LNP Implementation Issues

CTIA Presentation

Commissioner Kevin Martin

September 2, 2003

In the Matter of Telephone Number Portability

CC Docket No. 95-116

CTIA

Overview

CTIA has asked the FCC to confirm the existing obligation of wireline telcos, under the FCC's local number portability rules, to port numbers to wireless carriers anywhere within the wireless carriers' service areas ("full portability").

Rural telcos and some rural wireless carriers, as well as other wireline carriers, argue that their porting obligation to wireless carriers should apply only insofar as the wireless carrier "directly interconnects" with the telco and has a "physical presence" and its own telephone numbers at the rate center with which the ported telephone number is associated ("physical presence requirement").

Full Portability Would Not Disadvantage Rural Carriers

- **Argument.** Compelling rural carriers to port numbers to wireless carriers with service areas that are larger than the telco rate center would put such carriers at a competitive disadvantage.

- **Answer.** The Commission has long recognized that it would be contrary to the public interest to force wireless carriers to mirror the smaller local calling scopes of wireline carriers for regulatory purposes. *See Local Competition Order*, 11 FCC 15499, ¶¶ 1041-43 (1996). Regulations constraining wireline-wireless number portability to wireline rate centers where CMRS carriers have established a numbering presence would effectively penalize CMRS carriers for their use of more efficient technology and hinder customer choice. That would truly be an anticompetitive result.

Full Portability Would Not Impose Uncompensated Costs on Rural Telcos.

- **Argument.** Rural telcos assert they will not be fully compensated for their costs if they must port numbers to a wireless point of interconnection located outside the rural carrier's serving area.

- **Answer.** The intercarrier compensation concerns raised by rural carriers in opposition to porting are not porting issues. Rather, they are compensation and interconnection issues that exist whether or not the FCC ordered full portability.

The rural carriers themselves have raised the same issues in the pending proceeding on intercarrier compensation, and they are more appropriately addressed there.

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- The FCC has recognized that the local service area boundaries of rural telcos are largely irrelevant to determining their transport and compensation obligations with respect to wireless carriers.

- The Commission has recognized that wireless carriers need establish only one point of interconnection in each LATA. While this may require a rural telco to bear the costs of routing land-to-mobile traffic to the wireless carrier's centralized mobile switching center, the wireless carrier faces the identical transport obligation to route traffic from mobile callers to landline destinations.

Full Portability Would Not Expand Rural Carriers' Portability Obligations.

- **Argument.** Granting CTIA's Petition would expand current wireline portability requirements for rural carriers by forcing them to implement portability in the absence of a *bona fide* request or where the rural telco is located outside of a top 100 Metropolitan Statistical Area ("MSA").

- **Answer.** Granting CTIA's Petition would not affect the *status quo* with respect to the exemption of rural carriers from portability obligations. It would merely affirm the obligations of wireline and wireless carriers to port to wireless carriers to the extent that the wireless carrier's service area covers the rate centers, if the wireless carrier made a *bona fide* request for portability.

Full Portability Would Not Cause Customer Confusion

- **Argument.** Massive customer confusion would result because wireline customers calling the ported number would find that the call is now subject to toll charges because it is located in a wireless switch outside the wireline rate center.

- **Answer.** Wireline carriers can continue to "rate" the call based on its original rate center, thereby preventing any change in the rating of the call. That way, if a call is not subject to a toll charge before the port, it will not be a toll call after the port.

Industry Support for this Argument

- On August 8, 2003 Sprint Corporation filed an ex parte confirming that "*WLNP will not change the rating of calls. If a call to a particular number is local today, it will remain local after the number is ported. There will be no increased toll charges to consumers when WLNP becomes available.*"

Service-Level Porting Agreements Are Sufficient to Implement Full Portability

- **Argument.** Service level portability agreements are insufficient for porting numbers between wireline and wireless providers. Such arrangements must be governed by interconnection agreements entered into under sections 251 and 252 of the Communications Act.

- **Answer.** Wireless number portability was imposed by the FCC pursuant to its "Title I" authority, not under section 251. Section 251 obligations apply only to local exchange carriers, a term that expressly excludes wireless carriers. Because wireless portability is not derived from section 251, relying on service level portability agreements rather than forcing such relationships into the complex intercarrier interconnection framework is most appropriate.

LECs Split on the need for Interconnection Agreements

- On August 21, Verizon Communications and Verizon Wireless filed in agreement that "*Carriers need agreement covering number portability, but they need not be interconnection agreements under Sections 251-52.*"

- Other LECs, however, still will not agree to this position. On August 11, USTA reiterated the support that LECs "retaining rights to require an interconnection agreement."

Full Portability Is Not Location Portability

- **Argument.** Granting CTIA's Petition would require "location portability" – the ability of a customers to port their numbers to new geographic locations rather than just from one carrier to another.

- **Answer.** The wireless industry has expressly disclaimed any intent to seek location portability. Rather, wireless carriers merely want to ensure that a wireline number can be ported to a wireless carrier whose serving area covers the rate center associated with that number. Because the ported number remains associated with the rate center there would not be customer confusion, rating problems, toll charges, or other problems associated with location portability.

Full Portability Would Not Require Modification to the North American Numbering Plan ("NANP") Guidelines

- **Argument.** Adoption of CTIA's Petition would require alteration of the NANP's area code system and assignment guidelines.

- **Answer.** CTIA's proposal is consistent with current number guidelines and number assignment practices. Wireless customers are generally free to pick the rate center with which they desire to have their number associated (although wireless carriers generally assign numbers to a customer near or in the rate center in which the customer lives or works).

By contrast, adoption of the wireline carriers' proposal to require CMRS carriers to establish a presence in every rate center would lead to immediate requests for approximately 80 million telephone numbers and thereby create a new numbering crisis of huge proportions.

LEC Confirms this Position

- Verizon Corporation supports the CMRS position in their August 21 filing. "*There is nothing in the existing rules that limits a LEC's obligation to port a number out. We understand that this causes a lack of symmetry, which is inconsistent with the goals of number portability*."

Rural Customers Should Have the Benefits of Full Portability

- **Argument.** Small and rural carriers would lose customers to larger wireless providers unless the FCC imposes artificial rate-center limits on wireless porting.

- **Answer.** Such an artificial limitation would undermine the whole point of portability, which is to enhance consumer choice among all of the available carriers.

Bona Fide Requests – Complicating Factor

- Sprint confirmed in the **August 8** filing to the FCC what the industry has long been warning. Carriers do not know what to do or how to react to “Bona Fide Requests”.
  - Since the FCC has not approved rules for wireless, the BFR template, as developed by CMRS carriers is being rejected by small rural wireless carriers.
  - The rejections state that certain actions unrelated to WNP must first take place including: *obtain additional wireless numbers that are not needed, interconnect directly even though such a connection is not required and cannot be cost-justified given the traffic volumes exchanged.*

FCC Action Required

- Address CTIA's Rate Center Petition in order for *both* CMRS-wireline and CMRS-CMRS porting to occur
- Confirm that existing routing and interconnection arrangements are not changed by LNP
- Clarify that a Service Level Agreement is all that's necessary for LNP, not a new interconnection agreement
- Confirm that carriers cannot cite lack of an interconnection agreement or lack of a presence in the rate center as valid ground for rejecting a Bona Fide Request

Failure to Act Will Frustrate Consumers

- Neither intermodal nor CMRS-to-CMRS porting can be predictable and hassle free for consumers until the FCC addresses the issues CTIA has raised.
- If the FCC does not reject the rate center issue as a excuse to refuse port requests, successful porting will be totally random events.
  - Rate center information is not available to consumers, or the retail sales agents used for wireless distribution.
  - LEC customer service is only available from 8 AM to 6 PM, Monday to Friday, leaving consumers in the dark on nights and weekends, should the consumer attempt to ask for rate center information.

LNP Will Not be a Success if Porting Is Random

- Absent FCC action, a majority of port requests will be rejected.
- Service Level Agreements are “on hold” because of lack of FCC guidance.
- Consumers will blame both carriers and the Commission for their difficulties.
- Consumers cannot be expected to understand the “rate center” and “interconnection agreement” issues, and carriers cannot educate their customers until the FCC resolves the issues.