



Florida Cable Telecommunications Association

Steve Wilkerson, President

November 6, 1995

ORIGINAL FILE COPY

VIA HAND DELIVERY

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
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RE: DOCKET NO. [REDACTED]

Dear Ms. Bayo:

Enclosed for filing in the above-referenced docket are an original and fifteen copies of Florida Cable Telecommunications Association, Inc.'s ("FCTA") Posthearing Brief. Copies have been served on the parties of record pursuant to the attached certificate of service.

Also enclosed is a copy on a 3-1/2" diskette in WordPerfect format, version 5.1.

Please acknowledge receipt and filing of the above by date stamping the duplicate copy of this letter and returning the same to me.

Thank you for your assistance in processing this filing.

Yours very truly,

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Laura L. Wilson
Vice President, Regulatory Affairs &
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Enclosures

cc: Mr. Steven E. Wilkerson
All Parties of Record

[Handwritten signature and stamp]

DOCUMENT NUMBER-DATE

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation into Temporary)
Local Telephone Number Portability)
Solution to Implement Competition)
in Local Exchange Telephone Markets)
_____)

DOCKET NO. 950737-TP

FILED: November 6, 1995

FLORIDA CABLE TELECOMMUNICATIONS ASSOCIATION, INC.'S
POSTHEARING BRIEF

The Florida Cable Telecommunications Association, Inc. ("FCTA") pursuant to Order No. PSC-95-0896-PCO-TP and Rule 25-22.056, Florida Administrative Code, respectfully submits to the Florida Public Service Commission ("Commission") its posthearing brief in the above-captioned docket.

I. BASIC POSITION

The new law recognizes that number portability is an essential element of local exchange competition in Florida. Section 364.337(4), Fla. Stat. (Poag/United-Centel, Tr. 180, L. 11; Engleman/Time Warner, Tr. 208, L. 20-22). Further, local exchange competition must be "promoted" not simply "permitted." Section 364.01, Fla. Stat. Consistent with this intent customers must not be "disadvantaged," "deterred" or "inconvenienced" in seeking to keep their phone numbers when they change providers. Section 364.16(4), Fla. Stat.

The parties have stipulated a number of issues in this proceeding. The main issue left to resolve (the price for the temporary solution to be implemented on January 1, 1996) is a key element to the promotion of economic and efficient local exchange competition in Florida. The price will directly impact whether customers will be "disadvantaged," "deterred" or "inconvenienced" when exercising choice.

Remote Call Forwarding (RCF) may be the only temporary solution capable of widespread implementation in Florida on January 1, 1996. However, it has numerous disadvantages and is

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not likely to support the ultimate development of full competition. When setting the prices for Remote Call Forwarding, the Commission should consider the intent to promote consumer choice, the essential nature of the service to competitive providers, and its inherent disadvantages. Further, in recognition of the scarcity of numbering resources, the public interest will be best served by creating an incentive for the LECs to move toward a better long-term number portability solution. (Price/MCI, Tr. 282, L. 20-23; Engleman/Time Warner, Tr. 222, L. 16-19).

II. ISSUES

ISSUE 1: What is the definition of interim number portability pursuant to Florida Statutes 364.16(4)?

***POSITION:** Stipulated.*

ISSUE 2: What technical solutions will be available by January 1, 1996 to provide interim number portability?

***POSITION:** Stipulated.*

ISSUE 3: What are the advantages and disadvantages of each solution identified in Issue 2?

***POSITION:** The advantages and disadvantages include those items contained in Hearing Exhibit No. 7. However, that list is not intended to be exhaustive.*

ANALYSIS AND ARGUMENT: The record evidence reflects numerous advantages and disadvantages that are associated with Remote Call Forwarding when used as a temporary number portability solution. With respect to the advantages of using RCF on a temporary basis, at least eight advantages have been identified:

1. RCF will be provisioned using existing translation routines and can be delivered directly from an end office to the ALEC. (Kolb/Bell, Tr. 53, L. 23-25; Menard/GTEFL, Tr. 153, L. 2; Tr. 155, L. 24; Poag/United-Centel, Tr. 187, L. 17-18; Engleman/Time Warner, Tr. 234, L. 21-25; Price/MCI, Tr. 282, L. 20-23; Guedel/AT&T, Hearing Exhibit No. 20 at 1).
2. RCF is also a known and well understood offering generally available. (Kolb/Bell, Tr. 53-54, L. 25-1; Menard/GTEFL, Tr. 153, L. 2; Tr. 155, L. 24; Poag/United-Centel, Tr. 187, L. 17-18; Engleman/Time Warner, Tr. 234, L. 21-25; Guedel/AT&T, Hearing Exhibit No. 20 at 1). As demonstrated by MFS surveys, few if any customers will purchase service from LEC competitors if they cannot retain their telephone number. (Devine/MFS, Tr. 20-23, L. 7-11; Tr. 25, L. 19-23).
3. RCF allows for the elimination of inefficient trunk groups between the new entrant's switch and the incumbent's end offices since call forwarded calls can be routed through the tandem switch. (Poag/United-Centel, Tr. 187, L. 17-18; Engleman/Time Warner, Tr. 234, L. 21-25 (agrees if comparison to Flex DID is assumed; Devine/MFS, Tr. 28, L. 2-5).
4. RCF allows end users to change local service providers while retaining their existing telephone number, with virtually no impact to the incumbent LEC's customer base and network. (Menard/GTEFL, Tr. 153, L. 15; Tr. 155, L. 10 (accepted with regard to service provider portability only); Poag/United-Centel, Tr. 187, L. 17-18; Engleman/Time Warner, Tr. 234, L. 21-25; Price/MCI, Tr. 282, L. 20-23).

5. Only one translation change per path is required. (Menard/GTEFL, Tr. 153, L. 2; Tr. 155, L. 24; Poag/United-Centel, Tr. 187, L. 17-18; Price/MCI, Tr. 282, L. 20-23; Guedel/AT&T, Hearing Exhibit No. 20 at 1).
6. Screening list CLASS features in customer's new central office still works. (Kolb/Bell, Tr. 123, L. 9-12; Menard/GTEFL, Tr. 153, L. 2; Tr. 155, L. 24; Poag/United-Centel, Tr. 187, L. 17-18; Engleman/Time Warner, Tr. 234, L. 21-25; Guedel/AT&T, Hearing Exhibit No. 20 at 1).
7. RCF supports the use of SS7 signaling. (Kolb/Bell, Tr. 123, L. 9-12; Menard/GTEFL, Tr. 153, L. 2; Tr. 155, L. 24; Poag/United-Centel, Tr. 187, L. 17-18).
8. RCF can be applied on a line-by-line basis. (Kolb/Bell, Tr. 123, L. 9-12; Menard/GTEFL, Tr. 153, L. 2; Tr. 155, L. 24; Poag/United-Centel, Tr. 187, L. 17-18).

These short-term "advantages" of using Remote Call Forwarding are only "advantages" in the sense that RCF appears to be the only temporary solution that enjoys widespread availability so that competition can begin to emerge in Florida on January 1, 1996. These positive characteristics are clearly offset by the many disadvantages associated with RCF including the following:

1. Two directory numbers are required for each portable number arrangement using RCF. (Kolb/Bell, Tr. 54, L. 5-6; Menard/GTEFL, Tr. 153, L. 2; Tr. 155, L. 24; Poag/United-Centel, Tr. 188, L. 2-4 (recommends deletion of the term "directory").
2. RCF calls would not allow for full CLASS feature transparency. (Kolb/Bell, Tr. 54, L. 6-8; Menard/GTEFL, Tr. 153, L. 2; Tr. 155, L. 24; Engleman/Time Warner, Tr. 235, L. 5-12).

3. Potential call set-up of an additional delay of .5 to 5 seconds is possible depending upon the network configuration and signaling protocols. (Kolb/Bell, Tr. 54, L. 8-11; Menard/GTEFL, Tr. 153, L. 2; Tr. 155, L. 24). Witness Poag testified that the additional delay, if any, would be insignificant on United-Centel's network with the exception of long distance calling. (Poag/United-Centel, Tr. 189, L. 21-24).
4. The engineered capability of a given switch may pose a problem in regard to the number of call forwarded calls the switch can handle at a given time. (Kolb/Bell, Tr. 54, L. 11-14; Menard/GTEFL, Tr. 153, L. 2; Tr. 155, L. 24; Poag/United-Centel, Tr. 190, L. 7-8).
5. Some call flow scenarios would require additional trunking. (Kolb/Bell, Tr. 54, L. 14-15; Menard/GTEFL, Tr. 153, L. 2; Tr. 155, L. 24).
6. All calls must be routed to the LECs' switches before they can be forwarded to ALECs. (Kolb/Bell, Tr. 123, L. 11-12; Menard/GTEFL, Tr. 153, L. 2; Tr. 155, L. 24; Devine/MFS, Tr. 28, L. 16-21).
7. The actual network number (the ported number) is not known to customers. (Kolb/Bell, Tr. 123, L. 11-12; Menard/GTEFL, Tr. 153, L. 2; Tr. 155, L. 24; Engleman/Time Warner, Tr. 5, L. 18-23, Tr. 236, L. 3; Tr. 237, L. 25).
8. Some types of calls may require extra trunks, depending on call volumes. (Kolb/Bell, Tr. 123, L. 11-12; Menard/GTEFL, Tr. 153, L. 2; Tr. 155, L. 24; Engleman/Time Warner, Tr. 211, L. 7-12).
9. Administration is required to insure the appropriate RCF changes are made in the affected office when a customer moves to a new local service provider. (Kolb/Bell, Tr. 123, L. 11-12; Engleman/Time Warner, Tr. 211, L. 13-17; Price/MCI, Tr. 282, L. 20-23; Guedel/AT&T, Hearing Exhibit No. 20 at 1).

10. RCF for two lines is necessary to enable call waiting for the ported customer. (Kolb/Bell, Tr. 123, L. 11-12; Menard/GTEFL, Tr. 153, L. 2; Tr. 155, L. 24; Engleman/Time Warner, Tr. 211, L. 18-24; Guedel/AT&T, Exhibit No. 20 at 2).
11. The incumbent LEC remains in the revenue stream for terminating access revenues. (Kolb/Bell, Tr. 123, L. 11-12; Menard/GTEFL, Tr. 153, L. 2; Tr. 155, L. 24; Engleman/Time Warner, Tr. 211, L. 20-24; Tr. 235, L. 13-24).
12. CLASS features Automatic Recall and Automatic Call Back are disabled following a call to the ported number. (Engleman - Direct Testimony - Page 7, Line 1; Price/MCI, Tr. 282, L. 20-23; Guedel/AT&T, Hearing Exhibit No. 20 at 2).
13. For 911 purposes, it is not clear that the ported number would be able to be displayed at the PSAP in all cases, and if it is, it will require training of the PSAP operator. (Kolb/Bell, Tr. 123, L. 11-12; Price/MCI, Tr. 282, L. 20-23; Guedel/AT&T, Hearing Exhibit No. 20 at 2). GTEFL, however, has E911. While some training may be required, GTEFL believes RCF issues can be fully handled by PSAP operators. (Menard/GTEFL, Tr. 155, L. 14-19).

Despite these many disadvantages, RCF appears to be the only temporary solution currently available. The importance of establishing a widespread temporary solution to the emergence of local competition and the many disadvantages associated with RCF should be reflected in the price set for the service. The price should reflect no more than the LECs' direct incremental cost in order to promote competition and ensure that customers are not deterred, inconvenienced or disadvantaged when changing providers.

ISSUE 4: What costs are associated for providing each solution identified in Issue 2?

***POSITION:** The record reflects recurring and non-recurring costs.*

ANALYSIS AND ARGUMENT: The costs associated with Remote Call Forwarding temporary number portability include any additional load on the LEC switch which will be switching calls it would not otherwise have been switching; the recurring capital cost of the port which varies by central office type; and the cost of transport which will add small increments of traffic to the LEC trunks between the end office and tandem switches. (Engleman/Time Warner, Tr. 212-213, L. 23-4).

Non-recurring costs include the labor time to receive and process a service order and transmit this information to the switch translation employee who then writes the translation. (Engleman/Time Warner, Tr. 213, L. 9-12). These costs should also include the labor involved in physically putting up the port. (Engleman/Time Warner, Tr. 213, L. 12-14),

The record reflects that the incremental cost of these items to the LEC will be slight since this traffic will not be transported over dedicated facilities. It will be mixed in with all other traffic or digital or fiber optic trunks. (Engleman/Time Warner, Tr. 213, L. 4-7). Again, the critical nature of the service to the development of consumer choice and the inherent danger of front loading excessive costs on to new entrants cannot be overemphasized. It is appropriate for the price to reflect the LECs' direct incremental costs. (Engleman/Time Warner, Tr. 213, L. 7-8; Price/MCI, Tr. 254, L. 1-12). Allowing recovery of any overhead costs runs contrary to the principles of competition and will merely serve to lock in current inefficiencies of the LEC network. Since RCF is an essential facility that must be purchased from the LEC, recovery of contribution is inappropriate. (Devine/MFS, Tr. 43, L. 2-9).

ISSUE 5: How should the costs identified in Issue 4 be recovered?

***POSITION:** The prices should reflect the LECs' direct incremental cost. Recurring costs should be recovered through a flat-rate recurring charge per ported path, including two paths. Non-recurring costs should be recovered through a flat-rate per order charge.*

ANALYSIS AND ARGUMENT: The record clearly demonstrates that number portability at a reasonable price is essential to the development of competition. (Poag/United-Centel, Tr. 180, L. 11; Devine/MFS, Tr. 29, L. 19-23). Therefore, the price should reflect the direct incremental cost. The price should include no "contribution" and thus would be substantially below the retail rate. This reflects the reality that the function is a monopoly input. (Price/MCI, Tr. 254, L. 11-12). Such pricing would also avoid creating a disincentive for the LEC to actively pursue a long-term number portability solution. (Price/MCI, Tr. 254, L. 12-15).

The recurring cost should be recovered through a flat-rate recurring charge per ported number, which should include two paths. (Engleman/Time Warner, Tr. 214, L. 19-21). This will prevent customers with enhanced features such as Call Waiting from being "disadvantaged, deterred or inconvenienced" as a result of trying to keep their existing phone numbers. See, Section 364.16(4) Fla. Stat. Additional paths should be included at a reduced rate. (Engleman/Time Warner, Tr. 214, L. 21-22). Non-recurring costs should be recovered through a flat-rate charge per order billed at the LEC's direct incremental cost. It should include any economies the LEC receives by dealing with the ALEC rather than an end user, and economies of scale. (Engleman/Time Warner, Tr. 214-215, L. 22-3).

ISSUE 6: What is the most appropriate method(s) of providing temporary number portability?

***POSITION:** Stipulated.*

ISSUE 7: What are the appropriate parameters, costs and standards for the method(s) identified in Issue 6?

***POSITION:** Stipulated.*

ISSUE 8: Should the docket be closed?

***POSITION:** No. The docket should remain open for the number portability standards group to continue its work under the "direction of the Commission" as required by s. 364.16(4).*


ANALYSIS AND ARGUMENT: This docket should remain open to provide a workshop forum for the industry resolution of any implementation issues. See, e.g. Menard/GTEFL, Tr. 148, L. 11-12. It should also remain open to pursue a Flex DID solution.

III. CONCLUSION

For the foregoing reasons, FCTA urges the Commission to (1) recognize the essential nature of RCF by setting prices that promote the development of local competition and reflect the LECs' direct incremental cost; and (2) keep this docket open for purposes of resolving implementation issues through the industry standards group and pursuing a Flex DID solution or other temporary.

RESPECTFULLY SUBMITTED this 6th of November, 1995.

By:



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CERTIFICATE OF SERVICE
DOCKET NO. 950737-TP

I HEREBY CERTIFY that a true and correct copy of FCTA's Posthearing Brief has been furnished by Hand Delivery(*) and/or U.S. Mail on this 6th day of November, 1995 to the following parties of record:

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