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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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In the Matter of)
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Telephone Number Portability)
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CC Docket No. 95-116
RM 8535

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To: The Commission

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COMMENTS OF
THE CALIFORNIA CABLE TELEVISION ASSOCIATION

The California Cable Television Association ("CCTA"), pursuant to Section 1.415 of the Commission's Rules, 47 C.F.R. § 1.415, hereby files its Comments in response to the Commission's Notice of Proposed Rulemaking in the above-captioned proceeding.¹⁷

INTRODUCTION AND SUMMARY

CCTA is a trade association representing cable television operators with over 400 cable television systems in California, including both small and rural systems and national multiple system operators. Its members are currently planning to compete with local exchange carriers ("LECs") as Competitive Local Carriers ("CLCs) in the delivery of local telephone service (including exchange and exchange access service) to residential and business consumers throughout California. CCTA has promoted actively the implementation of service provider number portability, both before the California Public Utilities

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¹⁷ In the Matter of Telephone Number Portability, CC Docket No. 95-116, Notice of Proposed Rulemaking, FCC 95-284, released July 13, 1995 ("NPRM").

Commission ("CPUC") as a member of the California Telecommunications Coalition (the "CTC"),^{2/} and as a member of the California Local Number Portability Task Force.^{3/} As competitive local telephone service providers, CCTA's members have a vital interest in promoting the implementation of number portability conditions that ensure full and fair competition among providers of local exchange and exchange access telephone services.^{4/}

CCTA supports the Commission's tentative conclusion that number portability will benefit consumers of telecommunications services and contribute to the development of robust competition among alternative providers of local telecommunications services.^{5/} Indeed, CCTA submits that, absent the implementation of true long-term number portability, competition will not flourish in the local telephone market. As the CPUC recently recognized in adopting interim rules for local exchange competition, current short-term portability measures, such as remote call forwarding and direct inward dialing, are not true

^{2/} The CTC is a broad-based coalition of local, long-distance, and cable television providers and consumer groups. Its members include AT&T Communications of California, Inc.; California Association of Long Distance Telephone Companies; CCTA; California Committee for Large Telecommunications Consumers; California Payphone Association; ICG Access Services, Inc.; MCI Telecommunications Corp.; MFS Intelenet, Inc.; Sprint Communications Company, L.P.; Teleport Communications Group; Time Warner AxS of California, L.P.; and Toward Utility Rate Normalization.

^{3/} The California Local Number Portability Task Force was organized recently by representatives of the telecommunications industry. Its first meeting was held on May 31, 1995.

^{4/} CCTA also is a signatory to Comments filed in this proceeding by the Ad Hoc Coalition of Competitive Carriers. The present Comments are being filed by CCTA primarily to provide the Commission with background information concerning the role of number portability in California's ongoing local competition proceedings.

^{5/} See NPRM at ¶ 7.

number portability solutions and cannot substitute as long-term alternatives to a permanent database solution.^{6/}

In considering what role it should play in developing a nationwide number portability policy, the Commission should remain cognizant of the fact that various states have already made substantial progress in developing number portability solutions to foster local exchange competition. To the extent the Commission concludes that it should adopt uniform federal regulations mandating number portability, the Commission should strive to ensure that those regulations respect the significant number portability progress that has already been made by the states. At present, the Commission should focus solely on the implementation of service provider number portability, as it is faster, easier and more economical to implement than more global number portability options. The Commission's principal role in this regard should be to articulate broad policy objectives, establish meaningful deadlines that create incentives for the rapid deployment of a long-term number portability solution, and enforce those deadlines with a backstop system of genuine penalties in the event of unreasonable delay.

^{6/} See Decision and Order of The California Public Utilities Commission Adopting Interim Rules for Local Competition, 95-07-054 (rel. July 24, 1995).

I. CALIFORNIA'S INTERIM LOCAL COMPETITION RULES EMPHASIZE THE IMPORTANCE OF QUICKLY IMPLEMENTING SERVICE PROVIDER NUMBER PORTABILITY IN ORDER TO FACILITATE LOCAL COMPETITION

On July 24, 1995, the CPUC issued interim rules that will permit the authorization of local exchange competition by January 1, 1996.⁷⁷ The interim rules make clear that "[i]t is the policy of the...[CPUC] that service provider local number portability should be accomplished."⁸⁷ Recognizing the need to preserve short-term number portability alternatives during the development of and transition to a long-term number portability solution, the CPUC's interim rules mandate that "local number portability shall be provided by Remote Call Forwarding, Direct Inward Dialing (DID), or other equivalent means" until a permanent database solution can be implemented.⁹⁷ To facilitate the development of a long-term number portability solution, the CPUC formally recognized the California Local Number Portability Task Force and charged that group with reporting to the CPUC on the

⁷⁷ Id.

⁸⁷ See Id. at Appendix A, Section 1E. The CPUC has defined "local telephone number portability" as "the ability of end users to retain their existing telephone numbers when remaining at a location, or changing their location within the geographic area served by the initial carrier's serving central office, regardless of the LEC or CLC selected." Id. at Appendix A, Section 3I.

⁹⁷ See Id. at 35 and Appendix A, Section 6A. Initially, remote call forwarding will be priced at direct embedded cost. The LECs are directed to establish a Memorandum Account to record the difference between the current tariff rate and the rate to be charged to CLCs. The CPUC will review the balance in the Memorandum Account and determine what, if any, adjustments are to be made to the rates. See Id. at Appendix A, Section 6B.

technical criteria necessary to permit the completion of a trial of long-term service provider portability.^{10/}

The Commission's NPRM requests comment on the feasibility and desirability of implementing any of the three basic types of number portability: service provider portability, service portability, and location number portability.^{11/} In adopting its interim rules, the CPUC elected to focus only upon service provider number portability, the form of portability most essential at present to fostering the market entry of competitive telecommunications service providers.^{12/} At this time, the Commission should do the same.

Without question, service provider portability is critical to the decisions of consumers when considering whether or not to take service from competing providers. Indeed, empirical data suggests that a substantial percentage of prospective customers will not even consider a competitive alternative if accepting such service would require a change of telephone numbers.^{13/} For instance, the NPRM observes that a nationwide Gallup survey found that "40-50% of residential customers and 70-80% of business customers who

^{10/} See Id. at 36. This report is to be filed with the CPUC by January 31, 1996. See ALJ's Ruling Adopting a Procedural Schedule, R.95-04-043/I.95-04-044 (Aug. 18, 1995).

^{11/} See, NPRM at ¶¶ 21, 25-27.

^{12/} The California Local Number Portability Task Force has similarly chosen to limit its focus to Service Provider Number Portability. On June 13, 1995, the Task Force developed the following mission statement:

The California Local Number Portability Task Force will evaluate, recommend, and, ultimately, implement a technically and economically feasible solution for service provider number portability that meets the needs of California consumers and carriers in a competitively neutral manner.

^{13/} See NPRM at ¶ 22.

otherwise were willing to consider changing their local telephone company would be unlikely to consider such a change if they also had to change their telephone numbers."^{14/}

Likewise, a California-specific study produced similar results, further underscoring the critical value that consumers place on retaining their telephone numbers when changing service providers.^{15/} Indeed, even studies commissioned by incumbent LECs demonstrate the overwhelming competitive importance of service provider number portability.^{16/}

To promote competition in the provision of local telephone service, the CPUC prudently adopted interim regulations mandating service provider portability without also requiring the immediate provision of service portability and location portability. At present, there is little evidence of public demand for either of these latter types of number portability. In fact, there is a significant possibility that consumers will find location portability undesirable because it will eliminate the geographic identity that consumers have come to

^{14/} NPRM at ¶ 22.

^{15/} See Local Number Portability California Study, Executive Summary, prepared by The Gallup Organization for MCI Telecommunications Corporation, Figures 1 and 3 (finding that 69% of the business customers surveyed said they would be likely to switch local telephone service providers when offered a 20% discount, but that only 21% of those customers considered it somewhat likely or very likely that they would change service providers for a 20% discount if doing so would also require them to change telephone numbers).

^{16/} For example, a study commissioned by Pacific Bell demonstrates that if a business customer changes its phone number, and if callers to the old number receive a number change announcement, only 56% of those callers hang up and dial the new number. This means that a business customer could lose up to 44% of its calls by accepting service from a CLC in the absence of service provider number portability, even if a recorded number referral service is available. See Ex parte letter dated August 30, 1995, from Alan Ciamporcero to William F. Caton transmitting Analysis of Potential Local Access Competition and Interconnection Issues, Final Report, prepared by ConStat, Inc. for Pacific Bell at 49.

associate with area codes.^{17/} In addition, mandating the simultaneous implementation of all three types of number portability (i.e., service provider portability, service portability, and location portability) would likely cause substantial delay and increase significantly the costs associated with deploying service provider portability, thereby making it nearly impossible to compete.

CCTA anticipates that the LECs will seek to delay the implementation of service provider portability -- the solution most desired by consumers and, therefore, most essential to the initiation of full and fair local exchange competition -- by asserting that all three types of number portability should be deployed simultaneously. The Commission should reject these contentions. As the Commission suggests in its NPRM, the availability of non-geographic 500 numbers and other wireless services currently serve as adequate substitutes for a location portability solution, particularly in the absence of any showing of widespread consumer demand for location portability.^{18/}

To the extent the Commission adopts a federal number portability policy, it should follow the example set by the CPUC and focus on the implementation of a service provider number portability policy that promotes the swift entry of alternative service providers to the local exchange market. Moreover, the Commission should create strong disincentives against undue delay by making speedy implementation of service provider number portability a

^{17/} See NPRM at ¶ 67. CCTA has no reason to believe at the present time that consumers expect or wish to be able to port their numbers when moving from one coast to another. Thus, CCTA suggests that the Commission should not focus its resources on pursuing a location portability solution at this time.

^{18/} See NPRM at ¶ 27.

precondition to other forms of regulatory relief desired by the LECs. Deadlines for implementation will be meaningful only if there are strong incentives for compliance and significant penalties for non-compliance.

II. THE COMMISSION SHOULD NOT DELAY LOCAL COMPETITION BY FORECLOSING CALIFORNIA'S NUMBER PORTABILITY RULES

California's interim rules provide a good start on a permanent local number portability solution. CCTA urges the Commission not to take any action that might undermine the CPUC's steady, well-considered progress toward a database solution for service provider number portability. California consumers and service providers, who have demonstrated a strong interest in competitive local exchange markets, should not be denied the benefits of local competition while awaiting the implementation of a national solution.

The Commission need not be unduly concerned that divergent and incompatible state solutions will emerge in the absence of uniform national standards.^{19/} First, many of the participants who are guiding the development of local number portability solutions are the same from state to state. Thus, interaction among them is creating local synergies. For example, the California Local Number Portability Task Force has tentatively concluded that it may not need to finance its own number portability trial. Rather, it will likely borrow information from other trials and develop an initial evaluation matrix using models developed during trials in other states. Second, many of the service provider number portability solutions that are now being considered make use of equipment and software that is universally available and ultimately could provide a ready interface for a national solution.

^{19/} See NPRM at ¶¶ 31-34.

Accordingly, cross-pollination and market forces are likely to help ensure that compatible number portability solutions are adopted from state to state.

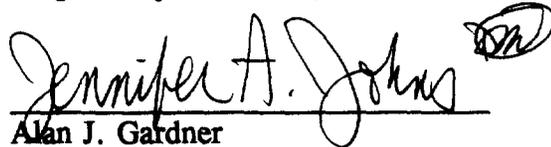
The Commission's role in developing a national number portability policy, to the extent one is deemed necessary, should be limited to setting broad guidelines which ensure, inter alia, that solutions developed at the state level are able to interface with a national solution. What the Commission should not do is micro-manage the process of introducing local competition by preempting number portability solutions that have been carefully crafted by state regulators simply because they may differ from state to state.

CONCLUSION

The Commission's role in fostering service provider number portability should be limited to articulating broad policy goals, setting firm deadlines for the implementation of a long-term service provider number portability database solution, and overseeing the

imposition of genuine penalties for delay. The Commission should not impede or thwart the progress of states like California that are working to implement true number portability database solutions on an individual, accelerated basis. Through such action, the Commission will best promote the rapid initiation of full and fair competition in the provision of local telecommunications services.

Respectfully Submitted,



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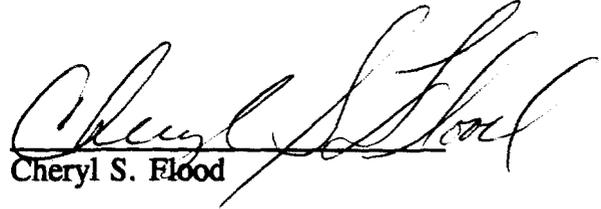
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CERTIFICATE OF SERVICE

I, Cheryl S. Flood, hereby certify that on this 12th day of September, 1995, a copy of the foregoing "Comments of The California Cable Television Association" was delivered by hand to each of the parties listed below.



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