



interrelated. CTIA has provided no legitimate need for a ruling at this time. Wireless to wireless portability can proceed without any clarification regarding wireline to wireless portability.

In addition, CTIA has not addressed number portability of wireless carriers' numbers to wireline carriers. Its petition is therefore not only incomplete but also a blatant attempt to gain a competitive advantage.

Another problem with the CTIA petition is its lack of clarity and its vagueness in describing the proposal for wireline to wireless portability. The lack of an in-depth and clear proposal in this regard makes it difficult for interested parties to respond, but the proposal seems to be overly broad and uneconomical. Therefore, because CTIA has not adequately explained what it is proposing regarding rate centers that overlap, the petition should be rejected.

Despite the lack of clarity, it appears that CTIA is requesting all ILECs to provide number portability to a wireless carrier if any portion of that wireless carrier's service area overlaps any portion of an ILEC's exchange, even if the wireless carrier has no rate center within that ILEC's exchange. The CTIA proposal apparently applies to any LEC, including a small rural ILEC with only one or a few exchanges, which would be responsible for porting numbers potentially throughout huge geographic areas well outside its serving area.

One thing clear about the CTIA filing regarding number portability is that CTIA has incorrectly identified who would be "forced to shoulder its enormous burden."<sup>2</sup> Under the CTIA proposal, wireless carriers would avoid any further investment to obtain the benefits of wireline to wireless number portability. Rather, CTIA would have wireline carriers bear the costs not only to provide wireless carriers with the benefit of number portability within an ILEC's own exchange, but also to other nearby exchanges and potentially across a Major Trading Area ("MTA").

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<sup>2</sup>CTIA Petition, p 2.

Local number portability is intended to be just that - “local.” It is designed to let customers remain at their geographic location, and keep their phone number. The CTIA proposal is much broader and would improperly allow ILEC phone numbers to be removed from the rural ILEC exchanges and used by wireless customers elsewhere.

There is no justification for making wireline to wireless local number portability more onerous to ILECs than wireline to wireline number portability is. The costs of wireline to wireless local number portability should be shared equitably between wireline and wireless carriers. Wireless providers should bear their fair share of the costs so that ILECs are not unfairly economically burdened. The CTIA proposal seems to force ILECs to bear costs for transporting calls outside their local calling areas even though the physical location of the wireless customer may be within the exchange where the call originated.

When wireline to wireless local number portability is implemented, there will be significant added costs. Mobile Telephone Switching Offices (“MTSOs”) generally connect to tandem switches. For most rural ILECs, the tandem switch is located outside their service areas; and often at considerable distances from their exchanges. If the CTIA proposal is adopted, in order to route a local call to a wireless customer within the same exchange, the ILEC would have to bear transport costs needed to reach the tandem switch and subsequently the wireless carrier’s MTSO. The question then is who should be responsible for this transport and its costs. CTIA makes the point that this Commission allowed wireless carriers to have broader local calling areas than ILECs. This point is correct, but it is a *non sequitur* and does not flow from this that wireless carriers should not bear their share of the costs. ILECs can make th

centers” are relevant only to show that wireline to wireless number portability will entail significant added costs, not who should bear those costs.

Wireless providers will gain the most from wireline to wireless number portability. They not only will gain true *local* portability between competing carriers (service provider portability, which in this case is also service portability) but also will have *location* (geographic) portability, which will place a burden on the universal service High Cost Fund. In addition, the CTIA proposal would burden the ILECs with greatly expanded obligations and costs for transporting calls far beyond their exchange borders.

Two examples may help illustrate the potential cost burdens of the CTIA proposal. First, if a number is ported from a landline company to a wireless carrier for a customer living in the ILEC exchange, there will be many added costs. When a landline customer in the exchange calls the “local” number (now a wireless number), the call will be routed to outside the local service area to a tandem switch and then to the MTSO. The landline company will now have to pay for additional transport and transport switching. For rural ILECs, the costs are not just imputed, but will need to be paid to the transport providers en route to the tandem, as well as the tandem company for additional switching.

As a worst case but likely example, the wireless customer with the ported number could move his or her residence to a neighboring exchange or a distant exchange. In addition, nothing would prevent the wireless customer from moving even farther away, including moves to other LATAs and areas outside the wireless carrier’s licensed service area. A call from a landline customer in the original ILEC exchange to the ported number would still be perceived as a “local” call due to the NXX, but it could actually be anywhere in the MTA. The ILEC would incur the same local switching costs as before, plus the potential for additional costs if the ported number has

moved to another LATA. ILECs cannot be expected to bear the related long haul transport costs. This is clearly no longer porting numbers locally between competing carriers.

In the case of wireline to wireline local number portability, CLEC wireline companies connect at the ILEC's end office switch. The ILEC is not expected to bear costs beyond this point. When the number is ported to a wireless carrier, the ILEC should not be expected to bear additional costs beyond what is expected for porting a call to a wireline CLEC. The fair solution for wireline to wireless *local* number portability is for wireless carriers to establish a physical point of presence in each wireline serving center. Wireless carriers should incur the additional transiting costs outside the ILEC's exchange in order to have wireline to wireless local number portability. Too often, public policy in its rush to foster the vitality of the wireless industry has done it on the backs of the wireline industry. The wireless industry now has vitality and that policy is outmoded.

The landline company should not incur the additional transport costs. The wireless carrier should be responsible to carry its ported call to its own switch if it wants to serve its customers in a particular geographic area. A bill and keep arrangement will not resolve the problem either since transport charges would still have to be paid to transport providers. The ILECs would not be able to recover these additional costs from the wireless carriers because of this Commission's own rules. The only option would be to place those costs on landline carriers' end users.

This Commission should also consider the potential for abuse of the universal service High Cost Fund if the CTIA proposal for wireline to wireless portability is mandated. There are indications that some wireless carriers today assign telephone numbers from high cost areas to their customers who are not located in those areas. The wireless carriers then claim entitlement to universal service High Cost Fund support, even though the geographic area in which that customer resides is entitled to no High Cost Fund support or lesser levels of High Cost Fund support. Wireline to wireless portability will make it easier for those wireless carriers to "game the system"

when ported telephone numbers relocate to different service areas. The CTIA proposal would make it harder to target high cost support to intended geographic areas, where it is truly costly to provide basic local telephone service.

### CONCLUSION

The Michigan ILECs respectfully request that the Commission reject the CTIA petition and dismiss the case because the CTIA proposal is incomplete, vague and poorly written. If the Commission issues a declaratory ruling, public policy supports a requirement that wireless carriers establish physical points of presence within the exchanges when they desire number portability in those exchanges. Since the wireless industry has matured into a competitive alternative to wireline service, it is no longer necessary to burden the wireline industry in favor of the wireless industry to foster competition. The additional transport costs for local number portability should be borne by the cost causer, i.e. the wireless carrier. If a wireless carrier desires a ported number in a particular exchange, then the wireless carrier must establish a physical point of presence in that exchange.

Respectfully submitted,

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