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EX PARTE OR LATE FILED

July 28, 1999

VIA HAND DELIVERY

Ms. Magalie R. Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

RECEIVED

JUL 28 1999

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: Ex Parte Presentation in CC Docket No. 99-200, RM No. 9258, and NSD File Nos. L-99-17 & L-99-36

Dear Ms. Salas:

Pursuant to Section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, WinStar Communications, Inc. ("WinStar") hereby gives notice that on July 22, 1999, Daniel F. Gonos, Robert Berger, and the undersigned met with Blaise A. Scinto, Deputy Chief, Network Services Division of the Common Carrier Bureau, and Jared M. Carlson and Tejal Mehta of the Network Services Division of the Common Carrier Bureau, to discuss the June 30, 1999 Interim Order of the Illinois Commerce Commission ("ICC") in ICC Docket No. 98-0847 ("Interim Order"). Although the discussion during the meeting focused on the Interim Order, which expands the Illinois number pooling trial, some issues being considered in the above-referenced proceeding were also raised. Copies of the Interim Order and a handout distributed at the meeting are attached.

During the meeting, WinStar expressed the view that the ICC had exceeded its authority in expanding the Illinois number pooling trial, explained burdens imposed by the Interim Order, including the specific steps that carriers must take to implement number pooling (and the associated costs), and stated that WinStar and other carriers in most cases would not be able to implement number pooling in the time frame specified by the Interim Order. WinStar explained that current number pooling trials should not be expanded until the results of the trial

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have been fully analyzed. If the Commission chooses to authorize additional number pooling trials, they should be located in different types of markets under different circumstances than the current trials so that a broader range of information about pooling can be collected.

WinStar also discussed instances in which NPA relief is not proceeding according to guidelines, and expressed the view that the Commission should take steps to enforce the guidelines more effectively. WinStar then discussed the growing trend of states to divide rate centers when implementing area code relief in the form of a geographic split, which results in unnecessary costs and inefficiencies in numbering use. Finally, WinStar expressed concern about Chairman Kennard's remarks to NARUC about delegating full authority over number administration to the states. WinStar explained that a full delegation of authority to the states would result in enormous costs for carriers trying to comply with varying rules, and that differences in numbering administration could also raise unnecessary technical issues. For this reason, WinStar explained, a responsible numbering policy must be national in scope with minor discretion given to the states to answer local concerns.

In accordance with Section 1.1206(b), an original and one copy of this notice is being provided.

Sincerely,

Todd D. Daubert

Enclosures

cc: FCC staff listed above

CERTIFICATE OF SERVICE

I, Deanna C. Spear, hereby certify that copies of the foregoing Notice of an Ex Parte Presentation of WinStar were served on July 28, 1999 by messenger on the following persons.

Deanna C. Spear

Mr. Magalie R. Salas
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Discussion Items for FCC Meeting

Illinois Pooling Trial Extension

- Illinois Commerce Commission has exceeded its authority in ordering Pooling beyond 847 NPA.
- Results of Pooling trials in Chicago 847 and New York 212 should be fully known and documented before further extensions are granted Even if request for extension were approved, notice given was insufficient.
- Pooling Administrator did not have time to prepare notices.
- WinStar requires 75 to 90 days to prepare OSS Systems for a new Pooling market.
- 630 NPA in Illinois was due in less than 2 weeks.
- Intervals for other NPAs are more reasonable but still rushed
- Other methods of Number Optimization (e.g. Rate Center Consolidation, Mandatory 10 Digit Dialing, NXX Reclamation) should be pursued as aggressively as Pooling

NPA Relief (General)

- NPA Relief is not proceeding according to guidelines
- Guidelines specify that NPA Relief proceedings should begin at least 30 months before exhaust.
- Guidelines specify that Jeopardy is to be avoided.
- Guidelines specify that exhaust should never occur.
- Some incumbents now advocate "timing" NPA Relief so that Jeopardy does occur.
- Some incumbents and state commissions have delayed or mishandled NPA Relief so that exhaust occurs.
- Exhaust is becoming more common.
- The Commission should enforce guidelines to the maximum extent possible to foster competition.

Rate Center Division During Geographic NPA Splits

- Because of duplicate codes, Rate Center Division is inefficient.
- With or without duplicate codes, Rate Center Division is anti competitive.
- Rate Center Division creates unnecessary expense for Service Providers, which is ultimately passed on to ratepayers.
- Commission should rule that rate centers may be redrawn with sufficient notice, but may not be split.

Delegation of Authority to States

- We are concerned about Mr. Kennard's remarks to NARUC.
- A full delegation of authority to the states could result in an unmanageable regulatory environment for Service Providers and for regulators.
- Regulations for the Interstate Highway vs. the Information Superhighway
- How much authority will be delegated to the states?
- What areas of responsibility will be delegated to the states?
- In what time frame would the delegation take place?
- How much notice will Service Providers be given?
- We believe that a responsible numbering policy must be national in scope with minor discretion given to the states to answer local concerns.
- Even where authority is delegated, the Commission must make certain that guidelines are enforced.

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Lockheed Martin IMS	:	
	:	**98-0847**
Petition for Approval of NPA Relief	:	
Plans for the 312, 630, 708 & 773 NPAs.	:	

INTERIM ORDER

I. INTRODUCTION

This proceeding was initiated when Lockheed Martin IMS ("Lockheed"), the North American Numbering Plan Administrator ("NANPA") acting in its role as the NPA Relief Planner for Illinois, filed a petition on November 13, 1998, requesting the Commission to approve NPA relief plans for the 312, 630, 708 and 773 Numbering Plan Areas. In its Petition, Lockheed requests that the Illinois Commerce Commission (hereinafter "ICC" or "Commission") approve area code relief plans in the form of all-service overlays for the 312, 630, 708 and 773 NPAs. Based on the petition filed by Lockheed, the number of NXX codes in the 312, 630, 708 and 773 NPAs that have been assigned to qualifying telecommunications service providers and the forecasts provided by these same companies of future NXX code requirements, NPA exhaust in the 312, 630, 708 and 773 area codes is imminent.

Petitions to intervene were filed and granted for Illinois Bell Telephone Company, d/b/a Ameritech Illinois ("Ameritech" or Ameritech Illinois"); AT&T Communications of Illinois, Inc. ("AT&T"); AT&T Wireless PCS, Inc.; NEXTLINK Illinois, Inc.; MCI/WorldCom, Inc. ("MCI"); Sprint PCS; Sprint Corporation ("Sprint"); Allegiance Telecom of Illinois, Inc. ("Allegiance"); Focal Communications Corporation ("Focal"); Southwestern Bell Mobile Systems, Inc. d/b/a Cellular One Chicago ("Cellular One"); Nextel Communications, Inc. ("Nextel"); 21st Century Telecom of Illinois, Inc.; Ameritech Mobile d/b/a Ameritech Cellular Services; Personal Communications Industry Association; the Citizens Utility Board ("CUB"); the People of Cook County ex rel. Richard A. Devine, States Attorney ("Cook County"); the People of the State of Illinois ex rel. James E. Ryan, Attorney General ("Attorney General"), and ADT Security Services, Inc.. The Commission Staff and the City of Chicago ("City") filed appearances.

At the first prehearing conference on December 18, 1998, CUB, Cook County, the City of Chicago and the Attorney General filed two motions. The first motion was to expand the docket to include a consideration of the Service Control Point ("SCP")

capacity issue. This motion ultimately was denied by the Examiner as being unnecessary. The second motion requested the issuance of a subpoena by the Commission to all NXX code holders in the 630, 708, 312 and 773 NPAs. The subpoena would require each code holder to provide fill rate information and number forecast information by thousand block at quarterly intervals pending the resolution of the docket. The information would be produced pursuant to a protective order. This motion ultimately was granted in modified format and the subpoenas were issued.

At the second prehearing conference on January 12, 1999, the parties agreed to bifurcate the proceeding. An initial round of testimony would be filed limited to the issue of the type of area code relief plans that should be adopted if area code relief were needed in the 630, 708, 312 and 773 NPAs..

Patricia Fleck, a Regulatory Director at Ameritech Illinois, submitted testimony which, excluding MCI, reflected general industry consensus. She recommended the all service overlay approach rather than geographic splits for these NPAs for several reasons: (1) an all service overlay is a more flexible plan that can be implemented on shorter notice than a geographic split, thereby providing more opportunity for number conservation and number pooling to delay exhaust; (2) it provides a better solution for customers because no number changes are required and communities of interest are not divided by new area code boundaries, and (3) it provides a more efficient utilization of numbers. Ameritech Illinois Ex. 1.0, pp.8-12 (Fleck).

Ms. Fleck recommended separate overlay codes for each of the 630 and 708 NPAs. These NPAs serve discrete suburban communities in generally recognized geographic regions. By adding a separate overlay NPA for each region, the geographic association of these suburban communities with discrete area codes is preserved. Ms. Fleck recommended a single overlay code for both the 312 and 773 NPAs, however, because these NPAs serve a single community, Chicago. A common overlay code will reinforce communities of interest within the City. Ms. Fleck further stated that it would be inappropriate to add a separate overlay code for the 312 NPA because it serves such a small geographic area. Id. I pp. 3-4.

In addition to Ms. Fleck, Rhea Kwon on behalf of Allegiance and Daniel Meldazis on behalf of Focal filed direct testimony in support of the all service overlay proposal. Allegiance Ex. 1.0 (Kwon) and Focal Ex. 1.0 (Meldazis).

At a hearing on February 17, 1999, all the testimony was admitted into evidence after cross-examination. Two additional Ameritech exhibits were admitted without objection. Ameritech Illinois Ex. 2.0 was the Report of the Number Administrator on the 847 Exhaust dated February 1, 1999. Ameritech Illinois Ex. 3.0 was the Report of the Number Administrator in Compliance with the Commission's Order in ICC Docket No. 98-0497 dated February 12, 1999.

Agreement has been reached on the primary issues raised by the Petition: the form of area code relief and the timing of its implementation. At the evidentiary hearing

held in this docket on April 15, 1999, the parties stipulated on the record to agreement with the form of area code relief being proposed by Lockheed. In addition, with regard to the timing of implementation of the overlays, the parties agreed that the procedure set forth by the Commission with regard to the 847 NPA should be implemented in the instant case.

What remains contested in this proceeding are two issues, one substantive and the other procedural. The substantive issue relates to whether and when number pooling should be extended to the 312, 630, 708 and 773 NPAs. The procedural issue is whether the next order issued by the Commission in this case should be a final or interim order.

A Hearing Examiner's Proposed Interim Order was served upon the parties. Exceptions and Reply Exceptions were filed thereto. Where necessary, this Order reflects changes necessitated by said exceptions.

II. AREA CODE RELIEF

In its Petition, Lockheed identified both geographic split and all service overlay options for these NPAs. With respect to the all service overlays, Lockheed recommended separate overlay codes for each of the 630 and 708 NPAs, based on the rationale articulated by the Commission in its final order in Dockets. 97-0192/97-0211. However, Lockheed recommended a single overlay NPA in Chicago that would overlay the combined area served by the 312 and 773 NPAs because of the community of interest which exists within Chicago and because 312 serves such a small geographic area.

The Commission agrees that the all service overlay relief plans for the 630, 708, 312 and 773 NPAs that are described in Lockheed's petition and that these plans should be implemented in the same manner and on the same terms as the Commission has ordered in Dockets 97-0192/97-0211 and 98-0497 for the implementation of the 224 overlay NPA in the 847 area. In particular, the number administrator will give the Commission 30 days advance written notice before assignment of the first NXX code from the overlay NPA. The notice will include the activation date for the NXX code. The first NXX code from the overlay NPA will be assigned only after all the NXX codes in the existing NPA have been used, and it will not be activated until at least 90 days after assignment. Mandatory 11-digit local dialing will begin 90 days after the date of assignment of the first NXX code in the overlay NPA.

Approving backup NPA relief on the same terms as in 847 will allow the maximum opportunity for conservation measures and number pooling to delay NPA exhaust and will ensure that NPA relief is not implemented until it is absolutely necessary.

The Commission, therefore, instructs Lockheed to assign the overlay codes, issue the necessary notices and information letters, and take all actions necessary to activate

the overlay codes up to the point of assigning the first NXX code. The first NXX code in each overlay NPA would be assigned only upon 30 days advance written notice to the Commission and only after the last NXX code in the existing NPA has been assigned. The first NXX code in the overlay NPA would not be activated until at least 90 days after assignment to allow opportunity for customer education and information.

III. NUMBER POOLING

Various proposals for staggering the implementation of number pooling were made in testimony. Ameritech witness Brian Baldwin calls for a staggered implementation, with three months between the implementation of pooling for each NPA. Staff witness Harvey Nelson called for pooling to be implemented or ordered by July 26, 1999 for the 630, 312 and 773 NPAs. Activation should occur by October 1, 1999, the beginning of the Y2K "quiet period", with the roll-out of pooling for the 708 NPA coming at the conclusion of that period. ICC Ex. 2.3 at 1. In its initial brief, Staff recommends that pooling also be expanded to the 708 NPA by October 1, 1999.

CUB witness Glynn recommended that number pooling be implemented (and activated) in the 630 NPA by July 1, 1999; in the 312 NPA by August 16,1999; and in the 773 NPA by October 1, 1999. CUB Ex. 1.0 at 15. He testified that the 708 NPA, the Chicago-area NPA scheduled to exhaust last, should then have pooling extended to it at the end of the stabilization period. Mr. Glynn explained that, realistically, a maximum two-month period of combined preparation, with six weeks between the addition of NPAs, is needed if pooling is going to be extended to the three NPAs most threatened by exhaust. Id.

Cook County takes the position that number pooling be expanded to the 312, 630, and 773 NPAs before October 1999 when the Y2K quiet period begins. Cook asserts that Number Pooling should be expanded to NPA 708 immediately following the quiet period. Cook and City each argue that the Commission has already ordered and affirmed its order to implement number pooling in all Chicago area NPAs. Cook and City each contend that the SCP capacity issue is resolved and, therefore, the Commission should now follow through with its two previous orders and expand pooling into the other Chicago area NPAs.

Ameritech Illinois acknowledges the concerns expressed by Sprint, AT&T and MCI regarding the expansion of pooling to additional Chicago area NPAs prior to the adoption of a national architecture and standards. Ameritech states that the expansion will be costly, administratively burdensome and technically difficult. Nevertheless, Ameritech asserts that a methodology for thousand block number pooling has been successfully trailed in the 847 NPA, and it has delayed the exhaust of that NPA.

In its Initial Brief, Ameritech accepted CUB's implementation schedule for number pooling as reasonable. Ameritech has abandoned its requirement for a three-month delay between the implementation of pooling for each NPA.

Ameritech is, however, requesting an exemption from number pooling for its 1AESS switches. Ameritech states that this exemption is necessary because of a technical problem that was discovered during the 847 number pooling trial that cannot be fixed on the 1AESS switches. Ameritech states that the technical problem is that when a telephone number is disconnected by a customer, Ameritech Illinois provides an intercept message on the line informing callers that the number has been disconnected and providing a new number or other information. Ameritech states that if the disconnected number is a number that was obtained from the number pool, however, the intercept message does not activate (because of technical changes made to accommodate pooling).

Ameritech states that the problem cannot be fixed in the 1AESS because the vendor has informed Ameritech Illinois that it will not undertake any new development on the 1AESS switching platform. Ameritech states that the exemption would have minimal impact on number pooling for several reasons. First, Ameritech states that it has only 13 1AESS switches, approximately 5% of its total switches. Second, Ameritech states that these switches serve only two of the affected NPAs. Ten switches serve 773 and two serve 708. One switch serves both 708 and 773. Third, Ameritech asserts that, collectively, there are only 30 NXX-X thousand blocks with 10% or less contamination in the thirteen switches, 11 in 773 and 19 in 708. This number would be reduced by the number of these blocks that Ameritech Illinois would require for its own needs prior to six months after pooling implementation. Thus, according to Ameritech, the number of thousand blocks lost to the number pool as a result of the exemption would be negligible.

Focal supports implementing number pooling in the other Chicago-area NPAs, with the caveat that this should be done on a NPA-by-NPA basis, starting with the 630 and 312 NPAs since these codes appear to be the nearest to exhaust. The 708 and 773 NPAs would then have pooling implemented following the 630 and 312 implementation. Focal asserts that staggered roll-out of pooling would give carriers time to adjust their internal processes and would not overwhelm smaller CLECS, who may be without the personnel and resources to respond to the increased work load that implementing number pooling simultaneously in all four remaining NPAs would bring.

Allegiance supports the implementation of number pooling. Allegiance stresses, however, that the Commission must ensure that new NPAs are added when necessary since pooling is not a form of area code relief and it should not be used as a method of preventing area code relief from being implemented when it is needed.

In their Initial Brief, Sprint contends that SCPs were designed to accommodate only ported numbers, and that the introduction of number pooling throughout the Chicago area would threaten the capacity of their network. Sprint states that carriers receiving downloads of pooled numbers must have adequate capacity in their LNP SCPs to store and access all of the LNP information they receive from NPAC. According to Sprint, these SCPs were designed, however, to accommodate only ported

numbers. Sprint further states that the introduction of number pooling greatly increases carriers' SCP capacity needs because each activated block of 1,000 numbers must be stored in the database, even where the numbers have not yet been assigned to customers.

Sprint states that its SCP stores numbers one at a time. According to Sprint, for each activated 1,000 block, Sprint's SCP must have 1,000 blocks of storage capacity. Sprint notes that on February 1, 1999, the Mid-West Region NPAC implemented a software package known as Release 1.4 which allows a list of numbers to be downloaded as one message. Sprint asserts that to store pooled numbers efficiently, carriers receiving the Release 1.4 download would have to have the capability in their LSMS and SCPs to store 1,000 block numbers as a range reflected as one record rather than having to store each number individually. According to Sprint, to take full advantage of this feature, a carrier must have the ability to download each record representing a 1,000 block range from the LSMS for storage in the SCP as one record as opposed to 1,000 individual numbers. To accomplish this task, Sprint states that the carrier must have Efficient Data Representation ("EDR") software in place as provided by its SCP vendor." Sprint states that its SCP vendor has not released EDR software, and is waiting for national number pooling requirements to be completed.

Sprint contends that for many carriers, it is not cost effective to invest in EDR software for Release 1.4 because North American Numbering Council ("NANC") is in the process of developing a national architecture for number pooling. Sprint states that In all probability, the national architecture will not use Release 1.4, and thus new EDR software will have to be developed and implemented for the national number pooling standards. Sprint argues that It is not cost effective for Sprint Corp. to invest significant funds into development and implementation of EDR software for Release 1.4 when that software will have to be replaced once national pooling standards are in place, which is expected in the very near future.

Sprint maintains that in the near term, the only way for it. to increase its SCP capacity is to increase the number of individual records that can be stored by purchasing additional SCP hardware and software. Sprint states that it will have to increase its capacity by an additional 12 million records if additional number pooling is implemented. In support of this assertion, Sprint references and attaches to its Brief Sprint Ex. 5.0 (Revised), a two-page Worksheet that purportedly forecasts LNP/SCP & LSMS Record Capacity by region and month through May of 2000. This additional capacity, according to Sprint, would cost between approximately $8 to $12 million. Sprint states that it has not budgeted funds for such an upgrade in 1999, and there is no mechanism in place for Sprint to recover costs incurred to accommodate number pooling.

In addition, Sprint, AT&T and MCI each argue that implementation of number pooling in the four remaining Chicago-area NPAs could cause the Midwest Region Local Number Portability database to fail due to a shortage of SCP capacity on one

carrier's part, thereby crashing the entire national network for carriers seeking to port numbers. AT&T and MCI each assert that although they do not have SCP capacity problems, it is important to note that the problems of even one carrier can crash the entire network.

MCI argues that the fact that other carriers may encounter SCP capacity problems if the pooling trial is expanded requires an analysis using standardized assumptions prior to expansion. According to MCI, such an analysis would minimize the possibility that an expanded pooling trial could negatively impact network reliability. As part of its analysis, MCI asserts that the Number Pooling Subcommittee should consider the SCP capacity of all local carriers operating in the 312, 630, 708 and 773 NPAs, as well as other carriers who receive data from the Midwest Number Portability Administration Center ("NPAC"). MCI contends that only after considering the carriers' SPC capacity should the Subcommittee determine whether or not expanding the 847 number pooling trial will adversely impact network reliability.

AT&T also argues that there will be differences between the Illinois pooling architecture and yet-to-be-established national pooling architecture. AT&T Brief at 1-2. AT&T argues that the Illinois Pooling Architecture is based on NPAC Release 1.4. AT&T contends that all evidence indicates that the National Pooling Architecture will be based on NPAC Release 3.0. AT&T asserts that there is absolutely no evidence to indicate that Release 1.4 will serve as the foundation for the National Architecture. As proof, AT&T cites the fact that although Release 1.4 has been operational since late 1998 and went "live" in February 1999, only the Midwest Limited Liability Corporation ("LLC") has adopted it. AT&T notes that number exhaust is a problem in a number of areas nationwide. AT&T maintains that this indicates that Release 1.4 is being ignored because it clearly will play no part in the National Pooling Architecture.

AT&T further argues that because the Illinois and National Architectures necessarily will be different, all carriers participating in Illinois number pooling trials will be required, at some point, to migrate to the National Architecture. According to AT&T, this migration is mandated by the FCC. AT&T argues that the mandatory migration will entail significant costs and risks. For example, AT&T refers to significant OSS changes that would have to be made. AT&T states that it has not made those changes in conjunction with the 847 pooling trial because it has been feasible to rely on manual interfaces. AT&T argues that expanding the Illinois Pooling Architecture reduces the feasibility of relying on manual interfaces. Accordingly, AT&T states that it and other carriers would have to design and implement OSS changes which would be specific to the Illinois Pooling Architecture.

AT&T also contends that the number administration costs are a problem because there currently is no agreement in place with Lockheed. AT&T notes that Lockheed served as pooling administrator for free in the 847 pooling trial. That trial agreement expires in May 1999, however, and no agreement has been reached as to who the new pooling administrator will be, who will pay them, or how much they will be

paid. AT&T also opines that "the costs of migrating from the Illinois Architecture to the Pooling Architecture, like any costs, ultimately are paid by consumers in one form or another." MCI similarly argues that competitive local exchange carriers will have to assume a disproportionate percentage of the costs of number pooling. Sprint likewise suggests that "the Commission cannot reasonably impose these costs on carriers if there is no opportunity for the carriers to recover such costs."

Finally, MCI further argues in its Brief that pooling should not be extended because MCI has concerns that the Illinois Commission's expansion of pooling using the same method as employed for the 847 NPA will perpetuate and exacerbate competitive inequities in the thousand block donation process. MCI argues that requiring CLECs to abide by the same donation rules as Ameritech means that the CLECs will be providing the majority of the numbers to populate the pools. MCI contends that once a block is donated, there is no guarantee that the CLEC will be able to retrieve it later. MCI states that the pooling guidelines state that applications for blocks are supposed to be made to supplement the six-month inventory. Accordingly, MCI argues that this does not allow a carrier to draw from the pool when customers request specific numbers, even if it is from a block previously donated by that same CLEC. MCI argues that this entire process restricts the CLEC in its ability to offer prospective customers similar choices of numbers as the incumbent for new services. MCI argues that the incumbent, because it is largely able to avoid donation apart from newly assigned NXX codes for which little prospective customer interest will exist, has a competitive advantage in offering new service arrangements to customers that will prefer certain numbers.

In addition, MCI contends that Ameritech's request to be exempt from participating in number pooling due to the presence of its IA switches would increase the disparate effect number pooling has on CLECS. MCI asserts that Ameritech requests is not only beyond the scope of this phase of the proceeding, but is also completely disingenuous. MCI argues that while Ameritech contends on the one hand that there need be assurances that all carriers participate in pooling to "maintain competitive parity," while at the same time it asserts that its network should receive treatment not afforded to other carriers. MCI maintains that the guidelines for pooling must apply equally to all in order for there to be competitive parity. Thus, MCI takes the position that at a minimum, to ensure competitive neutrality, the Commission should exempt from an expanded pooling trial, those rate centers in which Ameritech has IA switches.

Both AT&T and Sprint argue that this Commission lacks the jurisdiction and authority to extend the implementation of number pooling to the four remaining Chicago-area NPAs. Sprint rehashes arguments previously rejected by this Commission, as it contends that the authority the FCC conferred upon Illinois to continue its pooling initiative was confined to the 847 pooling "trial" only. Sprint Brief at 4. Nextel and Nextlink, while not specifically objecting to the roll-out of number pooling, states that the Commission should seek FCC approval before further implementation of

pooling in the Chicago area.

CUB responds to Sprint's complaint that number pooling requires that each activated block of 1,000 numbers must be stored in the database by stating that since the introduction of Release 1.4 SCP upgrade, numbers do not have to be stored individually in SCPS. CUB further states that whether a carrier chooses to store range records comprising 1,000 pooled numbers in its SCP is a matter of choice. CUB asserts that the 1.4 NPAC software that was implemented allowed for carriers to depart from storing records individually, and instead use the NPAC pooled data to store records in blocks, thus saving record space.

With regard to the argument that increased capacity demands caused by number pooling will force Sprint to invest in additional SCP capacity at a date earlier than that planned to accommodate number portability, CUB and Cook each reply that Sprint's Worksheet is flawed. CUB asserts that the worksheet that purportedly forecasts LNP/SCP & LSMS Record Capacity by region and month through May of 2000 indicates that pooling has, thus far, only marginally increased the number of SCP database records for carriers. CUB contends that from this table, it can be determined that only 22,000 of the 1,260,197 records in the SCP database were due to pooling or 2% of all of the SCP records for February or March.

CUB also takes exception to Page 1 of the Exhibit which provides predictions for the number of SCP records associated with LNP for the period beginning February 1999 and ending May 2000. CUB criticizes Sprints use of a growth rate of 17% through June 1999 and 20% through May 2000. CUB states that Sprint used the rate of acceleration in growth not the growth rate. CUB argues that the 20% growth rate cannot be sustained and is unreasonable.

CUB states that Sprint's growth rate assumptions are so inflated that even if Sprints figures for pooling are removed from their spreadsheet, questions can be raised about Sprint's ability to handle LNP, let alone number pooling. CUB argues that when Sprint's analysis is viewed without the unreliable data for SCP records due to pooling, it shows that increased SCP capacity demand caused by number portability -- not pooling -- will force Sprint to invest in additional capacity at an earlier date than planned.

CUB also responds to the argument that implementation of number pooling in the four remaining Chicago-area NPAs could cause the Midwest Region Local Number Portability database to fail thereby crashing the entire national network for carriers seeking to port numbers. CUB asserts that these comments were thoroughly discredited during cross-examination. CUB notes that when asked about this supposition, AT&T's own witness, Mr. Murphy, admitted that he could not imagine a scenario where a carrier such as AT&T or another CLEC would allow that situation to happen whereby porting would be broken versus making the decision to either expand capacity or develop EDR on an interim basis.

Cook replies to the doomsday claims by indicating that Ameritech, Allegiance, Focal, AT&T and MCI have testified that they do not anticipate an SCP capacity problem in their networks due to expanded number pooling. Cook notes that all parties taking a position on this issue except for AT&T, MCI, and Sprint have urged the Commission to issue an order expanding number pooling into the other Chicago area NPAs. Cook argues that If there was any validity to the "doomsday" scenario, these parties would not have encouraged the Commission to move forward.

Staff asserts that the SCP capacity issue has been adequately addressed in the instant record to the point where it should alleviate the Commission's concerns as expressed in the aforementioned findings. Staff believes there are no substantial SCP capacity problems remaining that might impede the effective implementation of number pooling in the remaining Chicago area NPAs.

CUB also adds that Ameritech witness Baldwin, who co-chairs along with CUB Associate Director Glynn the Number Pooling Subcommittee of the Illinois Number Portability Workshop, testified that his company currently provides LNP query service for carriers that are unable to or choose not to provide their own SCP services, and that Ameritech could continue to provide these services for those companies and any others needing the service after the implementation of number pooling in additional NPAs. Tr. at 241.

In addition, Cook refers to the testimony of Ms. O'Donnell on the issue of SCP capacity:

> the quantity of ported numbers was well behind expectations for 1998, totaling less than 100,000 in the Midwest Region as of yearend, for reasons such as problems in converting Interim Number Portability customers to permanent LNP systems, lack of vibrant local exchange competition and the postponement of wireless LNP. (footnote omitted) Consequently, SCPs have "spare" capacity as compared to expectations last year ... This "spare" capacity can carry service providers through initial stages of 1,000 block pooling even if the providers have not implemented EDR changes. This is especially true in light of the decreased projection for demand for blocks seen in the Pooling Administrator's Reports.

Cook contends that the very issue at the heart of this phase of the proceeding, the potential for exhaust of SCP capacity in carrier networks, may be far less an issue than some carriers would have the Commission believe. Cook asserts that while its true that the volume of ported and pooled numbers would undoubtedly increase once

the Commission expands number pooling, the evidence in the record does not indicate that the volumes would be so high that carriers could not accommodate the increase.

As to arguments that there will be differences between the Illinois pooling architecture and yet-to-be-established national pooling architecture, CUB asserts that no entity, including the FCC, has ever suggested that the possibility that Illinois standards may have to be modified upon a final decision by the FCC as to what the national pooling architecture will comprise should serve as a barrier to this Commission's roll-out of number pooling. CUB notes that in carving out an exception for Illinois' number pooling and conservation Order entered in ICC Dockets 97-0192/97-0211 as compared with its guidelines for traditional area code exhaust relief, the FCC stated in its recent Order:

> Finally, by requiring that national pooling rules or guidelines mandated by the Commission will supersede whatever guidelines Illinois has in effect for carriers operating within Illinois, we conclude that Illinois has not acted in a manner that undermines efforts by the Commission and the industry to establish a national pooling solution. We acknowledge that Illinois has been at the forefront of developing number pooling as a number conservation measure, and we do not wish to discourage Illinois from continuing the work it has done in this area.

Emphasis Supplied. Citing Memorandum Opinion and Order on Reconsideration, FCC Docket No. 98-224, *In the Matter of Petition for Declaratory Ruling and Request for Expedited Action on the July15, 1997 Order of the Pennsylvania Public Utility Commission Regarding Area Codes 412, 610, 215 and* 717 (NSD File No. L-97-42) and *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996* (FCC Docket No. 96-98) (consolidated), issued September 28, 1998, par. 30 ("FCC's September 28, 1998 Order). CUB states that the FCC could not have been clearer in its endorsement of this Commission's efforts at implementing number pooling in conjunction with traditional area code relief, notwithstanding the fact that national guidelines had yet to be established.

CUB further contends that no decision has been made at the national level specifically rejecting the use of Release 1.4 software within the national number pooling architecture. CUB notes that AT&T failed to list any feature or functionality of the present form of number pooling that will be rendered useless by the national architecture. CUB maintains that while the national standards may upgrade some Illinois standards and perhaps add some additional functionality, the NANC statement clearly indicates the national architecture is being modeled on the Illinois trial, and that any resources expended on pooling in Illinois prior to the implementation of the national standards will not have been wasted.

Furthermore, CUB argues that even if Release 1.4 is ultimately rejected as a technical specification for national number pooling, it appears that a final, national resolution of technical specifications is far off. CUB and Cook cite the testimony of

NANC member and Cook County witness O'Donnell, where she states that it could be as long as two years from today before 1,000 block number pooling is implemented on a national basis. Cook County Ex. 2.0 at 5. CUB contends that Illinois cannot afford to wait for yet unspecified action at the national level on number pooling -- especially in light of the fact that Illinois' number pooling efforts are serving as the impetus and model for national specifications. CUB asserts that given the FCC's green light to the Illinois Commission to continue its work and implementation of number pooling, AT&T's argument in this regard should be
rejected.

Cook also refers the testimony of O'Donnell on cross-examination where she states that "It is entirely possible that the national plan would be identical to the Illinois plan." Tr. at 414. Cook notes that Ameritech witness, Mr. Baldwin as well testified on cross examination by AT&T counsel that: "It is my understanding that Release 1.4 was the base for developing release - - the specifications for release 3.0." Tr. 245.

With respect to AT&T's complaint that significant operations support systems ("OSS") changes would have to be made by it and other unnamed carriers, CUB argues that this too should be dismissed. CUB contends that the Commission is being asked to accept at face value that these changes are overly burdensome without a list or description of the alleged problems. CUB argues that if OSS changes are truly a problem, the question arises as to why they have not been identified or brought to the attention of the Commission prior to now.

CUB also responds to AT&T's argument that no agreement exists as of yet with Lockheed for cost recovery. CUB notes that Lockheed is currently in negotiations with the LLC, the entity that has contracted with Lockheed for number pooling in the 847 NPA, for payment for number pooling services. Tr. 271. CUB stated that an agreement is expected shortly.

With respect to arguments of costs imposed on carriers, CUB contends that the LNP model of cost allocation and recovery can be used for pooling cost issues raised by carriers. CUB notes that LNP was developed and deployed before there was a cost recovery mechanism put into place. Tr. at 353.

Regarding MCI's concerns that concerns that the Commission's expansion of pooling using the same method as employed for the 847 NPA will perpetuate competitive inequities in the thousand block donation process, CUB points to the testimony of CUB witness Glynn. Mr. Glynn testified that the fact that one carrier may have to shoulder a larger weight than another does not make 1,000 block pooling, as practiced in Illinois, inequitable. CUB asserts that pooling in Illinois is combined with number conservation mandates that apply to the incumbent carrier as well as new competitors. CUB notes that pooling and the conservation measures approved by the

ICC reduce the amount of numbers that the incumbent can acquire before an NPA reaches exhaust. This leaves more numbers to be divided among the competitors and other service providers.

COMMISSION CONCLUSION

In our May 11, 1998 Order in Dockets 97-0192/97-0211, the Commission ordered that number pooling be implemented in all Chicago area NPAs. In our December 16, 1998 Order we specifically ruled that "the Commission is not amending its previous order on the issue of whether number pooling applies to all Chicago Area NPAs." Docket 98-0497 Order at 23. The question of whether the Commission has authority to order number pooling in all Chicago area NPAs was fully debated in exhaustive rounds of briefing in Docket 98-0497.

The issue regarding number pooling before the Commission in the instant docket is whether the SCP capacity issue has been resolved. This issue was raised by certain parties in Dockets 97-0192/97-0211. The question at that point in time was the possible negative impact that number pooling could have on the reliability of the network. In light of these concerns, the Commission refrained from ordering the implementation of number pooling in the 630, 708, 312, and 773 NPAs until the SCP capacity issue could be addressed. The record in this docket indicates that the SCP capacity issue has been resolved.

We are of the opinion that the instant record overwhelmingly supports the position of all of the parties to this docket, except for Sprint, MCI and AT&T, that the SCP capacity issue has been adequately addressed and that there are no substantial SCP capacity problems remaining that might impede the effective implementation of number pooling in the remaining Chicago area NPAs.

The introduction of a new software package known as NPAC Release (1.4) has relieved the problem by enabling carriers to accept data on ported and pooled numbers in ranges instead of individually. Storing numbers in ranges instead of individually reduces the capacity used to store numbers within the SCP database, resulting in increased SCP capacity.

Sprint is the only carrier alleging that it will have an SCP capacity problem if number pooling is expanded. A review of Sprint's basis for this assertion reveals that Sprint has vastly overestimated the growth rates in its calculations in its Exhibit 5.0. Sprint's worksheet is based upon unreliable data and the Commission rejects the conclusions that Sprint reaches using its flawed analysis.

The Commission also rejects arguments that Illinois should wait until a national architecture is established before expanding number pooling. First, the Commission

has already ordered the expansion of number pooling to all Chicago area NPAs. As stated above, the SCP issue is the only open issue regarding the expansion of number pooling. Second, the record indicates that this "national architecture" will be based on the Illinois example. Number pooling is delaying the exhaust of the 847 area code. As indicated by Cook witness O'Donnell, it may be two years before a national architecture is established. The Commission is of the opinion that waiting has the effect of rejecting number pooling.

The Commission also rejects arguments regarding the increased costs of implementing number pooling. This a non-issue because number pooling must be fully developed before the issue of costs can be addressed. There simply is not enough information available to make a decision on cost recovery. The Commission agrees with CUB that the Local Number Portability model of cost allocation and recovery can be used for pooling cost issues raised by carriers. CUB raises a very good point in that LNP was developed and deployed before there was a cost recovery mechanism put into place. Therefore, the Commission concludes that number pooling shall be expanded in accordance with the time-table set forth herein. The implementation of number pooling according to the time-table is not contingent upon a cost-recovery mechanism first being in place

Finally, the issues that MCI raises regarding the competitive inequities of number pooling are without merit. The Commission's number pooling mandates apply to the incumbent carrier as well as new competitors. The Commission agrees with CUB that pooling and the conservation measures that we have approved reduce the amount of numbers that the incumbent can acquire before an NPA reaches exhaust. Accordingly, this leaves more numbers to be divided among the competitors and other service providers.

In conclusion, number pooling and conservation is clearly working in Illinois. It is has significantly extended the exhaust of the 847 NPA. No party in this docket disputes this fact. The Commission is of the opinion that number pooling can also delay the exhaust of other Chicago area NPAs. No technical impediment precludes the expansion of that methodology to other Chicago area NPAs. In these circumstances, where number pooling offers the last viable hope of further delaying NPA exhaust and, thereby, postponing the permanent imposition of mandatory 11 -digit local dialing for the Chicago metropolitan area, the Commission is of the opinion that number pooling must be expanded to the other Chicago area NPAs.

Number pooling shall be implemented in the remaining Chicago Area NPAs as outlined in the timetable submitted by CUB witness Glynn. Specifically, implementation and activation of number pooling in the 630 NPA shall occur by July 1, 1999; in the 312 NPA by August 16,1999; and in the 773 NPA by October 1, 1999. The 708 NPA should then have pooling extended to it at the end of the Y2K stabilization period;

The Commission also grants Ameritech's request for an exemption from number pooling for its 1AESS switches. In light of the fact that the problems outlined by Ameritech cannot be fixed, the Commission has no other choice. We agree with Ameritech that the exemption would have minimal impact on number pooling.

IV. PROCEDURAL ISSUE

Ameritech asserts that it is appropriate for the Commission to keep this docket open until approximately October 1, 1999, to monitor the implementation of pooling in the 630, 312 and 773 NPAs. Ameritech contends that one of the issues that must be resolved before pooling can be expanded is how will the pooling administrator be paid. The Midwest LLC is evaluating a proposal from Lockheed that may provide a reasonable interim solution, but no agreement has yet been reached, either among the members of the LLC or with Lockheed. Ameritech further asserts that many details will need to be worked out as part of the number pooling implementation process. Ameritech states that the Commission should remain in a position to respond quickly, if required, to assist the parties in resolving any differences that may arise and to make sure that all carriers are complying in good faith with the pooling orders.

CUB notes that when Lockheed filed its Petition initiating this docket, which requested implementation of traditional area code relief by February 1, 1999, CUB, the Attorney General, the City of Chicago and the Cook County State's Attorney's Office quickly filed a Joint Application for Subpoenas Duces Tecum to initiate the necessary data collection process that would reveal to the Commission the true need for area code relief in the 630, 773, 312 and 708 NPAs. The data, which includes specific telephone number utilization and forecast data for the four NPAs, is now being collected and analyzed by CUB witness Glynn and the Commission Staff pursuant to the Commission-granted subpoenas. CUB states that the Commission should keep this docket open for the following reasons: (1) in order to keep the Commission apprised of carrier compliance with the Commission's prior number pooling and conservation orders; (2) to provide the Commission with a more accurate estimate than that provided by Lockheed as to when traditional area code relief might be needed; and, (3) to provide the Commission with an accurate estimation as to what effect number pooling and conservation will have on inhibiting exhaust, the Commission should keep this docket open and permit Mr. Glynn's, as well as Staff's, testimony to be filed.

Allegiance disputes the that an interim order would leave open an avenue for the Commission to monitor carrier compliance with the conservation and pooling measures as well as a means to enforce previous orders. Allegiance notes that the Commission has the statutory authority to initiate a show cause or investigative proceeding at any time if it believes that a party within its jurisdiction is failing to comply with applicable orders of the Commission. Citing 220 ILCS 5/10-101 and 5/10-108.

Nextel, Focal and AT&T also took the position that the Order resolving pooling issues and approving area code relief should be final and that the record should be closed. Nextel pointed out that Staff and all parties are in agreement that the

Commission should approve a process for triggering the activation of the all-service overlay for each NPA which is consistent with the process approved by the Commission for the 847 NPA. One significant benefit of that approach is that it provides for the activation of an overlay NPA at the time that exhaust in the underlying NPA actually occurs, thereby obviating the need to litigate the accuracy of forecasts of NPA exhaust in this docket. Therefore, contrary to arguments made by CUB and Staff, there is no need to keep the docket open to develop an "accurate estimate" of when exhaust will occur.

Nextel, Focal and AT&T also contend that there is no reason to keep this docket open for the purpose of reviewing carrier compliance with measures previously approved by the Commission. Specifically, Nextel asserts that this docket was not initiated as an enforcement proceeding and is not the proper forum to investigate individual carrier compliance with prior Commission Orders. To the contrary, a process for reviewing such carrier compliance outside the context of an open docket was established in the Order in Docket No. 98-0497 open, or to initiate a new proceeding for the purpose of monitoring compliance. Rather, the Order in Docket No. 98-0497 indicates that if the Commission's Staff determines, based on its review of the quarterly thousand block utilization data, that individual carriers may be in violation of the Commission's requirements, Staff will attempt to "work informally with the carriers to determine if formal proceedings might be needed or if the non-compliance is a result of some statistical anomaly." Order, Docket 98-0497 at p. 10.

Staff believes that an Interim Order may be more appropriate in light of the fact that not all carriers have complied with the *subpoena duces tecum*. Since Staff has not yet been made privy to all the relevant data, it has been unable to conduct a complete analysis regarding the timing of the imminent area code exhaust. Given this, Staff feels the Commission would be best served if the Hearing Examiner were to issue an Interim Order adopting the all services overlay as the appropriate form of relief along with the immediate implementation of number pooling and all associated conservation measures. A Final Order can then subsequently be issued once all subpoenas have been complied with, thereby, allowing Staff the opportunity to complete its analysis of the exhaust situation based on all relevant information and data.

COMMISSION CONCLUSION

The Commission reluctantly agrees to leave this docket open for the limited purpose of overseeing number pooling implementation and the issue of parties that have not complied with Commission Orders or subpoenas. There are simply too many issues that remain to be resolved. It is more efficient to continue this docket rather than commencing a new docket. With respect to noncompliance, the Commission requests that Staff issue a report to the Commission within 45 days of the entry of this Order outlining which parties have not complied with this Commission's mandate regarding the return of NXX-X blocks of numbers. Said report shall also outline which parties have not complied with the subpoena issued in this matter. To facilitate Staff's preparation of its report, wireline carriers are directed to identify in their quarterly reports

filed pursuant to the Commission's Order in Docket 98-0497 and pursuant to the subpoena issued in this proceeding, which NXX-X blocks have been donated to the number pool or targeted for donation to the number pool in any NPA where pooling has been implemented at the time the quarterly report is provided. Any other party wishing to file report on these issues may do so at the same time. Upon receipt of this information, these reports will be made a part of the record. The Commission will address the issue of enforcement of Commission mandates with its general counsel. This record will only serve as a vehicle for allowing other parties to address this issue and be heard before the Commission.

V. FINDINGS AND ORDERING PARAGRAPHS

The Commission, having considered the entire record herein, and being fully advised in the premises thereof, is of the opinion and finds that:

(1) Lockheed Martin IMS is the North American Numbering Plan Administrator under the North American Numbering Plan;

(2) the Commission has jurisdiction over Lockheed Martin IMS and the subject matter of this proceeding pursuant to section 10-101 Of the Illinois public Utilities Act;

(3) the recital of facts and conclusions reached in the prefatory portion of this Order are supported by evidence of record, and are hereby adopted as findings of fact and conclusions of law for the purposes of this Order;

(4) the evidence presented in this proceeding supports the implementation of number pooling for the 773, 312, 708 and 630 NPAs and that issues relating to SCP capacity issues raised in finding (9) of the Commission's Order in 97-0192/97-0211Cons.have been resolved;

(5) the evidence presented in this proceeding supports timetable for implementation and activation of number pooling in the 630 NPA by July 15, 1999; in the 312 NPA by August 16,1999; and in the 773 NPA by October 1, 1999;

(6) the 708 NPA should then have pooling extended to it at the end of the Y2K stabilization period;

(7) the evidence presented in this proceeding supports the adoption of the overlay proposal outlined in the Petition of Lockheed Martin as modified herein by this Order;

(8) Staff, and any other interested party to this docket, shall issue a report to the Commission within 45 days of the entry of this Order outlining which parties have not complied with this Commission's mandate regarding the return of NXX-X blocks of numbers and said report shall also outline which parties have not complied with the subpoena issued in this matter. To facilitate Staff's preparation of its report, wireline carriers are directed to identify in their quarterly reports filed pursuant to the Commission's Order in Docket 98-0497 and pursuant to the subpoena issued in this proceeding, which NXX-X blocks have been donated to the number pool or targeted for donation to the number pool in any NPA where pooling has been implemented at the time the quarterly report is provided

(9) all objections and motions made in this proceeding, which remain undisposed, should be disposed of consistent with the ultimate conclusions contained in this Order.

IT IS THEREFORE ORDERED that number pooling shall be implemented and activated in the 773, 312, 708 and 630 NPAs.

IT IS FURTHER ORDERED that the timetable for implementation and activation of number pooling in the 630 NPA shall be July 15, 1999; in the 312 NPA by August 16,1999; and in the 773 NPA by October 1, 1999.

IT IS FURTHER ORDERED that the 708 NPA should then have pooling extended to it at the end of the Y2K stabilization period as defined in this proceeding.

IT IS FURTHER OREDERED that the Petition of Lockheed Martin IMS seeking an all-service overlay for the 630, 708, 312, 773 NPAs is granted as modified herein by this Order.

IT IS FURTHER ORDERED that Staff, and any other interested party to this docket, shall issue a report to the Commission within 45 days of the entry of this Order outlining which parties have not complied with this Commission's mandate regarding the return of NXX-X blocks of numbers and said report shall also outline which parties have not complied with the subpoena issued in this matter. To facilitate Staff's preparation of its report, wireline carriers are directed to identify in their quarterly reports filed pursuant to the Commission's Order in Docket 98-0497 and pursuant to the subpoena issued in this proceeding, which NXX-X blocks have been

donated to the number pool or targeted for donation to the number pool in any NPA where pooling has been implemented at the time the quarterly report is provided.

This Order is not final; it is not subject to the Administrative Review Law.

By Order of the Commission this 30th day of June, 1999.

Chairman