

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)
Administration of the) CC Docket No. 92-237
North American Numbering Plan)

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U S WEST, INC. FURTHER COMMENTS

I. INTRODUCTION

U S WEST, Inc. ("U S WEST") herein responds to the Federal Communications Commission's ("Commission") Public Notice requesting comment on the length of the transition period relating to the expansion from three to four digits of Feature Group D carrier identification codes ("CIC").¹ Specifically, the Commission seeks comment on whether the proposed length of the transition period -- six years -- should be modified in light of recent events.

U S WEST submits that the six-year transition period, proposed more than two years ago, should be shortened considerably. Changes have occurred in the industry which were not anticipated at the time the NPRM was issued.² In

¹ Public Notice, Further Comments, Carrier Identification Codes, CC Docket No. 92-237, DA 96-678, rel. Apr. 30, 1996.

² In the Matter of Administration of the North American Numbering Plan, Notice of Proposed Rulemaking, 9 FCC Rcd. 2068 (1994) ("NANP NPRM").

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particular, the enactment of the Telecommunications Act of 1996,³ as well as new industry uses of CICs, warrants phasing out the permissive dialing period for CICs beginning July 1, 1996 and converting all users to four-digit CICs by January 1, 1997.

II. THE CURRENT EMBARGO ON CICS MUST BE LIFTED IMMEDIATELY

As an initial matter, U S WEST urges the Commission to lift the current restriction on assignment of CICs. Allowing carriers only one CIC is no longer warranted and is, in fact, counterproductive.

In March 1995, without prior notice to carriers, the Commission ordered the director of the North American Numbering Plan Administration ("NANPA") to restrict assignment of CICs to one per entity (notwithstanding industry guidelines allowing several more). The Commission imposed the limitation because it feared depletion of the CICs after a unique tariff in one state prompted extraordinary demand for CICs. That tariff is no longer in effect and the consequent heavy CIC demand has been eliminated.⁴ The purpose of the freeze is, therefore, no longer valid. The moratorium, however, has never been lifted.

Additionally, the objectives of the Telecommunications Act of 1996 oblige the Commission to abolish the limitation immediately. The 1996 Act directs the

³ Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996) (or "1996 Act").

⁴ See Letter to Kathleen M. H. Wallman, Chief, Common Carrier Bureau from Ronald R. Connors, Director NANPA, dated Oct. 2, 1995.

Commission “[t]o promote competition and reduce regulation in order to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies.”⁵ The Commission’s limit on CICs is incompatible with these mandates because it poses a barrier to entry.

For example, in the spring of 1995, U S WEST Communications, Inc. (“USWC”) ran into difficulty trying to obtain a CIC for its provision of 1+ intraLATA services mandated in Minnesota. NANPA denied USWC’s request, based on the Commission’s directives. It took the Commission approximately four months to recognize the need to relax the restriction so that carriers, such as USWC, could obtain an additional CIC. This limited abatement, however, applies only to requests for CICs to be utilized in states that mandate intraLATA presubscription.

U S WEST companies committed to participating in the long distance market or competing as new entrants in the local exchange market have encountered similar obstacles. For example, MediaOne, Inc. (“MediaOne”) a subsidiary of U S WEST, plans to provide end users facility-based switched telephony by the second half of 1996, in direct competition with BellSouth Telecommunications in Atlanta, Georgia. In March of this year, MediaOne requested and was denied a CIC. NANPA denied MediaOne’s request on the basis that MediaOne is part of the same entity (i.e., USWC) that has already been assigned a CIC and cannot be assigned any additional CICs due to the Commission’s current restriction.

⁵ 1996 Act, 110 Stat. at 56.

Although owned by U S WEST, MediaOne is a separate entity which must segregate its accounts from those of USWC, a regulated entity. The unavailability of a CIC is now jeopardizing MediaOne's deployment schedule and risks delaying its entry into local exchange competition.

Now that all markets have been opened to competition (including Regional Bell Operating Company ("RBOC") entry into the interexchange market), the Commission must eliminate the restriction so that all carriers have an opportunity to compete with incumbent interexchange carriers ("IXC"), several of whom have considerably more CICs than the current industry guidelines allow.⁶ Without CICs, carriers, such as U S WEST, and their affiliates are completely blocked from competing.

U S WEST is not advocating here that incumbents with CICs far in excess of the industry assignment limit be required to return them to NANPA. U S WEST merely asks that CIC requests no longer be subject to unreasonable limitations and delay and that carriers be given sufficient CICs to operate in the competitive environment. U S WEST and its affiliates have taken preliminary steps to serve long distance markets. However, CICs are necessary to accomplish switching and billing of customer access traffic. In addition, without CICs end users cannot access

⁶ For example, according to Commission records, MCI Telecommunications Corporation has 23 and WorldCom, Inc. d/b/a LDDS WorldCom has 43. Long Distance Carrier Code Assignments, Industry Analysis Division, Common Carrier Bureau, April 1996.

the U S WEST network by use of a carrier access code ("CAC"),⁷ nor can calls be routed to U S WEST's network. Compliance with the structural safeguards of the 1996 Act is likewise not feasible without CICs.⁸ Competing in the interLATA market is therefore impossible. This is inconsistent with the goals of the 1996 Act and the expressed objectives of this Commission.⁹

By denying service providers access to CICs, retention of the freeze is having the unintended effect of obstructing competition. Accordingly, the Commission must remove this artificial barrier to competition now.

III. CHANGES IN THE MARKET REQUIRE THAT THE TRANSITION PERIOD END DECEMBER 31, 1996 AND COMPLETE CONVERSION TO FOUR-DIGIT CICS OCCUR BY JANUARY 1, 1997

The goals of the 1996 Act necessitate that the permissive dialing period end soon. Neither technical nor customer considerations should delay complete conversion to four-digit CICS by January 1, 1997. Six months provides ample time within which to make any remaining equipment modifications and to educate consumers.

⁷ A CAC consists of a standard numeric prefix followed by the carrier CIC (e.g., 101XXXX).

⁸ See 1996 Act, 110 Stat. at 92-95 § 272. U S WEST must utilize a separate affiliate to provide in-region interLATA services. Among other things, a CIC is necessary for the affiliate to maintain separate accounting.

⁹ See In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98, Notice of Proposed Rulemaking, FCC 96-182, rel. Apr. 19, 1996 ¶¶ 1-3.

Allowing the incumbent IXCs to gradually convert to a four-digit CIC regime over an arbitrary six-year period apparently seemed reasonable to the Commission in 1994.¹⁰ The long distance world, however, has changed. For instance, particular justifications (e.g., customer confusion) voiced previously by carriers required to switch from three-to four-digit codes are no longer relevant. For example, some incumbent IXCs have converted their customers to ten-digit 800 numbers to access their services. These carriers, therefore, will be unaffected by the conversion to four-digit codes.

Additionally, as discussed above, the 1996 Act has opened all markets to competition. RBOCs can now compete in the long distance market, for example. At the time the NANP NPRM was issued, RBOC need for additional CICs relating to interstate, interexchange service did not exist.¹¹ Maintaining a six-year period for the transition from three to four-digit CICs will serve only to provide incumbent IXCs special treatment, to the detriment of new entrants and ultimately to consumers.¹²

Moreover, under Section 251(b)(3) of the Act, all local exchange carriers (“LEC”) have a “duty to provide dialing parity to competing providers of telephone

¹⁰ NANP NPRM, 9 FCC Rcd. at 2077 ¶ 54.

¹¹ RBOCs utilized CICs only for internal purposes (e.g., official company services).

¹² Compare In the Matter of Proposed 708 Relief Plan and 630 Numbering Plan Area Code by Ameritech-Illinois, 10 FCC Rcd. 4596 (1995) (“Ameritech Order”) (Commission rejected Ameritech number code plan because it did not apply to all carriers and customers affected by its introduction in as evenhanded a way as possible).

exchange service and telephone toll service”¹³ Today, CICs are provided in two formats which result in end-user dialing disparity. Due to the current permissive dialing period, customers who want to reach service providers who obtained CICs prior to April 1995 need dial only five-digit CACs (i.e., 10XXX); if they want to reach service providers who obtained their CICs after April 1995, they must dial seven-digit CACs (i.e., 101XXXX).

The Commission has previously stated that the North American Numbering Plan (“NANP”) must allow for growth in the industry and, thus, not discriminate:

If it is to achieve [sensitivity to the growth and dynamic nature of the communications industry], administration of the [NANP] must seek to facilitate entry into the communications marketplace by making numbering resources available on an efficient, timely basis to communications services providers. . . . **[S]uccessful administration of the NANP will not unduly favor or disadvantage any particular industry segment or group of consumers.**¹⁴

The CIC permissive dialing arrangement appears to be inconsistent with this policy and with the requirements of the 1996 Act.¹⁵ It not only fails to provide dialing parity for end-user access to competitive service providers, but it also disadvantages new entrants into the market, as most of the embedded service providers use three-digit CICs. The permissive dialing period must end soon so that

¹³ 1996 Act, 110 Stat. at 62 § 251(b)(3). “Dialing parity means the ability to dial the same number of digits in calling another number, regardless of who provides the service.” House Report on H.R. 1555 at 72.

¹⁴ Ameritech Order, 10 FCC Rcd. at 4604 ¶ 18 (emphasis added).

¹⁵ The Commission’s permissive dialing period also violates the prohibition against unreasonable discrimination in Section 201(b) of the Communications Act of 1934. 47 USC § 201(b). See Ameritech Order, 10 FCC Rcd. at 4602 ¶ 13.

all carriers are placed on a competitively neutral playing field and all customers have dialing parity.

For the reasons discussed above, U S WEST urges the Commission to announce a six-month phase-out of the permissive dialing period for CICs beginning July 1, 1996. In addition, the Commission should direct all users of three-digit CICs to convert to four-digit CICs by January 1, 1997.¹⁶ The industry, for the most part, is already prepared for the conversion and there is ample time for consumer education.

Technical considerations are not a factor because most networks are already equipped to accept four-digit CICs. Modification of old equipment and installation of new equipment has already been undertaken in anticipation of the final conversion to a four-digit format. In fact, most networks have been equipped with the requisite software changes and are currently processing both three- and four-digit CICs. Only translation changes, which instruct trunk groups and switching equipment to accept only four-digit codes, are necessary. This merely requires coordination between interconnecting companies.

The only remaining issue is customer education. U S WEST's proposal provides sufficient time in which to notify and instruct consumers about the

¹⁶ An immediate end to the transition period will also alleviate any perceived exhaustion of the CIC supply and thus the need for the currently imposed moratorium discussed above. That is, under the new four-digit CIC regime, there will be 8,494 CICs available (1,306 codes have already been assigned, and 200 codes have been set aside for intranetwork use); in contrast, fewer than 3,000 (2,000 four-digit codes, plus 1,000 three-digit, less those already in use) are currently available.

change.¹⁷ Many consumers are already seasoned veterans of numbering changes, such as those relating to the exhaustion of area codes or Numbering Plan Area (“NPA”) codes. Over the last few years, consumers in numerous cities have been introduced to new NPA codes by way of a permissive period, allowing utilization of both the new and old dialing patterns. Many of these state-approved numbering plan changes are typically implemented with permissive periods of six months.¹⁸ Implementation of U S WEST’s proposal would likewise reasonably accommodate consumers. To maintain the current six-year permissive period would serve only to stifle competition in favor of incumbent IXCs, to the detriment of new entrant competitors and, more importantly, to consumers.

IV. CONCLUSION

U S WEST urges the Commission to immediately lift the current embargo on CICs. U S WEST additionally recommends that the Commission phase-out the permissive dialing period by the end of this year and require all carriers to utilize

¹⁷ It is U S WEST’s belief that each incumbent IXC should be responsible for educating its own customers regarding dialing changes. The IXC is in the best position to decide the most effective method of informing its customers of the change and any instructions about access subsequent to the change (*e.g.*, a carrier may wish to have its customers utilize an 800 number rather than a CIC to access its services).

¹⁸ See, *e.g.*, Common Carrier Bureau Hosts Industry, State Meeting on Interchangeable Area Codes, Releases New Consumer Alert, Report No. CC 95-48, rel. Aug. 28, 1995, at Schedule of Changes in Area Codes.

four-digit CICs beginning on January 1, 1997. Both of these actions will promote competition, consistent with the goals of the 1996 Act.

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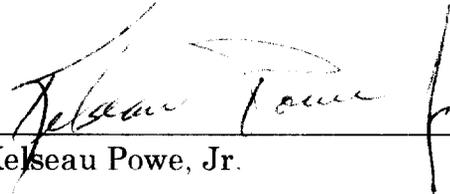
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May 21, 1996

CERTIFICATE OF SERVICE

I, Kelseau Powe, Jr., do hereby certify that on this 21st day of May, 1996, I have caused a copy of the foregoing **U S WEST, INC. FURTHER COMMENTS** to be served via hand-delivery, upon the persons listed on the attached service list.


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