

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

In the Matter of

Implementation of the Local Competition
Provisions of the Telecommunications Act of
1996

CC Docket No. 96-98

Numbering Resource Optimization

CC Docket No. 99-200

COMMENTS OF VERIZON

Regulatory audit programs should be designed to get information the Commission needs to ensure compliance with its regulations without unduly burdening the carriers being audited. This balance is especially important in audits such as these, in which there is no reason to believe that the firm being audited has done anything other than fully comply with all its obligations. Verizon¹ urges the Commission to make a few changes in its proposed Audit Program to correct errors in it and in order to achieve this balance.

Inconsistencies with Commission regulations. In several respects, the proposed Audit Program is inconsistent with the Commission's numbering rules. If these inconsistencies are not fixed, the auditor would attempt to check for compliance with requirements that do not exist and not audit for requirements that do.

First, the proposed Audit Program includes some references to terms and requirements that are defined in the Commission's rules that are different from the Commission's definitions. For example, Line 20 describes aging numbers as "disconnected numbers that are not available

¹ The Verizon telephone companies are the local exchange carriers affiliated with Verizon Communications Inc., listed in Attachment A.

for assignment to another end user customer for a specified period of time,” while the definition in the rules is “disconnected numbers that are not available for assignment to another end user *or* customer for a specified period of time.”² The same line says that business numbers may be aged no longer than 360 days, while the rules say 365 days.

Second, Line 38 directs the auditor to “obtain a sample of reserved numbers and document whether there is a contract indicating a specific end-user(s) and if the reserved numbers had been held for less than 180 days.” However, there is no requirement in the rules that there must be “a contract” for reserved numbers, only that they are being held “at the request of specific end users or customers.”³

The final Audit Program should be revised to reflect the rules that are in effect when the Program is adopted and should be modified as those rules change.

In addition, Lines 57 through 59 seek information about the carrier’s processes and procedures for reclaiming numbers. Under the Commission’s rules, carriers do not reclaim numbers; NANPA and state commissions do.⁴ There is, therefore, nothing to audit, and this inquiry should be eliminated.

Audit procedure. The proposed Audit Program contemplates the following basic process to audit a carrier’s compliance with the number utilization rules. The auditor would provide sample telephone numbers from the carrier’s most recent number utilization (“NRUF”) report that had been assigned by the carrier to the various number categories (assigned, aging, intermediate, reserved and administrative).⁵ The carrier would then be asked to trace the numbers

² 47 C.F.R. § 52.15(f)(1)(ii).

³ 47 C.F.R. § 52.15(f)(1)(vi).

⁴ 47 C.F.R. § 52.15(i).

⁵ Lines 14, 22, 30, 37-38 and 42.

in the various samples back to the carrier's billing records to determine ensure that the numbers had been correctly categorized at the time.⁶

This approach assumes that the carrier will readily be able to figure out from its *current* billing records how numbers identified from an *old* NRUF submission were categorized. This will not necessarily be the case. Billing records are retained only for limited periods of time, and those records cannot readily be searched in ways that would be useful to respond to an audit request.⁷

A different audit approach would be easier for carriers to respond to and would better allow the auditor to verify the carrier's compliance. Instead of taking a sample from an old NRUF report, the auditor should request a current NRUF-like inventory snapshot and then ask for supporting documentation for sample blocks within that snapshot. This current information would be all that the auditor needs to determine whether telephone numbers are being categorized consistent with the Commission's rules.

The rules require carriers to assign all their telephone numbers to one of five categories.⁸ The proposed Audit Program would audit the accuracy of the carrier's classification of numbers into each of these five categories. Audits are appropriate as to only two of these categories ("assigned" and "reserved"), however. There is no purpose to be served in auditing the accuracy of the other three categorizations ("administrative," "aging" and "intermediate") because whether the carrier has correctly assigned numbers to these categories has no effect on anything.

⁶ Lines 15, 22, 30, 37-38 and 42.

⁷ Line 55 also would have the auditor compare snapshots taken at different times, the utilization rates reported in an NRUF and in a current MTE worksheet.

⁸ 47 C.F.R. § 52.15(f)(1). All numbers that are not in one of these five categories are categorized as "available." *Id.* § 52.15(f)(1)(iv).

Under the rules, a carrier can get additional numbering resources in a rate center based upon the percentage of numbers it categorizes as “assigned.”⁹ It is important to ensure that carriers do not inflate this number in order to get more resources. The rules limit the length of time a customer can reserve a telephone number,¹⁰ and it is not inappropriate for the Commission to audit compliance with this requirement.¹¹ In contrast, absolutely no purpose will be served by auditing whether a carrier’s categorization of numbers as “administrative,” “aging” and “intermediate” is correct. Improperly adding numbers to these categories will not help a carrier get additional number resources, because numbers in all three categories are “available” under the rules. Because it would make no difference to anyone if a carrier inflated or deflated the numbers in these categories, no purpose would be served in auditing these numbers.

Report structure. Lines 72-74 contemplate that the Commission and the carrier would have an opportunity to review the draft audit report and provide comments to the auditor. Any comments made by the Commission or the carrier should also be provided to the other, and both should be attached to the report.¹² The carrier should also be allowed to review the updated report before it is submitted to the Commission.

⁹ 47 C.F.R. § 52.15(g)(3)(ii).

¹⁰ 47 C.F.R. § 52.15(f)(1)(vi).

¹¹ Improperly classifying a number as reserved will not help a carrier to get additional resources, as reserved numbers are treated as available.

¹² The proposed Program provides that only the carrier’s comments are attached, not the Commission’s.

THE VERIZON TELEPHONE COMPANIES

The Verizon telephone companies are the local exchange carriers affiliated with Verizon Communications Inc. These are:

Contel of the South, Inc. d/b/a Verizon Mid-States
GTE Midwest Incorporated d/b/a Verizon Midwest
GTE Southwest Incorporated d/b/a Verizon Southwest
The Micronesian Telecommunications Corporation
Verizon California Inc.
Verizon Delaware Inc.
Verizon Florida Inc.
Verizon Hawaii Inc.
Verizon Maryland Inc.
Verizon New England Inc.
Verizon New Jersey Inc.
Verizon New York Inc.
Verizon North Inc.
Verizon Northwest Inc.
Verizon Pennsylvania Inc.
Verizon South Inc.
Verizon Virginia Inc.
Verizon Washington, DC Inc.
Verizon West Coast Inc.
Verizon West Virginia Inc.