

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

Illinois Bell Telephone Company)	
)	Docket No. 07-0433
Petition to Modify Order in Docket Nos. 90-0465/ 90-0466, Consol., Regarding Caller ID Service)	
)	

DRAFT PROPOSED ORDER

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Dated: January 18, 2008

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On August 6, 2007, Illinois Bell Telephone Company (“AT&T Illinois” or the “Company”) filed a Petition to Modify the Commission’s Order in Docket Nos. 90-0465/90-0466 Consol. Specifically, AT&T Illinois sought the Commission’s authority to offer a new Caller ID blocking option and requested modification of the prior Order, if required.

Pursuant to the direction of the Administrative Law Judge, a hearing was held on August 28, 2007, at which time a schedule was established. AT&T Illinois filed the Direct Testimony of Linda De Bella and the Rebuttal Testimony of Linda De Bella and Wayne Heinmiller. The Commission Staff filed the Direct Testimony of Kathy Stewart and Joan Howard. An evidentiary hearing was held on November 28, 2007, at which point the record was marked “Heard and Taken.” Subsequent to the hearing, AT&T Illinois and Staff reached agreement on the remaining disputed issues in the proceeding. AT&T Illinois filed a Motion to Reopen the Record and Amend Schedule on December 20, 2007, to permit the parties to submit additional testimony and/or statements and an agreed-on Draft Order. The Administrative Law Judge granted this Motion on December 21, 2007. AT&T Illinois filed the verified Additional Rebuttal Testimony of Linda De Bella on January 16, 2008, as well as a Draft Order.

Since the disputed issues had been resolved between the parties, no briefs were filed by the parties, and a Proposed Order was not issued by the Administrative Law Judge.

I. BACKGROUND

On October 2, 1991, the Commission entered an order in the Docket Nos. 90-0465/90-0466 proceeding involving Caller ID service. Caller ID service allows customers with appropriate display devices to view the telephone number of another customer who is calling them before answering the telephone. At that time, the service was new and there was substantial disagreement between the parties as to how the service should be offered. The principal debate was over whether per-line or per-call blocking should be required as a service option. Under the per-line blocking option, customers could elect to have their telephone number blocked (*i.e.*, not displayed to the called party) on all outgoing calls. Per-call blocking requires the calling party to decide at the outset of each call whether or not to block it and enter *67 before dialing if they want to block it. The Commission concluded that Caller ID service would provide benefits to telephone users and that free per-call blocking would allow customers to prevent the display of their telephone numbers without cost and with a minimum of inconvenience in those circumstances which would call for them to remain anonymous. *Order in Docket Nos. 90-0465/90-0466*, adopted October 2, 1991, at 25. AT&T Illinois has been offering Caller ID in a manner consistent with the terms of the Commission's Order since its adoption in 1991.

II. AT&T ILLINOIS' POSITION

AT&T Illinois explained that it has now had substantial experience with Caller ID service since its introduction 16 years ago. Over this period of time, based on input from customers and the experience of other states, the Company has concluded that there is an appropriate role for both per-call and per-line blocking. Both per-call and per-line blocking have been available in other states for years without diminishing the value of Caller ID service to customers (*e.g.*,

Ohio). Based on past experience in Illinois and elsewhere, AT&T Illinois stated that it had concluded that the addition of a per-line blocking option to its Caller ID offering would improve the value of the service overall to customers. The Company contended that this represented a change in the “conditions of fact” required by Section 200.900 and warranted modifying the Commission’s Order, if required.

Under AT&T Illinois’ proposal, both business and residence customers would have the option of subscribing to per-line blocking for a monthly fee. In addition, certain organizations and individuals would be entitled to per-line blocking at no charge (*e.g.*, victims of domestic abuse, domestic abuse shelters, and law enforcement and social service agencies). Per-line blocking would not be available to telemarketing organizations. The Company assured the Commission that no changes were being made to the tariff in connection with per-call blocking, which would continue to be available for no charge to all customers as required by the Commission’s prior Order.

AT&T Illinois provided some examples of customers that have requested per-line blocking. The Company stated that it had been asked to provide Caller ID per-line blocking in national security situations (*e.g.*, for the President, Vice-President, Secret Service agents, and FBI agents); during election campaigns; and by social service agencies like women’s shelters. The Company further indicated that law enforcement personnel (*e.g.*, undercover agents), counselors and therapists, and employees of organizations like battered women’s shelters could have a legitimate interest in protecting their private telephone numbers. Similarly, residence customers who have had to change their telephone numbers because of a “stalker,” harassing calls or other comparable situations could want to maintain the privacy of their new number.

AT&T Illinois stated that offering per-line blocking would not diminish the value of Caller ID for other customers. The Company explained that it does not expect a large number of customers to subscribe to per-line blocking. In its view, most customers are comfortable with Caller ID service generally and, to the extent that they need to make an occasional anonymous call, free per-call blocking meets their needs. Moreover, the Company committed that it would not actively promote this new blocking option, that it will not be described on the Company's website, and that it will not be available for online ordering.

The Company further argued that per-line blocking is available in the other four Midwest states and that its offering there had not generated complaints or other problems. According to AT&T Illinois, AT&T Ohio's experience provided the best benchmark for assessing AT&T Illinois' proposal because AT&T Ohio has broadly offered both per-line and per-call blocking to all customers for a long time. Based on a review of certain internal company records of customer complaints for the Midwest Region, the broad availability of per-line blocking in Ohio has not resulted in any allegations of abuse. Similarly, the Company averred that it was unaware of any formal or informal complaints that had been filed at the Ohio Commission. AT&T Illinois stated that AT&T Wisconsin, Indiana and Michigan all had similar experiences, *i.e.*, that the offering of per-line blocking had not caused problems.

III. STAFF'S POSITION

Staff did not oppose the offering of per-line blocking as long as AT&T Illinois made certain disclosures to customers and certain other issues were clarified. Staff expressed concerns that switch upgrades or other network changes could impact the effectiveness of per-line blocking. Staff also questioned whether customers generally were aware of the availability of per-call blocking and the fact that there was no charge for this service. Accordingly, Staff

requested that the following disclosures be made to customers ordering per-line blocking:

- 1) Disclosure that per-call blocking is available at no charge through the use of *67 (1167 for rotary lines).
- 2) Disclosure that per-line blocking is available at no charge to the following customers:
 - Any person protected by an injunction, temporary restraining order, or other court order relating to domestic abuse, harassment, or child abuse issued by any magistrate or judge in any jurisdiction in the United States.
 - Upon written request, to battered women's shelters or other organizations that provide a safe haven for victims of domestic violence, and domestic violence service programs.
 - Upon written request, to any municipal, county, state, or federal law enforcement agency, fire department, public social service agency or parole office within an area where Caller ID service is offered.
 - For the residential access line of any certified employee or volunteer of an eligible organization, or any residential access line designated by an eligible organization as serving a victim of domestic violence.
- 3) Disclosure of all per-line blocking charges.
- 4) Disclosure that a failure of per-line blocking might occur which would transmit caller ID data without notice to the customer.
- 5) Disclosure of the liability of the company (or lack thereof) due to per-line blocking failure.
- 6) Disclosure that per-line blocking may be unblocked on a per call basis using *82 (1182 for rotary lines), including any charges for the use of such per call unblocking.

Staff also recommended that the Company inform all customers that free per-call blocking is available to any customer through the use of the code *67 (1167 for rotary lines). At a minimum, Staff stated that this information should be included in telephone directories, customer information booklets, and any informational materials regarding per-line blocking. Staff also recommended that the Company's compliance with its commitment not to advertise

the service be a condition of the Commission's approval of per-line blocking. Finally, Staff requested clarification of certain tariff provisions regarding the use of per-line blocking by telemarketers and the automatic return of calls that originate in certain MSAs.

IV. AT&T ILLINOIS' RESPONSE

In its Rebuttal Testimony, AT&T Illinois agreed to provide a written document to customers subscribing to per-line blocking at the time that they initiate service that would include most of the disclosures requested by Staff. This document would be provided to both residence and business customers. Specifically, AT&T Illinois agreed to provide disclosures (1), (2), (3), and (6), as outlined by Staff.

AT&T Illinois took the position, however, that disclosures (4) and (5) were inappropriate and should not be required. AT&T Illinois argued that Staff's concerns that per-line Caller ID might fail were misplaced. AT&T Illinois' network engineer explained that there was virtually no likelihood that per-line blocking could fail. The Company explained that AT&T Illinois and its vendors take precautions that minimize – if not altogether eliminate – such concerns. AT&T Illinois' vendors test their products in a strict laboratory environment before they release their products to their customers. AT&T Illinois then tests the products in its lab and in the field. Only after all of these safeguards have been met is the product deployed for widespread use. AT&T Illinois further explained that switches regularly audit their own data. Among other things, such data is used to determine the features assigned to each line. According to AT&T Illinois, if a set of data is found to be corrupted, the switch issues an alert, and either the switch automatically corrects the problem or appropriate personnel act to remedy the situation immediately.

Finally, AT&T Illinois stated that switch upgrades are not likely to cause failures. AT&T Illinois noted that switch software upgrades do not occur as frequently as they once did. AT&T Illinois further argued that switch upgrades, when they do occur, are carefully monitored to ensure that there is no disruption to service. AT&T Illinois pointed out that AT&T Ohio's experience provided a benchmark because the switching equipment in its network is essentially identical to AT&T Illinois' and per-line blocking has been broadly offered for many years. According to AT&T Illinois, no problems with per-line Caller ID blocking occurred during any of the Ohio switch upgrades that have taken place since 2001.

In these circumstances, AT&T Illinois argued that disclosure (4) would actually be counterproductive because it would unduly alarm customers who subscribe to per-line blocking. According to AT&T Illinois, customers may infer that there is a significant risk that per-line blocking could fail from the mere fact of the disclosure (reasoning that the disclosure would not be in the document unless there were such a risk). As a result, AT&T Illinois expressed concern that customers may conclude that per-line blocking is not an effective service and cancel their subscription when, in fact, it would be of value to them. In view of the fact that disclosure (4) is inappropriate, AT&T Illinois contended that disclosure (5) was also unnecessary. AT&T Illinois stated that its limitation of liability for per-line blocking was identical to that applied to its other products and services. AT&T Illinois contended that a specific warning for this product could deter customers who need and want this service from using it.

AT&T Illinois also disputed Staff's recommendation that per-call blocking information be included in telephone directories. AT&T Illinois argued that it would be inconsistent with its directory practices to include product-specific information, particularly product information of such limited application, in its directories. AT&T Illinois pointed out that per-call blocking (or

any kind of Caller ID blocking) is of interest to only a small subset of AT&T Illinois' customers. The Company argued that there is enough information available regarding per-call blocking to meet the needs of these customers.

AT&T Illinois also provided additional information regarding its practices with respect to policing the use of per-line blocking by telemarketers and agreed to clarify the tariff provisions questioned by Staff.

V. AT&T ILLINOIS' ADDITIONAL REBUTTAL TESTIMONY

In its Additional Rebuttal Testimony, AT&T Illinois provided additional commitments to address the concerns expressed by Staff in its Direct Testimony and at the hearing on November 28, 2007.

With respect to the reliability of per-line blocking, AT&T Illinois stated that it and Staff had reached an agreement on disclosure language that would be acceptable to both parties.

AT&T Illinois has agreed to add the following disclosure to the new disclosure document that will be provided to customers when they order per-line blocking:

“For additional assurance regarding the privacy of their telephone number after ordering per-line blocking, customers may wish to place a test call to another line with Caller ID capability to confirm that their number is not being displayed. These test calls could be made to a second line in the customer's residence or business, to a wireless phone or to a family member, friend or colleague. In addition, customers with per-line blocking can also use per-call blocking for selected individual calls to avoid any uncertainty.”

With respect to adding per-call blocking information to the information pages of its telephone directories, AT&T Illinois stated that it had agreed to add the requested information, which will include a statement that there is no charge for this feature. According to the Company, this information will begin appearing in directories within 2-3 months following the issuance of a Commission order approving the filing of a per-line blocking tariff and will be

available in all directories within approximately one year thereafter, in accordance with the standard directory publishing cycle.

With respect to certain issues regarding the treatment of per-call blocking on AT&T Illinois' website, the Company stated that it had agreed to modify its website as follows: (1) per-call blocking will be displayed separately in the list of available features on the website and the display will show that there is no charge; (2) a new product information webpage will be developed specifically for per-call blocking that duplicates the information currently in the Caller ID portion of the website; (3) the fact that there is no charge for per-call blocking will be added to the new product information webpage and the Caller ID portion of the website; and (4) the search function on the website will be modified to allow customers to search directly for per-call blocking. According to the Company, these changes will be completed no later than June 1, 2008, in accordance with its standard website update procedures.

Finally, with respect to similar issues regarding AT&T Illinois' Directory of Services provided to residence customers, AT&T Illinois stated that it had agreed to modify it as follows: (1) per-call blocking will be displayed separately in the Table of Contents and the per-call blocking information in the Caller ID section of the Directory will be duplicated in a new, separate section under the heading "Per-Call Blocking"; and (2) the fact that there is no charge for per-call blocking will be added to both sections. According to the Company, these changes to the Directory of Services will be made in its next printing, currently scheduled for January 2008.

VI. COMMISSION ANALYSIS AND CONCLUSION

The Commission is persuaded that AT&T Illinois' proposal to add per-line blocking to its Caller ID blocking options is reasonable. The Commission's original Order in Docket Nos.

90-0465/90-0466 dates from over 16 years ago, and there had been no actual experience in offering Caller ID or blocking when that Order was issued. AT&T Illinois has demonstrated that some of the concerns raised in connection with per-line blocking in our earlier Order have diminished over time. We note that AT&T Illinois has committed not to affirmatively market this service and this commitment is a condition of our Order.

The Commission Staff requested a number of additional commitments and disclosures from AT&T Illinois in connection with this offering. The agreements reached between AT&T Illinois and Staff on these issues are reasonable and should be approved. AT&T Illinois' ability to offer this service is also conditioned on compliance with all of these commitments.

Accordingly, the Commission is of the opinion that its Order in Docket Nos. 90-0465/90-0466 should be modified, as necessary, to permit AT&T Illinois to offer per-line blocking.

VII. FINDINGS AND ORDERING PARAGRAPHS

The Commission, being fully advised in the premises, is of the opinion and finds that:

- (1) Illinois Bell Telephone Company ("AT&T Illinois") is an Illinois corporation engaged in the business of providing telecommunications services to the public in the State of Illinois and, as such, is a telecommunications carrier within the meaning of Section 13-202 of the Illinois Public Utilities Act (the "Act");
- (2) the Commission has jurisdiction over AT&T Illinois and the subject matter of this proceeding pursuant to the Act;
- (3) the recitals of facts and law and conclusions reached in the prefatory portion of this Order are supported by evidence in the record, and are hereby adopted as findings of fact and conclusions of law;

- (4) AT&T Illinois' Petition to Modify the Commission's Order in Docket Nos. 90-0465/90-0466 should be granted;
- (5) AT&T Illinois' offering of per-line blocking is conditioned on compliance with its commitments in this proceeding, including its commitment not to affirmatively market this offering.

IT IS THEREFORE ORDERED that the Commission's Order in Docket Nos. 90-0465/90-0466 should be, and hereby is, modified to allow AT&T Illinois to offer per-line blocking.

IT IS FURTHER ORDERED that AT&T Illinois' offering of per-line blocking should be, and hereby is, conditioned on compliance with its commitments in this proceeding.

By Order of the Commission this _____ day of _____, 2008.

(SIGNED) CHARLES E. BOX

Chairman

Respectfully submitted,

ILLINOIS BELL TELEPHONE COMPANY

One of Its Attorneys

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CERTIFICATE OF SERVICE

I, Louise A. Sunderland, an attorney, certify that a copy of the foregoing **DRAFT PROPOSED ORDER** was served on the following parties by electronic transmission on January 18, 2008.

Louise A. Sunderland

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