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September 11, 1995

Mr. William Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street  
Washington, DC 20554

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RE: CC: DOCKET NO. 95-116

Dear Secretary Caton:

Enclosed for filing is the original and 9 copies of the Comments of Citizens Utilities Company in the above-captioned proceeding. Please distribute personal copies to each Commissioner.

Please return a stamped copy in the enclosed envelope.

Very truly yours,

Ellen S. Deutsch  
Vice President and Chief Counsel

ESD/fcc911  
enclosure

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Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
Washington, DC 20554

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JUL 12 1995

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

**COMMENTS OF CITIZENS UTILITIES COMPANY**

Citizens Utilities Company ("Citizens"), on behalf of its divisions and subsidiaries engaged in telecommunications operations including both traditional and competitive local exchange and interexchange services, hereby submits its comments in response to the Commission's Notice of Proposed Rulemaking in the above-captioned proceeding, released July 13, 1995.<sup>1</sup> These comments represent the combined view of Citizens Utilities Company's operating divisions and subsidiaries which provide regulated local exchange telephone services in suburban and rural exchange areas in 10 states,<sup>2</sup> Electric Lightwave, Inc. ("ELI"), a wholly-owned subsidiary engaged in competitive access and local exchange operations in five western states, and Citizens Telecommunications Company, a nondominant long distance provider. As discussed below, Citizens strongly supports the Commission's tentative conclusion that the portability of telephone numbers benefits consumers of telecommunications services and would

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<sup>1</sup>In the Matter of Telephone Number Portability, Notice of Proposed Rulemaking, CC Docket No. 95-116, RM 8535, released July 13, 1995.

<sup>2</sup>Citizens provides traditional local exchange services in Arizona, California, Idaho, Montana, New York, Oregon, Pennsylvania, Tennessee, Utah and West Virginia. Upon regulatory approvals of pending acquisitions, Citizens will provide local service in Nevada and New Mexico, and in additional exchanges in Arizona, California and Utah.

contribute to the development of competition among alternative providers of local telephone and other telecommunications services.

## **I. INTRODUCTION**

Citizens represents a microcosm of the telecommunications industry because of the diversity of operations and individual interests represented across its various operating divisions and subsidiaries. These comments therefore are informed by, and form a synthesis of, the perspectives of Citizens' various telecommunications operating entities, including suburban and rural local exchange carriers (LECs), a competitive access and local service provider, and a nondominant interexchange carrier.

ELI, a competitive access and local service provider, currently operates fiber optic metropolitan area networks ("MANs") in Washington, Oregon, California, Arizona and Utah, as well as a long-haul fiber optic network linking Phoenix, Arizona and Las Vegas, Nevada. ELI has authority to provide competitive local exchange services in Washington and Utah, and has competitive local exchange applications pending in California and Oregon. ELI has been providing competitive dial tone services on a commercial basis in Seattle since December, 1994. As a competitive local exchange service provider, ELI has direct experience of the importance to customers of retaining their current telephone numbers when switching local carriers.

In addition, ELI has been intimately involved in the trial of local area number portability ("LANP") now being conducted in Seattle, Washington which was referenced by the Commission in its Notice initiating this rulemaking. Notice at paragraph 16. Other participants in the Seattle trial include: U.S. Intelco, Stratus Computer, TCG, GTE, GTEINS, and ITN.<sup>3</sup> ELI's experience as a competitive local service provider and its participation in the Seattle local area number portability trial have contributed to Citizens' positive conclusion regarding both the importance and the technical and economic feasibility of local number portability. This conclusion is also founded in the clear recognition by Citizens' LECs that local number

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<sup>3</sup>An interim status report of the Seattle LANP trial is being submitted in this proceeding by U.S. Intelco on behalf of the trial participants.

portability will be crucial to the ability of traditional LECs to participate effectively in the emerging competitive local service environment and will benefit the customers of all local service providers -- new entrants and traditional LECs alike.

## **II. THE IMPORTANCE OF NUMBER PORTABILITY**

Number portability benefits all customers because it is the enabling technology that lets end users take on-going control over their telecommunications purchasing decisions. Without local number portability, once a consumer has chosen a local service provider, that consumer is significantly deterred from subsequently changing to a different provider of that service. With local number portability, a consumer who is dissatisfied with the quality of service, disaffected by the level of customer service, or who desires to take advantage of a lower price or innovative service features can exercise the option of switching provider without facing the repugnant specter and costly consequences of a number change.

In addition, to the extent number portability solutions include or evolve to include service portability, a customer will be able to upgrade service from analog to ISDN without the disruption and, in the case of a business subscriber, potential loss of revenues caused by a number change. As geographic number portability is implemented, customers will also gain flexibility and economic benefit in a greater ability to change physical location without regard to existing wire center boundaries. Today, for example, a business manager who might wish to take advantage of lower office space rents by moving from a downtown to a suburban location may find that the potential rent advantage is outweighed by the administrative, marketing, goodwill and lost revenue costs of a number change.

**A. THE IMPORTANCE OF SERVICE PROVIDER PORTABILITY: The development of effective local exchange competition would be seriously impaired, and the potential benefits to all consumers substantially reduced, without service provider number portability.**

ELI has reviewed its records of customer sales contacts made in the Seattle area during the period between January and May 1995. These records show that in approximately 85% of such sales contacts, the potential customer ended discussion of the potential purchase of dial tone service when advised of the need for a number change. This was the case despite the fact that the ELI account representative was able to offer a discount from the prevailing LEC price.

Thus, ELI's real-world experience in attempting to market local exchange service in the face of a number change requirement is consistent with the nationwide Gallup survey results reported by MCI (Notice at paragraph 22). ELI's marketplace experience, however, is entirely at odds with the finding of a recent ConStat survey commissioned by Pacific Bell ("Pacific Bell survey") that if a "competitive pitch" was presented to the survey participants then they were less likely to perceive a number change as a barrier.<sup>4</sup> Needless to say, ELI's account representatives routinely "pitch" the benefits of choosing a competitive provider prior to discussing the lack of number portability. Furthermore, ELI's experience in Seattle has been that even at discounts greater than the 12% the Pacific Bell Survey claims to be sufficient,<sup>5</sup> most business customers will not change service provider if a number change is required.

It has been suggested that competitors can overcome the number portability hurdle by proposing that multiline customers leave their "main" lines with the incumbent while switching their "other" lines to the competitor:

... when participants realized they could keep their main line with their local telephone company and switch all other lines, the likelihood of businesses to switch providers increased. While a main line may have the business' published phone number, this line is primarily used for inbound traffic so a discount on that line is not as critical. Therefore, the increased willingness of businesses to switch their outbound traffic lines -- or their "other" lines -- to a new provider was an important finding. Any viable competitor who suggests this approach ... seems likely to win at least a portion, if not all, of the "other" lines.  
Pacific Bell survey at 22.

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<sup>4</sup>*Analysis of Potential Local Access Competition and Interconnection Issues: Business Market, Final Report*, ConStat, Inc., prepared for Pacific Bell, May, 1995, at 22. Pacific Bell presented this research to a recent meeting of the Industry Numbering Committee.

<sup>5</sup>*Pacific Bell survey* at 17.

The scenario suggested in the Pacific Bell survey is misleading. In fact, the average multiline customer would have to purchase additional lines in order to split inbound and outbound traffic between providers, thus incurring additional costs. The need for additional lines results from the fact that, even if the customer's total inbound and outbound traffic is approximately equal overall, the peak busy hour for inbound traffic often does not coincide with the peak busy hour for outbound traffic. To accommodate this busy hour time differential efficiently, some busy hour inbound traffic is handled (e.g., on a roll-over basis) over the customer's "other" lines. If the customer moves its "other" lines to a competitor, the customer is likely to need to purchase additional lines from the incumbent to handle busy hour incoming traffic. As a result, ELI's actual sales experience in Seattle has been that most potential customers are unwilling to split their incoming and outgoing traffic. Many of these potential customers stated that they would reconsider as soon as ELI could provide number portability.

The Commission asked parties to discuss the potential impact of targeting sales to customers whose numbers are "churning" for reasons other than a change in service provider. Notice at paragraph 23. Again in this regard, the input Citizens is able to provide is based on the actual marketplace experience of its competitive LEC, ELI, in the Seattle area.

ELI's primary success in selling dial tone services to date has been to "start-up" firms, typically small businesses, who are signing up for initial service and therefore do not have an existing number assignment from the incumbent. There are a number of constraining factors applicable to a market focus on new business start-ups, however. These include: 1) the small number of start-up firms in relation to the size of the entire market; 2) a relatively high rate of business failures and bad debt problems in the first years after start-up; 3) the difficulty of identifying start-ups during their organizational phase -- by the time they become visible (e.g., have an office location), they typically have already ordered exchange service from the incumbent due to the brand familiarity which adheres to the dominant carrier; 4) the fact that new start-ups may locate virtually anywhere, while a local exchange competitor is able best to recover its large location-specific capital costs (e.g., for building entry facilities and common terminal equipment) by marketing to multiple firms in multi-tenant locations; and 5) start-ups' generally relatively low levels of initial telecommunications demand. The lack of service

provider number portability disproportionately skews ELI's marketing opportunity toward such start-up businesses.

The Commission has noted its earlier findings on the importance of number portability in the context of 800 number services. Notice at paragraph 4 Citizens firmly believes that the Commission's finding on 800 number portability will apply with even greater force in the local exchange market, i.e., that service provider number portability will promote competition and efficiency by allowing customers to respond to service and price changes without changing their telephone numbers. Citizens urges the Commission to take decisive action to assure that true local service provider number portability is made available as soon as possible.

**B. THE IMPORTANCE OF SERVICE AND LOCATION PORTABILITY:  
Service and location portability will provide consumers benefits, but unlike service provider portability are not essential to the development of local exchange competition.**

Citizens believes that implementation of service and location portability, in addition to service provider portability, would provide consumer benefits. Customers today provide evidence supporting this belief by purchasing remote call forwarding to retain an existing number and in-bound 800 service to prevent potential forced number changes.<sup>6</sup> However, unlike service provider portability, these additional types of number portability are not essential for the development of local exchange competition. Further, service and location portability raise more complex implementation issues such as the potential need to modify toll rating, billing and other administrative functions. Therefore, Citizens respectfully urges that the Commission place the highest priority on assuring rapid implementation of true local service provider portability. With respect to service and location portability, the Commission at this time should only establish

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<sup>6</sup>See, e.g., *Pacific Bell survey at 18*, which reports that 10% of survey respondents currently use remote call forwarding for number retention.

functional standards to assure that any local service provider portability solutions, at a minimum, are compatible with future evolution to include service and location portability.

### **III. THE COMMISSION'S ROLE**

As discussed above, service provider number portability is fundamental to the development of effective competition in the local exchange market. Citizens agrees with the Commission's tentative conclusion that there is a significant federal interest in promoting the nationwide availability of number portability due to its likely impact on interstate telecommunications. Notice at paragraph 29. Therefore, Citizens urges Commission adoption of a policy framework to expedite the implementation of local number portability. Essential elements of that policy framework should include: 1) a time frame establishing a date certain for the implementation of number portability which expedites national availability and does not delay local or state initiatives; 2) minimum functional requirements and interoperability standards to assure that number portability solutions implemented at local, state and/or regional levels will seamlessly integrate on a national basis; and 3) guidelines establishing competitively-neutral mechanisms for the recovery of number portability costs.

#### **A. TIME FRAME: The Commission must establish a time frame for the implementation of number portability which expedites national availability while not delaying state and local initiatives.**

Citizens agrees with the Commission's statement that it appears unlikely that market forces alone will drive the development and deployment of local number portability (Notice at 28), at least on a nationwide basis. As evidenced by the lack of concrete progress by the Industry Numbering Committee toward number portability deployment, some incumbent LECs appear not to have reached the conclusion Citizens has reached -- that availability of reciprocal local number portability will benefit all carriers as well as all consumers. Given the consensus approach to

decision making used in such industry fora, timely action is likely to require a mandated deadline.

Similarly, while some state jurisdictions have taken a proactive role, many have yet to seriously address the local number portability issue. Where state or local initiatives are moving forward to achieve local number portability, Commission policies should work hand-in-hand with those efforts. The recommended Commission time frame should establish deadlines for deployment, but should not preempt any more ambitious schedules set by local jurisdictions. Work underway at the state level may provide valuable information on various number portability approaches and the costs of development and deployment.

In order to ensure the timely development and implementation of local number portability, Citizens urges the Commission to adopt a time frame which establishes a date certain deadline for the implementation of local number portability. Specifically, Citizens suggests that the Commission's time frame should require the following:

- 1) Tier 1 LECs should be required to make available interim service provider number portability services to all authorized local exchange telecommunications carriers within 90 days. Such interim services should, at a minimum, include remote call forwarding and should be priced at no greater than total service long run incremental cost. The requirement for pricing at cost by dominant carriers is justified in order to preclude the potential that pricing abuses for this essential bottleneck service might thwart competition.

- 2) Deployment of database-supported number portability solutions providing at least service provider portability should be required within 18 months of the Commission's order in the 100 largest MSAs, and within 18 months of a *bona fide* request for portability in smaller MSAs. Extensions of time should be granted only upon a clear and convincing demonstration of technical infeasibility in a given MSA. This bifurcated approach appropriately balances the need for rapid deployment of local number portability in those markets where competition exists or is imminent with the need to avoid a blanket requirement that might lead to unnecessary or premature investment in markets where competition may develop more slowly.

## **B. MINIMUM REQUIREMENTS AND INTEROPERABILITY**

**STANDARDS: The Commission must establish minimum functional requirements and interoperability standards for number portability solutions.**

There is an appropriate federal interest in assuring nationwide availability of local number portability. However, this interest does not necessarily require the imposition of a single national number portability database system, nor even of a detailed set of “cookie-cutter” specifications which would mandate that precisely the same system be implemented in each state or local area. Citizens believes that it is appropriate and necessary for the Commission to establish minimum functional requirements and interoperability standards to which all local number portability solutions must conform. In this way, internally different local number portability solutions can be implemented and still be compatible with each other. Different approaches can be explored and refined, potentially leading to continuous improvement in all systems. States and industry collaborations which have already made progress could continue to go forward, within the Commission’s functional and interoperability guidelines, rather than being frozen in place during the arduous, and perhaps fruitless, pursuit of a single national system.

Minimum national functional standards should include that all systems must:

- 1) initially provide at least service provider number portability within a local calling area;
- 2) be capable of evolving to provide future service and location portability in the future without wholesale restructuring of the database or resulting in obsolescence of initial capital investments;
- 3) support all industry segments, including traditional LECs, new wireline competitive LECs, interexchange carriers, and wireless carriers;
- 4) minimize the use of limited number resources;
- 5) provide portability without meaningful loss of service quality or service features, including CLASS features; and
- 6) be compatible with E911, directory assistance and intercept, and similar basic network functions.

The Commission's minimum interoperability standards should require that each local number portability system be able to accept as input the standard Bellcore TCAP message query format. Each system should be required to respond to such a query with a translated number that will allow the querying carrier to correctly route and rate the call. These interoperability requirements could be satisfied by specifying a national standard terminating switched access query message for local number portability along with a requirement that all SS7 Signal Control Points ("SCPs") available for number portability query must contain a complete copy of the current NPA-based table.

**C. COST RECOVERY: The Commission should adopt guidelines establishing competitively-neutral mechanisms for the recovery of number portability implementation and transaction costs.**

Citizens, as stated earlier, believes service provider local number portability is fundamental to the development of effective local competition. Customers of all carriers will realize benefits as a result of number portability implementation. All carriers will benefit from the availability of reciprocal number portability. Therefore, the costs of local number portability implementation should be borne by all affected carriers and, indirectly, by all of their customers.

Deployment of local number portability should be seen as a basic network upgrade. Both existing carriers and new competitors will incur some costs to design or upgrade their facilities to be compatible with the local number portability solutions and/or standards ordered by the Commission. Just as in the case of Signaling System 7 (SS7) and Advanced Intelligent Network (AIN) deployment, each carrier should recover its own costs to deploy local number portability. To the extent that there are common costs, such as for the development of a common database, those costs should be equitably allocated among all affected carriers. The Commission's treatment of equal access implementation costs may provide a model to some degree. However, number portability costs in no case should be recovered through any charges for co-carrier local call termination.

In evaluating any cost estimates for local number portability implementation, the Commission should consider only those costs specifically allocable to number portability. The entire cost of implementing, expanding or upgrading SS7 or AIN, for example, cannot properly be attributed solely to local number portability. SS7 and AIN are multipurpose network platforms which support a variety of functions and services.

Operational costs of shared number portability functions, such as a shared database and on-going portability system administrative functions, should be recovered from all users of the shared system. Database dip charges may be appropriate, however some proxy for per-dip charges might be utilized if doing so reduced measurement and billing costs. Potential proxies might be total volume of terminating local traffic or total local service revenues.

#### **IV. LONGER-TERM NUMBER PORTABILITY SOLUTIONS**

The Notice references the various number portability solutions that are being advocated by different parties. In evaluating whether each of these proposals is in the public interest, the Commission should utilize the following guidelines: First, a long-term number portability solution must be compatible with existing switching, signaling and billing systems to the maximum extent possible. Second, the solution must be cost-effective, and must minimize cost and other burdens on carriers who are not direct participants in the area covered by the number portability system. Third, the solution must be capable of making a smooth migration from the interim number portability solution to the long-term number portability solution. Finally, the long-term solution must be capable initially of provider portability and of later expansion to include service and location portability

##### **A. CURRENT PROPOSALS: The current proposals should be evaluated against the guidelines mentioned above.**

The Notice discusses four proposed solutions to number portability. Notice at paragraphs 36-39. These number portability proposals are referred to as the MCI Metro, AT&T, Seattle, and

GTE proposals. Citizens is most familiar with the Seattle trial. A detailed discussion of the Seattle trial is contained in the separate comments submitted by U.S. Intelco on behalf of the trial participants, including ELI. As discussed elsewhere in these comments, Citizens does not believe that the Commission should necessarily select any single proposal as the one approach which must be implemented nationwide. So long as each system implemented in various local and state areas satisfies Commission-ordered functional and interoperability standards, there should be no need to dictate a single, uniform approach. Instead, the public interest will be served by the exploration of alternative approaches. Ultimately, it is likely that such different systems will converge as optimum technical approaches as developed and refined in these individual, but interoperable, systems.

**B. CALL PROCESSING SCENARIOS: The Commission should allow for some flexibility when setting guidelines for call processing.**

As stated in the Notice (at paragraph 43), at least three different call processing scenarios exist for routing telephone calls in a number portability environment: (1) the terminating “access” provider (“TAP”) scenario, (2) the originating service provider (“OSP”) scenario, and (3) the “N-1” scenario. Citizens believes that the N-1 call processing scenario is preferable at this time, at least for toll calling.

The TAP scenario should never be the only call processing scenario deployed. It perpetuates the incumbent LEC’s monopoly control over the end user’s telephone number. In the TAP call processing scenario, the call is always physically routed to the incumbent LEC’s end office where the database query is performed. This is a perpetuation of the network routing inefficiencies inherent in remote call forwarding. The incumbent LEC continues to be involved in every call to the ported number and would always recover access charges from IXC’s for terminating traffic under the existing access charge regime. As a result, in this scenario the local exchange competitor who actually terminates a call would be denied terminating compensation from toll carriers.

The OSP call processing scenario has faults as well. First, it places the cost burden for a database query on the originating service provider, who might be two or three service providers removed from the local number portability area. This could place a burden on small independent LECs to launch a query on originating toll calls, although it would be an intermediate IXC who would reap the benefit of improved terminating routing. If the originating carrier is a small LEC without SS7 capability, there may be uncertainty as to whether a query has in fact been accomplished when the call enters the portability zone

In the N-1 approach, it is always the responsibility of the carrier immediately before the terminating carrier to query the number portability database. N-1 is a workable call processing scheme for toll, because the carrier that must launch (and pay for) the query will presumably benefit from any access charge savings resulting from competition. Also, under the N-1 approach, there should be no uncertainty about whether the database query has already been accomplished. This is important in the short term, since there is no current standard method to indicate when the query (and resulting translation) have already been accomplished. However, for local calls the N-1 scheme breaks down because the local exchange carrier cannot determine based on the dialed digits whether it is the N carrier, the N-1 carrier, or the N-2 carrier. For local call handling, the involved carriers will need to jointly plan trigger and call routing conventions if N-1 is to work.

**3. GEOGRAPHIC SCOPE: The Commission should focus on service provider number portability within the local calling area.**

Citizens believes that the Commission should place the highest priority on implementing service provider number portability, due to its immediate importance to the development of local competition. This implies that the initial geographic scope of number portability would be limited to existing local calling areas. This would also support rapid implementation of service provider local number portability while deferring the need to resolve issues surrounding the impact of unlimited geographic number portability. However, the Commission should require that each number portability system have the capability ultimately to provide broader number

portability once issues such as toll rating and billing have been addressed, to the extent there later is determined to be a need for such broader location portability.

**D. ARCHITECTURE: The Commission should encourage the development of regional number portability databases, and place administration of each database with an independent third party.**

As stated previously, Citizens does not believe that a single, national database solution is necessary to implement number portability. The lowest cost architecture is likely to be for the carriers in a metropolitan area (or NPA) to share a single pair of SCPs through a contract with a neutral third party. This neutral third party would be responsible for the development of the number portability database and for maintaining and updating it.

The deployment of a nationwide database similar to the 800 database is not appropriate for local number portability. The 800 service provider scheme works because the call routing at the originating end is a funnel where calls from many offices are routed to a single IXC switch. The use of a Carrier Identification Code or a Carrier Provider Code breaks down if the call routing is reversed and calls are routed from one office to many, or from many to many. In addition, the 800 queries are for a single NPA and not hundreds of NPAs. To expand the 800 model of a single pair of SCPs serving the entire United States would require transaction processing computers with the ability to process about 50,000 transactions per second. This is about 50 times the current state of the art in fault tolerant transaction processing computers.

Nearly two-thirds of U.S. domestic traffic is local in nature. Therefore, more than two-thirds of calls generally originate within the home NPA of a given metropolitan area. It makes little sense to routinely route database queries for such a large volume of calls outside the metropolitan area, given the additional SS7 link capacity that would be required. An additional advantage of distributed databases is in reducing the potential for catastrophic failure which might be introduced by the single point of failure represented by a single national database.

**E. ADMINISTRATION OF THE DATABASE: The number portability database should be administered by an independent third party.**

As stated above, Citizens believes that the ownership and administration of the number portability database should be the responsibility of a neutral third party service bureau. The service bureau would be responsible for the development of the number portability database along with maintaining and updating the database.

**F. COSTS AND COST RECOVERY ISSUES: The cost of number portability should be borne by all carriers.**

As discussed in Section III(c) above, Citizens recommends that the costs for implementing local number portability be borne by all carriers and recovered through each carrier's general rates as a general network upgrade. This recommendation is based on a number of factors. First, much of the additional investment required to provide local number portability will also be used to provide other types of new services to customers. For instance, AIN capabilities can be used to provide a number of advanced services, such as time of day routing. It would be absurd for any LEC to claim that the only reason it is will implement AIN is for local number portability. Second, local number portability will benefit all telephone customers. For example, customers who move within the local calling area without changing local service provider should be able to keep their existing telephone numbers under a database solution. Third, requiring competitive local service providers exclusively to finance the development and implementation of local number portability would present a significant economic barrier and prevent the development of local competition.

**V. INTERIM NUMBER PORTABILITY**

**Interim local number portability measures are necessary, but inadequate as longer-term solutions.**

New local exchange competitors, as discussed above, are effectively crippled by the lack of local number portability. For example, ELI in Seattle is running significantly behind its dial tone business projections, largely because of the reluctance of potential customers to accept a number change. Because number portability is so crucial, and because it will be some time before database-supported number portability can be implemented, new entrants are forced to accept interim approaches such as remote call forwarding. Such interim measures are deficient, however, and must not be given consideration as longer-term solutions.

The Notice accurately describes the deficiencies of remote call forwarding (“RCF”) and flexible direct inward dialing (“DID”) and derivative interim portability services. Notice at paragraphs 58 - 62. The RCF and route indexing services U S West has proposed to make available to ELI, for example, would not support customer service features such as caller ID and automatic call return. Inefficient routing will occur since every call will first be routed to the original service provider’s serving end office. Also as a result of this routing, ELI will not realize terminating access revenues for interexchange toll calls delivered through RCF. Also, as the Notice states, use of RCF and other interim measures contribute to area code exhaust by consuming two numbers for each ported line.

Further, U S West has proposed to charge ELI a price for RCF-based interim number portability which is higher than the tariffed rate for the equivalent end-user service, as well as large nonrecurring charges. Citizens urges the Commission to order dominant LECs to charge authorized local carriers no more than the total service long run incremental cost of interim number portability services. While Citizens’ LECs would thus be limited to only recovering their cost for interim portability services they provide, Citizens believes this limitation is justified as a matter of public policy. Interim portability services, as discussed above, have severe limitations. They constitute bottleneck services that competitors must have to compete effectively. A Commission requirement to price these services at no more than cost will both reduce any opportunity for their pricing to contribute to a price squeeze on competitors and avoid providing an additional profit incentive for the dominant LECs to delay progress toward database number portability.

Citizens believes that longer-term local number portability must be provided through database-supported solutions. Experience in the 800 number context has shown that such an approach is effective and promotes competitive supply. The Seattle database number portability trial in which ELI is a participant has proven that the database concept can work in the local exchange environment, although more development work clearly remains to be done. Citizens urges the Commission to see interim measures for what they are -- deficient but necessary on a temporary basis -- and to move decisively to order implementation of database portability as expeditiously as possible. All carriers and all customers will be the beneficiaries of such action.

## **VI. TRANSITION FROM INTERIM TO LONGER-TERM PORTABILITY**

**The Commission should establish a date certain for implementation of database service provider portability which will substitute for interim measures as soon as possible, and allow for future evolution to service and location portability at a later date.**

As stated in the Notice (at paragraph 58), RCF interim techniques typically require the use of two numbers for each ported line. If RCF remains in place for an extended period, the likelihood will increase that a given customer may wish to port the number yet another time -- to a third carrier. In this instance, under current practices, three numbers would be consumed and network routing would become even more inefficient. For this reason as well as all of the deficiencies of interim portability measures that have already been discussed, the Commission should require database portability implementation as expeditiously as possible. As Citizens recommends above, a reasonable deadline (absent a showing of technical infeasibility) for database portability implementation is 18 months after the Commission's order in the largest 100 MSAs, and 18 months after a *bona fide* request in smaller MSAs. However, these federal deadlines should be considered outside limits, and should not serve to delay earlier implementation of local or state systems. Instead, the Commission should encourage such local

and state initiatives to move forward aggressively, subject to the Commission's minimum functional requirements and interoperability standards as discussed above.

The Commission should assure that database systems are capable of further evolution to service and location portability, but should not establish any time lines for such development at this time. Demand for these features, as well as technical developments, should be monitored. In the meantime, customer demand for location portability outside the toll rating area can be met through non-geographic number portability.

## **VII. NON-GEOGRAPHIC NUMBER PORTABILITY**

Citizens believes that service provider portability should be implemented within each type of non-geographic number (e.g., 500 and 900). Experience from 800 number portability implementation should inform this process. Citizens does not have more specific comments regarding non-geographic number portability at this time, but reserves the right to comment further in reply comments.

Respectfully submitted,

CITIZENS UTILITIES COMPANY

By:   
Ellen S. Deutsch  
Associate General Counsel

September 12, 1995