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February 16, 2001

Carole J. Washburn
Executive Secretary
Washington Utilities and
Transportation Commission
1300 S. Evergreen Park Drive S. W.
Olympia, Washington 98504-7250

Re: Docket No. UT-991535
Attention: Glenn Blackmon, Dave Dittmore and Betty Erdahl

Dear Ms. Washburn:

Qwest Corporation (Qwest) is submitting the following comments, pursuant to the Commission's Notice of Opportunity to Submit Written Comments, dated February 1, 2001. These comments were also filed electronically.

Qwest appreciates the opportunity to provide written comment concerning cost allocation of the 564 area code overlay Customer Notification and Education Plan. In summary, Qwest concurs with the Commission staff's recommendation that the cost of the plan be allocated to all telecommunications providers in western Washington based on the number of NXX codes assigned to them. Qwest also proposes that this allocation be based on the number of NXX codes assigned to each provider as of February 16, 2001 and that the Washington Independent Telephone Company Association (WITA) collect the funds from each provider within sixty days of the Commission's order and disburse such funds to Qwest as bills are received from each provider of service. Attached are Qwest's responses to the specific questions offered by the Commission for comment.

If you have questions concerning any of these comments, I can be reached on 360-754-3241.

Sincerely,

Attachment

Qwest Corporation
Cost Allocation of the Consumer Education Plan for 564 Area Code Overlay
Docket No. UT-991535
February 16, 2001

Method of Cost Allocation:

Qwest concurs with staff's recommendation that the cost of the 564 Customer Education and Media plan be allocated to all telecommunications providers in western Washington based on the number of NXX codes assigned to them. Qwest also proposes that this allocation be based on the number of NXX codes assigned to each provider as of February 16, 2001. This method of allocation is fair and equitable to all providers.

This method meets the following objectives:

- Relationship to the factors causing the need for area code relief:

The demand for access lines, NXXs and telephone numbers is driven by the number of new entrants in the market, new technology and new services. This is evidenced by the fact that approximately 44% of the current NXX codes are assigned to traditional local exchange companies and 56% are assigned to wireless carriers and other providers. A new area code is not needed because of a shortage of telephone numbers; there are more than enough numbers available within existing area codes. Qwest concurs with the Commission staff that the primary reason a new area code is needed is due to a shortage of telephone prefixes. The industry uses telephone prefixes not just as a supply of telephone numbers but also for routing and rating calls over the public switched network. It is these prefixes that are in short supply.

An allocation based on the number of NXX codes assigned to each provider has the greatest relationship to factors causing the need for area code relief. Traditional local exchange companies are utilizing as much as 70 percent of the available telephone numbers in their assigned prefixes in these area codes. Other providers, especially new local exchange providers, have significantly lower utilization rates, including zero utilization rates. This was evidenced on February 14, 2001 when the Commission took action and reclaimed twenty-two NXX codes, fifteen of which were in the 564 geographic area. Providers with low or zero utilization rates inefficiently tie-up numbering resources. This behavior is a significant factor driving the need to add new area codes sooner than what has traditionally occurred. The NXX cost allocation method does not penalize companies who efficiently utilize their existing prefixes. It does, however, send a message to companies that don't manage their current resources appropriately.

- Inclusion of all service providers in the allocation method:

Considerations of equity call for an allocation method that treats all service providers in the same manner. The NXX method is the only method that directly addresses the relationship between area code consumption and efficient utilization of numbering resources.

- Competitive and technological neutrality:

Qwest concurs with staff that the allocation method selected should not single out one sector of the industry or one technology. Thus, wire line and wireless carriers should be treated in the same manner, as should incumbent and new entrant providers. The NXX method is the only method that directly addresses the relationship between area code consumption and the behavior of all service providers that utilize numbering resources.

- Reliance on verified (as opposed to self-reported) data source:

The allocation method selected by the Commission should rely on data sources known to be accurate and readily accessible to the Commission staff. An NXX cost allocation method is the only method whereby the Commission staff can easily obtain reliable and timely code utilization information. This information is maintained by NANPA/Neustar the number administrator, who manages NXX code assignments. .

On January 31, 2001, the Commission staff acknowledged that it does not have the data to develop allocation amounts for other allocation methods that might be considered. Staff stated that there is no verified source of information on how many telephone numbers are in use by each service provider. Companies report telephone number utilization information to NANPA/Neustar. However, these reports are not verified and are subject to differing interpretations among service providers. Staff also stated that there is not yet full compliance with the reporting requirement and the authority of NANPA/Neustar to compel reports is as yet untested. However, NANPA/Neustar maintains a public record of the telephone prefixes assigned to each service provider.

It was also clear from the recent proceeding in Docket No. UT-000883, that staff does not have data to develop actual allocation amounts based on each provider's access lines in service. The number of access lines in service would require the Commission to collect data it does not currently possess from every provider in western Washington. As evidenced in Docket No. UT-000883, such a request would be subject to differing interpretations among service providers and may not result in the collection of such data from all providers. This approach would not result in an allocation of costs based on complete and dependable data sources.

- Reliance on data that is publicly available and not considered to be proprietary or confidential:

The NXX information is public information. An allocation of costs based on this data is the only method whereby the Commission staff can access accurate, verifiable data since it relies on the actual assignment of telephone prefixes by the number administrator. As stated previously, NANPA/Neustar maintains a public record of the telephone prefixes assigned to each service provider.

- Other objectives:

The final objective to be considered by the Commission is which method will result in the collection of funds within a relatively short interval. The \$1.2 million cost will be incurred over six months, commencing April, 2001. This short interval provides only enough time for the Commission to act based on data it has available to it at this time. Adoption of an allocation method that requires the collection of data from each provider will impose a significant delay, unnecessary cost to the Commission and it will not necessarily result in 100% participation as evidenced in prior proceedings.

Method for collection and disbursement of the assessment:

The collection and disbursement of the assessments ordered by the Commission should be managed by the Washington Independent Telephone Company Association (WITA). WITA should be directed to notify each provider of the amount due and should be directed to collect the funds from each provider within sixty days of the Commission's order. The Commission should also impose a late fee of 5% for payments not made by the date ordered. WITA should be directed to disburse funds to Qwest, as bills are received from each provider of customer education service, e.g. newspaper, television, radio, etc. Late fees, should they be necessary, could be used to support community outreach activities that will expand upon the approved Customer Education and Media Plan.