

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

In the Matter of)	
)	
Numbering Resources Optimization)	CC Docket No. 99-200
)	
Implementation of the Local Competition)	CC Docket No. 96-98
Provisions of the Telecommunications Act of 1996)	

SPRINT CORPORATION COMMENTS

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Sprint Corporation, on behalf of its local, long distance and wireless divisions (collectively, "Sprint"), submits these comments concerning the Numbering Audit Program the Common Carrier Bureau ("Bureau") has proposed for use with random audits and perhaps with "for cause" audits.¹

I. THE PROPOSED AUDIT PROGRAM IS EXTENSIVE AND WILL REQUIRE SIGNIFICANT RESOURCE DEDICATION

The proposed audit program will require substantial carrier and regulatory resource commitments. Audits of any type require the dedication of personnel. Not only are company employees dedicated to the audit during the conduct of the audit itself, but significant preparation time is necessary as well. For carriers that have ongoing numbering issues, this poses a concern. Each carrier has a dedicated department to address numbering issues. These departments are already overtaxed with NRUF reporting, local number portability and number pooling. It will be these same individuals who will need to respond to audit questionnaires and to provide requested information to the auditors during the course of the audit.

¹ See *Public Notice*, Common Carrier Bureau Seeks Comment on Numbering Audit Program, Docket Nos. 99-200 and 96-98, DA 02-108 (Jan. 15, 2002); *Notice of Public Information Collections*. 67 Fed. Reg. 2658 (Jan. 18, 2002).

All carriers should be using numbers efficiently and should be reporting number utilization accurately, and Sprint does not question the need for select audits. However, Sprint believes that the impact of the audit program has been understated, and the Commission should recognize that numbering audits will require significant resource allocation. Sprint below offers some suggestions on the timing of random audits to alleviate some of these burdens.

On November 6, 2001, the Commission announced that the Office of Management and Budget (“OMB”) had approved the information collection requirements imposed by the Commission’s new numbering audit rule, 47 C.F.R. § 52.15(k).² The OMB accepted the Commission’s estimate that, on average, a carrier would incur only 33 hours in participating in a numbering audit.³ However, as the Commission had not established any audit guidelines, it was virtually impossible for anyone, including the Commission, to make a realistic estimate of the burdens that audits would actually impose on telecommunications carriers.

The Bureau has now developed specific and detailed guidelines concerning the scope of random audits, and it seeks public comment on these guidelines. As part of its effort to secure an extension of the OMB’s approval, the Bureau has additionally sought comment on its estimate of the amount of time carriers would spend in participating in a numbering audit.⁴ The Bureau has again estimated that each carrier will incur only 33 hours in responding to a “for cause” or random audit.⁵ Given that each audit will involve pre-audit preparation, compilation of materials requested by the auditor, availability of personnel to assist the auditor, and responses to audit

² See *Public Information Collections Approved by Office of Management and Budget*, 66 Fed. Reg. 57717 (Nov. 16, 2001).

³ See *id.*

⁴ See *Notice of Public Information Collections*, 67 Fed. Reg. 2658 (Jan. 18, 2002).

⁵ See *id.*

findings, it is virtually assured that a carrier will be devoting much more than 33 hours to the process.

A Sprint company has been selected for a random audit, and Sprint can confidently state that the 33-hour estimate grossly underestimates the amount of time a carrier would have to devote to a numbering audit. In fact, the audit has not even commenced, yet Sprint has already exceeded 33 man-hours in reviewing the audit engagement letter, reviewing the audit program materials, identifying and notifying all the appropriate personnel for audit involvement, and making preliminary preparations to ensure efficient conduct of the audit once it commences.

II. THE COMMISSION SHOULD SUSPEND THE CONDUCT OF RANDOM AUDITS 60 DAYS BEFORE THE DUE DATE OF EACH NRUF REPORT

Sprint urges the Commission to conduct random audits in a manner that is least likely to impede a carrier's numbering efforts. There are several components to the Commission's comprehensive number conservation program. One is audits, a procedure the Commission uses to help ensure that carriers are complying with its numbering rules. Another critical component is the Numbering Resources Utilization/Forecast Report ("NRUF") that the Commission uses to monitor utilization of telephone numbers so it can refine its numbering policies as necessary. The NRUF is due twice a year, on February 1 and August 1.⁶ The preparation of NRUF data is a major undertaking, particularly for larger carriers with a large inventory of numbers.

The carrier personnel required to participate in audits are the same employees involved in the preparation of NRUF data. The conduct of random audits at the same time NRUF data is being assembled could overwhelm carrier numbering personnel and cause them to divert their attention to audits and inhibit the preparation of NRUF data.

⁶ See 47 C.F.R. § 52.15(f)(6).

The timely submission of complete and accurate NRUF data is critically important. In contrast, there is no compelling reason to conduct random audits at any particular time of the year. Indeed, one of the major benefits of random audits is not the conduct of the audits themselves, but the possibility that such audits may be conducted, the Commission noting that random audits “serve as a strong deterrent to any carrier who might misuse numbering resources.”⁷

Sprint therefore recommends that no random audits be conducted during the two-month period before each NRUF is due (*e.g.*, December and January for the February 1 NRUF, and June and July for the August 1 NRUF).

III. THE COMMISSION SHOULD SUSPEND THE CONDUCT OF RANDOM AUDITS FOR CMRS CARRIERS DURING THE NUMBER POOLING IMPLEMENTATION PERIOD

In addition to ongoing numbering responsibilities, wireless carriers like Sprint PCS are also preparing for number pooling. Providers of commercial mobile radio services (“CMRS”) are required to become capable of participating in thousands-block number pooling on November 24, 2002. Sprint PCS supports number pooling and looks forward to its participation in number pooling. Sprint PCS is devoting substantial resources to number pooling and these efforts will intensify as November 2002 approaches.

Additionally, the period between Thanksgiving and Christmas is the wireless carrier’s busiest season, and employees with numbering responsibilities are always busy during this period ensuring that adequate supplies of numbers are available to meet increased consumer demand. This year’s holiday season will be especially challenging because the introduction of number pooling will require an additional major effort by these employees, both to begin the do-

⁷ *Second NRO Order*, 16 FCC Rcd 306 at ¶ 88 (2000).

nation process and to ensure that necessary operational systems have been modified correctly and are working properly.

The timely and successful implementation of number pooling by CMRS carriers is critically important to preserving the life of our North American Numbering Plan ("NANP"). For the same reasons that the Commission should adopt a quiet period immediately prior to the due date of NRUF reports, it should also adopt a quiet period prior to and immediately following the implementation of CMRS number pooling. Sprint PCS recommends a five-month quiet period surrounding pooling implementation, from July 31, 2002 through December 31, 2002.

CMRS carriers also face a challenge not encountered by landline local exchange carriers ("LECs"). While LECs were allowed to implement pooling in different NPAs gradually over a period of several years, CMRS carriers face the challenge of "catching up" to LECs under an accelerated schedule. Later this year, CMRS carriers will convert to pooling the 21 NPAs that have been designated for conversion as part of the national pooling conversion plan. However, there will likely be approximately 160 additional NPAs where LECs are already pooling, and some means must be developed so CMRS carriers can convert to pooling in these additional NPAs while they keep current with the 21 new NPAs converted each quarter.

The Commission has not yet developed a transition plan for CMRS carriers to catch up to LECs. It is apparent, however, that regardless of the specific plan that the Commission adopts, the first few months will be especially challenging. Sprint therefore recommends that no random audits be conducted of CMRS carriers during the three months following the upcoming holiday season (*e.g.*, from January 1, 2003 through March 31, 2003).

There is no dispute that number pooling is a valuable numbering resource optimization tool, and Sprint PCS looks forward to its participation in number pooling. Wireless carriers

should devote their numbering personnel to this important initiative. In sum, to help ensure that CMRS providers focus their numbering resources on the important task of implementing pooling successfully and timely, the Commission should adopt an eight month quiet period (July 31, 2002 through March 31, 2003) during which random audits of CMRS providers engaged in the pooling conversion process will be proscribed.

IV. SPRINT REQUESTS CLARIFICATION ON CERTAIN ISSUES

Sprint requests that the Bureau clarify the following components of its proposed Audit Program.

A. The Bureau should clarify that audits will be performed on an Operating Company Number ("OCN") basis. The proposed Audit Program does not identify the specific company that would be subject to a random audit. Numerous companies such as Sprint have multiple divisions or affiliates, each of which may use separate numbering employees, processes and systems. Confusion and delay could result if it is unclear which company, division or affiliate is the subject of the audit.

Carriers are required to submit their NRUF data for each legal entity with a separate OCN.⁸ Because one of the purposes of the audit is to determine and document a company's processes and procedures for completing the NRUF Form 502,⁹ random audits should also be performed on an OCN basis.

B. The Bureau should avoid undefined terms. The proposed Audit Program would require the auditor to determine and document the company's procedures for "permanently discon-

⁸ See 47 C.F.R. § 52.15(f)(3)(ii).

⁹ See Proposed Audit Program at Line Nos. 66-69.

nected” numbers,¹⁰ a category not currently defined in or recognized by the Commission’s rules.¹¹ Carriers have devoted significant resources to modify their procedures and systems to use the number categories specified in the Commission’s rules, and Sprint asks that the Bureau refrain from creating confusion by introducing new undefined terms that may overlap existing number classifications. Sprint asks the Bureau to clarify if “permanently disconnected” numbers are the same as “available” numbers.¹²

C. The Bureau should clarify the inquiry into the reclamation process. Under the proposed Audit Program, the auditor is to obtain and document the company’s procedures and processes for reclaiming numbers.¹³ Carriers, however, do not reclaim numbers. Rather, Commission rules specify the circumstances in which state commissions, NANPA, or the Pooling Administrator may reclaim numbers from service providers.¹⁴ Given that carriers have not established any internal reclamation procedures, the Bureau should clarify what it intends with respect to this inquiry into the reclamation process.

V. RECOMMENDATIONS TO IMPROVE THE NUMBERING AUDIT PROGRAM

Sprint suggests that the following modifications would improve the efficiency and effectiveness of the Numbering Audit Program.

A. The Bureau should encourage the conduct of a pre-audit meeting between the carrier and the audit team. The Bureau envisions that the audit process would commence when the auditor sends a “Standard Data Request” to the subject carrier requesting 19 different items of

¹⁰ See Proposed Audit Program at Line Nos. 25-26.

¹¹ See 47 C.F.R. § 52.15(f)(1).

¹² See 47 C.F.R. § 52.15(f)(1)(iv).

¹³ See Proposed Audit Program at Line Nos. 57-59.

¹⁴ See 47 C.F.R. § 51.15(i).

information.¹⁵ The Request would specify the date by which the carrier would furnish the identified information. Such an approach assumes that all companies have the same capabilities and resources.

Sprint recommends that the Bureau instead adopt a two step procedure to commence an audit: (1) the auditor would notify the carrier of the audit, so the carrier can begin assembling the necessary information, and (2) two weeks later, the audit team and carrier would conduct a pre-audit meeting (or teleconference). At this meeting, the parties could introduce each other, the carrier could provide a high-level review of its numbering processes and systems, and the audit team could ask preliminary questions. Based on the information disclosed, the parties could then develop a work plan with target deadlines for various tasks, a work plan that could be individually tailored to the needs of the auditor and the capabilities and systems of the audited company.

B. The Bureau should consider establishing a standard format for audit reports. Numbering audits may be conducted by different auditors. It would be useful for each auditor to follow a standard format for reporting purposes. The North American Numbering Council has developed a proposed format,¹⁶ and the Bureau should consider adopting this or a similar format.

C. The audited company should be permitted to review preliminary findings before the draft audit report is submitted. Under the current proposal, the auditor would complete a draft report within 30 days following completion of the fieldwork, which the auditor would share with both the Commission and the carrier.¹⁷ The Commission and carrier would then have 10 business days to submit written comments concerning the draft report.¹⁸

¹⁵ See Proposed Audit Program at Line No. 5 and Attachment 1.

¹⁶ See NANC, Number Administration Auditor Technical Requirements, at 11-12, § 3.8.1 (July 18, 2000).

¹⁷ See Proposed Audit Program at Line No. 72.

¹⁸ See *id.* at Line Nos. 73-74.

Sprint does not oppose this proposal, but proposes that the company be permitted to address preliminary findings at the earliest stage possible. It is possible that the initial draft report may contain errors or omissions that could easily be rectified by the carrier. In fact, the auditor should conduct a post-audit meeting to present preliminary findings with the company prior to leaving the site to give the company an opportunity to discuss, clarify and respond to these preliminary findings. The Commission's resources would appear to be used more efficiently if the Commission waited until a revised or updated draft report becomes available.

D. The Bureau should give auditors additional time to complete the report. Under the current proposal, the auditor would have five business days to prepare an updated draft report following receipt of comments on the initial draft report, after which the auditor would then have five business days to complete a final report.¹⁹ These time periods are extremely aggressive, and they do not account for such factors as illness, planned travel or the auditor's other workload. Sprint is not aware of any pressing reason to complete the final report 10 days after the initial draft report, and the Bureau should consider giving the auditor additional time.

E. The Bureau should confirm that auditors are required to keep all information confidential. The Bureau should confirm that auditors are required to treat as confidential all information they acquire in the course of each audit. Specifically, each auditor or member of the audit team shall protect audit findings, work papers, data and reports as confidential or proprietary, whether collected from or provided by the service provider, the NANPA, the Pooling Administrator, or regulators. All documents that the auditor shares with regulators should be stamped confidential. Auditors should further be required to disclose to the service provider in advance any proposal to share the company's data with anyone other than the Commission.

¹⁹ See Proposed Audit Program at Line No. 75.

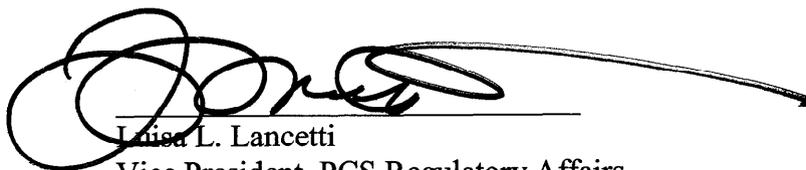
F. The Bureau should establish a document retention period for all audits. Auditors should be required to retain working papers and reports for a minimum period of time, such as two years after the date of the auditor's final audit report.

VI. CONCLUSION

For the foregoing reasons, Sprint Corporation recommends that the Bureau clarify and modify its proposed Numbering Audit Program in the manner discussed above.

Respectfully submitted,

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