

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Investigation into ) DOCKET NO. 950737-TP  
 temporary local telephone number ) ORDER NO. PSC-95-1246-PHO-TP  
 portability solution to ) ISSUED: October 11, 1995  
 implement competition in local )  
 exchange telephone markets. )  
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Pursuant to Notice, a Prehearing Conference was held on October 9, 1995, in Tallahassee, Florida, before Commissioner J. Terry Deason, as Prehearing Officer.

APPEARANCES:

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On behalf of AT&T Communications of the Southern States, Inc.

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On behalf of BellSouth Mobility Inc.

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On behalf of Florida Cable Telecommunications Association, Inc.

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On behalf of Florida Public Telecommunications Association, Inc.

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On behalf of GTE Florida Incorporated.

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On behalf of Intermedia Communications of Florida, Inc.

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On behalf of McCaw Communications of Florida, Inc.

Richard D. Melson, Esquire, Post Office Box 6526, 123 South Calhoun Street, Tallahassee, Florida 32314 and Michael J. Henry, Esquire, MCI Telecommunications Corp., 780 Johnson Ferry Road, Suite 700, Atlanta, Georgia 30346.

On behalf of MCI Metro Access Transmission Services, Inc.

Richard M. Rindler, Esquire, James C. Falvey, Esquire, Swidler & Berlin, Chartered, 3000 K Street, N.W., Suite 300, Washington, D.C. 20007.

On behalf of Metropolitan Fiber Systems of Florida, Inc.

Robert G. Beatty, Esquire, J. Phillip Carver, Esquire, R. Douglas Lackey, Esquire, Nancy B. White, Esquire, c/o Nancy H. Sims 150 South Monroe Street, Suite 400, Tallahassee, Florida 32301.

On behalf of BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company.

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On behalf of Sprint Communications Company Limited Partnership.

Lee L. Willis, Esquire, J. Jeffrey Wahlen, Esquire, Macfarlane, Ausley, Ferguson & McMullen, P. O. Box 391, Tallahassee, Florida 32302.

On behalf of Central Telephone Company of Florida and United Telephone Company of Florida.

Peter M. Dunbar, Esquire, Charles W. Murphy, Esquire, Pennington & Haben, P.A., Post Office Box 10095, Tallahassee, Florida 32302-2095.

On behalf of Time Warner AxS of Florida, L.P. and Digital Media Partners.

Monica M. Barone, Esquire, Gerald L. Gunter Building, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850.

On behalf of the Commission Staff.

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On behalf of the Commissioners.

PREHEARING ORDER

I. CASE BACKGROUND

Section 364.16 (4), Florida Statutes, which became effective on July 1, 1995, requires the Commission to ensure the implementation of a temporary number portability solution prior to the introduction of competition in the local exchange market on January 1, 1996. The statute requires the parties, under the direction of the Commission, to set up a number portability standards group by no later than September 1, 1995, for the purposes of investigation and development of appropriate parameters, costs and standards for number portability. However, since the Commission is required to ensure the establishment of a temporary number portability solution by January 1, 1996, it was impossible to establish a hearing schedule that met the timeline of the statute. Therefore, it became necessary to develop a hearing schedule which required the parties to be on a faster timeline than required by the statute.

On June 29, 1995, the Commission established this docket to investigate the appropriate temporary local number portability solution as contemplated by the statute. Workshops were held on July 20, 1995, August 3, 1995, August 15, 1995, August 22, 1995 and August 25, 1995. On August 30, 1995, the parties executed a Stipulation and Agreement which addresses some, but not all, of the issues identified in this docket. The stipulation was approved by Order No. PSC-95-1214-AS-TP, issued October 3, 1995. A hearing has been scheduled for October 20 - 21, 1995 to address the remaining issues.

II. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION

A. Any information provided pursuant to a discovery request for which proprietary confidential business information status is requested shall be treated by the Commission and the parties as confidential. The information shall be exempt from Section 119.07(1), Florida Statutes, pending a formal ruling on such request by the Commission, or upon the return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been used in the proceeding, it shall be returned expeditiously to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of the proceeding, it shall be returned to the person providing the information within the time periods set forth in Section 364.183(2), Florida Statutes.

B. It is the policy of the Florida Public Service Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 364.183, Florida Statutes, to protect proprietary confidential business information from disclosure outside the proceeding.

In the event it becomes necessary to use confidential information during the hearing, the following procedures will be observed:

- 1) Any party wishing to use any proprietary confidential business information, as that term is defined in Section 364.183, Florida Statutes, shall notify the Prehearing Officer and all parties of record by the time of the Prehearing Conference, or if not known at that time, no later than seven (7) days prior to the beginning of the hearing. The notice shall include a procedure to assure that the confidential nature of the information is preserved as required by statute.
- 2) Failure of any party to comply with 1) above shall be grounds to deny the party the opportunity to present evidence which is proprietary confidential business information.
- 3) When confidential information is used in the hearing, parties must have copies for the Commissioners, necessary staff, and the Court Reporter, in envelopes clearly marked with the nature of the contents. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.
- 4) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise the confidential information. Therefore, confidential information should be presented by written exhibit when reasonably possible to do so.
- 5) At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has

been admitted into evidence, the copy provided to the Court Reporter shall be retained in the Commission Clerk's confidential files.

Post-hearing procedures

Rule 25-22.056(3), Florida Administrative Code, requires each party to file a post-hearing statement of issues and positions. A summary of each position of no more than 50 words, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of the prehearing order, the post-hearing statement may simply restate the prehearing position; however, if the prehearing position is longer than 50 words, it must be reduced to no more than 50 words. The rule also provides that if a party fails to file a post-hearing statement in conformance with the rule, that party shall have waived all issues and may be dismissed from the proceeding.

A party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 60 pages, and shall be filed at the same time. The prehearing officer may modify the page limit for good cause shown. Please see Rule 25-22.056, Florida Administrative Code, for other requirements pertaining to post-hearing filings.

III. PREFILED TESTIMONY AND EXHIBITS

Testimony of all witnesses to be sponsored by the parties has been prefiled. All testimony which has been prefiled in this case will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to appropriate objections. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. After all parties and Staff have had the opportunity to object and cross-examine, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple yes or no answer shall be so answered first, after which the witness may explain his or her answer.

IV. ORDER OF WITNESSES

<u>Witness</u>	<u>Appearing For</u>	<u>Issues #</u>
<u>Direct/Rebuttal*</u>		
Frank R. Kolb	SBT	3 - 5, 8
Beverly Y. Menard	GTEFL	All Issues
F. Ben Poag	Sprint/Centel Sprint/United	All Issues
Danny G. Engleman*	Time Warner	3 - 5
Timothy T. Devine*	MFS	All Issues
Don Price*	MCImetro	All Issues
Mike Guedel	AT&T	3 - 5, 8

(\* rebuttal also)

V. BASIC POSITIONS

**AT&T:** AT&T agrees with industry conclusion (evidenced in the stipulation approved by the Commission in this docket) that temporary number portability should be provided through Remote Call Forwarding. The non-recurring costs associated with that solution include the labor time involved with receiving the service order, the transmission of the service order to the switching employee, and the writing of the translation. The recurring costs associated with that solution include the switching costs associated with the set up and maintenance of additional calls through the LEC central offices and the transport costs associated with the facilities utilized in forwarding the call to the recipient company. The rate structure for this arrangement should consist of a single rate element billed by the provider of the number portability service to the LEC receiving the ported number. The rate should be set at the TSLRIC that the LEC incurs in providing the service. No additional mark-up should be allowed. The LEC should be permitted to recover the costs that it incurs in providing number portability, but it should not be

allowed to exact any additional premium from potential competitors simply for the right to do business in its territory.

**BMI:** The Stipulation approved by the Commission on September 12, 1995, appropriately indicates that remote call forwarding should be the interim service provider number portability solution, in that it involves the least adverse impact to cellular customers.

Although Remote Call Forwarding appears to be the least onerous number portability solution available at this time, it negatively affects CMRS customers. Remote Call Forwarding interferes with the proper function of several services offered or contemplated by CMRS providers, such as BMI's Pro-Link, calling number identification service and the ability to identify published calling numbers on customer bills.

**FCTA:** The new law recognizes that number portability is an essential element of local exchange competition in Florida. Thus, the main issue left to resolve in this proceeding (the price for the temporary mechanism to be implemented on January 1, 1996) is a key element to promoting economic and efficient local exchange competition in Florida. Remote Call Forwarding may be the only temporary solution that can be implemented in Florida on January 1, 1996. However, it has numerous disadvantages and is not likely to support the ultimate development of full competition. The Commission should keep the essential nature of the service and its inherent disadvantages in mind when setting the prices for Remote Call Forwarding.

**FPTA:** The issue of local telephone number portability must be resolved in a manner that is fair to all providers if the State of Florida is ultimately going to have vigorous competition in the local exchange services market.

**GTEFL:** Consistent with the stipulation approved in this docket (see subsection (G) below), remote call forwarding (RCF) is the interim number portability solution that should be offered to certified alternative local exchange companies (ALECs)

effective January 1, 1996, in accordance with Chapter 364.16(4), Florida Statutes. GTEFL's negotiations with the ALECs concerning the appropriate pricing of RCF are continuing. GTEFL has proposed charging \$1.25 per month per line ported, with no usage charges, and an additional \$1.10 per month for each additional path in the switch. GTEFL believes these rates are reasonable and are, in fact, much lower than its currently tariffed RCF rates of \$16.00 for each number plus usage. The rates charged to ALECs for RCF should cover direct costs and make some contribution to shared costs.

**INTERMEDIA:** Number portability among local exchange carriers is an important precondition for competition. The Stipulation approved by the Commission on September 12, 1995, appropriately indicates that remote call forwarding should be the interim number portability solution, and that LEC prices should be cost based and uniform for each LEC on a per-line per-month basis, with the ALEC price to mirror the LEC price. ICI takes no position on the appropriate price level.

**MCCAW:** Number portability is critical to the development of local competition in Florida. Because the remote call forwarding approved as an interim solution is an essential monopoly component for local service, it should be priced at no more than cost without any additional mark up or contribution.

**MCIMETRO:** The parties have stipulated that Remote Call Forwarding (RCF) should be implemented as one of the methods for providing temporary service provider number portability. RCF has serious disadvantages which make it inappropriate for a long-term number portability solution. During the interim period before the adoption of a permanent data base number portability mechanism, the price for RCF should be set equal to the incremental direct cost of providing RCF for number portability purposes. The price should not include any contribution to joint and common costs. If the price did include such contribution, it would create an economic barrier to entry in addition to the technical barriers that result from the RCF



arrangement itself. Including contribution in the price would also increase the incentives for the LECs to delay the implementation of a permanent number portability mechanism.

**MFS:**

MFS believes that Remote Call Forwarding ("RCF") is the best temporary number portability solution available at this time. Temporary number portability is essential to the development of local exchange competition. As a bottleneck element of local exchange service, RCF should be priced by LECs at incremental direct cost with no contribution. The cost should be spread across all providers based on the relative quantity of telephone numbers forwarded and then charged on a per line, per month basis.

**SOUTHERN BELL:**

As stipulated by the parties, Remote Call Forwarding ("RCF") is the only temporary service provider number portability mechanism that can be implemented in most LECs central offices by January 1, 1996. The long run incremental cost of providing Remote Call Forwarding should be used to establish a price floor. The parties should be free to negotiate a price for this service that is above the price floor.

**SPRINT:**

Sprint's basic position is that anything short of true service provider number portability is an inferior service. However, it may take as long as two years to achieve true service provider number portability. Therefore, among the alternatives that exist in today's technology, Remote Call Forwarding (RCF) is the preferred solution. RCF supports more CLASS functionality than does Direct Inward Dialing (DID). Additionally, RCF requires an isolated switching function, as opposed to a dedicated trunk group as is required with DID, and is, therefore, somewhat easier and cheaper for both the Incumbent Local Exchange Company (ILEC) and the Competitive Local Exchange Company (CLEC) to install. The ILEC should base the charge on Long Run Incremental Costs (LRIC) to provide the interim solution of RCF.

SPRINT/CENDEL

SPRINT/UNITED: The Commission should approve a recurring monthly rate for the telephone number and first path, a second recurring monthly rate for each additional path associated with the same number, and a non-recurring service order charge. All of these rates should exceed the LEC's direct incremental cost and provide additional margin to cover shared costs.

TIME WARNER:

The ability for a customer to change its local service provider without changing telephone numbers is widely acknowledged as an important component in the development of local competition. A permanent number portability solution does not exist today, but the Florida Legislature has mandated that a temporary mechanism be available on January 1, 1996. The parties to this docket have agreed that Remote Call Forwarding ("RCF") can be implemented as a temporary mechanism. However, Remote Call Forwarding is fraught with significant problems, including call set-up delays, keeping the local exchange companies (LECs) in the revenue stream for terminating access charges, and limiting some feature availability to number ported customers. Despite the many disadvantages of RCF, alternate local exchange companies (ALECs) need to have service number portability to attract customers. Thus, the pricing of the temporary number portability mechanism is an important aspect of interconnection between the LEC and ALEC networks.

Time Warner filed comments with the FCC in its number portability proceeding stating that there should be no charge for Remote Call Forwarding as a temporary number portability mechanism because of the technical and competitive difficulties associated with RCF. However, in Florida, Time Warner has proposed a price of \$1.00 for two paths, and \$.50 for additional paths because the Florida Statutes require that the prices and rates for temporary number portability not be below cost. No cost studies for Remote Call Forwarding as a temporary number portability mechanism have yet been filed; however, the rates proposed by Time Warner will allow it to do business in Florida

assuming interconnection rates are reasonable. Time Warner could also support the positions of MCI Metro or Metropolitan Fiber Systems for a cost recovery mechanism for remote call forwarding.

**STAFF:**

Staff believes one key element in developing competition in the local exchange market, is that customers should be able to change carriers without having to change telephone numbers. To this end, staff believes the LECs as well as ALECs should provide remote call forwarding as a temporary number portability solution at its long run incremental cost.

Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions.

**VI. ISSUES AND POSITIONS**

**ISSUE 1:**

What is the definition of temporary number portability pursuant to Section 364.16(4), Florida Statutes?

**STIPULATION:**

According to the stipulation signed by the parties and approved by the Commission on September 12, 1995, temporary number portability is defined as an end user's ability at a given location to change service from a local exchange company (LEC) to an alternative local exchange company (ALECs) or vice versa, or between two ALECs, without changing their local telephone number. This is typically known as service provider temporary number portability.

**ISSUE 2:**

What technical solutions will be available by January 1, 1996, to provide temporary number portability?

**STIPULATION:**

According to the stipulation signed by the parties and approved by the Commission on September 12, 1995, the only technical solution that will be available by January 1, 1996 is remote call

forwarding. However, the parties agree that Flexible Direct Inward Dialing is an alternative temporary local number portability mechanism, and that the LECs will continue to negotiate with the ALECs who desire to utilize Flexible Direct Inward Dialing or any other feasible option to provide temporary number portability that may be developed in the future.

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

**AT&T:** As part of their work effort, the industry number portability standards group developed a description of the advantages and disadvantages of the respective interim solutions. A description of the advantages and disadvantages of two potential interim solutions, Remote Call Forwarding and Flex DID, are attached to the testimony of Mike Guedel filed in this proceeding.

**BMI:** Remote Call Forwarding interferes with the proper function of several services offered or contemplated by CMRS providers, such as BMI's Pro-Link, calling number identification service and the ability to identify calling numbers on customer bills.

**FCTA:** The advantages and disadvantages include:

1. Remote Call Forwarding
  - a) Advantages:
    - (1) Only one translation change would be required.
    - (2) Screening List CLASS features in customer's new central office would still work.
    - (3) RCF does not require the addition of extra or special inter-office trunks if call volume is low.
    - (4) RCF is available in most switches.

- (5) RCF supports the use of SS7 signaling.
- (6) RCF can be applied on a line-by-line basis.

b) Disadvantages:

- (1) There would be a call set-up delay of 2 to 3 seconds.
- (2) The actual network number (the ported number) would not be known to customers, creating confusion when calls were placed from this number to subscribers of Caller Identification. The number displayed at the far end would not be the directory number, but would be the ported number.
- (3) RCF requires the use of two number assignments.
- (4) The engineered capability of a given switch may pose a problem with regard to the number of call forwards the switch can support at any one time. This would depend on how many customers were assigned this option.
- (5) Some types of calls (e.g., interLATA calls terminating through the access tandem, or local calls from the ALEC switch to the directory number which are then routed back over the same trunk) may require extra trunks, depending on call volume.
- (6) Administration would be required to insure the appropriate RCF changes are made in the affected office when a customer moves to a new local service provider. Disconnecting numbers would also have to be tracked.

- (7) RCF for two lines would be necessary to enable call waiting for the ported customer.
- (8) The incumbent LEC would remain in the revenue stream for terminating access revenues.
- (9) For 911 purposes, it is not clear that the ported number would be able to be displayed at the Public Safety Answering Point (PSAP) in all cases, and if it is, it will require training of the PSAP operator.
- (10) CLASS features Automatic Recall and Automatic Call Back are disabled following a call to the ported number.
- (11) The Calling Port Number (CgPN) field on which CLASS features are based when the ported customer originates a call will not show the ported number and Caller ID and features that screen on Caller ID will fail. This is similar to disadvantage #2.
- (12) Second number use is inconsistent with a long term database solution.

2. Flex DID

a) Advantages:

- (1) The customer would be assigned one directory number.
- (2) The customer would not use an office equipment number in the former company's central office.

b) Disadvantages:

- (1) There would be a call set-up delay of 2 or 3 seconds.

- (2) CLASS features would require changes in the STPs to associate the NXX with two different point codes on a per number basis.
- (3) This method would require changes in the access tandem office to allow for full seven digit number routing (maintaining exception lists) instead of routing by three digit NXX.
- (4) This method would require direct trunks to the former central office if the access tandem isn't able to route calls via exception lists.
- (5) This method could also require extra trunks between offices (the same as RCF) depending on call volume.
- (6) Opening the old NXX in the customer's new central office would require more translation changes.
- (7) More administration than RCF would be required for opening NXXs in two different offices and maintaining the exception lists.
- (8) DID requires end office trunking to each end office that is porting a number.
- (9) The incumbent LEC would remain in the revenue stream for access revenues.

**FPTA:** No position at this time.

**GTEFL:** GTE Florida concurs in Southern Bell's position.

**INTERMEDIA:** No position at this time.

**MCCAW:** The advantages include: it can be implemented in most switches, additional trunking is not needed for low call volumes, SS7 signaling is supported, it can be implemented on a line-by-line basis, only

one translation change per path is required, and screening list CLASS features in the customer's new central office would still work.

The disadvantages include: there is additional call set-up delay, the network number would not be known to customers (creating potential confusion for called parties with Caller identification), two numbers are required, there may be switch limitations as to the number of calls that can be forwarded at one time, some calls may require extra trunks, additional administration would be required to track number changes, two lines are necessary to enable call waiting to work, the incumbent LEC would remain in the revenue stream for terminating access charges, the ported number may not be displayed at the Public Safety Answering Point ("PSAP") for 911 calls, the Calling Port Number field on which CLASS features are based will not show the ported number and Caller ID and features that screen on Caller ID will fail, and the use of a second number is inconsistent with a long term database solution.

**MCIMETRO:**

Remote call forwarding (RCF) is totally inappropriate as a long-term local number portability solution. The advantage of RCF as a temporary mechanism is that it is fairly simple for the LECs to implement. The disadvantages of RCF include: call blocking, call transmission degradation, unavailability of CLASS features, limitation to 32 simultaneous calls, accelerated exhaust of available central office codes, additional call setup time, negative impact on the LEC's switch processor capacity, potential 911 service problems, increased customer complaints, uneconomic trunking requirements, IXC third party billing problems, limitations on operator services, and the requirement for additional AMA recording equipment. Most of these deficiencies arise from the fact that the LEC will remain in the call processing path of every call to the ported customer.

**MFS:**

Disadvantages: RCF and other interim number portability solutions require that all calls be routed to the LEC switch before they can be forwarded to MFS, resulting in additional



transmission and switching expense and call set-up time. It also appears that BLV/I and some CLASS features are not available when utilizing RCF.

Advantages: RCF provides the critical function of permitting 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. Like any interim system, RCF is not perfect, and while a better interim solution may come about, it is in MFS's view the best currently available interim solution.

SOUTHERN BELL: The Remote Call Forwarding (RCF) temporary number portability arrangement to which the parties have stipulated has the following advantages and disadvantages.

Advantages:

1. RCF will be provisioned using existing translation routines.
2. RCF can be delivered directly from an end-office to the ALEC.
3. RCF is a known, well understood offering that is generally available.

Disadvantages:

1. Two directory numbers are required for each portable number arrangement using RCF.
2. Remote call forwarded calls would not allow for full CLASS feature transparency.
3. There is a potential call setup delay of .5 to 5 seconds.
4. Some switches may be able to handle only a limited number of call forwards at a given time.
5. Additional trunking might be required.

**SPRINT:** Under RCF, if a customer transfers his number from Carrier A to Carrier B, Carrier A's switch routes the call to Carrier B by translating the dialed number into a number with an NXX corresponding to a switch operated by Carrier B. Under DID, Carrier A routes the customer's calls over a dedicated facility to Carrier B's switch.

Both RCF and DID are inferior to a system of true service provider portability for geographic numbers. First, RCF and DID allow the incumbent LEC to retain bottleneck control over the call, providing the incumbent LEC with the switched access charge revenues associated with terminating intrastate calls (including calls which ultimately terminate over the competitive local service provider's network) as well as marketing information regarding which customers have subscribed to competitive local service providers. Second, RCF and DID use scarce numbering resources inefficiently, since they require two 10-digit telephone numbers, thereby contributing to code exhaust. Third, RCF and DID are technically inferior to a true system of geographic number portability. For example, RCF and DID do not forward carrier identification code (CIC) information and therefore the competitive local service provider cannot bill IXCs directly; and there are implications for 911 and certain CLASS services (Caller-ID and automatic call back) since it is the forwarded rather than dialed number which will appear. Fourth, because there are two separate calls involved with RCF and DID, forwarded calls have higher set-up time.

As an interim solution, Sprint supports RCF. RCF is preferable to DID because it ubiquitously supports more CLASS functionality than does DID, which requires ISDN/PRI technology to provide CLASS functionality. In addition, RCF requires an isolated switching function, as opposed to a dedicated trunk group as is required with DID, and is therefore somewhat easier and cheaper for both the incumbent and the competitive local service provider to install.

**SPRINT/CENDEL**

**SPRINT/UNITED:** No position at this time.

TIME WARNER: The advantages of remote call forwarding ("RCF") are:

1. It can be offered today in all switches that are stored program control switches.
2. Only one translation change would be required.
3. Screening List CLASS features in customer's new central office would still work.
4. RCF does not require the addition of extra or special inter-office trunks if call volume is low.
5. RCF supports the use of SS7 signaling.
6. RCF can be applied on a line-by-line basis.

The disadvantages of RCF are:

1. There would be a call set-up delay of 2 to 3 seconds.
2. The actual network number (the ported number) would not be known to customers, creating confusion when calls were placed from this number to subscribers of Caller Identification. The number displayed at the far end would not be the directory number, but would be the ported number.
3. RCF requires the use of two number assignments.
4. The engineered capability of a given switch may pose a problem in regards to the number of call forwards the switch can support at any one time. This would depend on how many customers were assigned this option.
5. Some types of calls (e.g., interLATA calls terminating through the access tandem, or local calls from the ALEC

switch to the directory number which are then routed back over the same trunk) may require extra trunks, depending on call volume.

6. Administration would be required to insure the appropriate RCF changes are made in the affected office when a customer moves to a new local service provider. Disconnecting numbers would also have to be tracked.
7. RCF for two lines would be necessary to enable call waiting for the ported customer.
8. The incumbent LEC would remain in the revenue stream for terminating access revenues.
9. For 911 purposes, it is not clear that the ported number would be able to be displayed at the Public Safety Answering Point (PSAP) in all cases, and if it is, it will require training of the PSAP operator.
10. CLASS features Automatic Recall and Automatic Call Back are disabled following a call to the ported number.
11. The Calling Party Number (CgPN) field on which CLASS features are based when the ported customer originates a call will not show the ported number and Caller ID and features that screen on Caller ID will fail. This is similar to disadvantage #2.
12. Second number use is inconsistent with a long term database solution.

**STAFF:**

Remote Call Forwarding (RCF) provides the following advantages and disadvantages.

**Advantages**

1. Screening list CLASS features in customer's new central office would still work.
2. RCF does not require the addition of extra or special inter-office trunks if call volumes are low.
3. RCF is available in most switches.
4. RCF supports the use of SS7 signaling.
5. RCF can be applied on a line-by-line basis.

**Disadvantages**

1. There would be a call set-up delay.
2. The actual network number (the ported number) would not be known to customers, creating confusion when calls were placed from this number to subscribers of Caller Identification. The number displayed at the far end would not be the directory number but would be the ported number.
3. RCF requires the assignment of two telephone number which is detrimental to the life of an area code.
4. The engineered capability of a given switch may pose a problem in regards to the number of call forwards the switch can support at any one time.
5. Some type of calls may require extra trunks, depending on the call volumes.
6. Administration would be required to insure the appropriate RCF changes are made in the affected office when a customer moves to a new local service provider.

7. RCF for two lines would be necessary to enable call waiting for the ported customer.
8. The incumbent LEC would remain in the revenue stream for terminating access revenues.
9. Ported numbers may not be able to be displayed at the Public Safety Answering Point (PSAP) in all cases.
10. CLASS features Automatic Recall and Automatic Call Back are disabled following a call to the ported number.

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

**AT&T:** The non-recurring costs associated with the provision of number portability (in a Remote Call Forwarding arrangement) include the labor time involved in receiving the service order, the transmission of the service order to the switching employee, and the writing of the translation.

The recurring costs associated with the provision of number portability (in a Remote Call Forwarding arrangement) include the switching costs associated with the set up and maintenance of additional calls through the LEC Central Offices and the transport costs associated with the facilities utilized in forwarding the call to the recipient company.

**BMI:** Although not a direct cost of providing remote call forwarding, BMI notes that there are substantial unquantifiable costs to CMRS providers associated with the adverse impact of Remote Call Forwarding on various cellular services offered by BMI and others. These include lost revenues associated with the above-mentioned services.

**FCTA:** Generally, there are recurring and nonrecurring costs. The costs are LEC specific and considered proprietary. However, these must be properly identified by the LECs and scrutinized by the Commission.

**FPTA:** No position at this time.

GTEFL: No position at this time.

INTERMEDIA: No position at this time.

MCCAW: The costs involved are service ordering and origination and the switching and transport associated with forwarding the calls.

MCIMETRO: The types of incremental direct costs fall into two categories, recurring and nonrecurring. The recurring costs are primarily the carrying cost of the dedicated equipment needed to perform the call forwarding and the cost of some additional trunking facilities and processor time. The nonrecurring costs are the costs of labor to enter a service order and to implement the number translation. MCI takes no position on the specific amount of these costs pending completion of discovery.

MFS: There are limited direct costs to equip lines, as well as certain trunking and processing costs. LEC costs should be carefully analyzed by the Commission and the parties.

SOUTHERN BELL: Three major categories of long-run, incremental costs (LRC) have been identified:

1. Service Implementation
2. Central Office Equipment Software
3. Interoffice Networking

SPRINT: Sprint does not have the information to be responsive to this issue.

SPRINT/CENTEL

SPRINT/UNITED: In general, there are recurring and non-recurring costs. The specific costs are proprietary confidential business information. The recurring costs have been filed with the Division of Records and Reporting pursuant to Section 364.183, F.S., and Rule 25-22.006, F.A.C.

TIME WARNER: Time Warner does not have explicit information regarding recurring costs associated with Remote Call Forwarding. The costs which should be considered significant are those of the LECs, since ALECs will be dependent on LECs for number portability much more than the LECs ever will be

dependent on ALECs. The costs include any additional load on the LEC switch, which will be switching calls it would not otherwise, the recurring capital cost of the port, which will vary 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. Since this traffic will not be over dedicated facilities, but mixed in with all other traffic on digital or fiber optic trunks, the incremental cost will be slight.

Nonrecurring costs include the labor time to receive and process a service order, transmit this information to the switch translation employee, who then writes the translation. Also, the labor involved in physically putting up the port (one per ported number) should be included.

**STAFF:**

There are three major categories of costs.

1. Service Implementation
2. Central Office Equipment and Software
3. Interoffice Networking

**ISSUE 5:**

How should the costs identified in Issue 4 be recovered?

**AT&T:**

AT&T concurs in the stipulated industry agreement that the recurring costs should be recovered on a per-line, per-month basis.

**BMI:**

LEC prices for remote call forwarding should be cost-based. BMI takes no position at this time on the appropriate price level.

**FCTA:**

Florida law specifies that the rate must not be below cost. In this context, LEC rates for RCF should be incremental cost based especially given the essential nature of the service and drawbacks associated with the solution.

**FPTA:**

No position at this time.

**GTEFL:**

These costs should be recovered from the ALECs, the cost causers. GTEFL proposes to charge \$1.25 per month per line ported with no usage charge. For



multi-line hunt groups GTEFL would charge an additional \$1.10 per month for each additional path in the switch. GTEFL plans to apply a nonrecurring service charge of \$11.00 and \$14.00 for each RCF residential and business order, respectively.

**INTERMEDIA:** LEC prices for remote call forwarding should be cost-based. ICI takes no position at this time on the appropriate price level.

**MCCAW:** Pursuant to the stipulation approved at the September 12, 1995 Agenda conference, the costs should be recovered through a per-line per-month charge. No position at this time on specific rate levels except that such rates should be no more than cost and without any additional mark up or contribution.

**MCIMETRO:** The incremental direct costs of providing RCF in a number portability context should be recovered through a nonrecurring service order charge and a recurring monthly charge for each ported number associated with a directory listing. These charges should be set equal to the incremental direct cost (including a reasonable return), but should not include any mark-up for contribution toward joint and common costs. This pricing is appropriate to reflect that RCF is essentially a monopoly input into the ALEC's service offering and to avoid giving the LECs an additional financial incentive to delay the implementation of a permanent data base number portability solution.

**MFS:** The cost should be based on incremental direct cost with no contribution. The cost should be spread across all providers based on the relative quantity of telephone numbers forwarded and then charged on a per line per month basis.

**SOUTHERN BELL:** The long run incremental costs of the RCF arrangements for temporary number portability should be recovered directly from the carriers or customers who make use of these arrangements. The prices established for the RCF arrangements should be specific to each local exchange company.

**SPRINT:** The incumbent LEC offering RCF or DID should base the charge to the competitive LEC on long run incremental cost for these services. Charging higher than these costs would encourage the leverage situation already being experienced in the access market due to higher than necessary intrastate access rates. Obviously, the customers of the incumbent LEC would not be assessed any fee to recover the costs of number portability RCF, since such feature is not necessary to complete calls on the incumbent's own network.

**SPRINT/CENDEL**  
**SPRINT/UNITED:** The Commission should approve a recurring monthly rate for the telephone number and first path, a second recurring monthly rate for each additional path associated with the same number, and a non-recurring service order charge.

**TIME WARNER:** The costs for remote call forwarding as a temporary number portability mechanism should be recovered on a flat rate per line per month basis, uniform throughout an individual LEC's existing service territory, as stipulated by the parties to this docket. Time Warner has proposed a price of \$1.00 per line with two paths, with a charge of \$.50 for each additional path. A nonrecurring charge of \$10.00 per order is appropriate. However, if the Commission does not adopt Time Warner's recommendation, Time Warner does not object to the approach proposed by MCI Metro or TCG.

**STAFF:** The recurring portion of the cost should be recovered by charging the ALECs \$1.00 per ported number per month, \$.50 per additional path, and a nonrecurring charge of \$10.00 per order. These prices should be uniform throughout an individual LEC's existing service territory.

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

**STIPULATION:** According to the stipulation signed by the parties and approved by the Commission on September 12, 1995, Remote Call Forwarding is the most appropriate method to provide temporary number

portability by January 1, 1996. The parties will continue to negotiate possible future options if a party desires a different option.

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

**STIPULATION:** According to the stipulation signed by the parties and approved by the Commission on September 12, 1995, Remote Call Forwarding as a temporary number portability mechanism can be implemented in most LEC central offices at the present time. This temporary mechanism uses existing switch and network technology. The parties agree that the LECs shall offer Remote Call Forwarding to certificated ALECs as a temporary number portability mechanism, effective January 1, 1996. ALECs shall be required to offer Remote Call Forwarding to LECs or other ALECs as a temporary number portability mechanism, effective on the date they begin to provide local exchange telephone service. All parties will work together and with the 911 coordinators to successfully integrate the relevant ALEC information into the existing 911/E911 systems. The recurring price for Remote Call Forwarding will be on a per-line per-month basis and will be uniform throughout an individual LEC's existing service territory. The price charged by an individual LEC for Remote Call Forwarding shall not be below the costs of that LEC to provide Remote Call Forwarding for purposes of providing temporary number portability. The price charged for Remote Call Forwarding offered by an ALEC will mirror the price charged by the LEC.

**ISSUE 8:** Should the docket be closed?

**AT&T:** No. The docket should remain open to determine a permanent number portability solution.

**BMI:** Yes.

**FCTA:** 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).

FPTA: No position at this time.

GTEFL: Yes. This docket should be closed after the Commission adopts GTEFL's position on all the issues remaining for resolution.

INTERMEDIA: Yes.

MCCAW: No position at this time.

MCIMETRO: No. This docket should remain open to resolve any implementation issues that may arise, to resolve any issues that may arise regarding the use of flexible DID as an alternative interim portability mechanism, and to consider the appropriate long-term solution for providing true service provider local number portability.

MFS: No. It should be left open to monitor implementation.

SOUTHERN BELL: Yes. While a permanent number portability solution should continue to be investigated and developed, a new docket should be opened for this purpose.

SPRINT: Sprint does not have a position on this issue at this time.

SPRINT/CENDEL  
SPRINT/UNITED: No position.

TIME WARNER: No. The Commission should leave this docket open as a forum for the number portability standards group to continue its work to investigate and develop a permanent number portability solution.

STAFF: Yes, this docket should be closed. The staff should continue to investigate the possibility of a permanent number portability solution in Florida prior to the development of a national solution.

VII. EXHIBIT LIST

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Danny G. Engleman (Direct)	Time Warner	_____ (DGE-1)	Mr. Engleman's qualifications
Danny G. Engleman (Direct)	Time Warner	_____ (DGE-2)	Diagram of remote call forwarding
Danny G. Engleman (Rebuttal)	Time Warner	_____ (DGE-3)	Time Warner's Comments to the Federal Communications Commission in the Matter of Telephone Number
Danny G. Engleman (Rebuttal)	Time Warner	_____ (DGE-3) (cont'd)	Portability CC Docket No. 95-116.
Timothy Devine	MFS	_____ (MFS-1)	Customer surveys attached at Exhibit 1 to its Direct Testimony in this docket.
Don Price	MCImetro	_____ (DGP-1)	Academic and Professional Qualifications of Don Price
Don Price	MCImetro	_____ (DGP-2)	Remote Call Forwarding via Direct Connection
Don Price	MCImetro	_____ (DGP-3)	Remote Call Forwarding via Tandem Connection
Don Price	MCImetro	_____ (DGP-4)	Rochester Telephone Corp. Tariff P.S.C. No. 1 - Telephone, General, Section 1, Original Page No. 11

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Mike Guedel	AT&T	(MG-1)	Relative Advantages and Disadvantages of Remote Call Forwarding and Flex DID as Temporary Number Portability Solutions

Parties and Staff reserve the right to identify additional exhibits for the purpose of cross-examination.

VIII. PROPOSED STIPULATIONS

Items 1, 2, 6 and 7 have been stipulated. It should be noted that the Stipulation and Agreement approved by Order No. PSC-95-1214-AS-TP, issued October 3, 1995, is the controlling document as it relates to these issues.

IX. PENDING MOTIONS

There are no pending motions at this time.

X. RULINGS

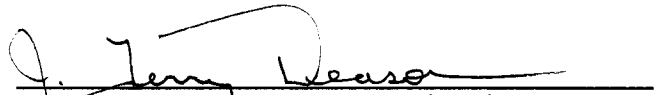
Time Warner AxS of Florida, L.P. and Digital Media Partners' Motion to Accept Direct Testimony and Exhibits of Danny G. Engleman was granted by Order No. PSC-95-1241-PCO-TP, issued October 6, 1995.

It is therefore,

ORDERED by Commissioner J. Terry Deason, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

ORDER NO. PSC-95-1246-PHO-TP  
DOCKET NO. 950737-TP  
PAGE 31

By ORDER of Commissioner J. Terry Deason, as Prehearing Officer, this 11th day of October, 1995.

  
J. TERRY DEASON, Commissioner and  
Prehearing Officer

( S E A L )

MMB

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: 1) reconsideration within 10 days pursuant to Rule 25-22.038(2), Florida Administrative Code, if issued by a Prehearing Officer; 2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or 3) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.

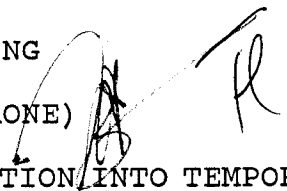
**RECEIVED**  
OCT 11 1995

M E M O R A N D U M

OCTOBER 13, 1995

11:10  
FPSC-RECORDS/REPORTING

TO: DIVISION OF RECORDS AND REPORTING  
FROM: DIVISION OF LEGAL SERVICES (BARONE)  
RE: DOCKET NO. 950737-TP - INVESTIGATION INTO TEMPORARY LOCAL TELEPHONE NUMBER PORTABILITY SOLUTION TO IMPLEMENT COMPETITION IN LOCAL EXCHANGE TELEPHONE MARKETS.



1246-PTH

Attached is a PREHEARING ORDER to be issued in the above-referenced docket. (Number of pages in Order - 31)

MMB/js  
Attachment  
cc: Division of Communications  
I: 950737PO.MMB

**MUST GO TODAY**