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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission
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IN THE MATTER OF THE GENERIC)
INVESTIGATION INTO NUMBER RESOURCE) DOCKET NO. T-00000A-01-0076
OPTIMIZATION AND IMPLEMENTATION)
OF NUMBER POOLING IN ARIZONA) AT&T'S RESPONSES TO
) QUESTIONS CONTAINED IN
) THE FEBRUARY 13 2001
) PROCEDURAL ORDER
)

AT&T Communications of the Mountain States, Inc. and TCG Phoenix ("collectively AT&T") file the following responses to the Staff's questions contained in the February 13, 2001 Procedural Order.

1. Which Metropolitan Statistical Area ("MSA") should be selected for the first pooling trial?

AT&T's Response:

AT&T recommends that the Commission select the Phoenix MSA for the first pooling trial. On March 1, 1999, area code relief was introduced in this MSA, splitting the area that had been covered by just the 602 area code and introducing two additional new area codes, the 480 and 623 NPAs. This MSA has already benefited from rate center consolidation. Current projected exhaust dates for the three area codes in the Phoenix MSA are as follows:

- 602 - 2004 1Q
- 480 - 2005 1Q
- 623 - 2010 3Q

AT&T believes that implementation of number pooling in the Phoenix MSA will aid in extending the lives of these NPAs even further.

2. If the MSA contains multiple NPAs, which NPA should be first?

AT&T's Response:

AT&T recommends that the Commission implement number pooling initially in the 602 NPA. Since the 602 NPA has the earliest scheduled exhaust date of the three NPAs in the Phoenix MSA, number pooling should aid in prolonging the life of the 602 NPA.

3. What is the appropriate interval for implementing number pooling between NPAs where more than one exists in a MSA?

AT&T's Response:

AT&T recommends that the Commission allow approximately 120 days after successful implementation of number pooling in the first NPA before implementing in the next NPA.

4. If the geographic area of a NPA is greater than the MSA, should number pooling be implemented in the entire NPA?

AT&T's Response:

AT&T recommends that in situations where the NPA is greater than the MSA, number pooling should be implemented in the entire NPA. Pooling is intended to prolong the life of the NPA. If pooling is limited to the MSA, the benefit would be diminished.

5. How soon in 2001 might number pooling trial begin?

AT&T's Response:

Based on existing number pooling schedules for five other states in the Western Region, AT&T recommends that this Commission implement pooling in the selected NPA no earlier than August 2001.

6. How should number pooling costs be allocated (all carriers, pooling carriers only, on carriers within the MSA etc.)?

AT&T's Response:

AT&T recommends that the Commission separate costs associated with interim pooling into two categories: (1) joint-industry costs and (2) carrier-specific costs.

Number conservation benefits produced through the implementation of number pooling will positively impact all carriers in the state. Accordingly, AT&T recommends that the Commission allocate joint-industry costs across all carriers in the state using the LNP Cost Allocation model. Joint-industry costs fall into three major categories: (1) Costs to update the Local Number Portability ("LNP") databases with each telephone number added to the pool; (2) costs of the Number Portability Administration Center's ("NPAC's") software capability; and, (3) costs due the Pooling Administrator ("PA"). The joint-industry costs listed above should be allocated to all carriers in the state, including non-LNP capable carriers, because all carriers benefit from the industry's shared use of NXXs by thousands block. AT&T does not believe there is justification for exempting any carrier from pooling cost recovery on the basis of its size, code utilization, rates, or other criteria. All carriers will benefit from pooling because it will delay the need for additional costly area code relief in Arizona. Even though wireless carriers are not yet capable of pooling, they should be required to bear their share of the start-up costs in anticipation of their eventual participation.

However, AT&T believes that carrier-specific costs are simply costs of doing business. The Commission could avoid investigating carrier-specific cost claims by recognizing that the costs each carrier will incur to modify its own systems and network to operate in a number pooling environment are merely costs of doing business that each carrier can, and should, bear itself.

Such a policy will also force each carrier to minimize its implementation costs, whereas a mechanism that permits a carrier full recovery of all carrier-specific number pooling costs would heighten the likelihood of efforts to claim unrelated costs as “pooling” expenses.

7. How should number pooling costs be recovered?

AT&T's Response:

As stated in the response to question #6, AT&T believes that carrier-specific costs are simply costs of doing business and therefore, each carrier should bear its own specific costs. In the event the Commission does elect to permit carriers to specially recover their carrier-specific costs of number pooling, it should adhere to the principles established by the FCC in its LNP Cost Recovery Order and LNP Cost Classification Order: “[A] carrier must show that these costs: (1) would not have been incurred by the carrier ‘but for’ the implementation of number portability; *and* (2) were incurred ‘for the provision of’ number portability service.” (Telephone Number Portability Cost Classification, CC Docket No. 95-163, Memorandum Opinion and Order, DA 98-2534, at ¶ 10, released December 14, 1998.)

Furthermore, what must clearly be avoided is any extraction of cost recovery monies from Access Charges (targeting Interexchange Carriers (“IXCs”)), Unbundled Network Element (“UNE”) or Total Service Resale (“TSR”) rate elements (targeting Local Exchange Carriers (“LECs”)), or any other wholesale rates that are charged by carriers to their competitors. Neither Access Charges nor UNE/TSR recovery would meet the competitive neutrality standard established in the federal Telecommunications Act of 1996. Allowing such number pooling cost recovery by ILECs would force competitors to bear not only their own carrier-specific costs, but those of the ILECs as well. So long as ILECs are required to recover their own carrier-specific

number pooling costs in the same manner as other carriers, ILECs will have a much stronger incentive to keep their costs as low as possible.

8. Are there unique aspects to your network in Arizona as compared to those found in states where number pooling already has been implemented?

AT&T's Response:

No.

9. Are there rate centers within the state that can be consolidated? If so, which ones and how soon could that be accomplished?

AT&T's Response:

Rate centers are creations that were established within the traditional serving territories of the ILECs. Although AT&T supports rate center consolidation, it is not in a position to recommend any consolidation plan.

10. What degree of contamination (i.e. 5%, 10%, etc.) should be allowed in thousands-blocks donated to the numbering pool?

AT&T's Response:

AT&T recommends that the Commission follow the established national guidelines and require that all thousands blocks that have no more than 10% contamination be considered for donations to the pool.

11. What other issues should be addressed as part of a pooling trial.

AT&T's Response:

The Commission needs to select a Pooling Administrator ("PA") and then request that the North American Portability Management ("NAPM") Limited Liability Corporation ("LLC") enter into a contract with the selected PA. The Commission must specify how the costs associated with the

PA contract should be recovered. AT&T recommends that the Commission use the LNP Cost Allocation model to allocate this cost.

12. What additional number conservation methods may be implemented to maximize the life of NPAs within Arizona?

AT&T's Response:

The FCC has ordered carriers to implement many number conservation measures (e.g., sequential numbering, utilization factors, limited number reservation periods, etc.) in its two Number Resource Optimization Orders. Since this Commission has already implemented rate center consolidation in both the Phoenix and Tucson areas, the next logical number conservation measure is to move forward with the thousands block number pooling trial.

DATED: March 6, 2001.

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CERTIFICATE OF SERVICE

I hereby certify that the original and 10 copies of AT&T's Responses to Questions Contained in February 13, 2001 Procedural Order regarding Docket No. T-00000A-01-0076, were sent via overnight delivery, this 6th day of March, 2001, to:

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Docket Control - Utilities Division
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and a true and correct copy was sent via overnight delivery this 6th day of March, 2001, to:

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