

Exhibit No.:
Issue: Certificate of
Service Authority
Witness/Type of Exhibit: Seaman/Direct
Sponsoring Party: GTE North
Incorporated

MISSOURI PUBLIC SERVICE COMMISSION
UTILITY DIVISION

CERTIFICATE OF SERVICE AUTHORITY
TO PROVIDE INTRASTATE OPERATOR-ASSISTED
RESOLD TELECOMMUNICATIONS SERVICES

TA-88-218, et al.

Jefferson City, Missouri
August 19, 1988

Exhibit No. 19
Date 9-20-88 Case No. TA-88-218 et al
Reporter Tweedy

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Issue: Certificate of Service Authority
Witness/Type of Exhibit: Seaman/Direct
Sponsoring Party: GTE North Incorporated
Case No.: TA-88-218, et al.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of the)
application of American)
Operator Services, Inc.)
for a certificate of service) CASE NO. TA-88-218, et al.
authority to provide)
Intrastate Operator-Assisted)
Resold Telecommunications)
Services.)

AFFIDAVIT OF MEADE C. SEAMAN

Meade C. Seaman, of lawful age, being duly sworn, deposes and states:

1. My name is Meade C. Seaman. I am presently Regulatory Affairs Manager, GTE North Incorporated.
2. Attached hereto and made a part hereof for all purposes is my direct testimony consisting of Pages 1 through 8.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my knowledge and belief.


Meade C. Seaman

Subscribed and sworn to me before this 14 day of August, 1988.


Notary Public

My commission expires:

MARY J EVERITT
NOTARY PUBLIC STATE OF INDIANA
HAMILTON CO.
MY COMMISSION EXP. MAY 12, 1989
ISSUED THRU INDIANA NOTARY ASSOC.

GTE NORTH INCORPORATED
DIRECT TESTIMONY OF MEADE C. SEAMAN
CASE NO. TA-88-218, ET AL.

1. Q. Please state your name and business address.
2. A. My name is Meade C. Seaman and my business address is
3. 19845 North U.S. 31, Westfield, Indiana 46074.
4. Q. By whom are you employed and what is your position?
5. A. I am employed as Manager-Regulatory Affairs for GTE
6. North Incorporated (GTE).
7. Q. Mr. Seaman, will you briefly state your educational
8. background and business experience?
9. A. I graduated from the University of South Florida in
10. 1976 with a Bachelor's Degree in Accounting. I am
11. currently pursuing a Masters in Business Administra-
12. tion from Marion College in Indiana.
13. I began my career in 1976 with General Telephone Com-
14. pany of Florida as Business Relations Assistant. My
15. primary responsibilities included preparation and
16. review of separations and other cost of service
17. studies to support activities related to the division
18. of revenues process, product service offerings and
19. rate base regulation. I served in a number of posi-
20. tions in the Business Relations area before joining

1. GTE Service Corporation in Irving, Texas as Staff
2. Manager-Interchanged Service Compensation in 1983. My
3. primary responsibilities included evaluation of juris-
4. dictional intraLATA compensation, and access charge
5. arrangements for the states in which GTE telephone
6. companies operate. I was also responsible for
7. development of policies relating to adherence to and
8. modification of Parts 67 and 69 of the Federal
9. Communications Commission's (FCC's) Rules and Regula-
10. tions. In 1985, I was named as Revenue Manager-
11. Switched Pricing for GTE North Incorporated. My prin-
12. ciple responsibilities in this position included the
13. development and implementation of pricing policies,
14. cost methodologies and rate structures associated with
15. switched network services. I assumed my current posi-
16. tion with GTE in June of this year.

17. Q. What are your current responsibilities as Manager-
18. Regulatory Affairs?

19. A. As Manager-Regulatory Affairs, I am responsible for
20. the overall development of regulatory programs and
21. advocacy policies to communicate GTE's business posi-
22. tions to industry members, state commissions and state
23. legislatures. I also act as the primary negotiator
24. with outside parties concerning regulated property
25. acquisitions, divestitures and trades.

1. Q. Have you previously testified before any state
2. commissions?
3. A. Yes. I have presented testimony in proceedings before
4. the state commissions of Indiana, Ohio, Pennsylvania,
5. Wisconsin and Illinois.
6. Q. What is the purpose of your testimony?
7. A. The purpose of my testimony is to discuss GTE's posi-
8. tion that operator services are competitive services
9. in the current telecommunications environment; and
10. that as such, all providers should be subject to equal
11. levels of regulation.
12. Q. Please describe the nature of competition for the pro-
13. vision of operator services.
14. A. Operator services, frequently referred to as "0+"
15. (services accessed by dialing "0", plus additional
16. digits) and "0-" (services accessed by dialing "0")
17. include operator handled services such as calling
18. card, third person billing, person to person, collect
19. and station to station calls. Applicable surcharges
20. vary according to the type of call placed.
21. In response to the needs of customer-owned, coin-
22. operated telephone service providers and specialized
23. markets, competition has rapidly developed in the
24. operator services market with the entry of Alternative
25. Operator Service Providers (AOS) and the alternate

1. toll billing arrangements they are able to offer. AOS
2. firms such as Elcotel, International Telecharge Inc.,
3. and National Telephone Services typically target loca-
4. tions where the transient caller is the primary caller
5. such as in hospitals, motels, and universities in
6. addition to private pay phone locations.
7. Q. Please briefly describe the functions of an AOS pro-
8. vider.
9. A. AOS providers are capable of providing hardware, soft-
10. ware, installation, maintenance, billing & collection,
11. technical support, training, enhanced services,
12. operator services, long distance resale, credit card
13. calling and advertising. The AOS provider receives a
14. fee for handling originating traffic in addition to
15. revenues from the resale of long distance services. A
16. motel owner or hospital administrator, for example, is
17. typically paid a commission on revenues earned as a
18. result of calls made from their location and handled
19. by the AOS operator.
20. Q. What impact are AOS providers having on GTE?
21. A. Although GTE believes that the concept of fair compe-
22. tition is good and provides the consumer the benefit
23. of choice, GTE's operator handled revenues and intra-
24. LATA toll revenues are being negatively impacted by
25. competing AOS providers.

1. Q. What is GTE proposing in this proceeding as a solution
2. to the competitive impacts caused by AOS providers?
3. A. GTE does not propose to prohibit competition by AOS
4. providers or specify any particular regulation by the
5. Missouri Public Service Commission (MPSC) for such
6. providers. Such decisions rest with the MPSC. GTE
7. does request, however, that fair competition be
8. afforded in Missouri for operator services in the
9. event that such a conclusion is determined. In that
10. regard, GTE seeks equal regulatory treatment and
11. flexibility for the operator services it provides
12. through arrangements with other carriers.
13. Q. Are you aware of any concerns raised by your customers
14. regarding AOS providers and the services they provide?
15. A. Yes. GTE has received several complaints from its
16. customers concerning AOS providers and their serv-
17. ices. These complaints involve the lack of customer
18. awareness that an AOS provider was performing the
19. service rather than the customer's carrier of choice,
20. and the level of rates being charged by the AOS pro-
21. vider for its services.
22. Q. How does GTE become aware that customers have com-
23. plaints with AOS providers and their services?
24. A. GTE provides billing and collection services to AOS
25. providers from its Facilities for Intrastate Access

1. Tariff P.S.C.M. No. 2, Section 8, as it does to any
2. other interexchange carrier requesting such services.
3. As a result, GTE customers often call the GTE Customer
4. Service Office with questions and complaints. GTE is
5. notified of all official FCC and MPSC customer com-
6. plaints involving GTE customers.
7. Q. Do customer bills also reflect the telephone number of
8. the involved AOS provider for customers to call with
9. their questions and complaints for those services?
10. A. Yes, they do. However, customers often perceive that
11. any problems lie with the sender of the bill rather
12. than with the provider of the service. GTE is con-
13. cerned about this misperception because it pertains to
14. AOS providers and services and has no bearing on GTE
15. and the services it provides to its end users.
16. Q. You mentioned that GTE is currently providing billing
17. and collection services to AOS providers under Tariff
18. P.S.C.M. No. 2, Section 8. On what basis are you pro-
19. viding these services?
20. A. AOS providers are carrier customers to GTE, and as
21. such, have the right to purchase services out of GTE's
22. Facilities for Intrastate Access Tariff like any other
23. interexchange carrier, e.g. AT&T, MCI or U.S. Sprint;
24. and GTE is obligated to provide these services under
25. the terms and conditions of its tariff. AOS providers

1. are treated like any other customer with respect to
2. GTE's intrastate access tariff.

3. Q. Do you know of any plans by AOS providers to resolve
4. the customer complaint problems they are receiving?

5. A. Yes, I am aware that a national organization has been
6. formed, under the name of Operator Service Providers
7. of America (OSPA). My understanding is that OSPA has
8. adopted a code of responsibility for its members to
9. identify themselves to consumers, provide billing and
10. pricing information, price their services competi-
11. tively, improve industry standards and respond rapidly
12. to consumer inquiries. It is also my understanding
13. that AOS provider membership in this organization is
14. voluntary.

15. Q. Do you believe that the formation of OSPA will satisfy
16. the concerns and complaints of GTE customers relating
17. to competitive operator services?

18. A. To some extent, I think OSPA will effectively resolve
19. many customer complaint issues. However, I believe
20. that some quality of service standards should be con-
21. sidered by the MPSC for all operator service providers
22. alike to adhere to, including AOS providers, other
23. interexchange carriers and local exchange carriers, to
24. ensure quality operator services for Missouri con-
25. sumers. For example, at a minimum, the customer

1. should be fully advised of which carrier is handling
2. his call, and rates should be available upon request.
3. Also, connection time should be comparable to LECs and
4. other IXC's who handle operator assisted calls.
5. Q. Do you think consumers generally are benefiting from
6. competition in the operator service market?
7. A. Yes, I believe the consumer always benefits when he
8. can make a rational choice of how he can purchase a
9. service and at what price. The key aspect, of course,
10. is choice. Ultimately, consumers should be able to
11. choose who will handle their operator service calls
12. and which rates they are willing to pay. In this type
13. of competitive environment, competitive providers may
14. also benefit to the extent they are treated equally in
15. the regulatory environment and can provide these
16. choices to consumers. Presently, premise owners such
17. as the hotels, universities, etc. have a choice as to
18. which operator service provider to select.
19. Q. Should AOS providers' rates be regulated?
20. A. No. Rates should be established based on the cost
21. structure of the service provider and the market. The
22. MPSC should treat all operator service providers,
23. including AOS providers, equally in regards to rate
24. establishment.
25. Q. Does this conclude your testimony?
27. A. Yes, it does.

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been mailed or hand delivered to the following on or before the 19th day of August, 1988.

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