BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In The Matter of the	)	
Investigation Into the Issue	)	Docket No. UT-991627
of Numbering Resources	)	

AT&T'S COMMENTS ON A POSSIBLE SURCHARGE FOR STATE INTERIM NUMBER POOLING

Pursuant to the Washington Utilities and Transportation Commission's Notice of Opportunity to File Comments dated January 31, 2001, AT&T Communications of the Pacific Northwest, Inc. and AT&T Local Services on behalf of TCG Seattle and TCG Oregon submit the following comments in response to the questions set forth in the notice.

1. Do you intend to ask for a surcharge to cover state interim pooling costs?

At this time, AT&T has no plans to request a surcharge to cover its interim pooling costs in the 509 area code.

2. How should the costs of interim pooling in area code 509 be recovered?

AT&T recommends that the Commission separate costs associated with interim pooling in the 509 area code into two categories: (1) joint-industry costs and (2) carrier-specific costs directly related to the implementation of number pooling.

Joint-industry costs fall into three major categories: (1) Costs to update the Local Number Portability ("LNP") databases with each telephone number added to the pool: (2) costs of the Number Portability Administration Center's ("NPAC's") software capability; and, (3) costs due the Pooling Administrator ("PA"), in this case, Telcordia. The joint-industry costs listed above should be allocated to all carriers in the state, including non-LNP capable carriers, because all carriers benefit from the industry's shared use of NXXs by thousands block. AT&T does not believe there is justification for exempting any carrier from pooling cost recovery on the basis of its size, code utilization, rates, or other criteria. All carriers will benefit from pooling because it will delay the need for additional costly area code relief in the state. Even though wireless carriers are not yet capable of pooling, they should be required to bear their share of the start-up costs in anticipation of their eventual participation.

3. What FCC requirements do you believe apply regarding the type of allowable costs to be recovered for interim pooling?

The LNP update costs and the NPAC software costs should be allocated and shared among all benefiting carriers on a region-wide basis under the existing cost recovery mechanism established by the FCC for LNP. Because pooling is a number administration function, pooling costs should be distributed via the North American Numbering Plan Administrator ("NANPA") mechanism, which is well-defined and well-understood by the industry.

4. Should carriers who participate in interim pooling within the 509 area code recover costs at this time or wait until such time as the Federal Communications Commission (FCC) addresses cost recovery for pooling on a national level?

The FCC has determined that the costs of state implemented pooling trials should be recovered under state recovery mechanisms and excluded from federal cost recovery mechanisms. However, there is no need for the Commission to develop such a mechanism immediately. The lack of a cost recovery mechanism will not impede the roll out of the ordered pooling trial. AT&T suggests that it might behoove the Commission to address this matter after the FCC further clarifies its position on cost recovery associated with the national roll out of number pooling.

5. What portion of these costs should be recovered at the time of the national pooling roll out vs. upon implementation of interim state pooling?

AT&T interprets the FCC's orders as mandating that the costs of interim state pooling trials be recovered under state cost recovery mechanisms. However, the costs do not have to be recovered upon implementation of pooling. If and when state pooling trials are covered in the national roll out, cost recovery would shift from state mechanisms to federal mechanisms at that time.

6. Should the interim pooling charge continue once national pooling is implemented and cost recovery is addressed by the FCC?

See answer to question # 5.

7. What are the specific incremental costs related to interim number pooling?

Shared-Industry incremental costs are vendor specific and should be provided by the vendors. Carrier-specific incremental costs include administration, systems, database, and network costs.

8. How is the allocation factor determined for the software upgrade that enables number pooling?

The FCC has determined that the incremental shared industry costs for thousands-block number pooling will be allocated to all carriers in proportion to each carrier's interstate, intrastate, and international telecommunications end-user revenue.

9. Is the software used for number pooling capable of providing other service offerings?

The software is actually software for Local Number Portability with capabilities that support national number pooling.

10. If a percentage of the software is recovered through a number pooling surcharge, how will you assure that this cost is not collected again through regulated rates (i.e. as a result of being included in rate base)?

Since AT&T has no plans at this time to file for cost recovery and is not rate regulated, this question does not apply to it. However, AT&T commends the Commission for recognizing the importance of applying great scrutiny to ensure that costs are not recovered more than once.

11. Should cost be recovered from a company's own customers or pooled and recovered from all customers in the 509 area code?

Joint-industry costs should be borne by all carriers in Washington. Each carrier should bear its own carrier-specific costs and collect from its customer base.

12. How should the costs of the interim pooling administrator be recovered?

The costs of the interim pooling administrator should be considered a joint-industry cost and should be allocated to all carriers in Washington using the NANPA mechanism. This mechanism is well-defined and well-understood by the industry.

13. Should the current number portability charge be modified to include cost recovery for interim pooling, should the number portability charge be extended for a longer period of time or should a separate interim pooling charge apply?

AT&T recommends that the Commission monitor ongoing decisions at the FCC to determine the appropriateness of modifying existing number portability charges to incorporate interim pooling cost recovery efforts. This decision does not have to be made before implementation of interim pooling.

However, AT&T believes that carrier-specific costs are simply costs of doing business. The Commission could avoid investigating carrier-specific cost claims by recognizing that the costs each carrier will incur to modify its own systems and network to operate in a number pooling environment are merely costs of doing business that each carrier can, and should, bear itself. Such a policy will also force each carrier to minimize its implementation costs, whereas a mechanism that permits a carrier full recovery of all carrier-specific number pooling costs would heighten the likelihood of efforts to claim unrelated costs as "pooling" expenses.

In the event the Commission does elect to permit carriers to specially recover their carrier-specific costs of number pooling, it should adhere to the principles established by the FCC in its LNP Cost Recovery Order and LNP Cost Classification Order: "[A] carrier must show that these costs: (1) would not have been incurred by the carrier 'but for' the implementation of number portability; *and* (2) were incurred 'for the provision of' number portability service." (Telephone Number Portability Cost Classification, CC Docket No. 95-163, Memorandum Opinion and Order, DA 98-2534, at ¶ 10, released

December 14, 1998.) Furthermore, what must clearly be avoided is any extraction of cost recovery monies from Access Charges (targeting Interexchange Carriers ("IXCs")), Unbundled Network Element ("UNE") or Total Service Resale ("TSR") rate elements (targeting Local Exchange Carriers ("LECs")), or any other wholesale rates that are charged by carriers to their competitors. Neither Access Charges nor UNE/TSR recovery would meet the competitive neutrality standard established in the federal Telecommunications Act of 1996. Allowing such number pooling cost recovery by ILECs would force competitors to bear not only their own carrier-specific costs, but those of the ILECs as well. So long as ILECs are required to recover their own carrier-specific number pooling costs in the same manner as other carriers, ILECs will have a much stronger incentive to keep their costs as low as possible.

14. What is the name of each central office and/or rate center owned by your company located in the 509 NPA that has local number portability capability?

All AT&T switches in Washington are LNP capable.

15. If local number portability is not currently provided, is the call processing equipment capable of being upgraded to provide LNP?

N/A

16. What is the name of each exchange and/or rate center in the 509 NPA in which your company has received requests for number portability and when will LNP be available?

N/A

17. Please provide detail of your company's costs associated with providing local number portability.

AT&T did not file for cost recovery for its local number portability costs.

18. Does your company currently charge a set up and query charge for local number portability?

No.

19. If you charge for local number portability, what is the rate and how long will it be in effect?

N/A

Respectfully submitted on February 27, 2001.

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