

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20544

In the Matter of Telephone Number Portability)	CC Docket No. 95-
116)	
Petition of SBC Communications Inc. for)	
Forbearance Under 47 U.S.C. § 160(c) from the)	
Application of the Five-Year Recovery Period)	
for Local Number Portability Costs Under)	
47 C.F.R. § 52.33(a)(1))	
)	
Petition of SBC Communications Inc. for)	
Waiver of the Five-Year Recovery Period for)	
Local Number Portability Costs Under)	
47 C.F.R. § 52.33(a)(1))	
)	

**COMMENTS OF THE
MICHIGAN PUBLIC SERVICE COMMISSION**

Pursuant to the Federal Communication Commission (“FCC”) procedure schedule established in the above docket, the Michigan Public Service Commission (“MPSC”) hereby submits its comments.

I. INTRODUCTION

On February 22, 2005, the FCC requested comment regarding SBC Communication Inc.’s (“SBC”) petitions to assess end-user charges for local number portability (“LNP”) beyond the 5 year cost recovery period.¹ SBC states in both petitions

¹ Petition of SBC Communications Inc. for Forbearance Under 47 U.S.C. § 160(c) from the Application of the Five-Year Recovery Period for Local

that the applicable five-year recovery period ended January 31, 2004.²

SBC believes that two petitions already approved by the FCC are a basis for their petitions to reinitiate cost recovery.³ BellSouth Corporation (“BellSouth”) requested an extension of time to ensure costs related to intermodal LNP were recovered. Sprint Local Telephone Companies (“Sprint”) requested to extend its recovery period by only one month. SBC seeks to re-establish a cost recovery period because it inaccurately estimated the number of access lines provided, claiming that “SBC’s access lines began declining for the first time in seventy years.”

II. DISCUSSION

Although SBC believes that the two previously approved petitions provide precedent to support its petitions, neither of the previous petitions requested a re-establishment of charges on customer bills. SBC stated that the recovery period ended January 31, 2004, and yet, the petitions were not filed until February 8, 2005. An entire year passed between the end of LNP

Number Portability Costs Under 47 C.F.R. § 52.33(a)(1), CC Docket 95-116, February 8, 2005 (“Forbearance Petition”) and the Petition of SBC Communications Inc. for Waiver of the Five-Year Recovery Period for Local Number Portability Costs Under 47 C.F.R. §52.33(a)(1), CC Docket 95-116, February 8, 2005 (“Waiver Petition”).

² Forbearance Petition and Waiver Petition, Page 9.

³ BellSouth Corporation Petition for Declaratory Ruling and/or Waiver, CC Docket 95-116, November 14, 2003 and Sprint Local Telephone Companies Petition for Waiver, CC Docket 95-116, November 2, 2004.

charges on customer bills and SBC requesting assistance from the FCC to continue the reimbursement process.

SBC also stated in their petitions that they “reasonably projected” 5 years of access line growth; however, “the rate of decline accelerated dramatically over each of the final three years of the recovery period.” Therefore, from the second to the third year, there was an unexpected decrease in LNP reimbursement and, from the third to the fourth year, there was an even larger decrease. However, it took an entire year, after reimbursement stopped, for SBC to submit requests to the FCC for approval to re-establish the fee. Although SBC emphasized that the company had always seen “continuous growth” SBC seems surprised that a “local number portability” mandate would decrease the access lines of a carrier, even a large carrier such as SBC.

It is significant to note that the customers relied on to fund the \$211 million LNP shortfall will be SBC customers that have chosen not to leave SBC for another carrier, and that continuing to rely on those customers may actually drive more customers away from SBC, resulting in fewer customers. SBC, however, can mitigate this death spiral with their new venture in Voice over Internet Protocol (“VoIP”) extending the LNP charges to new customers, or wireline customers that have chosen to remain with SBC and port their telephone number to the internet voice service. Including VoIP customers in

this reimbursement process will allow for a shorter reimbursement period, as well as lower the fee per customer.

III. CONCLUSION

There seems to be no doubt that SBC spent these funds to provide LNP to its customers. Although the FCC has approved two previous petitions regarding LNP cost recovery, neither of those petitions set precedent for the SBC petitions. The SBC petitions are not only requesting additional time for cost recovery, but are also requesting a re-establishment of the LNP cost recovery fee from customers.

The MPSC opposes SBC's request to re-establish the LNP fee on customer bills, unless the customers include those end-users using SBC's VoIP offering, SBC Internet Services, Inc.

Respectfully submitted,

**MICHIGAN PUBLIC SERVICE
COMMISSION**

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