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

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

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REPLY COMMENTS
OF THE MICHIGAN PUBLIC SERVICE COMMISSION STAFF

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Pursuant to the Federal Communication Commission's (FCC) Notice of Proposed Rulemaking (NPRM) released July 13, 1995, the Michigan Public Service Commission staff (Michigan staff) hereby submits its reply comments on the development of a national number portability policy.

In the NPRM the FCC has concluded that it should assume a leadership role in developing a national number portability policy. Commenting on this, Ameritech believes that the FCC should address (1) the "nationwide interoperability of number portability between all jurisdiction and providers;" and (2) "inter-jurisdictional cost assignment and recovery, including a decision making process for inter-jurisdictional cost recovery issues." Michigan staff will primarily address some of the Ameritech comments filed in this proceeding.

With regard to nationwide interoperability, Ameritech suggests that "the selection of

specific architecture, standards and performance requirements of a long-term number portability solution be left to industry organizations and standards bodies with timely policy guidance from state and federal regulators. The FCC “can facilitate this process by providing a national framework for service compatibility and by facilitating the industry’s development of detailed interconnection and interface specifications”and “refer any significant unresolved policy issues requiring regulatory intervention to state regulators or the Commission (FCC) as appropriate.”

Michigan staff would agree, (1) the industry is more qualified to resolve the technical issues associated with long-term number portability , (2) the FCC should use the information gathered in the NPRM comments and from any state workshops , trials and tests to establish nationwide policy standards, and (3) states should play an active role with input into the nationwide policy standards and the implementation process as these will have impact on the local customer. Furthermore, Michigan staff believes that because state responsibility for numbering falls with each state, if the long-term number portability is intra area code, then it resides in the state jurisdiction only. Michigan staff agrees with the Illinois Commerce Commission when it said that it “recognizes the need for federal involvement if number portability is to become a reality nationwide” but, the FCC should not intrude into the authority of the states to establish number portability rules.

Ameritech believes that the FCC should develop “principles for inter-jurisdictional cost assignment and recovery and then delegate the implementation of those principles to a joint federal-state board.” Michigan staff is unable to address this issue until we have had the

opportunity to review the reply comments of other parties with regard to the necessity of a joint federal-state board and therefore, we have no comment at this time.

Ameritech indicates that “the cost-causers, or more appropriately, the parties who would most benefit from the deployment of number portability, should bear the costs of the service.” Michigan staff believes a cost recovery methodology should recognize that all providers will benefit from the enhanced competition resulting from number portability and should therefore share in the recovery of the related costs. The New York PSC also comments that the cost of deploying number portability “should be shared by all carriers, not just new entrants.”

In general, all costs associated with the development and implementation of a long-term number portability solution should be recovered. However, until specific architectures are proposed, it would be difficult to make specific recommendations about cost recovery. Michigan staff believes cost recovery is a function of the technology used to implement number portability and only the industry knows or can determine which costs will be incurred. The FCC can adopt some general principles regarding cost recovery that would apply regardless of the particular solution selected. The FCC and state regulators must be ready to resolve disputes regarding the appropriate mechanism to utilize to recover the cost of number portability and to determine what costs should be eligible for the recovery under such a mechanism.

Furthermore, any recovery mechanism must also recognize the relative size and market shares of the various providers. Cost recovery based on market share in the initial years might

unreasonably benefit the new providers. Use of a market share or usage measure in later years, however, may be a reasonable alternative. Cost recovery proposals, therefore, should recognize the changing nature of the market share situation while, at the same time, recognizing the relative size of providers in the recovery mechanism adopted. In addition, the general principles of cost recovery should recommend that if costs incurred to provide number portability also provide a number of other new service opportunities, recovery of those costs should be shared accordingly among the benefiting services.

The Ameritech comments suggested the criteria to be used by the FCC in evaluating the technical proposals for long-term number portability solutions. Ameritech suggested that “any long-term number portability platform should support all forms of number portability (i.e., service provider, service, and location) to ensure maximum flexibility for carriers and maximum benefit for end users.” Michigan staff believes that any technical solution for long-term number portability should be compatible with the future development of location and service number portability. However, service provider portability is the major public policy issue at this time because it is a barrier to local exchange competition. Service provider portability within a geographic region could be implemented much more quickly, and with far fewer resources to benefit the development of local exchange competition. Location and service portability should be addressed at some point but they are not specific or urgently needed for the development of local exchange competition.

In conclusion, the Michigan staff supports the development of a national number

portability solution as long as the FCC does not intrude into the authority of the states to establish state specific number portability rules for the state jurisdictional piece.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Ronald G. Choura".

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