
511 Tariffs Compared



Version 3

Accompanying Discussion to the 511 Tariffs Compared Spreadsheet
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TABLE OF CONTENTS

| | | |
|-----------|---|----------|
| 1. | COMPARING THE 511 TARIFFS..... | 3 |
| 2. | COLUMNS AND THEIR MEANING – ILECS COMPARED TAB..... | 4 |
| 2.1 | ILEC..... | 4 |
| 2.2 | STATE / SYSTEM..... | 4 |
| 2.3 | SERVICE LAUNCH DATE..... | 4 |
| 2.4 | TARIFF OR ICB..... | 4 |
| 2.5 | LENGTH OF CONTRACT | 4 |
| 2.6 | INITIAL NON-RECURRING FEE..... | 4 |
| 2.7 | OTHER CHARGES | 5 |
| 2.8 | PER LCA..... | 5 |
| 2.9 | PER CO | 5 |
| 2.10 | TOTAL INITIAL CHARGES | 5 |
| 2.11 | CHANGE OF POINT TO NUMBER..... | 5 |
| 2.12 | MONTHLY RECURRING CHARGES | 5 |
| 3. | COLUMNS AND THEIR MEANING – WIRELESS CARRIERS COMPARED TAB | 7 |
| 3.1 | ICB? | 7 |
| 3.2 | TERM OF AGREEMENT..... | 7 |
| 3.3 | SWITCH PROGRAMMING AND NUMBER OF SWITCHES | 7 |
| 3.4 | TOWER LEVEL PROGRAMMING AND NUMBER OF TOWERS | 7 |
| 4. | RANGE OF COSTS BETWEEN CARRIERS AND STATES..... | 8 |
| 4.1 | ILEC COSTS RANGE | 8 |
| 4.2 | WIRELESS COSTS RANGE | 8 |
| 5. | IMPLICATIONS AND ADVICE FOR DEPLOYERS | 9 |

1. Comparing the 511 Tariffs

The companion spreadsheet (511 Tariffs Compared DRAFT v-09-05.xls) to this document illustrates the broad range of tariff charges currently being assessed by Incumbent Local Exchange Carriers (ILECs) for implementing the 511 dialing code. The carriers noted have presented these charges to 511 implementers and / or Public Utility / Service Commissions. In many cases, charges may have initially been higher, but were negotiated to the levels shown.

It should be noted that some of the smaller carriers listed have higher charges per-Central Office (CO) or per-Local Calling Area (LCA). However, in the final accounting, their total charges may be lower as they have fewer COs or LCAs than other carriers.

It must also be noted that some of the charges listed are actually for Individual Case Basis (ICB) pricing. They are listed here, as the carriers have indicated an intention of a) filing a tariff based on these charges, or b) the carrier is large enough (nationally) to warrant noting the information.

2. Columns and Their Meaning – ILECs Compared Tab

The following illustrates the column titles on the “511 ILECs Compared” tab on the spreadsheet and the meaning and contents of each.

2.1 ILEC

This is the name of the carrier noted for a particular area. There is only one ILEC per specific exchange (CO) area, though there may be many CLECs (Competitive Local Exchange Carriers) in the same area.

2.2 State / System

This column notes the state for which the tariff is in place. In some cases, multiple states may be listed for an ILEC. This listing shows that certain carriers have different tariffs in place in different states.

2.3 Service Launch Date

The date when the 511 service launched, or re-launched in the case of a service that previously was using an access number other than 511.

2.4 Tariff or ICB

Whether the carrier’s costs are determined through a tariff filing with the local Utilities Commission or through ICB pricing (where the carrier determines the charges based on the request from the Deployer and level of effort on the carriers’ part).

2.5 Length of Contract

Some carriers require a signed contract or agreement for 511 translations, making the deployer a “regular customer” of their services. Many, but not all, of these agreements have a terminating date, though they also might have automatic renewal clauses at the terminating point.

2.6 Initial Non-Recurring Fee

This lists an initial fee charged by the carrier, along with a note regarding how the charge applies. In some cases, there is simply a “Service Establishment Fee” charged by the carrier to set up and implement programming. While in other cases, charges may apply “per LCA” where the charge is multiplied by the number of LCAs in the requested implementation area.

These charges vary, as do others, from state to state, carrier to carrier and, in some cases, for a single carrier from state to state. Some carriers do not have Initial Non-Recurring fees, choosing instead to charge a bit more per CO (see Frontier Communications of the South, SBC and some Sprint implementations). Others present *only* Initial Non-Recurring fees (see Qwest, with a charge of \$2,490 and Randolph Telephone with a charge of \$194). Most, however, charge both, though the name of the charge may be different.

2.7 Other Charges

Charges that fall outside of the listed categories.

2.8 Per LCA

Charges are assessed by the carrier per LCA. LCAs are continuous or non-contiguous geographic areas within which a caller may place local calls. These LCAs often overlap from one to another, but may in fact leave out cities in between. Often associated with the “free” calling in urban areas (calling from inside a major city to an expanded area surrounding the city), the LCA of the surrounding cities may not allow for the same “free” calling between these cities themselves.

2.9 Per CO

These charges are assessed by the carrier per CO. This means that the number of COs in the requested coverage area multiplies these charges. Charges vary widely, but one must consider the carrier and the number of COs when reviewing the individual charges. For example: Quincy Telecom in Florida charges \$572 per CO for 511 programming, but Quincy Telecom has only one CO, so this represents the total programming charges.

Conversely, Sprint’s charges in Florida are only \$250 per CO, but Sprint has 74 COs in Florida, making their total for CO programming \$18,500 (not including other charges).

2.10 Total Initial Charges

The total *non-recurring* charges, per carrier and per deployment, for the initial 511 translations. If no changes are made, and no recurring charges assessed (see 2.12 below), this is the total cost per carrier for the deployment.

2.11 Change of Point to Number

A carrier assesses this charge when the implementer wishes to change the terminating number for the 511 translations. In some cases, this is a single charge for the change; while in other cases charges apply per CO. Bellsouth, for example, charges between \$13.50 and \$15.00 per CO for a change to the terminating number. In one specific case, that of Verizon in Virginia, there are two charges listed as they apply to both change of Terminating Number – \$335.85, and change per CO – \$29.81.

2.12 Monthly Recurring Charges

These charges are assessed by a carrier based on the number of calls translated through their switches. Many are based on a “sliding scale,” where the implementer is charged a certain sum for between X and Y calls, and a higher sum for between Y and Z calls. The sliding scale differs from carrier to carrier and by carrier from state to state.

By example: While both Alltel and SBC charge flat rates for their Monthly Recurring Charges, both GTC and NEFCOM charge \$35 per month for 1-500 calls, \$70 per month for 501-1000 calls and \$100 per month for over 1001 calls. In stark contrast, Verizon in Florida charges \$150 for 1-25,000 calls, \$250 for 25,001-50,000 calls and \$425 for 50,001-75,000 calls. There is no quote for charges over 75,000 calls per month.

From these charges, one may conclude that the more “successful” your 511 service is with more calls, the higher the charges will be from the carrier. Note that these charges can, in most cases, be negotiated. Both North Carolina (in an appeal to their PUC) and Virginia (through direct dealings with Verizon) have been able to get these charges removed from their agreements.

Charges in Florida were approved at the DOT level, as Verizon was the ILEC in the Tampa Bay area, and the DOT felt that, even though the charges were high, they were “up against” a time line for launch and were dealing with only the six counties in the Tampa Bay area; not all 67 counties in the state. All but one of Verizon’s covered counties was included in the original implementation with the last being added (at the same rates).

3. Columns and Their Meaning – Wireless Carriers Compared Tab

Most column titles on the “511 Wireless Carriers Compared” tab on the spreadsheet are the same as those on the “511 ILECs Compared” tab. A few exceptions are noted below.

3.1 ICB?

Many wireless carriers have standard charges that they assess based on the number of Mobile Telephone Switching Offices (MTSOs) or cellular towers (or tower faces) that are to be programmed. These charges do not vary from state to state and are not considered ICB charges.

ICB pricing occurs when a carrier bases its charges on a calculation of labor and management costs for the 511 implementation. Deployers must submit a request for pricing and the carrier must then determine the number of person-hours before pricing can be determined.

3.2 Term of Agreement

In most cases, wireless carriers do *not* require signed agreements – many of them perform the implementations based on a verbal request or email correspondence.

3.3 Switch Programming and Number of Switches

Charges are assessed based on the carrier programming some number of MTSO switches, often encompassing a large geographic area. Note that the area covered by some switches may extend beyond the requested boundaries of the 511 system and even the state. Deployers should verify these limitations with the carrier.

3.4 Tower Level Programming and Number of Towers

As noted above, in some cases, switch level programming will include areas outside of the desired 511 coverage area or even the state. In these cases, the carrier will be asked to implement translations at the tower level or even by tower face. Each wireless tower has three “faces” that offer coverage from that tower in different directions. These “faces” are directed to provide offset by overlapping coverage areas for the carrier facilitating seamless tower “hopping” by the end user.

4. Range of Costs Between Carriers and States

The range of costs between carriers and states is quite wide. Though some landline and wireless carriers are inclined to offer 511 translations as a public service, others consider 511 just another service offering for which tariff (or in some cases, ICB) rates apply.

4.1 ILEC Costs Range

This range is seen in a number of places on the ILEC tab of the spreadsheet. Scanning down the “Total Initial Cost” column reveals a number of carriers whose total cost to implement is zero (\$0.00). On the higher end of the scale, are the carriers who assess charges per CO, LCA or both.

The median Per LCA rate falls between \$300 and \$400 per LCA. However, one carrier (GTC Telecom) charges \$500 although there is only one LCA in their service area.

The Per CO rate runs the gamut from a low of \$24.50 for Data Telephone in Virginia to a high of \$1,154.90 for the North Central Telephone Co-op in Kentucky. Note however that the Kentucky rate covers only one CO switch. Also, note that three of the next four highest charges belong to SBC Communications and these SBC charges differ from state to state!

Notice also the Initial Non-Recurring Fee, which charge is often imposed by a carrier as the cost for “setting up” the account or for the initial “line charges” for the translation programming. Even within some carriers, these charges are not uniform. Verizon charges to Florida for 511 Service Establishment was \$1,500 for all areas; while in North Carolina, the charges were \$168.50 per CO.

4.2 Wireless Costs Range

As noted, many of the wireless carriers see 511 as a public service and do not charge for translations unless complex translation schemes are employed. Within these charges, only one carrier has proposed a specific price plan. Cingular Wireless charges \$400 for the initial set-up costs and a sliding scale of per-tower charges based on the number of towers programmed. Verizon Wireless, after much debate in earlier years, has agreed not to charge for the initial implementation of the 511 code as long as the request is for statewide services. Should the deployer ask for programming for specific areas within a state to different numbers, Verizon charges according to an hourly labor rate for this tower level work. Additionally, Alltel charges for its initial programming based on hourly rates for engineering and program management.

5. Implications and Advice for Deployers

One may infer from the wide variety of charges, that deployers may, and should be encouraged to, negotiate many of the charges proposed by the carriers. Though the costs assessed by many of the smaller carriers may seem high (per CO or LCA), total charges will not compare at all to those assessed by larger carriers with multiple COs and LCAs.

Deployers are advised to review what *other* deployers have paid, not only for the deployer's own benefit, but so as not to set a precedent for other implementations. The charges proposed by Verizon in Florida were, at the time, thought to be reasonable since the *overall* costs presented by other carriers up to that point were more or less in line. However, in hindsight, one can see where Verizon was "announcing" their national price plan in an attempt to "feel out" the market. Since that time, a number of states have appealed to their PUCs and had direct negotiations with Verizon – all of which have ended in lower costs for the implementers.

Deployers should work with, or present a case before, their local Public Utilities Commissions regarding tariffs. While not every such case has proven successful, many deployers have significantly reduced their programming charges by these actions with the PUC.

Carriers presenting ICB pricing do not allow for PUC intervention, but deployers should still request justification of each charge to insure validity. At least one carrier insists that 511 programming "must" utilize their AIN (Advanced Intelligent Network) platform, and that all charges associated with continued use of the AIN is valid. This equates to a high startup cost and a "per-call" cost for access to the AIN. This even though the DOT request is for simple Switch-Based routing, wherein ALL calls coming through a switch are routed to the same terminating number (i.e., no caller specific information is required for routing). Appealing this with the carrier has allowed for reduced charges for implementation and elimination of the recurring charges in more than one case.

Finally, the companion spreadsheet to this document illuminates that, though some carrier's state that they have a "national tariff" or that their pricing is a "national standard" for the company, deployers are able to negotiate these charges on a state-by-state level and are encouraged to do so.