



North American Numbering Council

Summary:

Toll Free Assignment Modernization NPRM



Toll Free Number Modernization Issues Working Group

William Andrle

Attorney Advisor

Wireline Competition Bureau

Competition Policy Division

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Modernizing to better promote equitable assignment and efficient use of toll free numbers

Proposes a number of actions designed to:

- (1) **more equitably** assign toll free numbers
 - assigning available numbers to those that value them most
 - potentially enabling secondary market for reassigning numbers
- (2) **increase efficiency** in assignment and use
 - reducing impediments under the current approach
 - increasing number conservation by discouraging number “use” beyond real need
- (3) provide **access without cost for** numbers necessary to promote the **public interest**
 - for government agencies and non-profit health, safety, education or other non-profit public interest organizations

Toll Free Assignment Modernization - Overview

- **Notice of Proposed Rulemaking** (released 9/28/17)
 - Proposes expanding the existing toll free number assignment rule (52.111) to **permit use of auction methodology**, among other assignment mechanisms
 - Would make TF number assignments by auction, on a first-come first-served basis, alternative assignment methodology, or by a combination of these as circumstances require
 - **Initial auction of** numbers set aside pursuant to the *833 Code Opening Order*, for which there were mutually exclusive requests (**~17,000 numbers**)
 - Auction goal: optimize number assignment, rather than auction revenue
 - Single round, sealed-bid Vickrey auction (winner pays the second-highest bid price)
 - Seeks comment on alternative auction types, and other auction parameters (*e.g.*, eligibility, reserve prices, auctioneer, use of net proceeds)

- **Notice of Proposed Rulemaking** (continued)
 - If adopted, Commission intends to consider **833 auction process** and outcomes in deciding how to make future toll free assignments
 - 833 auction **would be an experiment** to ensure Commission develops well-tested rules going forward
 - Wireline Competition Bureau would report to the Commission on the outcomes of the auction and lessons learned
 - **Secondary Markets** – seeks comment on extending market-based approach to promote development of a secondary market for TF numbers
 - Under this approach, though a subscriber does not own a number, he or she would be allowed to reassign the right to use that number to other subscribers for a fee (or other compensation) the parties negotiate
 - Currently happening in market (some black market now, toll free numbers marketed for sale)

- **Notice of Proposed Rulemaking** (continued)
 - Comment sought on **need for other changes** supporting market-based approach
 - ▶ Refinements needed to **First-Come, First-Served Rule**?
 - ▶ Eliminate **Brokering Rule** to promote the secondary market?
 - ▶ Revise or repeal **Warehousing and Hoarding Prohibitions** (intended to limit number exhaust)?
 - ▶ Changes needed to the **Service Management System (SMS) Database** (such as including subscriber information in database and process changes to facilitate market-based approach)?
 - ▶ Should the Commission or the Toll Free Numbering Administrator (TFNA) establish the **terms and conditions needed to implement** such changes?
 - ▶ Propose rules to state that the Commission or TFNA can **reclaim a TF number used for fraud or abuse**?

- **Notice of Proposed Rulemaking** (continued)
 - **Toll Free Numbers Used for Public Interest Purposes** – Should toll free numbers needed to promote health, safety, education, and other public interest goals be set aside for use without cost?
 - For government (federal, state, local and Tribal) agencies as well as by non-profit health, safety, education, or other non-profit public interest organizations
 - What terms and conditions should be applied? Should other entities also be included?

- **Notice of Proposed Rulemaking** (continued)
 - **Public Comment**
 - ▶ Comments were filed November 13, 2017
 - ▶ Reply comments are due December 12, 2017
 - ▶ 24 comments (and 32 express comments) thus far

- **Scope of Work**

- **Directed to address the following questions:**

- Notwithstanding the Commission's proposed revision to the first-come, first served rule, should the Commission revise any of its other current rules (such as the general definitions, lag times, or caps on toll free number reservations) to promote a market approach to assigning toll free numbers? What are the implications of such revisions?
 - Should the Commission revise its current rules (including the hoarding and brokering rules) to promote development of a secondary market for toll free numbers? What are the implications of those rule revisions?
 - Should the Commission set aside certain desirable toll free numbers for use, without cost, by government or non-profit health, safety, education, or other public interest organizations? If so, how should this number set aside system be structured and what should be the roles, if any, of the Commission and the Toll Free Number Administrator? What are the implications of the Commission setting aside certain numbers for these purposes?

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- **Questions / Contacts:**

- Working Group Co-Chairs

Craig Lennon
Google Inc.
650-933-7819
craiglennon@google.com

Susan M. Gately
Ad Hoc Telecommunications
Users Committee
781-679-0150
smgately@smg-c.com

- FCC Liaisons to the Working Group

Primary - Alex Espinoza
(202) 418-0849, Alex.Espinoza@fcc.gov

Assisting - Bill Andrle
(202) 418-2298, William.Andrle@fcc.gov