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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

In the Matter of	)	
	)	
	)	CC Docket No. 92-237
Administration of the	)	
North American Numbering Plan	)	
Carrier Identification Codes (CICs)	)	

COMMENTS

Americatel Corporation, through its attorneys, hereby submits its comments in the above-captioned proceedings in response to the Commission's Further Notice of Proposed Rulemaking and Order (FNPRM), released October 9, 1997, as amended by its Order, released November 21, 1997. For the reasons discussed more fully below, Americatel believes that the use of Carrier Identification Codes (CICs) other than for customers to gain access to long distance carriers and for traffic routing and billing purposes should be drastically curtailed or eliminated altogether. Furthermore, Americatel agrees with the Commission's tentative conclusions that the number of CICs assigned to an entity should be limited and that mandatory reclamation of CICs is appropriate.

As a provider of non-presubscribed dial-around long distance service, Americatel must rely on the willingness of its customers to dial a Carrier Access Code, with its size dictated by an embedded CIC, in order to compete with presubscribed carriers. Dial-around service providers can furnish greater consumer choice and can allow the public to take advantage of attractive prices, special promotions, and other benefits on a call-by-call

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basis, without going through the bother and complication of changing presubscribed carriers. Non-presubscribed service providers are necessary for the most competitive long distance marketplace to exist over the long term. But non-presubscribed services are viable only if they provide the public a simple, easy-to-use, and attractive alternative to the services of a presubscribed long distance carrier.

Americatel believes that the slow development of the non-presubscribed long distance market has hindered competition in the long distance market generally. According to the Commission's Report on Long Distance Market Shares, Third Quarter 1997 at 4, as of the end of 1996, four carriers (AT&T, MCI, Sprint and WorldCom), dominated the presubscribed long distance market with approximately 88% of the customer lines. Revenues for the top four interexchange carriers amounted to 83% of the total long distance market, with AT&T capturing about 48% of the industry revenues. Id. Table 3.2.

The use of non-presubscribed service has only recently been widely promoted in this country and is only a small part of the competitive long distance picture. Americatel's proprietary market research in nine major U.S. markets in December 1997 indicates that less than ten percent of survey participants who had made long distance calls in the previous month had used an access code to reach a non-presubscribed carrier. A deterrent to the rapid development of the dial-around long distance market is the length of the access code which must be dialed to reach alternative carriers. Americatel's

proprietary market research within the Hispanic market indicates that, due to the length of the access code, only 17 percent of the survey participants would be very willing to dial a five digit long distance access code, 46% would be somewhat willing to dial a five digit access code, and 37% would be either not very willing or not at all willing to dial a five digit access code. The number of potential customers unwilling to use dial-around services with a five digit access code, already large, obviously would increase even more if the access code expands to seven digits. The requirement to use a seven digit code will surely decrease the attractiveness of this service option and discourage its use, at a time when the industry is really in its infancy. This will be to the benefit, not of consumers, nor of effective competition, but of the incumbent presubscribed interexchange carriers.

The domination of the long distance market by presubscribed interexchange carriers in the United States is in direct contrast to the experience in other countries where CICs have been introduced. In Chile, for example, the introduction of dial-around service using a three digit access code (1 + two digit CIC) in October 1994, in conjunction with the elimination of the monopoly position of Entel-Chile, S.A. (the former PTT) in the long distance market, resulted in a significant increase in competition and a dramatic shift in market share. Entel-Chile S.A. went from a 100% market share to a 40% market share almost immediately. In a market of 15 million people, other carriers have captured significant segments of the long distance market, almost exclusively through the use of CICs to access dial-around service. In 1997, CTC had over 21% of the international market and over 34% of the national long distance market; ChileSat's share of those

markets were over 17% and 14%, respectively; VTR and BellSouth each held 10% of the international market. In all, nine carriers now compete in the Chilean long distance telecommunications market. At present, only approximately 5% of all long distance traffic (in minutes) remains presubscribed. Three digit access codes soon are to be introduced in other former monopoly telecommunications markets in Colombia, El Salvador, and Guatemala, and similar competitive results are expected. In contrast, Americatel understands that when Mexico attempted to open its long distance market to competition, consumers could use only presubscribed carriers and had no dial-around option. The Mexican incumbent, Telmex, has retained almost all of the long distance market, and new entrants have made few inroads.

Americatel believes that the success of the Chilean system of CICs in promoting competition is due to the features of its plan for the distribution and management of CICs, in particular:

- the brevity of the access code to alternative carriers (1 + two digit CIC)
- use of CICs is restricted to routing and billing competitive interexchange carrier traffic
- the assignment of only one CIC per interexchange carrier
- interexchange carriers must own or lease facilities.

Initial projections for CIC demand were based only on the expected number of carriers that would compete in the interLATA marketplace. FNPRM ¶ 14. However, as

the FNPRM notes, CICs currently are used for a number of purposes in addition to the original purpose for instituting CICs, i.e., to identify access customers in order to bill and route traffic. It is as a result of these additional uses that the demand for CICs has risen well beyond original expectations. Many of these new non-access uses are non-public or non-competitive in nature, in the sense that CICs are employed for uses such as internal networks, private services to corporate customers, and internal separate billing. For this reason, the FNPRM suggests that perhaps some of these uses must be prohibited, FNPRM ¶ 14, or met by some other options such as SS7, pseudo-CICs and Flex ANI, FNPRM ¶ 18.

Americatel believes that not only some, but all, uses different from access uses should be prohibited. The expansion of the use of the CICs to non-access uses has precipitated a demand for CICs that not only “hastens the time when the costs of lengthening CICs must be incurred” FNPRM ¶ 15, but actually threatens the viability of the competitive interexchange carrier industry offering dial-around services. If this proliferation of uses is not addressed in a responsible and fair way, the demand for CICs for non-access uses, and the resultant expansion of the CICs, will ultimately frustrate the achievement of the Commission’s stated goal “to establish a plan for the distribution and management of CICs that minimizes the frequency of CIC expansion while promoting competition to the greatest extent possible.” FNPRM ¶ 11.

Americatel agrees with the Commission that the assignment of CICs should be limited and that there should be better reclamation procedures. Usage reports should be mandatory. A review of information on the Internet web page of the North American Numbering Plan Administrator shows that the lack of assignment controls in the past has resulted in some entities being assigned 10 or more CICs, and one entity having 78 CICs assigned. Multiple CICs have been assigned to entities that are not licensed carriers. Entities with names such as "I Don't Care", "I Don't Know", "It Doesn't Matter", "Who Ever", and "Anyone Is Okay", names seemingly intended to capitalize on customer confusion concerning choices in the long distance market, have been assigned CICs. Effective CIC management must start with a clear definition of the purposes for which CICs can be used.

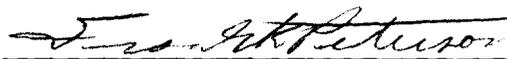
If adequate direction had been provided for CIC assignments in the past, the need for transfer from three digit to four digit CICs might have been avoided altogether. Americatel is proposing a CIC assignment system with three digit Feature Group D CICs used only as a means for customers to gain access to long distance carriers and as a way for routing and billing of long distance traffic. Three digit CIC assignments should be limited to one per licensed interexchange carrier (facilities based or reseller), with mandatory usage reporting and enforceable reclamation procedures. Other options, such as SS7, pseudo-CICs, Flex ANI, or longer CICs, should be considered for the other uses identified in the FNPRM. Americatel strongly believes that such changes to the current system of CIC assignment, use and management will best support the Commission's goals

of promoting competition and enhancing consumer choice and will serve the public interest.

As it is, Americatel believes that enough issues remain open that the elimination of the three digit CICs should be delayed until the issues are resolved. In the interim, management of CIC assignments will alleviate any near-term shortages of assignable numbers.

Respectfully submitted,

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March 6, 1998

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Comments of Americatel Corporation were hand delivered on this 6th day of March 1998 to the following parties:



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