

ORDER NO. 04-302

ENTERED MAY 27 2004

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BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1141

In the Matter of)	
)	ORDER
PINE TELEPHONE SYSTEM INC.)	
)	
Petition for Temporary Suspension of)	
Wireline to Wireless Number Portability)	
Obligations.)	

DISPOSITION: PETITION GRANTED

On April 14, 2004, Pine Telephone System, Inc. (Pine Telephone) filed a petition for temporary suspension of wireline to wireless number portability obligations, and on April 26, 2004, filed an amendment to its petition. Pine Telephone is a small telephone utility, serving 84 customers in the Granite exchange and approximately 856 customers in the Halfway exchange.

Background. Local Number Portability (LNP) is the ability of a customer to retain a currently-used telephone number, even as the carrier providing service to that number is changed. LNP is an obligation placed on all local exchange carriers (LEC), by Section 251(b) of the Telecommunications Act of 1996 (the Act). The term LEC includes both Incumbent Local Exchange Carriers (ILECs) and Competitive Local Exchange Carriers (CLECs). Both the Act and the rules of the Federal Communications Commission (FCC) specify that state commissions administer many aspects of LNP implementation. Under 251(f)(2) of the Act, the Oregon Commission has the authority and obligation to act on the petition within 180 days of the filing date. In the instant case, the Commission must act by October 11, 2004.

The FCC has issued a number of orders setting forth the obligations of carriers to participate in the porting of customers' telephone numbers, including one which addresses the porting of numbers from wireline to wireless carriers ("Intermodal Porting").¹ The FCC directed wireline carriers outside the top 100 metropolitan areas, including both ILECs and CLECs, to implement number portability by May 24, 2004. Carriers outside the metropolitan areas have

¹ Memorandum Opinion & Order & Further Notice of Proposed Rulemaking, *In the Matter of Telephone Number Portability, CTIA Petitions for Declaratory Ruling on Wireline-Wireless Porting Issues*, FCC Docket No. 95-116 (FCC released November 10, 2003), ("Intermodal Porting Order").

180 days after receiving a bona fide request to implement number portability. Recently, T-Mobile and Rural Cellular Corporation sent Pine Telephone a request for number portability.

The Petition. Pine Telephone requests that the Commission grant a temporary suspension of the obligation to provide intermodal portability in the Granite exchange until March 1, 2005, and August 22, 2004, for the Halfway exchange.

Discussion. Section 251(f)(2) of the Act provides guidelines for state commissions to determine whether to grant waivers from, or suspension of, various requirements of the Act. The Commission recently granted a temporary waiver for seven petitions in the Portland metropolitan area. *See* Order No. 03-746, docket UM 1114.

Pine Telephone's Granite switch is technically incapable of providing number portability. Pine Telephone plans to replace the Granite exchange switch in February 2005. Absent a temporary suspension, Pine Telephone will be obligated to implement number portability by September 27, 2004. Pine Telephone estimates that the new switch will cost about \$290,000.

Staff calculated the cost per customer if Pine Telephone installed the switches early in order to comply with the September 27, 2004 deadline. The cost of interest, at 11.25 percent, is \$13,594.² That is about \$162 per customer in the Granite exchange (84 customers). Staff believes that the potential benefits of earlier portability do not justify this cost.

Pine Telephone has installed a new switch in the Halfway exchange, but recently discovered software compatibility problems. Pine Telephone requests a suspension until August 22, 2004, to correct those problems. Staff believes that Pine Telephone has been diligent in its efforts to deploy number portability.

Neither T-Mobile nor Rural Cellular Corporation have indicated that it objected to Pine Telephone's petition. The recommendation is detailed in a Staff Report, attached as Appendix A, and incorporated by reference.

At its Public Meeting May 18, 2004, the Commission adopted Staff's Recommendations and granted Pine Telephone's petition for temporary suspension of its wireline to wireless number portability obligations for the Granite exchange until March 1, 2005, and until August 22, 2004, for the Halfway exchange.

² Staff used 11.25 percent interest rate because that rate was used by the FCC to review requests for cost recovery for local number portability in prior years.

ORDER

IT IS ORDERED that:

1. Pine Telephone System, Inc.'s petition for temporary suspension of wireline to wireless number portability obligations until March 1, 2005, for the Granite exchange, is granted.
2. Pine Telephone System, Inc.'s petition for temporary suspension of wireline to wireless number portability obligations until August 22, 2004, for the Halfway exchange, is granted.

Made, entered, and effective _____.

Lee Beyer
Chairman

John Savage
Commissioner

Ray Baum
Commissioner

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order to a court pursuant to applicable law.