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Federal Communications Commission

DA 98-182

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DISPATCHED Before the  
Federal Communications Commission  
Washington D.C. 20554

In the Matter of	)	CC Docket No. 98-14
	)	
Number Portability Query Services	)	
	)	
Ameritech Tariff F.C.C. No. 2,	)	CCB/CPD 97-46
Transmittal Nos. 1123, 1130;	)	
	)	
Bell Atlantic Tariff F.C.C. No. 1,	)	CCB/CPD 97-52
Transmittal No. 1009;	)	
	)	
Southwestern Bell Tariff F.C.C. No. 73,	)	CCB/CPD 97-64
Transmittal No. 2680;	)	
	)	
Pacific Bell Tariff F.C.C. No. 128,	)	CCB/CPD 97-65
Transmittal No. 1962	)	

**Order Designating Issues for Investigation**

Adopted: January 30, 1998

Released: January 30, 1998

Direct Case Date: February 13, 1998

Opposition and Comment Date: February 20, 1998

Rebuttal Date: February 27, 1998

By the Chief, Competitive Pricing Division:

**I. Introduction**

1. In this order, we designate for investigation issues regarding the long-term number portability query service tariffs of Ameritech, Bell Atlantic, Pacific Bell, and Southwestern Bell.

**II. Background**

2. The inability of customers to retain their telephone numbers when changing local service providers hampers the development of local competition.<sup>1</sup> Section 251(b)(2) of the Communications Act of 1934, as amended, seeks to remove this impediment to competition by requiring all local exchange carriers (LECs), both incumbents and new entrants, "to provide, to the extent technically feasible, number portability in accordance with requirements prescribed by the

<sup>1</sup> See *In re Telephone Number Portability*, First Report and Order & Further Notice of Proposed Rulemaking, 11 FCC Rcd. 8352, 8367-68 (1996) (Order & FNPRM) (citing evidence that business and residential customers are reluctant to switch carriers if they must change numbers).

Commission."<sup>2</sup> To prevent the cost of providing number portability from itself becoming a barrier to local competition, section 251(e)(2) requires that "[t]he cost of establishing ... number portability shall be borne by all telecommunications carriers on a competitively neutral basis as determined by the Commission."<sup>3</sup>

3. In a combined *First Report and Order (Order) & Further Notice of Proposed Rulemaking (FNPRM)*, the Commission promulgated performance criteria that long-term number portability solutions must meet,<sup>4</sup> required local exchange carriers to implement long-term number portability through a system of regional databases managed by neutral third party administrators,<sup>5</sup> and established a schedule for the phased deployment of long term number portability.<sup>6</sup> In light of questions regarding the design and deployment of a long-term number portability system, the *Order* could not, and did not, resolve how carriers should bear the costs of providing long-term number portability. The Commission instead issued an *FNPRM* to implement section 251(e)(2) with respect to the costs associated with building and operating the long-term number portability system.<sup>7</sup> The Commission tentatively identified three categories of costs: (1) shared industry costs, such as the costs of third-party administrators to build and operate the regional databases;<sup>8</sup> (2) carrier-specific costs directly related to providing number portability, such as the cost of purchasing and installing portability-capable switch software;<sup>9</sup> and (3) carrier-specific costs not directly related to providing number portability, such as network upgrades involving Advanced Intelligent Network (AIN) and Signaling System 7 (SS7) technologies.<sup>10</sup> The Commission has not yet issued its long-term number

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<sup>2</sup> 47 U.S.C. § 251(b)(2).

<sup>3</sup> 47 U.S.C. § 251(e)(2).

<sup>4</sup> See *Order & FNPRM*, 11 FCC Rcd. at 8355, 8371-85.

<sup>5</sup> *Id.* at 8355, 8399-8404.

<sup>6</sup> *Id.* at 8355, 8393-96, 8501-02, *modified*. First Memorandum Opinion and Order on Reconsideration, 12 FCC Rcd. 7236, 7283, 7346-47 (1997).

<sup>7</sup> See *Order & FNPRM*, 11 FCC Rcd. at 8459-66.

<sup>8</sup> *Id.* at 8459, 8461, 8463.

<sup>9</sup> *Id.* at 8459, 8464.

<sup>10</sup> *Order & FNPRM*, 11 FCC Rcd. at 8459, 8465. AIN, a telecommunications network architecture that uses databases to facilitate call processing, call routing, and network management, allows carriers to change the routing of both inbound and outbound calls from moment to moment based on criteria they develop. See 47 C.F.R. § 51.5 (defining advanced intelligent network); HARRY NEWTON, NEWTON'S TELECOM DICTIONARY 32-33 (11th ed. 1996). SS7 is a digital, packet-switched, carrier-to-carrier signaling system used for call routing, billing, and management that occurs "out-of-band," which means the call routing information is transmitted in separate circuits from the conversation. See 47 C.F.R. § 64.1600(f) (defining signaling system 7); NEWTON, *supra*, at 545. This offers additional speed, control, and other advantages not available with "in-band" signalling systems. NEWTON, *supra*.

portability cost recovery decision resolving the issues it raised in the *FNPRM*.

4. Carriers intend to provide number portability through a location routing number (LRN) architecture.<sup>11</sup> Under an LRN architecture, each customer's telephone number is matched in one of seven databases<sup>12</sup> with an LRN that identifies the switch that currently serves that telephone number.<sup>13</sup> Neutral third parties, called local number portability administrators, will administer these regional databases.<sup>14</sup> When a customer changes from one LEC to another, the carrier that wins the customer will "port" the customer's number from the former carrier by electronically transmitting (uploading) the new LRN to the administrator of the relevant regional database.<sup>15</sup> This will pair the customer's original telephone number with the LRN for the switch of the new carrier, allowing the customer to retain the original telephone number. The regional database administrators will electronically transmit (download) LRN updates to carriers responsible for routing telephone calls.<sup>16</sup> When a carrier routes an interswitch telephone call to a location where number portability is available, the carrier will "query" this downloaded data to determine the LRN for the switch that serves the terminating telephone number of the call.<sup>17</sup>

5. In the *Second Report and Order*, the Commission approved the industry's "N minus one" (N-1) querying protocol.<sup>18</sup> Under this protocol, the N-1 carrier will be responsible for the query, "where 'N' is the entity terminating the call to the end user, or a network provider contracted by the

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<sup>11</sup> See *In re Telephone Number Portability*, Second Report & Order, 12 FCC Rcd. 12281, 12287 (1997) (Second Report & Order).

<sup>12</sup> The databases roughly match the original Regional Bell Operating Company (RBOC) service territories.

<sup>13</sup> See generally NORTH AMERICAN NUMBERING COUNCIL, LOCAL NUMBER PORTABILITY ADMINISTRATION SELECTION WORKING GROUP REPORT [hereinafter NANC RECOMMENDATION] App. D (Architecture & Administrative Plan for Local Number Portability) at 6, ¶ 7.2 (April 25, 1997), *adopted*, *Second Report & Order*, 12 FCC Rcd. at 12283-84; *Order & FNPRM*, 11 FCC Rcd. at 8359-60, 8399-8400, 8494-95; AIN PROGRAM, NATIONAL COMMUNICATIONS SYSTEM, LOCAL NUMBER PORTABILITY: AIN AND NS/EP IMPLICATIONS, § 6.1 (July 1996) [hereinafter LOCAL NUMBER PORTABILITY REPORT].

<sup>14</sup> See *Order & FNPRM*, 11 FCC Rcd. at 8400-01.

<sup>15</sup> See generally NANC RECOMMENDATION, *supra* note 13, App. E (LNPA Technical & Operational Requirements Task Force Report) app. a (Issues & Resolutions), p. 1, and app. b (Inter-Service Provider LNP Operations Flows), fig. 1 (Provisioning) & p. 2.

<sup>16</sup> *Id.*

<sup>17</sup> See *Order and FNPRM*, 11 FCC Rcd. at 8359-60, 8494-95; LOCAL NUMBER PORTABILITY REPORT, *supra* note 13, at §§ 2.3, 5. Calls originating and terminating on the same switch need not be queried. See NANC RECOMMENDATION, *supra* note 13, App. D (Architecture & Administrative Plan for Local Number Portability) at 10, ¶ 8 & fig. 2, scenarios 1 & 2.

<sup>18</sup> Second Report & Order, 12 FCC Rcd. at 12323.

entity to provide tandem access."<sup>19</sup> Thus, the N-1 carrier for a local call will usually be the calling customer's LEC; the N-1 carrier for an interexchange call will usually be the calling customer's interexchange carrier.<sup>20</sup> Rather than perform its own querying, an N-1 carrier may arrange for other carriers or third parties to provide querying services for them.<sup>21</sup> The Commission determined in the *Second Report & Order* that an incumbent LEC may charge an N-1 carrier for performing queries on the N-1 carrier's behalf pursuant to such an arrangement.<sup>22</sup>

6. The Commission also noted that when an N-1 carrier fails to ensure that a call is queried, the call might be routed by default to the LEC that originally served the telephone number, usually an incumbent LEC.<sup>23</sup> If the customer has switched carriers, the LEC that originally served the customer incurs costs in querying and redirecting the call. This could happen, for example, if there is a technical failure in the N-1 carrier's ability to query, or if the N-1 carrier fails to ensure that its calls are queried, either through its own query capability or through an arrangement with a third party. The Commission determined that if an incumbent LEC performs queries on default-routed calls, the incumbent LEC may charge the N-1 carrier for performing this function.<sup>24</sup> The Commission determined further that it would "allow LECs to block default-routed calls, but only in specific circumstances when failure to do so is likely to impair network reliability."<sup>25</sup> The Commission also said that it would "require LECs to apply this blocking standard to calls from all carriers on a nondiscriminatory basis."<sup>26</sup>

7. The Competitive Pricing Division (Division) of the Common Carrier Bureau issued two *Memorandum Opinions and Orders* on October 30, 1997, and December 30, 1997, granting petitions by Ameritech, Bell Atlantic, Southwestern Bell, and Pacific Bell to establish new service rate elements to provide long-term number portability query services.<sup>27</sup> The Division required all four

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<sup>19</sup> NANC RECOMMENDATION, *supra* note 13, app. D (Architecture & Administrative Plan for Local Number Portability) at 8, ¶ 7.8.

<sup>20</sup> *Id.* at attachment A (Example N-1 Call Scenarios); LOCAL NUMBER PORTABILITY REPORT, *supra* note 13, at § 9.1.3. & fig. 9-3 (N-1 Network Query).

<sup>21</sup> *See Order & FNPRM*, 11 FCC Rcd. at 8404.

<sup>22</sup> *See Second Report and Order*, 12 FCC Rcd. at 12324.

<sup>23</sup> *Id.* at 12324-25.

<sup>24</sup> *Id.* at 12325-26.

<sup>25</sup> *Id.* at 12324-25.

<sup>26</sup> *Id.* at 12325-26.

<sup>27</sup> *See In re Petition of Ameritech to Establish a New Access Tariff Service and Rate Elements Pursuant to Part 69 of the Commission's Rules*, CCB/CPD Docket No. 97-46, Memorandum Opinion and Order, DA 97-2294, at ¶¶ 1, 13-17 (Comp. Pricing Div. Comm. Car. Bur. rel. Oct. 30, 1997) (Ameritech and Bell Atlantic

carriers, however, to conform their rates, rate structures, regulations, and services offered under these rate elements to any determinations made by the Commission in CC Docket No. 95-116.<sup>28</sup> The Division further concluded that the tariffs the carriers filed implementing the rate elements raised substantial questions of lawfulness.<sup>29</sup> Consequently, the Division suspended the tariffs for one day and set them for investigation.<sup>30</sup> The Division also imposed an accounting order for the duration of the investigation.<sup>31</sup>

### III. Issues Designated for Investigation

#### A. Development of Charges: Query Cost and Demand

8. Ameritech, Bell Atlantic, Southwestern Bell, and Pacific Bell propose a variety of charges to query traffic that N-1 carriers deliver at an end office or tandem office.<sup>32</sup> Bell Atlantic additionally offers N-1 carriers the option to query Bell Atlantic's database directly.<sup>33</sup> Ameritech and

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Order); *In re Petition of Southwestern Bell Telephone Company Under Section 69.4(g)(1)(ii) of the Commission's Rules for Establishment of New Service Rate Elements*, CCB/CPD Docket No. 97-64, Memorandum Opinion and Order, DA 97-2725 (Comp. Pricing Div. Comm. Car. Bur. rel. Dec. 30, 1997) (Southwestern Bell and Pacific Bell Order). The Division also suspended for one day and incorporated into the investigation Ameritech revisions to its long-term number portability query service purporting to clarify in certain circumstances Ameritech's right to block unqueried traffic that carriers deliver to Ameritech's network. See *In re Ameritech Revisions to Tariff F.C.C. No. 2*, CCB/CPD 97-46, Memorandum Opinion and Order, DA 97-2353 (rel. Nov. 7, 1997).

<sup>28</sup> *Ameritech and Bell Atlantic Order* at ¶ 17; *Southwestern Bell and Pacific Bell Order* at ¶ 9.

<sup>29</sup> *Ameritech and Bell Atlantic Order* at ¶ 18; *Southwestern Bell and Pacific Bell Order* at ¶ 10.

<sup>30</sup> *Ameritech and Bell Atlantic Order* at ¶ 18; *Southwestern Bell and Pacific Bell Order* at ¶ 11.

<sup>31</sup> *Ameritech and Bell Atlantic Order* at ¶ 18; *Southwestern Bell and Pacific Bell Order* at ¶ 11.

<sup>32</sup> *Ameritech Tariff F.C.C. No. 2*, Transmittal No. 1123, at 15th Revised Page 228 (filed Sept. 16, 1997) (charging approximately four-tenths of a cent per tandem-office query but three cents per end-office query) (*Ameritech Tariff*); *Ameritech Tariff*, Description and Justification at 5 (*Ameritech Description and Justification*); *Bell Atlantic Tariff F.C.C. No. 1*, Transmittal No. 1009, at Original Page 890.18, Original Page 890.19, Original Page 890.22, Original Page 890.23 (filed Oct. 30, 1997) (charging approximately three-tenths of a cent per tandem-office query but approximately one cent per end-office query) (*Bell Atlantic Tariff*); *Bell Atlantic Tariff*, Description and Justification at 5-6 (*Bell Atlantic Description and Justification*); *Southwestern Bell Tariff F.C.C. No. 73*, Transmittal No. 2680, at 8th Revised Page 34-3, 8th Revised Page 34-14 (filed Dec. 24, 1997) (*Southwestern Bell Tariff*); *Southwestern Bell Tariff*, Description and Justification at 4-5 (*Southwestern Bell Description and Justification*); *Pacific Bell Tariff F.C.C. No. 128*, Transmittal No. 1962, at 8th Revised Page 627.16, 8th Revised Page 627.17, 8th Revised Page 627.26 (filed Dec. 24, 1997) (*Pacific Bell Tariff*); *Pacific Bell Tariff*, Description and Justification at 5 (*Pacific Bell Description and Justification*).

<sup>33</sup> *Bell Atlantic Tariff* at Original Page 890.18, Original Page 890.19, Original Page 890.20; *Bell Atlantic Description and Justification* at 4, 6.

Bell Atlantic include in the cost of their query services: (1) the common capital and expense associated with the industry's shared regional databases, (2) the capital investment and expense associated with the hardware and software to equip the tandem offices with query capability, (3) the capital investment and expense associated with the hardware and software to equip the end offices with query capability, (4) the digital signalling costs associated with using aspects of the SS7 network to perform queries, and (5) the administrative costs associated with the labor and marketing expenses to roll out querying services.<sup>34</sup> Bell Atlantic says that its end-office query charge includes the transport costs to re-originate and route calls after the query.<sup>35</sup> Ameritech factors into its charges the costs of modifying its billing system to accommodate query services.<sup>36</sup> Southwestern Bell and Pacific Bell state that they based their cost development only on their direct costs of number portability.<sup>37</sup> They include recurring costs related to the local and regional service management systems, their service control point (SCP) related feature development and software maintenance, their service order centers, and labor.<sup>38</sup> They also include nonrecurring costs associated with switching software and hardware, SCP and signal transfer point (STP) deployment, labor, and operations support systems (OSS) hardware.<sup>39</sup> Rather than use incremental costs, Ameritech and Bell Atlantic incorporate into their rates what they describe as "a reasonable amount of overhead."<sup>40</sup> To do so, they use a fully distributed cost annual charge factor, which they develop by dividing the portion of the total direct and indirect costs allocated to local switching in the 1996 ARMIS Report by the portion of equipment investment allocated to local switching.<sup>41</sup>

9. We designate as an issue for investigation whether the rates proposed by each of these LECs for query services, using these methodologies, are lawful and reasonable. Carriers should indicate whether they base their calculations on separated or unseparated costs. We also seek comment on whether costs such as those carriers incurred to modify SS7, OSS, and billing systems are costs not directly related to providing number portability, and therefore are not properly included in query charges. We further designate as issues for investigation whether carriers may include a fully distributed cost annual charge factor in query charges, and if so, whether the carriers calculate their proposed factors appropriately.

10. Ameritech and Bell Atlantic base their demand forecasts on current terminating traffic

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<sup>34</sup> *Ameritech Description and Justification* at 5-6; *Bell Atlantic Description and Justification* at 6-7.

<sup>35</sup> *Bell Atlantic Description and Justification* at 7.

<sup>36</sup> *Ameritech Description and Justification* at 5-6.

<sup>37</sup> *Southwestern Bell Description and Justification* at 6; *Pacific Bell Description and Justification* at 6.

<sup>38</sup> *Southwestern Bell Description and Justification* at 6; *Pacific Bell Description and Justification* at 6.

<sup>39</sup> *Southwestern Bell Description and Justification* at 6; *Pacific Bell Description and Justification* at 6.

<sup>40</sup> *Ameritech Description and Justification* at 7; *Bell Atlantic Description and Justification* at 8-9.

<sup>41</sup> *Ameritech Description and Justification* at 7; *Bell Atlantic Description and Justification* at 8-9.

and assume (1) that the three largest IXCs will perform their own queries, (2) that they will provide query services to the next three largest IXCs through the first half of 1998, and (3) that they will provide query services to wireless carriers through 1999.<sup>42</sup> Southwestern Bell and Pacific Bell similarly base their demand forecasts on assumptions of the number of terminating telephone calls by IXCs, wireless carriers, and LECs that have not deployed querying capacity in their own networks.<sup>43</sup> Southwestern Bell and Pacific Bell account for estimates of their own demand for queries.<sup>44</sup> We designate as issues for investigation whether the carriers' bases for their demand forecasts are reasonable, and how carriers should treat their own demand for queries. Carriers should indicate whether they base their demand forecasts on queries for interstate traffic, intrastate traffic, or both.

B. Ameritech Blocking Standards and Requirements for Query Estimates

11. Ameritech distinguishes between prearranged queries and default queries.<sup>45</sup> A prearranged query is a query that an N-1 carrier arranges for another carrier or third party to perform on its behalf; a default query is a query that a carrier performs when the N-1 carrier routes the call unqueried and no arrangement between the carriers exists.<sup>46</sup> Ameritech requires N-1 carriers that request prearranged query services to provide separate, rolling, three-month estimates of the volume of traffic they intend to deliver to Ameritech end offices and tandem offices, including total monthly traffic, maximum busy hour volumes, and the trunk groups over which they intend to route this traffic.<sup>47</sup>

12. Ameritech maintains the right, in certain circumstances, not to complete unqueried calls that N-1 carriers deliver to its network. Ameritech's tariff asserts that it has the right to conduct such "blocking" of default traffic "in a nondiscriminatory manner, if the processing of default queries should threaten to disrupt operation of its network and impair network reliability."<sup>48</sup> The tariff also allows Ameritech "to block traffic in a nondiscriminatory manner that is received on a prearranged basis where the query volume is 125 percent or more of the forecasted busy hour level and the processing of these queries should threaten to disrupt operation of its network and impair network

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<sup>42</sup> *Ameritech Description and Justification* at 4; *Bell Atlantic Description and Justification* at 5-6.

<sup>43</sup> *Southwestern Bell Description and Justification* at 5-6; *Pacific Bell Description and Justification* at 6.

<sup>44</sup> See *Southwestern Bell Tariff F.C.C. No. 73*, Transmittal No. 2638, Description and Justification at 1-7 (filed June 6, 1997), cited in *Southwestern Bell Description and Justification* at 5-6; *Southwestern Bell Description and Justification* at fig. 4; *Pacific Bell Description and Justification* at fig. 4.

<sup>45</sup> *Ameritech Tariff* at 15th Revised Page 228; *Ameritech Description and Justification* at 3-4.

<sup>46</sup> See, e.g., *Ameritech Tariff* at 8th Revised Page 67.1 (defining "Query" and "Query, Default").

<sup>47</sup> *Id.* at 8th Revised Page 90.

<sup>48</sup> *Ameritech Tariff F.C.C. No. 2*, Transmittal No. 1130, at 1st Revised Page 166.4.3 (filed Oct. 31, 1997) (revising Transmittal No. 1123) (*Ameritech Revised Tariff*).

reliability."<sup>49</sup>

13. We designate as issues for investigation the extent to which Ameritech's proposed estimates for prearranged query services are lawful and reasonable, particularly in light of Ameritech's intention to base its blocking standard on such estimates. We ask Ameritech to describe precisely the information it seeks, to explain its reasons for requiring such information, and to indicate whether it requires carriers to identify the specific offices to which N-1 carriers intend to deliver unqueried traffic or whether it is sufficient for them to specify in the aggregate how much unqueried traffic they will deliver to end offices and how much to tandem offices. We seek comment on whether these estimates are burdensome for carriers to calculate, particularly in light of the little, if any, experience they have had with long-term number portability. We further designate as an issue for investigation whether Ameritech's standards for blocking unqueried calls received on both a prearranged and default basis comply with the Commission's orders in CC Docket No. 95-116 on long-term number portability. In particular, we seek comment on whether the tariff complies with the Commission's requirement that LECs block calls "on a nondiscriminatory basis"<sup>50</sup> and "only in specific circumstances when failure to do so is likely to impair network reliability."<sup>51</sup> We note that the Commission said in the *Second report and Order* that it would "allow LECs to block default-routed calls," but did not say such blocking would be permissible for prearranged calls.<sup>52</sup>

C. Nonrecurring Activation and Billing Charges

14. Bell Atlantic's tariff includes what it describes as a nonrecurring \$102.35 "Activation and/or Rearrangement Charge."<sup>53</sup> Southwestern Bell's tariff contains a \$17 service order charge per access order,<sup>54</sup> as well as a charge for the translation of the signaling point code.<sup>55</sup> Pacific Bell describes a \$100 nonrecurring charge for prearranged queries.<sup>56</sup> The tariffs of Ameritech, Southwestern Bell, and Pacific Bell describe nonrecurring default billing charges of \$475, \$310.76, and \$227 per customer per monthly bill, respectively, which apply only to carriers that terminate

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<sup>49</sup> *Id.*

<sup>50</sup> Second Report & Order, 12 FCC Rcd. at 12325-26.

<sup>51</sup> *Id.* at 12324-25.

<sup>52</sup> *Id.* at 12324-25.

<sup>53</sup> *Bell Atlantic Tariff* at Original Page 890.22, Original Page 890.23; *Bell Atlantic Description and Justification* at 5, 8.

<sup>54</sup> *Southwestern Bell Tariff* at 18th Revised Page 5-35.

<sup>55</sup> *Id.* at 7th Revised Page 34-13.

<sup>56</sup> *Pacific Bell Tariff* at 8th Revised Page 627.24, 8th Revised Page 627.26.

default traffic.<sup>57</sup> In general, carriers have failed to justify these charges, or to explain when they apply. We designate as issues for investigation whether such charges are lawful, whether these "nonrecurring" charges are actually being applied on a recurring basis, and whether these rates have been set at appropriate levels. Carriers should explain with specificity how they derived these rates.

#### IV. Information Requirements

15. In responding to the issues we designate for investigation, the LECs subject to this investigation should present their costs in terms of the categories the Commission developed in the *FNPRM*, i.e. shared costs, carrier-specific costs directly related to providing number portability, and carrier-specific costs not directly related to providing number portability. Direct Cases should break investment and expense estimates into these categories, and should identify costs with sufficient specificity to allow the Commission and other parties to evaluate them.

#### V. Procedural Matters

##### A. Filing Schedules

16. The Commission will conduct this investigation as a notice and comment proceeding under CC Docket No. 98-14. Ameritech, Bell Atlantic, Southwestern Bell, and Pacific Bell are the companies subject to this investigation.

17. These parties shall file their direct cases no later than February 13, 1998. The direct cases must present the parties' positions with respect to the issues described in this order. Parties may file pleadings responding to the direct cases no later than February 20, 1998. Such pleadings must be captioned "Oppositions to Direct Case" or "Comments on Direct Case." The companies that file Direct Cases may each file a "Rebuttal" to oppositions or comments no later than February 27, 1998.

18. Parties shall file an original and six copies of all pleadings with the Secretary of the Commission. In addition, parties shall file two copies of any such pleadings with the Competitive Pricing Division, Common Carrier Bureau, Room 518, 1919 M Street, N.W., Washington, D.C. 20554. Parties shall also deliver one copy of such pleadings to the Commission's commercial copying firm, International Transcription Service Inc., 1231 20th Street N.W., Washington, DC 20036. Members of the general public who wish to express their views in an informal manner regarding the issues in this investigation may submit one copy of their comments to the Office of the Secretary, Federal Communications Commission, 1919 M Street N.W., Room 222, Washington, D.C. 20554. All comments should specify the docket number of this investigation.

19. The Commission will consider all relevant and timely pleadings. In reaching a decision, the Commission may take into account information and ideas not contained in pleadings,

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<sup>57</sup> *Ameritech Tariff* at 15th Revised Page 228; *Ameritech Description and Justification* at 4, 7; *Southwestern Bell Tariff* at 8th Revised Page 34-4, 8th Revised Page 34-13, 8th Revised Page 34-14; *Southwestern Bell Description and Justification* at 5; *Pacific Bell Tariff* at 8th Revised Page 627.17, 8th Revised Page 627.25, 8th Revised Page 627.26; *Pacific Bell Description and Justification* at 5.

provided that the public file contains such information or a writing containing the nature and source of such information, and provided that the order notes reliance on such information.

B. *Ex Parte* Requirements

20. This tariff investigation is a "permit-but-disclose proceeding" and subject to the "permit-but-disclose" requirements under Section 1.1206(b) of the rules, 47 C.F.R. § 1.1206(b), as revised. We remind parties making oral *ex parte* presentations that they must file memoranda summarizing their presentations. These summaries must explain the substance of the presentation and not merely list the subjects the parties discussed. Complying with the rules generally requires more than a one or two sentence description of the views and arguments the parties presented. See 47 C.F.R. §1.1206(b)(2), as revised. Section 1.1206(b) sets forth additional rules pertaining to oral and written presentations.

C. Paperwork Reduction Act

21. The Commission has analyzed this Designation Order in accordance with the provisions of the Paperwork Reduction Act of 1980, as amended by the Paperwork Reduction Act of 1995,<sup>58</sup> and found that the order does not establish a new or modified form, or impose information collection requirements on the public. Implementation of any new or modified requirements will be subject to approval by the Office of Management and Budget as prescribed by the Act.

## VI. Ordering Clauses

22. IT IS ORDERED that, pursuant to Sections 4(i), 203(c), 204(a), 205, and 403 of the Communications Act, 47 U.S.C. §§ 154(i), 203(c), 204(a), 205, and 403, and the authority delegated by Sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, the issues set forth in this Order ARE DESIGNATED FOR INVESTIGATION.

23. IT IS FURTHER ORDERED that Ameritech, Bell Atlantic, Pacific Bell, and Southwestern Bell SHALL FILE direct cases addressing the issues designated above no later than February 13, 1998.

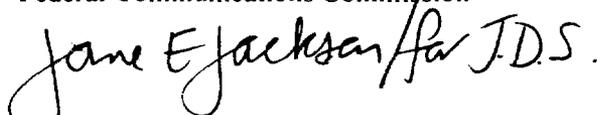
24. IT IS FURTHER ORDERED that pleadings responding to the direct cases SHALL BE FILED no later than February 20, 1998, and must be captioned "Opposition to" or "Comment on" specific local exchange carriers' direct cases.

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<sup>58</sup> 44 U.S.C. §§ 3501-3520.

25. IT IS FURTHER ORDERED that Ameritech, Bell Atlantic, Pacific Bell, and Southwestern Bell MAY FILE "Rebuttals" to oppositions and comments no later than February 27, 1998.

Federal Communications Commission

A handwritten signature in black ink that reads "Jane E Jackson for J.D.S.". The signature is written in a cursive style and is positioned above the typed name.

James D. Schlichting  
Chief, Competitive Pricing Division  
Common Carrier Bureau