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

In the Matter of)	
)	
Numbering Resource Optimization)	CC Docket No. 99-200
)	
Connecticut Department of Public Utility Control)	RM No. 9258
Petition for Rulemaking to Amend the Commission's)	
Rule Prohibiting Technology-Specific or)	
Service Specific Area Code Overlays)	
)	
Massachusetts Department of Telecommunications)	NSD File No. L-99-17
and Energy Petition for Waiver to Implement a)	
Technology-Specific Overlay in the)	
508, 617, 781, and 978 Area Codes)	
)	
California Public Utilities Commission and the People)	NSD File No. L-99-36
of the State of California Petition for Waiver to)	
Implement a Technology-Specific or Service-Specific)	
Area Code)	

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COMMENTS OF AT&T CORP.

Pursuant to Section 1.415 of the Commission's Rules, 47 C.F.R. § 1.415, AT&T Corp. ("AT&T"), hereby submits its comments on the Notice of Proposed Rulemaking issued in the above-captioned proceedings.^{1/}

INTRODUCTION AND SUMMARY

By enacting the Telecommunications Act of 1996 Congress unequivocally recognized that increased competition in all telecommunications markets can bring lower prices, and more

^{1/} In the Matter of Numbering Resource Optimization, Notice of Proposed Rulemaking, FCC 99-122, CC Docket No. 99-200 (rel. June 2, 1999) ("NRO NPRM").

rapid technological innovation. But despite these undeniable benefits, competition has strained heretofore adequate administrative systems in unanticipated ways. Perhaps most visibly, the mechanisms by which telephone numbers are allocated to carriers have become outdated and, in many respects, are negatively affecting both consumers and carriers.

The instant NPRM demonstrates the Commission's resolve to craft number administration policies and practices for the new era of competition initiated by the 1996 Act. The NRO NPRM seeks comment on a broad array of number optimization strategies, including audits, enforcement, number pooling, and even the potential sale of numbering resources. AT&T strongly supports the Commission's efforts to revamp numbering policy, and herein provides its views on the NPRM's proposals.

AT&T is concerned, however, that if the Commission attempts to address all issues raised in the NRO NPRM in a single order, it could be many months before it renders a decision. As the Commission well knows, the shortage of numbers in many markets threatens the ability of end users to obtain telecommunications services. A solution in the near term is critical. Accordingly, AT&T urges the Commission to consider separately the proposed strategy that has the greatest potential to provide significant number optimization benefits and corresponding relief to carriers and states. Specifically, the Commission should develop guidelines and an implementation schedule as rapidly as possible for thousands block number pooling for technologically capable carriers, and should issue an order resolving those issues forthwith, without awaiting conclusion of the other issues raised in the NPRM.

Although various states have asked for authority to implement their own number conservation measures, the Commission has consistently recognized that a national architecture for number administration is necessary to ensure the continued viability of the North American

Numbering Plan (“NANP”). Moreover, national or regional carriers could not contend with widely varying number utilization, reporting, and administrative requirements, or with myriad sets of technical standards for thousands block pooling, without experiencing significantly increased costs and reduced efficiency. State commissions have an important role to play in developing and administering numbering policy; however, as Congress recognized in Section 251(e), it is critical that the Commission ensure competitive neutrality, protect the integrity of the NANP and promote competition.

While AT&T supports the adoption of workable, cost-effective optimization measures, it also urges the Commission to adhere to its consistent policy that conservation measures – or the hope of potential conservation measures – cannot be used as a substitute for making available the numbering resources that carriers require in order to provide the services customers demand. The implementation of NPA relief imposes costs on consumers and businesses that must be taken into account. At the same time, however, number optimization schemes will impose costs that must ultimately also be borne by end users. Reflexive opposition to the temporary dislocations that may be caused by the transition to fully competitive telecommunications markets must not be permitted to overshadow the tremendous benefits that competition will bring, and which Congress has correctly determined are in the national interest. In the end, both regulators and carriers have the same goal: to provide services to end users in the most efficient manner possible. AT&T stands ready to assist the Commission and state commissions in helping to achieve that goal.

While the task ahead may seem daunting, many of the proposals in the NRO NPRM have been fully vetted by the industry and, in many cases, a substantial body of standards and guidelines already has been developed. To the extent possible, the Commission should rely upon

the significant work that has been performed. That industry support, together with the input from all interested parties in this proceeding, should permit the Commission to act expeditiously on this crucial matter.

I. THE COMMISSION IS THE ENTITY BEST POSITIONED TO ENSURE THAT ALL CARRIERS HAVE ADEQUATE ACCESS TO NUMBERING RESOURCES AND TO EXTEND THE LIFE OF THE NORTH AMERICAN NUMBERING PLAN

In 1996, the United States Congress passed landmark legislation designed to open for the first time local telecommunications markets to competition.^{2/} Together with bold steps taken by the Commission and numerous states, the 1996 Telecommunications Act has provided the incentive and means for new competitors across the nation to bring to consumers the benefits of innovation, better service, lower prices, and wide array of new technologies.

Regrettably, however, the system by which telephone numbers are allocated to carriers remains a legacy of the old monopoly environment. In many major cities today, carriers are facing number rationing and the prospect of being unable to serve new and existing customers. This problem is especially acute for new entrants and wireless carriers, who unlike the incumbent local exchange carriers (“ILECs”), do not have stores of numbers available in every rate center in their territories.^{3/} State regulators, for their part, are consistently finding themselves in the unenviable position of having to explain the implementation of yet another new area code to

^{2/} Telecommunications Act of 1996 Pub. L. No. 104-104, 110 Stat. 56 (codified in scattered sections of 47 U.S.C.).

^{3/} Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Second Report and Order and Memorandum Opinion and Order, 11 FCC Rcd 19392, 19519 ¶ 289 (1996) (“Second Local Competition Order”) (“Incumbent LECs have an advantage over new entrants when a new code is about to be introduced, because they can warehouse NXXs in the old NPA.”).

consumers. At the same time, both the industry and regulators are looking apprehensively down the road to the possible exhaust of the North American Numbering Plan ("NANP").

While there has been a considerable amount of finger pointing, neither the industry, the states, nor the federal government is to blame for this situation. Current numbering problems are not a result of faulty enforcement or an inappropriate division of responsibility among regulators. Rather, the process of moving from the monopoly-designed allocation regime to one that takes into account new competitors and new technologies has proven more complicated and burdensome than anyone envisioned. This transition requires the development of technical standards, software, hardware, regulations, and industry guidelines. Most importantly, it requires the Commission to take the leadership role that Congress assigned it in Section 251(e) of the Act to guide numerous parties with often disparate agendas to a solution that is practical, effective, and competitively neutral.

The comprehensive NPRM issued in this proceeding is thus both timely and welcome. AT&T does not believe, however, that every issue on which the Commission has sought comment need be resolved at once. To the contrary, the Commission should take care not to become bogged down by proposals that present particularly difficult technical issues or ones that have little potential to delay NANP exhaust. Rather, the Commission should act first on solutions that hold the greatest promise for prompt relief and have been most fully developed. In particular, as shown below, expeditious action on thousands block number pooling for technically capable carriers is essential.

Now would be an especially inopportune moment for the Commission to delegate its administrative responsibilities to the states.^{4/} Congress wisely granted the Commission sole jurisdiction to maintain a uniform national system to administer numbering resources, and to thereby ensure the continued interoperability and efficiency of the nation's telecommunications infrastructure. The Commission has consistently and properly retained this plenary authority while making specific, limited delegations of authority to state commissions.^{5/}

By retaining federal authority over numbering administration, Congress has recognized an inexorable truth – an efficient and effective nationwide numbering plan must be centrally administered pursuant to national standards.

^{4/} Remarks of Chairman William E. Kennard Before the National Association of Regulatory Utility Commissioners, San Francisco, California, July 20, 1999, as reported in Communications Daily, July 20, 1999.

^{5/} In the Matter of Petition for Declaratory Ruling and Request for Expedited Action on the July 15, 1997 Order of the Pennsylvania Public Utility Commission Regarding Area Codes 412, 610, 215, and 717, Memorandum Opinion and Order and Order on Reconsideration, 13 FCC Rcd 19009, 19025 ¶ 23 (1998) (“Pennsylvania Order”) (reiterating the Commission's sole responsibility to implement national numbering policy while delegating limited authority for states to implement code rationing in certain circumstances); Second Local Competition Order, at 19512 ¶ 271 (retaining the “authority to set policy with respect to all facets of numbering administration” while authorizing states to resolve matters involving implementation of new area codes).

The U.S. Supreme Court's recent decision affirming the Commission's authority to prescribe rules and regulations implementing the local competition provisions of the Telecommunications Act of 1996 further supports the Commission's conclusion that Section 251(e) gives it plenary authority over numbering administration. AT&T Corp. v. Iowa Utilities Board, 119 S.Ct. 721, 729 (1999) (citing section 201(b) of the Communications Act as giving the Commission the authority necessary to carry out the provisions of the Act, including the local competition provisions of sections 251 and 252).

The Commission has repeatedly affirmed that a system comprised of varying state regimes for number administration would result in significant societal and economic costs.^{6/} Moreover, the Commission has recognized that inconsistent regimes pose a serious threat to the integrity of the NANP. Indeed, state-by-state numbering administration epitomizes the Supreme Court's observation that "a federal program administered by 50 independent state agencies is surpassing strange."^{7/} The Commission has correctly and repeatedly found that permitting state commissions to proceed with certain numbering administration measures "on a piecemeal basis" could "jeopardiz[e] telecommunications services throughout the country."^{8/} There is simply no reasoned basis to abandon these precedents.^{9/}

While several state commissions have requested that the Commission delegate additional authority over numbering, some have, at the same time, failed to adhere to the Commission's existing rules, apparently in expectation that they will soon be permitted to go their own way on

^{6/} See, e.g., Second Local Competition Order at 19533 ¶ 320 (1996); Pennsylvania Order at 19022-24 ¶ 21.

^{7/} AT&T v. Iowa Utilities Board, 119 S.Ct. at 730, n.6.

^{8/} Pennsylvania Order at 19022 ¶ 21; 19028 ¶ 28.

^{9/} It is well-settled that in order to depart from its policies regarding number administration, the Commission must "supply a reasoned analysis for the change beyond that which may be required when" it adopted that course in the first instance. Motor Vehicle Mfrs. Assn. v. State Farm Mut. Auto Ins. Co., 463 U.S. 29, 43 (1983). State Farm's holding is applicable not only to a decision to rescind an order, but whenever an agency "departs significantly from its own precedent" or "chang[es] its course." Citizens Awareness Network v. United States Nuclear Regulatory Commission, 59 F. 3d 284, 290 (1st Cir. 1995) (citing State Farm, 463 U.S. at 42); accord, e.g., Davila-Bardales v. INS, 27 F.3d 1, 5 (1st Cir. 1994); Central States Motor Freight Bureau v. ICC, 924 F.2d 1099, 1110 (D.C. Cir. 1991). Similarly, the Supreme Court has found that "[a] settled course of behavior embodies the agency's informed judgment that, by pursuing that course, it will carry out the policies committed to it by Congress. There is, then, at least a presumption that those policies will be carried out best if the settled rule is adhered to." Atchison, T. & S.F.R. Co. v. Wichita Bd. of Trade, 412 U.S. 800, 807-08 (1973).

numbering policy. For example, the California Public Utilities Commission recently suspended implementation of a new area code overlay in Los Angeles just weeks before it was scheduled to go into effect, citing “the potential for more innovative technical and jurisdictional tools to address area code relief.”^{10/} AT&T has similarly faced threats to its ability to access numbers in other jurisdictions.

There is no evidence that any state commission is in a better position than the Commission to act quickly on number optimization mechanisms or that such measures would be effective when a code is at or near exhaust. AT&T would not oppose the targeted delegation of authority to a state commission in response to a specific, detailed proposal, which is competitively neutral and otherwise reasonable. Indeed, as it has previously stated, AT&T would be willing to assist state commission efforts to develop such proposals. Experience has demonstrated, however, that attempts to avoid implementing NPA relief in the hope that rationing and other conservation measures will obviate the need to implement such relief are sorely misguided.^{11/} Across the country, carriers facing imminent NXX exhaust in multiple NPAs are confronting efforts to resolve jeopardy situations through ad hoc number conservation measures that cannot ensure an adequate supply of numbers. It is specifically to avoid such situations that the Commission has ruled that a relief plan must be in place before certain

^{10/} Order Instituting Rulemaking on the Commission’s Own Motion into Competition for Local Exchange Service, Rulemaking 95-04-043, Interim, Opinion, at 8 (rel. June 24, 1999) (“CPUC Suspension Order”).

^{11/} Such activity led to a disastrous situation in Pennsylvania. The Pennsylvania Public Utilities Commission (“PAPUC”) implemented conservation measures in lieu of area code relief until the advent of number exhaust compelled the PAPUC to reconsider and initiate conventional relief for area codes 717 and 215/610. See Pennsylvania Order at 19017-20, ¶¶ 12-17. The actions of the PAPUC prompted the Commission to issue the Pennsylvania Order clarifying the role of state commissions in numbering administration. Id. at 19022, ¶ 20.

rationing and conservation measures are implemented.^{12/} And it is specifically to avoid such situations that the Commission has required state commissions to obtain approval of number conservation efforts that fall outside the authority it has previously delegated to them, rather than permitting them to implement such programs at will.^{13/}

Rather than risk derailing the development of an effective solution to the nation's numbering problems by permitting states to create a patchwork of burdensome and ultimately inadequate regulations, AT&T urges the Commission to retain its numbering administration authority and act quickly to enhance the tasks set forth in this proceeding. If the Commission sets the pace and provides the necessary guidance for the industry and the states, then all parties working together can forestall exhaustion of the NANP and ensure that American consumers are able to realize the benefits that result from robust competition in the telecommunications marketplace.

II. THE COMMISSION SHOULD ADOPT ADMINISTRATIVE POLICIES THAT ARE BOTH FLEXIBLE AND EFFECTIVE

AT&T agrees that consumers and carriers alike will benefit from greater discipline in the allocation and administration of numbering resources.^{14/} In this regard, the Commission's goal of instituting procedures that will increase the efficiency with which carriers use numbers by tying allocation of new numbering resources to need, increasing carrier accountability for number

^{12/} Id. at 19025-26 ¶¶ 24, 26 (“State commissions may not use conservation measures as substitutes for area code relief or to avoid making difficult and potentially unpopular decisions on area code relief.”).

^{13/} See Id. at 19030 ¶ 31.

^{14/} See NRO NPRM at ¶ 38.

utilization, and speeding the return of unused codes is laudable.^{15/} The Commission need not, however, create these procedures from scratch. The Commission can rely upon, and modify where necessary, existing industry definitions, guidelines, and procedures, to fashion more effective number administration procedures. Existing guidelines are especially effective because they were developed through industry consensus and have been modified based on real-world experience. Similarly, current frameworks are flexible enough to account for quickly changing circumstances.

A. Use of Industry Guidelines will Ensure Uniform National Standards

The Commission should continue to ensure uniform national standards, and should rely, to the maximum extent possible, on industry-developed guidelines rather than attempting to codify every measure. As has been the practice in prior proceedings, the Commission can utilize industry guidelines, and can modify or enhance those guidelines with regulations or recommendations from the North American Numbering Council (“NANC”) when necessary.^{16/} Experience shows that the NANC can resolve complex policy issues, thereby facilitating the Commission's numbering policies.^{17/} The NANC’s carefully balanced membership represents the numbering interests of service providers, users, and regulators throughout the states and countries

^{15/} See NRO NPRM at ¶ 37.

^{16/} See, e.g., In the Matter of Administration of the North American Numbering Plan, Third Report and Order, 12 FCC Rcd 23040, 23087 ¶ 95 (1997) (“NANPA Order”) (providing that the NANPA should follow “Commission rules and regulations and the guidelines developed by the INC and other industry groups” for numbering administration with the Commission addressing disputes initially or upon recommendation from the NANC); See also In the Matter of Telephone Number Portability, Second Report and Order, 12 FCC Rcd 12281, 12283 ¶ 3 (1997) (“LNPA Order”).

^{17/} See NANPA Order at 23087 ¶ 95 (“[T]he NANC, proceeding at a rapid pace to solve technically complex issues . . . has greatly facilitated the Commission’s work in numbering.”).

served by the NANP. By working to achieve consensus, the NANC has expedited the process of investigating and analyzing number resource optimization methods. This process would have been considerably longer if undertaken exclusively through traditional rulemaking.

Although national standards should govern number administration, state commissions have a vital role to play in the implementation of national policies. As the Commission recently stated:

[t]he Commission, the state commissions, and the industry should work together to bring about as quickly as possible national methods to conserve and promote efficient use of numbers that do not undermine that uniform system of numbering. Such attempts, however, cannot be made on a piecemeal basis without jeopardizing telecommunications services throughout the country.^{18/}

Authority delegated to state commissions over the administration of numbers should be carefully delineated to ensure that the integrity and consistency of the NANP is not compromised.

B. The Commission Should Adopt Flexible Telephone Number Status Definitions that Reflect Current Industry Practices

The Commission correctly concludes that a uniform set of definitions for the status of numbers is essential to effective communication among carriers, the North American Numbering Plan Administrator (“NANPA”), and regulatory entities. Rather than codify these definitions in the Commission’s rules, AT&T believes that they should continue to be incorporated into the Industry Numbering Committee (“INC”) Central Office Code (“CO Code”) and Pooling Administration Guidelines. This will facilitate the process of updating the definitions as

^{18/} See Second Local Competition Order at 19520 ¶ 291.

circumstances change. AT&T's comments on specific number status definitions are set forth below.^{19/}

- Administrative Number. AT&T supports the categories of numbers defined by the Commission as "Administrative." In its more recent guidelines, the INC has made changes in these definitions, which AT&T supports.
 - Test numbers. AT&T currently reserves for testing purposes 10 numbers in each NXX it receives. For its local services, AT&T retains six numbers per switch in an NPA for testing, but generally returns these numbers to the assignable pool over time. AT&T Wireless Services, Inc. ("AWS"), a division of AT&T, typically designates, at most, a handful of 10-digit numbers from a given NXX, for testing purposes.

For the remaining administrative number categories, AT&T supports the categories, as defined and agreed upon by the INC.

- Aging numbers. For its local business services, AT&T's standard aging interval is 180 days. The aging interval for local residential service is 90 days. AWS currently uses 90 days as a standard aging interval for its wireless services. AWS has shortened that interval when its number inventory drops perilously low, and when dictated by jeopardy procedures. AT&T supports the aging intervals previously developed by the NANP Working Group, and being considered for incorporation into the INC guidelines.
- Dealer number pools. AT&T considers numbers in dealer number pools as available for assignment. The size and use of dealer number pools should be monitored by the service provider to ensure that inventory is being used efficiently, and that numbers not used within a reasonable time frame are reclaimed. The INC has agreed to treat dealer number pools as available numbers.^{20/}
- Ported-out numbers. NXX code holders would consider ported out numbers as unavailable for assignment, and thus utilized. The number is in use as long as it is ported to another carrier. Once disconnected, it "snaps back" to the code holder

^{19/} Rather than burden the record with comments on every definition proposed by the Commission, AT&T has specified only certain definitions for which it has particular proposals or information that might be useful.

^{20/} Consensus on the status of numbers in dealer number pools was reached at the CO NXX Workshop meeting held February 25-26 in Walnut Creek, CA. The Workshop also proposed adding this language to the definition of "Telephone Numbers ("TNs") available for assignment" in the CO/NXX Guidelines Glossary and in the Pooling Guidelines Glossary.

after an appropriate aging period. The number should only be counted once, and it should be counted by the code holder, not the ported-to carrier.

- Reserved Number. For reporting purposes, reserved numbers should be considered available for assignment. Such a designation would assuage concerns that carriers can use the “reserved number” category to hoard or hide numbers, and would obviate the need to limit the types of numbers that can be classified as reserved or the time frame during which they can be reserved. Reserved numbers would be designated “not available for assignment” only within carrier-customer CARE systems.
- Soft dial tone. AT&T supports the industry agreement to treat soft dial tone numbers as available for assignment.^{21/} For wireline, soft dial tone numbers are assigned to terminal equipment, not a specific customer, and can be reassigned. AWS dealers often program wireless handsets with dealer pool numbers prior to sale. Because wireless handsets must be capable of reaching 911 with or without a subscription, it is logical that soft dial tone and dealer number pool numbers be treated the same, and considered available for assignment to a customer.
- Working Telephone Number. The Commission correctly notes that the definition of “working telephone number” overlaps with that of “assigned number.”^{22/} In fact, the INC agreed to remove the definition of working telephone number from the INC CO Code Guidelines glossary. The Commission is also correct that, to the extent the definition of “working telephone number” includes temporary local directory numbers (“TLDNs”), it is inconsistent with the “assigned number” definition.^{23/} The INC has agreed that TLDNs should be considered administrative numbers unavailable for assignment. In light of the already comprehensive set of status definitions (e.g., assigned, administrative, aging, reserved) currently agreed to by the industry, there is no reason to include a “working telephone number” within that set.

C. Some Additional Documentation and Certifications Should be Required To Justify Initial and Growth Codes

The NPRM seeks comment on whether it should impose certain verification measures designed to ensure that carriers do not request codes from the NANPA that they do not need in

^{21/} This agreement was reached at the Interim INC CO/NXX workshop held February 25-26, 1999, and was to have been reflected in the definition of TNs Available for Assignment.

^{22/} NRO NPRM at ¶ 53.

^{23/} Id.

the near term.^{24/} AT&T agrees that carriers should be required to retain in their records verifiable documentation of their need for initial codes. This documentation should be of the type that would support the current INC notation in Section 6.1.2 of the Applications Process in the CO Code Guidelines, which requires that “interconnection arrangements and facilities need to be in place prior to activations of a code.” Carrier documentation that would support efforts to achieve this objective would include trunk or facilities orders or interconnection agreements. Requiring the carrier to retain such records and make them available upon request would help ensure that verification procedures are not so burdensome that they would delay market entry or put the FCC or the NANPA in the position of assessing the reasonableness of a company’s business plan.

When a carrier is seeking growth codes, AT&T believes that need can be adequately demonstrated through submission of the current Months-to-Exhaust worksheet. This worksheet requires carriers to identify their numbers that remain available in a rate center, and to provide a month-by-month utilization report for the previous six months, as well as a month-by-month forecast of need for the next twelve months. Contrary to the Commission’s characterization, use of a months-to-exhaust mechanism is not strictly “forward looking, largely subjective, and dependent on carriers’ good faith projections.”^{25/} In fact, provision of the usage information on the Months-to-Exhaust worksheet allows for verification and cross-checking to determine if the forecast of need is out of alignment with recent demand.

The CO Code Administration Guidelines should be modified in one respect. Specifically, the CO Guidelines currently allow service providers to maintain a twelve-month inventory under

^{24/} See NRO NPRM at ¶¶ 58, 60.

^{25/} Id. at ¶ 61.

normal conditions, that is, when an NPA is not “in jeopardy.” The Pooling Guidelines permit a carrier to maintain only a nine-month inventory. To harmonize the conflicting guidelines, the permissible carrier inventory for NXX codes during non-jeopardy situations should be reduced to nine months.

AT&T believes that the rate center-specific months-to-exhaust verification method is far superior to using a percentage utilization factor.^{26/} Utilization thresholds could both impede number conservation efforts and interfere with a carrier’s ability to meet customers’ demands for new services. Such requirements are problematic because utilization thresholds bear little relationship to the date at which a carrier should reasonably be expected to need additional numbers.^{27/} A carrier may meet a utilization threshold before it has a legitimate need for additional codes or may need additional codes to meet demand before it reaches the utilization threshold. For these and other reasons, the INC has rejected utilization thresholds in favor of the months-to-exhaust forecasting mechanism. Using the months-to-exhaust mechanism, the INC constantly strives to address the problem of carriers receiving unnecessary numbers. For instance, the current INC guidelines place limits on the number of growth codes a carrier can

^{26/} Id. at ¶ 62.

^{27/} By way of example, assume two carriers have five NXX codes each in a particular rate center. Carrier A has an activation rate of 1000 subscribers a month and expects that rate to stay constant for the next six months. Carrier B is activating 5000 customers a month. Under a utilization threshold of 70 percent, Carrier A could request new numbers when it still has 15,000 numbers and 15 months to exhaust. Carrier B, however, would not be able to request an additional code until it reached three months to exhaust. Given that it takes 66 days to activate a code in the LERG, Carrier B would have just enough time to activate a new code before it ran out of numbers. There are significant administrative costs to carriers associated with “just-in-time” number management such as that facing Carrier B – costs that Carrier A would not be forced to bear. Moreover, permitting Carrier A to order new codes long before its projected exhaust would run directly counter to number optimization efforts.

request.^{28/} In an effort to further tighten these requirements, the INC has agreed to require the Months-to-Exhaust Worksheet to be provided with all growth code requests.

The months-to-exhaust forecasting mechanism also fosters administrative efficiency. It can be easily applied to all carriers under the same terms and conditions without the administrative burden of creating different utilization percentage requirements for different classes of carriers based on size or growth rates.^{29/} Moreover, current months-to-exhaust methods allow exhaust criteria to be reduced in jeopardy situations from twelve to six months, or less under extraordinary circumstances. Forecasting also considers the differences between large and small markets, and urban and rural areas. If growth in a given area is slow, and historic data does not justify additional codes, carriers will not qualify for growth codes for those rate centers.

If the Commission nonetheless decides to adopt utilization thresholds, they should be based on rate centers, not NPAs.^{30/} All carriers, including wireless carriers, are required to designate a rate center for each NXX code request. The assigned numbers are generally used within a specific geographic area, and are not interchangeable between rate centers. As a result, the rate center designation is critical to call rating and effectively limits the use of the code. Moreover, the rate center designation identifies carrier use of NXXs, and inherently addresses

^{28/} In non-jeopardy situations, each code holder must certify that existing codes will exhaust within twelve months and must retain documentation of the numbers currently in its inventory, its growth history for the preceding six months, and projected demand for the next twelve months. See INC Central Office Code (NXX) Assignment Guidelines, 95-0407-008, at § 4.2.1 (Reissued January 1999) (“CO Assignment Guidelines”).

^{29/} See NRO NPRM at ¶ 68. The question posed regarding the impact of utilization percentages on small carriers and new entrants highlights the complexity of implementing this model. Calculating months-to-exhaust by rate center automatically accounts for the differences in carrier size and longevity and treats all carriers equally.

^{30/} Id. at ¶ 66.

variances in NXX use patterns. The fact that a carrier may have numbers available in one rate center provides no information as to whether numbers are available to it in another rate center, and thus utilization measures that average fill rates across more than one rate center would simply be arbitrary.

The Commission's proposed utilization threshold calculation -- divide unavailable numbers by total numbers assigned to a particular carrier, and multiply by 100 -- is appropriate.^{31/} The industry's agreement, reached in February of 1999, to deem soft dial tone and dealer pool numbers as numbers available for assignment -- together with AT&T's proposal to count reserved numbers as unavailable for assignment -- should largely alleviate the Commission's concerns that this calculation would provide carriers with the means to stockpile numbers. Similarly, given the shortage of numbers in most rate centers, AT&T does not believe that carriers will allocate unreasonable quantities of numbers to resellers. As the NANC previously suggested, resellers should be required to report their utilization and forecast information to the underlying carrier, which will in turn pass it on to the NANPA.^{32/} This will help keep administrative costs down by avoiding the need for the NANPA to track every reseller's inventory and forecasts. AT&T stresses, however, that the underlying carrier's role must be limited to that of conduit for reseller data. Because of competitive concerns, the facilities-based carrier should have no responsibility for policing or verifying a reseller's compliance with any numbering requirements, including reporting obligations.

^{31/} NRO NPRM at ¶ 64.

^{32/} The NANC is currently finalizing its proposals for reseller reporting and forecasting.

Finally, AT&T supports the Commission's proposal to exclude new NXXs from utilization calculations. Especially in the case of wireless carriers, seasonal fluctuations in demand for services could penalize carriers who are unable to use new NXXs immediately. In addition, carriers that have not reached the established utilization threshold should nevertheless be able to request additional numbers upon bona fide request based on historical activation data or other credible evidence.^{33/} AT&T points out that the need to add these layers of complexity and administrative burden would be completely avoided by using the months-to-exhaust model.^{34/}

D. The Commission Should Adopt the NANC's Recommendation To Replace the Central Office Code Utilization Survey, and Should Resist Efforts To Institute More Frequent and More Detailed Reporting Requirements

AT&T has supported and continues to support Commission efforts to develop better tools for analyzing current number usage and for forecasting future numbering needs. AT&T has actively participated in the Numbering Resource Optimization Working Group ("NRO-WG") team as it endeavors to find the successor to the current Central Office Code Utilization Survey ("COCUS") processes. In this regard, AT&T proposed the "minimalist" method, which was designed to balance data collection costs and forecast accuracy. The industry committee used that method, together with techniques proposed by other companies, to design the "hybrid"

^{33/} Illinois, to the best of AT&T's knowledge, the only state to adopt a utilization threshold, recognized the inherent limitation associated with such a plan and created an exception process based on forecasted demand. See Citizen Utility Board, Petition to Implement a Form of Number Conservation known as Number Pooling within the 312, 773, 847, 630, and 708 Area Codes; Illinois Bell Telephone Company, Petition for Approval of an NPA Relief Plan for the 847 NPA, Nos. 97-0192, 97-0211, Order of the Illinois Commerce Commission, at 26 (rel. May 6, 1998).

^{34/} See NRO NPRM at ¶ 65.

approach that was accepted by a NANC consensus. AT&T fully supports the NANC recommendation as presented in the June 30, 1999 COCUS Report.^{35/}

1. The Commission Should Adopt the NANC's COCUS Recommendation

AT&T supports the NANC COCUS Report in its entirety.^{36/} As the NANC proposed, the NANPA should be designated as the entity to collect all COCUS data and analyze the results for the Commission and the industry.^{37/} Because the NANPA is now an independent third party, carriers' former concerns about privileged marketing data being revealed to competitors should be significantly alleviated. AT&T also agrees that state commissions should be allowed access to aggregate COCUS data so that they may undertake the numbering tasks specifically delegated by the Commission. Giving states access to aggregate data would lessen the administrative burdens associated with varied state reporting requirements, and the uncertainty that would result from the lack of adherence to standard definitions. It would also mitigate confidentiality concerns raised by state freedom of information laws.^{38/}

Requiring all carriers to respond to requests for COCUS data is the most expedient way to improve forecasting accuracy. If the Commission deems it necessary, AT&T would support a

^{35/} Recommendation of the North American Numbering Council Concerning the Replacement of the Central Office Code Utilization Survey, filed June 30, 1999 ("NANC COCUS Report").

^{36/} See Public Notice, Common Carrier Bureau Seeks Comment on North American Numbering Council Recommendation Concerning Replacement of Central Office Code Utilization Survey, NSD File No. L-99-51 (rel. July 1, 1999) (instructing interested parties to include comments on the NANC's report in their comments submitted on the NRO Report).

^{37/} NRO NPRM at ¶ 73.

^{38/} It has been AT&T's experience that some state commissions are unable, due to state freedom of information requirements, to guarantee that sensitive information submitted to them can be kept out of the hands of competitors.

Commission order mandating COCUS data submission to the NANPA.^{39/} AT&T cautions, however, that adequate time must be permitted to establish and implement the number status definitions proposed in this proceeding in order to permit cost-effective implementation of the COCUS improvements. The use of multiple classifications for numbers will require system modifications over and above the new mechanisms that will be required to transmit data in a mechanized format to the NANPA.

Although carriers and the NANPA will have to execute numerous process changes to accommodate the NANC's proposals, AT&T suggests that the time frame to implement the new COCUS process should fall closer to the low end of the NANC's recommended interval (i.e., eighteen months instead of 36 months). To put carriers on notice of this requirement, the Commission should issue an order promptly dictating the expected time frame for implementation.

Because a single data collection method for all carriers, regardless of size, could place an unreasonable burden on smaller carriers, carriers with a small number of NXX codes, perhaps ten, should be allowed to submit data to the NANPA in paper form for eventual conversion into an electronic form by the NANPA. As far as overall costs are concerned, AT&T is confident that the industry can develop an affordable COCUS system. The element of cost should not, however, impede the rapid implementation of a suitable COCUS replacement. Methods currently in place, such as the NANPA's allocation of numbering costs, should allow for the fair distribution of fixed costs across the industry. Similarly, while the industry's potential consideration of vendors other than the NANPA to perform data collection and analysis

^{39/} NRO NPRM at ¶ 73.

functions might be appropriate in the future, it should not be allowed to hinder implementation of the NANC COCUS Report.

2. The Commission Should Not Adopt Reporting Requirements that are Too Frequent or Too Detailed

The purpose of utilization data is to forecast area code exhaust. Therefore, provision of such data at the NPA-NXX level should be sufficient. More detailed reporting, for instance at the rate center level, need only be conducted when pooling is implemented in a particular rate center. Similarly, thousands-block level data should not be required until, or shortly before, pooling implementation. With existing support systems and capabilities, reporting at the thousands-block level is costly and administratively burdensome. For most carriers, thousands-block level reporting is a manual process that requires the acquisition of special reports, and the manipulation of data in response to varied requests. Until pooling is put in place, imposing this burden on carriers would not be justified.

Similarly, AT&T supports the submission of semi-annual COCUS reports. This would help ensure that the current pace of number use does not render data stale before it can be properly analyzed. AT&T sees no basis, however, for requiring carriers to report usage and forecasts on a quarterly basis. There is not enough change in a three-month period to place this type of burden on carriers. Twice yearly reporting plus the collection of data when jeopardy is first declared in an area code should be sufficient to meet the administrative needs of the NANPA and the Commission.

E. AT&T Supports the Current NANC Plan for Auditing Carriers' Use of Numbering Resources

The NANC's NANPA Oversight Working Group currently is developing a comprehensive audit "framework", which will be provided to the INC for incorporation into the

appropriate guidelines. The Commission has directed the NANC to supply a progress report regarding this work to the Common Carrier Bureau by July 30, 1999. Before the Commission attempts to create its own audit rules and policies, it should examine the NANC plan and provide interested parties with the opportunity to comment on the plan. AT&T anticipates that the NANC proposal will provide a workable, effective set of guidelines.

AT&T agrees with the Commission that audits are the best way to verify the validity and accuracy of utilization data submitted by carriers and that they may serve as a powerful deterrent to noncompliance with rules or guidelines. Accordingly, AT&T supports “for cause” audits, which would be triggered when there is reason to believe that a carrier is not compliant with reporting or other requirements. Similarly, AT&T agrees that subsequent follow-up audits should be conducted for carriers that have previously failed to comply with applicable guidelines.

The Commission must be very clear, however, as to the circumstances that would trigger “for cause” audits, and the entity that would decide whether such an audit is warranted. Because of the burden and expense that audits place on carriers and regulators, the Commission should request recommendations from the NANC on guidelines for triggering and conducting “for cause” audits.

Similarly, while AT&T is not opposed to random audits, any requirements for such audits must be clearly defined, and should be adopted only after the Commission weighs the costs of random audits against their potential benefits. In light of the number of service providers currently using numbering resources, the odds of any particular carrier becoming subject to a random audit are fairly low. Therefore, it is not evident that the program would have the desired deterrent effect.

While scheduled audits may have more impact on carrier behavior, it is not evident that such a program would be practical. If the Commission attempts to audit the more than 3000 service providers over a three-year period, it would have to conduct almost five audits per day. If the audits are sufficiently in-depth to provide the necessary information, their costs could be substantial. In lieu of scheduled audits, AT&T suggests that the Commission make the submission of COCUS data mandatory, as the NPRM proposes,^{40/} and then rely on those reports to determine whether a "for cause" audit is warranted.

With regard to audit responsibility, AT&T believes that, for those audit responsibilities not covered by NANPA requirements, a neutral or third party should be chosen pursuant to a competitive bidding process, in which the current NANPA could participate. Although the Commission is the most qualified entity to conduct audits, taking on such responsibility would add an administrative burden that the Commission may not have adequate resources to manage. All audits, however, should be performed pursuant to uniform guidelines promulgated either by the NANC or the Commission.

F. The Existing Enforcement Process is Effective and the Commission is the Appropriate Body To Administer Sanctions

1. Complaints About the Current Enforcement Mechanism are Unwarranted

The Commission has established the appropriate framework for enforcement. After an informative process of public comment, the NANPA Order established a "streamlined" dispute resolution mechanism by which issues are brought first to the NANPA, then to the NANC, and

^{40/} NRO NPRM at ¶ 73.

then to the Commission's Common Carrier Bureau.^{41/} Although some state commissions have complained that the NANPA is not enforcing industry guidelines, or that the guidelines are otherwise failing,^{42/} no party has yet attempted to invoke the established procedures.

Opposition to the current scheme is simply misplaced. The NANPA Order expressly recognizes that the NANPA's role is limited, and that it "should apply its expertise to interpreting and applying existing decisional principles, but that it should not make policy or create the equivalent of new guidelines."^{43/} The order explicitly contemplates that disputes requiring more than a simple application of the NANPA's "binder of decisional principles" should be referred to the NANC.^{44/} If the states or other parties believe that certain carriers are violating industry guidelines, the Commission has established a process for resolving such claims. The Commission's system is designed to handle disputes in an expeditious and rational manner. If an impasse is reached, the Commission can be counted on to intervene and reach a quick solution.

2. The Commission Should Levy the Appropriate Sanctions for Carriers' Intentional Misrepresentations Regarding Number Usage

AT&T agrees that the NANPA should not provide codes when a carrier has failed to supply complete information, or when information is known to be incorrect.^{45/} Once a carrier

^{41/} See 47 C.F.R. § 52.11(c); NANPA Order at 23088 ¶¶ 96-97.

^{42/} See New York Department of Public Service Petition for Additional Delegated Authority to Implement Number Conservation Measures, NSD File No. L-99-21, filed Feb. 19, 1999, at 15-16 ("NYPDS Petition"); Maine Public Utilities Commission Petition for Additional Delegated Authority to Implement Number Conservation Measures, NSD File No. L-99-27, filed March 17, 1999 ("MPUC Petition").

^{43/} NANPA Order at 23088 ¶ 96.

^{44/} Id.

^{45/} NRO NPRM at ¶ 92.

corrects an inaccurate or incomplete submission to the NANPA, it should be permitted to obtain a code. The NANPA was not designed to be and should not be placed, however, in an investigatory or enforcement role. As set forth in the NANPA Order, enforcement authority, including the authority to impose sanctions, is rightfully vested in the Commission.^{46/}

Penalties should not be imposed for inaccurate forecasts unless a carrier is found to have committed intentional misrepresentation or fraud. Forecasting, by its nature, requires carriers to estimate projected demand, and the market for telecommunications services is extremely volatile. To penalize a carrier for inaccurate projections would be unreasonable, and could chill market entry by encouraging carriers to “aim low” for fear of incurring fines. However, in the event a carrier is found to have engaged in intentional misrepresentation, fines would be appropriate. Such fines must be substantial enough to deter violations, but not so draconian that the Commission would be reluctant to enforce them.^{47/} Denying access to numbers as a punishment is analogous to revoking a carrier’s licenses, and would be unreasonable except in extreme cases, or to punish repeat offenders.^{48/} It also generally would not be in the public interest to deny a carrier the ability to compete in a particular rate center, as that would reduce the overall level of competition.

^{46/} NANPA Order at 23088 ¶ 97.

^{47/} To ensure regularity in the imposition of fines, the Commission should be the arbiter of fines, based on recommendations from the NANC and according to process established in NANPA Order.

^{48/} See NRO NPRM at ¶ 93.

State commissions have a vital role to play in the enforcement process, and are uniquely qualified to bring suspected misconduct to the attention of the NANPA.^{49/} Given their familiarity with the local marketplace and practices, state commissions also are in an excellent position to recommend sanctions to the Commission. These commissions should not be permitted, however, to determine or administer sanctions. State-imposed sanctions would result in a patchwork of potentially conflicting state rulings and corresponding regulatory uncertainty.

G. Centralization of Code Reclamation Procedures With a Neutral Third Party is Essential

The Commission correctly points out that reclamation and reuse of unactivated NXX blocks is perhaps one of the quickest and easiest methods of number optimization. Nevertheless, the Commission should not make wholesale changes to the code reclamation procedures set forth in the CO Code Guidelines at this time. The Commission's primary goal should be to ensure that reclamation does not thwart competitive entry. In addition, to avoid the confusion and discrimination that would be caused by state-by-state enforcement, the Commission should keep code reclamation authority in the NANPA.

1. Modifications to the Code Activation Requirements are Unnecessary

The NPRM tentatively concludes that the CO Code Guideline's definition of placing a code "in service" should be clarified to mean not just activation of the code through the transmission of local routing information to the Local Exchange Routing Guide ("LERG"), but also that the carrier has begun to activate and assign to end users numbers within the NXX

^{49/} It also is generally not in the public interest to deny a carrier the ability to compete in a particular rate center.

code.^{50/} Although it is somewhat unclear, AT&T believes that the current definition of “in-service” can read to require that carriers have begun to activate and assign numbers from the NXX code to end users.

Under the INC glossary, an “in service” code is defined as an “active” code in which specific subscribers or services are utilizing assigned telephone numbers. The date identified in the LERG as the “effective date” is the date on which the requesting carrier expects the code to be needed to provide service to customers. Therefore, by the effective date, all network translations and rating databases must be completed to ensure that the code is ready for testing and for assignment of a telephone number to a customer. Once the code is “activated” (placed in service) through assignment of a telephone number to a customer, the carrier is required to provide a “Part 4” (Confirmation of Code Activation) form to the code administrator as notification that the code is now “in service.” In AT&T’s view, the current process for code activation appears to be fully consistent with the Commission’s proposed clarification.

2. The Commission Should Not Alter the Time Frame for Code Reclamation Except for Grant of Extensions Under Certain Circumstances

The Commission’s should reject the NPRM’s proposal to modify the CO Code Guideline’s reclamation procedures to require the NANPA to initiate code reclamation within 60 days of expiration of the assignee’s applicable “code in-service” deadline rather than six months

^{50/} NRO NPRM at ¶ 98.

after that date.^{51/} When a new carrier enters the market, it often requires three to six months of tests and trouble-shooting to ensure that its network and interconnections operate reliably. If a CLEC is commencing service in a metropolitan area in which the ILEC has established several hundred rate centers, it is highly unlikely that this testing could be accomplished within 60 days.

A 60-day interval would also leave many carriers, especially wireless providers, with an insufficient supply of numbers to serve customers during peak demand periods (e.g., holidays). Because the period from code request to LERG effective date is at least 66 days, carriers cannot be caught during these periods with an inadequate number inventory. To avoid these situations, carriers generally carry a six-to-twelve-month inventory of number resources.

While a six-month reclamation interval is consistent with the need to maintain adequate inventories, AT&T believes that the CO Code Guidelines should be modified to give carriers an extension of the reclamation date under certain circumstances. In particular, if a carrier has only one code within a rate center where it is offering or preparing to offer service, as demonstrated by facilities on order or in place, that carrier should be granted, upon request, additional time to place the code in service.

This accommodation is necessary to support competitive entry. CLECs need to establish a "footprint" in an area by obtaining a new code for each rate center in which they wish to offer service. Because, at least initially, CLECs generally build their customer base primarily through in-ports from former ILEC customers, they may not activate all of their new codes within the

^{51/} AT&T also opposes the suggestion that the discretion currently accorded to the NANPA to determine the length of an extension of the reclamation or reservation time periods be removed. The NANPA is paid to administer numbering resources, and should have the ability to adjust the length of an extension to meet the particular circumstances facing the requesting carrier. If such flexibility is eliminated, it would make no sense to retain the NANPA in its current role.

prescribed six-month period even if they are in fact serving local exchange customers in the very rate centers in question. Nevertheless, CLECs must have the ability to assign new telephone numbers in the applicable rate centers, both to serve new customers that do not have ILEC telephone service and to add lines for existing customers. CLECs cannot rely solely upon their ability to port ILEC numbers if they seek to be full service providers.^{52/}

This problem has been especially acute for CLECs in metropolitan areas that have a large number of rate centers, such as Chicago and Boston. Each of these cities has more than 100 rate centers, with more than 200 rate centers per LATA. Although AT&T has met its obligation to commence service within the prescribed six-month period in most of the rate centers in which it has requested numbers, it has had difficulty achieving "in service" status for all new codes within this time frame. For these reasons, before reclamation procedures begin, it is necessary to examine whether a carrier is actually "offering" service in a particular rate center, albeit solely through ported numbers.

With respect to a carrier's ability to reserve a code, AT&T supports the Commission's proposal to reduce the time period from eighteen months to three months, at least when numbering resources in a particular rate center are nearing exhaust.^{53/} When combined with maximum intervals of six-months each for the "LERG effective date" and to place a code "in service," this time frame should be sufficient to meet the needs of new entrants. Exceptions may be required, however, under certain circumstances. Large business customers, for example, may

^{52/} For example, if a customer comes to AT&T for a second line and AT&T has no numbers in that rate center, the customer would have to sign up for service with the ILEC and then have the number ported to AT&T. This obviously would present a serious handicap to AT&T's ability to compete.

^{53/} NRO NPRM at ¶ 99.

require the reservation of a whole code to accommodate a planned move or expansion into a new area.

Finally, the Commission seeks comment on whether any changes to the code reclamation requirements should be incorporated as modifications to the CO Code Guidelines, or the Commission's rules.^{54/} AT&T believes that any changes required should be treated as modifications to the CO Code Guidelines. New or amended guidelines should be developed and agreed upon by the INC.

3. States Should not be Given Authority To Reclaim Codes

The NANPA currently has authority to enforce reclamation procedures under the CO Code Guidelines.^{55/} Delegating this authority to state commissions would result in differing standards, procedures, and outcomes on a state-by-state basis.^{56/} For this reason, the Commission expressly reaffirmed in the Pennsylvania Order that states do not and should not have such authority.^{57/} As the Commission previously observed with regard to code assignment:

centralizing CO code assignment in one neutral entity will increase the efficiency of CO code assignment because it will preclude varying interpretations of CO code assignment guidelines. Consistent application of assignment guidelines will also diminish the administrative burden, which can be a potential barrier to entry, facing those carriers seeking codes in various states that would otherwise have to associate with a number of separate code assignment bodies rather than one.^{58/}

^{54/} NRO NPRM at ¶ 99.

^{55/} INC Central Office Code (NXX) Assignment Guidelines, INC 95-0407-008, § 8.

^{56/} See NRO NPRM at ¶ 100.

^{57/} Pennsylvania Order at 19025-26 ¶ 24 (limiting state authority to reclaim codes in the context of pooling trials).

^{58/} Second Local Competition Order at ¶ 322.

This basic tenet is equally applicable to reclamation procedures; the disruption caused by state specific enforcement would far outweigh any potential benefits.

Although some parties argue that the current process is deficient, they provide no examples of how the NANPA and the industry have failed to carry out their duties, nor any evidence that suggests carriers in their states have obtained or retained codes in violation of industry guidelines.^{59/} Moreover, no party has yet attempted to take advantage of the dispute resolution mechanisms set forth in the NANPA Order. Unless and until the current procedures are tested, it is unfair to deem them broken.

If the Commission nonetheless decides to delegate code reclamation authority to the states, such authority should be limited to directing the NANPA to initiate “across the board” code reclamation procedures in conformance with the CO Code Guidelines. Such procedures would affect all carriers equally. In no event should states be given the ability to discriminate among carriers in reclaiming codes by requesting, for example, that specific classes of carriers turn back codes.

H. Costs Incurred in Implementing the Commission’s Administrative Proposals Should be Distributed Among All Carriers Using the NANPA Fund Formula

The Commission’s proposed administrative procedures call for more frequent and detailed monitoring and reporting of number utilization, which, if adopted, would increase staff and systems development costs for carriers and the NANPA. In particular, more personnel will

^{59/} Massachusetts Department of Telecommunications and Energy’s Petition for Waiver of Section 52.19 to Implement Various Area Code Conservation methods in the 508, 617, 781 and 978 Area Codes, NSD File No. L-99-19, filed February 17, 1999; NYDPS Petition at 13; MPUC Petition at 5; Florida Public Service Commission Petition for Additional Delegated Authority to Implement Number Conservation Measures, NSD File No. L-99-33, filed April 2, 1999.

be required to produce, evaluate and transmit utilization reports to the relevant authorities. Likewise, systems modifications will be required so that utilization can be monitored, and reported with greater granularity.

AT&T agrees with the Commission's tentative conclusion that costs incurred in implementing any of these proposed administrative measures should be distributed to all carriers according to the NANPA fund formula.^{60/} Use of the NANPA formula will help ensure that shared costs are distributed in a competitively neutral manner, as required by Section 251(e) of the Communications Act.

III. NATIONAL NUMBERING OPTIMIZATION SOLUTIONS SHOULD BE ADOPTED ON AN ACCELERATED SCHEDULE

The Commission has set forth several number resource optimization proposals that will extend the useful life of existing numbers as well as some that will increase the efficient allocation of new numbers. Fortunately, rate center consolidation, the most promising optimization method for existing number resources, is fully-developed and ready for immediate implementation wherever feasible. Similarly, thousands-block pooling for technically-capable carriers is almost a reality. The Commission need only review the industry-developed guidelines, order modifications them where necessary, and establish a national roll-out schedule. At this point, the Commission should not pursue alternate methods, such as individual telephone number pooling and unassigned number porting, that are technically more complex and do not promise the greatest relief.

^{60/} See NRO NPRM at ¶¶ 103-104.

A. Rate Center Consolidation Should be Implemented to the Greatest Extent Possible

AT&T supports rate center consolidation (“RCC”) as a means of using existing numbering resources more efficiently. As the Commission has recognized, RCC can extend the life of an existing area code, provided that a shortage situation has not already been reached, by reducing the demand for new numbers.^{61/} RCC also complements other number optimization measures, such as number pooling, and expands the geography over which customers can port their numbers. AT&T also agrees that state commissions have full authority to order RCC, and applauds the Commission’s efforts to encourage states to implement this strategy.^{62/}

RCC must, however, be implemented in a manner that minimizes negative effects on markets where competition is emerging. By enlarging ILEC-defined local calling areas, RCC may increase the size of the non-competitive local market at the expense of the more competitive intraLATA toll market. RCC may also negatively affect some customers by shifting toll call boundaries and changing the balance of traffic between local and toll calls.^{63/} In addition, RCC could complicate the routing of emergency calls.^{64/} Thus, state commissions should be encouraged to involve local 911 authorities in any RCC effort.^{65/} Finally, RCC efforts must balance the short term gains to be achieved through reductions in the number of rate centers in

^{61/} See NRO NPRM at ¶ 113; NANC Report at § 1.5.1.

^{62/} See Id. at ¶ 117.

^{63/} See Id. at ¶ 114. These negative effects will vary from area to area, depending upon the current size of local calling areas, the extent of toll calling, and the degree to which toll call pricing reflects distance sensitivity. NANC Report at § 1.7.2.1.

^{64/} See Id. at ¶ 114.

^{65/} 911 system administrators are in the best position to offer input about the trunking and routing implications of RCC, and can also offer cost-of-service implications regarding potential changes required in public safety answering point (“PSAP”) equipment.

which the codes are required against the longer term implications of RCC for area code relief measures. Reductions in the number of rate centers through consolidation must be carefully planned so as to accommodate any area code splits that might be required at some future date. While these are vital concerns, which state commissions must address on a case-by-case basis, they are not insurmountable; as several state commissions have demonstrated by completing successful consolidations.

Although AT&T agrees that RCC is not a complete panacea for the current numbering situation, the Commission should not seek to bridge a perceived gap in its effectiveness with initiatives such as the proposal set forth by the Colorado Telephone Numbering Task Force.^{66/} The Colorado Proposal seeks to eliminate the link between call rating and NXX codes by using the Signaling System 7 (“SS7”) network to transmit information for call routing and rating.^{67/} By so doing, the Colorado Proposal would require carriers to complete a query for every call. This proposal amounts to portability outside the rate center, or geographic portability.

Based on the rigorous examination geographic portability has received in industry fora, AT&T believes that it is a technically complex and expensive undertaking for which there is no clear justification.^{68/} Currently, switches and downstream billing systems use the NPA-NXX to determine the rate center for toll discrimination and rating. Geographic portability would break

^{66/} NRO NPRM at ¶ 119 (briefly describing Colorado Telephone Numbering Task Force Report, submitted Dec. 31, 1999 (“Colorado Proposal”).

^{67/} Id. at ¶ 119.

^{68/} The Commission declined to order geographic portability in its First Report and Order in the LNP docket. Telephone Number Portability, First Report and Order, 11 FCC Rcd 8352, 8447-8449 ¶¶ 181-187 (1996) (“LNP Order”).

this link, resulting in the need for significant billing and support system modifications.^{69/}

Because these modifications must be carried out on a national level, geographic portability – and hence Colorado’s form of RCC – cannot be implemented quickly on a state-by-state basis.^{70/}

Geographic number portability may also lead to adverse consumer impacts and confusion. For instance, customers may incur unanticipated toll charges when dialing numbers formerly billed as local calls. Similarly, because Private Branch Exchanges (“PBXs”) cannot query LNP databases, they will be unable to analyze the NPA-NXX of the called number in order to choose the least cost route for the call. With geographic portability, customers will also lose the value currently associated with the NPA-NXX of a geographic telephone number.

Finally, AT&T does not believe the Commission should require RCC to be implemented before implementation of pooling in a particular NPA.^{71/} Such a requirement could significantly delay the nationwide rollout of pooling. Further, RCC may not be appropriate for every area, and in some locations, pooling alone may provide sufficient relief to make RCC unnecessary. However, if RCC can be accomplished before or simultaneously with pooling, the number resource optimization benefits of pooling generally will be enhanced.

^{69/} The necessary modifications would include: enhancement of switch data structures and modification of Operations Support Systems (“OSS”) to provide number location information; enhancement of SS7 TCAP (“Transactions Capability Applications Part”) standards as well as switch and number portability database requirements to support queries containing location and toll discrimination information; and enhancement of NPAC (“Number Portability Administration Center”) SMS (“Service Management System”), carrier Local SMS, and carrier service order systems that carry out porting. Query volumes for local switches would also dramatically increase because query triggers would be required for all NPA-NXXs within a portability area, not just those in the switch’s LATA.

^{70/} SS7 standards changes and requirements for network elements require work by the industry TIS1 committee; and changes to the NPAC require approval of the regional LNP Limited Liability Corporations (“LLCs”).

^{71/} See NRO NPRM at ¶ 120.

B. While Nationwide 10-Digit Dialing Should not be Mandated, the Commission Should Clarify that it May be Inevitable for Most Markets

AT&T does not believe that it is necessary for the Commission to mandate nationwide 10-digit dialing at this time. AT&T strongly supports, however, the Commission's long-standing decision to require mandatory 10-digit dialing for all local calls in areas served by area code overlays.^{72/} The local dialing disparity that results from implementation of overlays in the absence of mandatory 10-digit dialing causes substantial customer confusion, and lessens the likelihood that customers will switch to competing carriers.^{73/} For these reasons, the Commission has wisely recognized that 10-digit dialing is essential to mitigate the anticompetitive impacts of area code overlays.^{74/}

In addition to ensuring that competitors are not disadvantaged in the marketplace, 10-digit dialing may aid in number conservation.^{75/} In areas where states have artificially retained 7-digit dialing between NPAs in a local calling area, 10-digit dialing would permit the release of many "protected" NXX codes.^{76/} States should be encouraged to take this step as a precursor to more expensive and difficult measures such as pooling.

^{72/} Second Local Competition Order at 19518 ¶ 287.

^{73/} Id.

^{74/} Id. at 19518 ¶ 286. See also Pennsylvania Order at 19035, ¶ 40.

^{75/} The exact benefits of 10-digit dialing as a conservation measure, however, are unknown. Since service providers currently can each reuse the same numbers in this range in internal applications, the gain in available NANP resources might be less than the theoretical expectation of 25%.

^{76/} In the 816 (Missouri) and 913 (Kansas) NPAs, protected codes will be eliminated on December 5, 1999, returning more than 5 million numbers for assignment in the Kansas City MSA.

AT&T does not, however, support expanding the "D" digit (the fourth digit of a ten-digit telephone number) to include 0 and 1 as a means of number optimization.^{77/} D-digit expansion is not immediately available because it will require various systems modifications, the scope of which is not known at this time. Service providers currently use numbers with D-digit values of 0 and 1 for a variety of internal functions as well as inter-network applications. Allowing assignment of codes in the form 0/1XX will require changes in the provisioning of network elements as well as the development of new operations support systems. The industry is still evaluating the impacts of D-digit expansion, particularly as it relates to NANP expansion.^{78/} Once the industry has concluded its deliberations, it may be appropriate to consider D-digit expansion as a means of extending the life of the current 10-digit NANP. This undertaking must take place on a national level. State commissions should not be permitted to order D-digit expansion on either a statewide or NPA basis.^{79/}

AT&T encourages the Commission to weigh the merits of consumer complaints about 10-digit dialing against the realities of the growing telecommunications marketplace. Despite public resistance, 10-digit dialing is fast becoming a reality in many areas. For example, in cities such as Washington D.C. and Los Angeles, customers make 10-digit local calls every day without incident. Although in some areas there has been initial resistance to 10-digit dialing, end

^{77/} NRO NPRM at ¶ 127.

^{78/} This work is currently in progress in the INC NANP Expansion (NANPE) Workshop. D-digit expansion is not a viable alternative at this time because some NANPE options rely on the D-digit not being released prior to NANP expansion to aid in transition.

^{79/} Interexchange carriers would, for example, have to alter their systems if 0/1XX numbers were assigned in any NPA.

users appear to grow accustomed very rapidly to this dialing protocol.^{80/} Moreover, the Alliance for Telecommunications Industry Solutions (“ATIS”) has recommended that 10-digit dialing eventually become the norm for all calling in the United States.^{81/} The Commission itself has previously recognized that “[a]s more area codes are depleted and need to be relieved, 10-digit dialing for local calls will become inevitable.”^{82/}

New dialing protocols are a necessary element of the expanding telecommunications marketplace, and the costs of 10-digit dialing pale in comparison to the benefits of local competition. The Commission has also recognized that fostering competition in the marketplace comes with certain costs.^{83/} The costs resulting from 10-digit dialing, such as reprogramming alarm systems and speed dials, must be weighed against the benefits of lower prices, better service, and greater innovation that competition brings.^{84/}

^{80/} Although some parties have made dire claims that 10-digit dialing might impede the ability of children or the elderly to use telecommunications services, AT&T knows of no evidence that suggests any such harms have actually come to pass. Indeed, once end users make the initial adjustment to 10-digit dialing, it appears to become a non-issue.

^{81/} See ATIS, Industry Numbering Committee Uniform Dialing Plan, INC-97-0131-017, issued January 31, 1997, at p. 15.

^{82/} Order, Pennsylvania Public Utility Commission Petition for Expedited Waiver of 47 C.F.R. Section 52.19 for Area Code 412 Relief, CC Docket No. 96-98, ¶ 23, released April 4, 1997.

^{83/} Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, First Report and Order, 11 FCC Red 15499, 15511 ¶ 19 (1996) (stating that eliminating operational barriers to local competition, such as dialing parity, is critical to competition, and may involve enforcement by the Commission, state commissions and the courts).

^{84/} Congress realized that by opening markets to competition, the 1996 Act would “accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services to all Americans.” H.R. Conf. Rep. No. 104-458, at 1 (1996).

C. Implementation of Thousands Block Pooling for Technically Capable Carriers Holds the Most Immediate Promise for Number Optimization

AT&T fully supports thousands block pooling for technically-capable carriers and agrees with the Commission that significant potential benefits will result from adoption of a nationwide pooling architecture.^{85/} To maximize these benefits, pooling should be rolled out pursuant to a schedule defined and controlled by the Commission.

1. Successful Deployment of Thousands Block Pooling Requires the Implementation of a Nationwide Architecture

Thousands block pooling breaks the association of a particular NXX with a particular switch, and instead allocates thousands blocks of sequential telephone numbers within the same NXX to different switches and, potentially, to different service providers.^{86/} This measure substantially alters the way in which numbering resources are administered, and will significantly affect carrier networks, systems, and operations.^{87/}

The extent of these changes necessitate the development and implementation of a national architecture. National procedures will allow system and network changes to be made in a timely and efficient manner without imposing needless pooling-related costs on the industry. As the INC noted in its comments to the NANC, “[t]he number pooling architecture selected shall

^{85/} NRO NPRM at ¶ 138.

^{86/} NANC Report at § 8.19.1.

^{87/} The required changes include: development of pooling administration guidelines; selection of the appropriate pooling method; development of pooling administration specification requirements; modifications to Local Service Management Systems and Service Order Administration Systems; enhancements to operational support systems (“OSS”); and switch and SCP enhancements, just to name a few. NANC Report at §§ 8.21.2.6 - 8.21.2.17.

support interoperability such that service providers will interface with a number pool and obtain numbers for their use uniformly nationwide.”^{88/}

Should the Commission decide that an interim conservation measure is in the public interest, AT&T supports limited grants of authority to state commissions to implement limited pooling deployment. This authority should be subject to certain conditions designed to ensure competitive neutrality and to avoid the intolerable strain on carriers’ resources that a patchwork of state pooling standards could create.^{89/}

2. The Commission Should not Pursue Individual Telephone Number Pooling at this Time, and Should Ensure that Sufficient Safeguards are in Place Before Allowing Carriers To Implement Unassigned Number Porting

AT&T agrees with the Commission’s tentative conclusion not to pursue individual telephone number (“ITN”) pooling at this time.^{90/} With ITN pooling, all available telephone numbers not in the service provider’s inventory are put into the Pool Administration System

^{88/} Industry Numbering Committee, Initial Comments to the North American Numbering Council on Number Pooling, Oct. 17, 1997, § 6.1.11. The Commission has shown great foresight in maintaining fidelity to the need for a nationwide pooling plan. In the Commission’s own words, “[s]ubstantial 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.” Pennsylvania Order at 19022-23 ¶ 21.

^{89/} The Commission should require that: (1) the state commission submit a reasonably detailed pooling proposal; (2) pooling proposals adhere to the technical standards established for the Illinois 847 NPA pooling trial; (3) the state commission provide for area code relief in the area code in question; (4) participation be required for all LNP-capable carriers; (5) cost recovery be deferred until the conclusion of the NRO NPRM; and (6) that non-LNP capable carriers are ensured access to an adequate supply of numbers. See Comments of AT&T Corp. on the CPUC’s Petition for Additional Authority to Implement Number Conservation Measures, NSD File No. L-98-136, filed June 14, 1999.

^{90/} NRO NPRM at ¶ 141.

(“PAS”) and their allocation is managed by the Pooling Administration Function (“PAF”).^{91/}

Because ITN pooling substantially changes the way the numbering resources are administered, it is likely to impose significantly higher costs on the industry than thousands block pooling.^{92/}

Furthermore, as the Commission recognizes, ITN pooling cannot be implemented in the near term.^{93/}

AT&T agrees that unassigned number porting (“UNP”) has some potential to promote the efficient use of numbering resources, and that, subject to the implementation of sufficient safeguards, carriers should be allowed to enter into UNP arrangements on a voluntary basis.^{94/}

First, UNP may permit CLECs to offer service in rate centers where the demand does not justify the acquisition of a full code or thousands block. By allowing CLECs to request only the numbers they need, as they need them, UNP has the potential to increase competition in low-demand rate centers. Second, UNP may allow carriers to avoid the practice of reserving large blocks of numbers in order to provide business customers in need of expanded services with

^{91/} One implementation option for ITN requires that an available pooled number appear as a ported telephone number, and that service providers obtain the number through the PAF. The other option does not treat each pooled number as ported, and blank number treatment is handled as it is today. NANC Report §§ 6.1.1.1 - 6.1.1.2.

^{92/} The industry would likely incur substantial costs due to the significant network and system modifications necessary to implement ITN pooling. Service providers would be required to modify their OSSs to interface with the PAS and to remove system dependency associating a Central Office code to a switch. NANC Report at § 6.4.1. Required modifications to ordering and provisioning would, in turn, require employee training, and retraining.

^{93/} NRO NPRM at ¶ 141.

^{94/} Id. at ¶ 142. As with thousands block pooling, non-LNP capable service providers cannot participate in UNP. NANC Report at § 11.7.2.2. According to the NANC Report, any decision to implement UNP should consider the number of service providers that can participate, and the impact on the non-LNP capable service providers. Id.

numbers using the same NPA-NXX as their current service. With UNP, serving carriers could request additional numbers from the carrier to which the NPA-NXX code is assigned.

Despite its potential benefits, both as a number conservation measure and as a tool for ensuring adequate access to stranded or vanity numbers, mandatory UNP will require stringent oversight to ensure competitive neutrality. Rules must be in place to prevent carriers from repeatedly going to a single carrier to obtain numbering resources when there may be multiple carriers with unassigned numbers available. Mechanisms to track inventories may also need to be adopted. AT&T therefore believes that the Commission's resources would be better spent on the timely implementation of thousands-block pooling, rather than on the development of UNP rules and standards.

3. Pooling Implementation

The Commission asks a number of questions about the schedule for pooling implementation, including which entity or entities should make pooling roll-out decisions and the size of the geographic areas in which pooling should be required. Because the purpose of number pooling is to reduce the number of NXXs that are assigned and thereby slow the pace of NPA implementation, pooling should be rolled out on an NPA-by-NPA basis. There may be a number of NPAs within a metropolitan statistical area ("MSA"), some of which are nearing exhaust and others in which there is little demand for numbers. It makes the most sense to implement pooling first where there is a high rate, historically or anticipated, of NXX demand, and the most efficient way to accomplish this would be to consider each NPA separately.

As the Commission has emphasized previously, pooling is not a means to save NPAs that are at or near exhaust.^{95/} For example, resources in the 310 area code in Los Angeles are so depleted that it could not be saved even if pooling were implemented tomorrow. It would not be cost effective to extend the life of an area code for only several months when the value of pooling could be maximized by extending the life of other NPAs for a far longer period. Accordingly, for those NPAs that are expected to exhaust within 12 months of the initial pooling roll-out date, pooling should not occur until a new NPA is in place. After a split or overlay takes place, pooling could be implemented in both (or all) of the relevant NPAs.

AT&T believes that the Commission, relying on information from the NANPA, states, and carriers, should be sole decision-maker with regard to the pooling implementation schedule. State commissions should be granted the authority, however, to remove a particular NPA from the roll-out list or to move it further down on the list.^{96/} States should not be permitted to move NPAs to a higher position on the schedule, as that could disrupt the Commission's roll-out plan and lead to disputes among the affected states.

Today, there are approximately 200 NPAs in the United States and pooling is potentially cost-justified in half of those. AT&T therefore proposes the following schedule to achieve pooling roll-out in 100 NPAs over a 12-month period.

^{95/} See Pennsylvania Order at 19028 ¶ 29.

^{96/} If an NPA crosses a state boundary, the opt-out or deferral decision could be made jointly and, if they cannot agree, by the state with the greater population living in the NPA should have the controlling vote.