

EX PARTE OR LATE FILED

BELLSOUTH

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October 2, 2001

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

WRITTEN EX PARTE

Jeffrey Carlisle
Senior Deputy Chief, Common Carrier Bureau
Federal Communications Commission
The Portals
445 12th St. S.W.
Washington, DC 20554

Re: CC Docket No. 99-200/
CC Docket No. 96-98

Dear Mr. Carlisle:

On August 15, 2001, you met with me and other representatives of large ILECs concerned about recovery of significant costs incurred in the companies' implementation of Telephone Number Pooling ("TNP"). During the meeting the ILEC representatives had urged you to review cost studies we had filed earlier and to provide a federal cost recovery mechanism as soon as possible. You had asked each company to determine the magnitude of the per line monthly charge that it would need to levy to recover its estimated costs of implementing TNP.

Attached is BellSouth's response to your request. The attached memorandum explains that we have developed eight monthly per line rate estimates. Each of the estimates depends upon the date pooling cost recovery would begin and the duration of the period over which the costs would be recovered. As the memorandum notes, our cost study did not include costs of the third-party pooling administrator allocated to BellSouth. To gauge the impact of these costs on a monthly surcharge, however, we have used as a surrogate for those costs, both a low and high estimate of the third-party LNP administrator costs allocated to BellSouth. When these administrative costs are included in the cost summary, our estimate of the monthly charge ranges between \$.10 (assuming a five-year recovery period beginning January 1, 2002) and \$.19 (assuming a three-year recovery period beginning May 15, 2004).

Also attached is the spreadsheet setting forth the basis for the estimated rates. The numbers appearing in that spreadsheet are based on the cost study for TNP that I filed in a written ex parte in both CC Docket No. 99-200 and CC Docket No. 96-98 on June 20, 2001 and preliminary access line forecasts from BellSouth Network Service Finance.

I look forward to answering any questions you may have about the attached documents.

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As required by Section 1.1206(b)(1) of the Commission's rules, I am filing two copies of this notice with the Commission's Secretary.

Sincerely,

A handwritten signature in black ink that reads "Kathleen B. Levitz". The signature is written in a cursive style with a large initial 'K' and a distinct 'L'.

Kathleen B. Levitz

Attachments

cc: Jeffrey Carlisle
Diane Harmon
Sanford Williams
Cheryl Callahan
Jane Jackson
Richard Lerner
Tamara Preiss
Chris Barnekov
Margaret Dailey
Scott Bergmann

Atlanta, Georgia
October 1, 2001

To: Randy Sanders, Director – Federal Regulatory

From: Reginald Starks, Director Finance Cost Matters

Subject: Monthly Per Line Estimates for TNP

As requested, we developed four monthly per line cost recovery estimates for Telephone Number Pooling (TNP). The estimates are based on the June 4, 2001, cost study for TNP and preliminary access line forecasts from Network Service Finance.

The cost study covers the period from 2000 to 2006 and shows actual costs incurred for the year 2000 and projected costs for the years 2001 to 2006. The study does not include costs for the third party pooling administrator; however, we included on the summary page the Local Number Portability (LNP) third party administrator cost as a surrogate. The 2002 to 2006 access line forecast is a preliminary view from BellSouth Corporation (BSC). The same adjustments were made as in Local Number Portability cost recovery: 1) Life Line and official lines were removed; 2) Primary Rate ISDN lines were multiplied by five and 3) PBX lines were multiplied by 9. An extrapolation based on changes between 2005 and 2006 was used to extend the forecast from 2006 to 2009 since BSC did not forecast from 2006 to 2009.

The four cost recovery estimates are:

<u>Scenario</u>	<u>Monthly Cost Per Line</u>
3 year – starting 1/1/2002	\$0.14 to \$0.15
5 year – starting 1/1/2002	\$0.10 to \$0.11
3 year – starting 5/15/2004	\$0.18 to \$0.19
5 year – starting 5/15/2004	\$0.13 to \$0.14

Attached is the summary page for the scenarios. Question can be directed to myself at 404-529-6762 or John Patterson on 404-529-5614.

Cc: Daonne Caldwell
Bill Shaughnessy
Al Bolden
Mel Clay

Line Number	Item/Description	Beginning 3 Year Recovery 1/1/02	Beginning 5 Year Recovery 1/1/02	Beginning 3 Year Recovery 1/1/04	Beginning 5 Year Recovery 1/1/04
1					
2	Demand	69,848,077	103,882,020	64,474,530	96,317,573
3					
4	Total Annual Capital Cost for NP Joint	\$3,201,821.93	\$3,201,821.93	\$3,962,754.93	\$3,962,754.93
5					
6	Monthly Cost for NP Joint per Line	\$0.003820	\$0.002568	\$0.005122	\$0.003429
7					
8	Total Annual Capital Cost for NP Gen. Purpose Computer	\$965,564.85	\$965,564.85	\$1,195,037.38	\$1,195,037.38
9					
10	Monthly Cost for NP Gen. Purpose Computer per Line	\$0.001152	\$0.000775	\$0.001545	\$0.001034
11					
12	Total Annual Capital Cost for NP BAC Building Work (non C.O.)	\$63,332.99	\$63,332.99	\$78,384.47	\$78,384.47
13					
14	Monthly Cost for NP BAC Building Work (non C.O.) per Line	\$0.000076	\$0.000051	\$0.000101	\$0.000068
15					
16	Total Annual Cost for NP SoftCap3	\$19,043,452.49	\$19,043,452.49	\$23,569,248.00	\$23,569,248.00
17					
18	Monthly Cost for NP SoftCap3 per Line	\$0.022720	\$0.015277	\$0.030463	\$0.020392
19					
20	Total Annual Cost for NP SoftCap5	\$43,636,261.26	\$43,636,261.26	\$54,006,691.47	\$54,006,691.47
21					
22	Monthly Cost for NP SoftCap5 per Line	\$0.052061	\$0.035005	\$0.069804	\$0.046726
23					
24	Expense for NP	\$47,866,361.48	\$47,866,361.48	\$59,242,101.46	\$59,242,101.46
25					
26	Monthly Cost for NP Expense per Line	\$0.057108	\$0.038398	\$0.076570	\$0.051256
27					
28	Common Overhead Loading Factor	1.0424	1.0424	1.0424	1.0424
29					
30	Deferred Savings	\$10,743,954.84	\$10,743,954.84	\$13,297,322.86	\$13,297,322.86
31					
32	Deferred Savings per Line	\$0.012818	\$0.008619	\$0.017187	\$0.011505
33					
34	Total Monthly Cost for NP per TNP Study	\$0.13	\$0.09	\$0.17	\$0.12
35					
36	LNP Third Party Administrator -Low Estimate	\$0.01	\$0.01	\$0.01	\$0.01
37					
38	LNP Third Party Administrator -High Estimate	\$0.02	\$0.02	\$0.02	\$0.02
39					
40	Total Monthly Cost with Low Estimate of 3rd Party Administrator	\$0.14	\$0.10	\$0.18	\$0.13
41					
42	Total Monthly Cost with High Estimate of 3rd Party Administrator	\$0.15	\$0.11	\$0.19	\$0.14
43					
44					
45					