

Testimony of

CHRISTOPHER GUTTMAN-MCCABE

VICE PRESIDENT, REGULATORY AFFAIRS CTIA - THE WIRELESS ASSOCIATION

Thursday, July 12, 2007

Senate Committee on
Commerce, Science & Transportation
253 Russell Senate Office Building
Washington, DC



Chairman Inouye, Vice Chairman Stevens, and members of the Committee, thank you for the opportunity to appear before you today to discuss the importance of streamlining the number porting process. On behalf of CTIA-The Wireless Association®, I am here to tell you that the wireless industry has developed an efficient simple porting process that should be a model for the entire industry. At CTIA, we view reform consistent with the wireless model as necessary to ensure that consumers can take full advantage of the choices provided by emerging intermodal competition.

In 1996, with the leadership of this Committee, Congress added section 251(b)(2) to the Communications Act. That section requires all local exchange carriers to offer number portability. The Federal Communications Commission later determined that the public interest would be served by extending the number portability requirement to wireless carriers as well.

Wireless carriers responded to the Commission's call for wireless number portability by adopting a limited but standardized set of criteria necessary to complete a simple porting request. Over time, this process has evolved to include just a few elements, and with implementation of this streamlined process, the industry has lowered the average time to complete a customer porting request to just two and a half hours. During the second quarter of 2006 (the most recent quarter for which data is available), wireless carriers successfully implemented 2.4 million intramodal ports. This process enables wireless consumers to change carriers easily and efficiently while keeping their telephone numbers, thus empowering consumers to choose the carrier, pricing plan, and features that best serve their individual needs.

CTIA's member companies seek to grow not just by taking customers from one another, but also by marketing their services as a replacement for traditional landline service.

Unfortunately, the unnecessary complexity of wireline to wireless porting often forces consumers to abandon their landline numbers or give up on the process entirely. Neither outcome should be acceptable to policymakers.

In the *Wireless Porting Order*, the Commission unambiguously determined that "consumers must be able to change carriers while keeping their telephone number as easily as they may change carriers without taking their number with them." The Commission also stated that carriers may not impose "restrictions on porting beyond necessary customer validation procedures" and that "carriers need only share basic contact and technical information sufficient to perform the port." Unfortunately, despite clear direction from both the Congress and the Commission, the benefits of speedy, efficient, and simple porting are not yet available to all consumers. Many local exchange carriers unnecessarily complicate the porting process and frustrate consumers by requiring the porting-in carrier to provide information well beyond what is needed to effectuate a successful port.

While the Commission has allowed market forces to dictate the specific procedures to be used for number portability, it must recognize that the incumbent local exchange carriers generally lack both any incentive to allow customers to switch seamlessly off their networks to wireless competitors, as well as an interest in remedying this situation expeditiously. In fact, in comments to the Commission a number of local exchange carriers have urged the Commission to defer to the North American Numbering Council ("NANC") or the Alliance for Telecommunications Industry Solutions ("ATIS") Ordering and Billing Forum to resolve these matters. Unfortunately, these industry groups have been unable to reach the consensus required to resolve these porting validation issues. The issue has been before the NANC and ATIS since July 2004, and the Ordering and Billing Forum ("OBF") is in the process of formally closing the matter. Given that these entities have been struggling with these issues for three years without resolution, it is time for the Commission to intervene.

The T-Mobile/Sprint petition filed last December provides the Commission with a timely opportunity for such intervention. Two undisputed facts from the T-Mobile-Sprint petition suggest some action is warranted with respect to intermodal porting procedures. First, the inefficiency of the incumbent LEC validation process is starkly highlighted when it is compared to the intramodal wireless porting mechanism in use today. For simple wireless-to-wireless ports, numbers are usually ported in a matter of hours with a nominal amount of information exchanged by the carriers. In such ports, wireless consumers are generally

unable to detect any difference between changing carriers with porting and changing carriers without porting. Second, wireless carriers initially required nine data fields to port a customer, then -- basically because that made the process less efficient and the additional fields were not needed to protect customers' choices -- cut it to four, then three, data fields. This is clear evidence that a less burdensome and uniform process can work quickly to protect consumers and competition in a commercial environment.

Sprint and T-Mobile attached to their filing a sample form with more than 100 data fields, including fields requiring input of "additional engineering," "additional forms," "additional labor," and "account regrade." It is difficult to understand how this much information could be required to port a customer from one carrier to another – especially since T-Mobile and Sprint have recognized that additional information is often necessary for validation when undertaking "complex" porting, and have limited the application of their recommended four validation fields solely to simple ports. Simple ports are those that: (i) do not involve unbundled network elements; (ii) involve an account only for a single line; (iii) do not include complex switch translations (*e.g.*, Centrex, ISDN, AIN services, remote call forwarding, or multiple services on the loop); and (iv) do not include a reseller.

T-Mobile, Sprint, and others within CTIA's membership are not alone in recognizing the need for reform of the intermodal porting process. A number of cable operators that are now offering telephony generally share our views, and public utility commissions from states as diverse as California and Iowa also have recognized the importance of pro-consumer reform in this area. In fact, in a resolution adopted this past February, NARUC endorsed the adoption of a "simple and uniform industry porting process." Even parties which oppose the T-Mobile/Sprint petition, like Embarq and AT&T, acknowledge that reform intended to eliminate obstruction or delay is "reasonable" (Embarq comments, at 1) and that "streamlining of the [porting process] may be useful and desirable" (AT&T comments, at 3).

Commission action on this matter is timely, as the Commission itself has repeatedly cited expectations of increased intermodal competition in approving several recent mergers.

Streamlining the simple porting process is critical to making robust intermodal competition a

reality, and the Commission now must rise to the challenge before it in a way that advances intermodal competition and, most importantly, the interests of consumers.

Before closing, let me note that CTIA appreciates the interest the Committee and its members, especially Senator Stevens, have shown in this issue. While CTIA believes that the FCC has the authority it needs to streamline the simple porting process, congressional action to facilitate a pro-competitive, pro-consumer intermodal porting process may be necessary if the Commission fails to act in a timely manner. Should that be the case, we would look forward to working with the Committee to achieve those goals.

Thank you, and I look forward to any questions you may have.