

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

In the Matter of)	
)	
Implementation of the Subscriber Carrier)	CC Docket No. 94-129
Selection Changes Provisions of the)	
Telecommunications Act of 1996)	
)	
Policies and Rules Concerning)	
Unauthorized Changes of Consumers)	
Long Distance Carriers)	
)	
Proposal to Require Resellers to Obtain)	DA 00-1093
Carrier Identification Codes)	

COMMENTS OF GTE SERVICE CORPORATION

Dated: June 13, 2000

GTE Service Corporation and its affiliated
domestic companies

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TABLE OF CONTENTS

	<u>PAGE</u>
I. BACKGROUND.....	2
II. DISCUSSION.....	3
A. GTE opposes imposing additional costs on LECs in order to solve the soft slam problem.	3
B. Requiring resellers to obtain individual CICs would impose substantial costs on resellers.	5
C. Before adopting costly measures to address the soft slamming problem, the Commission should seek to understand more about the nature of the problem and allow time for the strong measures already adopted by the Commission to address the problem.	5
D. In the event the Commission does adopt a reseller CIC requirement, GTE would support modifying the existing policy on CIC assignments.	7
III. CONCLUSION	9

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COMMENTS OF GTE SERVICE CORPORATION

GTE Service Corporation and its affiliated domestic companies (collectively “GTE”)¹ hereby respectfully submit comments in response to the *Public Notice* by the Federal Communications Commission (“FCC” or “Commission”) in the above-captioned proceeding.²

¹ GTE's domestic companies are: GTE Alaska Incorporated, GTE Arkansas Incorporated, GTE California Incorporated, GTE Florida Incorporated, GTE Hawaiian Telephone Company Incorporated, The Micronesian Telecommunications Corporation, GTE Midwest Incorporated, GTE North Incorporated, GTE Northwest Incorporated, GTE South Incorporated, GTE Southwest Incorporated, Contel of Minnesota, Inc., Contel of the South, Inc., GTE Wireless Incorporated, GTE Communications Corporation and GTE Long Distance.

² *Public Notice*, Common Carrier Bureau Asks Parties to Refresh Record and Seeks Additional Comment on Proposal to Require Resellers to Obtain Carrier Identification Codes, DA 00-1093 (released May 17, 2000) (“*Public Notice*”)

I. BACKGROUND

In the *Public Notice*, the Commission seeks to refresh the record submitted in March and May of 1999 in the *Further Notice of Proposed Rulemaking* in this docket.³ In *FNPRM*, the Commission noted that switchless resellers do not have their own carrier identification codes (“CICs”), but rather use the CICs of their underlying facilities-based carriers. As a result, customers of resellers are susceptible to the “soft slam” – whereby the subscriber is switched without authorization to a carrier that uses the same CIC as the authorized carrier. In addition, as a result of the CIC situation, the Commission noted that local exchange carriers (“LECs”) might inadvertently misidentify a customer’s authorized carrier and customers might have difficulty detecting when an unauthorized carrier change has occurred.

In response to the *FNPRM*, GTE supported requiring switchless resellers to obtain individual CICs, but only if the LEC network switches have sufficient capacity to handle the additional codes. In the event sufficient CICs are not available, however, GTE supported using a type of pseudo-CIC to help identify resellers. GTE opposed requiring facilities-based carriers to modify their systems to execute preferred carrier freeze protection.⁴

³ Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996, Policies and Rules Concerning Unauthorized Changes of Consumers Long Distance Carriers, *Second Report and Order (“Second Order”) and Further Notice of Proposed Rulemaking (“FNPRM”)*, CC Docket No. 94-129, 14 FCC Rcd 1508 (1998).

⁴ Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996, Policies and Rules Concerning Unauthorized Changes of Consumers Long Distance Carriers. CC Docket No. 94-129, GTE Comments (filed March 19, 1999) at 4-10 (“GTE Comments”).

By the *Public Notice*, the Commission now seeks additional comments on these and other related issues. In response to the Commission's request for comments, as discussed below, GTE now modifies its initial comments in one significant aspect. Thus, while GTE initially supported requiring switchless resellers to obtain CIC codes, GTE now believes that the costs of implementing a reseller CIC code solution would be prohibitive.

II. DISCUSSION

A. GTE opposes imposing additional costs on LECs in order to solve the soft slam problem.

In the *Public Notice*, the Commission generally seeks comment on the feasibility of requiring resellers to obtain individual CICs. In particular, the Commission asks for additional comment on "the network, operations support systems, and/or other modifications that underlying carriers and LECs would have to make to accommodate the use of reseller CICs".⁵

As noted above, in its initial comments, GTE stated that it supported requiring resellers to obtain individual CICs as a solution to the soft slam problem. However, GTE commented that LECs should not be required to make network changes in order to accommodate reseller CICs. Upon further study of the costs of implementing a reseller CIC solution, GTE now believes that assigning each reseller its own individual CIC is the wrong solution to the problems the Commission is seeking to address. In particular, GTE believes that costs of implementing a reseller CIC solution outweigh the benefits the Commission hopes to obtain.

In GTE's particular case, while some switch types—if modified to enhance the memory— have the capacity to handle all 10,000 possible 4-digit CICs, many do not. GTENS generally averages over two hundred CICs per switch in its 1600 plus switches. Almost half of these switches have a capacity of only 255 codes today. While many of these smaller capacity switches are in locations that could be considered less likely to be targeted by a large number of resellers, that will not always be the case. The GTD5 switch, which comprises over a third of GTENS' switch total, has a capacity of only 500 CICs. A 500 CIC capacity could well be insufficient in some locations to handle all resellers who would obtain CICs. Of more immediate issue, GTENS cannot add any new CICs to its switches in Hawaii because international operations have already utilized the total capacity.

Upgrades to accommodate new CICs in the quantities necessary to support all resellers may not be possible with some switch types. Even where upgrades are possible to accommodate more CICs, significant memory enhancements could be required. GTE does not have detailed information from its switch vendors about the possibility of expanding the CIC capacity through new generics, nor does GTE have specific cost figures for such enhancements. Nonetheless, GTE believes the cost to LECs to accommodate additional codes will be significant. First, the cost to upgrade switches is substantial. Second, there are also labor costs to update the switch databases to activate new CIC codes. These labor costs can be significant since the average CIC addition takes two person-hours per code per office for GTE.

⁵ *Public Notice* at 2.

GTE believes that the costs to LECs to upgrade their networks to accommodate additional CICs are not warranted. In stead, GTE recommends that an administrative solution be sought. If practical and/or operational gaps exist in the FCC's well-reasoned policies with respect to carrier changes, the answer should be found at the source of the gap, which in this case is the discipline of the resale regime. Imposing unnecessary costs on LECs and, as will be shown, on resellers to effect the wrong solution is clearly the wrong policy.

B. Requiring resellers to obtain individual CICs would impose substantial costs on resellers.

The FCC also asks if the proposed CIC requirement would be affordable for switchless resellers.⁶ While GTE cannot speak to the affordability, requiring resellers to obtain individual CICs would impose substantial costs. To obtain individual CICs, resellers would be required to file Access Service Requests (ASRs) for each switch (tandem plus subtending offices, or each individual switch) in which the reseller wanted its CIC to appear. Filing ASRs would require administrative time and cost for both the submitting carriers and the switch owners. Again, GTE believes the soft slam problem should be addressed through less costly means.

C. Before adopting costly measures to address the soft slamming problem, the Commission should seek to understand more about the nature of the problem and allow time for the strong measures already adopted by the Commission to address the problem.

In the *Public Notice*, the Commission asks for more details on the extent of the soft slamming problem. Unfortunately, GTE cannot identify the percentage of slamming

⁶ *Id.*

complaints that involve soft slams. That information can only be obtained from the facilities-based interexchange carriers that are the executing carriers in the soft slam situation. Without this information, there is no way for the FCC to determine the extent of the soft slamming problem or to know if there is a significant problem that requires an expensive and time-consuming solution such as CIC codes for resellers. Therefore, before adopting any measures to address the soft slamming problem, the Commission should require the facilities-based interexchange carriers and their resellers to provide information regarding the dimensions of the soft slamming problem. The industry and the Commission should then evaluate the problem before deciding what type of additional measures, if any, are needed to address the problem.

GTE believes that it is too early to assume that any additional measures are needed to curb soft slams. Specifically, GTE believes that prior to adopting any measure designed specifically to address the soft slam problem, the Commission should evaluate whether the strong measures it recently adopted to address slamming problems to address soft-slams as well. The Commission recently adopted new slamming reimbursement rules.⁷ Although those rules have not yet gone into effect, the Commission has stated its belief that new rules—including a 30-day absolution for slammed customers who did not pay their unauthorized carrier and the payment from the unauthorized to the authorized carrier of 150% of any amounts received by the

⁷ Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996, Policies and Rules Concerning Unauthorized Changes of Consumers Long Distance Carriers, *First Order on Reconsideration*, CC Docket 94-129, FCC 00-135 (released May 3, 2000).

unauthorized carrier from the consumer—will significantly reduce slamming. Also, the Commission's Truth-in-Billing rules have gone into effect since the *FNPRM* was adopted. These rules provide additional information to customers to help them identify problems such as slamming more quickly. Clearly the Commission believes that these new rules will help to reduce the overall slamming problem. Given that belief, it is not appropriate to implement new and expensive requirements to reduce one specific type of slam, without first giving the new rules a chance to work.

D. In the event the Commission does adopt a reseller CIC requirement, GTE would support modifying the existing policy on CIC assignments.

In the *Public Notice*, the Commission seeks comment on whether the reseller CIC proposal would create a significant threat of CIC exhaustion, and whether modifications to existing Commission policy restricting CIC assignments may be necessary to accommodate reseller CICs.⁸ GTE does not know how many resellers do not have CIC codes today or, if required to obtain codes, how many each reseller might request. That information can only be provided by the facilities-based interexchange carriers and the resellers that use their networks. Without that information, GTE cannot determine if there is a risk of CIC exhaust.

However, in order to address the possibility that CICs may exhaust under the Commission's proposal, in the event the Commission decides to adopt a reseller CIC requirement, GTE would support limits in the number of codes particular entities are allowed to hold. In particular, GTE would support adopting a limit of 10 codes per

⁸ *Public Notice* at 2-3.

entity – 4 more than the current industry guidelines provide. Given that resellers would likely have fewer justifiable uses for CICs, the Commission may need to consider establishing a lower code limit for resellers.

GTE would also support establishing limits to the number of CICs any one entity is allowed to control. Code limits may be necessary in order to prevent any one entity from obtaining, for example through multiple mergers, an undue quantity of codes. GTE is concerned that too many codes in the hands of any individual carrier could create a competitive imbalance in the industry. The absolute limit should be a quantity of CICs no greater than .05% of the total industry resource – 50 codes per carrier. Any entities with a greater quantity of CICs than this maximum should be obligated to return the excess codes within six months after the limit is adopted. When an entity exceeds the limit by virtue of a merger or acquisition, the entity should be allowed a transition period to migrate the codes.

III. CONCLUSION

As discussed above, further evaluation of the proposal has led GTE to oppose requiring resellers to obtain individual CICs as a solution to the soft slamming problem. GTE believes the cost of implementing such a solution likely outweighs the potential benefits. In any event, prior to considering any soft slam solution, the Commission needs to gather evidence as to the extent of the soft slam problem and evaluate whether recent rules adopted by the Commission sufficiently address the soft slam issue.

Dated: June 13, 2000

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