Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Number Resource Optimization	)	CC Docket No. 99-200
	)	
Implementation of the Local Competition Provisions of the Telecommunications Act of 1996	)	CC Docket No. 96-98
	)	
State Utility Commission Requests for Additional Authority to Implement Telecommunications Numbering Conservation Measures	)	NSD File Nos. L-98-136, L-99-19, L-99-21, L-99-27 and L-99-33
	)	

COMMENTS OF SPRINT CORPORATION

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July 30, 1999

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Summary of Comments

Sprint urges the Commission to adopt expeditiously a two-part plan dealing with both the conservation and competition facets of the numbering crisis. The Commission should take such action in response to the pending waiver requests by various state commissions, or as an interim measure prior to the conclusion of this rulemaking.

First, the Commission should establish *national* conservation measures. Sprint submits that the following six steps should be adopted and implemented promptly, and it further submits that these measures would result in significant and meaningful reform:

1. Replace the current "needs based" and rationing assignment process with a "*demonstrated* needs-based" approach to ensure that only carriers needing new codes receive them and receive them timely;
2. Provide regulators with more assignment, activation, and utilization data to make the allocation process more transparent and to ease detection of any misuse of the process;
3. Adopt national standards for thousands-block pooling so states have the flexibility to begin implementing such pooling;
4. Impose national thousands-block management rules to maximize the number of blocks that can be contributed to the pool once pooling takes effect;
5. Require states to begin rate center consolidation as a condition to implement number pooling; and
6. Adopt a rule prohibiting the assignment of any numbering resources to any carrier that has not submitted current COCUS data (or any data that is used instead of COCUS).

Second, the Commission should ensure timely area code relief. For area codes in jeopardy, Sprint proposes that states be required to adopt a relief decision within

six months and that the new area code be activated six months thereafter. The Commission should be willing to intervene if a state fails to adopt relief in a timely manner.

The adoption of the conservation measures identified above should assure state regulators that any new area codes they implement will be utilized far more efficienly than codes have been used in the past. But given the severity of the crisis — 26 area codes have be placed in jeopardy in the last two months alone — it is imperative that the Commission impose strict timelines on the adoption and implementation of relief decisions.

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COMMENTS OF SPRINT CORPORATION

Sprint Corporation, on behalf of its local, long distance, and PCS carrier operations ("Sprint"), below responds to the Commission's request for comment in its *Numbering Optimization* rulemaking.[1] Sprint also responds to the Commission's request for further comment on the pending state commission petitions seeking delegation of additional authority to implement various number conservation measures, because those petitions cover the same issues raised in this rulemaking.[2]

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1 *See Numbering Resource Optimization,* CC Docket No. 99-200, *Notice of Proposed Rulemaking,* FCC 99-122 (June 2, 1999)("*Numbering Optimization Notice*").

2 *See Public Notice,* "Common Carrier Bureau Seeks Comment on State Utility Commission Requests for Additional Authority to Implement Telecommunications Numbering Conservation Measures," DA 99-1198 (June 22, 1999); *Public Notice,* "Common Carrier Bureau Seeks Comment on the Texas Public Utility Commission Petition for Delegation of Additional Authority to Implement Number Conservation Measures," DA 99-1380 (July 14, 1999). Sprint asks that its

I. Introduction: The Numbering Crisis Defined

The monopoly-era number allocation system is hindering the ability of carriers to offer new and innovative services and imposing substantial costs and public inconvenience as new areas codes are being implemented. There is also general agreement that this monopoly-era system has resulted in carriers using numbers inefficiently and that an improved utilization of numbers could reduce the frequency of new area codes. As a whole, industry uses only one-third of the numbers assigned to it, largely because numbers are assigned in blocks of 10,000 that are tied to relatively small geographic areas.[3] The North American Numbering Plan Administrator ("NANPA") recently estimated that competitive LECs use less than six percent (6%) of the numbers assigned to them.[4] Put another way, competitive LECs use 15% of the NXX codes used by industry to serve only two percent (2%) of the customers.[5]

This inefficient allocation system not only threatens the continued viability of the North American Numbering Plan ("NANP"), but it also imposes substantial costs and public inconvenience associated with frequent area code relief. The public is

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comments in these supplemental proceedings be considered pursuant to its *ex parte* rules. *See* 47 C.F.R. § 1.1200 *et seq.*

3 *See* NANPA Number Utilization Study, Docket Nos. 92-237 and 98-229, at 12 (Feb. 4, 1999).

4 *Id.*

5 Sprint does not mean to be critical of the CLEC industry. Low CLEC utilization levels are caused by the combination of assigning numbers in blocks of 10,000 and the continued use of small rate centers established decades ago. Sprint notes that many CLECs have been champions of number reform. On the other hand, the recent experience in Massachusetts (where two CLECs returned over 200 codes) confirms that some CLECs have been hoarding a sizable supply of numbers.

losing confidence (and patience) in the way our numbering system is being administered. This loss in confidence is causing state commissions to delay — and in some cases, stop altogether — implementation of much needed area code relief. This delay has reduced dramatically the supply of available numbers needed to support new entry and growth.

Without question, industry must be able to utilize numbering resources better. Improved utilization will restore public confidence in our numbering system. Improved utilization will also forestall the exhaust of the NANP; the cost of replacing the NANP is so large (whether $50 billion or $150 billion) that it is in everyone's interest to improve number utilization to prolong the life of the NANP. Nevertheless, structural reform is necessary and, as a practical matter, only this Commission can order such reform.

New conservation measures — thousands-block pooling and rate center consolidation, in particular — will improve dramatically the efficiency with which carriers use numbers. Improved efficiency, in turn, will increase the supply of available numbering resources, thereby slowing the demand for additional numbering resources and the need for area code relief.

New conservation measures, however, will take time to implement, and additional time will pass before the full benefits of these measures can be realized. Experience and studies have shown that new conservation measures do not eliminate the need for relief of area codes now in jeopardy. For example, the Ohio Commission determined that applying thousands-block pooling to the 216 and 614 NPAs would have provided less than a six-month extension to the life of either NPA.[6] Similarly, the Texas Commis-

6 *See Numbering Optimization Notice* at n. 270.

sion (to its credit) has adopted sweeping rate center consolidation,[7] but this consolidation (and the subsequent return of NXX codes) did not eliminate the need for relief in the area codes already nearing exhaust.[8]

An unprecedented number of area codes are now in jeopardy — meaning that the current supply of available numbering resources will exhaust before a new supply can become available. Imposition of new conservation measures will not obviate the need to adopt relief for most of these area codes. As the Commission has noted, "[c]onservation methods are not . . . area code relief and it is important that state commissions recognize that distinction and implement area code relief when it is necessary."[9] Continued area code relief is necessary because "[f]or competition to continue to develop, all carriers must have access to numbering resources":

> State commissions, by declining to implement area code relief, should not put carriers in the position of having no numbers and therefore being unable to serve customers.[10]

Indeed, a shortage of available numbering resources has a detrimental effect on competition. As Sprint has previously documented to the Commission, new entrants and companies experiencing rapid growth do not have the reserve of numbers needed to survive an exhaust.[11] A shortage in the supply of available numbering resources not only stops the growth of competition, but it also distorts the competition that remains, because incum-

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7 *See id.* at n.185.

8 Texas Petition for Reconsideration, CC Docket No. 96-98, at 8-9 (Dec. 15, 1998).

9 *Pennsylvania Area Code Order,* 13 FCC Rcd 19009, 19025 ¶ 22 (1998).

10 *Id.* at 19033 ¶ 38.

bent carriers begin to enjoy an enormous — and entirely artificial — advantage in the marketplace.

Two lessons can be drawn from the foregoing. First, the public interest is served by commencing long-term, structural numbering reform so that, over time the supply of available numbers can be increased without having to always implement area code relief. This structural reform requires the assistance of both this Commission (*e.g.*, number pooling, improved assignment guidelines) and state regulators (*e.g.*, rate center consolidation). The sooner regulators act, the sooner industry can implement reforms, and the benefits of reform can be realized.

Despite the obvious public benefits of a diversity of carriers, the continued viability of competition is at risk unless a continuing supply of numbers remains available to support new entry and growth. Therefore, it remains essential that while structural numbering reform is implemented, relief plans be implemented for area codes now in jeopardy so carriers have timely access to adequate numbering resources to meet demand.

II. A Proposal for Immediate Implementation of Effective Conservation Measures That Would Preserve Competition

Six states seek delegation of broad new authority so they can experiment with number conservation while the Commission pursues this important rulemaking. Although Sprint agrees with these states that the crisis in numbering is so grave that immediate action is necessary, grant of these petitions would actually have the effect of worsening the numbering problem, rather than improving it.

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11 *See, e.g.*, Letter from Jonathan M. Chambers, Sprint PCS, to Yog Varma, Deputy Chief, Common Carrier Bureau, NSD File No. L-98-134, at 4-7 (Jan. 29, 1999).

There are two fundamental problems with granting the state petitions. First, *national* conservation measures are needed. As this Commission has already acknowledged, number conservation "cannot be made on a piecemeal basis without jeopardizing telecommunications services throughout the country":

> Substantial social and economic costs would result if the uniformity of the North American Numbering Plan were compromised by states imposing varying and inconsistent regimes for number conservation and area code relief. Such inconsistency could interfere with, or even prevent, the routing of calls in the United States.[12]

Second, the petitioners propose to address only conservation measures. In addressing only conservation, competition will be harmed. California, Massachusetts and New York in particular have been slow in adopting much needed area code relief. In all three states there are area codes that will exhaust before a new supply of numbering resources will be made available — despite industry's stringent rationing efforts.

Number conservation is important because it can forestall area code relief and thereby extend the life of the NANP. But, conservation is "not . . . area code relief and it is important that state commissions recognize that distinction and implement area code relief when it is necessary."[13] Indeed, last year the Commission expressly admonished state commissions that they may "not use conservation measures as substitutes for area code relief or to avoid making difficult and potentially unpopular decisions on area code relief":

> State commissions, by declining to implement area code relief, should not put carriers in the position of having no numbers and therefore being un-

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12 *Pennsylvania Area Code Order,* 13 FCC Rcd 19009, 19023 ¶ 21 (1998).

13 *Pennsylvania Area Code Order,* 13 FCC Rcd at 19025 ¶ 22.

> able to serve customers. . . . For competition to continue to develop, all carriers must have access to numbering resources.[14]

Notwithstanding this admonishment, the situation has deteriorated as the number of jeopardy area codes has increased. If the Commission is to discharge its statutory obligation to ensure that numbers are available "on an equitable basis,"[15] it must intervene, either by assuming the relief function directly or by establishing timelines for states.

Sprint's proposal, described below, addresses *both* the conservation and the competition facets of the numbering crisis. Moreover, while Sprint's proposal envisions delegating substantial new authority to the states, that authority would be subject to national guidelines so there would be little or no risk of state action jeopardizing the continued viability of either our national numbering plan or the interoperability of networks. Sprint submits that prompt implementation of these preliminary steps would go a long way toward preserving competition, laying a solid foundation for number pooling, and ensuring that carriers are both allocated numbers equitably and using them efficiently.

Specifically, Sprint proposes that the Commission take the following six steps in the immediate future so numbering reform can begin while additional and more permanent measures are being considered:

1. Replace the current "needs-based" and rationing assignment process with a "*demonstrated* needs-based" approach to ensure that only carriers needing new codes receive them and receive them timely;

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14 *Id.* at 19027 ¶ 26 and 19033 ¶ 38.

15 47 U.S.C. § 251(e)(1).

2. Provide state regulators with more assignment, activation, and utilization data to make the allocation process more transparent so as to ease detection of any misuse of the process;
3. Adopt national standards for thousands-block pooling (borrowing heavily from the considerable work industry has already accomplished) so states have the flexibility to implement such pooling;
4. Impose national thousands-block management guidelines so as to maximize the number of blocks that can be contributed to the pool once pooling takes effect;
5. Notify states that if they have not already done so, they must begin rate center consolidation as a condition to implementing number pooling; and
6. Prohibit the assignment of numbering resources to any carrier that has not submitted current Central Office Code Utilization Survey ("COCUS") data (or any data used instead of COCUS).

While these reforms would do much to improve the efficiency in which carriers use numbers, these steps will not obviate the need for states to implement relief for those area codes now in jeopardy. Because new entrants in particular need timely access to an available supply of numbers and because an increasing number of states have made apparent their intention to delay implementation of relief until they receive some additional conservation authority, it is also essential that the Commission impose timelines on state exercise of their delegated area code relief authority. For area codes in jeopardy, Sprint proposes that states be required to adopt a relief decision within six months and that the new area code be activated six months thereafter. The Commission should be willing to intervene if a state fails to adopt relief in a timely manner.

A. Conservation Measures the Commission Should Adopt in the Immediate Future

1. The Commission Should Require That All NXX Codes Be Assigned Based on *Demonstrated* Need

Current industry guidelines were designed so that NXX codes are assigned to carriers based on need. As the Commission has recognized, the problem with these guidelines is that they "do not require applicants to demonstrate their readiness to utilize initial codes, or their need to obtain growth codes."[16] Consequently, the guidelines do not effectively prevent carriers from acquiring resources they do not need. In fact, the current arrangement can actually exacerbate a code shortage because, if industry has no confidence that states will enact timely area code relief, some carriers may begin hoarding numbers before the available supply exhausts — penalizing carriers that play by the rules and that may have a greater need for numbering resources.

The Commission is now examining several measures to address this deficiency in the current assignment process, including the establishment of "fill rates" or "utilization thresholds."[17] New approaches merit serious exploration, but adoption of any "fill rates" must be established with care because they could actually prevent codes from being assigned to carriers in the greatest need of codes.[18] This issue is sufficiently com-

16 *Numbering Optimization Notice* at ¶ 57.

17 *See id.* at ¶¶ 63-68

18 For example, assume an incumbent and new entrant are each growing at a rate of 500 numbers per week and that both carriers are entitled to request a new code upon reaching a 75% fill factor. The new entrant would be entitled to request a second code when 7,500 of its numbers were assigned, leaving it a five-week reserve (500 x 5 = 2,500) — when the number assignment process itself take a minimum of 10 weeks. If the incumbent holds four codes, it could seek a fifth code when 30,000 numbers were used, and 10,000 numbers were still available — a supply of 20 weeks. It is not apparent to Sprint why, in this example, the incumbent should receive a

plex that it is doubtful that the Commission will be in a position to resolve this matter (*e.g.*, determine whether use to fill rates and if so, what those rates should be) within the next month or so.

Sprint submits that the current assignment procedures should be tightened now, even if the Commission adopts only interim procedures for use while it completes its rulemaking. Below are interim assignment procedures Sprint recommends that the Commission adopt for initial and growth codes, procedures that should be followed in *all* area codes (whether in jeopardy or not).[19]

(a) *Initial Codes*. Industry guidelines provide that any carrier may receive an initial code upon certifying a need for numbers in a new area and representing that it is licensed or certified to operate in the area.[20] Regrettably, some carriers have used this liberal standard, designed to facilitate new entry, to hoard numbers. For example, two carriers recently returned over 200 NXX codes in eastern Massachusetts that they had never used.[21]

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new code before the new entrant receives another code, especially if the supply of codes is limited. This example demonstrates that the adoption of one, fixed fill rate would not be competitively neutral in effect. *See Numbering Optimization Notice* at ¶ 63,

19 Sprint continues to believe that assignment of "special use" codes should be prohibited when an area code is in jeopardy. *See* Sprint Comments, NSD File No. L-98-134, at 32-33 (Dec. 21, 1998). For example, it is Sprint's understanding that some CMRS carriers use a separate NXX code for prepaid customers. Sprint PCS provides prepaid service using thousands blocks within its ordinary NXX codes. Absent a demonstration of need, the FCC should prohibit CMRS carriers from using a special NXX code for prepaid customers only.

20 *See Industry Assignment Guidelines* at §§ 4.1.1 and 4.1.3.

21 *See* Letter from Massachusetts Department of Telecommunications & Energy to Eastern Massachusetts Code Holders (May 4, 1999).

For the past year, applicants for initial codes from jeopardy NPAs in the Chicago area must file a "confirmation of code activation" within 90 days after the code is activated, with the understanding that codes not activated in a timely manner must be returned.[22] In Long Island, New York, where the 516 area code is in extraordinary jeopardy, industry determined that an applicant for an initial code must represent that it will "provide service within four months" and it must also supply to NANPA "documentation that within four months, they will be interconnected and have sufficient operable facilities in the switch/rate center requested."[23]

Had requirements like these been in place in Massachusetts, the two carriers referenced above would have never been able to hoard over 200 codes in jeopardy NPAs. Sprint therefore recommends that the Commission impose the following new interim requirements on the assignment of initial codes, pending the outcome of this rulemaking:

(a) The applicant must supply documentation by rate center of a bona fide request to provide service in nine months (four months if the NPA is in jeopardy);

(b) The applicant must certify that it is authorized to provide service in the area requested, or has an application pending for such authorization and approval of the application is expected within nine months (four months if an NPA is in jeopardy);

(c) The applicant must represent that it will be interconnected and have sufficient operable facilities in the rate center requested within nine months (four months if an NPA is in jeopardy); and

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22 *See Conservation Order,* 97-0192, 97-0211, 1998 Ill. PUC LEXIS 368 (May 11, 1998).

23 Industry Consensus for the Distribution of the Codes Remaining in NPA 516, Attachment 2 to the final minutes of the May 10, 1999 industry meeting reconsidering the 516 NPA rationing plan. A copy of this plan is appended to these comments at Attachment A. Similar procedures are also now used in the 914 NPA.

(d) Within 30 days following the end of the nine month period (four months if the NPA is in jeopardy), the applicant must certify that the interconnection is in place and that it has begun to use the code in the assignment of numbers and in the provision of service to customers.[24]

Sprint proposes that initial codes should be reclaimed automatically if the carrier fails to submit timely the certification of use as specified in paragraph (d).

(b) *Growth Codes*. Under current industry guidelines, a carrier may receive a growth code if it represents that its current codes will exhaust within 12 months (six months if the area code is in jeopardy).[25] In the Chicago area, a carrier may now receive a growth code only if at least 75% of its current number assignments are utilized, unless it demonstrates that it will exhaust within 90 days even though its existing codes are not yet 75% utilized.[26] In Long Island, the applicant must furnish six months of historic utilization data and six months of forecast data to support its exhaust projections.[27] A code will be automatically assigned only if projected monthly demand is within 15% of the average historical monthly utilization. If demand exceeds 15% of past utilization, the carrier must explain the deviation prior to code assignment.[28]

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24 Because of the complexities new entrants face in entering a new market, Sprint would also be agreeable to permitting a new entrant to request a "good cause" extension of these timelines.

25 *See Industry Assignment Guidelines* at §§ 4.2.1 and 9.4(C). While an applicant must submit a "Months to Exhaust Certification Worksheet," it need not submit any other data, including historical data.

26 *See Conservation Order*, 97-0192, 97-0211, 1998 Ill. PUC LEXIS 368 (May 11, 1998). The applicant must also agree to administer numbers in new codes in blocks of 1,000. *Id.*

27 *See* Attachment A.

28 *Id.*

Sprint recommends that the Commission adopt one of the two approaches discussed above, or some combination of the two. The Chicago approach has the advantage of simplicity in administration, while the Long Island procedures better ensure that only those carriers truly in need of a code receive them. Adoption of either approach would represent an improvement over the current practice, and for that reason alone the Commission should adopt one of them pending completion of its rulemaking. If, however, the Commission adopts an approach based on the Chicago model, it is imperative that it adopt the safety net procedure — whereby a carrier may request assignment of a growth code upon demonstration that it will exhaust even if it does not currently meet the utilization threshold.[29]

Codes assignments (both initial and growth) are currently handled by NANPA, and NANPA is required to act on applications "within 10 working days from the date of receipt of an application."[30] Sprint would not be opposed to permitting states to assume the code assignment function *so long as* (a) like NANPA today, they respond to applications within 10 working days, and (b) this Commission agrees to act on appeals within 10 days.[31]

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29 Indeed, Sprint PCS has already been required to invoke this safety net procedure in Illinois.

30 Industry Numbering Committee, *Central Office Code (NXX) Assignment Guidelines,* INC 95-0407-008, at § 5.2.2 (Sept. 18, 1998)("*Industry Assignment Guidelines*").

31 It takes a minimum of 66 days from assignment to activate a code — nearly 10 weeks. *See Industry Assignment Guidelines* at § 6.1.2. Accordingly, if carriers will be required to demonstrate that they need a new code within four months (12 weeks), it is imperative that both the state commission and this Commission act promptly on the request. Expedited procedures are also required if the FCC adopts interim utilization thresholds and a carrier is in a position where it will exhaust even if it does not currently meet the threshold.

2. The Commission Should Add Transparency to the Assignment, Activation, and Utilization Process to Ease Detection of Misuse

Sprint recommends that the Commission take steps to facilitate public access to the assignment and activation process. Sprint believes that greater public access to this data would facilitate the ability of state regulators to monitor this process — thereby providing additional self-discipline in the process.[32] To return to the Massachusetts example, Sprint doubts that the two carriers that were able to accumulate over 200 unused NXX codes in jeopardy area codes would have received so many codes had the Massachusetts Commission and other carriers been aware of the code applications.

Information concerning code applications and activations is not data that is publicly available today; information concerning code assignments is publicly available, but can be difficult to obtain.[33] For purpose of these interim measures, the notification could be accomplished by requiring carriers to copy state commissions on all applications and confirmations of code activation submitted to NANPA. A more efficient approach might be to ask NANPA to provide state commissions with periodic (*e.g.*, monthly) NPA activity reports.

With two caveats, Sprint also does not oppose giving state commissions access to utilization data. Utilization data is highly sensitive business confidential data,

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32 One state commission recently contacted Sprint PCS to inquire about its recent code assignments. Sprint PCS immediately recognized that its requests were made in error, and it returned the codes in question. In this particular example, the state inquiry merely accelerated the date that the codes were returned because Sprint PCS would have eventually discovered the error itself. However, there could be other situations where state inquiry would identify codes that would be not otherwise returned.

33 Assignment information is available in the Local Exchange Routing Guide ("LERG").

because such data reveal the exact number of customers a carrier serves. NANC has adopted a policy that carrier-specific data will be made only in states where a legally enforceable confidentiality agreement is in place.[34] Sprint recommends that the Commission adopt this condition in its rules. Sprint further submits that it would be more efficient for carriers to submit their utilization data to NANPA, which would then make the data available to states in a uniform format.

Second, the Commission should not require carriers to report their utilization data more frequently than semi-annually — and a semi-annual requirement is appropriate only in special circumstances (*e.g.*, there is a significant increase in consumption over and above what had been projected). Utilization reports will contain significantly more data than COCUS reports (which had been prepared annually), and it is largely for this reason that utilization reporting will impose sizable new costs on carriers (both directly in their preparation of their own reports and indirectly through their funding of NANPA) — costs that invariably will be passed on to customers. As an example, NANPA has estimated that its cost to prepare a report using the "Hybrid" approach that NANC has endorsed to replace COCUS will be seven times larger than the cost it incurred in preparing the 1999 COCUS report.[35] This "Hybrid" model would report usage on a semi-annual basis only and then, only in area codes forecasted to exhaust within five

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34 *See* NANC Meeting Minutes, www.fcc.gov/ccb/Nanc, at 10-11 (Nov. 18-19, 1998). *See also* NANC, *Report on CO Code Utilization Survey: Analysis and Recommendation,* at § II.D.1 (June 30, 1999).

35 *See* NANC, *Report on Central Office Code Utilization Survey: Analysis and Recommendation,* at § VIII, pp. 32-33 (June 30, 1999).

years.[36] To require quarterly reports (even if limited to NPAs projected to exhaust within five years) would double the costs again — for carriers and NANPA.

Sprint questions whether state commissions are prepared to review utilization data on a quarterly basis — when they have not had the opportunity to any utilization reports in the past. The Commission should not require carriers to prepare costly reports more frequently than once a year unless there is a demonstrated need for more frequent reporting. The only justification for requiring semi-annual reports would be if in a given NPA, there was a significant increase in code consumption (*e.g.*, 25% within the reporting interval) over and above what had been projected.[37] To require carriers to report their utilization data more frequently (*e.g.*, quarterly) or in area codes that are growing within anticipated ranges would result in the imposition of sizable new costs without any corresponding benefit, to the detriment of the public.

3. The Commission Should Establish National Standards for 1000s-Block Pooling so States Can Begin Implementing Such Pooling

There is general agreement that the Commission should order thousands-block pooling among LNP-capable carriers because such a measure would improve dramatically the efficiency in which they utilize numbers.[38] However, national pooling guidelines are imperative. Because industry will need time (10-19 months) to implement

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36 *Id.* at Executive Summary at 4.

37 It is important to distinguish between these utilization reports (undertaken by the entire industry) and Sprint's proposed NANPA-prepared monthly activity reports, which document the assignment and activation of new codes. *See* page ... *supra.*

38 *See Numbering Optimization Notice* at ¶ 138.

a pooling order,[39] the Commission should adopt necessary guidelines expeditiously — so the benefits of pooling can be realized as soon as practical.[40]

A pooling trial is already underway and there is no reason to conduct additional trials. Additional trials would only confirm what the Chicago trial has already documented: LRN 1000s-block pooling is technically feasible and can improve the efficiency in which rate center-based carriers use numbering resources. The states should assist the Commission in finalizing national pooling guidelines and cost recovery rules.

Moreover, the conduct of additional pooling trials (even if they follow the Chicago trial model) would be very costly, would divert industry effort from implementing the final pooling solution, and would entail a real risk of undermining network reliability. Industry's national pooling architecture is based on NPAC Release 3.0, which supports Efficient Data Representation ("EDR").[41] EDR is a capability that will enable carrier LNP databases (or SCPs) to represent each 1,000 block of pooled numbers as a single record. The Chicago 847 NPA trial has been conducted without EDR. Consequently, each pooled number must be stored in a SCP as a separate record. *Pooling without EDR requires 1,000 times the SCP capacity than if Release 3.0 were used.*

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39 *See id.* at ¶ 158. Time is needed to revise systems, complete modifications to LNP NPAC procedures and software, conduct tests, and the like. *See id.* at ¶ 157.

40 If necessary to facilitate the early adoption of national pooling guidelines, the FCC could adopt pooling cost recovery rules after it adopts pooling guidelines — similar to the procedure it used with regard to local number portability. However, as the FCC undoubtedly appreciates, pooling will be implemented with much more vigor if carriers have confidence that they will recover their implementation costs. On the other hand, it is important that the FCC adopt the right cost recovery rules and that it understand fully all the costs (*e.g.*, operation system impacts) carriers will incur in implementing pooling. For this reason, the FCC should consider entering a tentative cost recovery order so it can receive additional comment before finalizing its cost recovery rules.

The problem with moving forward with pooling without EDR is graphically illustrated by what occurred recently in Chicago, when the Illinois Commerce Commission ("ICC") expanded the 847 NPA pooling trial to four additional area codes (213, 630, 708, and 773). This trial expansion effectively quadrupled the number of ported numbers that each carrier had to store in its SCP pairs. Approximately 27% of the capacity in Sprint's LNP SCPs serving this region will be used to support the expanded pooling trial — whereas less than one-third of one percent (0.027%) of SCP capacity would be required if Release 3.0 (with EDR) were available. As it turned out, the ICC decision to expand the pooling trial to additional areas required Sprint to add an additional SCP pair — a capital investment that may not have been necessary had an EDR capability been available.

The conduct in the same region of numerous pooling trials (or a single trial covering multiple area codes) would put a serious strain on carrier LNP SCP capacity. Many carriers would be required to add capacity as Sprint did in Chicago — capacity that will not be needed once NPAC Release 3.0 with EDR becomes available. A carrier unable to add sufficient capacity before the trial(s) begins would encounter problems in routing calls correctly (to both ported and pooled numbers).

Sprint's opposition to additional pooling trials should not be read as a proposal to delay implementation of pooling. To the contrary, Sprint believes that adoption of its proposal would result in the full benefits of pooling to be realized sooner than other proposals. Sprint's proposal includes the following components:

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41 *See Numbering Optimization Notice* at ¶ 157.

- This Commission would promptly adopt national pooling guidelines (including EDR, among other things), so industry can begin implementing the guidelines and prepare itself to activate pooling;
- The Commission would also adopt 1,000 block management procedures so as to maximize the number of number blocks available for contribution to the pool (*see* item 4 below); and
- While industry is implementing the pooling guidelines, state commissions would focus their attention on area code relief and rate center consolidation, particularly in jeopardy NPAs (*see* item 5 and subpart B below).

Obviously, the sooner the Commission adopts national pooling guidelines, the sooner industry can begin implementing thousands-block pooling, and the sooner the benefits of pooling can be realized. Sprint submits that in the immediate future, the Commission should give this subject the highest priority.

4. The Commission Should Adopt National Thousands-Block Management Assignment Rules

Thousands-block pooling will have dramatic impact on number utilization efficiency in new or recent area codes. In more mature area codes, however, pooling will have an impact only to the extent there are thousands blocks available for contribution to the pool.

Once pooling is implemented, participating carriers must necessarily learn to manage and assign numbers in blocks of 1,000 rather than in blocks of 10,000. Im-

portantly, managing numbers in blocks of 1,000 need not be delayed until pooling takes effect. In fact, the sooner carriers begin managing numbers in blocks of 1,000, the more uncontaminated thousands blocks that will be available for contribution to the pool once pooling can be activated.[42] Thus, early adoption of thousands-block management rules would increase substantially the number of blocks available for pooling.

Sprint and others in the industry have begun working with state regulators to develop thousands-block management guidelines, and such guidelines are already in place in parts of California, Connecticut, Florida, Illinois, Massachusetts, and New Hampshire. Under these guidelines, carriers agree to set aside uncontaminated thousands blocks and to use only those thousands blocks needed to meet customer demand for a specified period of time (generally, nine months). Carriers further agree not to use their uncontaminated blocks until access to another block is necessary to maintain a nine-month inventory.

It is a time-consuming process to negotiate thousands-block management guidelines for each state. Moreover, these agreements are generally voluntary,[43] and while carriers holding most NXX codes in an NPA have agreed to follow the new procedures, there remain carriers that have chosen not to participate. Sprint submits that the public interest would be served by national thousands-block management rules applicable

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42 *See Numbering Optimization Notice* at ¶ 190. Sprint does not recommend that the FCC use the phrase, "sequential numbering," because this phrase suggests that carriers will assign one number after another, a requirement that would be virtually impossible to comply with. What is important is that thousands blocks be available once pooling is implemented, and this objective can be accomplished with Sprint's thousands-block number management proposal.

43 In some states such as Connecticut, the new procedures are incorporated into the state's NXX assignment guidelines.