

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

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of:)

Telephone Number Portability)

) CC Docket No. 95-116
)

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**REPLY COMMENTS OF
THE PERSONAL COMMUNICATIONS INDUSTRY ASSOCIATION**

Mark J. Golden
Vice President of Industry Affairs
PERSONAL COMMUNICATIONS
INDUSTRY ASSOCIATION
1019 19th Street, N.W.
Suite 1100
Washington, D.C. 20036
(202) 467-4770

R. Michael Senkowski
Jeffrey S. Linder
Stephen J. Rosen
WILEY, REIN & FIELDING
1776 K Street, N.W.
Washington, D.C. 20006
(202) 429-7000

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The Personal Communications Industry Association ("PCIA") by its attorneys, respectfully submits its reply comments regarding the Commission's Notice of Proposed Rulemaking in the above-captioned proceeding.¹ As described in more detail below, the record in this proceeding supports prompt implementation of a permanent service provider portability plan for landline services, consideration of broadband CMRS number portability in conjunction with landline portability, and exemption of paging and messaging providers from at least interim and possibly permanent portability requirements.

I. INTRODUCTION AND SUMMARY

In the *Notice*, the Commission tentatively concluded that the portability of telephone numbers will benefit consumers and contribute to competition among providers of local telephone service,² and that the FCC should take a leadership role in

¹ FCC 95-284 (July 13, 1995) ("*Notice*").

² *Notice*, ¶ 7.

developing a national number portability policy.³ The *Notice* then sought comment on these conclusions, and on the costs, benefits, and implementation details for any number portability plan ultimately enacted.

In its opening comments, PCIA agreed with the Commission's general proposition that telephone number portability will facilitate the ease with which customers can change service providers, thereby encouraging competition. Nevertheless, PCIA strongly urged the Commission to reject any interim portability measures as wasteful of resources, and to concentrate its efforts on long-term solutions. PCIA further cautioned that the technical characteristics of interim number portability measures may degrade the quality of service and be uneconomical for paging and messaging systems, and the vigorous competition in the paging market makes interim number portability measures unnecessary.

PCIA also agreed with the Commission's tentative conclusion that it should take a leadership role in developing national number portability policies. While supporting the FCC's preeminence in the field of numbering policy, PCIA requested that the Commission defer to industry bodies in determining the technical details of number portability. Finally, PCIA requested that any method devised to fund number portability require contributions from all industry segments in a non-discriminatory fashion.

³ *Id.*, ¶ 19.

These positions enjoyed broad support in the opening comments. Specifically, numerous commenters agreed with PCIA that service provider portability will spur competition and therefore should be mandated for landline services. On the other hand, the record shows that the implementation of service and location portability are not as competitively significant as service provider portability. Accordingly, while the landline service provider portability plan should be expandable to include location portability in the future, implementation of landline service provider portability should not be delayed.

In addition, there was a broad consensus that the interim portability measures currently available are deeply flawed. Further, most commenters agreed with PCIA that, while the Commission should be responsible for promulgating national number portability policies and goals, such policies should allow for a significant role for the states, and industry standards bodies should be tasked with setting detailed technical standards. Finally, almost all parties requested that any funding mechanism ultimately enacted recover monies equitably from all service providers without unduly burdening either incumbent or new services and competitors.

The record also reflects that broadband wireless service provider portability is in the public interest and should be considered in conjunction with landline portability. While portability for broadband CMRS will raise certain technical challenges, prompt efforts to develop solutions will plainly serve the public interest. Finally, parties with knowledge of the paging and messaging industry cautioned that interim and possibly

long-term number portability measures are technically and economically inconsistent with, and should not be mandated for, paging and messaging services.

II. LANDLINE SERVICE PROVIDER PORTABILITY SHOULD BE A TOP PRIORITY.

A. The Implementation Of Landline Service Provider Portability Should Not Be Delayed By The Implementation Of Location Portability And Service Portability.

The overwhelming majority of parties agreed with PCIA that service provider portability would foster increased competition in the landline telecommunications market by allowing customers to change service providers without changing their telephone number. Such increased competition will inevitably accrue to the benefit of consumers. For example, the Ad Hoc Coalition of Competitive Carriers called service provider portability a "crucial element" in the development of local telephone competition,⁴ while the California Cable Television Association argued that, absent true long-term number portability, competition will not flourish in the local telephone market.⁵

Similarly, Sprint Corporation agreed with the Commission's conclusion that number portability is an important factor in a customer's decision to switch to a competing landline service provider, arguing that "[t]his conclusion is consistent with

⁴ Ad Hoc Coalition of Competitive Carriers Comments at 4.

⁵ California Cable Television Ass'n Comments at 2.

both the industry's experience with 800 number portability, and survey information regarding local number portability provided by MCI, MFS, and Pacific Bell."⁶ A prospective competitive local service provider, Time Warner Communications Holdings stated that, "[w]ithout service provider portability, competitive LECs . . . cannot compete effectively with incumbent LECs in the provision of basic local exchange service."⁷ Thus, the record reflects a solid consensus for the expedient implementation of service provider number portability for wireline carriers.

There was also broad agreement that location and service portability should not delay the rapid implementation of landline service provider portability. PCIA recognizes that there is some blurring of the lines between service provider portability and service portability. When changing services without changing telephone numbers (*e.g.*, from landline to PCS), a customer usually would change service providers. In a broader sense, though, the implementation of service portability as discussed in the *Notice* (*e.g.*, changing from POTS to ISDN) could raise issues that delay the implementation of service provider portability.⁸ Therefore, PCIA joins with the many other parties suggesting that any wireline service provider portability plan ultimately

⁶ Sprint Corp. Comments at 3-4.

⁷ Time Warner Communications Holdings, Inc. Comments at 6. *See also* California Public Utilities Commission Comments at 2; National Cable Television Ass'n Comments at 3; Ohio Public Utilities Commission Comments at 1.

⁸ *Notice*, ¶ 13.

promulgated be expandable to accommodate service and location portability in the future.⁹

In addition, there was broad agreement that location portability should be deferred until a later proceeding. The Missouri Public Service Commission noted that implementing location portability will entail great expense in exchange for uncertain benefits.¹⁰ U.S. Airwaves, Inc. added that the use of geographically defined numbers is likely to remain necessary -- and preferred by customers -- for the foreseeable future,¹¹ while the Pacific Companies concluded that location portability might interfere with emergency call identification, operator and directory assistance services, and billing systems.¹²

Finally, as stated by the California Cable Television Association, mandating the simultaneous introduction of all three types of number portability will inevitably cause delay and increase the cost of service provider number portability.¹³ Further, many parties noted that, because the pro-competitive effects of location portability and service

⁹ Citizens Utility Co. Comments at 6-7. *See also* MFS Communications Co. Comments at 5-6; Ohio Public Utilities Commission Comments at 3-4.

¹⁰ Missouri Public Service Commission Comments at 3-4.

¹¹ U.S. Airwaves, Inc. Comments at 4. *See also* Ad Hoc Coalition of Competitive Carriers Comments at 14; AT&T Corp. Comments at 7-8; California Cable Television Ass'n Comments at 6-7.

¹² Pacific Companies Comments at 27-28.

¹³ California Cable Television Ass'n Comments at 7. *See also* Ad Hoc Coalition of Competitive Carriers Comments at 13-14; AT&T Corp. Comments at 7-8.

portability are less clear than those of service provider portability, the former types of portability need not be immediately addressed.¹⁴

B. Because All Interim Portability Measures Are Technically And Economically Flawed, They Should Be Replaced With A Permanent Solution As Quickly As Possible.

The record is divided on the efficacy of interim number portability measures such as Direct Inward Dialing ("DID") and Remote Call Forwarding ("RCF"). While many LECs supported such measures,¹⁵ most other industry members joined PCIA in arguing that these measures are technically inadequate and over-priced.¹⁶ The technical flaws of DID and RCF, as detailed in AT&T's Comments, include decreased efficiency of call routing, increased post-dialing delay, use of unnecessary phone numbers, and diminished network reliability, transmission quality, and network maintenance capabilities.¹⁷ Regarding cost, the National Cable Television Association commented that, unless the cost of interim measures is discounted, incumbent LECs

¹⁴ See, e.g., Ad Hoc Coalition of Competitive Carriers Comments at 13; Ass'n For Local Telecommunications Services Comments at 13; California Public Utilities Commission Comments at 5.

¹⁵ See, e.g., Bell Atlantic Comments at 4 (stating that the interim measures currently available satisfy the current need for service provider number portability); NYNEX Comments at 2 n.2, 9 (same); United States Telephone Ass'n Comments at 12 (stating that existing interim portability measures should be allowed to continue).

¹⁶ See, e.g., Competitive Telecommunications Ass'n Comments at 8; General Communication, Inc. Comments at 4-5; MCI Comments at 21-22.

¹⁷ AT&T Corp. Comments at 11-12.

will "reap a windfall"¹⁸ from the sale of such capabilities. A number of parties emphasized that, because both DID and RCF allow LECs to retain bottleneck control over access to their competitors' networks, they are antithetical to the concept of a competitive local exchange.¹⁹ Finally, interim portability measures are inherently wasteful of telephone numbers, as both DID and RCF require *two* telephone numbers per subscriber. Given that a number of NPAs are already on the verge of number exhaust, it makes little sense to perpetuate interim portability measures which exacerbate this crisis.

Against this background, the arguments put forth by some LECs that these measures are sufficient for interim and even long-term use must be rejected.²⁰ The aforementioned comments make it clear that interim number portability measures are insufficient to promote true wireline local exchange competition because such measures degrade the quality of service offered by competitive providers, increase the costs of competitive providers, and create a bottleneck to access to the public switched telephone network for customers of competitive providers. Because the public interest lies in increasing rather than decreasing local exchange competition, the FCC should assure that any interim measures are replaced as quickly as possible.

¹⁸ National Cable Television Ass'n at 13.

¹⁹ *See, e.g.*, Sprint Corp. Comments at 17; Teleport Communications Group Comments at 6-7 (stating that interim measures are inadequate quick fixes that entrench the incumbent monopolist and undermine the evolution of true portability).

²⁰ *See* Bell Atlantic Comments at 4; NYNEX Comments at 2, 9.

C. The FCC Should Promulgate National Number Portability Policies And Goals While Tasking Industry Bodies To Set Specific Technical Standards And Allowing States Considerable Regulatory Flexibility.

There was widespread agreement that the Commission should take the lead in devising federal number portability policies and goals, while instructing industry bodies to set the specific technical standards required to implement number portability.²¹ As stated by the Association For Local Telecommunications Services, the Commission should sketch out the minimal features and functions of number portability, and the industry should meet with FCC staff to develop technical standards and benchmarks.²² Similarly, The Ericsson Corporation echoed PCIA's request that the Commission defer to the expertise of industry organizational and standards bodies with respect to the technical details of any numbering policy.²³

Most parties also agreed that a federal number portability plan is more efficient than a number of differing state-sponsored plans. The Ad Hoc Coalition of Competitive Carriers noted that disparate state standards would increase costs by eliminating economies of scale, increase deployment time, result in inconsistent treatment of calls to ported numbers, and discourage equipment vendors from

²¹ See, e.g., Ohio Public Utilities Commission Comments at 2; PCS Primeco Comments at 8-10; United States Telephone Ass'n Comments at 5.

²² Ass'n For Local Telecommunications Services Comments at 12-13, 18.

²³ The Ericsson Corp. Comments at 2-3.

competing for the largest number of customers.²⁴ In addition, U S West commented that, because not all states are equally committed to number portability, and not all states have the resources to implement such portability, federal action is essential.²⁵

As pointed out by Bell Atlantic NYNEX Mobile, the need for federal supremacy is particularly compelling for wireless services, which operate without regard to geographic boundaries.²⁶ Even some states that wish to assume a leadership role in numbering policy have not included wireless carriers in portability trials.²⁷ The Commission should utilize its authority to ensure that all wireless service providers are included in nationwide portability discussions and planning, and not are subject to a multitude of varying state standards.

Finally, PCIA endorses the comments of those advocating a federal-state relationship whereby, within the context of federal policies and technical guidelines, states should be free to continue number policy experiments. As stated by the Association For Local Telecommunications Service, local jurisdictions should be free to pursue number portability solutions as long as they do not interfere with the FCC-

²⁴ Ad Hoc Coalition of Competitive Carriers Comments at 9-10.

²⁵ U S West Comments at 10. *See also* America's Carriers Telecommunications Ass'n Comments at 6 (endorsing preemption); Bell Atlantic Comments at 21-22 (same).

²⁶ Bell Atlantic NYNEX Mobile Comments at 5.

²⁷ Illinois Commerce Commission Comments at 4-5. *See also* California Public Utilities Commission Comments at 7-8 (tentatively concluding that various technical issues make a wireless portability mandate premature).

mandated features and schedules for full portability.²⁸ In this manner, the FCC, states, and industry can work together to expedite the introduction of a practical, efficient long-term number portability plan.

**D. Any Funding Mechanism Must Not Discriminate
Against Either Existing Or New Technologies
And Providers.**

PCIA joins with numerous parties in requesting that the costs of implementing number portability be shared among *all* carriers in an equitable fashion.²⁹ While incumbents must be protected from undue funding burdens,³⁰ non-discrimination against new communications services and technologies must also be a key tenet of any funding scheme ultimately enacted.³¹ As stated by MCI, "[p]ortability increases competition among providers and consequently reduces prices, and increases the availability of innovative new services, for all customers. As a result, these costs should not be borne exclusively by new providers of local service or their customers."³² It is only by spreading the implementation cost fairly among the entire

²⁸ Ass'n For Local Telecommunications Service Comments at 17. *See also* Ad Hoc Coalition of Competitive Carriers Comments at 12; California Cable Television Ass'n Comments at 3.

²⁹ National Cable Television Ass'n Comments at 11. *See also* Airtouch Paging/Arch Communications Group Comments at 19; AT&T Corp. Comments at 35; Omnipoint Corp. Comments at 6.

³⁰ NYNEX Comments at 21-22; SBC Comments at 12-13.

³¹ *See, e.g.*, Ad Hoc Coalition of Competitive Carriers Comments at 22; New York Public Service Commission Comments at 10.

³² MCI Comments at 20.

industry that the Commission will deal equitably with incumbents *and* allow new technologies and services to gain a meaningful foothold in the market.

III. BROADBAND CMRS NUMBER PORTABILITY SHOULD BE PURSUED IN CONJUNCTION WITH LANDLINE PORTABILITY, WITH DUE REGARD FOR UNIQUE WIRELESS TECHNICAL ISSUES.

The Commission should reject any attempt to separate wireless issues from questions involving wireline number portability. For example, CTIA asserted that, because of the technical difficulties involved in implementing wireless number portability, and the fact that number portability is of limited competitive significance in the broadband CMRS market, wireless number portability should be addressed in a separate proceeding.³³ PCIA agrees with CTIA that there are a number of technical obstacles standing in the way of wireless number portability. However, PCIA believes that these obstacles can be overcome, and that number portability is of considerable competitive importance in the broadband CMRS market. PCIA therefore urges the Commission to continue to address service provider number portability in a comprehensive, multi-service fashion.

Contrary to CTIA's contentions, service provider portability *is* an important element of broadband CMRS competition. First, CTIA implies that, because changing services (*i.e.*, from cellular to PCS or vice-versa) will necessarily require the purchase

³³ CTIA Comments at 10-11. CTIA reached this conclusion despite its earlier statement that "any plan devised regarding the implementation of full number portability must include solutions for both wireless and wireline systems." *Id.* at 4.

of new customer equipment, the need to foster inter-service competition through service provider number portability "is not as significant" for wireless services.³⁴ Although there is some inconvenience associated with changing equipment, this factor can be overcome by the enhanced features and/or cheaper prices offered by a competing wireless service, *provided* that the customer does not also need to change telephone numbers.

CTIA also argues that number portability is less important to wireless subscribers because few wireless subscribers publicize their phone numbers, and the majority of calls placed on wireless devices are mobile-to-land.³⁵ While these facts might be true of cellular services today, they will be less and less true in the future as wireless and wireline services become more integrated and less functionally distinguishable. Such an integration is evidenced by the advent of wireless local exchange providers, integrated service providers (which provide a "package" of wireline and wireless services to their customers), and services that allow wireless devices to be used as an extension to a PBX or as a cordless phone within a subscriber's home. Number portability greatly advances this synthesis by allowing customers to change local exchange carriers or to "mix and match" wireless and wireline services without changing telephone numbers.

³⁴ *Id.* at 9.

³⁵ *Id.* at 10.

Therefore, any attempt to divide number portability into wireline and broadband CMRS proceedings is not in the public interest. Not only is broadband CMRS service provider portability important to competition, but separating broadband CMRS from wireline will create barriers to the wireline-wireless convergence. In order to encourage both competition and the market-driven evolution of new and innovative telecommunications services, the Commission should address both wireline and wireless number portability in the same proceeding.

PCIA acknowledges that broadband service provider portability raises a number of technical difficulties. Initially, because many existing cellular switches are incompatible with number portability, those carriers will have to either upgrade their switches or contract with another entity (*e.g.*, a LEC) to perform a data base query in order to route a ported number. Further, a number of wireless functions, including some routing and billing activities, depend on the fact that each carrier's system is identified by a unique NPA-NXX combination. Because number portability will uncouple the NPA-NXX code from the customer's wireless carrier, it will interfere with the ability of carriers to route and bill wireless calls. Roaming services will also be compromised by the uncoupling of NPA-NXX codes from a customer's carrier, as the protocol currently used to route calls made by roaming customers depends on these codes.

The aforementioned technological challenges must be overcome. The best way to do so, however, is to consider wireline and wireless number portability

simultaneously, with the goal of implementing portability at the earliest date consistent with technical realities.

IV. MANDATED INTERIM NUMBER PORTABILITY IS UNWARRANTED FOR NARROWBAND CMRS.

In contrast to the landline and broadband CMRS markets, not a single party requested that narrowband CMRS paging services be subject to either long-term or interim number portability or, at the present time, long-term number portability requirements. This is not surprising. Unlike the local exchange market, where customers have historically had no choice as to which carrier to contract with, paging customers have always had a wide variety of provider options. Such a choice of providers has created a vigorously competitive market where carriers vie for customers based on lower prices and better service, not based on the advantages which inure to an incumbent, monopoly provider. Because the paging and messaging market already are highly competitive, the primary reason set forth for service provider portability -- increased competition -- is largely inapplicable. Thus, number portability would represent an economic burden for which there will be no offsetting benefit.

The record fully reflects that interim number portability will damage narrowband CMRS providers and consumers by substantially increasing costs and making services less user friendly.³⁶ Accordingly, narrowband CMRS providers should be exempted from any interim number portability requirements. For example,

³⁶ See Airtouch Paging/Arch Communications Group Comments at 13-14; Paging Network Comments at 8-9.

Airtouch Paging/Arch Communications Group pointed out that "many paging terminals do not have the dial-out capability necessary to forward a call" utilizing RCF.³⁷

Paging Network added that the call processing delay caused by interim portability measures would have an unduly heavy impact on paging providers, which use the telephone network for an average of only 15 seconds per call. Thus, a five second increase in call processing time would increase paging providers' network use by one-third, and inflate their costs accordingly.³⁸ Similarly, Paging Network commented that the price of interim portability would be one-half to one-third of the monthly rate for local paging service.³⁹

In sum, neither the consumer, nor the paging and messaging industry are demanding that long-term number portability measures be implemented at this time, and the industry will be done affirmative harm by the imposition of interim measures. Accordingly, the Commission should not pursue portability initiatives with respect to these services.

V. CONCLUSION

The Commission should assert a leadership role in implementing a long-term national plan that mandates service provider telephone number portability for wireline services and broadband CMRS. The Commission should task industry bodies with

³⁷ Airtouch Paging/Arch Communications Group Comments at 14.

³⁸ Paging Network Comments at 11.

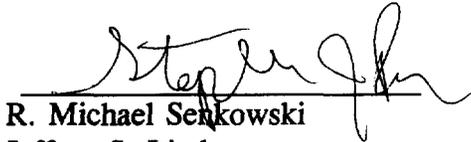
³⁹ *Id.* at 8-9.

setting technical standards, and allow states considerable room to experiment with numbering plans of their own. It should also ensure that the implementation of number portability is funded in an equitable and non-discriminatory manner in order to create a more competitive telecommunications marketplace. Finally, paging and messaging providers should be exempted from at least interim and possibly permanent number portability measures.

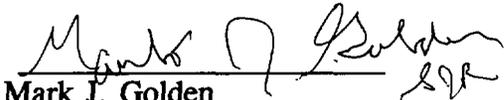
Respectfully submitted,

**PERSONAL COMMUNICATIONS
INDUSTRY ASSOCIATION**

By:


R. Michael Senkowski
Jeffrey S. Linder
Stephen J. Rosen
WILEY, REIN & FIELDING
1776 K Street, N.W.
Washington, D.C. 20006
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By:


Mark J. Golden
Vice President of Industry Affairs
PERSONAL COMMUNICATIONS
INDUSTRY ASSOCIATION
1019 19th Street, N.W.
Washington, D.C. 20036
(202) 467-4770

October 12, 1995

CERTIFICATE OF SERVICE

I hereby certify that on this 12th day of October, 1995, I caused a copy of the foregoing "Reply Comments Of The Personal Communications Industry Association" to be hand-delivered to the following:

Policy and Program Planning Division (2 copies)
Common Carrier Bureau
Room 544
1919 M Street, N.W.
Washington, D.C. 20554

International Transcription Services, Inc.
2100 M Street, NW
Suite 140
Washington, D.C. 20037


Robin B. Walker
Robin B. Walker