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March 13, 1996

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW - Room 222
Washington, DC 20554

RE: Ex Parte Presentation
CC Docket No. 95-116 Number Portability

Dear Mr. Caton:

On Wednesday, March 13, 1996, Bruce Cox, Karen Weis and I met with Jason Karp, Susan McMaster and Mindy Littell of the FCC Program and Policy Division, in connection with the above-captioned dockets. The attached material was used as the basis of our discussion.

Two copies of this Notice are being submitted to the Secretary of the FCC in accordance with Section 1.1206(a)(1) of the Commission's rules.

Sincerely,

A handwritten signature in cursive script, appearing to read "F.S. Sweeney".

Attachments (10)

cc: B. Cox
J. Karp
M. Littell
S. McMaster
K. Weis

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Rate and Cost Data for Interim Number Portability

- Tariffs Rates for Remote Call Forwarding (RCF) Filed in States Listed Below are Based on Recovering Costs from New Entrants Only (Representative Costs and Rates per Line for RCF Shown Below)
- New Entrants Perceive Such Rates as a Barrier to Entry

State-LEC	Costs	RCF Recurring Monthly Rate	RCF Non-Recurring Rate	Comments
CA-PacBell	1.88 ¹	\$1.88	\$31.75	Rates proposed by ALJ; preferred TSLRIC but not available
CA-GTE	3.40 ¹	3.40	31.75	
WA-USWest		2.45	20.89	+ \$107.28 per switch; Tariff Suspended
IL-Ameritech		3.00	34.50	+ 20.50 line charge
TX-SWB		3.10	16.65	In effect, pending hearings
MD-Bell Atl.		1.98	10.00	In effect
CT-SNET		4.50	15.00	pending
NH-NYNEX	.06 ²			
RI-NYNEX	.57 ³			

¹ Direct Embedded Costs
Proposed Decision of ALJ
dated January 8, 1996

² Incremental Switching Costs
NH Incremental Cost Study
dated April, 30, 1993

³ Incremental Costs for RCF
NYNEX Response in Dkt. 2252
dated December 8, 1995

New York State Tariffs for Interim Number Portability

- The NY PSC Ordered Tariffs for Interim Number Portability
- New York Telephone's Tariff¹ (Rochester Telephone has a Similar Tariff) filed in Compliance with NY PSC Order is a Model:

Interim Number Portability: The annual charge billed to the CLEC will be calculated and applied as follows:

$$\frac{\text{Total Ported Minutes} \times \text{Switching and Transport Costs}}{\text{Total Working Telephone Numbers (TNs) Provided by The Telephone Company}} = \text{Charge Per Working TN}$$
$$\text{Charge Per Working TN} \times \text{Number of Ported TNs Used} = \text{Charge Per CLEC By the CLEC}$$

¹ P.S.C. No. 914-Telephone, Section 10, 2nd Revised Page 7, Effective 2/10/96

Competitively Neutral Cost Recovery for Interim Number Portability

- Telecommunications Act states that “The cost of establishing telecommunications numbering administration and number portability shall be borne by all telecommunications carriers on a competitively neutral basis as determined by the Commission.”
- Recovering Interim Number Portability Costs only from New Entrants Means that Incumbent LECs Bear None of the Costs. This is not Competitively Neutral, Discriminates Against New Entrants, and is Not in Agreement with the Act.
- A Competitively Neutral Method in which All Carriers Bear their Fair Share of Costs for Interim Number Portability is Based on the Proportion of Total Working Telephone Lines of Each Carrier

Number Portability

Current Status-March 1996

- States Where Industry Group Has Selected LRN
 - Industry Groups Formed by State Commissions with representation by IXC's, Incumbent LECs, Potential New Entrants, Wireless Carriers
 - LRN Selected by Industry Groups in IL, MD, GA, NY, CO, FL
 - CA: LRN Rated the Best, but PacBell Insists on Using its Release to Pivot (RTP) Solution for its Own Network within an Overall LRN Framework. The Industry Group has Asked the CA PUC to Choose the Architecture.
- NY and GA Commission Orders Endorsing LRN
- States with Permanent NP Activity
 - WA, UT, AZ, IA, WY, ID, OR
- States Awaiting FCC Action
 - All Others

Recommendations for FCC Order

- Specify Nationwide Database Solution and Select LRN
- Set Initial Implementation Date
- Specify National Architecture (with Tariffs) for Service Management System (SMS)
- Specify that Costs to Provide Interim Solutions Are Shared by All Carriers
- Specify that Costs to Provide Permanent Solution Are Shared by All Carriers

Evidence Supporting the Selection of LRN

- **Industry Support for LRN is Accelerating**
 - In IL, MD, GA, CA, the Industry Rated LRN the Best Against a Comprehensive Set of Criteria
 - In NY, CO, FL, the Industry Selected LRN Based on Work in Above 4 States
 - States/Industry Groups Selecting Solution Other than LRN: NONE
- **State Commission Orders Endorsing LRN Issued in NY and GA**
 - State Commissions Endorsing Solution Other than LRN: NONE
- **Completed and Approved Equipment Vendor Requirements for LRN**
 - Switching, Signaling, Operator Services, Rating & Billing
 - Other Solutions Having Documented/Approved Vendor Requirements: NONE
- **Committed Equipment Vendor LRN General Availability Date of 2Q97**
 - Lucent, Nortel, Seimans, Ericsson, AGCS
 - Other Solutions Having Committed Equipment Vendor General Availability Date: NONE
- **LRN Call Model is Public Domain**
- **SMS RFP for LRN is Out for Bid in Illinois**
 - Responses Due by March 18, 1996; Selection of Neutral 3rd Party Admin. in April, 1996

Reasons to Select LRN Now

- Single National Solution is Less Complex and Costly
 - Carriers Can Avoid Determining Interoperability Requirements
 - Equipment Vendors Need to Design and Develop Only One Solution
 - Equipment Vendors Can Avoid Design and Development and Carriers Can Avoid Implementation of Interoperable Solutions
 - Equipment Vendors and Carriers Can Avoid Design, Development, and Implementation of SMS that Requires Interfaces with Multiple Solutions
- LRN Does Not Require Nationwide Flashcut
 - Can be Phased In Geographically As Local Competition Develops
- LRN is Designed to Meet Future Needs
 - Can Accommodate Location and Service Portabilities
 - Can be Used by Wireless Service Providers

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Reasons to Select LRN Now, Con't.

- Excerpts from Criteria Developed by the Industry in Illinois and Adopted in GA, MD, CA to Select Best Call Model. In Illinois, these Criteria are Mandatory.
 - End User Impacts: No Number Change Should Be Required.
 - Routing: Solution Shall Not Require Traversing Another LEC's Network to Complete Calls.
 - Service Interactions: Transparency to the End User is Essential. There Should be No Loss of Functionality, Quality or Access to Services Caused by the Implementation of a Number Portability Solution. The Caller ID Function Shall Function Normally. Automatic Callback Calling and Automatic Recall Shall Function Normally.
 - Impact on NA Numbering Plan: The Number Portability Solution Should Not Unduly Accelerate the Depletion of the Numbering Resource. Ideally, the Solution Should Conserve the North American Numbering Plan.
 - Operator Services: Collect Calls Must Be Handled Properly.
 - 911/E911 Impact: Calls to 911 Shall Be Routed to the Proper PSAP.
 - Rating and Billing: Customers Shall Perceive No Difference When a Number is Ported.

Only LRN Meets All These Criteria

Commission Should Set Initial Date for Implementation

- **Availability of LRN Will Incent New Entrants to Build Facilities**
 - Absence of Number Portability is Perceived by Potential Local Service Competitors as a Barrier to Entry
 - Market Research Has Shown that Number Portability is Important to Customers
- **LRN Will Be Available in 2Q97**
 - Vendor Requirements Are Completed
 - Vendors Have Committed to 2Q97 General Availability of LRN
- **GA PUC Has Set LRN Initial Date of 3Q97 for Atlanta Area**
- **Subsequent Number Portability Initial Implementation Dates in Any State Should be Set at 3Q97 or 12 months after Certification of First Facilities-Based Carrier, Whichever is Later**
 - States Determine Where and When
 - Phased Implementation Relieves Small Rural Carriers from Premature Investment

Commission Should Initiate Steps For SMS National Architecture and Tariffs

- National Architecture, Regionally Deployed is Most Efficient
 - Uniform Interfaces to Carriers' Networks
 - Consistent Database Definition and Structure
 - Seven Regional Operations Centers with Consistent Operating Procedures
- FCC Tariffs
 - Nondiscriminatory Terms and Conditions and Rate Parity Govern Usage by All Carriers
 - Provides Fair Mechanism for All Users to Share Costs
 - Use of SMS/800 Tariffs as a Guide