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

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

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COMMENTS OF THE
NATIONAL TELEPHONE COOPERATIVE ASSOCIATION

In the Notice of Proposed rulemaking released on July 13, 1995 (NPRM), the Commission seeks comments on its tentative conclusion that the portability of telephone numbers benefits consumers and contributes to competition. It asks whether it should promulgate rules to ensure the development of number portability.

The National Telephone Cooperative Association ("NTCA") is a national association of approximately 500 small and rural local exchange carriers ("LECs") providing telecommunications services to subscribers and interexchange carriers ("IXCs") throughout rural America.

The areas NTCA members and most small LECs serve are generally sparsely populated and are not able to support multiple telecommunications service providers. In addition, many NTCA members provide service in difficult terrain which further adds to their unattractiveness as locations for alternative providers. The interest of competitive carriers are generally limited to opportunities to cream skim the few high volume customers.

The goal of competition may be laudable but it is unrealistic to expect that number portability will change the

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economic and geographic factors that determine whether there is a market or demand for multiple service providers in rural America. Instead of focusing on the creation of competition, the Commission should consider whether there is sufficient competition in certain areas to justify a requirement for number portability. It should then do a cost benefit analysis to determine whether a requirement is justified in certain regions.

The Commission asks for comments on the costs of providing number portability. However, it is not clear that the Commission will obtain any but speculative costs figures at this point. The methods to accomplish portability are still in the experimental stage. The scope of any portability requirements are undefined as well. In view of the early stages of experimentation with portability, NTCA recommends that the Commission carefully scrutinize data on the projected costs of requiring portability.

It is even more difficult to measure the benefits of requiring portability. This is particularly true for less lucrative regions such as the rural areas. The Commission concludes that number portability will provide consumers personal mobility and flexibility in the way they use their communications services. It also states that portability promotes competition among service providers. Even if these benefits are established, the Commission should conduct an analysis of costs and benefits before rushing to promulgate a rule. It should also determine whether the benefits principally accrue to alternative providers. Existing carriers and their customers should not be required to

bear the costs of converting or upgrading their facilities when portability benefits accrue in the main to alternative carriers or telecommunications providers. Rural LECs and their customers should not be required to bear the costs of number portability solely for the sake of regional or national uniformity. In another context, namely equal access implementation, the Commission concluded that rules imposing unconditional timetables for equal access conversion were not proper in light of the "nonexistent or small" demand for conversion, and the types of markets served by independents.[1] The Commission should follow that precedent in the matter of number portability.

For the above stated reasons, NTCA urges the Commission to refrain from requiring number portability in rural areas.

Respectfully submitted,

NATIONAL TELEPHONE COOPERATIVE ASSOCIATION

By: David Cosson
David Cosson
(202) 298-2326

By: L. Marie Guillory
L. Marie Guillory
(202) 298-2359

Its Attorneys

2626 Pennsylvania Ave., N.W.
Washington, D.C. 20037

September 12, 1995

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[1] See, In the matter of MTS and WATS Market Structure, Phase III, 100 F.C.C. 2d 860, ¶ 63 (1985).

CERTIFICATE OF SERVICE

I, Gail C. Malloy, certify that a copy of the foregoing Comments of the National Telephone Cooperative Association in CC Docket No. 95-116 was served on this 12th day of September 1995, by first-class, U.S. Mail, postage prepaid, to the following persons on the attached list:

Gail C. Malloy

Gail C. Malloy

Chairman Reed E. Hundt
Federal Communications Commission
1919 M Street, N.W., Room 814-0101
Washington, D.C. 20554

Commissioner James H. Quello
Federal Communications Commission
1919 M Street, N.W., Room 802-0106
Washington, D.C. 20554

Commissioner Andrew C. Barrett
Federal Communications Commission
1919 M Street, N.W., Room 826-0103
Washington, D.C. 20554

Commissioner Rachelle B. Chong
Federal Communications Commission
1919 M Street, N.W., Room 844-0105
Washington, D.C. 20554

Commissioner Susan Ness
Federal Communications Commission
1919 M Street, N.W., Room 832-0104
Washington, D.C. 20554

International Transcription Service
2100 M Street, N.W.
Suite 140
Washington, D.C. 20037

Policy and Program Planning
Division
Common Carrier Bureau
Federal Communications Commission
1919 M Street, N.W., Room 544-1600G
Washington, D.C. 20554