

1 will -- they all have standardized forms, you just fill in  
2 the blanks, and transfer the number. So I have no problem  
3 with that. And I've made some other examples which I'll  
4 bring up later, but that doesn't mean that abusive transfers  
5 and other things should not be addressed, because I believe  
6 they should.

7 MS. GORNEY: Okay. Thank you. Could I have Chris  
8 Rugh, from WorldWide Telegraph?

9 MR. RUGH: We also believe that transfer of  
10 numbers in legitimate situations is appropriate. Currently  
11 you know, a bankruptcy trustee can transfer a number from  
12 one entity into another, and that happens on a relatively  
13 common basis. I in fact know of certain instances where the  
14 U.S. Government has purchased numbers. I see no reason to  
15 not transfer numbers from one subscriber to the other. We  
16 support everybody else.

17 MS. GORNEY: Okay. Could I have Peter, from  
18 WorldCom, please?

19 MR. GUGGINA: Peter Guggina, WorldCom. WorldCom  
20 also supports the transfer of numbers for legitimate  
21 reasons. And we don't think that the FCC actually needs to  
22 create new rules. We believe that the existing rules enable  
23 the transfer of numbers, but that's our interpretation of  
24 it. If the Commission were to adopt the new rule, we would  
25 support that provided that the rule was constructive and

1 enabled transferring of numbers for legitimate purposes.

2 One of the biggest reasons for transferring  
3 numbers was articulated by AT&T. When mass mailings are  
4 made with a printing error, and if a carrier can get access  
5 to that number from another source or whatever, they very  
6 often get together, and negotiate, and reciprocate back and  
7 forth, and the net result is the customer is helped, and so  
8 forth. So again, we support the transfer of numbers.

9 MS. CALLAHAN: May I just ask a question of the  
10 panelist. We've hearing the use of the term legitimate  
11 business reasons, and we've been given some examples of it,  
12 and I guess I'm wondering whether you think that -- or you  
13 envision the Commission deciding on a case-by-case is what  
14 would be a legitimate business reason, or would the industry  
15 come up with parameters to define legitimate business  
16 reasons? How do we determine what is a legitimate business  
17 reason, and what is not?

18 MR. HELLICKSON: I'll take a quick stab at that.  
19 I do think that the Commission needs to enumerate reasons,  
20 or enumerate the specific legitimate business reasons. And  
21 then from there, if they do not fall within those  
22 categories, there should be some kind of a waiver process,  
23 hopefully expedited as much as possible, set up from that  
24 point forward.

25 MS. GORNEY: Okay. Jim, did you have a comment?

1 MR. GRUDUS: Yes, I did.

2 MS. GORNEY: Okay.

3 MR. GRUDUS: This is Jim Grudus, from AT&T. One  
4 of the, I think, most beneficial things that we could offer  
5 the Commission is maybe under the auspices of an MPRM, is to  
6 help you understand what we face in a day-to-day business  
7 environment, and help try and structure what would be  
8 legitimate business purposes. Clearly, I'm just a  
9 regulatory attorney, so I don't know all of them. I know  
10 the ones that the client has brought to my attention, and we  
11 would be very happy to work with you to help understand each  
12 of the different sections where they face on a day-to-day  
13 business environment the concerns of customers that would  
14 necessitate that type of legitimate transfer.

15 MS. ATTWOOD: So you could envision a scenario  
16 where there would be a presumption of following scenarios  
17 that there would be a transfer, and if you fell within in  
18 there, it would almost be like a safe harbor or a  
19 presumption that those could go through without any  
20 Commission action. And to the extent that there were other  
21 non-enumerated, yet, you know, perfectly legitimate, that  
22 could be through some sort of expedited waiver. But you  
23 would try to capture most of the business commercial  
24 situations in the context of some categories that we could  
25 enumerate, as part of like a streamline, or a safe harbor,

1 for appropriate transfer?

2 MR. GRUDUS: I think that would be a very  
3 plausible solution, something that we could help the  
4 Commission set up the initial structure, and then from time  
5 to time, if the Commission were to look at and see sort of a  
6 body developing because of some business practice that  
7 wasn't accounted for before, they could augment the original  
8 structure. But that sounds like a very workable solution.

9 MS. ATTWOOD: Right. And that would also be  
10 consistent with the way in which you would envision the  
11 enforcement as being part of this Commission oversight,  
12 because to the extent that you would not fall within one of  
13 those categories, they would presumably be situations where  
14 the Commission would be concerned about long incentives or  
15 behavior, but there would be a prohibition or it would be  
16 prescribed behavior. It wouldn't be the absence of a rule  
17 that would then be very difficult to enforce.

18 MR. GRUDUS: Right. I think the structure that  
19 you're proposing adds the clarity and the parameters for the  
20 RespOrgs to be able to operate efficiently under and know  
21 how the Commission is thinking about transfers that aren't  
22 contemplated under that structure.

23 MS. GORNEY: Okay. Eric?

24 MR. FISHMAN: We have a concern about introducing  
25 different, you know, safe harbors and concepts like that,

1 may in the long run burden the Commission's resources and  
2 introduce an element of delay. You know, we would favor  
3 just allowing for the free transfer of numbers on a much  
4 broader basis than that, and allow the market --

5 MS. ATTWOOD: If it were without safe harbors, how  
6 would the enforcement mechanisms of the Commission be able  
7 to step in in the event of behavior that was found to be not  
8 in the legitimate behavior you're talking about. How would  
9 the Commission be able to step in in that circumstance, if  
10 in fact, the preferred approach would be no rule? I guess  
11 that's what I was trying to balance. What I was hearing  
12 first was, you know, the Commission has authority and it's  
13 enforcement authority. But if there's no rule, what are  
14 we -- what would we be enforcing?

15 MR. FISHMAN: I guess part of my question to you  
16 would be, what be the prohibited behavior? Would it be  
17 hoarding? That's something we would probably agree on.

18 MS. CALLAHAN: Well I think you're talking about  
19 transfers now. Right?

20 MR. FISHMAN: Right. Well what would be, in the  
21 Commission's mind, what would be an impermissible transfer?

22 MS. CALLAHAN: Inter-carrier transfer?

23 MR. FISHMAN: Yes. An inter --

24 MS. CALLAHAN: I mean, I think that's where we  
25 started with talking about the inter-carrier transfers and

1 the transfers between subscribers.

2 MS. GORNEY: So what's the dangers?

3 MR. KNISHBACHER: Well, you shouldn't believe for  
4 a second that the situations that MCI or AT&T raised only  
5 happen within a certain carrier. Because the odds are that  
6 an MCI customer mispublished a number, it wasn't an MCI  
7 customer who had the number, it's probably a Sprint or an  
8 AT&T customer. So these things are not going on just  
9 between carriers. They're going on among carriers also.

10 And I think our biggest concern also is a concern  
11 that was expressed by MCI before the WorldCom merger, back  
12 in 1997, where they talked about not wanting to put the  
13 carriers in the position of being the arbiters of all these  
14 decisions. And we believe that the carriers and the  
15 RespOrgs should not be involved in enforcement policies of  
16 the Commission. Those carriers and the RespOrgs are  
17 competitors in certain respects. And if there needs to be  
18 an enforcement policy and an enforcement procedure, it  
19 should be in the Commission's hands, and not delegated to  
20 carriers or RespOrgs, who have vested interests, including  
21 the interest in protecting large customers.

22 MS. GORNEY: Would you say that we should allow  
23 transfers between subscribers as long as they're consenting  
24 to the transfer? Is that something that you might?

25 MR. KNISHBACHER: Well, absolutely. I mean, I

1 don't want to go out of order and certainly in the questions  
2 later on about the open market. We're in favor of a totally  
3 open market, particularly in the secondary market. I know  
4 in Mr. Selzer's notes for this meeting, he had assumed it  
5 was between the secondary and the primary market, and I  
6 think that's a good distinction that we should discuss. Our  
7 comments have been focused on the secondary market where we  
8 feel there are dozens of good reasons to allow an open  
9 market, and to allow transfers between willing subscribers,  
10 and we'll get into that in greater detail.

11 MS. GORNEY: Okay. Thank you very much. Could I  
12 have Norina, from Sprint, please?

13 MS. MOY: We also believe that subscriber-to-  
14 subscriber transfers should be allowed in certain instances.  
15 But I've never been quite sure which rule the Commission  
16 believes is being violated when there is a subscriber-to-  
17 subscriber transfer, in the instances of misprinted numbers  
18 for example, or you know, mergers and acquisitions. So I'm  
19 not opposed to the safe harbor idea, but I think we also  
20 need to be clear from the start whether all subscriber-to-  
21 subscriber transfers are a violation to begin with.

22 MS. GORNEY: Okay. And Megan Campbell, from SNAC?

23 MS. CAMPBELL: The SNAC also supports the transfer  
24 of toll-free numbers between subscribers, and I just wanted  
25 to add, and this is probably consistent with the

1 conversation that just went on. The SNAC, during this  
2 discussion, did express some concern with trying to have the  
3 specific situations that would be permissible codified, if  
4 you will, and they sort of went with the thought that it's  
5 consistent with this safe harbor or, I guess, an opinion  
6 letter type of arrangement where there could be some  
7 specific situations responded to by the Commission, and that  
8 could provide guidance.

9 MS. GORNEY: Okay. And the last person I have on  
10 my list is Loren Stocker, from Vanity International.

11 MR. STOCKER: Thank you. I think, you know just  
12 to reiterate, my only concern is abusive transfers. And I  
13 think if I could point everyone's attention to the first  
14 paragraph of the DSMI Letter, it says without the  
15 subscriber's knowledge. That is the key problem, you know,  
16 and it's almost -- I hope everyone understands at this very  
17 moment numbers are being transferred. There is nothing --  
18 this is not like we're talking about a future event. This  
19 is the status quo. There are transfers between consenting  
20 subscribers all day long, and that's the way it is. It's  
21 the concern, of course, that the non-consenting subscriber,  
22 who's actually been a victim of either a slamming of sorts  
23 or some sort of an inadvertent disconnect, which happens  
24 also quite frequently. And that's the source of the  
25 problem, I believe.

1 MS. GORNEY: Okay. Yes? Jim?

2 MR. GRUDUS: One quick thought, Jennifer. We had  
3 talked a lot about --

4 MS. GORNEY: Jim, could you say your name?

5 MR. GRUDUS: Sorry.

6 MS. GORNEY: Thanks.

7 MR. GRUDUS: Jim Grudus. One concluding thought  
8 here. We had talked a little bit about safe harbors, but  
9 under the auspices of an NPRM maybe what could happen is as  
10 the information is built, it's not this huge enumeration of  
11 instances, but rather parameters within which one could  
12 operate and then clearly identifying where you can't.  
13 Rather than running the risk of not enumerating something  
14 because you just missed it in your comment process. So  
15 rather than just thinking of it in the very small idea of  
16 creating these very specific safe harbors, take the  
17 information, and maybe create large playing fields where  
18 it's permissible, and then the bounds where it may not be.

19 MS. GORNEY: Understood. Okay. Does anybody else  
20 have any comments or questions on this issue?

21 MR. BROTHER: Art Brothers, for Beehive.

22 MS. GORNEY: Okay.

23 MR. BROTHER: I'm sure that the Commission doesn't  
24 want to create more work for itself, and this type of rule  
25 is going to be exhaustive and take time. You can't,

1 overnight, get a decision, or it in the next ten minutes,  
2 it's going to be done, or in one day. And so I think the  
3 SNAC, we go along with what they say, that there should just  
4 be minimal regulation, if any, on this issue.

5 MS. GORNEY: Okay. Do you take more the position  
6 with AT&T that there should be parameters on what shouldn't  
7 be -- what transfers aren't allowed? Is that what you were  
8 trying to say?

9 MR. BROTHER: Well our philosophy out west is, as  
10 opposed to having a rule and ask for exceptions, that  
11 everything should be permitted except that which is  
12 prohibited. And I think you can just let this whole issue  
13 go and not worry about it.

14 MS. GORNEY: Okay. Thank you. Does anyone else  
15 have any comments or questions? Megan?

16 MS. CAMPBELL: Megan Campbell, ATIS. And I just  
17 wanted to clarify. I mean, I think the SNAC view is in line  
18 with what AT&T was suggesting.

19 MS. GORNEY: Okay.

20 MS. CAMPBELL: SNAC was just concerned, you can't  
21 enumerate every single situation.

22 MS. GORNEY: Okay. Thank you. All right. We  
23 will be moving on to the next question. The next question,  
24 looking at the agenda, you can tell that there's one big  
25 question, and then sort of three subquestions. So what I'm

1 going to do is just read all four questions, and then I will  
2 have the participants sort of address any part of this whole  
3 sort of large question, including the subquestions.

4 MALE SPEAKER: Jennifer, I think you skipped a  
5 question.

6 MS. GORNEY: Well, we haven't --

7 MALE SPEAKER: To ensure the first-come, first-  
8 serve.

9 MALE SPEAKER: To ensure first-come, first-serve?

10 MS. GORNEY: We have that down on the -- if you  
11 look, it's the last question on the bottom. It's the last  
12 question in the section before the break.

13 MALE SPEAKER: Oh. I'm sorry. This is --

14 MS. GORNEY: We moved it around a little bit.

15 MALE SPEAKER: Okay. I apologize.

16 MS. GORNEY: No problem. Okay. So here we're  
17 going to be talking about what can, or should, the  
18 Commission to do alleviate or eliminate warehousing,  
19 hoarding, and unauthorized disconnections of toll-free  
20 numbers? And the three subquestions to be addressed are as  
21 follows.

22 One is, should the toll-free administrator more  
23 closely track the activities of RespOrgs, and if so, how?  
24 Should the toll-free administrator require RespOrgs to  
25 include names and other subscriber information in the

1 records stored in the SMS/800 Database?

2 The second question is, to discourage hoarding,  
3 should the Commission limit the number of toll-free numbers  
4 serving each telephone line and require subscribers that  
5 want additional toll-free numbers to provide a justification  
6 for their requests?

7 And the last subquestion is, are there industry  
8 policies or procedures that could be implemented by RespOrgs  
9 to prevent unauthorized disconnections of toll-free numbers?

10 And the first person I have to speak here, is  
11 Steven Levinn, from CSF.

12 MR. LEVINN: All right. Thank you. Steve Levinn,  
13 from CSF. There's a whole bunch of comments in here. We  
14 have a general opinion, and again, in case people don't  
15 know, our company has a slightly altered view, we're not a  
16 carrier. We're a software company that provides MGI access  
17 sort of at the retail level, is how I've heard it described,  
18 and we'll talk about that a little bit more. But a lot of  
19 our customers are both small carriers and very large  
20 carriers, and the discussion of warehousing, and hoarding,  
21 and brokering, we think is now an economic discussion.

22 There used to be a technical reason why you  
23 couldn't do it, because the issue was the database couldn't  
24 handle what was perceived to be a growth of numbers. The  
25 SEPs couldn't handle the load. I mean we're many years into

1 the technology and the reality is, brokering, hoarding, and  
2 warehousing sort of goes on as a black market right now.  
3 The people that actually participate in that black market  
4 really don't want it to change because more people will come  
5 into the market, there'll be a fair distribution of numbers.  
6 And again, we consider it really an economic model, and the  
7 current pricing model won't support warehousing and  
8 hoarding. But there's no reason why any number of models  
9 would.

10 So we think a lot of discussion needs to go on,  
11 but sort of a basic premise that warehousing, hoarding,  
12 brokering is not necessary a bad word, and we'd like the  
13 Commission to consider saying that it's a good thing. We  
14 just don't know how to implement it from an economic model.

15 MS. GORNEY: Okay. Thank you, Steve. Could I  
16 have Chris Rugh, from WorldWide Telegraph, please?

17 MR. RUGH: I was out of the room. Could you  
18 reread the question?

19 MS. GORNEY: We're addressing the question on  
20 warehousing, what the Commission should do to alleviate  
21 hoarding, and warehousing, and unauthorized disconnects of  
22 numbers. Should we require subscriber names in the  
23 database, limit the number of lines?

24 MR. RUGH: Okay. Thank you.

25 MS. GORNEY: Okay.

1 MR. RUGH: Actually, I think there's a lot of  
2 solutions to this. I think first off, if you want to  
3 eliminate hoarding, make the customer administrative data  
4 public record. I know that there's probably a lot of  
5 negative feelings towards that in this room, but it seems to  
6 work on the internet where domain names are public  
7 knowledge. And I don't think that there's any problem in  
8 having an actual end-user be public knowledge.

9 Mr. Stocker had earlier suggested about user  
10 rights. Currently, there is no definition that I can find  
11 that really solidly defines who the end-user is. And I  
12 think it's important to have that information, and to have  
13 that public record I think is helpful. One of the arguments  
14 that will come up is people don't want their customers to be  
15 known. Well, if it's a legitimate user, and they're using  
16 the number, all you have to do is dial it and you know who  
17 the end-user is. So there is no -- so that really nullifies  
18 that particular objection to that.

19 As far as appointing numbers, you were asking the  
20 question about limiting the number of numbers appointed to  
21 one phone number or one termination number? That's  
22 ridiculous. All that's going to do is force legitimate  
23 companies, who do national advertising in newspapers or in  
24 television, to use a block of numbers to track their  
25 advertising, to break their numbers up and terminate them

1 into different numbers. So it's either going to cause them  
2 undue hardship or income.

3 And then for the hoarders, who you're trying to  
4 stop, they're just going to be real savvy and they're going  
5 to do the same thing. You just can't limit it down to a  
6 small enough number to make it effective. There's many call  
7 centers out there that have thousands of numbers appointed  
8 to one number. It just doesn't work with the industry that  
9 we have in America.

10 MS. GORNEY: Okay. Thank you. Could I have Renny  
11 Hellickson, please, speak on behalf of Ad Hoc?

12 MR. HELLICKSON: Actually, I think Chris' comments  
13 were right on point. I think there are times for tracking,  
14 and advertising, and other purposes where blocks of numbers  
15 of are needed. And so I think I'll just leave it at that  
16 and allow you to move on.

17 MS. GORNEY: Okay. And Norina Moy, at Sprint?

18 MS. MOY: I'm not sure how putting subscriber name  
19 and address information in the SMS/800 will prevent  
20 hoarding. Presumably every number that's assigned has  
21 customer information attached to it, but that doesn't mean  
22 that the customer necessarily is using it actively. Sprint  
23 is very much opposed to putting that information in the SMS.  
24 A couple of big reasons.

25 First, Sprint's internal systems are configured

1 using our own internal provisioning databases. We don't use  
2 the SMS/800 to provision our customer service. And it would  
3 be very costly for us to start putting information in the  
4 SMS/800 and then maintaining our current database, which is  
5 tied to things like our billing and our network management,  
6 OSSs. The other big reason why I don't think that it's a  
7 good idea is because it would take up a huge amount of  
8 capacity. So to have all that information in the SMS, you  
9 would need a bigger SMS/800, bigger links between the  
10 SMS/800 and the SCPs, bigger links between the SMS/800 and  
11 the RespOrgs. And the system is already showing signs of  
12 strain at certain of those points. And I don't think we  
13 want to put more stress on the system for no discernable  
14 benefit.

15 MS. GORNEY: Okay.

16 MR. BROTHERS: Jennifer?

17 MS. GORNEY: Yes.

18 MR. BROTHERS: Art Brothers, Beehive. I agree  
19 with Sprint totally on this.

20 MS. GORNEY: Okay.

21 MR. BROTHERS: We were first allocated our 800  
22 number on May 5, 1989, and that was many years before number  
23 portability, and we got along just fine. We've been accused  
24 of warehousing, and I don't even know what the definition of  
25 the word is. Thank you.

1 MS. GORNEY: Okay. Thank you very much. Could I  
2 have Megan Campbell, from SNAC, please?

3 MS. CAMPBELL: Sure. With respect to the main  
4 bullet item, the SNAC is definitely in favor of more  
5 aggressive enforcement by the FCC, as opposed to systematic  
6 changes, SNAC during the discussion, you know, highlighted  
7 the fact that any system changes can impact the service  
8 levels and whatnot, so they're definitely in favor of  
9 enforcement.

10 MS. GORNEY: Okay. Peter, from WorldCom?

11 MR. GUGGINA: Peter Guggina, WorldCom. WorldCom  
12 also believes that enforcement is a better solution, and  
13 that it would not be productive to include competitively  
14 sensitive data in the SMS. As a matter of fact, I'd like to  
15 draw an analogy here. While the internet does have what's  
16 know as the who-is function, that was mentioned a moment  
17 ago, the ENUM Forum, which is a group which is studying the  
18 best ways to implement ENUM, which is going to be using  
19 telephone numbers in the internet, is going to recommend, or  
20 at least there is a consensus at the ENUM Forum that they  
21 should not include the telephone number in the who-is  
22 function that you know on the internet.

23 So while you can call anybody's number, we still  
24 have non-published numbers today. And those numbers, you  
25 can call any non-published number or an unlisted number and

1 reach the subscriber, but you can't get it from directory  
2 assistance. So we don't think that that's the best way to  
3 go. It would be very costly for the service providers, as  
4 Sprint has articulated, and it would cause a variety of  
5 other problems. We don't believe that we should limit the  
6 number of numbers pointed to a single telephone number for  
7 the same reasons that were mentioned by the other  
8 participants, and so forth.

9           And again, we think that policies should be  
10 enforced, and the carrier should have policies. We have  
11 policies at WorldCom that guard against the unauthorized  
12 disconnect of a number. We verify. We go through a  
13 verification process before we disconnect a number, and we  
14 get closure with the customer to make sure that is in fact a  
15 legitimate disconnect. And as I mentioned, we have had a  
16 minimum of those situations occur. Thank you.

17           MS. GORNEY: Peter, could you actually give a  
18 little bit of background on your verification procedures,  
19 just what exactly happens? What brings about this process?  
20 Just give us a little more detail about it.

21           MR. GUGINA: We have operational procedures that  
22 ensure that the customer, the end-user customer, is  
23 contacted before an 800 line or a toll-free line is  
24 disconnected.

25           MS. GORNEY: Okay.

1 MR. GUGGINA: And we believe that that has  
2 contributed significantly to the very low rate of erroneous  
3 or mistakenly disconnected lines that we have. So we do get  
4 closure with the customer. And I think it works well, and  
5 maybe what you should do is look at the complaints that you  
6 have, and then go talk to the service providers. If you  
7 have service providers with a low rate of unauthorized  
8 disconnects, and some with a higher rate of unauthorized  
9 disconnects, maybe you should ask them what their internal  
10 procedures are, and so forth. Or if they have internal  
11 procedures, and maybe if they doctored them, it may improve  
12 the situation.

13 MS. GORNEY: Okay. Thank you. Could I have Loren  
14 Stocker, from Vanity International, speak next?

15 MR. STOCKER: My pleasure. You know, just to add  
16 on to the MCI -- and I applaud them for taking extra steps  
17 to ensure that numbers don't get disconnected, but as big as  
18 that problem might be perceived, the bigger one is  
19 unauthorized transfers, which MCI's procedure would do  
20 nothing to correct. The problem is that a third party, all  
21 they have to do is attest that they own this number. It's  
22 verified oftentimes, you know, by the gaining RespOrgs. But  
23 the transfer's put through and if it's not also authorized  
24 by the RespOrgs that releases it, which generally it is, it  
25 will be released and the numbers lost.

1           But the bigger issue is that, you know, it seems  
2 like we really need some perspective here. I've heard the  
3 word enforcement used, and the question is, enforcement of  
4 what? I've heard the statement that there's no benefits,  
5 and then the question is, benefits to whom? And I suggest  
6 the real question is, who are protecting by all these  
7 processes and this forum itself, if not the subscriber?  
8 It's the subscriber's rights, they have no rights, in fact.  
9 When the number's lost, it's simply gone. And if it's  
10 quick, and everybody sees it happen, the RespOrgs and  
11 everyone of them at the table are saints, they'll do  
12 everything they can to recover a number. But the following  
13 day, three months later, it's over, it's gone, it's too  
14 late.

15           What I propose, and you know this is all written  
16 up in writing and I'm going to follow up with this after we  
17 get some feedback on this. But I propose that the FCC  
18 create subscriber rights for six months, so that if a number  
19 is disconnected by design, everybody's agreement, it goes  
20 through a four month aging process. But the subscriber  
21 would still have two more months and if there was some  
22 reason that that number was taken and disconnected in error.  
23 However, if it's transferred and stolen, the full six months  
24 would apply. A lot of them would go back and reclaim the  
25 number.

1           Now, if you look at the major problems here, and  
2 I'll end it really in a moment, we have hoarding,  
3 warehousing, and you know, unauthorized disconnects. And  
4 the key issue is this warehousing that's suggested that's  
5 going on, I've heard it termed as there is a black market  
6 out there. If that does exist at all, it's because  
7 subscribers have no rights and these phone numbers are just  
8 anybody who wants them. And I think if the subscriber's  
9 rights are established, a lot of these things would go away.

10           The most important thing, and I think really what  
11 all the complaints stem from in my view, are unauthorized  
12 disconnects and/or transfers. Transfers are just as big a  
13 problem. And if subscriber's have rights, they have  
14 recourse. And to conclude here, we've made it abundantly  
15 clear that there are no property rights in phone numbers.  
16 And believe it or not, I agree with that. The problem is  
17 there are no subscriber rights.

18           MS. GORNEY: Loren, we lost you.

19           MR. STOCKER: I'm here. I was just concluding  
20 with, you know, we have the worst of all worlds now, we have  
21 no property rights, and we have no subscriber rights either.  
22 So of course, I mean everyone here means well, no one wants  
23 to disconnect a customer or violate somebody's business  
24 continuity, but when numbers get lost, there simply is no  
25 recourse without subscriber rights.

1 MS. GORNEY: Okay.

2 MR. STOCKER: But I think if we all sit back and  
3 look at this, that solves everything.

4 MS. GORNEY: Okay, Loren. Thank you very much. I  
5 just want to get to the last two people on my list and then  
6 we can have replies. So could I ask everyone, the next  
7 representative is from AFTA, if you could speak, please?

8 MR. KNISHBACHER: Yes. AFTA recognizes the  
9 legitimate public policy purposes served by the warehousing  
10 and hoarding rules, and we certainly recognize the  
11 Commission's interest in enforcing these rules, and we want  
12 to make sure the Commission distinguishes between those  
13 rules and brokering rules, which we think are totally out of  
14 place and need to be reconsidered. Our biggest concern with  
15 the hoarding rules was the presumption that was contained in  
16 95-155 of multiple numbers going to a single line. Some of  
17 the situations have been mentioned here today.

18 We've mentioned situations in some of our members'  
19 pleadings on the reconsideration where there at least ten or  
20 15, or 20 different situations in which people legitimately  
21 have multiple numbers going to a number, and in some cases  
22 as many as hundreds of numbers pointed to a single number.  
23 And a single number isn't a phone line, you have to remember  
24 that the overwhelming majority of 800 numbers don't go to  
25 individual phone lines, but they go to network addresses for

1 dedicated terminations, where it's going in on a DS3, or  
2 maybe even multiple DS3s, into a phone center that has  
3 literally thousands of 800 numbers going into the same  
4 address.

5           And we feel that the presumption was problematic,  
6 and this is one where I don't think there's any way that the  
7 Commission could create a rule that would create the  
8 situations that would be covered by that presumption. There  
9 are just so many exceptions that need to be counted on.

10           MS. GORNEY: Okay. Could I have Jim Grudus, from  
11 AT&T?

12           MR. GRUDUS: Jim Grudus, from AT&T. I'd like to  
13 make it quick. I'll support very strongly Sprint's and  
14 WorldCom's position. They did a fine articulation of the  
15 points. The thing that I think we can provide the  
16 Commission is an understanding of the substantial burden and  
17 costs redesigning systems, implementing new systems would  
18 hoist on people who aren't bad actors here. And that's  
19 really the critical component about being able to identify  
20 people who are violating the hoarding and the warehousing,  
21 and the unauthorized transfers, to look at them, and to  
22 subject them to a more rigorous level of scrutiny if there  
23 is a repeat problem or somehow otherwise identified. But to  
24 make everyone try and change their systems without a  
25 foundation for incurring no substantial costs, is very

1 problematic and troubling.

2           A couple of the other points that are rolled in,  
3 there are many reasons, and I clearly can't articulate all  
4 of them, or any of them really, as well as my client could  
5 have, but the restrictions on the numbers vis-a-vis the  
6 lines is just a position that they were very strong on and  
7 that that was not something that they saw much of a benefit  
8 for. And it's just, the perspective here is, if we can  
9 identify in terms of the hoarding, and the warehousing, and  
10 the unauthorized disconnects, a mechanism for identifying  
11 when that activity is occurring, and then looking at them,  
12 rather than taking confidential and sensitive information,  
13 populating a database, incurring substantial database  
14 changes and whole mechanisms, it seems a bit over broad to  
15 try and reign in some rogue actors that might better be  
16 corralled, if you will, by enforcement activities.

17           MR. BROTHERS: Jennifer?

18           MS. GORNEY: Okay.

19           MR. BROTHERS: Jennifer?

20           MS. GORNEY: Yes?

21           MR. BROTHERS: Beehive. It's our opinion that the  
22 SMS should be liable if they allow an unauthorized transfer.  
23 Period. And I think that resolves quite a bit. Now people  
24 are going to complain and say my ox is gored for whatever  
25 reason. We've had numbers taken, we know where they went,

1 and it's been allowed, and it's been without any  
2 authorization. So I'm pretty familiar with everything we're  
3 speaking of here. Thank you.

4 MS. GORNEY: Okay. Does anybody have any comments  
5 or questions? Yes? Peter?

6 MR. GUGGINA: Thank you. Peter Guggina, WorldCom.  
7 I would like to set the record straight on WorldCom's  
8 verification process. It not only includes disconnects, but  
9 it does in fact include transferring of numbers between  
10 parties. So we would like to make sure that's clear because  
11 it could have been interpreted that it didn't, after one of  
12 the comments was made.

13 The other point I'd like to make is that  
14 warehousing can be detected by audits. And if we have an  
15 audit process, rather than putting burdens on the industry  
16 and so forth unnecessarily, maybe some good old-fashioned  
17 audits would tell the story and identify the offenders.  
18 Thank you.

19 MS. GORNEY: Okay. Chris Rugh?

20 MR. RUGH: Chris Rugh, WorldWide Telegraph. I'd  
21 just like to clarify. We believe that the customer  
22 administrative data should be public record. And it's not  
23 just a matter of hoarding, although that is a -- we believe  
24 that's a solution for that. And we also believe that if a  
25 number is hooked up and ringing to a termination number,