



ORIGINAL

EX PARTE OR LATE FILED

2120 L Street, NW
Suite 650
Washington, D.C. 20037
Tel. 202-263-1650
Fax. 202-776-0078
e-mail: gharris@neca.org

Gina Harrison
Senior Counsel and Director
Washington Office

November 29, 2000

RECEIVED

NOV 29 2000

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
The Portals
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: **Ex Parte Notice:** Local Number Portability, CC Docket No.
95-116 /

Dear Ms. Salas:

Yesterday, I met with Yog Varma, Deputy Bureau Chief, Common Carrier, to discuss matters summarized in the attached material. Kindly make this part of the proceeding's record.

I am submitting two copies of this notice in accordance with the Commission's rules. Please direct any questions to me.

Sincerely,

Gina Harrison
Attachment
Cc: Y. Varma

No. of Copies rec'd 0+2
List ABCDE

LNP Costs

The Issue:

Non-LNP Capable Telephone Companies still incur LNP costs but there is no method of recovery

- All LECs Incur fees for LNP Database Administration (Neustar)
- LECs also incur costs when they complete calls to other telephone companies with ported numbers.
 - For example, they are charged for querying databases required to complete the calls

Background

- May 12, 1998, FCC releases its 3rd Report and Order on LNP
- July 29, 1998 NECA files Expedited Petition for Reconsideration
 - NECA notes the lack of a recovery mechanism for LNP costs
- March 19, 1999 Petition for Expedited Interim Waiver
- FCC Meeting dates:
 - 1/13/00 NECA meeting with FCC staff to discuss LNP data request
 - 1/18/00 NECA Letter to TS Pool Members requesting LNP Cost data
 - 3/3/00 Overview of preliminary results from LNP data request provided to FCC by NECA
 - 3/22/00 NECA Ex Parte presentation containing results of LNP data request, the data request forms, and sample calculation of Local Switching rate including LNP costs.
 - 7/17/00 Joint Ex Parte presentation with USTA, NTCA, OPASTCO, NRTA, and NECA

Issues from 3/19/1999 Petition

- All Carriers incur costs regardless of whether they provide LNP. For example,
 - All must contribute to the regional Number Portability Administration Centers (NPACs)
 - ROR ILECs are assessed query charges when traffic is terminated in areas with LNP-capable switches when another carrier is performing the database look-up function for them.
- Costs related to LNP must be assigned to Interstate
- For most pool LECs, no cost recovery mechanism exists to recover these LNP costs
 - End User charges only apply after LECs wire centers become LNP capable

Recommendation for Recovery

- Recovery mechanism for LECs who are not LNP capable should be competitively neutral.
 - through TS Access rates.
 - the same as it is after five years for those that are LNP capable.

NECA LNP Data Request

- Prepared at FCC request and sent to all TS pool members on 1/18/00
- Identified the following costs from the following categories:
 - Support of LNP Regional Databases (\$386 K)
 - Software upgrades to initiate LNP queries (\$1.9 M)
 - Costs of querying LNP databases (\$1.1 M)

NECA LNP Data Request Results & Recommendations

- 75% of Pooling LECs responded to request
 - Total Annual Costs of \$3.6 M were identified (0.36% of TS Revenue)
 - Equivalent to \$0.0002 per minute of use
- NECA recommends recovery through TS rates
 - 3rd Order: Recovery of LNP costs from end users should be “designed so that end users generally receive the charges only when and where they are reasonably able to begin receiving the direct benefits of local number portability”

NECA LOCAL NUMBER PORTABILITY COSTS

Cost Categories:

A January 2000 data request, completed by LECs participating in the NECA Traffic Sensitive Pool, identified Local Number Portability costs in the following categories:

1. Database Administration
2. Software Upgrade costs to support query initiation
3. Costs associated with querying regional databases billed to N-1 carriers by other entities

Where LECs had Software Upgrades, the overall costs were higher on average than where there was no upgrade. There were only 138 LECs with costs in this category and they are treated separately in the reporting of the results below.

Assumptions:

- Rates are set for a five-year recovery period.
- The costs reported in the January data request 2000 are representative of the on-going costs of LNP.

Results:

Local Number Portability Costs per Month per Line				
Type	Average	Minimum	Maximum	# of Study Areas
Areas with no Software Upgrade Costs	\$0.0160	\$0.0005	\$0.2774	934
Areas with Software Upgrade Costs	\$0.1351	\$0.0092	\$1.0805	138

Observations:

If the Commission were to require recovery through end user charges, NECA may need to file up to 1072 Study Area rates on behalf of the LECs.

If the Commission were to allow recovery of LNP costs through access charges, this would increase traffic sensitive switched rates by 0.36% or \$0.0002 per minute.