

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In Re:)
)
) Docket No. UT-991627
Mandatory Number Pooling)
Trial in Area Code 509)

COMMENTS OF AT&T

AT&T Communications of the Pacific Northwest, Inc. and AT&T Local Services on behalf of TCG Seattle and TCG Oregon (“AT&T”) submit these initial comments pursuant to the Notice of Opportunity to File Initial Comments and Answers dated February 15, 2001.

I. SUMMARY

The Commission should maintain that participation in the number pooling trial in area code 509 is mandatory for all carriers that have Local Number Portability (“LNP”) capabilities. To exempt certain capable carriers, especially the carrier that is the largest code holder and incumbent local exchange carrier in the area code, is to reduce the overall effectiveness of the trial and its associated benefits.

Qwest argues that the costs it would incur to participate in the trial exceed any derived benefit. The Commission should ignore Qwest’s unsubstantiated claims of undue cost hardship. Its claim that it is more burdened than other carriers, its competitors, is disingenuous. Qwest holds the majority of codes (as well as customer and revenue base) in the 509 area code by virtue of its years as the monopoly carrier for local exchange. Now it requests to be exempted from the same requirements that will be imposed upon its competitors. Qwest’s costs to implement pooling are proportionate to the number of codes it holds. Competitive local exchange companies (“CLECs”) will incur similar

costs in proportion to the number of codes they hold. Furthermore, several other state commissions in the Qwest local territory have also ordered number pooling trials. At least two of those trials are scheduled for implementation prior to the July 8, 2001 date of this 509 area code trial. Qwest will have already had to modify its regional systems and train its personnel for those trials. If the Commission proceeds with implementing a number pooling trial in area code 509, it should expect no less of Qwest in Washington than it is expecting of the other participating carriers. For these reasons, the Commission should deny Qwest's petition for waiver.

II. COMMENTS

A. Reasonableness of Qwest Cost Estimates to Participate in the Trial

Qwest states that the vast majority of its number pooling costs are OSS modification and training costs. It argues that the Commission should exempt it from participating in the 509 area code trial and wait until the federally mandated trial in the Seattle MSA, thereby moving its costs under the FCC's cost recovery mechanism. Qwest has not submitted sufficient detail regarding its costs to permit detailed evaluation as to the reasonableness of its claims. However, the detail that Qwest did provide seems to contradict itself.¹ There is no reason to believe that Qwest will incur proportionately higher costs than any other participant in the trial.

¹ For instance, Qwest states that its costs to upgrade its 5ESS switches are approximately \$50,000 per switch. (Qwest petition, pp. 11-12) Qwest acknowledges that it has ten switches in the Spokane rate center. (p. 8) However, Qwest estimates the cost of upgrading its Spokane rate center switches is \$1.06 million. (p.9) Based on its cost of \$50,000 per switch, it appears that the cost of upgrading its Spokane rate center switches should be \$0.5 million.

Cost recovery, and cost recovery jurisdictions, should not be the driving factor in the Commission's decision regarding participation in the pooling trial for the 509 area code. Every carrier could petition the Commission with reasons why it should be excluded from the trial. The end result is that if participation is not mandated for LNP-capable carriers, the effectiveness of the trial is significantly reduced.

B. Effect of Qwest's Participation in the 509 Number Pooling Trial

Seven states commissions (including this Commission) in Qwest's local service territory have already received delegated authority from the FCC to implement state pooling trials.² An eighth state, Minnesota, has a similar petition pending at the FCC. Since most of Qwest's systems and procedures are regional, whatever costs it will incur in these state pooling trials will be incurred regardless of if it participates in the 509 area code pooling trial.

C. Reasonableness of Qwest's Estimates of Its Numbering Resource Contribution to the Pool

Qwest argues that it should be exempted from the 509 pooling trial because it operates at a 75% utilization level in the Spokane MSA and therefore, would have few blocks that could be contributed to the pool. This argument is flawed on several points. First, assuming that the 75% utilization factor cited by Qwest is accurate, it is merely an average throughout the MSA. The utilization rate of some codes will be higher while others will be lower. Secondly, it is the utilization within the thousand block, not the whole NXX, that is relevant in terms of what can be contributed to the pool.

² See *In the Matter of Numbering Resource Optimization, Implementation of the Local Competition Provisions of 1996*, Order, CC Docket No. 99-200, CC Docket No. 96-98, Dec. No. DA 00-1616; (Rel July 20, 2000) at ¶ 2. The six state commissions are those of Arizona, Colorado, Iowa, Nebraska, Oregon, Utah, and Washington. The first state trial is to be implemented on March 1, 2001 in Utah's 801 area code. Oregon's 541 area code is slated to implement pooling on June 30, 2001.

Furthermore, utilization rates are fluid. Customers disconnect service and numbers are returned to the code. Qwest, as the largest local exchange provider, would most likely have the largest churn of numbers. Thus, the Commission should not grant a waiver based on utilization rates.

Additionally, if Qwest is operating at a 75% utilization factor, this is actually all the more reason why it should be required to participate in the number trial. At this utilization rate it is more likely to need additional numbering resources sooner than a carrier with lower utilization rates. If Qwest is exempted from the trial it will be acquiring new numbering resources in blocks of 10,000 numbers rather than the 1,000 allocated in the pooling trial, thus exacerbating the depletion of available numbers in the 509 area code.

D. Exhaust of 509 Area Code Accelerated

Last year, Neustar in its role as the North American Numbering Plan Administrator (“NANPA”) forecast that the 509 area code would exhaust in April 2002. The latest forecast from Neustar has accelerated that exhaust date to 3Q 2001. These forecasts do not reflect any benefit that may occur from pooling. However, it is obvious that without full participation of all LNP-capable carriers, this pooling trial will not have its maximum impact of pushing out the exhaust date for the 509 area code. If the Commission proceeds as scheduled, all LNP-capable carriers should be required to participate to maximize the trial’s benefit.

Qwest’s petition argues that it will not have sufficient blocks to contribute to the pool to justify its costs of implementing pooling in the 509 area code. It does not address the corresponding impact of its requests for new codes if it is exempted from the pooling

trial. This is equally important in terms of number conservation benefits. If the Commission were to grant Qwest's waiver petition, Qwest would be allocated new codes in the current manner, i.e., blocks of 10,000 numbers rather than the 1,000 numbers it would receive as a member of the pool. Clearly, the current allocation process has contributed significantly to the current number exhaust situation. If Qwest continues to receive its codes in blocks of 10,000 numbers, the 509 area code will exhaust sooner than if blocks of 1,000 numbers are allocated.

E. Feasibility of Excluding Prefixes Based on Utilization Levels

The Commission should dismiss Qwest's suggestions that it and other carriers be granted waivers from participation in the pooling trial based on the carrier's utilization levels. Again, utilization levels at the NXX level do not necessarily reflect the utilization of a thousands block. Furthermore, such exemptions completely ignore the number conservation benefit derived when carriers receiving additional numbering resources do so in blocks of 1,000 numbers rather than blocks of 10,000 numbers. The FCC has not approved any conditions that would permit exemption of any LNP-capable carriers from number pooling and neither should this Commission.

F. Waiver Would Provide Qwest an Undue Competitive Advantage

Granting Qwest a waiver from participating in the 509 pooling trial would result in an undue competitive advantage. All carriers participating in the trial will incur costs associated with the trial. However, those carriers would also benefit from the pooling trial in that any delay in number exhaust would accordingly delay the need for area code relief implementation. Qwest as the largest code holder in the territory, would receive the

greatest benefit from such a delay, but would be doing so without contributing to the effort.

Another competitive factor that must be considered is that if Qwest is not required to participate in the trial, it would still be receiving new codes in blocks of 10,000 numbers. This allocation would allow Qwest to continue to build its number inventory at a significantly higher level than any competitive local exchange company (“CLEC”). This higher inventory would provide Qwest with the significant advantage of immediately having numbers available to serve new large customers while the CLEC may have to go through the block request process.

Granting Qwest, or for that matter, any other LNP-capable carrier such a waiver, will only weaken the benefits produced by implementing the trial. The Commission should stand firm in requiring that all LNP-capable carriers participate in the trial or not move forward with the trial at all.

G. Waiver Conditions

Qwest states that should the Commission grant its waiver petition that it will take “extraordinary” steps to ensure that it continues to utilize its available numbers efficiently. The Commission should not be fooled by such claims. The steps outlined by Qwest are certainly not extraordinary and are, for the most part, nothing other than what the FCC already requires of all carriers. Qwest has not argued that it is incapable of providing number pooling, only that it does not want to. In fact, by the July 8, 2001 implementation date for the 509 area code trial, Qwest will have already been required to participate in pooling trials in Utah and Oregon. Qwest’s regional systems will have already been modified to accommodate those trials and the others that will follow shortly.

Qwest's competitors will be participating in the 509 area code trial and it should be required to do so as well.

AT&T appreciates the opportunity to submit its initial comments. Please contact us if you have any questions.

Respectfully submitted on March 1, 2001.

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