, and uses the SS7 network to access intelligent databases, known as Service Control Points (SCPs), that contain service software and subscriber information, for instruction on how to route, monitor, or terminate the call. AIN is being used in the deployment of number portability, wireless roaming, and such advanced services as same number service (i.e., 500 number service) and voice recognition dialing. . . ." (Paragraph 459; footnotes omitted.)

<sup>4</sup> The Market Trial guidelines for Pacific were adopted in Resolution T-14994 (June 17, 1992).

should be allowed to implement CP service through the Commission's advice letter process, rather than through the formal application contemplated by D.90-06-025.

As explained below, we have decided to grant the petition to modify, but not to the extent requested by AirTouch. Because "called party pays" has been the rule for so long in California (and elsewhere), we agree with the argument made by the Office of Ratepayer Advocates (ORA) and Toward Utility Rate Normalization (TURN)<sup>5</sup> in their respective protests that there is still a need to educate consumers about the change AirTouch is proposing. Moreover, we think the method of consumer education proposed by AirTouch - principally a recorded announcement to the calling party that he or she must hang up in three seconds or be charged for the call at unspecified cellular rates - is inadequate. Accordingly, we have concluded that the most appropriate way to test "Caller Pays" is to authorize a limited market trial of this new service. Once this trial has been conducted and analyzed, the LEC that conducts the trial (and AirTouch) will be free to file an application seeking permanent authority to implement "Caller Pays".

#### **Procedural Background**

The petition to modify was filed on September 13, 1996. Our Rules of Practice and Procedure allow protests to such petitions to be filed within 30 days, and on October 15, 1996, protests to AirTouch's petition were filed by ORA and TURN. On the same day, responses in support of various aspects of AirTouch's petition were filed by GTE California Incorporated (GTEC) and by the GTE Mobilnet of California Limited Partnership and the GTE Mobilnet of Santa Barbara Limited Partnership (collectively, GTE Mobilnet).

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<sup>5</sup> On November 13, 1996, TURN changed its name to The Utility Reform Network. References in this decision to TURN are to both the old and the new names of this consumer advocacy organization, as appropriate.

On October 25, 1996, AirTouch filed a motion seeking leave to reply to the ORA and TURN protests, with the reply attached to the motion. As indicated below, we will grant the motion to file the reply and will consider the arguments raised in the reply in our discussion section.

**The Technical Details of How "Caller Pays" Would Work**

In order to understand the grounds for the ORA and TURN protests, some understanding is necessary of the technical details of CP service. As explained in the Petition for Modification, the CP service envisioned by AirTouch involves four different steps, and requires the involvement of an AIN provider as well as an LEC:

"(1) Once a call is received by the cellular network, the cellular provider undertakes 'call screening' to determine whether the call is to a CP subscriber. If so, the call is handed-off to the AIN vendor for processing. If not, the call is processed by the cellular carrier in the traditional manner.

"(2) The AIN vendor processes the CP call by reviewing the validity of the LEC customer's number information to establish billing capability, and generates an announcement to alert the calling party that he/she is responsible for the air time charges.

"(3) Should the calling party wish to make the CP call following the announcement and opportunity to disconnect, it is passed back to the cellular carrier for call completion and recording.

"(4) Using billing information the cellular carrier has provided, the LEC bills the calling party on behalf of the carrier. The charges will appear on the landline customer's monthly telephone bill." (Petition, p. 3.)

The fundamental ground advanced by AirTouch for why we should modify D.90-06-025 is that, unlike the situation when that case was decided in 1990, it is now possible to give notice to a landline customer calling a cellular customer that higher charges may be associated with the call. AirTouch states:

"Unlike the situation that existed when the Commission [issued D.90-06-025], it is now possible to provide a preamble or other notification to advise the calling party that he or she is making a CP call and that charges are associated with the call. Additionally, it is now possible to

provide an opportunity for the calling party to disconnect, based on this information, prior to incurring any charges...

"Another innovation is the ability to incorporate in CP service a 'bargе through' feature which enables landline callers familiar with CP to skip through the preamble in order to proceed with their calls. Still other technological advances enable carriers to offer new billing, pricing and service feature alternatives." (*Id.*, p. 6.)

Although the Petition for Modification itself does not describe the "preamble" AirTouch proposes, more information about this was set forth in AirTouch's responses to some data requests from TURN, which were served upon the assigned Administrative Law Judge (ALJ) and the Director of the Commission's Telecommunications Division on October 7, 1996. In response to a request for a description of the "preamble", AirTouch stated:

"The CP preamble would notify the calling party that he/she is making a call to a cellular telephone number, that charges will be incurred for the call, and that the caller should hang up in order to avoid the charges.

"Although the precise wording is still under development, the preamble will likely be similar to the following: 'You are calling a cellular customer and will be charged for this call. You may hang up within the next three seconds and no charges will apply.'"

#### **The Protests of ORA and TURN**

As noted above, protests to the petition for modification were filed by both ORA and TURN on October 15, 1996.

The principal basis for ORA's protest is that AirTouch has failed to file a formal application to implement CP, as required by D.90-06-025. However, ORA has no objection to a feasibility study conducted with the LECs that would be the prelude to such a formal application:

"[T]he Commission should follow the standard for modifying [Ordering Paragraph] 5 found in D.90-06-025 and require a feasibility study and an application. Therefore, ORA recommends that the Commission deny AirTouch's petition to modify D.90-06-025. To facilitate the feasibility study, ORA recommends that the Commission grant provisional relief to

the LECs by allowing the LECs to enter into a billing arrangement with AirTouch for [CP] on a limited market trial basis. Furthermore, because consumer awareness of [CP] has not been established, during the market trial AirTouch should refund all charges upon complaints initiated by the landline customers who incur these charges. At the conclusion of the market trial, AirTouch should prepare a feasibility study and submit an application. In its application, AirTouch should also include proposals on consumer education and [CP] blocking for landline customers." (ORA Protest, p. 5.)

TURN's protest goes considerably further than ORA's. In addition to arguing that a formal application should be required (to test AirTouch's assertion that CP has led to few complaints in the service areas where it has been implemented), TURN maintains that before any market trial of CP is authorized, three deficiencies in the AirTouch proposal must be addressed. First, TURN argues that AirTouch's proposed form of recorded announcement (i.e., the "preamble") is inadequate because it would not give landline customers any information as to the rate that would be charged if they allow a call to a cellular customer to be completed. Second, TURN objects that since AirTouch's proposed preamble would be in English only, it would not be of benefit to the many California telephone customers who are not English-speaking, or who have only limited proficiency in English. Third, TURN contends that landline customers should be able to block unwanted CP calls from their telephones, because CP is "a service that might be used by teenagers or other household members in a manner that parents might find excessive." (TURN Protest, p. 5.)<sup>4</sup>

AirTouch responded to these arguments in its proposed reply of October 25, 1996. First, AirTouch argues that rate information on the cost of completing the call to a cellular customer should not be required in the preamble, because "such an approach

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<sup>4</sup> TURN also argues that since allowing CP would lead to substantial bill increases for landline customers who call cellular customers on a frequent basis, a formal application is required under General Order (G.O.) 96-A.

will inhibit rate differences and decreases which are the hallmark of the competitive mobile marketplace." Second, AirTouch argues that no foreign language announcements should be required in the preamble, since doing so would unduly prolong the announcement, and since many such recorded messages are in English only. Third, AirTouch argues that it should not be required to provide call-blocking options, since calling cellular numbers and paying the charges "is no different than calling long distance numbers and paying the associated charges."

### **Discussion**

We have concluded that although D.90-06-025 should be modified to allow a market trial of CP, AirTouch's proposal for this trial must be adjusted to meet some of the concerns raised in the ORA and TURN protests. Moreover, we are sufficiently concerned about the need to educate landline telephone customers as to the cost of calling cellular customers with CP service that we believe permanent authorization for CP should not be granted without a formal application. In this application, we will expect whichever LEC AirTouch chooses to conduct the market trial to report at length on the results of that trial, and submit to appropriate discovery.

We agree with TURN and ORA that because "called party pays" has been the rule in California for so long, the familiarity of landline customers with the higher costs of CP service cannot be assumed:

"The market will not provide the landline callers with CP price information because AirTouch's CP service is only offered to cellular subscribers. AirTouch's cellular subscribers choose whether or not to have CP service. Landline customers cannot be expected to investigate the potential charges for a service to which they do not subscribe. AirTouch has indicated that it has no plans to directly provide LEC customers with information concerning the charges for CP calls. Furthermore, because this is a completely new service in California, landline callers are unlikely to have any knowledge of the substantial per minute charges for this service." (TURN Protest, p. 4.)

The only means of consumer education that AirTouch has proposed for landline customers is the recorded announcement, or "preamble", described in AirTouch's responses to TURN's data requests. As a preliminary matter, we are disturbed that

AirTouch did not describe the content of this "preamble" in its petition for modification, and furnished a description only after it was asked to by TURN. Beyond this procedural corner-cutting, however, we think the proposed announcement is unsatisfactory for two reasons.

First, the proposed preamble gives no information about the charges that would be incurred in completing a call to a cellular customer. AirTouch seeks to justify this omission by arguing that it would be burdensome to update the announcement as rates (and rate plans) change,<sup>7</sup> but we find this unpersuasive. AirTouch's own data responses suggest that in the limited number of jurisdictions where CP has been implemented, the charges for completing a cellular call range between 20 cents per minute and 50 cents per minute. AirTouch has presented no good reason why it would not be possible to state such a range in the proposed preamble, and in the market trial permitted by this decision, we will require that the recorded announcement state the range that a customer could experience.

Second, we are concerned about AirTouch's proposal to give landline customers only three seconds to hang up once they have heard the recorded announcement, or be charged for the cost of completing the cellular call. We suspect that until landline customers become familiar with the preamble about CP service, three seconds will hardly be enough time for many of them to decide whether to complete the call. Accordingly, we will require – unless AirTouch and the parties it selects to conduct the market trial use the prompting technology described below – that landline customers be given at least six seconds, after completion of the preamble, to hang up before the call is automatically completed. To ensure that the concerns expressed in this paragraph and the preceding paragraph are satisfied, we will also require the LEC that conducts the market trial to obtain approval from both the Telecommunications Division and our Public Advisor as to the final form of the preamble.

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<sup>7</sup> 10/25/96 AirTouch Reply, p. 4.



As indicated above, we urge AirTouch and the LEC and AIN provider it selects to offer an option during the market trial that we consider preferable to giving the landline customer six seconds to hang up: i.e., provide that the call will be completed only if the customer affirmatively responds to a prompt by pressing a particular key. The prompt method, which we have approved for use in correctional facility phone systems,<sup>1</sup> is preferable in our view because it leaves no doubt that the landline customer wants to have the call completed.<sup>2</sup> However, since we do not know what additional costs or technological complexity a prompt system would entail for CP, we will leave the choice of these two options up to the parties conducting the market trial. However, in any application for permanent authority to implement CP, we will require the applicant(s) to discuss both the costs and technical feasibility of using a prompt system for the completion of landline calls to cellular customers.

Although we agree with TURN that the recorded announcement should include rate information and allow for a longer time to hang up (or require an affirmative response to a prompt), further changes appear unnecessary. TURN's concern about

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<sup>1</sup> We approved a prompt system in D.93-08-012, where we granted a certificate of public convenience and necessity to Gateway Technologies, Inc. to operate as a switchless reseller of interLATA services. We described Gateway's prompt system as follows:

"Gateway's system is designed so that only the called parties who wish to accept the charges for a call are billed. The called party must actively accept responsibility for payment of the charges incurred by dialing a single digit. . . . If the called party does not accept responsibility for the charges, the call is terminated by Gateway's system." (Mimeo. at 3-4.)

See also D.95-10-013, mimeo. at 10-11 (holding that a prompt system for billing inmate calls to outside parties does not violate the outside parties' rights under Public Utilities Code § 2896(b).)

<sup>2</sup> Thus, the prompt method would go a long way toward addressing TURN's concerns about whether non-English speaking landline customers will understand AirTouch's recorded announcement.

how non-English speaking residents are to be educated regarding CP should be met by the requirement, set forth in our Market Trial guidelines, that the LEC conducting the market trial notify its customers through bill inserts about the higher costs of CP service.

In their protests, both TURN and ORA have suggested that "blocking" options, similar to those for Caller ID, should be offered for customers who do not want their children (or others) to make excessive use of CP from the customers' home telephones.<sup>10</sup> While we tend to agree with AirTouch that as landline customers become familiar with CP service, they will probably come to view it like long-distance service and use it accordingly, we will nonetheless require that in any application for permanent authority to implement CP, the costs and technical feasibility of implementing blocking options will be discussed.<sup>11</sup>

As noted above, the market trial we are authorizing herein is to be conducted according to the Market Trial Guidelines approved for Pacific in 1992 in Resolution T-14994. If AirTouch chooses GTEC as the LEC to conduct the market trial, GTEC will be required to adhere to these same guidelines. The final form of the guidelines is set forth in Pacific's Advice Letter 16101B, which was filed on July 14, 1992. Since the guidelines are largely self-explanatory, it is necessary to make only a few points about them here.

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<sup>10</sup> TURN Protest, p. 5; ORA Protest, p. 5.

<sup>11</sup> This discussion must be more thorough than the one about blocking in AirTouch's responses to TURN's data requests. In response to TURN's Question No. 4 about the feasibility of blocking options, AirTouch merely said:

"CP call blocking is technically unfeasible due to the difficulty of creating a database large enough to contain blocking instructions for what could be millions of cellular numbers. Cellular telephone service employs not one but a vast number of prefixes. A cellular subscriber having a number containing any cellular prefix may elect the caller pays service option (if it is available in the subscriber's area)."

First, as noted above, we will require, pursuant to paragraph B.4. of the Guidelines, that the LEC conducting the trial send notice to affected customers in all of the languages required for bill inserts for such customers. This should meet the concerns in TURN's protest about the need to educate non-English speaking landline customers concerning CP service.<sup>12</sup> We will also require the LEC to consult with the Commission's Public Advisor as to the form of such notice.

Second, we remind AirTouch and the LEC it selects that under the terms of Resolution T-14994, a market trial must be limited both in geographic scope and in the number of customers who are included.<sup>13</sup> Indeed, under the Resolution and paragraph C.1. of the Guidelines, a trial may include only 5% of the Residential Class, and 15% of the market within the Business Class for the service being tested. As stated in Paragraph B.2., a "company-wide" trial of CP is not permitted.<sup>14</sup>

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<sup>12</sup> Under the Market Trial Guidelines, the cost of giving notice to LEC customers of a market trial is born by the LEC. We will leave it up to negotiation between AirTouch and the LEC it selects whether the costs of giving notice of the CP market trial should be charged back to AirTouch as part of the trial costs.

<sup>13</sup> Consistent with the geographic limitation, we will not require that the recorded message or preamble be "generated" (i.e., played) outside the local calling areas where the market trial is being conducted. Without this limitation, it might be necessary to send notice of the trial to all customers within the LEC's service territory.

<sup>14</sup> We recognize that in Resolution T-14944, there was a great deal of discussion about not disadvantaging Pacific's competitors through market trials. For some, this will raise the issue whether other wireless providers interested in CP, such as paging companies, should also be permitted to arrange for CP market trials through the LECs with whom they contract.

If such additional trials were to be permitted, they could effectively gut the prohibition in Resolution T-14944 against state-wide trials. Accordingly, we have concluded that, as long as the LEC selected by AirTouch submits the market trial description within 120 days of the effective date of today's decision, and the actual trial begins within 210 days after the effective date, the instant trial is the only trial of CP that should be permitted for the time being. We see no injustice in rewarding AirTouch (and the LEC it selects for the market trial) for its initiative in being the first to offer CP, if only on a trial basis.

Third, consistent with Paragraph B.4. of the Guidelines, the notice to affected LEC customers shall state that their participation in the CP market trial is entirely voluntary, and that in the event of any dispute as to the charges imposed on account of CP service, the customer shall be entitled to a refund or credit adjustment as to such charges.

Advice Letter 16101B gives Pacific the option of conducting a market trial for up to one year. However, we think that six months' worth of reliable market trial data should be sufficient to enable us to consider an application for permanent CP authority.

Finally, because we are continuing to require an application before CP can be implemented on a permanent basis, that portion of Paragraph B.4.a. of Advice Letter 16101B that allows the LEC to use an advice letter process to begin offering the new service immediately after conclusion of the market trial, is obviously inapplicable. However, we will allow the LEC to request an extension of the market trial for up to 120 days so that CP service to market trial participants will not be interrupted while the Commission is considering an application for permanent authority.

#### **Findings of Fact**

1. The Petition for Modification was filed on September 13, 1996.
2. Timely protests were filed by TURN and ORA.
3. Due to concerns about the awareness of landline customers of high cellular rates, OP 5 of D. 90-06-025 forbade LECs from entering into billing arrangements with cellular carriers to bill landline customers who initiated calls to cellular customers.
4. Since D.90-06-025 was issued, cellular customers have been responsible for the cellular airtime charges when landline customers place calls to their cellular numbers. This arrangement is known as "called party pays".
5. In the time since D.90-06-025 was decided, it has become possible through the use of AIN technology to generate a recorded message heard by the landline customer informing him or her that the number the landline customer has called is a cellular number, and that if the call is completed, the landline customer will be responsible for the cellular airtime charges at rates established by the called party's cellular carrier.

6. There is a continuing need to educate landline customers that, if they complete calls in such circumstances, the cellular rates they will be paying may be significantly higher than the rates that would be charged if the call were to another landline customer.

7. Implementation of CP service, as proposed in AirTouch's Petition for Modification of D.90-06-025, entails at least four separate steps and requires contractual arrangements with both an LEC and an AIN provider.

#### **Conclusions of Law**

1. OP 5 of D.90-06-025 should be modified to allow AirTouch and an LEC selected by it to enter into contracts that would permit a market trial of CP service as described in AirTouch's petition, and as modified herein.

2. The market trial should be conducted according to the Market Trial guidelines approved for Pacific in Commission Resolution T-14944, as set forth in Pacific's Advice Letter 16101B, and should be of at least six months' duration.

3. In such market trial, the recorded announcement or preamble proposed by AirTouch should be modified to state the range of cellular rates for which the landline customer might be responsible if he or she permits the call to the cellular customer to be completed.

4. In such market trial, the recorded announcement or preamble proposed by AirTouch should be modified to provide that either (1) the landline customer has six seconds after completion of the preamble to hang up before the call to the cellular customer is completed, or (2) the call to the cellular customer will not be completed unless the landline customer indicates a willingness to pay the cellular airtime charges by pressing a digit in response to a prompt.

5. In the market trial, the choice as to which of the options described in Conclusion of Law 4 will be offered is up to AirTouch and the LEC conducting the market trial. If the prompting option is chosen, the LEC shall ensure that such prompting technology is available to all customers included in the market trial.

6. The LEC selected to conduct the market trial should obtain the approval of both the Telecommunications Division and the Public Advisor as to the precise wording of the recorded announcement or preamble.

7. Prior to commencing the market trial of CP service, the LEC selected by AirTouch should send written notice of the market trial to affected customers in all of the languages that would be required for bill inserts sent to such customers.

8. The market trial of CP service authorized herein should be subject to the restrictions on geographic area and percentage of customers set forth in Resolution T-14944 and Advice Letter 16101B.

9. Any cellular airtime charge incurred as a result of the CP market trial that is disputed by an LEC business or residential customer included in the CP market trial should be refunded by the LEC or reflected in a credit adjustment.

10. Provided that the description of the market trial authorized herein is submitted within 120 days after the effective date of this decision, and the actual market trial begins within 90 days thereafter, no other market trial of CP service for wireless customers should be authorized until the market trial authorized herein is completed.

11. Permanent authority to implement CP service should not be granted until an application seeking such authority has been filed.

12. The application for permanent authority to implement CP service should discuss in detail (1) the results of the market trial authorized herein, (2) the technical feasibility and cost of using prompting technology to complete landline calls to cellular customers, and (3) the technical feasibility and cost of offering blocking options to landline customers who do not want CP service to be available from their phones.

## **O R D E R**

### **IT IS ORDERED that:**

1. AirTouch Cellular and its affiliates, Los Angeles SMSA Limited Partnership, Sacramento-Valley Limited Partnership, and Modoc RSA Limited Partnership (collectively, AirTouch) are authorized to enter into contracts with a local exchange

carrier (LEC) and a provider of Advanced Intelligent Network (AIN) services to conduct a market trial of Caller Pays (CP) service, as described in this decision, upon the terms and conditions authorized herein.

2. The market trial of CP service authorized herein shall be conducted according to the Market Trial guidelines adopted for Pacific Bell (Pacific) in Resolution T-14944, as set forth in Advice Letter 16101B and as modified herein. Such market trial shall be of at least six months' duration.

3. The written notices sent to LEC customers included in the market trial shall be in all of the same languages that are required for bill inserts sent to such customers. The LEC shall consult with the Commission's Public Advisor as to the form of such notices.

4. The recorded announcement or preamble to be heard by all LEC customers included in the market trial shall be modified as set forth in Conclusions of Law (COL) 3 and 4. The LEC chosen to conduct the market trial shall obtain the approval of both the Telecommunications Division and the Public Advisor as to the precise wording of the recorded announcement or preamble.

5. Any cellular airtime charge incurred as a result of the CP market trial authorized herein that is disputed by an LEC business or residential customer included in the market trial shall be refunded by the LEC or reflected in a credit adjustment.

6. The Telecommunications Division and the Consumer Services Division shall keep track of all customer complaints received about the market trial of CP service authorized herein.

7. Permanent authority to implement CP service for cellular carriers shall not be granted until an application seeking such authority, and containing the material required by COL 12, has been filed.

8. Findings of Fact 37-38 of Decision (D.) 90-06-025 are modified to read as follows:

"37. It is technically feasible through the use of Advanced Intelligent Network (AIN) technology to bill landline customers who call cellular customers for the cellular airtime involved. Such billing practices are known as 'Caller Pays' (CP) service."

"38. It is possible through the use of AIN technology to provide a recorded message to a landline customer calling a cellular customer which informs the landline customer that, if he or she wishes to complete the call, cellular airtime rates will apply, and which gives the landline customer the option of hanging up within a specified number of seconds if he or she does not wish to complete the call under these circumstances."

9. COL 7 of D.90-06-025 is modified to read as follows:

"LECs should be allowed to enter into a market trial of CP service upon the terms and conditions set forth in Resolution T-14944 and Advice Letter 16101B, as modified by D.97-06-109."

10. Ordering Paragraph 5 of D.90-06-025 is modified to read as follows:

"LECs may enter into temporary billing arrangements with cellular carriers to bill cellular rates to landline customers initiating a call to a cellular customer, pursuant to the interim authority to conduct a market trial of such arrangements and associated technology authorized by D. 97-06-109."

11. AirTouch's October 25, 1996 motion for leave to file a reply to the protests to AirTouch's petition for modification of D.90-06-025 is granted.

12. These proceedings are closed.

This order is effective today.

Dated June 25, 1997, at San Francisco, California.

P. GREGORY CONLON  
President  
JESSIE J. KNIGHT, JR.  
HENRY M. DUQUE  
RICHARD A. BILAS  
Commissioners

I dissent.

/s/ JOSIAH L. NEEPER  
Commissioner