

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Petition of the North)
American Numbering Plan Administrator,)
on Behalf of the Missouri Telecommunications) Case No. TO-2000-374
Industry, for Approval of NPA Relief Plan for)
the 314 and 816 Area Codes.)

**SOUTHWESTERN BELL TELEPHONE COMPANY'S
REPLY TO STAFF'S RESPONSE TO SPRINT AND TO
SOUTHWESTERN BELL TELEPHONE COMPANY, AND
STAFF'S REPORT AND RECOMMENDATION**

Comes now Southwestern Bell Telephone, L.P., d/b/a Southwestern Bell Telephone Company ("SWBT"), and for its Reply to Staff's Response to Sprint and to Southwestern Bell Telephone Company, and Staff's Report and Recommendation, states as follows:

1. The Federal Communications Commission ("FCC") has repeatedly determined that 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(s) in question. (Emphasis added). See Report and Order and Further Notice of Proposed Rule Making, In the Matter of Numbering Resource Optimization, CC Docket No. 99-200, March 31, 2000, paragraph 171 ("NRO I"); see also Third Report and Order and Second Order on Reconsideration in CC Docket No. 96-98 and CC Docket No. 99-200, In the Matter of Numbering Resource Optimization, Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, and Telephone Number Portability, CC Docket Nos. 99-200, 96-98, and 95-116, December 28, 2001, paragraphs 3 and 26 ("NRO III"). The FCC explained that development and implementation of state cost recovery is necessary to ensure that carriers recover the costs of advance implementation of thousands-block number pooling attributable to the state jurisdiction. (See NRO III, paragraph 26). The FCC additionally explained that these

individual cost recovery schemes will transition to the national cost recovery plan, on a forward-looking basis, when the latter becomes effective. Id.

2. The FCC also determined that costs incurred by carriers to implement state-mandated thousands-block number pooling are intrastate costs and should be attributed solely to the state jurisdiction. (See NRO I, paragraph 197; see also NRO III, paragraph 24. In NRO III, the FCC directed states implementing thousands-block number pooling under delegated authority to commence cost recovery actions for state-mandated thousands-block number pooling trials. (See NRO III, paragraph 25). Specifically, the FCC stated:

We now direct states that have exercised delegated authority and implemented thousands-block number pooling to likewise commence cost recovery procedures for these state-specific costs. We agree with BellSouth that **any state that has ordered implementation of pooling in advance of the national rollout is required to implement a cost recovery scheme**. In our orders delegating authority to the state commissions to institute thousands-block number pooling trials, we have reminded the states to ensure that the shared costs of thousands-block number pooling are borne and that carrier-specific costs of thousands-block number pooling are recovered on a competitively neutral basis in accordance with Section 251(e)(2) of the Act.

(Emphasis added). (NRO III, paragraph 28).

3. The FCC urged state commissions to follow the "road map" provided in NRO I regarding cost recovery for thousands-block number pooling, as well as the blueprint for cost recovery that it laid out in NRO III. (See NRO III, paragraph 27). To the extent that Staff implies that the Missouri Public Service Commission ("Commission") is not required to implement a cost recovery scheme in connection with the implementation of thousands-block number pooling in advance of the national rollout, such claims are in error and should be rejected. Further, to the extent that Staff asserts that no special mechanism for cost recovery is required, such claims are also in error and should be rejected.

4. Although SWBT adamantly believes that the Commission is required to implement a cost recovery scheme since it ordered implementation of thousands-block number pooling in advance of the national rollout, SWBT has chosen to withdraw its request for a special cost recovery mechanism. SWBT has analyzed the costs associated with thousand-block number pooling, as well as the time and expense associated with recovering the costs associated with thousands-block number pooling. SWBT has made the business decision that its resources would be better used on projects other than the implementation of a surcharge to recover the costs associated with thousands-block number pooling. Accordingly, SWBT withdraws its request for cost recovery associated with the state number pooling trials in Missouri.

Wherefore, Southwestern Bell Telephone, L.P., d/b/a Southwestern Bell Telephone Company prays that the Missouri Public Service Commission consider its Reply to Staff's Response to Sprint and to Southwestern Bell Telephone Company, and Staff's Report and Recommendation, and enter an Order indicating that Southwestern Bell Telephone Company has withdrawn its request for a specific cost-recovery mechanism order by the Commission.

Respectfully submitted,

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CERTIFICATE OF SERVICE

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