

Regulatory and
Governmental Affairs



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September 21, 2001

FILED²
SEP 21 2001
Missouri Public
Service Commission

Mr. Dale Hardy Roberts
Secretary/Chief Administrative Law Judge
Missouri Public Service Commission
200 Madison Street - Suite 100
Jefferson City, Missouri 65101

Subject: IN THE MATTER OF THE PETITION OF THE NORTH AMERICAN
NUMBERING PLAN ADMINISTRATOR, ON BEHALF OF THE MISSOURI
TELECOMMUNICATIONS INDUSTRY, FOR APPROVAL OF NPA
RELIEF PLAN FOR THE 314 AND 816 AREA CODES
CASE **TO-2000-374**

Dear Mr. Roberts:

Enclosed for filing is the original and eight (8) copies of GTE Midwest Incorporated d/b/a
Verizon Midwest's Reply to the Staff's Reply to Responses from SWBT and from Sprint
in the above referenced case.

Thank you for your assistance in this matter.

Sincerely,


Thomas R. Parker
VP & Associate General Counsel

TRP:bjp
Enclosure

c: Certificate of Service

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED²
SEP 21 2001
Missouri Public
Service Commission

In the Matter of the Petition of the North)
American Numbering Plan Administrator,)
on Behalf of the Missouri Telecommunications)
Industry, for Approval of NPA Relief Plan for)
the 314 and 816 Area Codes.)

Case No. TO-2000-374

**GTE MIDWEST INCORPORATED D/B/A VERIZON MIDWEST'S REPLY TO THE
STAFF'S REPLY TO RESPONSES FROM SOUTHWESTERN BELL TELEPHONE
COMPANY AND FROM SPRINT**

COMES NOW GTE Midwest Incorporated d/b/a Verizon Midwest (Verizon) in response to the Staff of the Missouri Public Service Commission and for its reply states:

1. On September 14, 2001, the Staff filed reply comments to responses from Southwestern Bell Telephone Company (SWBT) and from Sprint.

2. In section 4 of the Staff's comments, Staff indicates that NeuStar has assured them "that cost recovery for such things as software, whether implemented as a state trial or through the national implementation, will be borne on a regional basis". This statement is correct from a software perspective if NPAC version 3.0 software is used for the number pooling trial. However, due to software development problems with NPAC version 3.0, it is possible that NPAC version 1.4 software will be required to implement the pooling trial. Costs associated with use of version 1.4 for a Missouri trial would not be addressed when the FCC deals with cost recovery on a national basis since these costs would be exclusive to the early deployment of number pooling in a state trial. In addition, company specific costs associated with participating in the pooling trial would not be considered in the national cost recovery effort since such cost

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would be incurred prior to national deployment. Primary among these costs would be the costs associated with identification and processing of number blocks for donation to the number pool plus management costs associated with obtaining numbering resources from the number pool once it is established. In paragraph 171 of the March 17, 2000 Number Resource Optimization Order (99-200), the FCC makes the following statement regarding cost recovery "In addition, because our national cost recovery plan cannot become effective until national pooling implementation occurs, states conducting their own pooling trials must develop their own cost recovery scheme for the joint and carrier specific costs of implementing and administering pooling in the NPA in question."

3. Verizon is currently involved in cost recovery proceedings in several states related to recovering costs specific to a number pooling trial. If the Missouri Commission does choose to implement a number pooling trial in the first quarter of 2002, prior to the national deployment schedule, Verizon would file for cost recovery with the state of Missouri, as it has in other states, for the expenditures specifically incurred as a result of the trial. Assuming that the Commission orders the Thousands - Block Number Pooling (TNP) trial prior to national deployment, Verizon recommends that the Commission direct NeuStar to allocate the pooling administration "shared industry costs" among carriers based on each carrier's percentage of total end-user revenues.

There are two categories of "shared industry costs" for TNP - pooling administration, shared industry costs and Number Portability Administration Center (NPAC) - related shared industry costs. Only the shared industry costs for "pooling administration" would be addressed in Verizon's cost recovery filing. There are two

types of pooling administration shared industry costs - non-recurring and recurring. Non-recurring shared industry costs are those costs incurred by the pooling administrator to create the pool, specifically the Pooling Implementation and Establishment Fee and the Implementation Meeting Fee. Recurring shared industry costs are the costs associated with processing carrier's requests to receive number blocks from the pooling administrator.

The non-recurring shared industry costs for a state pooling trial are normally specified in the Pooling Administrator contract for the pooling trial signed by NeuStar and the North American Portability Management (NAPM) group on behalf of the industry, as directed by the state Commission. The recurring costs - specifically, the per-block activation fee - is also set forth in the NeuStar/Industry contract.

Verizon recommends that each carrier's portion of the pooling administration shared industry costs for Missouri's state pooling trial be based on the carrier's percentage of total end-user revenues (total end-user revenues from all intrastate, interstate, and international telecommunications revenues a carrier receives from its end-user customers). This methodology mirrors the methodology approved by the FCC for the allocation of shared industry costs for local number portability (LNP). In addition, in its Report and Order and Further Notice of Proposed Rulemaking *In the Matter of Number Resource Optimization*, CC Docket No. 99-200, released March 31, 2000, the FCC supported the continued use of the LNP methodology for the allocation of the shared industry costs for TNP - as it had already done for allocating among carriers the shared industry costs for the administration of the North American Numbering Plan. Because the LNP methodology will be used to allocate among carriers the shared

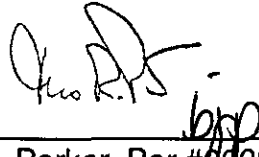
industry costs for the national roll-out of pooling, which will include the NPAC-related shared industry costs for the state pooling trials, the Commission should allocate the pooling administration shared industry costs for the Missouri pooling trial in the same manner. To recover the TNP costs allocated to it, Verizon would then file for approval of a one-time, end-user charge with the Commission.

4. Based on the FCC's order, Missouri is authorized to implement a number pooling trial prior to March 2002 when the national rollout of TNP is anticipated to begin. While Verizon is prepared to support a deployment schedule that would allow a TNP trial to be in place in Missouri in the January or February 2002 timeframe, such a decision to implement ahead of the national schedule will require that the Missouri Commission put into place a cost recovery mechanism for the pooling trial. As an alternative, the Commission could choose to work with NeuStar to advocate that a Missouri NPA is among the NPAs that are deployed early in the national schedule. Assuming such an advocacy is successful, it would help conserve valuable Commission staff and industry resources required at this time to address the implementation of an early trial and the associated state level cost recovery effort.

WHEREFORE, Verizon feels there would be minimal delay in benefits to Missouri carriers and customers due to the minimal difference in the dates between January or February 2002 and a March 2002 national rollout.

Respectfully submitted,

GTE MIDWEST INCORPORATED
D/B/A VERIZON MIDWEST



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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document was hand-delivered to Dale Hardy Roberts, Secretary/Chief Administrative Law Judge, Missouri Public Service Commission, 200 Madison Street, Suite 100, Jefferson City, Missouri, and was mailed, postage prepaid this 21st day of September 2001, to the following:

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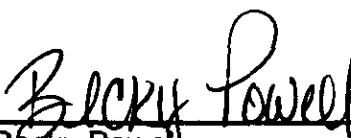
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