**Before the**
**Federal Communications Commission**
**Washington, D.C. 20554**

**CC Docket No. 95-155**

In the Matter of

Toll Free Service Access Codes

**REPORT AND ORDER**

**Adopted: January 25, 1996; Released: January 25, 1996**

By the Chief, Common Carrier Bureau:

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## I. INTRODUCTION

1. On January 24, 1996, the Commission issued an *Order*[1] that delegated authority to the Chief of the Common Carrier Bureau ("Bureau") to resolve the issues raised in this docket[2] that are essential to the industry opening the 888 toll free service access code ("SAC") on schedule. Toll free service using the 888 SAC is currently scheduled to begin on March 1, 1996. In order to ensure that the industry is prepared to begin transmitting toll free calls using the 888 code on March 1, subscribers must be allowed to begin reserving numbers in the 888 code in advance of this date.

2. In this *Report and Order,* the Bureau agrees with the SMS/800 Number Administration Committee ("SNAC") that Responsible Organizations ("RespOrgs") should poll their 800 subscribers to determine which numbers subscribers may want replicated in 888. We expect that RespOrgs will continue this polling process, but only with respect to commercial subscribers. We direct Database Management Services, Inc. ("DSMI")[3] to set aside those 888 numbers identified by the RespOrgs as a result of this polling process by placing these "vanity numbers"[4] in "unavailable" status[5] until the Commission resolves whether these numbers ultimately should be afforded any permanent special right or protection. We also conclude that the entire "888-555" NXX should be designated "unavailable" until the Commission resolves those issues that will permit competitive toll free directory assistance services.

3. With vanity numbers and "888-555" numbers set aside, we conclude that the remaining 888 numbers should be available on a first come, first served basis subject to the limitations set forth in this *Report and Order.* RespOrgs may begin reserving 888 numbers for their subscribers at 12:01 a.m. on February 10, 1996. A conservation plan for 888 numbers is necessary to protect the toll free database system from an overload that could possibly cause a temporary shutdown of the reservation process. We also conclude that a limited conservation plan is necessary for 800 numbers until 888 has been successfully and ubiquitously deployed. Further, we conclude that, for tariffing purposes, 888 service should be treated like 800 service and that the associated investment and expenses of carriers regulated by price caps should not be given exogenous cost treatment. Additional issues addressed in the *NPRM* in this docket will be resolved in a subsequent decision.

## II. BACKGROUND

4. In October 1995, the Commission initiated a rulemaking proceeding to ensure that in the future, toll free numbers are allocated on a fair, equitable, and orderly basis.[6] Generally, the *NPRM* sought comment on proposals to: (1) promote the efficient use of toll free numbers; (2) foster the fair and equitable reservation and distribution of toll free numbers; (3) smooth the transition period preced-

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[1] *Toll Free Service Access Codes, Order,* CC Docket No. 95-155, FCC No. 96-18, (adopted January 24, 1996).

[2] *Toll Free Service Access Codes, Notice of Proposed Rulemaking,* CC Docket No. 95-155, FCC No. 95-419 (adopted October 4, 1995) (*"NPRM"*).

[3] DSMI is a subsidiary of Bellcore, which, in turn, is wholly owned by the seven Regional Bell Operating Companies ("RBOCs"). DSMI subcontracts management of the Number Administration Service Center ("NASC"), which provides user support for the Service Management System ("SMS") database, to Lockheed IMS. Database hardware is provided under contract by Southwestern Bell Telephone Company ("SWBT"). DSMI administers the SMS, which is a computer system that enables "RespOrgs" to enter and to amend easily the data about toll free numbers within their control. The SMS then shares this information with regional local exchange carrier ("LEC") databases referred to as service control points ("SCPs"). The entire system is referred to as the SMS database. There are ten regional 800 SCP databases in the United States independently owned by Ameritech, Bell Atlantic, BellSouth, GTE, NYNEX, Pacific Telesis, SBC Communications, Southern New England Telephone Company ("SNET"), Sprint (Local), and U S West.

[4] For purposes of this *Report and Order,* we are using the term "vanity number" to describe a number that a subscriber requests be made unavailable during the initial 888 reservation period.

[5] A number that is designated as "unavailable" in the SMS database is not available for assignment to any toll free subscriber. *See Industry Guidelines for 800 Number Administration,* § 2.4.9 (June 8, 1995)(*"Industry Guidelines"*).

[6] *See supra* n.2.

ing introduction of a new toll free code; (4) guard against warehousing of toll free numbers; and (5) determine how toll free vanity numbers should be treated.[7]

5. Specifically, the Commission sought comment on the definition of vanity numbers and whether to permit holders of these toll free numbers a right of first refusal for corresponding numbers in the 888 code.[8] The Commission also sought comment on how the reservation process for new toll free codes should unfold,[9] the mechanics of introducing new toll free SACs,[10] and the tariff rules and procedures to govern the new toll free service offerings.[11] Comment was also solicited on whether 800 Directory Assistance ("DA") and 888 DA should be combined into interchangeable toll free DA service, and whether such a service should be open to competition.[12] This *Report and Order* addresses only these issues that are essential to the opening of the 888 toll free code on March 1, 1996.

## III. DISCUSSION

### A. VANITY NUMBERS

#### 1. *Background*

6. In the *NPRM,* the Commission defined a vanity number as "a telephone number for which the letters associated with the number's digits on a telephone handset spell a name or word of value to the number holder."[13] The *NPRM* broadened the definition of vanity numbers for the purpose of this proceeding to include any numbers in which the holders have a particular interest, be it economic, commercial or otherwise.[14]

7. The *NPRM* also sought comment on the potential number of corresponding vanity numbers that might be reserved in 888 and subsequent toll free codes if the Commission concluded that subscribers should be able to prevent others from gaining access to numbers in newly opened codes used for toll free dialing if the last seven digits of those numbers were the same as the last seven digits of the 800 numbers assigned to those subscribers.[15] The Commission asked commenters to identify the total quantity of existing vanity numbers or a method for ascertaining how many numbers are or should be regarded as vanity numbers. The Commission sought this information, first, so that it could assess the viability of granting a right of first refusal to current holders of 800 vanity numbers for the equivalent 888 numbers and, second, to ascertain the impact such a right of first refusal would have on competition.[16]

#### 2. *Comments*

##### a. *Definition of Vanity Numbers*

8. Various commenters suggest differing definitions for vanity numbers. Ameritech, for example, suggests six possible categories of vanity numbers: (1) numbers corresponding to letters spelling a subscriber's product (*e.g.,* "1-800-FLOWERS"); (2) numbers corresponding to letters spelling a subscriber's name (*e.g.,* "1-800-HOLIDAY"); (3) numbers that begin with "4" or "2" and end with a product or subscriber's name (*e.g.,* "1-800-4-TRAVEL"); (4) numbers for which the last four digits spell a product or subscriber's name; (5) numbers that are easily remembered; and (6) numbers that have been heavily marketed.[17] The 800 Users Coalition asserts that product information numbers or reservation numbers for hotels and airlines that generate large volumes of traffic, should also be included within the definition of vanity numbers.[18] SWBT contends that a logical extension of the definition would include every emergency and hot line number.[19] LDDS Worldcom ("LDDS") asserts that the definition should be broadened beyond mnemonic terms to recognize that the digits themselves may be of value to the toll free subscriber.[20]

9. AT&T maintains that RespOrgs should determine which of their 800 numbers qualify as vanity numbers,[21] while LDDS asserts that toll free subscribers should define the ultimate value of their numbers.[22] AirTouch Paging ("AirTouch") declares that there is no fair means of determining what constitutes a vanity number,[23] while Personal Communications Industry Association ("PCIA") states that the Commission definition is overly broad and "precludes meaningful comment."[24] As part of its proposed plan for 888 network implementation, the SNAC defines a process that allows RespOrgs to contact their current 800 subscribers to see which numbers those subscribers might want replicated in 888.[25] The criteria used to determine which

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[7] We discuss the issues posed by vanity numbers more fully in Section III.

[8] A right of first refusal would permit the holder of an 800 number to have a superior right vis-a-vis all other interested parties to receive the equivalent 888 number. *See NPRM* at para. 41.

[9] *Id.* at para. 23.

[10] *Id.* at paras. 24-25.

[11] *Id.* at para. 56.

[12] *Id.* at para. 48.

[13] *Id.* at para. 35. Examples of vanity numbers given in the *NPRM* include "1-800-THECARD" and "1-800-FLOWERS." *Id.*

[14] *Id.* Numbers included in this category consist of toll free numbers dedicated for emergency recall situations or consumer inquiries. *Id.* For example, companies producing over-the-counter medications often include a customer service number on the packaging.

[15] *Id.* at para. 40.

[16] *Id.*

[17] Ameritech Comments at 30. *See also* AT&T Comments at 27 (numbers that are advertised, widely known and accepted by the public, and called by customers); Americas Carrier Telecommunications Association ("ACTA") Comments at 17 (numbers that can be translated into a word or name).

[18] 800 Users Coalition Comments at 14.

[19] SWBT Comments at 16.

[20] LDDS Comments at 13.

[21] AT&T Comments at 27.

[22] LDDS Comments at 13.

[23] AirTouch Comments at 14, n.30. *See also* GTE Comments at 10, n.16 (concerned that a significant amount of numbers may be taken out of circulation if the definition of vanity numbers is too amorphous).

[24] PCIA Comments at 10-12.

[25] SNAC Comments at 13-14. The SNAC is one of six industry committees included within the Ordering and Billing Forum ("OBF"). OBF "provides a forum for customers and providers in the communications industry to identify, discuss and resolve national issues which affect ordering, billing, provisioning and exchange of information about access service and related industry matters." *Id.* at 2. The SNAC is responsible for identifying, developing, and implementing the resolution of issues involving the support of the SMS database. *Id.*

subscribers would be contacted is left to the discretion of each RespOrg. Once the subscriber base is identified, each RespOrg would be required to compile a computer tape containing requested numbers. The tapes would then be sent to DSMI who, after conducting certain verification procedures, would mark these numbers for the "unavailable" status. The polling process was scheduled for completion in mid-December.[26]

10. Commenters addressing the question of how many existing 800 numbers would be classified as vanity numbers arrive at widely varied estimates of the potential pool. SNAC, for example, conducted a survey indicating that 24% of existing 800 numbers were identified as vanity numbers. SNAC's survey also indicated that that same percentage of subscribers would want to replicate their numbers in 888.[27] TLDP Communications, Inc. ("TLDP"), considering as vanity numbers only those that translate into names or words, estimates the quantity at between 10% and 20%, using a "brief mathematical analysis."[28] The 800 Users Coalition used data collected from coalition members, holding approximately 14,000 800 numbers, and from the AT&T Toll Free Directory, containing 180,000 published 800 numbers, to arrive at its 5% to 6% figure.[29] The 800 Users Coalition also noted that high volume numbers face the same problems as vanity numbers and consequently should be afforded the same protections as vanity numbers.[30] Ameritech contends that it is virtually impossible to estimate the scope of vanity numbers because the definition is so broad and subjective.[31]

11. In a letter dated January 18, 1996, DSMI informed the bureau that RespOrgs had requested to have approximately 310,000 888 numbers protected, thus providing additional evidence of the large number of 800 numbers that would be classified as vanity numbers.[32]

### 3. *Discussion*

12. Defining vanity numbers is a daunting undertaking. Some numbers are valued for their mnemonic equivalent, while other numbers are valued for, among other things, the fact that their digits are easily memorized. This *Report and Order* will address only those issues essential to assuring the 888 SAC can be opened to the general public on March 1, 1996. We propose, therefore, to assure interim protection for all equivalent 888 numbers designated by current 800 subscribers by setting those 888 numbers aside during the initial 888 reservation period. We find that the only numbers ineligible for such treatment are 888 numbers equivalent to personal or residential 800 numbers. We find that, in contrast to other 800 subscribers, personal subscribers have no commercial interest in their 800 numbers that competitors might seek to undermine.[33] The determination as to whether a subscriber is a residential or commercial subscriber shall be determined by the terms of the 800 tariff under which a subscriber is taking service. Consequently, only commercial users have any potential right of protection.

13. Based on DSMI's January 18th letter,[34] we estimate that approximately 310,000 numbers will eligible to be set aside during the initial 888 reservation period. We note, however, that this estimate may grow in light of the actions taken below where we request that RespOrgs continue to identify their 800 subscribers that may wish to have their numbers replicated in 888. As discussed more fully below, we will defer, subject to one modification, to that polling process to identify those numbers that shall be set aside.

14. At this time we do not decide whether these numbers ultimately should be afforded any permanent special protection or right. We arrive at this conclusion because in light of our decision to have all 888 numbers corresponding to vanity numbers classified as unavailable, a decision about permanent protection is not essential to the opening of the 888 code. We note, however, that postponing the decision will minimize consumer confusion during the initial transition to the 888 service access code. That is, by affording special rights at this time, consumers may wrongly assume that all 800 and 888 numbers are interchangeable.[35] Such a result may seriously undermine the public awareness and education efforts now underway to inform consumers of the new 888 toll free code.[36] Deferring the decision on special rights will permit the Commission to consider fully the consequences of a final decision on the fair, equitable, and orderly allocation of toll free numbers, as well as the economic ramifications of that decision to the current 800 subscribers seeking replication in 888. We anticipate that the Commission will resolve the vanity number issue and will identify what set of numbers, if any, is to receive permanent protection, as well as the scope of that protection, within the year.

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[26] *Id.* at 13-14.

[27] SNAC Comments at 16, Appendix B. *See also* Sprint Comments at 18 (citing SNAC survey); NYNEX Comments at 7 (estimating the number at 25%).

[28] TLDP Comments at 2-3. *See also* Telecompute Comments at 4 (no more than 25% of all seven digit numbers "spell" anything).

[29] 800 Users Coalition Comments at 15-17.

[30] *Id.*

[31] Ameritech Comments at 30. *See also* LDDS Comments at 13 (impossible at this time to estimate the quantity of vanity numbers); Bell Atlantic Comments at 7 (no way of knowing the quantity of vanity numbers currently in use because Bell Atlantic does not know how its customers are using their numbers).

[32] *See* Letter from Michael J. Wade, President, DSMI to Kathleen B. Levitz, Deputy Bureau Chief, Common Carrier Bureau, FCC, dated January 18, 1996.

[33] We anticipate that 800 service providers will act promptly in resolving and/or correcting billing errors experienced by personal 800 users after the deployment of 888.

[34] *See supra* n.32.

[35] *See* NYNEX Comments at 7-8; United States Telephone Association ("USTA") Comments at 4-6; U S West Comments at 18-24.

[36] In the *NPRM*, the Commission noted that both the Commission and the telecommunications industry have begun educational initiatives in an effort to assure that the public is fully informed of toll free 888. *NPRM* at para. 49. The *NPRM* sought comment on whether further efforts are necessary to improve public awareness of the introduction of 888. *Id.* This issue will be addressed in a subsequent *Order*.

## B. RESERVATION OF TOLL FREE NUMBERS

### 1. *Reservation Process*

#### a. *Background*

15. The *NPRM* noted that under existing *Industry Guidelines,* toll free numbers are reserved on a first come, first served basis. The *Guidelines* permit each RespOrg to reserve up to 1000 numbers or 15% of its total quantity of working toll free numbers, whichever is greater, at any given time.[37] The *NPRM* noted that certain large RespOrgs use a mechanized generic interface ("MGI"), which provides a direct interface between a Resp Org's computer operations system and the SMS database and permits the RespOrg to reserve mass quantities of toll free numbers rapidly.[38] The *NPRM* noted that some RespOrgs' use of MGIs may place smaller, less technologically sophisticated RespOrgs at a competitive disadvantage because they do not have the capacity to reserve numbers in rapid order. The advantage enjoyed by users of MGI lies particularly in their ability to obtain highly desirable vanity numbers.[39] Specifically, the *NPRM* sought comment on a number of issues concerning the toll free reservation process: (1) whether use of an MGI should be permitted; (2) whether existing reservation guidelines should be amended; (3) whether existing reservation guidelines should be codified; (4) whether there should be mandatory dispute resolution if two parties request the same number; (5) whether there should be a lottery in the event dispute resolution failed; and (6) whether there should be different reservation procedures for codes in high demand.[40]

#### b. *Comments*

##### (1) *Amending Existing Reservation Guidelines*

16. The majority of commenters support the existing first come, first served toll free reservation process.[41] MCI, for example, asserts that the first come, first served concept is consistently applied to numbering resources, both toll free and beyond.[42] AT&T maintains that the first come, first served policy is "firmly grounded in established procedures that are simple, efficient, and inexpensive to administer."[43] LDDS contends that first come, first served is the most equitable and least complicated way to apportion toll free numbers, and best matches demand with supply.[44] Sprint asserts that first come, first served is a straightforward and long-established allocation method that is well understood by both RespOrgs and subscribers.[45]

17. Several commenters generally support the first come, first served reservation policy, with some refinements. SNET, for example, advocates a "60 second lock out period" during which a RespOrg could reserve a number without any other RespOrgs intervening.[46] Under the current framework, SNET asserts that the system sometimes freezes and a RespOrg cannot reserve a number in the 60 second interval. SNET contends that such a system favors RespOrgs able to log on to the SMS database directly and to use mechanized interfaces over manual access methods.[47] Scherers Communications Group, Inc. ("Scherers") supports imposing limits on the volume of numbers a RespOrg can reserve during any 15 minute period because such a system would allow even the smallest RespOrg equal access to vanity numbers and would provide the database with adequate time to respond.[48] Unitel Communications, Inc. ("Unitel") advocates a first come, first served policy, as long as all RespOrgs have equivalent capacity and equivalent priority to the reservation system.[49] Joseph Page supports one exception to the first come, first served policy, for holders of 800 numbers protected by federal trademark law. Such 800 holders would automatically receive the equivalent 888 number.[50]

##### (2) *Codifying Reservation Guidelines*

18. Most commenters addressing this issue support codification of the industry's reservation guidelines.3[51] Sprint, for example, supports codification because the guidelines would then be mandatory rather than voluntary.[52] Sprint recommends that any Commission rules cite directly back to the *Industry Guidelines* [53] to provide the industry with flexibility to revise the rules to address changing circumstances. Sprint supports subjecting any such industry revi-

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[37] *NPRM* at para. 23.
[38] *Id.* at n.57.
[39] *Id.* at para. 23.
[40] *Id.*
[41] *See, e.g.,* Ameritech Comments at 15; Allnet Communication Services, Inc. Comments at 6; GTE Comments at 8.
[42] MCI Comments at 11.
[43] AT&T Comments at 13.
[44] LDDS Comments at 7.
[45] Sprint Comments at 8, n.4. Sprint also maintains that the first come, first served reservation procedure has been accepted by both the Commission and the courts (citing *Wold Communications, Inc. v. FCC,* 735 F.2d 1465, 1469-70 (D.C. Cir. 1984); *Spanish International Network, Inc. v. RCA American Communications, Inc.,* 78 FCC 2d 1451, 1465-66 (1980)).
[46] SNET Comments at 5, 10-11.
[47] *Id.*
[48] Scherers Comments at 10. *See also* Qwest Communications Corporation ("Qwest") Comments at 5 (supporting first come, first served policy as long as a RespOrg's "first bite" at numbers is limited in some reasonable way, such as limiting the quantity of numbers that can be drawn from the database in a given period or requiring an affirmative request); Paging Network, Inc. ("PageNet") Comments at 9-10 (supporting special and temporary measures when 888 code is first opened that would rank all RespOrgs in numerical order and would permit each RespOrg to reserve a limited quantity of numbers during its reservation time); MFS Communications Company, Inc. ("MFS") Reply Comments at 5-6 (supporting a circuit breaker or cap on the total quantity of numbers any RespOrg may consume within a given period of time); Eastern Tel Long Distance Service, Inc. ("Eastern Tel") Reply Comments at 2-3 (same).
[49] Unitel Comments at 2.
[50] Joseph Page Comments at 5-6. *See also* Communications Venture Services, Inc. ("CVS") Comments at 2-3 (supporting a right of first refusal for "8XX-555" numbers to holders of equivalent 555 line numbers, since "8XX-555 numbers are essential to the effective activation of national 555 numbers; also supporting the enforcement of reservation guidelines through economic incentives, disincentives, and reclamation).
[51] *See, e.g.,* Promoline, Inc. ("Promoline") Comments at 8, n.18; Telemation International, Inc. ("Telemation") Comments at 5; MCI Comments at 10.
[52] Sprint Comments at 10. *See also* Pacific Bell and Nevada Bell ("Pacific") Comments at 6,4,2 (supporting mandatory guidelines).
[53] RespOrgs' actions and responsibilities are governed by voluntary industry guidelines. *See generally Industry Guidelines* (June 8, 1995).

sions to Commission review and possible placement on public notice on an expedited pleading cycle.[54] BellSouth advocates codification because it would permit the Commission to assert its enforcement powers against any infractions.[55] Ameritech, on the other hand, opposes codification because it could deny the industry the needed flexibility to amend the guidelines to address changing circumstances.[56]

(3) *MGI*

19. Several commenters contend that use of an MGI is fundamentally unfair and effectively skews the reservation process in favor of the larger RespOrgs.[57] SNET, for example, maintains that use of direct log-ons and use of mechanized interfaces places small RespOrgs that use manual access methods at a competitive disadvantage.[58] Other commenters do not lay blame on use of an MGI, but attribute mass reservation abuses to computer-generated transactions in general.[59] Bell Atlantic, for example, contends that the problem arises when a RespOrg connects a computer to its system, searches for numbers, and reserves them in rapid order. Bell Atlantic maintains that this process can be accomplished with a dial-up system enhanced by a personal computer just as easily as it can be accomplished with MGI.[60] SWBT asserts that, compounding the problems with the mass reservation process, these mass transactions apparently do not represent actual customer orders. It notes that such random search and reservation transactions may violate the intent of the *Industry Guidelines* that there is an actual subscriber for each toll free number.[61] SWBT supports prohibiting all mass computer-generated transactions, as well requiring each RespOrg to report its number of transactions on a daily basis. The Commission would then monitor for major spikes and investigate as necessary.[62] Several commenters assert that use of an MGI is critical for efficient processing of the large volume of transactions large RespOrgs must process, and RespOrgs choosing to use an MGI should not be penalized for efficiency and responsiveness to customers' needs.[63] In addition, some commenters contend that MGI is a tariffed service,[64] available to any RespOrg that decides, based on an assessment of relative costs and benefits, to install such a capacity. To penalize RespOrgs electing to make that business investment would be unfair.[65] Sprint asserts that strict enforcement of rules against hoarding and bartering, as well as limiting the amount of time a number may be held in reserved status, would more effectively promote the efficient use of toll free numbers than imposing limits on the use of MGI.[66]

(4) *Mandatory Dispute Resolution*

20. The majority of commenters addressing this issue oppose any form of dispute resolution.[67] Some commenters maintain that, as long as a first come, first served reservation policy is retained, there is no need for dispute resolution.[68] Sprint asserts that it is unclear how an arbitrator would determine who should receive a number in dispute, assuming each party has an equally legitimate use for the number.[69] Competitive Telecommunications Association ("CompTel") contends that it is unclear what incentive multiple entities would have to resolve a dispute over a number.[70] Other reasons cited in opposition to mandatory dispute resolution include the administrative burden,[71] cost,[72] delay,[73] and the possibility of profiteering.[74] Unitel, on the other hand, supports mandatory dispute resolution if discrepancies in equal access to the SMS database cannot be eliminated, to protect the interests of smaller RespOrgs.[75] Time Warner Communications Holdings, Inc. ("Time Warner") supports requiring proof of an affirmative request for the number as part of any dispute resolution process.[76]

(5) *Lottery*

21. Numerous commenters also oppose a lottery system because it would not be necessary under a first come, first served reservation policy,[77] would impose tremendous administrative burdens,[78] and would exacerbate the delay in reserving toll free numbers.[79] Some commenters also maintain that a lottery would invite abuse, as various entities may submit claims for numbers simply to exact payment from legitimate participants for withdrawing their claims.[80] Several commenters, however, support a lottery in certain circumstances. Telecommunications Resellers Association ("TRA"), for example, asserts that a lottery is the most

[54] Sprint Comments at 10.
[55] BellSouth Comments at 3.
[56] Ameritech Comments at 17. *See also* U S West Reply Comments at 9.
[57] *See* Ameritech Comments at 16-17; ACTA Comments at 13, n.7; MFS Comments at 7; BellSouth Comments at 2, n.3; SNET Comments at 10.
[58] SNET Comments at 10.
[59] *See* Bell Atlantic Comments at 4-5; SWBT Comments at 8-10; U S West Comments at 11-12.p
[60] Bell Atlantic Comments at 4-5.
[61] SWBT Comments at 8-10.
[62] *Id.*
[63] *See* MCI Comments at 11; Sprint Comments at 8-9, n.6 and 7; U S West Comments at 11-12; SWBT Comments at 8-10; Bell Atlantic Comments at 4-5.
[64] The use of an MGI is included in the SMS tariff. *See* The Bell Operating Companies' Tariff F.C.C. No. 1, § 3.
[65] *See* Sprint Comments at 8-9, n.6 and 7; MCI Comments at 11; AT&T Comments at 12, n.22. Sprint maintains that MGI requires a nonrecurring activation charge of $308,910 and a nonrecurring initial installation charge of $212,015. Sprint Comments at 8-9, n.6 and 7 (citing BOCs' Tariff No. 1, § 4.2(E)).
[66] Sprint Comments at 8-9, n.6 and 7. *But see* Eastern Tel Reply Comments at 4-5 (asserting that checks such as an affirmative request requirement do not directly address the competitive drawbacks of MGI).
[67] *See, e.g.*, CompTel Comments at 4; Ameritech Comments at 15-16; LDDS Comments at 7.
[68] *See* MCI Comments at 11; AT&T Comments at 13; Sprint Comments at 8, n.5.
[69] Sprint Comments at 8, n.5.
[70] CompTel Comments at 4.
[71] Pacific Comments at 6.
[72] CompTel Comments at 4.
[73] *Id.* at 4. *See also* Ameritech Comments at 15-16; AirTouch Comments at 18.
[74] Ameritech Comments at 15-16.
[75] Unitel Comments at 2.
[76] Time Warner Comments at 5.
[77] AT&T Comments at 13.
[78] Pacific Comments at 6.
[79] Ameritech Comments at 15-16.
[80] *Id. See also* CompTel Comments at 5.

equitable process for allocating scarce resources,[81] while AirTouch considers a lottery a viable option for allocating numbers that should only be used for "single number requests by one or more parties."[82] AirTouch also supports a lottery for highly desirable numbers, such as those with repeating digits or digit patterns, to prevent RespOrgs from reserving such numbers in blocks. AirTouch notes, however, that such a process would put additional burdens on the databasePadministrator and may not, therefore, be feasible.[83] Time Warner advocates a lottery in the event dispute resolution does not work,[84] while Service Merchandise Company, Inc. ("Service Merchandise") supports a lottery if an incumbent subscriber fails to exercise its right of first refusal.[85]

c. *Discussion*

(1) *Reservation Guidelines*

22. We conclude that the current first come, first served reservation policy as adopted in the *Industry Guidelines* should apply to 888 numbers subject to the conservation plan set forth in this *Report and Order*. Thus, for those numbers made available as of the date that early reservation begins, RespOrgs may reserve the 888 numbers on a first come, first served basis. First come, first served remains the most equitable, easily administered, and least expensive means of allocating toll free numbers. Further, we conclude that the use of MGI is an individual business decision made on the part of each RespOrg. We are not convinced that MGI alone is the major source of reservation abuses; rather, the use of certain computer programs to complete mass transactions is of greater concern. We recognize that amending the permanent cap on reservations may respond to some of the concerns of commenters asserting that a first come, first served reservation policy combined with the use of MGI puts smaller RespOrgs at a competitive disadvantage. We anticipate that the Commission will address the permanent cap issue shortly. In the interim, the conservation plans discussed below should provide the necessary protection for smaller RespOrgs so that they are not placed at a competitive disadvantage.

23. Because we have decided to retain a first come, first served reservation policy for toll free numbers, and because such a system precludes more than one RespOrg from reserving the same number from the SMS database, both mandatory dispute resolution and a lottery system become unnecessary. Because we rely upon the reservation procedures set forth in the *Industry Guidelines* with respect to the first come, first served reservation policy, there is no need for additional Bureau action on this issue and consequently, we do not codify the guidelines at this time.

2. *Initial Reservation of 888*

a. *Background*

24. In the *NPRM*, the Commission sought comment on whether it should adopt rules that would assure there would be no immediate depletion of the new toll free code once 888 became operational.[86] The Commission was also concerned that the performance of the network facilities providing access to the SMS database, the data links connecting the SMS and the regional SCPs and the SMS database itself still function at the normal operational level and not be affected by the increased RespOrg activity when the 888 code is first released for reservation. For this reason, the Commission asked commenters to suggest a plan for gradually permitting RespOrgs to reserve numbers in the new toll free code for their subscribers. The Commission asked commenters to discuss the advantages and disadvantages of such a plan, how it should be implemented, and what role the Commission should play.[87]

b. *Comments*

25. As part of its comments, SNAC filed a plan setting procedures to govern early reservation of 888 number that took into account the current unsatisfied demand for toll free numbers.[88] The SNAC recommends that this plan serve as a model for the procedures that would govern opening additional SACs, beginning with 888.[89] Specifically, the SNAC plan proposes: (1) a process to identify those 800 numbers assigned to subscribers that wish to obtain the equivalent number in the 888 code; (2) the opening of the 888 code for number reservation as part of an effort to meet unsatisfied demand for toll free dialing numbers arising during the 800 number conservation plan; and (3) ways to protect the SMS database hardware and operation from reaching its processing capacity which, in turn, will affect the overall performance of the SMS database and the data links connected between it and the regional SCPs. The SNAC plan sets a start and completion date for each of its steps. Each step is designed to move the industry closer to handling 888 traffic on the public switched telephone network on March 1, 1996.[90] Crucial elements of the SNAC plan include step-by-step introduction of the new toll free SAC and early 888 number reservation while 800 numbers remain available. SNAC states that without a step-by-step approach, 888 numbers would first be released for reservations on March 1, 1996. This could impact the SMS data processing because the sudden increase in RespOrg activity, both in reserving numbers and in transferring new numbers to working status, could cause the SMS to send the necessary data messages to all regional SCPs.

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[81] TRA Comments at 12. *See also* LCI, International ("LCI") Comments at 8. TRA suggests that the Commission could impose certain minimal criteria to assure that numbers are not wasted on "parties unable to offer the public the greatest benefits with those numbers." TRA Comments at 12.

[82] AirTouch Comments at 18. AirTouch believes, however, that the first come, first served reservation process is "the most equitable and efficient means to reserved toll free numbers." *Id.*

[83] *Id. See also* Telemation Comments at 5-6 (supporting a lottery for high demand toll free numbers, such as vanity numbers and popular access codes, such as "555").

[84] Time Warner Comments at 5.

[85] Service Merchandise Comments at 5.

[86] *NPRM* at para. 24.

[87] *Id.*

[88] The SNAC plan is the product of an industry-wide effort by SNAC members. *See generally* SNAC Comments.

[89] *Id.* at 13. Each toll free SAC will provide 7.9 million numbers.

[90] *Id.*

26. First, the SNAC reached consensus on a method that would identify those 800 numbers assigned to subscribers that wish to replicate their number in the 888 code and on a procedure to set aside those numbers in the SMS database.[91] Second, the SNAC agreed to direct RespOrgs to contact their 800 subscribers to designate those numbers that subscribers may want to replicate in the 888 SAC. Third, once these "vanity numbers" are identified, SNAC maintains that DSMI should mark these them "unavailable" in the SMS database. Finally, once designated as unavailable, these numbers would not be released for reservation at the same time that the rest of the 888 code is available for reservation.[92]

27. SNAC also maintains that, in order to open the 888 code and not have the anticipated increased RespOrg activity overburden the SMS database infrastructure, there must be some temporary and limited changes to the August 800 number allocation plan.[93] SNAC suggests that as a partial response to current unmet demand for toll free numbers, the current allocation of 29,000 800 numbers per week should be doubled for one week prior to the first week when 888 reservations[94] are accepted. Under this proposal, RespOrgs could reserve twice as many 800 numbers for subscribers still awaiting numbers as they are permitted to reserve under the August 800 conservation plan.[95] SNAC maintains that its proposal would also allow RespOrgs to put these newly reserved 800 numbers in service before the March 1, 1996 deployment of 888. Then, in the remaining weeks precedingp March 1,[96] SNAC urges that the weekly allocation of 29,000 toll free numbers be tripled to 87,000 numbers per week. SNAC proposes that this allocation would be met by taking 29,000 numbers from the pool of 800 numbers and the remaining 58,000 numbers from the new 888 resource. The SNAC affirms that the capability in the SMS database to distinguish between 800 reservation and 888 reservation will allow the Commission to maintain its 800 conservation measures while gradually introducing the 888 numbers.[97]

28. The SNAC asserts that its plan hinges on the Commission's willingness to accept early reservation of 888 numbers. Without early reservation, it argues, the SMS/800 database would suffer significant stress that could be potentially disastrous to both 800 and 888 services nationwide.[98] For example, SNAC states that the provision of emergency toll free service (*e.g.*, service for natural disasters) might become impossible because of system backlog, and any repairs or maintenance of the computers that are the SMS hardware and require access to the SMS database system could be significantly delayed.[99]

29. Commenters generally support a reservation period for 888 numbers that begins several weeks before 888 toll free service is introduced.[100] Ameritech asserts that the reservation process for 888 numbers should begin "sufficiently in advance of the date 888 access is implemented" so that each RespOrg has enough time to reserve the numbers it needs prior to implementation of 888 access. It also contends that the Commission should limit the number of reservations that each RespOrg can make in a single day.[101] BellSouth agrees and adds that without a plan permitting early reservation, substantial demand for 888 numbersp could impair the downloading function between the SMS database and the SCPs.[102] AT&T suggests that the opportunity for early reservation be extended only to new 888 requests and 800 subscribers exercising a right of first refusal.[103] AT&T would not, however, ask the Commission to continue this policy once the new SAC numbers became available for calling from the general public, and would instead rely on a first come, first served reservation policy for toll free numbers. AT&T argues that the first come, first served process is "firmly grounded" in existing procedures, and is easy to implement and inexpensive to administer.[104] Further, AT&T asserts that new number requests should be given "activation priority" over "vanity number replication requests."[105] Cable and Wireless, Inc. ("CWI") reaffirms that early reservation should be allowed if replication is permitted.[106]

30. Some commenters think the Commission should leave the current 800 conservation plan in place,[107] or adopt a modified conservation plan, for a period beginning March 1, 1996.[108] CWI contends that the Commission should continue to limit number reservation during the initial period after March 1, 1996 to prevent overloading the SMS database system and accelerated exhaustion of 888 numbers. CWI maintains that two weeks is an adequate time to extend a "controlled reservation" plan so that pent up demand for toll free numbers is met.[109] GTE asserts that an allocation process should be kept in place for at least six

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[91] *Id.* at 14.

[92] *Id.*

[93] *See* Letter from Kathleen M.H. Wallman, Chief, Common Carrier Bureau to Michael Wade, President, DSMI, dated August 17, 1995 ("Wallman Letter III") for a description of the August allocation plan.

[94] The SNAC determined that the early reservation process should begin six weeks prior to March 1, 1996, so its plan would have began during the week of January 14-21, 1996 as week one. This date was based on both the earliest possible date the SMS/800 database could handle 888 reservations and the time needed for the RBOCs to file tariffs that would govern access to the 888 database. *See* SNAC Comments at 14-15.

[95] *See* Wallman Letter III.

[96] Weeks 2 through 6 would be those between January 21 to February 25, 1996.

[97] SNAC Comments at 15.

[98] *Id.* Many commenters support the SNAC plan. *See, e.g.*, BellSouth Comments at 9; Ameritech Comments at 19; Sprint Comments 12; LCI Comments at 7; Pacific Comments at 6-7; LDDS Comments at 7. Pacific hopes the SNAC plan will avert any potential problems posed by the introduction of the 888 access code and urges the Commission to allow the industry to administer the transition to the new code. Pacific Comments at 6.

[99] SNAC Comments at 15.

[100] *Id. See also*, AT&T Comments at 13; SWBT Comments at 10; U S West Comments at 12; Bell Atlantic Comments at 5; ACTA Comments at 4; Pacific Reply Comments at 3; AirTouch Reply Comments at 29; LDDS Reply Comments at 5.

[101] Ameritech Comments at 18.

[102] BellSouth Comments at 9.

[103] AT&T Comments at 14.

[104] *Id.*

[105] *Id.*

[106] CWI Comments at 8.

[107] *See* Wallman Letter III.

[108] *See, e.g.*, GTE Comments at 4; Allnet Comments at 6; CWI comments at 10.

[109] CWI Comments at 10.

months after the March 1, 1996 ready date, after which the process can be modified subject to past activity and future projections.[110]

31. Other commenters maintain that 888 numbers should be released in phases after March 1, 1996. SWBT argues that if the guidelines were to ensure that toll free numbers would be assigned only to bona fide customers, the threat of a spike in numbers drawn from the database would be eliminated. But, absent effective rules, SWBT maintains that the Commission should release for reservation "a three or six month supply of 888 numbers in NXX blocks of 10,000 numbers."[111] SWBT further suggests that the Commission then closely monitor the consumption of numbers to determine if they are being "used in an orderly manner."[112] Only then, SWBT suggests, should the Commission authorize release of the next set of NXXs to the spare pool.[113] U S West agrees that phased introduction of new toll free numbers is needed to allow orderly process and implementation of new codes.[114] CVS asserts that one hundred 888 NXX codes should be released incrementally and sequentially each day until all NXXs are generally available.[115] CVS continues by saying that general oversight of implementation should not be undertaken by the Commission, but by the North American Numbering Council ("NANC").[116]

32. Only one commenter does not support releasing 888 numbers in phases. TRA asserts that all numbers should be available for reservation on the first date the public can place toll free calls using the new code. A gradual introduction of numbers could create a temporary, artificial shortage, fostering the rationing of numbers. TRA further claims that a plan under which numbers are gradually made available could be discriminatory and harmful to competition and industry growth.[117]

33. In an *ex parte* presentation, Vanity International expressed concern with the SNAC plan. It contends that the practices followed by some RespOrgs to collect requests from existing 800 subscribers who seek to reserve the 888 number corresponding to their assigned 800 number discriminate against smaller businesses.[118] Vanity International argues that some RespOrgs have asked only large businesses whether they are interested in replicating their existing 800 numbers in the new 888 SAC. Vanity International argues that if the SNAC deadline of January 24, 1996 for submitting "protection requests" is honored, many 800 subscribers will forfeit any right to protect their equivalent 888 numbers. Vanity International asserts that such a result would be contrary to the Commission's stated goal of making the allocation of toll free numbers a fair and equitable process.[119] In addition, Vanity International maintains that it is the right of the existing 800 subscribers to determine whether they would like to have those numbers protected, at least in the short term, in the 888 SAC. Vanity International states that by failing to inform all existing 800 subscribers of their right to seek protection, or by failing to inform them of the consequences of inaction, the RespOrgs have essentially preempted the rights of those uninformed subscribers.[120] Vanity International asks the Commission to extend the date by which 800 subscribers must submit protection requests and to require RespOrgs to poll all their subscribers about whether they wish to replicate their assigned 800 numbers in the 888 code.[121]

c. *Discussion*

1) *Modification to the Current 800 Conservation Plan*

34. Faced with the accelerating depletion of 800 numbers, the industry asked the Bureau in June 1995 to take extraordinary measures to ensure that 800 numbers would remain available until the time that the public could place toll free calls using numbers drawn from the 888 SAC. The Bureau determined that rather than allowing all 800 numbers to be assigned before 888 numbers could also be available to the public, the public interest would be served by developing a plan that would conserve 800 numbers until 888 numbers could be introduced. On June 13, 1995, the Bureau instructed DSMI to limit the amount of numbers any RespOrg may reserve in one week and also shortened the aging process for toll free numbers.[122] That plan has been refinedtwice since its introduction.[123] Each time the plan was modified by changing the allocation distribution among RespOrgs to better meet the needs of the industry while balancing the need to keep 800 numbers available until March 1996. Many commenters in this proceeding support continuation of the 800 conservation plan imposed by the Bureau, at least for a few months after March 1, 1996.[124] For reasons set forth below, we agree and find that continuation of the current conservation plan for a limited period will serve the public interest.

35. When the conservation plan was first introduced, industry projections anticipated all 800 numbers would be assigned as early as July 1995, a date well in advance of the projected date for 888 deployment. Because of the Bureau's conservation plan, however, DSMI now projects that 800 numbers will be available through June 1996.[125] Because it now appears that unassigned 800 numbers will be available several months after toll free calling using 888 numbers begins, we conclude that a temporary increase of the week-

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110 GTE Comments at 4.

111 SWBT Comments at 10-11.

112 *Id.*

113 *Id.* U S West also supports the Commission monitor the reservation process to make the necessary changes after March 1, 1996 (US West Comments at 12.

114 U S West Comments at 12.

115 For example, the first 100 NXXs to be released would be 200 through 299.

116 CVS Comments at 3. *See also* Bell Atlantic Comments at 5.

117 TRA Comments at 12-13.

118 *Ex Parte* Comments of Vanity International at 1.

119 *Id.* at 3.

120 *Id.* at 5-6.

121 *Id.* at 6.

122 *See* Letter from Kathleen M.H. Wallman, Chief, Common Carrier Bureau to Michael Wade, President, DSMI, dated June 13, 1995 ("Wallman Letter I"). The "aging process" is defined as the period of time between disconnection or cancellation of a toll free number and the point at which the number may be assigned to another subscriber. *Industry Guidelines* set the aging process at six months, with a provision that the period may be reduced to four months once the toll free resource is 95% exhausted. *See Industry Guidelines* at § 2.2.6. Effective June 14, 1995, the conservation measures imposed by the Bureau reduced the aging process to four months. *See* Wallman Letter I.

123 *See* Letter from Kathleen M.H. Wallman, Chief, Common Carrier Bureau to Michael Wade, President, DSMI, dated June 21, 1995 ("Wallman Letter II" ). *See also* Wallman Letter III.

124 *See, e.g.,* U S West Comments at 12.

125 *See 800 Number Resource Utilization*, presentation by DSMI, January 10, 1996.

ly allocation will serve the public interest.[126] All other conservation measures set forth in Wallman Letters I, II, and III remain unchanged. First, increasing the weekly allocation should help meet unsatisfied consumer demand for 800 toll free numbers. Second, because the 888 code is expected to be operational nationally in March, there is a reduced need to conserve the remaining spare 800 numbers. For these reasons, we find it appropriate to increase the total weekly allocation of 800 numbers, now set at 29,000, to 73,000 numbers for a limited period, *i.e.*, for three weeks beginning at 12:01 A.M. Eastern Standard Time, January 28, 1996 and ending at 11:59 P.M. Eastern Standard Time, February 17, 1996. On February 18, 1996, the weekly allocation shall return to 29,000 numbers to ensure that 800 numbers continue to be available in the event that toll free calls to 888 numbers are not possible in some local service areas. We intend to end the 800 number conservation plan once we are convinced that 888 calls can be placed nationwide.

36. For the reasons set forth above and in Wallman Letter III,[127] we find that the public interest will best be servedif approximately 73,000 numbers are allocated among new and established RespOrgs[128] using the criteria of the August conservation plan set forth in that letter.[129] Thus, each RespOrg's allocation will be increased by a factor of 2.5.[130] Therefore, to calculate its new allocation, each RespOrg should multiply its current allocation by 2.5. Canada's weekly amount will also increase proportionally from 1,500 numbers to 3,775 numbers. We deem it essential to set aside 800 numbers for Canada in the interest of international comity. The minimum amount of numbers any RespOrg may receive each week in which the plan remains in effect will be 100 numbers. The Network Services Division will send to DSMI by facsimile a list of each RespOrg's new weekly maximum allocation.

**2) *Initial Reservation of 888***

37. The SNAC's proposed plan assigns to each RespOrg the responsibility to identify those numbers that its 800 service subscribers wish to replicate in the 888 SAC. While we are encouraged by the efforts that the RespOrgs have already undertaken to identify this "protected" set of numbers, we are concerned by the comments of Vanity International, who asserts that some RespOrgs may be discriminating against smaller business subscribers by not asking them if they wish to replicate their 800 numbers in the 888 SAC. Each RespOrg has a direct relationship with those for whom the RespOrg maintains 800 database records and is consequently in the best position to obtain this information. It is, moreover, in the RespOrgs' best interest to contact their commercial 800 subscribers to determine whether those subscribers value their numbers enough to wish to replicate them in the 888 code. Such contacts may not only generate new business, but also may protect RespOrgs from liability to their 800 subscribers whom they did not contact. Therefore, we are adopting this portion of the SNAC plan, modified, however, by allowing additional time for RespOrgs to contact those commercial 800 subscribers they have not already polled. We encourage RespOrgs to honor all replication requests submitted to them by their commercial 800 subscribers. Under the modified SNAC plan we now adopt, all RespOrgs will have the ability to continue to poll their 800 commercial subscribers for one week to identify those commercial subscribers with an interest in obtaining the 888 numbers with the identical last seven digits as their assigned 800 numbers.

38. Once the RespOrgs have identified this "protected" set of numbers, they are responsible for sending the list of these numbers to DSMI no later than 11:59 P.M. Eastern Standard Time, February 1, 1996. Each list should identify requests from commercial subscribers who were either contacted by the RespOrg or who have contacted their RespOrg independently of the RespOrg's polling efforts. DSMI will then have one week to process the information in each RespOrg's list and place these 888 numbers in"unavailable" status[131] by 11:59 P.M. Eastern Standard Time, February 8, 1996. This will allow DSMI sufficient time before it accepts reservation for 888 numbers to assign the equivalent 888 numbers to the "unavailable" status in the SMS. Once DSMI has concluded this process and has also marked all numbers in the "888-555 NXX" "unavailable,"[132] early reservation of 888 numbers can begin at 12:01 A.M. Eastern Standard Time, February 10, 1996. We agree with the commenting parties that identifying these numbers and permitting early reservation is essential to avoiding the risk that the database, and the links between the database and the regional SCPs, will be unable to accommodate not only the demand for 888 numbers, but also the continuing needs of subscribers with 800 numbers. Finally, we agree with AT&T that a "first come, first served" reservation policy will best serve the public because it is simple, efficient, and less expensive to administer than any other reservation scheme. We subject the first come first served policy only to the conservation plan discussed below.[133]

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[126] This includes the four month aging process, the 45 day limit on reservations, and certifications to DSMI.

[127] *See supra* n.93.

[128] The August conservation plan groups RespOrgs into two categories: "New RespOrgs," those RespOrgs that came into existence subsequent to December 1, 1993; and "Established RespOrgs," those RespOrgs that existed prior to December 1, 1993. *See* Wallman Letter III.

[129] The August conservation plan set forth in Wallman Letter III responded to numerous requests from the RespOrgs suggesting that allocation based solely on a RespOrg's embedded base of 800 numbers as the second conservation plan prescribed, placed too much weight on historical market share and did not adequately acknowledge growth trends in the industry. The August plan, which looked at both the market share of each RespOrg at a specific point in time and the growth that RespOrg experienced in 1994, better reflects the dynamic nature of the toll free market, while still furthering our goal of conserving 800 numbers until 888 is deployed.

[130] This factor was determined by calculating the increase of 73,000 as compared to 29,000 (*i.e.*, 73,000 29,000).

[131] These numbers should be held under the NASC RespOrg ID used previously.

[132] *See infra* para. 57.

[133] We note, however, that carriers are still expected to comply with the *Industry Guidelines* that have not been modified by any of the Bureau's actions. For example, until the Commission rules otherwise, the cap on the quantity of toll free numbers that a carrier can reserve at any one time remains 15% of its total quantity of its total quantity of working numbers, or 1000 numbers, whichever is greater. *See Industry Guidelines* at § 2.2.5.

3) *Initial Conservation of 888*

39. For the same reasons we have directed DSMI to permit reservation of 888 numbers in advance of the first date the network will support calls to each number, we conclude that the public interest would be served by adopting an 888 conservation plan. We intend this 888 conservation plan to achieve two goals: (1) to prevent the SMS from potential "system overload" created by increased RespOrg activity; and (2) to discourage a rush to reserve 888 numbers like the one that occurred when RespOrgs were first permitted to reserve the 800-555 pool of numbers in 1994.[134] We find that we must set the weekly allocation of numbers at a level that balances the needs of the RespOrgs, the technical limitations of the SMS, and the capacity of the data links between the SMS and the regional SCPs. A weekly allocation of 120,000 888 numbers appears to strike the appropriate balance. We expect this generous allocation of 888 numbers, in addition to the 800 numbers in the weeks preceding March 1, 1996, will offer RespOrgs a reasonable opportunity to meet their subscriber needs.[135]

40. For the reasons set forth in Wallman Letter III,[136] we will set each RespOrg's share of the weekly allocation of 120,000 888 numbers on the same basis as its 800 allocation is calculated. Thus, to calculate each RespOrg's share of the weekly allocation plan, each should multiply their August allocation by a factor of 4.0.[137] Six thousand 888 numbers will available for distribution to Canadian RespOrgs. Each RespOrg will be permitted to receive a minimum of 200 888 numbers per week. The Network Services Division will send DSMI a letter setting forth each RespOrg's maximum weekly allocation for 888 numbers. We will monitor number reservation and SMS database performance, and will reevaluate the continued need for this conservation plan after the March 1, 1996 deploymnet of the 888 code. We urge all RespOrgs to be sensitive to how their increased activity could affect SMS performance. The Bureau will modify this 888 conservation plan if toll free service experiences any decrease in service quality, whether in the processing of subscriberrecords or on the data links between the SMS and the regional SCPs. The Bureau will also carefully monitor and investigate any complaints from RespOrgs, SCP owners, or consumers.

## C. TARIFFS

### 1. *Background*

41. In the *NPRM*, the Commission sought comment on tariffing issues related to the introduction of 888. The Commission anticipated that the majority of tariffing issues would be related to LECs' database access tariffs. Specifically, the Commission tentatively concluded that 888 service and subsequent toll free codes would be functionally equivalent to 800 services and should be treated accordingly. The Commission, therefore, sought comment on its tentative conclusion that existing Part 69 provisions for 800 service would also cover 888 service and the LECs would not need to obtain a waiver of Part 69 to open 888 toll free service.[138] Comment was also sought on any interim arrangements that a LEC might offer to its toll free database access customers during the period in which preparations for opening the 888 code for general use neared completion. Further, the Commission sought comment on the conclusion that any revisions to existing database access tariffs should be filed on not less than 45 days' notice.[139]

### 2. *Filing Procedures*

#### a. *Background*

42. For purposes of addressing the tariffing issues raised in the *NPRM*, we must consider the Commission's action in the *800 Rate Structure Order*.[140] In that *Order*, the Commission determined that LECs must price basic 800 database services on a per-query basis and that LECs subject to price cap regulation must treat basic 800 database service as a "restructured service."[141] The Commission found that a per-query charge for 800 database service was appropriate because database queries are a distinct part of the set up of an 800 call and a per-query charge best reflects the costs of providing access to the 800 database.[142] The Commission determined that 800 database service should be classified as a restructured service rather than a "new service"[143] because basic 800 database service replaced the NXX system[144] and did not add to the range of options already available to customers.[145]

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[134] That is, when 800-555 numbers became available for reservation a single RespOrg reserved 90% of the numbers within the first ten minutes of availability. *See SNET Expedited Petition for Preliminary Injunction and Stay, Report and Order*, DA 95-2141 (adopted October 6, 1995).

[135] In June 1995, 113,000 800 numbers were reserved from the SMS database in one week. The industry labelled this high activity as reaction to the imminent exhaust of 800 numbers.

[136] *See supra* n.93.

[137] This factor was calculated by developing the ratio between 120,000 and 29,000 (i.e., 120,000 29,000).

[138] *NPRM* at para. 56.

[139] *Id.*

[140] *Provision of Access for 800 Service, Second Report and Order*, 8 FCC Rcd 907 (1993) ("*800 Database Rate Structure Order*"), *recon.*, CC Docket No. 86-10, FCC No. 95-487 (adopted December 4, 1995).

[141] The Commission defines a "restructured service" as the rearrangement of an existing service. Carriers can restructure a service by changing an existing method of charging for or provisioning the service, or by changing a term or condition in, adding language to, or adding, consolidating, or eliminating rate elements appearing in the existing service's tariff. When a service has been restructured, the previous version of that service no longer exists. *Policy and Rules Concerning Rates for Dominant Carriers, Second Report and Order*, 5 FCC Rcd 6786, 6824-6825 (1990) ("*LEC Price Cap Order*").

[142] *Id.* at 6788.

[143] The *LEC Price Cap Order* states that "as long as the pre-existing service is still offered, and the range of alternatives available to consumers is increased, we will classify the service as new." 5 FCC Rcd at 6824.

[144] Prior to the implementation of the SMS database, carriers routed 800 traffic using the "NXX system" and did not allow subscribers to toll free service to switch carriers without changing their toll free number. *NPRM* at para. 4, n.8. A toll free number such as "800-NXX-XXXX" consists of three parts: (1) a three digit numbering plan area ("NPA") or area code ("800"); (2) a three digit central office code ("NXX"); and (3) a four digit line number ("XXXX"). *Id.* at para. 3, n.5. The NXX system assigned blocks of 10,000 numbers to a particular interexchange carrier ("IXC") based on the NXX code in the dialed number. *Id.* at para. 4, n.8.

[145] *800 Database Rate Structure Order*, 8 FCC Rcd at 911.

**b.** *Comments*

43. The commenters unanimously support the Commission's tentative conclusion that 888 toll free service is functionally equivalent to 800 toll free service and that Part 69 waivers are not required.[146] Bell Atlantic states that because 888 is not a new service, it will not be filing an incremental cost study or any new rate elements. The tariff, Bell Atlantic notes, will offer 888 access under the same terms, conditions, and rates as existing toll free access service.[147] Most LECs, however, argue that the Commission must act promptly so that tariffs are filed on not less than 45 days' notice. SWBT notes that the LECs' 800 tariffs were filed 32 months ago, and the Commission has yet to complete its investigation of their lawfulness.[148] SNET argues that it is premature to determine that 888 costs be treated in accordance with procedures established for 800 service because the Commission has not yet concluded its investigation of the LECs initial 800 database tariffs.[149]

**c.** *Discussion*

44. We conclude that toll free service using 888 numbers is functionally equivalent to toll free service using 800 numbers and does not require LECs to obtain waivers of Part 69 of the Commission's rules to offer toll free service using the 888 code. The addition of 888 as a toll free SAC simply increases the universe of numbers available for toll free service; it does not add to the range of options already available to customers (*i.e.*, is not a "new" service).[150] Therefore, we do not require LECs to obtain waivers of Part 69 to file 888 database access tariffs.

45. LECs will be required to make the necessary revisions to their current 800 database tariffs to reflect that a code other than the 800 SAC will be used for toll free service. We order the LECs to file the tariffs expanding toll free service using the applicable tariff filing provisions. These tariffs must be filed no later than February 1, 1996 with an effective date of March 1, 1996. Carriers that are unable to meet the required notice period will be permitted to request special permission under Section 61.151 of the Commission's rules[151] to file on shorter notice only if they can document the reason for their inability to meet the prescribed notice period.[152]

**3.** *Exogenous Costs*

**a.** *Background*

46. In the *800 Rate Structure Order,* the Commission concluded that it was appropriate to allow the LECs to treat as exogenous the costs incurred specifically for the implementation and operation of 800 database services.[153] The Commission, however, did not extend exogenous cost treatment to those costs that were not reasonable and that were not specifically incurred for the implementation and operation of the 800 database system, such as core SS7 costs. The Commission anticipated that exogenous treatment would be accorded to those costs associated with: Service Control Points ("SCPs"), the Service Management System ("SMS"), and the links between SCPs and the SMS, as well as between Signal Transfer Points ("STPs") and SCPs, to the extent such costs were directly attributable to 800 database service.[154] The Commission reached this decision because of, what the Commission called, "highly unusual circumstances" that stemmed from our finding that provision of 800 service through a database should be mandated because making 800 numbers portable served the public interest.[155] Specifically, the Commission determined that it had effectively required the implementation of 800 database service and dictated the terms, conditions, and schedule for implementing it. Under these circumstances, the Commission concluded that reasonable costs specific to implementation of basic 800 database service were outside the carrier's control and were, therefore, treated as exogenous under price cap regulation.[156]

47. In the *LEC Price Cap Order,*[157] we decided that, in most circumstances, "extraordinary" costs would not be treated as exogenous because such treatment would reduce a carrier's need to be efficient and innovative.[158] In the *Price Cap Performance Review for Local Exchange Carriers,*[159] we reaffirmed this conclusion and found that the ability to cope with unforeseen events is at least in part a function of a carrier's managerial decisions, and that permitting exogenous treatment for such unforeseen events removes the incentive to operate more efficiently.[160] The Commission, therefore, concluded that extraordinary costs would continue to be treated endogenously in most cases.[161] The Commission, however, did not foreclose the possibility that costs associated with the provision of services required by the Commission, such as occurred when the Commission required that toll free numbers be made portable through the use of an 800 database, may be treated as exogenous in the future.[162]

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146 *See, e.g.,* Ameritech Comments at 43; Pacific Comments at 18; NYNEX Comments at 11; SNET Comments at 15-16; NYNEX Reply Comments at 6.

147 Bell Atlantic Comments at 11-12.

148 SWBT Comments at 21.

149 SNET Comments at 15-16.

150 *LEC Price Cap Order,* 5 FCC Rcd at 6824.

151 47 C.F.R. § 61.151. This section prescribes the procedures to be followed by a carrier applying for a waiver of Part 61.

152 We note that several LECs have already filed revisions for implementing the 888 code on 45 days' notice, effective March 1, 1996. Any revisions to these filings will also require special permission.

153 This decision was reached under Section 61.44(c)(5) of the rules, 47 C.F.R. § 61.44(c)(5), pursuant to which the Commission may grant exogenous cost treatment for "other extraordinary exogenous cost changes as the Commission shall permit or require." In their tariffs, LECs were required to make a detailed showing of the costs incurred specifically for the implementation of basic 800 database service and were also required to justify the reasonableness of those costs. *800 Database Rate Structure Order,* 8 FCC Rcd at 911.

154 *Id.*

155 *Id.*

156 *Id.*

157 *LEC Price Cap Order,* 5 FCC Rcd 6786.

158 *Id.*

159 *Price Cap Performance Review for Local Exchange Carriers, First Report and Order,* 10 FCC Rcd 8961, 9094 (1995).

160 *Id.*

161 *Id.*

162 *Id.* at 9094, n.575.

**b.** *Comments*

48. The LECs generally argue that the costs of implementing 888 should be treated as exogenous because it is consistent with the treatment given the costs associated with implementation of the 800 database.[163] NYNEX states that to the extent that existing price cap rules are revised as part of ongoing proceedings, the Commission should ensure that there remains some mechanism for recovery of these costs under price caps.[164] NYNEX argues that incremental exogenous costs should be allowed for implementing 888. It asserts that implementation of 888 has not been a trivial exercise. Further, NYNEX asserts that growth in toll free numbers in working status has far exceeded the growth in the number of toll free calls and, thus, the number of queries to the toll free database.[165] BellSouth agrees that 888 is functionally equivalent to 800 and thus, the costs of implementing 888 should be treated as exogenous to the extent certain 800 database costs receive such treatment. BellSouth states that it will develop rates by identifying and annualizing these exogenous costs. BellSouth asserts that it will determine how much its proposed toll free database access rates will increase by forecasting the number of toll free database queries applicable to the study period and then computing the ratio of exogenous costs over forecasted database queries or exogenous costs per forecasted database query. Using this ratio and increasing it by an appropriate overhead loading, BellSouth plans to produce a basic toll free service rate increment that will then be added to the existing toll free query rate.[166] U S West, using its projected costs of implementing 888 and extrapolating based on U S West's percentage of the total access lines and switches in the entire LEC industry, estimates that the LEC industry as a whole has spent between $170 to $250 million to implement 888.[167] Pacific argues that tandem upgrades and SSP costs -- as well as all other costs associated with the mandated deployment of toll free service -- should be considered exogenous costs because the Commission has determined that certain costs incurred by the LECs caused by administrative, legislative, or judicial requirements beyond their control should result in an adjustment to their price caps.[168]

**c.** *Discussion*

49. We conclude that the costs associated with the implementation of 888 should not be treated as exogenous costs. The *800 Rate Structure Order* found that 800 database services were restructured services. Exogenous cost treatment for those costs specific to 800 database services was granted because of what the Commission termed "highly unusual circumstances." Specifically, the Commission mandated that toll free service providers make use of a toll free database so that toll free numbers would be made portable. The Commission, therefore, allowed LECs to increase their query rates so that the costs of establishing the 800 toll free database were included as a component in query rates. In the case of 888, network upgrades have been required as a result of the rapid increase in the demand and use of toll free services and are thus attributable to the need for increased network capacity caused by increased usage. While the exhaustion of the supply of 800 numbers may be a special event, the *Price Cap Order* indicates that this alone does not justify exogenous cost treatment. Allowing an additional increase to these per-query charges, as suggested by BellSouth, would thus, in essence, constitute return to rate of return regulation, which price cap regulation has supplanted for many of the larger carriers. We do, however, note that those carriers currently regulated under rate of return regulation will be allowed to recover their costs incurred as a result of the introduction of 888 as a toll free SAC.

50. The LECs' principle argument for exogenous cost treatment is that implementation of 888 has been costly and that these costs are beyond their control because the Commission mandated the deployment of toll free service. The Commission has, however, concluded that costs beyond a carrier's control will generally not be treated as exogenous. As discussed above, the addition of the 888 SAC to the universe of toll free numbers is the result of the rapid growth in the demand for toll free numbers and is not directly attributable to the Commission's directive that carriers restructure toll free services by making toll free numbers portable.[169]

51. Noting that the average number of queries per toll free number has decreased, the LECs appear to argue that because RespOrgs and other carriers reserve the majority of toll free numbers and, thus, control to whom toll free numbers are assigned, the decrease in average number of queries per number is beyond LEC control. The Commission has stated that the burden to justify exogenous cost treatment lies with the carrier being regulated under price caps. Even if the LECs could establish that the decrease in query rates is beyond their control, which they fail to do, the fact that this lay beyond their control would not, by itself, justify exogenous cost treatment. As we have noted, the Commission has found that permitting exogenous cost treatment for unforeseen events removes the carriers' incentive to operate more efficiently and that the ability to cope with such events is at least in part a function of carriers' managerial decisions. The Commission, therefore, concluded that we should continue to treat costs that are beyond carriers' control endogenously in most cases.[170]

52. The LECs have failed to show why we should depart from this general rule and treat the addition of the 888 SAC to the universe of toll free numbers as an "extraordinary" event for which they should be allowed to treat its costs as exogenous. We, therefore, conclude that costs associated with the implementation of 888 will not be treated as exogenous for carriers regulated by price caps.

**4.** *Interim Arrangements*

**a.** *Comments*

53. Ameritech and NYNEX assert that they plan initially to route all 888 traffic through access tandems using an advanced intelligent network ("AIN") design. Ameritech

[163] *See, e.g.*, BellSouth Comments at 19.
[164] NYNEX Reply Comments at 6-7.
[165] *See, e.g*, NYNEX Comments at 11.
[166] BellSouth Comments at 19-20.
[167] U S West Reply Comments at 8.
[168] Pacific Reply Comments at 9 (citing *LEC Price Cap Order*, 5 FCC Rcd at 6807).
[169] *Price Cap Performance Review for Local Exchange Carriers*, 10 FCC Rcd at 9094, n.575.
[170] *Id.*

and NYNEX are currently upgrading their network to have AIN capabilities at the access tandems and plan to add this capacity at their end offices once their access tandems are equipped with this capacity. When a toll free call is routed through an access tandem, however, the IXC is charged for using both the access tandem and the end office. The use of access tandems to process interstate toll free dialing calls would, therefore, increase an IXC's access charges. Ameritech and NYNEX argue that they should be allowed the flexibility to charge end-office rates to IXCs that currently have access from end-offices connected directly to the SCP for 800 service. Ameritech and NYNEX propose that they issue credits to these IXCs equal to the additional charge they incur for routing all 888 calls through an access tandem because these IXCs would have chosen to, and could have, routed these calls from the LECs' end offices directly to the SCP if this option were made available by the LECs. NYNEX argues that the issuing of credits is necessary to reduce the economic impact that such network upgrades might have on its toll free service-provider customers.[171] Scherers states that its tariffs are not dependent upon a dedicated toll free code and will be the same for 888 as 800 and that LECs should be asked to retain the same rates for toll free service, regardless of the number assigned.[172]

**b. Discussion**

54. We agree that the issuing of credits for tandem charges so that the cost of toll free access equals what the IXC would be charged if direct routing from the end office were available for 888 is reasonable because it reduces the economic effect the LECs' network upgrades will impose on their 888 access customers. As noted by the commenters, access from an end office directly connected to the 888 SCP is considered to be more efficient for those customers already receiving access to the 800 SCPs directly from that end office than access through the tandem. The LECs' plans to offer credits to their access customers forced to route 888 traffic through the LECs' access tandems gives these LECs the incentive to make direct access from the end office available as quickly as possible. We consider these arrangements to be temporary and will subject these interim arrangements to periodic review. We also require that these LECs offer their credit plan to any access customer that obtains access from the end office connected directly to the SCP for 800 toll free service if that customer must use the LECs' interim access tandem arrangement for 888 service because the LECs have not completed their network upgrades.

**D. DIRECTORY ASSISTANCE**

**1. *Background***

55. In 1989, the Commission concluded that 800 Directory Assistance ("DA") should be open to competition.[173] On May 8, 1995, SNET filed a petition for declaratory ruling asking the Commission to require AT&T to enter into reciprocal compensation arrangements with other carriers that wish to offer 800 DA. In the *NPRM*, the Commission determined that, while SNET's petition is related to this proceeding, it would defer consideration of the petition.[174] The *NPRM* sought comment on a proposal to combine 800 DA, 888 DA, and subsequent toll free DA codes into an interchangeable toll free DA service. With such an interchangebale toll free DA service, callers would be able to dial either "1-800-555-1212" or "1-888-555-1212" and obtain DA for all toll free numbers. Specifically, commenters were asked to address the economic reasonableness and technical feasibility of combining the provision of toll free DA. Commenters were also asked to address a proposal to not assign "888-555-1212," until toll free DA issues, such as SNET's petition, had been resolved.[175]

**2. *Comments***

56. Commenters addressing this issue generally support the Commission's proposal to open toll free DA to competition and agree that "888-555-1212" should be used for toll free DA.[176] There was also wide support for withholding the assignment of "888-555-1212" until all issues related to toll free DA have been resolved.[177] Airtouch notes that there is strong support for opening toll free DA service to competition, but that the suggestions on how this should be implemented lack the detail necessary for the Commission to make an informed decision on how to proceed. AirTouch, therefore, suggests that the Commission refrain from promulgating rules affecting the market structure for toll free DA until a more concrete plan can be developed.[178] BellSouth suggests that additional study is required to identify any technological constraints that might prevent the implementation of a combined offering of toll free DA envisioned by the Commission.[179] AirTouch argues that AT&T's management of the 800 DA service should be eliminated,[180] while Allnet argues that "888-555-1212" should be auctioned to someone other than AT&T.[181]

**3. *Discussion***

57. Many commenters assert that the comments addressing how competition in the market for toll free DA should be implemented lack the detail necessary for the Commission to make an informed decision on this matter at this time. We agree. Moreover, it is not essential that we resolve this issue now in order to enable toll free service using 888

[171] NYNEX Comments at 7 and 11; Ameritech Comments at 44.
[172] Scherers Comments at 21; TRA Comments at 22.
[173] *See Provision of Acces for 800 Service*, 4 FCC Rcd 2824 (1989) ("*800 Order*"), *recon.*, 6 FCC Rcd 5421 (1991) ("*800 Reconsideration Order*"), *further recon.*, 8 FCC Rcd 1038 (1993).
[174] *See NPRM* at para. 46, n.90.
[175] *NPRM* at para. 48.
[176] *See, e.g.*, Pacific Comments at 15; BellSouth Comments at 21; Telco Planning, Inc. ("Telco Planning") Comments at 6.
[177] *See, e.g.*, SNET Comments at 12-14; NYNEX Comments at 10.
[178] AirTouch Reply Comments at 12.
[179] BellSouth Comments at 21.
[180] AirTouch Comments at 18.
[181] Allnet Comments at 10.

numbers to become available. Consequently, this *Report and Order* refrains from addressing the steps the Commission could take to foster a competitive market for toll free DA service. The Commission will address this issue in a subsequent decision. We also agree with the commenters who recommend that "888-555-1212" be set aside until issues related to a competitive toll free DA are resolved. We note, however, that more than one number in the 888 SAC could be used for toll free DA in a competitive market; "555" NXXs are generally associated with DA and information services. Therefore, we order DSMI to place all "888-555-XXXX" numbers in unavailable status so no RespOrg can reserve these numbers until the Commission has reached a decision on the issues raised in the *NPRM* related to the development of a competitive toll free DA service.

## IV. CONCLUSION

58. This *Report and Order* addresses only those issues essential to the scheduled March 1, 1996 deployment of the 888 SAC. First, we provide interim protection for all equivalent 888 numbers designated by current commercial 800 subscribers by setting those numbers aside during the initial 888 reservation period. At this time, we do not decide whether these numbers ultimately should be afforded any permanent special right or protection. Second, we conclude that the current first come, first served reservation policy should apply to 888 numbers, subject to the limitations set forth in this *Report and Order*. Third, we conclude that the current 800 number conservation plan, subject to the modifications set forth in this *Report and Order*, should be continued for a limited period of time. Fourth, we determine that reservations for 888 numbers, other than those numbers designated for interim protection by existing 800 subscribers, shall begin at 12:01 A.M. Eastern Standard Time, February 10, 1996. Fifth, we adopt an 888 conservation plan to both prevent an SMS database overload and discourage a "gold rush" approach to 888 number reservations. Finally, we conclude that, for tariffing purposes, 888 service should be treated like 800 service and that the associated investment and expenses of carriers regulated by price caps should not be given exogenous cost treatment. Additional issues addressed by the *NPRM* in this docket will be resolved in a subsequent decision.

## V. ORDERING CLAUSES

59. Accordingly, IT IS ORDERED that, pursuant to authority contained in Sections 1, 4, 5, and 201-205 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154, 155, and 201-205, Section 0.201(d) of the Commission's rules, 47 C.F.R. § 0.201(d), this *Report and Order* is hereby ADOPTED.

60. IT IS FURTHER ORDERED that, pursuant to 5 U.S.C. § 554(d) and 47 C.F.R. § 1.103(a), this *Report and Order* shall take effect upon adoption.[182]

[182] Preventing shutdown of the toll free reservation process and ensuring that toll free numbers remain available to the public constitute good cause for making this *Report and Order* effective upon adoption.

FEDERAL COMMUNICATIONS COMMISSION

Regina M. Keeney
Chief, Common Carrier Bureau

**Appendix A**
*List of Commenters*

1.800. BALLOON
1-800-FLOWERS
800 Users Coalition
Aeronautical Radio, Inc. ("ARINC")
AirTouch Paging ("AirTouch")
Allnet Communication Services, Inc. ("Allnet")
Ameritech
American Car Rental Association ("ACRA")
American Petroleum Institute ("API")
American Telegram Corporation ("ATC")
Americas Carrier Telecommunications Association ("ACTA")
AT&T Corporation ("AT&T")
AVIS Rent A Car System, Inc. ("Avis")
Bass Pro Shops ("Bass Pro")
Bass Tickets, Inc. ("Bass Tickets")
Bell Atlantic Telephone Companies ("Bell Atlantic")
BellSouth Telecommunications, Inc. ("BellSouth")
Cable & Wireless, Inc. ("CWI")
Charter Medical Corporation ("Charter Medical")
Communications Managers Association ("CMA")
Communications Venture Services, Inc. ("CVS")
Competitive Telecommunications Association ("CompTel")
Crestar Bank ("Crestar")
DeFabio, Joel ("Joel DeFabio")
Del Webb Corporation ("Del Webb")
Direct Marketing Association
("DMA")
Enterprise Rent-A-Car, Inc. ("Enterprise")
General Services Administration ("GSA")
GTE Service Corporation ("GTE")
INVESCO Funds Group, Inc. ("IFG")
LCI, International ("LCI")
LDDS WorldCom ("LDDS")

MCI Telecommunications Corporation ("MCI")

MFS Communications Company, Inc. ("MFS")

National Telephone Cooperative Association ("NTCA")

NEXTLINK, Inc. ("NEXTLINK")

Network Telephone Services, Inc. ("NTS")

NIMA, International ("NIMA")

Nissan Rosenthal ("Nissan")

NYNEX Telephone Companies ("NYNEX")

Olson, Mark D. ("Mark Olson")

Organization for the Protection and Advancement of Small Telephone Companies ("OPASTCO")

Pacific Bell and Nevada Bell ("Pacific")

Page, Joseph Edward ("Joseph Page")

Paging Network, Inc. ("PageNet")

Personal Communications Industry Association ("PCIA")

Promoline, Inc. ("Promoline")

Puerto Rico Telephone Company ("PRTC")

Qwest Communications Corporation ("Qwest")

Scherers Communications Group, Inc. ("Scherers")

Service Management System/800 Number Administration Committee of the Ordering and Billing Forum ("SNAC")

Service Merchandise Company, Inc. ("Service Merchandise")

Southern New England Telephone Company ("SNET")

Southwestern Bell Telephone Company ("SWBT")

Sprint Corporation ("Sprint")

Telecommunications Resellers Association ("TRA")

Telecompute Corporation ("Telecompute")

Telemation International, Inc. ("Telemation")

Telephone Express

Telco Planning, Inc. ("Telco Planning")

Time Warner Communications Holdings, Inc. ("Time Warner")

TLDP Communications, Inc. ("TLDP")

Vanity International

World Savings and Loan Association ("World Savings")

Weather Channel, Inc. ("Weather Channel")

Wise Telecommunications ("Wise")

United States Telephone Association ("USTA")

Unitel Communications, Inc. ("Unitel")

U S West Communications, Inc. ("U S West")

*List of Reply Commenters*

1-800-FLOWERS

American Automobile Association ("AAA")

AirTouch Paging and Arch Communications Group ("AirTouch") Ameritech

AT&T Corporation ("AT&T")

Austin, John ("John Austin")

Bass Pro Shops ("Bass Pro")

BellSouth Telecommunications, Inc. ("BellSouth")

British Airways Plc ("British Airways")

Cable & Wireless, Inc. ("CWI")

Communications Venture Services, Inc. ("CVS")

Competitive Telecommunications Association ("CompTel")

Dial 800, L.P. ("Dial 800")

Eastern Tel Long Distance Service, Inc. ("Eastern Tel")

Enterprise Rent-A-Car, Inc. ("Enterprise")

General Communication, Inc. ("GCI")

General Services Administration ("GSA")

GTE Service Corporation ("GTE")

Interactive CallBrand ("CallBrand")

LDDS WorldCom ("LDDS")

MCI Telecommunications Corporation ("MCI")

MFS Communications Company ("MFS")

National Telephone Cooperative Association (NTCA")

New York Clearing House Association ("New York Clearing House")

NYNEX Telephone Companies ("NYNEX")

Pacific Bell and Nevada Bell ("Pacific")

Paging Network, Inc. ("PageNet")

Personal Communications Industry Association ("PCIA")

Promoline, Inc. ("Promoline")

Qwest Communications Corporation ("Qwest")

Scherers Communications Group, Inc. ("Scherers")

Southwestern Bell Telephone Company ("SWBT")

Sprint Corporation ("Sprint")

Telecommunications Resellers Association ("TRA")

TLDP Communications, Inc. ("TLDP")

United States Telephone Association ("USTA")

U S West Communications, Inc. ("U S West")

Vanity International

Weather Channel, Inc. ("Weather Channel")