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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

November 9, 1995

Mr. William F. Caton
Secretary
Federal Communications Commission
Room 222
1919 M Street NW
Washington, D.C. 20554

Re: CC Docket 95-116, Number Portability

Dear Mr. Caton:

The attached article is from the Financial Times, October 27, 1995, entitled "Twist in Cable Operators Phone Number Dispute". The principle feature of this article is the contradiction between what U.S. LECs are saying about number portability here and what the LECs subsidiaries are saying abroad. Please note the tenth paragraph that contrasts NYNEXs comments to the FCC and the position taken by NYNEX Cablecom in the U.K. Please add this material to the record in this proceeding.

Sincerely,

Leonard S. Sawicki

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NEWS: UK

Twist in cable operators' phone number dispute

By William Lewis

The US parent companies of UK cable operators, who are pressing for British Telecommunications to bear most of the cost burden of transfers of telephone numbers, may have seriously damaged their case in the UK.

They have recently argued to US regulators that number portability – the opportunity for customers to keep the same number when switching to another telecoms operator – is not essential for the creation of a fully competitive telecoms market.

This is the opposite of what their UK subsidiaries have been telling the UK regulators in the last few months. Mr Don Cross, director-general of Oftel and the telecoms industry regulator has also said that "bringing about number portability is my highest priority at present".

The cable companies, according to their consultants, have told the UK Monopolies and Mergers Commission, which is conducting an inquiry into number portability, that its introduction is critical for competition to flourish in the UK.

However yesterday Oftel defended

the apparent contradiction between the views submitted to the MMC by the cable companies and statements made by their US parents to the Federal Communications Commission.

An Oftel spokesman said "it is nothing new singing one song when you are a monopolist and another when you are weak".

Last week the MMC announced that it has extended its enquiry into number portability until December.

In April, Oftel called in the MMC to resolve its row with BT over number portability. At present, customers changing telecoms companies

must also change their numbers.

UK-based TeleWest said last week that the lack of number portability was "the single biggest obstacle to people taking up this service".

Nynex CableComms, which is 67 per cent owned by Nynex Corporation in the US, says that "the benefits of number portability for consumers and new telephony operators are clear". They include customers being "able to choose their telephony supplier on the basis of price, quality and service and not face artificial inhibitions".

In its official submission to the

FCC, which has asked for comments on number portability, Nynex Corp stated: "Nynex is not denying that number portability can benefit competition," it says. "However Nynex does not believe number portability is essential to that competition".

SBC of the US, which has UK cable interests, told the FCC that "a local carrier with lower prices, high service quality, and attractive service packages will have no trouble attracting customers without number portability". It states: "common sense, however, demonstrates that portability, by itself, matters little".

BT has argued against Oftel's proposal that the costs of number portability should be allocated according to market share. SBC states that: "new entrants seeking to compete in the telecommunications business should pay a reasonable portion of the cost of implementing any solution and let individual consumers determine whether they are willing to pay for the benefit of having their number ported".

Nynex CableComms said yesterday that the difference in comments "reflects different market conditions in the two countries".