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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
Room 222
1919 M Street, N.W.
Washington, D.C. 20554

DOCKET FILE COPY ORIGINAL

Re: CC Docket No. 92-77

Dear Mr. Caton:

This letter provides information on the costs for deployment of OSS7 to the end offices requested by Mr. Mark Nadel of the Policy and Program Planning Division of the Common Carrier Bureau, and also responds to the written ex parte letters submitted by Sprint on November 3, 1994, SBC Communications on November 14, 1994, and Sprint on December 23, 1994.

I. Request for Further Information

As noted by Sprint in its ex parte dated November 3, 1994, NYNEX was one of the few companies that specifically separated out the costs of OSS7 to the end offices as part of its initial comments filed August 1, 1994. The total cost noted in these comments to provide OSS7 to the end offices in the NYNEX region is $48.5 million. This figure remains valid.

NYNEX intends to have a fully digital network with ubiquitous SS7 signaling throughout the system. Should the FCC order Billed Party Preference, then NYNEX end offices would need to be equipped with OSS7 at a cost of $48.5 million to provide BPP for the implementation date proposed in the Commission's Further Notice of Proposed Rulemaking.

NYNEX has based its cost estimate for OSS7 to the end offices on current vendor price quotes for providing this required functionality to all NYNEX end offices. This estimate also reflects input from NYNEX's Engineering Department. The costs include all applicable discounts.

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II. Response to Sprint's Ex Parte of November 3, 1994

Dialing Patterns

In its November 3, 1994 ex parte, Sprint brings into discussion the delay of customer dialing patterns and indicates that this should be included in the overall call setup time.

NYNEX feels strongly that these dialing patterns should not be considered in the call setup time under discussion. The dialing pattern is entirely at the customer's discretion. As demonstrated in the comments of this proceeding, this pattern is influenced significantly by price.[1] The customer knowingly dials these access codes and has control over the use (or non-use) of these codes to gain these financial benefits. The measurement of call setup should not include the customer's choice in selecting a dialing pattern.

NYNEX's position that customer dialing patterns are not part of the overall call setup time is consistent with the Commission's definition of call setup time. In the Memorandum Opinion and Order (MO&O) on Service Quality[2], the Commission has chosen to measure/monitor call setup time under the control of the carrier, and not the customer. The Commission defines call setup time in this MO&O as "...the interval that begins when the caller completes dialing and ends when the call is delivered to the interexchange carrier's point of presence."[3] Since the Commission states that the measurable call setup does not start until after the dialing is completed, Sprint's call setup definition is at odds with the Commission and should be dismissed. The dialing of access codes should not be counted in the call setup time, and thus, Sprint's argument "...that BPP will inherently reduce call setup time on calls which are now made using an access code" [4] is incorrect.

Call Setup Delay

Sprint wishes to downplay the need to deploy OSS7 signaling to the end office stating in its ex parte that OSS signaling would decrease call setup time by "no more than 3 or 4 seconds".[5] Given that the Commission's own standard for the mean access time for all 800 data base traffic is 2.5 seconds or less (as of March 1995)[6] and that a 3 second or greater dial tone delay for 30 continuous minutes constitutes a major network outage which is

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[1] Ameritech Comments, August 1, 1994, page 7
[2] See Policy and Rules Concerning Rates for Dominant Carriers, Memorandum Opinion and Order, DA 93-1138 (released October 12, 1993)
[3] Id., page 11, paragraph 64 (emphasis added)
[4] Sprint ex parte, November 3, 1994, page 2
[5] Id., page 1
[6] See Provision of Access for 800 Service, Memorandum Opinion and Order on Reconsideration, FCC 91-24 (released September 4, 1991) at paragraph 19.

reportable to the Commission[7], the 3 or 4 second delay noted by Sprint should be considered significant.

A December 1994 Bellcore study requested by SBC Communications, NYNEX, Bell Atlantic, BellSouth and Pacific Telesis shows that under a BPP environment, the delay in routing a call from the end of dialing to the beginning of the prompting tone for an MF/SS7 customer would be 4.8 seconds versus a delay in access time of 0.5 seconds for a fully SS7-routed customer, a 4.3 second differential.[8] This study solidifies NYNEX's contention that OSS7 to the end office should be deployed wherever and whenever possible.

III. Response to SBC Communications' Ex Parte of November 14, 1994

There is an inconsistency in SBC's ex parte of November 14, 1994, as well as in SBC's Reply Comments filed September 14, 1994 in this proceeding regarding the routing (or non-routing) of 10XXX calls to the LEC OSS Tandem in a BPP environment.

A joint ex parte filed by MCI, GTE, Pacific Telesis, and SBC Communications on December 23, 1993[9] contains a service description of the proposed Billed Party Preference. This service description states that "BPP therefore requires routing all interLATA Dial O calls to the LEC OSS, while calls dialed 10XXX, or with other access codes, will be routed to the dialed Interexchange Carrier."[10]

In their Reply Comments of September 14, 1994, SBC endorses BPP as long as it is consistent with the service description described in its December 23, 1993 ex parte. Later in that pleading, SBC advocates that "BPP should apply to O+, O-, and 10XXX+O calls."[11]

In their November 14, 1994 ex parte, SBC explained "...that should BPP also apply to calls dialed with access codes, there would not be a need to develop and install end office 'split routing' technology."[12] SBC then includes an attachment in the ex parte which states that "...SBC favors implementation of BPP, provided implementation is consistent with the joint ex parte filing of December 23, 1993."[13]

SBC cannot support both a service description which calls for 10XXX calls to be routed directly to the IXC, and at the same time suggest that 10XXX calls be routed to the OSS

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[7] "Suggested Guidelines for FCC Reportable Outages for LECs" (released June 30, 1993), Section 5.012
[8] Bellcore study - SR-3441, December 21, 1994, page 13
[9] MCI ex parte, December 23, 1993
[10] Id., page 2, section 2.1, (emphasis added)
[11] SBC Reply Comments, September 14, 1994, page 12, (emphasis added)
[12] SBC ex parte, November 14, 1994, page 1
[13] Id., attachment 1 - page 1

tandem. It is clear to NYNEX that the position to route 10XXX calls to the OSS tandem is a far-reaching attempt to lead the Commission into believing that this routing alternative is viable. Nothing on record shows this to be fact.

Currently, all costs on record in this proceeding have been developed using the joint ex parte service description filed on December 23, 1993 (with 10XXX calls routed directly to the IXC). If the service description, which the entire industry used to develop their BPP costs, is no longer valid, then additional cost data would be needed to complete the record. This would open up additional technical and consumer issues that would have to be addressed. If the Commission seriously considers such a substantial change in the service description for BPP, then NYNEX suggests a second "further notice" for the purpose of getting the relevant issues and costs on the already extensive record in this proceeding.

Regardless of the Commission's decision on this routing issue, NYNEX would still require OSS7 to the end offices, since OSS7 signaling provides enhanced call setup time as discussed herein.

IV. Response to Sprint's Ex Parte of December 23, 1994

The 44.1% dial-around rate noted in Sprint's ex parte[14] filed December 23, 1994 is much lower than the 66% experienced in the 1994 NYNEX dial-around study[15]. Since Sprint's local exchange carriers are in much less competitive areas of the country than NYNEX, this is to be expected. However, in developing an overall industry dial-around percentage, the Commission should use a weighted average of all carrier's call volumes and their associated dial-around percentages. Thus, Sprint's local exchange carriers' dial-around percentage will carry less weight than NYNEX's dial-around percentage due to the larger call volumes in the NYNEX region.

Sincerely,

Suzanne Hagan

cc: G. Phillips
M. Nadel

[14] Sprint ex parte, December 23, 1994, page 2
[15] NYNEX Comments, August 1, 1994, page 3-4