



**Cincinnati Bell Telephone®**

201 E. Fourth Street  
P. O. Box 2301  
Cincinnati, Ohio 45201-2301  
Phone: (513) 397-1393  
Fax: (513) 241-9115

**David L. Meier**  
Director  
Legislative & Regulatory Planning

**RECEIVED**

**OCT 10 1996**

October 10, 1996

Federal Communications Commission  
Office of Secretary

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

DOCKET FILE COPY ORIGINAL

In the Matter of: )  
 ) CC Docket No. 95-116  
Telephone Number Portability )  
 )

Dear Mr. Caton:

Enclosed are an original and sixteen copies plus two extra public copies of Cincinnati Bell Telephone Company's Reply to Oppositions to its Petition for Reconsideration in the above referenced proceeding. A duplicate original copy of this letter and attached Reply is also provided. Please date stamp this as acknowledgment of its receipt and return it. Questions regarding these Comments may be directed to Patricia Rupich at the above address or by telephone on (513) 397-6671.

Sincerely,

David L. Meier

Enclosure

cc: International Transcription Services, Inc.  
Common Carrier Bureau Competitive Pricing Division (two copies)

No. of Copies rec'd 0218  
List A B C D E

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554

RECEIVED

OCT 10 1996

In the Matter of )

Telephone Number Portability )

)  
)  
)  
)

CC Docket No. 95-116

RM 8535

Federal Communications Commission  
Office of Secretary

**REPLY OF CINCINNATI BELL TELEPHONE COMPANY  
TO OPPOSITIONS TO PETITION FOR RECONSIDERATION**

On August 26, 1996, Cincinnati Bell Telephone Company ("CBT") filed a petition requesting the Commission to reconsider its First Report and Order and Further Notice of Proposed Rulemaking in the above-captioned proceeding (hereinafter, the "Report and Order") to the extent that decision requires local exchange carriers ("LECs") to provide interim number portability using RCF and DID at rates that are below the LECs' costs. On September 27, 1996 AT&T Corp. ("AT&T"), MCI Telecommunications Corporation ("MCI"), Sprint Corporation ("Sprint") and Time Warner Communications Holdings, Inc. ("Time Warner") filed oppositions which address the arguments raised in CBT's petition. CBT, pursuant to Section 1.429(g) of the Commission's rules, hereby replies to these oppositions.

As CBT explained in its petition, the Commission's decision relative to the recovery of costs associated with interim number portability improperly deprives CBT of just compensation for the services mandated by the Report and Order. The Report and Order requires CBT to provide currently available number portability measures (i.e., RCF, DID, or other comparable arrangements) until a long-term number portability method is technically feasible and available.<sup>1</sup>

---

<sup>1</sup> Report and Order at para. 111.

The cost recovery guidelines set forth in the Report and Order fail to ensure that CBT will be adequately compensated. Indeed, the cost recovery guidelines adopted in the Report and Order virtually guarantee that adequate compensation will not be provided.

Under the Commission's cost recovery guidelines, CBT would be required to offer interim number portability using RCF and DID at rates "close to zero."<sup>2</sup> Yet CBT estimates that a rate close to zero would not permit full recovery of the costs associated with providing this service. To the extent the Commission's cost recovery guidelines do not permit CBT to recover its costs in their entirety, CBT submits that the guidelines result in an unlawful taking.

Contrary to the oppositions of AT&T, Sprint and Time Warner,<sup>3</sup> which characterize such claims as frivolous, CBT submits that the LECs' claims in this regard are perfectly consistent with normal principles of cost causation, under which purchasers of a service are generally required to pay at least the incremental cost incurred in providing that service. Indeed, in the Report and Order the Commission acknowledged that its cost recovery guidelines represent a departure from normal principles of cost causation.<sup>4</sup>

MCI argues that the Report and Order does not preclude cost recovery by carriers from their end users or shareholders and, in fact, leaves such decisions up to carriers and/or state regulators.<sup>5</sup> MCI's argument misses the point. Even if CBT could obtain authority from state regulators to pass the costs associated with interim number portability to its end users, such a move would place CBT at a competitive disadvantage vis-a-vis its new entrant competitors. This

---

<sup>2</sup> Report and Order at para. 133.

<sup>3</sup> AT&T at p. 24; Sprint at p. 6; Time Warner at pp. 9-10.

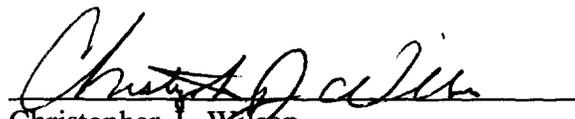
<sup>4</sup> Report and Order at para. 131.

<sup>5</sup> MCI at p. 5.

would clearly not be a competitively neutral result. Thus, giving CBT a choice between absorbing these costs or passing them on to its end users hardly constitutes an adequate remedy to the cost recovery issues raised by CBT.

If the Commission deems it appropriate for LECs to implement interim number portability, then the Commission must explicitly outline a mechanism by which LECs can fully recover their costs on a competitively neutral basis. As CBT recommended in its August 16, 1996 comments in this proceeding relative to cost recovery for long-term number portability, this could be accomplished via a mandatory end user surcharge applied to all local exchange customers. Such a cost recovery mechanism should also apply to interim number portability. However, if the Commission chooses not to allow recovery of these costs through an end user surcharge, then the Commission must, at a minimum, permit CBT to bill new entrants the entire cost of providing interim number portability.

Respectfully submitted,



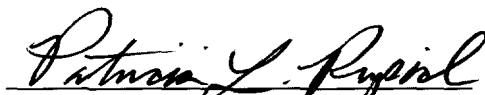
Christopher J. Wilson  
FROST & JACOBS  
2500 PNC Center  
201 East Fifth Street  
Cincinnati, Ohio 45202  
(513) 651-6800

Thomas E. Taylor  
Sr. Vice President-General Counsel  
Cincinnati Bell Telephone Company  
201 East Fourth Street, 6th Floor  
Cincinnati, Ohio 45202  
(513) 397-1504

Attorneys for Cincinnati Bell  
Telephone Company

Dated: October 10, 1996  
0350700.01

The undersigned hereby certifies that copies of the **Reply of Cincinnati Bell Telephone Company to Oppositions to Petition for Reconsideration** have been sent by first class United States Mail, postage prepaid, on October 10, 1996 to the persons listed on the attached service list.

  
Patricia L. Rupich

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

Competitive Pricing Division  
Common Carrier Bureau Room 518  
1919 M Street NW  
Washington DC 20554

Glenn Rabin  
AllTel Corporate Services Inc  
655 15th Street NW Suite 220  
Washington DC 20005

Richard Metzger  
Association for Local  
Telecommunications Services  
1200 19th Street NW Suite 560  
Washington DC 20036

Clifford William  
AT&T Corporation  
295 North Maple Avenue Room 3252II  
Basking Ridge NJ 07920

John Goodman  
Bell Atlantic  
1133 20th Street NW  
Washington DC 20036

BellSouth Corporation and  
BellSouth Telecommunications Inc  
1155 Peachtree Street NE  
Atlanta GA 30309-3610

Michael Altschul  
Cellular Telecommunications Industry Association  
1250 Connecticut Avenue NW Suite 200  
Washington DC 20036

John Bartlett  
GTE Service Corporation  
Wiley Rein & Fielding  
1776 K Street NW  
Washington DC 20006

Christopher McGowan  
IntelCom Group  
Dickstein Shapiro Morin & Oshinsky  
2101 L Street NW  
Washington DC 20554

Loretta Garcia  
MCI Telecommunications Corporation  
1801 Pennsylvania Avenue NW  
Washington DC 20006

Richard Cys  
NextLink Communications  
1155 Connecticut Avenue NW Suite 700  
Washington DC 20036

Campbell Ayling  
NYNEX Telephone Companies  
1111 Westchester Avenue  
White Plains NY 10604

Nancy Woolf  
Pacific Telesis Group  
140 New Montgomery Street  
San Francisco CA 94105

Kenneth Ferree  
Ram Mobile Data USA  
Goldberg Godles Wiener & Wright  
1229 Nineteenth Street NW  
Washington DC 20036

Norina Moy  
Sprint Corporation  
1850 M Street NW Suite 1110  
Washington DC 20036

Keith Townsend  
United States Telephone Association  
1401 H Street NW Suite 600  
Washington DC 20005

Gregory Whitaker  
Rural Telecommunications Group  
1019 Nineteenth St NW Suite 500  
Washington DC 20036

Charles Hunter  
Telecommunications Resellers Association  
Hunter & Mow  
1620 I Street NW Suite 701  
Washington DC 20006

Sue Blumenfeld  
Willkie Farr & Gallagher  
Time Warner  
Three Lafayette Center  
1155 21st Street NW  
Washington DC 20036