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HEADLINE: NOTEBAERT SAYS AMERITECH CAN'T FOLLOW FCC SEC. 271
'ROAD MAP'

BODY:

CHICAGO -- Although Ameritech initially was enthusiastic about FCC development of "road map" for RHCs to use in meeting requirements for long distance entry, company has found after further study that it's "impossible" to follow those directions, Ameritech Chmn. Richard Notebaert told reporters Tues. in news conference here. He said Ameritech has decided it can't file any more entry applications until it determines whether new FCC members will have different interpretation of Telecom Act checklist requirements. He gave keynote speech at USTA convention here earlier in day.

Road map is nickname for guidance included in FCC order in Aug. denying Ameritech's Sec. 271 request to offer long distance in Mich. In that order, Commission outlined what RHC needed to do to win approval of application. Ameritech last summer hailed that action as victory for RHCs because FCC never before had issued directions to meet checklist.

However, on closer study company discovered it would have to spend at least \$200 million and more than year's work to meet some requirements involving billing, operational support systems and certain technical details of interconnection, Notebaert said. He said guidelines would require changes in billing system -- for example, to accept 6 entries instead of 2 -- and information that isn't even available now. He said company is waiting to see whether FCC will clarify problem when it rules on BellSouth's Sec. 271 petition in Dec. Ameritech officials said they have held many meetings with FCC staff in effort to resolve problem but haven't received any assurance that revisions will be made.

Ameritech also is hesitant to file for Sec. 271 entry until it determines how newly constituted FCC will interpret recent ruling by 8th U.S. Appeals Court, St. Louis, on unbundled elements and shared transport, Notebaert said. He said court's language on rebundling was "very straightforward" but so was its earlier language on forward-looking pricing that FCC interpreted in way that RHCs found questionable. In pricing case, FCC had continued to apply forward-looking pricing principles in reviewing Sec. 271 applications, action that RHCs have challenged in court. Because of uncertainty at federal level, Ameritech "isn't pushing very hard" to win state approval for long distance entry, Notebaert said.

In his speech at USTA convention, Notebaert urged telcos to be "imaginative" and "bold" in facing newly competitive world. Like other speakers' at this year's sessions (see separate story, this issue), his comments almost took form of pep talk to smaller companies. He said that increased competition in cellular market helped Ameritech by encouraging it to try harder to meet customers' needs and to offer digital cellular service quickly. As result, he said, Ameritech has experienced 30% annual growth rate. By being "bold" and entering cable market when some predicted failure, Ameritech is "winning more than a third of the cable households where our service is up and running," he said.

Notebaert said that meeting customer needs is best way to compete: "Our future is in the hands of our customers. Nothing has more bearing on our ability to prosper than to see the world through their eyes." He said some in audience might point out that they didn't offer cellular or couldn't see getting into cable since they count customers only "in the thousands." Notebaert warned that "that kind of thinking is the path to oblivion" and all companies must "unshackle our imaginations and, as we like to say at Ameritech, look at this business through the windshield rather than the rear-view mirror."