

# Reducing Shared and Carrier-Specific Portability and Pooling Costs

Specific Steps the Commission Should Take To Reduce the Costs Associated with LNP and Pooling Instead of Granting BellSouth's Petition for Rulemaking

Ex Parte Presentation  
in  
RM-11299  
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## The FCC Should Reject BellSouth's Request to Change the Distribution Methodology for Shared LNP and Pooling Costs

- BellSouth's Petition is based upon the misguided view that BellSouth is absorbing costs for which it receives no benefit, which is fundamentally inconsistent with the entire regulatory framework the FCC has created for LNP and pooling.
- BellSouth's Petition merely repeats arguments that the FCC fully considered and rejected when it adopted a revenue-based methodology, and nothing relevant has changed since that time.
- None of the parties who support the BellSouth Petition provided any explanation, let alone record evidence, that could overcome the fatal deficiencies in the BellSouth Petition
- In sum, none of the relevant facts have changed, and a usage-based distribution mechanism would continue to disadvantage all carriers with less market share than the ILECs, including new entrants, and discourage carriers from engaging in activities that serve the public interest by, among other things, ensuring accuracy of the NPAC.



## Some Carriers are Engaging in Activities that Unnecessarily Increase Shared LNP and Pooling Costs

- Shared LNP and pooling costs increase with each billable transaction. Billable transactions include:
  - **Port Request Activate** – Charged each time a port request “create” is not put into “conflict”
  - **Port Request Modification** – Charged each time a port request is modified (e.g., to change the Port due date and time).
  - **Port Request Cancel** – Charged each time a port request is cancelled
  - **Block Activation** – Charged each time a thousands block is assigned to a carrier from a number pool.
- Some carriers unnecessarily increase shared LNP and pooling costs by using the NPAC for purposes that are entirely unrelated to LNP or pooling.
  - **Re-homing** – Some carriers engage in intra-carrier porting in order to move numbers from one switch to another. For example, if a carrier is upgrading its network, the carrier can move numbers from an old switch with one Location Routing Number (“LRN”) to a new switch with a different LRN by “porting” the numbers to themselves, which is unrelated to service provider portability.
  - **Load Balancing**– Some carriers engage in intra-carrier porting in order to move numbers from one switch operating at high capacity to another switch operating at low capacity. Under this scenario, the carrier can move traffic from one switch to another by “porting” the numbers to itself (*i.e.*, porting from the LRN of the high-capacity switch to the LRN of the low capacity switch), which is unrelated to service provider portability.
- Carriers may use the NPAC to engage in re-homing and load balancing in order to flash cut traffic from one switch to another and to shift carrier-specific costs, which they must bear individually, to shared costs, which are borne on an industry wide basis.



## The FCC Can Reduce Shared LNP and Pooling Costs By Requiring Carriers to Comply with Existing Industry Guidelines

- Carriers do not need to rely upon the NPAC or generate billable transactions in order to re-home or load balance.
- Carriers can re-home and load balance by updating the relevant information in the Local Exchange Routing Guide (“LERG”), which does not generate any billable transactions and thus does not increase shared LNP and pooling costs.
- The existing Industry Guidelines instruct carriers to re-home and load balance by updating the relevant information in the LERG.
  - Central Office Code Administration Guidelines (COCAG), Section 6.3.2
- The FCC can reduce shared LNP and Pooling Costs simply by requiring carriers to comply with the existing Industry guidelines.



## The Most Effective Way to Decrease the Costs Associated with LNP Would Be To Increase the Efficiency of the Porting Process

- Shared LNP and pooling costs constitute a comparatively small percentage of the total costs that carriers incur to engage in porting and pooling.
  - For example, shared LNP and pooling costs constitute only approximately 11% of the total costs T-Mobile incurs to engage in LNP and pooling.
- Reducing the total costs that carriers incur to engage in porting and pooling will benefit consumers and carriers.
- The best way to reduce the total costs that carriers incur to engage in porting and pooling is to increase the efficiency of the porting process.
  - For example, when wireless carriers reduced the number of validation fields required to accept a port request, there were significant reductions in the handling and fallout costs associated with completing a port request.
- In addition to reducing the costs associated with portability, increasing the efficiency of the porting process would foster competition by making the portability process easier for consumers.



## The Efficiency of the Porting Process Can Be Improved By Implementing the Recommendations T-Mobile Has Proposed In CC Docket No. 95-116

- The FCC should require all carriers to use a single, streamlined port request format based upon a minimum set of validation fields necessary to process the consumer's port request (e.g., telephone number, account number, and pass code if applicable).
- The FCC should require all carriers to identify every error on a port request when rejecting that request.
- The FCC should adopt the NANC C2/A3 recommendation.
- The FCC should enter a blanket waiver of its five-year LNP cost recovery rule so that all carriers, including the ILECs, have the opportunity to recover legitimate LNP costs associated with implementing a single, streamlined port request format based upon a minimum set of validation fields and the NANC C2/A3 recommendation.
- The FCC should grant individual waivers – rather than a blanket exemption – of any requirement to shorten the porting interval to carriers that meet the waiver standard on a case-by-case basis.
- The FCC should not grant waivers of the requirement that carriers implement a uniform port request format.



## Summary

- The FCC should reject BellSouth's request to change the distribution methodology for shared LNP and pooling costs.
- Some carriers are engaging in activities that unnecessarily increase shared LNP and pooling costs.
- The FCC can reduce shared LNP and pooling costs by requiring carriers to comply with existing industry guidelines.
- The most effective way to decrease the costs associated with LNP would be to increase the efficiency of the porting process.
- The efficiency of the porting process can be improved by implementing the recommendations T-Mobile has proposed in CC Docket No. 95-116.

