

VERIZON NORTHWEST INCORPORATED
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
DATA REQUEST – UT-991627
February 27, 2001

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

Answer: Yes. Cost recovery is important and if a surcharge is appropriate, Verizon may request approval to charge one.

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

Answer: In general, Verizon believes that states that implement number pooling trials utilizing NPAC release 1.4 should be responsible for the state-specific costs associated with this release since these costs would not have been incurred had such states opted to wait for the national rollout of number pooling. Additionally, the cost recovery mechanism must take into account the time value of money associated with a carrier's specific costs to comply with number pooling in advance of the national rollout.

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

Answer: The allowable costs are outlined in the FCC's First Report and Order on Number Conservation. The WUTC and the industry should follow the national Local Number Portability cost recovery model.

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?

Answer: The FCC has made it very clear that states are to make provisions for cost recovery for number pooling trials conducted in advance of national pooling under the FCC's direction. The FCC has indicated that state specific trial costs will not be considered in the national cost recovery effort for number pooling. Therefore, state specific costs should be recovered now.

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

Answer: Companies should be allowed to recover all state specific costs associated with the interim number pooling trial including the time value of money cost identified above starting with implementation of the interim state pooling.

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

Answer: If a surcharge is implemented to recover the cost of interim number pooling, it should remain in place until the costs of the trial are fully recovered.

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

Answer: In general Verizon's interim number pooling implementation costs are comprised of charges associated with NPAC release 1.4, project management of the interim number pooling trial, management of the block donation process for both clean and contaminated blocks, and the time value of money for implementation in advance of national pooling.

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

Answer: Generally speaking, states allocate software upgrade costs on a fair and impartial basis by allocating the cost to all companies benefiting from number pooling. Verizon advocates that in Washington State, the allocation be based on the number of NPAs owned.

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

Answer: No. Verizon is not aware of any other usage for this software.

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 include in rate base)?

Answer: The cost is tracked separately.

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

Answer: Verizon recommends that the local number portability (LNP) model be followed. Based on the model, all customers in a state derive some benefit from number pooling deployment because it ultimately extends the life of existing numbering resources assigned within the state. Based on this approach, Verizon

recommends distributing the cost recovery mechanism across all customers within the state.

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

Answer: The cost of the administrator should be included in with the total cost of the pooling trial. If a surcharge is deemed to be the appropriate cost recovery mechanism, it should be implemented in a timely fashion.

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?

Answer: The current surcharge is a federal surcharge and may not be modified by the state Commission.

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?

Answer: See attached.

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

Answer: Assuming no unforeseen circumstances, Verizon plans to complete LNP deployment in Washington by the end of 2001 in all central offices that were not previously equipped for LNP.

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?

Answer: The attached list shows the current LNP status for Verizon offices in the 509 NPA. The majority of the offices are already LNP equipped. Regardless of requests, Verizon will complete LNP deployment in the remaining offices this year as a result of its own initiative. If Verizon receives a specific request to make an office portable prior to completion of all offices, it will adjust the schedule to ensure that the requested office is converted to LNP in a timely manner.

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

Answer: In its original filing with the FCC, Verizon determined its total company cost and sought cost recovery at a national level. Verizon did not separate out any state specific cost for number portability.

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

Answer: No

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

Answer: Verizon has a federal \$.36 per line monthly charge for recovering the cost of LNP implementation. Per direction from the FCC, this charge must cease no later than March 2004.