

FCC MAIL SECTION
Federal Communications Commission

DA 98-1299

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

DISPATCHED BY

In the Matter of)	
)	
Federal-State Joint Board on)	
Universal Service)	CC Docket No. 96-45
)	
Requests for Extension of)	
880/881 Transitional Dialing Plan)	APD No. 98-2
by the Commonwealth of the)	
Northern Mariana Islands and the)	
Territory of Guam)	

ORDER

Adopted: June 30, 1998

Released: June 30, 1998

By the Deputy Chief, Common Carrier Bureau:

I. INTRODUCTION

1. We have before us an Emergency Petition for Relief ("CNMI Petition") filed on May 13, 1998 by the Commonwealth of the Northern Mariana Islands ("CNMI"), and a Request for Extension ("Guam Request") filed on June 18, 1998 by the Governor of Guam.¹ CNMI and Guam request an indefinite extension of the 880 transitional dialing period established in our May 8, 1997 *Universal Service Order*.² The current transitional dialing period allows residents of CNMI and Guam to access toll-free numbers by utilizing 880 paid access codes until July 1, 1998. In this *Order*, we conclude that the transitional dialing plan should be extended indefinitely. We also state that we are amenable to revisiting this issue in the future, to ensure that the use of "paid access" continues to diminish in the Pacific Island territories, and the percentage of toll-free numbers that are not directly accessible to end users in these territories continues to decline.³

¹ Federal-State Joint Board on Universal Service, *Emergency Petition for Relief of the Commonwealth of Northern Mariana Islands*, CC Docket No. 96-45, APD No. 98-1, filed May 13, 1998; *Id.*, *Request for Extension of Permissive Dialing Period*, CC Docket No. 96-45, APD No. 98-2, filed June 18, 1998 (Guam Request)

² Federal-State Joint Board on Universal Service, *Report and Order*, CC Docket No. 96-45, 12 FCC Rcd 8776, 8995-9001 (1997) (*Universal Service Order*).

³ We are taking this action pursuant to authority delegated to the Common Carrier Bureau. See 47 C.F.R. §§ 0.91(f), 0.291.

II. BACKGROUND AND THE PETITIONS

2. Historically, the Pacific Island territories were treated as international destinations for purposes of telecommunications regulation. Since July 1, 1997, however, both CNMI and Guam have been included in the North American Numbering Plan (NANP).⁴ Inclusion in the NANP allows consumers in these territories to place calls to the mainland by dialing "1+" the area code and seven digits, rather than dialing an "011" international number. Interexchange carriers serving the Pacific Island territories were required to integrate their rates with the rates for services that they provided to other states by August 1, 1997.⁵

3. At the time of the *Universal Service Order*, most toll-free access customers in the United States had not purchased toll-free access service (i.e., 800 or 888 service) that included service to CNMI and Guam.⁶ As a substitute, end users in CNMI and Guam could obtain "paid access" to many toll-free numbers, by calling an 880 or 881 number and paying the cost of the portion of the call from the territories to Hawaii, where the call was then linked to domestic toll-free access service.⁷ In the *Universal Service Order* the Commission, among other things, recognized that the telecommunications markets of CNMI and Guam would likely undergo major changes in the next several years, and the Commission agreed that there should be some period of time in which consumers can continue to have access to toll-free numbers while the Pacific Island territories adjusted to inclusion in the NANP and rate integration.⁸ The Commission concluded, therefore, that it was in the public interest to permit the continued use of 880 and 881 numbers in the Pacific Island territories, including CNMI and Guam, until July 1, 1998.⁹ The Commission anticipated that by July 1, 1998, businesses subscribing to toll-free service would have made a decision as to whether to include the Pacific Island territories in their toll-free access service plans.¹⁰

4. In its Petition, CNMI states that "it has become clear that a further extension of the transitional 880 dialing period is necessary," and asks for an indefinite extension of the

⁴ The NANP is the basic numbering scheme that permits interoperable telecommunications service within the United States, Canada, Bermuda and most of the Caribbean. Calls made between points included in the NANP can be placed by dialing "1+" the area code and seven digit number. Calls to or from areas outside the NANP must use the "011" international access code. See Administration of the North American Numbering Plan, *Report and Order*, 11 FCC Rcd 2588, 2593-95 (1995).

⁵ See *Policy and Rules Concerning the Interstate, Interexchange Marketplace, Implementation of Section 254(g) of the Communications Act, as amended*, *Report and Order*, 11 FCC Rcd 9564, 9596-98 (1996).

⁶ See *Universal Service Order*, 12 FCC Rcd at 8996-8997.

⁷ *Id.*

⁸ *Id.*, 12 FCC Rcd at 8998.

⁹ *Id.*, 12 FCC Rcd at 8999.

¹⁰ *Id.*

transitional dialing plan, or, at a minimum, a one year extension, to July 1, 1999.¹¹ CNMI states that 75% to 80% of toll-free numbers are now accessible to end users in CNMI without having to dial the 880 access code.¹² CNMI asserts that, although this is a "profound improvement" over the pre-NANP situation in CNMI, a "significant number of toll-free codes are still not accessible to Commonwealth end users without dialing the 880 paid access code."¹³ According to CNMI, many of the approximately 25% of toll-free numbers that are still not directly accessible to end users in CNMI are for "major corporate entities and even government offices which Commonwealth end users would have an ostensible need to contact."¹⁴ CNMI states that extending the transition period will "permit the market additional time to thoroughly respond to the problem."¹⁵

5. CNMI argues that a denial of its request for an extension of the transitional period would not provide CNMI consumers with the "reasonably comparable" access required of insular areas by section 254(b)(3) of the Communications Act, as amended, because CNMI consumers would then be blocked from access to the remaining 25% of toll-free numbers that have not been made directly accessible.¹⁶ CNMI also argues that, by increasing telecommunications costs for end users, denial of its request would not serve the public interest, because the Commission is already aware that both *per capita* income and telephone penetration levels in CNMI are among the lowest in the Nation.¹⁷ Finally, CNMI asserts that no other parties would suffer adverse impacts from an extension of the transitional dialing plan.¹⁸ The Commission placed the CNMI Petition on Public Notice on May 21, 1998, and no comments or opposing statements were filed.¹⁹

¹¹ CNMI Petition at 3, 8.

¹² CNMI Petition at 3.

¹³ *Id.*

¹⁴ CNMI Petition at 4-5. As examples, CNMI states that toll-free numbers to America Online, the U.S. Immigration and Nationalization Service, the American Automobile Association, IBM Corporation, and Ramada Inns are not directly accessible to end users in CNMI.

¹⁵ CNMI Petition at 5.

¹⁶ CNMI Petition at 6, citing 47 U.S.C. § 254(b)(3). Section 254(b)(3) of the Act states:

[C]onsumers in all regions of the Nation, including low-income consumers and those in rural, insular, and high cost areas, should have access to telecommunications and information services . . . that are reasonably comparable to those services provided in urban areas. . . .

¹⁷ CNMI Petition at 7.

¹⁸ *Id.*

¹⁹ Emergency Petition for Relief of the Commonwealth of the Northern Mariana Islands, Pleading Cycle Established, *Public Notice*, CC Docket No. 96-45, DA 98-968 (rel. May 21, 1998).

6. On June 18, 1998, the Commission received a similar request for an indefinite extension from the Governor of Guam. The Guam Request states that "the majority of 800/888 toll-free access calls are being directly routed on a toll-free basis," but some toll-free numbers that require 880/881 paid access remain.²⁰ Guam states that the majority of the remaining toll-free numbers that are not directly accessible are "typically routed to carriers who have no point of presence on Guam or who have made no arrangement for the transport of calls originating on Guam."²¹ Guam also states that no complaints or network problems due to the transitional dialing plan have been reported.²²

III. DISCUSSION

7. At the outset, we note that, pursuant to section 251(e) of the Act, the Commission has exclusive jurisdiction over those portions of the NANP that pertain to the United States, and the institution of a "transitional dialing plan" for the Pacific Island territories was, and still remains, a valid exercise of our regulatory powers over numbering.²³ We continue to believe that, in line with the universal service goals of section 254 of the Act, insular areas such as Guam and CNMI must move swiftly to implement direct toll-free access to all mainland toll-free numbers, especially now that these areas are full participants in the NANP. We are sensitive, however, to the need not to cut off abruptly end users in these areas from all access to certain toll-free numbers.

8. We find that the public interest will be served by extending the 880 transitional dialing plan for the Pacific Island territories, including Guam and CNMI, for an indefinite amount of time. We are persuaded that considerable progress toward full toll-free access appears to have been achieved in the past year, as demonstrated by the statistics provided by CNMI. We are confident that the territories will continue on this course. We note also that no opposition to the CNMI Petition was filed. We agree with CNMI that, since 25% of toll-free numbers are still directly inaccessible to end users in CNMI, it will not serve the goals of section 254(b)(3) to terminate suddenly the only avenue of access that CNMI consumers have to this pool of remaining toll-free numbers.²⁴

9. We are amenable to revisiting this issue in the future, to ensure that the use of "paid access" continues to diminish in the Pacific Island territories and the percentage of toll-free numbers that are not directly accessible to end users in these territories continues to decline. We encourage interested parties to comment, at this point or at any future point, on the status of "paid access" dialing in the Pacific Island territories, and to bring any future

²⁰ Guam Request at 4.

²¹ *Id.*

²² Guam Request at 5.

²³ 47 U.S.C. § 251(e).

²⁴ 47 U.S.C. § 254(b)(3).

issues regarding access to toll-free numbers from the Pacific Island territories to the attention of the Commission, so that we may remain informed of the status of this issue.

IV. ORDERING CLAUSES

10. Accordingly, IT IS ORDERED that, pursuant to the authority contained in sections 1-4, 201-205, 218-220, 251, 254, 403 and 405 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-154, 201-205, 218-220, 251, 254, 403, and 405, the Emergency Petition for Relief the Commonwealth of the Northern Mariana Islands, filed on May 13, 1998, and the Request for Extension of the Governor of Guam, filed on June 18, 1998, are GRANTED.

FEDERAL COMMUNICATIONS COMMISSION

James D. Helbo, for James D. Schlichting

James D. Schlichting
Deputy Chief, Common Carrier Bureau