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Ex Parte Presentation

March 27, 1998

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Mr. Richard Metzger
Chief, Common Carrier Bureau
Federal Communications Commission
1919 M St., NW
Washington, DC 20554

Re: Expansion of Carrier Identification Codes, CC Docket No. 92-237

Dear Mr. Metzger:

As you are aware, the Commission has mandated the end of permissive dialing of 3- and 4-digit Carrier Identification Codes (CICs) and their associated 5- and 7-digit Carrier Access Codes (CACs) as of June 30, 1998.[1] In an *ex parte* letter dated March 17, 1998 ("MCI letter"), MCI has again urged that the permissive dialing period be extended at least until February 28, 1999. Sprint believes that a further extension would be contrary to the public interest and that the reasons cited by MCI in support of its request do not justify the consumer confusion and competitive disruptions which will result from a change to the end date of the permissive dialing period.

Over the past several months, Sprint has designed and begun to or will soon implement a series of marketing and customer information initiatives to educate callers about the need to use 4-digit CICs after June 30, 1998. This program includes communications to and training of our sales force and customer service representatives to enable them to proactively work with customers and handle customer inquiries; printing of messages about 4-digit CICs on Sprint invoices;[2] distribution of stickers with Sprint's 4-digit CIC; working with customers and their CPE vendors to reprogram their PBXs and autodialers; and the programming of our switches to include a recording reminding customers to use Sprint's 4-digit CIC.[3] Sprint is very concerned that customers who have already received

[1] *See Administration of the North American Numbering Plan, Carrier Identification Codes,* 12 FCC Rcd 17876 (1997) (*"Reconsideration Order"*).

[2] Sprint is also negotiating with LECs which perform billing and collection functions on our behalf to include a message on the Sprint portion of the invoice reminding customers to use Sprint's 4-digit CIC after June 30, 1998.

[3] Callers who reach the Sprint network by dialing "0+" and "10333 + 0" will hear a recording reminding them that they must use our 4-digit CIC after June 30, 1998.

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information from Sprint (and other carriers) regarding the CIC expansion will be even more confused, and will disregard any future material regarding use of 4-digit CICs, if the end date for the permissive dialing period is revised. Moreover, changing the end date significantly complicates consumer education efforts already underway. Marketing and sales efforts such as those described above require advance planning and preparation, and such efforts would be disrupted if the extension recommended by MCI were adopted.

Besides customer confusion considerations, Sprint remains concerned that extending the permissive dialing period will place entities which have a 4-digit CIC at a competitive disadvantage relative to those entities which have a 3-digit CIC. As the Commission noted in its *Reconsideration Order* (para. 49), "...a competitive disparity would result if customers of some carriers could access their services by dialing five-digit CACs, while customers of other carriers would be forced to dial seven-digit codes." It is reasonable to assume that consumers will prefer to dial fewer rather than more digits when using an access code, and extending the permissive dialing period prolongs the competitive advantage enjoyed by carriers which can be reached using a shorter access code. The Commission can best assure competitive parity with regards to use of access codes by maintaining the existing transition plan.

The customer confusion and competitive disparities which would likely result from adoption of MCI's recommendation here to extend the permissive dialing period are more compelling than the reasons cited by MCI to support its proposal. First, MCI states that an extension of the permissive dialing period is warranted because the first line of the intercept message adopted by the Network Interconnection and Interoperability Forum (NIIF)[4] -- "Your call cannot be completed as dialed" -- is "unnecessary and wasteful" (MCI letter, p. 3). However, there is no evidence to suggest that callers will hang up immediately upon hearing that their call "cannot be completed as dialed," particularly if the remainder of the intercept message -- to which MCI has no objection -- flows smoothly and without unnatural hesitation after the initial sentence of the intercept message. Moreover, it is not at all clear to Sprint that the language to which MCI objects is "superfluous." To the contrary, callers using a 5-digit access code after the end of permissive dialing may even stay on the line at the conclusion of the intercept message, wondering why the call is not going through, if MCI's proposed deletion were implemented.

MCI's second reason for recommending an extension of the permissive dialing period is that BellSouth, US West and Southwestern Bell have stated in petitions for reconsideration of the *Reconsideration Order* that they require up to 60 days to transition their

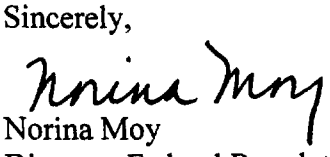
[4] Although MCI states (letter, p. 7) that "the industry has reached an impasse with respect to the intercept message recording," it is Sprint's understanding that the NIIF has adopted the intercept message to which MCI objects. The NIIF operates by consensus, and MCI's objections were duly noted and discussed prior to the vote on the intercept message which was ultimately adopted by the rest of the industry.

switches to 4-digit CICs. Sprint agrees with MCI that, to the extent a LEC needs a transition period, such period must begin after June 30, 1998, *i.e.,* LECs may not shorten the permissive dialing period by blocking 3-digit CICs prior to July 1, 1998.[5] However, should the Commission grant the LECs' pending petitions for reconsideration and allow them additional time beyond June 30 to transition to 4-digit CICs, carriers should still continue to direct their customers to use the 4-digit CICs after June 30, 1998 in order to minimize customer confusion and competitive disparities.

MCI's third reason for recommending an extension of the permissive dialing period is that the Commission has granted several independent LECs waivers of the January 1, 1998 date by which LECs must be able to accept 4-digit CICs (MCI letter, p. 8). Sprint agrees that the waivers complicate the transition to a nationwide uniform CAC dialing plan. However, the number of lines involved in such waivers is only a small percentage of total access lines, and any possible customer confusion associated with a caller's inability to use a 4-digit CIC in the waived exchanges is outweighed by the confusion which would accompany a revision to consumer education programs now being implemented which cite July 1, 1998 as the date by which the 4-digit CICs must be used.

Sprint continues to believe that the Commission acted appropriately in fashioning a two-step transition to use of 4-digit CICs and in adopting a June 30, 1998 end date for permissive use of both 3-digit and 4-digit CICs. In light of on-going industry and individual company efforts to educate consumers about this transition, and given the lack of compelling evidence that an additional delay in the permissive dialing period will serve the public interest, Sprint recommends that the Commission retain its current transition plan.

Sincerely,



Norina Moy
Director, Federal Regulatory
Policy and Coordination

[5] Sprint also agrees with MCI (letter, p. 8, citing Ameritech and GTE) that LECs which do not need a transition period should not be allowed to end the permissive dialing period and block 3-digit CICs before the June 30, 1998 date mandated by the Commission.

cc: Honorable William Kennard, Chairman
Commissioner Susan Ness
Commissioner Harold Furchtgott-Roth
Commissioner Michael Powell
Commissioner Gloria Tristani
Richard Welch
John Nakahata
Jim Casserly
Paul Gallant
Geraldine Matise
Kris Monteith
Marion Gordon