

DOCKET FILED FOR ORIGINAL



February 4, 1998

EX PARTE OR LITE FILED

James K. Smith
Director
Federal Relations

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, NW
Room 222
Washington, DC 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

RE: **Ex Parte Filing**
CC Docket 95-116
Local Number Portability

Dear Ms. Salas:

This ex parte is being filed in response to a staff inquiry. Ameritech was solicited as to its views regarding a proposal for local number(LNP) cost recovery. The basis of the proposal was that all LNP costs would be assigned to the federal jurisdiction and recovered at the federal level through a flat rated end user line charge. Recovery would be bifurcated between business and residential customers. Business customers within a given MSA would be assessed an LNP end user line charge as soon as LNP became available in that particular MSA. Such a charge on residence customers would be deferred until such time as either a certain percentage of numbers are ported or three years has elapsed. In the interim, a carrier would be entitled to earn on its LNP investment, presumably at a rate of 11.25%.

The staff was informed that Ameritech could support a proposal which would assign all LNP costs to the federal jurisdiction with recovery through a flat rated end user surcharge. Ameritech strongly opposes deferral of LNP cost recovery and any attempt to differentiate between business and residential customers. Ameritech is opposed to any proposal which further delays recovery or interjects competitive and economic distortions into the marketplace, such as would be present in the proposal to bifurcate business and residential customers and defer recovery. Use of competitive metrics and vestiges of rate of return regulation which adversely affect one carrier more than another would be contrary to the statutory requirement that LNP cost are to be recovered on a competitively neutral basis.

Sincerely,

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