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OFFICE OF THE SECRETARY

January 7, 2000

Magalie Salas
Secretary
Federal Communications Commission
TW-A325
445 12th St., SW
Washington, D.C. 20554

EX PARTE OR LATE FILED

Re: EX PARTE PRESENTATION
CC Docket No. 95-155

Dear Ms. Salas:

In CC Docket No. 95-155, *Toll Free Service Access Codes*, the Commission is considering, among other things, the neutral administration of the SMS/800 database. AT&T, MCI WorldCom, and Sprint respectfully submit the attached paper, "Lack of Neutral Administration of the SMS/800 Database: Consequences and Remedies." This paper details the continuing deterioration in database system performance and describes various other problems responsible organizations and their toll free service subscribers have experienced as a result of the lack of neutral management of the toll free database. This paper also proposes short- and long-term remedies to address the serious problems resulting from this lack of neutral management.

An original and one copy of this letter are being filed.

Sincerely,

Norma King
on behalf of:

No. of Copies rec'd 0+1
List A B C D E

James Spurlock
AT&T
1120 20th St., NW, Suite 1000
Washington, DC 20036
(202) 457-3878

Norina Moy
Sprint Corporation
1850 M St., NW, Suite 1100
Washington, D.C. 20036
(202) 828-7444

Henry G. Hultquist
Mary DeLuca
MCI WorldCom, Inc.
1801 Pennsylvania Ave., NW
Washington, DC 20006
(202) 887-2502

As of January 17, 2000:
401 9th St., NW, Suite 400
Washington, DC 20004
(202) 585-1915

cc: Larry Strickling
Charles Keller
Marty Schwimmer
Blaise Scinto
Yog Varma
Kathy Brown
Dorothy Attwood
Jordan Goldstein
Rebecca Beynon
Kyle Dixon
Sarah Whitesell

LACK OF NEUTRAL ADMINISTRATION OF THE SMS/800 DATABASE: CONSEQUENCES AND REMEDIES

I. INTRODUCTION.

In CC Docket No. 95-155, *Toll Free Service Access Codes*, the Commission is considering, among other things, the neutral administration of the SMS/800 database. The Commission received comments on this issue in July 1998¹; the record in this proceeding clearly demonstrates that the management of the SMS/800 database is *not* in the hands of a neutral entity and that serious adverse consequences have flowed from the fact that the RBOCs continue to control this vital industry resource.

The situation has only deteriorated in the last 18 months. AT&T, MCI WorldCom, and Sprint Corporation (collectively, Joint Petitioners) submit this paper in order to refresh the record; we describe below the continuing deterioration in SMS/800 system performance and problems experienced as a result of the lack of neutral management of the toll free database. Based on the existing and updated record, Joint Petitioners strongly urge the Commission to take the following steps: first, as an interim measure, that the Commission direct that the SMS Management Team (SMT) be expanded to include representation from non-RBOC industry segments; second, that the Commission initiate the process of selecting a truly neutral database administrator; and third, that the Commission issue an order to the SMT to show cause why it (the SMT) should not adopt and implement certain technical recommendations designed to ensure the integrity and reliability of the SMS/800 system.

¹ CC Docket No. 95-155 and NSD File No. L-98-85, Public Notice released June 11, 1998 (DA-98-1112).

The SMS/800 database is a vital industry resource which currently is under the firm control of the RBOCs. As demonstrated below, under the RBOCs' management, SMS/800 performance levels have declined since 1993, when database access for toll free service was first implemented; decisions affecting toll free service providers' ability to reserve numbers and update records have been made without adequate consultation with or notification to responsible organizations ("resp orgs"); and software upgrades have been implemented which do not reflect the priorities established by the industry or the needs of the largest users. Attempts by resp orgs to improve system performance and maximize system reliability through the industry forum process are routinely rebuffed by the SMT. The relief requested herein is designed to address these serious problems.

AT&T, MCI WorldCom and Sprint, the three largest resp orgs, are vitally concerned with ensuring reliable and efficient database system performance, and obtaining access to the SMS/800 at reasonable and nondiscriminatory rates, terms and conditions. If service providers are to satisfy the demands of existing and potential toll free service subscribers, it is essential that carriers be able to obtain the numbers their customers want, and that those numbers go active in LEC switches, on a timely basis. Unless the relief requested herein is granted promptly, there can be no assurance that the SMS/800 system will meet the high levels of availability and reliability demanded by the market. Prompt Commission action also is needed to help ensure that the SMS/800 system is capable of handling ever-increasing volumes of record transactions and the new toll free access codes which are scheduled for implementation in the next 4 months.²

² The 866 and 855 codes are scheduled to be opened up in April, 2000.

II. BACKGROUND.

Since May 1993, toll free access service has been provided using the SMS/800, a centralized database which contains information associated with each toll free number, including the identity of the carrier(s) selected by the toll free subscriber for that number. The SMS/800 is used by resp orgs to reserve new numbers, return unused numbers, and update customer records and routing instructions for the toll free numbers under their control. Obviously, resp orgs must have ready and reliable access to the SMS/800 in order to provision toll free service for their subscribers in a timely and efficient manner. Carriers providing toll free service have no alternative to the SMS/800; there is no other database available, and providing record updates directly to each individual LEC is not an option.

When a toll free call is placed over the public switched network, the LEC on the originating end is responsible for routing the call to the appropriate toll free service provider; it identifies this service provider by querying a regional database (a Service Control Point, or SCP). SCPs must be updated regularly and frequently by downloading information from the SMS/800 to ensure correct routing of toll free calls. Here again, it is obvious that ready and reliable access to the SMS/800 by SCP owner/operators is critical to the correct routing of toll free calls. And, here again, SCP owner/operators have no alternative to the SMS/800 to obtain toll free record updates.

The RBOCs control virtually every aspect of the SMS/800. First, as owners of the database, they provide access to the SMS/800 to resp orgs on a tariffed basis.³ The RBOCs, through the SMT, determine the rates paid by resp orgs to access the SMS/800 (monthly and

³ *Provision of Access for 800 Service*, 8 FCC Rcd 1423 (1993) (“*SMS Tariffing Order*”).

nonrecurring charges apply), to maintain customer records (\$.37 per record per month),⁴ to obtain reports, and to obtain other miscellaneous services. Second, the RBOCs provide access to the SMS/800 to SCP owner/operators on a contract basis; terms of those contracts are not publicly available. Third, the RBOCs, again through the SMT, control SMS software maintenance and enhancement. Fourth, one BOC, Southwestern Bell, provides the SMS/800 hardware and operates the data center. The administrative functions of the SMS/800⁵ are performed by DSMI, a seemingly neutral entity.⁶ However, DSMI's role is ministerial; it does not determine policy, set rates, or make hardware or software investment decisions. As the Commission noted in the *SMS Tariffing Order* (para. 31), "...the BOCs control all fundamental aspects of SMS access. The third-party administrator...is merely a subcontractor with ministerial caretaking responsibilities performed on behalf of the BOCs...."

III. SMS/800 PERFORMANCE HAS DETERIORATED, AND OPERATIONAL AND INVESTMENT DECISIONS ARE MADE BY THE SMT WITHOUT ADEQUATE NOTIFICATION TO AND CONSULTATION WITH RESP ORGS.

There is no dispute that access to the SMS/800 by resp orgs and SCP owner/operators is essential to the provision of toll free service. As demonstrated below, under the stewardship of the SMT, performance levels have deteriorated, and operational and investment decisions have been made which have negatively affected the ability of carriers to provide toll free service of the

⁴ 1999 revenues earned by the SMT from the customer record administration charge alone are expected to be approximately \$89 million.

⁵ These functions include arranging training and access for resp orgs, running data uploads from resp orgs and downloads to SCPs, handling SMS/800 trouble tickets, rendering bills and handling billing inquiries, coordinating new code releases, and scheduling network updates to accommodate routing capabilities.

⁶ DSMI was formerly owned by the RBOCs through Bellcore. Bellcore has since been sold to an entity unaffiliated with the RBOCs.

quality being demanded by service subscribers. Although the RBOCs, through the SMT, are the common factor throughout the database system, they have refused to accept meaningful responsibility for the efficient functioning of that system on an end-to-end basis. The Joint Petitioners and other resp orgs have, time and time again, proposed various solutions to technical and operational problems experienced; however, their recommendations have been given short shrift by the SMT, and the overall situation is deteriorating rather than improving.

A. System Performance Has Deteriorated.

The management of toll free records is a far more complicated task today than it was when database access for toll free service was first implemented in May 1993. In May 1993, there were approximately 3.1 million assigned 800 numbers housed in 10 partitions of the SMS/800.⁷ Demand for toll free service has exploded over the past 6 years, resulting in ever-increasing use of the SMS/800. The industry has now implemented 2 additional toll free service access codes (888 and 877, each of which has approximately 7.9 million assignable numbers), and today, there are approximately 20.8 million active toll free numbers. The SMS/800 now has 30 (soon to be 50) partitions, each of which must be accessed when performing query activities. As competition in the toll free services market developed, and as subscribers became increasingly familiar with the concept of toll free number portability, the sheer volume of resp org change transactions has increased dramatically. Toll free customer service records are more complex today than they were six years ago, as an increasing number of subscribers choose to use multiple service providers for the same number, depending upon factors such as time of day,

⁷ FCC *Statistics of Common Carriers*, Table 8.14. Each toll free service access code (800, 888, 877, etc) has 10 partitions – one for each XYY code.

geographic area of service, and least cost routing. And, maintenance of existing toll free customer records has become more complicated. For example, every time a new NPA is introduced (an increasingly common occurrence), potentially millions of SMS/800 records must be updated⁸ to reflect the new terminating POTS number associated with each affected toll free number. Finally, as competition in the toll free services market has intensified, there is increasing evidence that some resp orgs are engaging in abusive practices related to obtaining desirable toll free numbers which have had a detrimental impact on the efficient functioning of the SMS/800 database.

Unfortunately, the capacity of and enhancements to the SMS/800 have not kept pace with market developments. The SMS/800 can download a maximum of 200,000 records per day to SCPs -- fewer if the records are complex (*e.g.*, involve multiple service providers) -- the same capacity as existed four years ago, when there were millions fewer toll free numbers in use. A significant and increasing proportion of SMS/800 production capacity is being used to perform SCP conversion activity (*e.g.*, to reflect new NPAs) -- capacity which might otherwise be used to reserve and activate toll free numbers -- because there is no alternative, parallel system to handle such conversion activity.

The Joint Petitioners' internal analyses and anecdotal experiences confirm that service performance has deteriorated. The number of trouble tickets called in to the SMS/800 help desk has increased dramatically. AT&T, for example, originated 7 trouble tickets in 1993; through the third quarter of 1999, it had originated 115 trouble tickets. Moreover, it appears that the average time to activate a toll free number in LEC SCPs has increased; the Joint Petitioners have recently

⁸ Every SMS/800 record initially must be analyzed to determine if it is affected by a new NPA.

experienced cases in which records have been stuck in “sending” status for up to 3 days. Internal studies indicate that the daily average time to activate a toll free number over the past 6 months was 3 hours 35 minutes; the best average daily time was 6.3 minutes, and the worst average time was 1.5 days. Resp orgs frequently experience congestion when accessing the SMS/800 to make record changes or to obtain new toll free numbers; indeed, the Joint Petitioners have informally agreed to limit the number of daily transactions they make in order to prevent the SMS/800 from crashing. Such limits do, of course, compromise the quality of service to subscribers; for example, the Joint Petitioners are aware of specific instances in which they have had to deny the request of a large user for coordinated conversion of its toll free service from one carrier to another, or for simultaneous activation of a large block of numbers. In short, it is taking longer to perform the administrative tasks necessary to provide toll free service, and toll free service subscribers are experiencing delays (which they attribute to the service provider) in turning up the service requested. And, performance is deteriorating at the same time that tariffed SMS/800 rates are increasing; the customer record administration (CRA) rate element, for example, which is assessed per toll free number, increased from \$.34 to \$.37 per month, even though the RBOCs were required to refund tens of millions of dollars to resp orgs for excess charges assessed through May 30, 1997.

In their capacity as toll free service providers and SMS/800 service subscribers, Joint Petitioners have requested service performance data from the SMT, through the industry forum process, on numerous occasions.⁹ The SMT has consistently denied such requests, insisting that

⁹ These requests were made in conjunction with discussions on OBF Issue No. 1566 (described in Section III.B below).

such data were “proprietary.” While the Joint Petitioners’ internal data indicate a deterioration in service quality, comprehensive data on overall service performance remains under the control of the SMT. In order to assess the degree to which service performance has deteriorated, Joint Petitioners therefore urge the Commission to require SMT to provide service performance information for 1993 and for the most recent quarter for which such data are available. In particular, the SMT should provide information on the average number of seconds to respond to a resp org number status query, number update, and customer record database update,¹⁰ as well as the average number of seconds to activate a record.¹¹ The Commission also should require the SMT to provide this information to resp orgs on a quarterly basis to allow on-going monitoring of system performance.

B. The SMT Has Been Unresponsive to Technical Recommendations to Improve System Performance Proffered by the Joint Petitioners through the Industry Forum Process.

The Joint Petitioners and other parties, including the RBOCs, are active in the SMS/800 Number Administration Committee (“SNAC”), the industry forum responsible for “identify[ing], develop[ing] and implement[ing] the resolution of issues focused on the support of the SMS/800” (SNAC Mission statement). The Joint Petitioners have attempted to work through SNAC to resolve problems relating to SMS/800 system congestion. On August 13, 1997, Issue Number 1566 (SMS/800 System Utilization Constraints) was presented and accepted at the OBF (Ordering and Billing Forum, a parent organization of the SNAC) to address ways to ensure that

¹⁰ This should be measured from the time the SMS DCM (Data Communications Manager) receives the resp org request (REQ XXX) to the time the SMS sends its response message (RSP XXX).

¹¹ This should be measured from the effective date and time requested by the resp org to the time the SMS returns the message that all SCPs have been updated (the UNS-CRA (unsolicited update customer record) message).

record updates are accomplished in a timely manner, and to protect against SMS/800 overload.

Over the course of nine SNAC meetings, three SNAC interim meetings, several Task Force meetings, and eight Technical Subteam meetings, the Joint Petitioners presented the SMT with the following recommendations:

- Provide resp org change information only to affected SCPs: The SMT began downloading resp org change information (*i.e.*, changes in the identity of the resp org associated with a toll free number) -- which does not affect the routing of a toll free call -- to SCPs without prior notice to resp orgs. Because this affects millions of records each year, the SMT's decision here has contributed to the congestion in the SMS/800 to SCP link and slowed the time it takes to activate toll free numbers and to update routing information for toll free numbers in the LECs' SCPs. When the SNAC finally became aware of the SMT's actions here, it requested that the SMT discontinue sending this information. SMT denied this request and advised that it did not intend to discuss the matter further with the SCP owner/operators.
- Provide routing change information only to affected SCPs: The SNAC has recommended that record updates be downloaded only to affected SCPs, rather than to all SCPs. SMT has deferred this issue to the SCP owner/operators.
- Future pending records updates: In order to balance the load of incoming activation requests, SNAC proposed development of a feature which would allow some prioritization of record updates. With such a feature, resp orgs could, for example, schedule non-immediate activation requests for implementation during a period of relative low system capacity utilization. To date, the SMT has declined to commit the resources needed to develop such a feature.
- Modification of NPA splits and concurrent running of NPA splits: Each time there is an NPA split, the SMS/800 record associated with each affected terminating number must be updated to reflect the new NPA. Currently, these updates are uploaded to the SMS/800 and downloaded to the SCPs one record at a time. SNAC has suggested that the process of implementing NPA splits be evaluated to determine whether that process could be made more efficient; for example, where an existing NPA is split into 2 new NPAs, it would appear to be more efficient to modify a record once to reflect both new NPAs rather than updating each record twice (once for each new NPA). The SMT has stated that no significant changes to the process of handling NPA splits are possible.
- Report processing modifications: SNAC has recommended the development of a separate reports database which includes historical information on toll free record changes. This would allow the SMS/800 to be used only for number administration. The SMT has agreed to deploy a separate records database, but failed to consult with SNAC as to its needs.

- Reengineering of SMS/800: SNAC recommended that the SMT analyze SMS/800 use to determine whether it is capable of handling the expected future volume of toll free record changes, and whether a better database can be developed. To date, no such strategic analysis has been performed.
- Increase link capacity: Currently, the links between the SMS/800 and SCPs are only 56 kbps. SNAC has recommended that link capacity be increased so that records could be downloaded and activated more quickly. SMT has declined to adopt this recommendation, Although the SMT has stated that it plans to deploy a scalable TCP/IP (which downloads data more efficiently so that more data can flow through the 56 kbps circuit) for fall 2000, it remains unclear whether this measure will be sufficient for the long term or whether the SMT performed a cost-benefit analysis of the SNAC recommendation.
- Global LAD/CPR (Label Definition/Call Processing Record): In cases in which the same change is required to multiple records (in some cases, hundreds of thousands of records), it is potentially vastly more efficient to have customer records refer to a template reflecting this change, than to update each individual record. SNAC has suggested development of a feature which would allow SMS/800 to download this template to SCPs; SMT has referred this matter to the SCP owner/operators.

Today, more than two years after this issue was accepted by SNAC, the industry is no closer to resolving the problem of SMS/800 system congestion. The SMT has refused to adopt any of the recommendations offered by the Joint Petitioners, or even to provide certain data (such as SCP utilization, fill rates, and engineering schedules) needed to fully evaluate the problem. Indeed, despite its stranglehold over the SMS/800, the SMT has to date refused to accept a reasonable degree of responsibility for the end-to-end performance of the database system, in particular for the link between the SMS/800 and the LECs' SCPs. There is apparently no service level agreement between the SMT and SCP owner/operators, and as a result, neither side has been willing to take the steps necessary to resolve the immediate and long-range system congestion problems described above.

Given the reluctance of the SMT to take appropriate action to address SMS/800 system congestion issues, the Joint Petitioners urge the Commission to direct the SMT to show cause why it cannot, or is not, implementing the technical recommendations listed above.

Alternatively, the SMT should be required to explain what steps it is currently taking to address the problems raised in OBF issue number 1566. The information provided by SMT should be sufficiently detailed to enable the Joint Petitioners and other interested parties to evaluate the likely effectiveness of the SMT's proposed course of action.

C. Operational and Investment Decisions Are Often Made Unilaterally by the SMT.

As shown in Section III.B above, the SMT is generally unreceptive to resp orgs' recommendations on technical and operational matters. In addition, it has been the experience of the Joint Petitioners that the SMT has an unfortunate tendency to make operational and investment decisions without adequately consulting with or notifying resp orgs – the parties directly affected by its actions, and the parties who bear the heaviest financial consequences of the SMT's decisions. To cite but a few examples, the SMT has taken the following actions which have had a direct, detrimental impact on the operations of resp orgs generally, and of the Joint Petitioners in particular:

- The SMT implemented a Graphical User Interface (GUI), a software enhancement used by dial-up resp orgs (who account for less than 10% of toll free numbers), even though this feature was never requested or endorsed by SNAC. The Joint Petitioners do not know how much SMT expended in personnel or dollars to develop and implement GUI. However, because there is no separate GUI charge assessed only on GUI users, it is likely that SMT is recovering GUI-related costs from resp orgs generally, including those who do not use this feature. In addition, because not all dial-up resp orgs use GUI, the earlier interface used by dial-up resp orgs must still be supported, at additional expense. Finally, it seems reasonable to assert that projects of higher priority (as ranked by SNAC) remain unmet or were behind schedule, in part because limited resources were diverted to GUI.
- The SMT revised SMS/800 records to reflect treatment of numbers in Guam as domestic rather than international points using a methodology not communicated to resp orgs. The SMT subsequently revised the methodology used, forcing resp orgs who had created customer records using the first methodology to re-create those records using the second methodology.

- As described above, the SMT began downloading resp org change information (which does not affect the routing of a toll free call) to SCPs without prior notice to resp orgs. Because this affects millions of records each year, the SMT's decision here has contributed to the congestion in the SMS/800 to SCP link and slowed the time it takes to activate toll free numbers and to update routing information for toll free numbers in the LECs' SCPs. The SMT has informed SNAC that it would continue to provide this information to SCP owner/operators.
- The SMT scheduled release of a Reports Database (a database separate from the SMS/800 which includes historical information on toll free record changes) outside the normal industry prioritization process. IXCs, who because of the quantity of toll free numbers they control are expected to be the heaviest users of the Reports Database, were not consulted as to their needs in this regard. Although the need for a separate reports database had been raised in SNAC (see Section III.B above), this request was never subjected to SNAC's project evaluation and prioritization process.

In each of these cases, confusion and re-work on the part of the SMT's "customers" (resp orgs and SCP owner/operators), delays in service activation, and possible delays in service enhancements planned by toll free service providers, could have been avoided or at least minimized had the SMT provided advance notification of its plans, and abided by the prioritization processes adopted by the SNAC. Because the SMS/800 remains a monopoly facility, because the SMT consists solely of one industry segment (the RBOCs), and because it has become increasingly clear that participation in SNAC provides no guarantee that user (resp org) needs will be met or considered, the Joint Petitioners have no recourse but to turn to the Commission to obtain the relief discussed in Section IV below.

IV. THERE IS A CLEAR NEED FOR NEUTRAL ADMINISTRATION OF THE SMS/800.

Both Congress and the Commission have recognized that administration of vital industry resources must be in the hands of a neutral entity, unaffiliated with any particular carrier or industry segment. Section 251(e)(1) of the Telecommunications Act of 1996 requires the Commission to "create or designate one or more impartial entities to administer

telecommunications numbering and to make such numbers available on an equitable basis.”

Consistent with this statutory mandate, the Commission appointed a neutral administrator of the North American Numbering Plan.¹² It subsequently mandated that the local number portability databases¹³ and the Universal Service Funds¹⁴ also be administered by a neutral entity, and is currently considering a request that slamming complaints be investigated and resolved by a neutral third party.¹⁵ Although the Commission concluded over two years ago that “as presently structured, toll free number database administration is inconsistent with section 251(e)(1) of the Communications Act,”¹⁶ no actions have been taken to address this situation, and the SMS/800 remains under the control of the RBOCs. Thus, with the glaring exception of the SMS/800 database, the Commission has consistently required that common industry resources be placed under the management and control of an impartial, non-aligned entity.

¹² *Administration of the North American Numbering Plan*, 11 FCC Rcd 2588, 2613 (para. 57) (1995) (the NANP administrator “should be a non-governmental entity that is not aligned with any particular telecommunications industry segment” and must be “fair and impartial”).

¹³ *Telephone Number Portability*, 11 FCC Rcd 8352 (1996). The Commission stated (at 8401, para. 92) that

Neutral third party administration of the [LNP] databases containing carrier routing information will facilitate entry into the communications marketplace by making numbering resources available to new service providers on an efficient basis. It will also facilitate the ability of local service providers to transfer new customers by ensuring open and efficient access for purposes of updating customer records.... Neutral third party administration of the carrier routing information also ensures the equal treatment of all carriers and avoids any appearance of impropriety or anti-competitive conduct.

¹⁴ *Federal-State Joint Board on Universal Service*, 12 FCC Rcd 8776, 9215 (para. 863) (1997). The Commission stated that the USF administrator must “be neutral and impartial”; “not be aligned or associated with any particular industry segment”; and “not have a direct financial interest in the support mechanisms established by the Commission.”

¹⁵ *Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996; Policies and Rules Concerning Unauthorized Changes of Consumers by Long Distance Carriers*, CC Docket No. 94-129, *Joint Petition for Waiver* filed on March 30, 1999 by AT&T, Sprint, MCI WorldCom, Comptel, TRA, Excel, Qwest, and Frontier.

¹⁶ *Administration of the North American Numbering Plan (CC Docket No. 92-237) and Toll Free Service Access Codes (CC Docket No. 95-155)*, 12 FCC Rcd 23040, 23094 (para. 109) (1997).

In 1992, Sprint filed a petition requesting, among other things, that the Commission initiate a proceeding to determine an appropriate and acceptable structure and charter for parties responsible for administering and operating the SMS. The Commission denied Sprint's request without prejudice, expressing the view that Sprint's request was "premature" because issues relating to database administration were "under active discussion within the telecommunications industry" which the Commission hoped might result in an industry consensus.¹⁷ No such consensus has emerged in the past 7 years, and it is now well past the time where the benefits of neutral administration should be extended to the toll free database service market. The RBOCs currently compete with IXC's to provide intraLATA toll free service (Bell Atlantic-New York competes to provide interLATA service as well), and the RBOCs are expected to win additional authorization to provide interLATA service in the near future. The existing SMT structure gives the RBOCs the ability to have a direct, negative effect on their competitors' finances and toll free operations; if nothing else, the SMT structure provides the RBOCs with access to competitively sensitive information relating each resp org's provision of toll free service. Under these conditions, the need to ensure neutral administration of the SMS/800 system takes on added urgency.

The Joint Petitioners recognize that transfer of control of the SMS/800 and of the responsibilities of the SMT to a neutral entity¹⁸ cannot be accomplished overnight, and that

¹⁷ *Provision of Access for 800 Service*, 7 FCC Rcd 5197, 5197-98 (para. 5) (1992).

¹⁸ Such transfer of control obviously goes beyond appointment of an unaffiliated entity to handle the ministerial functions of the SMS/800.

complicated issues related to RBOC ownership of the SMS/800 remain to be addressed. Such issues are best addressed in a rulemaking proceeding, which the Joint Petitioners urge the Commission to initiate on an expedited basis.

Pending transfer of control of the SMS/800 to a neutral entity, the Joint Petitioners recommend that the Commission direct that membership on the SMT be expanded to include representation from other (non-RBOC) industry segments, in particular, from the IXC segment which currently provides the overwhelming majority of toll free service. The Joint Petitioners recommend that half of the seats on the reconstituted SMT be filled by IXC representatives, and the other half by LEC representatives (RBOCs and non-BOC SCP owner/operators).¹⁹ At a minimum, the new SMT should have:

- responsibility for establishing software maintenance and enhancement schedules (based primarily on SNAC prioritization schedules);
- responsibility for establishing hardware upgrade schedules;
- responsibility for investigating and addressing alleged system abuse by resp orgs; and
- access to the cost information (as well as input into cost allocation decisions) underlying tariffed SMS/800 rates.²⁰

The benefits of expanding SMT representation to include non-BOC members are obvious. First, it helps to ensure that parties other than the RBOCs have meaningful input into the non-discriminatory and efficient operation of the SMS/800 database upon which the industry

¹⁹ The Joint Petitioners believe that the Commission could then leave it to the industry (SNAC and the SCP owner/operator group) to determine which specific companies would sit on the reconstituted SMT, and how long the representative term should last.

²⁰ This is consistent with the Commission's view that "[b]ecause SMS access is necessary to the provision of 800 service under the data base system, it is essential that SMS access be provided on a nondiscriminatory basis and at reasonable rates" (*SMS Tariffing Order*, para. 29).

relies to provide toll free service and which the industry finances. Second, it helps to ensure that tariffed rate elements are reasonable and non-discriminatory. Third, it makes it easier (or at least more acceptable) to address resp org system abuses if resp orgs have some assurance that disciplinary action (where warranted) is meted out by a relatively balanced management organization.

V. CONCLUSION.

If the SMS/800 system is to function effectively, efficiently, and in a neutral fashion, significant changes in the SMS/800 management and control structure are required. For the reasons set forth above, the Joint Petitioners request that the Commission issue a Show Cause Order to the current SMT regarding implementation of technical and operational solutions to the system congestion problems; direct that the current SMT be expanded to include non-BOC representation, as an interim measure; and institute a rulemaking proceeding to consider the transfer of control of the SMS/800 database to a neutral third party.

Respectfully submitted,

AT&T

James Spurlock /nm

James Spurlock
1120 20th St., NW, Suite 1000
Washington, DC 20036
(202) 457-3878

MCI WORLDCOM, INC.

Henry G. Hultquist /nm

Henry G. Hultquist
Mary DeLuca
1801 Pennsylvania Ave., NW
Washington, DC 20006
(202) 887-2502

SPRINT CORPORATION

Norina T. Moy

Michael B. Fingerhut
Norina T. Moy
1850 M St., N.W., Suite 1110
Washington, D.C. 20036
(202) 857-1030

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