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EX PARTE OR LATE FILED

BELLSOUTH

BellSouth
Suite 900
1133-21st Street, N.W.
Washington, D.C. 20036-3351

kathleen.levitz@bellsouth.com

Kathleen B. Levitz
Vice President-Federal Regulatory

202 463-4113
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DEC - 5 2001

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

December 5, 2001

EX PARTE

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
The Portals
445 12th St. S.W.
Washington, DC 20554

Re: CC Docket No. 99-200 /

Dear Ms. Salas:

On December 5, 2001, I spoke by telephone with Bryan Tramont, Senior Advisor to Commissioner Abernathy, Jordan Goldstein, Senior Advisor to Commissioner Copps, and Sam Feder, Legal Advisor to Commissioner Martin. The purpose of our conversation was to discuss issues related to two numbering topics: access to growth codes and recovery of thousand-block pooling costs. To facilitate discussion I sent each of the advisors copies of BellSouth *ex parte* notices with attachments filed in this docket on November 15, 2001, October 2, 2001, and July 2, 2001. Copies of those *ex parte* notices are attached to this notice.

With respect to pooling cost recovery, I reiterated BellSouth's support for a federal surcharge to recover pooling costs, and noted that BellSouth had already filed estimates of the magnitude of such a surcharge based upon the inception and duration of such a cost recovery mechanism. I urged that the Commission allow ILECs to recover all their pooling costs through a surcharge on the existing federal LNP end user line charge. I noted that there is state support for having the FCC address cost recovery for number pooling, including costs of state trials and added that, if it did not elect to have the latter set of costs recovered through a federal charge, the Commission should direct states to develop recovery mechanisms for these costs by a date certain.

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We then discussed the Commission's rule governing a carrier's access to growth codes. I repeated the request, presented in BellSouth's Petition for Reconsideration and Clarification filed in CC Docket No. 99-200 on March 12, 2001, that the Commission reconsider its existing rule, which conditions a carrier's ability to receive growth codes upon the carrier's demonstration that all of its numbering resources in a particular rate center will be exhausted within six months. In particular, I explained why BellSouth would frequently be unable to rely upon the porting of unassigned numbers from one BellSouth switch to another to meet the needs of individual wire centers for such resources. I urged that the Commission modify this rule so that a carrier operating multiple switches within a single rate center could receive a growth code for use at a switch if (1) the carrier met the Commission's utilization threshold requirement in that rate center and (2) that switch met the six-months-to-exhaust criterion.

As required by Section 1.1206(b)(2) of the Commission's rules, I am filing two copies of this notice and ask that you place this notification in the record of the proceeding identified above. Thank you.

Sincerely,

Handwritten signature of Kathleen B. Levitz in cursive script.

Kathleen B. Levitz

cc: Bryan Tramont (w/o attachments)
Jordan Goldstein (w/o attachments)
Sam Feder (w/o attachments)

BellSouth
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November 15, 2001

Kathleen B. Levitz
Vice President-Federal Regulatory

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Fax 202 463-4198

EX PARTE

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th St. S.W.
Washington, DC 20554

Re: CC Docket No. 99-200
CC Docket No. 96-98
WT Docket No. 01-184

Dear Ms. Salas:

On November 14, 2001, Bill Shaughnessy and I, representing BellSouth, met with Diane Griffin Harmon, Cheryl Callahan, Sanford Williams, and Margaret Dailey of the Common Carrier and Jared Carlson, Patrick Forster, Joseph Levin, and Jennifer Salhus of the Wireless Telecommunications Bureau. The first purpose of our meeting was to discuss the policy issues related to Verizon's petition for forbearance from the requirement that wireless carriers implement local number portability by November 24, 2002. Mr. Shaughnessy and I restated BellSouth's support for Verizon's petition and reiterated the rationales for that support as set forth in BellSouth's Reply Comments in WT Docket No. 01-184 filed on October 22, 2001. At the conclusion of our discussion of the wireless LNP issues, the representatives of the Wireless Telecommunications Bureau departed.

During the remainder of the meeting, we focused upon pooling cost recovery, the pooling implementation schedule, and the Commission's criteria for access to growth codes. With respect to pooling cost recovery, we reiterated our support for a federal surcharge to recover pooling costs, and noted that we had already filed estimates of the magnitude of such a surcharge based upon the inception and duration of such a cost recovery mechanism. We noted that our estimates had been made upon the assumption that pooling implementation would be consistent with the Commission's statements at ¶¶ 158-159 of the *First Report and Order* in CC Docket No. 99-200 and would be restricted initially to those rate centers within an NPA that fell within the top 100 MSA boundaries. We urged that the Commission address cost recovery as soon

as possible, that it allow ILECs to recover all their pooling costs through a surcharge on the existing federal LNP end user line charge. We noted that there is state support for having the FCC address cost recovery for number pooling, including costs of state trials and added that, if it did not elect to have the latter set of costs recovered through a federal charge, the Commission should direct states to develop recovery mechanisms for these costs by a date certain.

We also discussed issues posed by the schedule for implementing thousand-block pooling appearing in the Commission's Public Notice released on October 17, 2001. In particular we observed that although ¶ 159 of the First Report and Order expressed the Commission's intent to "confine the rollout of pooling to three NPAs per NPAC region per quarter," the proposed schedule was significantly more ambitious and would significantly strain BellSouth staff and resources. We reiterated the points made in the Comments we filed on November 6, 2001 in response to the Public Notice and urged that, particularly at the outset of the pooling implementation effort, the Commission adhere to its previous commitment of limiting the rollout of pooling to three NPAs per region per quarter.

The last topic we discussed was the Commission's rule governing a carrier's access to growth codes. We repeated our request, presented in BellSouth's Petition for Reconsideration and Clarification filed in CC Docket No. 99-200 on March 12, 2001, that the Commission reconsider its existing rule, which conditions a carrier's ability to receive growth codes upon the carrier's demonstration that all of its numbering resources in a particular rate center will be exhausted within six months. We urged that the Commission modify this rule so that a carrier operating multiple switches within a single rate center could receive a growth code for use at a switch if (1) the carrier met the Commission's utilization threshold requirement in that rate center and (2) that switch met the six-months-to-exhaust criterion.

As required by Section 1.1206(b)(2) of the Commission's rules, I am filing two copies of this notice and ask that you place this notification in the record of the proceeding identified above. Thank you.

Sincerely,



Kathleen B. Levitz

cc: Diane Griffin Harmon
Cheryl Callahan
Sanford Williams
Margaret Dailey
Jared Carlson
Patrick Forster
Joseph Levin
Jennifer Salhus

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OCT - 2 2001

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Kathleen B. Levitz
Vice President-Federal Regulatory

202 463-4113
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October 2, 2001

WRITTEN EX PARTE

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
The Portals
445 12th St. S.W.
Washington, DC 20554

STAMP and RETURN

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

Dear Ms. Salas:

Attached is a letter that I have sent to Jeffrey Carlisle, Senior Deputy Chief of the Common Carrier Bureau. The letter presents estimates of the magnitude of a monthly per line surcharge required to recover costs incurred for Telephone Number Pooling under four different scenarios. BellSouth developed these estimates in response to Mr. Carlisle's request. The calculations are based on the cost study filed with the Commission in CC Docket No. 99-200 and CC Docket No. 96-98 on June 20, 2001. That study showed the costs BellSouth has already incurred and will incur to implement Thousand Block Pooling in its region.

As required by Section 1.1206(b)(1) of the Commission's rules, I am filing two copies of this notice and ask that you place this notification in the record of the proceeding identified above. Thank you.

Sincerely,


Kathleen B. Levitz

Attachment

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

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October 2, 2001

Kathleen B. Levitz
Vice President-Federal Regulatory

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

STAMP and RETURN

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.

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					

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Vice President-Federal Regulatory

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July 2, 2001

EX PARTE

STAMP and RETURN

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
The Portals
445 12th St. S.W.
Washington, DC 20554

Re: CC Docket No. 99-200

Dear Ms. Salas:

On July 2, 2001, Bill Shaughnessy and I, representing BellSouth, met with Diane Griffin Harmon, Sanford Williams, Jennifer Gorny, and Gina Dennis of the Common Carrier Bureau's Network Services Division and Margaret Dailey of the Bureau's Competitive Pricing Division. Participating in the meeting by telephone were: Al Bolden; Mel Clay; and John Patterson, all representing BellSouth. The purpose of our meeting was to discuss BellSouth's study of the costs it has and will continue to incur to implement thousand-block number pooling throughout its region and the need for the Commission to address how carriers like BellSouth are to recover those costs. BellSouth filed that cost study with you in a written *ex parte* in CC Docket No. 99-200 dated June 20, 2001. The cost study and the attached document formed the basis for our presentation.

As required by Section 1.1206(b)(2) of the Commission's rules, I am filing two copies of this notice and ask that you place this notification in the record of the proceeding identified above. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Kathleen B. Levitz".

Kathleen B. Levitz

Attachment

cc: Diane Griffin Harmon (w/o attachment)
Sanford Williams (w/o attachment)
Jennifer Gorny (w/o attachment)
Gina Dennis (w/o attachment)
Margaret Dailey (w/o attachment)

Number Pooling Cost Recovery

*BellSouth Corporation
CC Docket 99-200
July 2, 2001*

Number Pooling Costs

- **Number pooling costs are incremental to number portability costs.**
- **Carrier specific costs fall into one of the following categories:**
 - Network capital & expense
 - Operational support systems (OSS) capital and expenses
 - Employee related and other expenses
- **Significant network and system changes needed to implement number pooling. For example,**
 - Every OSS that relies on the NXX portion of the 10-Digit North American Numbering Plan (NANP) telephone number as a primary data source must be changed.
 - SCP upgrades are needed in order to implement number pooling.
 - Feature upgrades to switches are needed to implement number pooling.
 - New processes/procedures are needed to address allocation of 1k blocks.
- **BellSouth utilized the same “but for” criteria as specified in the number portability proceedings.**

Number Pooling Cost Study

- **Major Assumptions:**

- Number pooling implementation will be based on top 100 MSAs plus current pooling trials in BST region.

- Pooling will be implemented in 3 NPAs per quarter within BellSouth region
 - Cost for Years 2000 to 2006
 - TSLRIC with Shared and Common Cost
 - 11.25% Cost of Money

- **As requested, cost study assumes cost savings from deferral of NPA relief.**

- Number pooling does not eliminate the need for NPA relief.
 - Study assumes that number pooling implementation defers NPA relief for three years.

- **Bellsouth's carrier specific costs for number pooling are approximately \$121M.**

- **Study does not include Type 1 costs that may be allocated to BellSouth.**

Number Pooling Cost Recovery

- **Type I and Type II number pooling costs should be recoverable.**
- **FCC's cost recovery mechanism should address costs associated with state trials that have been not been addressed by the states.**
- **The simplest cost recovery mechanism is to allow temporary modification to the existing end user line charge for LNP.**

Status of Number Pooling in BellSouth

<u>State/NPA</u>	<u>MSA</u>	<u>Pool Start</u>
FL - 954	Ft. Lauderdale	01/22/01
FL - 561	West Palm Beach	02/05/01
	Fort Pierce-Pt. St. Lucie	09/17/01
FL- 904	Jacksonville	04/02/01
	Daytona Beach	07/16/01
FL- 305	Florida Keys	05/28/01
TN - 615	Nashville	05/04/02
TN - 901	Memphis	08/17/01
NC – 704/980	Charlotte	09/14/01
NC – 919/984	Durham/Raleigh/Goldsboro	10/26/01