

## Issue 9. Number Portability

### **Q. Is number portability important?**

A. Yes. True number portability is highly desirable; without it, competitors are at a clear disadvantage, particularly in serving business customers. Without number portability, many customers will be very reluctant to change carriers, because of all the hassles and expense involved in changing telephone numbers. In effect, the lack of number portability creates a barrier to entry, as well as a barrier to the effective functioning of a competitive market, since many customers will effectively remain captive to the carrier that controls the phone number they are currently using. At least initially, this will almost always be the incumbent, and thus the lack of number portability creates a huge competitive advantage for the incumbent carrier in each market.

Accordingly, the Commission should insist on true number portability being offered as soon as possible. In some jurisdictions, the interim use of remote call forwarding (RCF) and/or direct inward dialing (DID) has been mandated as a temporary stop-gap. However, there are substantial technical and economic problems with this approach, and it certainly cannot be considered a permanent solution. Some LECs have claimed that they lack the switching capacity to handle appreciable volumes of RCF traffic and would be forced to engage in uneconomic investment in order to comply. In Pennsylvania, Bell Atlantic has argued that when incoming toll calls are processed using remote call forwarding as a form of temporary number portability, it should receive the terminating access revenues. Needless to say, if this approach were accepted, it would have devastating effect on the economics of RCF service, reducing or eliminating any benefits that might otherwise be achieved by this "solution" to the number portability problem.

## **Issue 10. Technical and Operational Aspects of Interconnection**

### **Q. Do you have any comments that relate to technical or operational issues?**

- A. Yes. As a general rule, technical and operational arrangements of the existing network must be respected. However, this does not mean that Bell's technical and operational preferences will always prevail. The public interest should be the ultimate criterion for resolving conflicts between the incumbents and new entrants. To be sure, new carriers should be required to maintain a reasonable degree of compatibility with all other carriers, including the incumbents; no carrier should be allowed to introduce equipment or software that is technically incompatible with that of other carriers, if this would serve to defeat efforts to maintain ubiquitous and universal interconnection among competing networks. Even so, entrants should not be implicitly or explicitly forced to mirror the network design of the incumbent carrier. Network integrity should not become an excuse for denying co-carriers access to network functions, or for rejecting the introduction of new or improved technology by new carriers.

## **Issue 11. Directory, 911, N11, Operator Assistance**

### **Q. Should the incumbent local exchange company be required to provide access to databases, signaling systems, E911 facilities, or other such platforms/facilities?**

- A. Yes. The Commission should impose requirements in these areas that serve to reduce barriers to entry and protect the public interest. It would be unduly expensive to require each new entrant to provide duplicate databases and other systems of their own; in many instances, it would be more efficient and less costly if multiple carriers can share the same databases, signaling systems, and other facilities. If incumbents were to deny access to the existing databases and other systems, or were to impose unreasonably high charges for their use, prospective competitors would be discouraged from entering the market, and a formidable barrier to entry would be created.

In some other jurisdictions, problems of systems interfaces and facilities sharing have been smoothed through committees on standards and cooperative practices. The Commission might

wish to require or encourage the establishment of such committees. They could provide an efficient method for identifying and resolving the various technical issues.

**Q. How should the provision of white page directories be handled in a competitive environment? Should the incumbent be required to provide listings to new entrants and books to their customers? If so, at what cost?**

A. The directory business, in general, tends to be a natural monopoly. The Commission should impose appropriate rules to ensure that the incumbent carrier does not leverage its monopoly power in the directory business in a manner that discourages the emergence of effective competition in the local exchange business.

In evaluating the requirements to apply to the incumbent carrier and its directory affiliate, the Commission should consider how a directory publishing company would treat the customers of competitive carriers if it were not affiliated with the incumbent carrier.

If a directory publisher were a stand-alone company, not controlled by or affiliated with a carrier, the publisher clearly would want to list and provide books to as many customers as possible, regardless of which carrier provides their local telephone service. The value of the telephone book, and the value of the associated advertising, depends upon the completeness of its listings and the extent of its distribution. It is in the publishing company's best interest, therefore, to include listings from all carriers, and to distribute the books to the customers of all carriers.

The main reason for an LEC to exclude listings of competitors, or to impose additional charges for such listings, would be to leverage its market power in the directory market in order to influence competitive conditions in the local exchange market. Refusal to print listings or to provide phone books obviously would make it more difficult for new carriers to enter the market. No commercial customer, and few residential customers, would select a carrier if that selection would require the customer's exclusion from the white (or yellow) page listings, or if that selection would mean that they would not receive a phone book.

Accordingly, as long as the incumbent continues to dominate the directory market, the Commission should require the incumbent to provide customers of new entrants with "equal access"

to its directories, on the same terms and conditions applicable to the incumbent's own customers -- that is, at cost. Traditionally, the charge for basic white and yellow page listings, as well as for the books themselves, has been folded into the charge for basic telephone service. Unless the incumbent wishes to provide these services gratis to its competitors' subscribers, the incumbent should unbundle them and provide them to competition as tariffed, wholesale services. Standard rates should apply when additional services (e.g., boldfaced listings, display advertising) are requested by the competitor for its customers.