

**Before the
Federal Communications Commission
Washington, D.C. 20554**

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In the Matter of)	
Numbering Resource Optimization)	CC Docket No. 99-200
Implementation of the Local Competition)	CC Docket No. 96-98
Provisions of the Telecommunications Act of 1996)	
Telephone Number Portability)	CC Docket No. 95-116
_____)	

**THE NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION
REPLY COMMENTS**

The National Telecommunications Cooperative Association (NTCA)¹ hereby files its reply comments in the above-captioned proceeding.²

NTCA supports expanding the thousand-block number pooling (TBNP) exemption from one to two carriers per rate center.³ Pooling provides significant number conservation benefits

¹ NTCA is a non-profit corporation established in 1954 and represents 560 rate-of-return regulated rural telecommunications companies. NTCA members are rural incumbent local exchange carriers (rural ILECs) and many provide local, wireless, cable, Internet, satellite and long distance services to their communities. All NTCA members are small carriers as "rural telephone companies" in the Communications Act of 1934, as amended (Act). NTCA members are dedicated to providing competitive modern telecommunications services and ensuring the economic future of their rural communities.

² *In the Matter of Numbering Resource Optimization; Implementation of the Local Competition Provisions of the Telecommunications Act of 1996; and Telephone Number Portability*, Fourth Report and Order in CC Docket No. 99-200 and 95-116, (Order) and Fourth Further Notice of Proposed Rulemaking in CC Docket No. 99-200, FCC 03-126, (rel. June 18, 2003)(FNPRM).

³ Currently, rural telephone companies and Tier III commercial mobile radio service providers that have not received a request to provide LNP are exempt from the Commission's pooling requirement. Also exempt from the pooling requirement are carriers that are the only service provider receiving numbering resources in a given rate center. The further notice of proposed rulemaking in this proceeding seeks comment on whether to expand the latter exemption to include carriers in instances where there are only two service providers receiving numbering resources in a given rate center.

only in rate centers where there are several carriers with enough numbers to donate and take from the pool. When there are not enough carriers to donate and take numbers from the pool, the cost of imposing TBNP on rural carriers far outweighs the benefits of pooling. In circumstances where there are only two carriers receiving numbering resources, in a given rate center, the Commission should exempt these carriers from TBNP, unless and until a state commission petitions the Commission and demonstrates that requiring these carriers to participate in TBNP is in the public interest.

The arguments made by the Pennsylvania and California commissions opposing the expansion of the exemption are based on pure speculation and should be dismissed. The Pennsylvania commission indicates there are 118 rate centers in Pennsylvania where only two carriers receive numbering resources.⁴ Pennsylvania speculates that if these carriers are not required to pool, “then potentially 236 carriers would be permitted to receive growth numbers in blocks of 10,000 telephone numbers,” instead of blocks of 1,000.⁵ Pennsylvania further hypothesizes that expanding the exemption nationwide to two carriers per rate center will result “in a finite numbering resources being wasted unnecessarily”.⁶ The California commission similarly presumes that allowing “two carriers to draw an entire NXX code would result in more used numbers being retained in each carrier’s inventory.”⁷

The problem with these arguments is that they are based on hypothetical requests for new NXX codes. The Commission should not base its decision on pure speculation. Many of these

4 Pennsylvania Public Utility Commission Initial Comments, p. 3 (August 20, 2003). The California commission indicates that it has 22 rate centers with only two carriers receiving numbering resources. *See* California Public Utilities Commission Initial Comments, Attachment 1 (August 20, 2003).

5 Pennsylvania Public Utility Commission Initial Comments, p. 3.

6 *Id.*, p. 5.

rate centers in question contain rural incumbent local exchange carriers (rural ILECs). Most rural ILEC NXX codes have been held for decades and many of the thousand-blocks of numbers contained in these codes would be unavailable for TBNP. The impact on extending the life of the North American Numbering Plan by requiring all rural ILECs to implement TBNP would therefore be miniscule at best.

Weighing the benefits of imposing TBNP on rural ILECs against the costs clearly demonstrates that requiring rural carriers to implement TBNP in rates centers where there are two carriers using number resources is not in the public interest. The fixed cost to upgrade a rural ILEC's switch for TBNP is between \$100,000 and \$200,000. Depending on the size of the rural ILEC, and the area served, each rural carrier will incur the additional cost of their staff spending time, money and resources to implement, test, monitor and ensure that the systems work properly. This added cost can double or triple the actual cost to provide TBNP services to \$200,000 to \$600,000 per switch. Imposing these TBNP costs on two carriers operating in a given rate center that have no numbers to donate and take from the pool makes absolutely no sense. It would only lead to increased carrier costs, higher access charges to recover these costs and fail to provide consumers with any benefits of pooling.⁸

NTCA appreciates the Commission's efforts to search for ways to reduce regulatory burdens placed on small carriers. Rural carriers have limited resources and few employees to operate their networks. Every regulatory obligation imposes costs that are ultimately borne by consumers. Rural ILECs and their customers in many instances would receive virtually no

7 California Public Utilities Commission Initial Comments, p. 4 (August 20, 2003).

8 Because TBNP has been mandated as a national numbering resource optimization strategy, the Commission permits the recovery of the extraordinary costs of number pooling in access charges. Order at ¶ 25.

benefit from the pooling in rate centers where only two carriers are receiving numbering resources. NTCA therefore recommends that in circumstances where there are only two carriers receiving numbering resources in a given rate center that the Commission exempt these carriers from TBNP, unless and until a state commission petitions the Commission and demonstrates that requiring these carriers to participate in TBNP is in the public interest. NTCA also recommends that the Commission stay the current TBNP requirement in rates centers with only two carriers until the Commission issues its final ruling on whether to expand the exemption from one to two carriers. The stay would prevent rural carriers from unnecessarily incurring TBNP costs in rate centers where two carriers would not be able to donate or take from the pool.

The fact that only two state commissions filed comments in opposition to expanding the TBNP exemption supports the position that the Commission should expand the exemption nationally and review on a case-by-case basis individual state commission petitions to remove the exemption when it is in the public interest to do so. A petitioning state commission could submit copies of carrier requests for growth NXX codes as part of its demonstration that pooling is warranted in a specific two-carrier rate center. Conversely, in rate centers where two carriers are using number resources but not requesting new growth NXX codes, pooling would not be in the public interest. This case-by-case approach would allow the states and the Commission to reasonably monitor number utilization and implement pooling when necessary without imposing the additional costs of TBNP on carriers needlessly. Such an approach would be a prudent

method of number conservation and would take into consideration the financial impact of mandated pooling on small carriers and consumers.

Respectfully submitted,

NATIONAL TELECOMMUNICATIONS
COOPERATIVE ASSOCIATION

By: /s/ L. Marie Guillory

L. Marie Guillory

By: /s/ Daniel Mitchell

Daniel Mitchell

Its Attorneys

4121 Wilson Boulevard, 10th Floor
Arlington, VA 22203-1801
(703) 351-2000

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CERTIFICATE OF SERVICE

I, Gail Malloy, certify that a copy of the foregoing Reply Comments of the National Telecommunications Cooperative Association in CC Docket Nos. 99-200, 96-98, 95-116, FCC 03-126 was served on this 4th day of September 2003 by first-class, U.S. Mail, postage prepaid, to the following persons.

/s/ Gail Malloy

Gail Malloy

Chairman Michael Powell
Federal Communications Commission
445 12th Street, SW, Room 8-B201
Washington, D.C. 20554

Frank B. Wilmarth, Deputy Chief
Counsel
Bohdan R. Pankiw, Chief Counsel
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Commissioner Kathleen Q. Abernathy
Federal Communications Commission
445 12th Street, SW, Room 8-B115
Washington, D.C. 20554

Lionel B. Wilson, Esq.
Helen M. Mickiewicz, Esq
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3298

Commissioner Kevin J. Martin
Federal Communications Commission
445 12th Street, SW, Room 8-A204
Washington, D.C. 20554

Commissioner Michael J. Copps
Federal Communications Commission
445 12th Street, SW, Room 8-A302
Washington, D.C. 20554

Qualex International Portals II
445 12th Street, SW
Room CY-B402
Washington, D.C. 20554

Commissioner Jonathan Adelstein
Federal Communications Commission
445 12th Street, SW, Room 8-C302
Washington, D.C. 20554
Louis A. Burns, Assistant Counsel