

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: May 4, 2004

REGULAR _____ CONSENT X EFFECTIVE DATE May 5, 2004

DATE: April 21, 2004

TO: Lee Sparling through Phil Nyegaard and Cynthia Van Landuyt

FROM: Suzanne Smith

SUBJECT: UNITED TELEPHONE COMPANY OF THE NORTHWEST: (Advice No. OR 04-08) Allows Intrastate Access Service customers to convert Feature Group D trunks from multifrequency address signaling to SS7 signaling at no charge.

STAFF RECOMMENDATION:

Staff recommends the Commission allow the filing, effective May 5, 2004, to go into effect.

DISCUSSION:

On March 31, 2004, United Telephone Company of the Northwest (United) filed Advice No. OR 04-08 in PUC OR No. 6 to be effective May 5, 2004. The filing was made under ORS 759.175, *Filing rate schedules and data with commission*. This filing modifies the provisions associated with switched access service rearrangements to allow customers¹ to convert Feature Group D (FGD) trunks from multi-frequency address signaling to Signaling System 7 (SS7) signaling at no charge. FGD trunks are used by long distance carriers to originate and terminate toll traffic.

All phone systems require some type of signaling. Signaling is the process that sets up (connects) and disconnects circuits and conversations. There are many forms of signaling including Multi-frequency and Signaling System 7 (SS7).

Multi-frequency signaling uses a pair of frequencies in the 700-1700 Hz range for communications between network switches. The signal occupies the same circuit that carries voice conversation. This is known as *in-band* signaling.

¹ Customers of United's access tariffs are Interexchange Carriers (IXC's or long distance carriers).

SS7 signaling uses a dedicated 56 or 64 kilobit (kbps) data circuit. The signaling over this circuit occurs *out of band* on dedicated channels rather than *in band* on voice channels.

SS7 signaling offers several advantages to customers not available with the multi-frequency signaling. SS7 signaling allows a signal to be sent in both directions simultaneously, even during a voice conversation. SS7 signaling offers enhanced call features such as call forwarding, three-way calling and calling party name/number display. It also has faster call set up and disconnect times, which allows for more efficient use of voice circuits. The SS7 network is a global standard and is used for efficient and secure worldwide telecommunications.

With this Advice, United proposes to allow customers to convert FGD trunks from multi-frequency signaling to SS7 signaling at no charge. The Company estimates the annual revenue impact to be a decrease of less than \$100.00. Verizon anticipates two customers will change from multifrequency signaling to the SS7 signaling. Under the current tariff, this change would have incurred a \$56.00 charge per customer.

STAFF CONCLUSIONS:

In accordance with ORS 759.185 *Suspension of rates pending hearing; time limitation; revenue collected subject to refund; interim rates*, the Commission could suspend this filing for further investigation.

Staff recommends the Commission accept United Telephone's filing, which offers customers increased benefits available with SS7 signaling at no additional cost.

PROPOSED COMMISSION MOTION:

United Telephone Company of the Northwest's Advice No. OR 04-08, which allows customers to convert Feature Group D trunks from multi-frequency address signaling to SS7 signaling at no charge, be allowed to go into effect May 5, 2004.