

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

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In the Matter of : DOCKET NO. 981444-TP
:
NUMBER UTILIZATION STUDY: :
INVESTIGATION INTO NUMBER :
CONSERVATION MEASURES. :

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PROCEEDINGS: SPECIAL AGENDA CONFERENCE
ITEM NO. 1

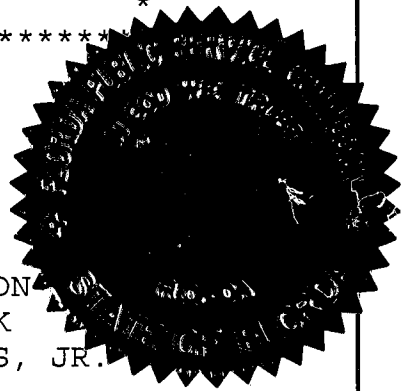
BEFORE: CHAIRMAN JOE GARCIA
COMMISSIONER J. TERRY DEASON
COMMISSIONER SUSAN F. CLARK
COMMISSIONER E. LEON JACOBS, JR.
COMMISSIONER LILA A. JABER

DATE: Friday, May 5, 2000

TIME: Commenced at 9:30 a.m.
Concluded at 11:20 a.m.

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: JANE FAUROT, RPR
FPSC Division of Records & Reporting
Chief, Bureau of Reporting
(850) 413-6732



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1 PARTICIPATING:

2 DIANA CALDWELL, FPSC Division of Legal
3 Services.

4 JOHN CUTTING and LEVENT ILERI, FPSC
5 Division of Communications.

6 MICHAEL GOGGIN, representing BellSouth,
7 Telecommunications, Inc.

8 FLOYD SELF, representing AT&T
9 Telecommunications of the Southern States.

10 CHARLES REHWINKEL and HOKE KNOX,
11 representing Sprint.

12 BRENT STRUTHERS, representing NeuStar.
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P R O C E E D I N G S

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2 CHAIRMAN GARCIA: Good morning. We are going to
3 convene the special agenda. Should we have counsel read
4 the notice or we don't need to do that in this case?

5 All right. Go right ahead, staff.

6 MR. ILERI: Good morning, Commissioners. In the
7 February 29 agenda conference the Commission approved
8 portions of staff's recommendation. The Commission
9 approved to implement 1,000 number block pooling in the
10 954 area code using software release 1.4.; 561 area code,
11 using software release 1.4; and 904 area code using
12 software release 3.0. And in this order we stated that
13 pooling implementation will start on May 1, July 1, and
14 October 1, 2000, respectively.

15 The Commission also approved the recommendation
16 of any unused and reserved NXXs in all of Florida's NPAs,
17 requiring the industry to designate a pooling
18 administrator, and mandated the number conservation
19 measure procedures at the 1,000 block level.

20 Upon release, portions of the PAA order were
21 protested by the parties. Therefore, staff brings this
22 recommendation to address those issues raised by the
23 parties.

24 Staff is ready to entertain any questions that
25 the Commissioners may have regarding the issues as

1 recommended.

2 CHAIRMAN GARCIA: Staff, how do we handle
3 parties here? Do persons get to speak here or --

4 MS. CALDWELL: Yes.

5 CHAIRMAN GARCIA: Okay. Well, then before we
6 have got questions, do any of you have -- I know Ms.
7 Arvanitas is here also.

8 Mr. Self.

9 MR. SELF: Mr. Chairman, I'm Floyd Self for AT&T
10 and MCI WorldCom. We support the staff recommendation.
11 We have a number of people here who can answer any
12 technical questions you have, and I think we would reserve
13 any comments, except for any questions you may have.

14 CHAIRMAN GARCIA: Okay.

15 MR. GOGGIN: Mr. Chairman, I'm Michael Goggin.
16 I'm here on behalf of BellSouth, and we also support the
17 staff's recommendation and have technical representatives
18 here to answer questions, if there are any questions.
19 That's all.

20 CHAIRMAN GARCIA: Ms. Arvanitas, do you want to
21 make any comments?

22 MS. ARVANITAS: Yes, I had a problem. In
23 reviewing the staff recommendation, it was stated that I
24 failed to make a claim for which relief can be granted. I
25 believed I was very specific in my April 6th filing, and I

1 said, may I recommend to the Commission that we go back to
2 rulemaking. In the last docket, the order for the last
3 Docket 990373, we were supposed to go into rulemaking for
4 the voluntary stipulation. The voluntary stipulation is a
5 guideline or a road map to which number pooling, the
6 number pooling implementation fall into place.

7 The voluntary stipulation doesn't just discuss,
8 you know, what types of numbers, but it also discussed
9 things which I believe was a major loophole for the State
10 of Florida, and that was the, at first, nine months, but
11 six months -- six months numbers.

12 In the last docket, 990373, which ended May
13 1999, we made mention, Charlie Beck and I, that there was
14 no measurement of what one month of inventory is.
15 Therefore, theoretically the industry could say that they
16 need 20 years of numbers wrapped around them. There is no
17 definition. They, in essence, would not have to pool.

18 CHAIRMAN GARCIA: Ms. Arvanitas, before you go
19 any further, I'm going to ask staff to answer every single
20 question Ms. Arvanitas has. So let's make sure we are
21 getting these down. And obviously I will ask the same of
22 industry. Whatever she has a question with, I want to
23 make sure its answered so we don't have to do this twice.

24 Go ahead, Ms. Arvanitas. I'm sorry for
25 interrupting you.

1 MS. ARVANITAS: Okay. Then I watched while my
2 comments were filed, they were not called a protest. And
3 I was told by the Legal Department that my comments -- I
4 did not say protest, I did not make mention to a specific
5 PAA order from the Docket 990373. And the woman in the
6 Records and Reporting discussed with the Legal Department
7 women that if I felt that it was a protest, then I need to
8 clarify myself. Of which I made a filing on April 13th.
9 I believe I said protest five or six times. Once again
10 reiterating that I would like to see the voluntary
11 stipulation go before rulemaking as per the order.

12 Then I was told that, well, I didn't -- I failed
13 to say what I -- I do not understand the clause fails to
14 make a -- for which relief can be granted. Maybe I'm not
15 an attorney, and I didn't expect to be an attorney when I
16 spent \$200 a month in phone bills doing this number
17 conservation docket, and doing these teleconference calls.
18 But I believe I was very clear in a statement. And the
19 relief that can be granted for the problem was please, you
20 were supposed to go into the order for the voluntary
21 stipulation, you do not -- and then I was told that the
22 FCC order hadn't come out.

23 You know, we have an FCC order that just came
24 out last month. So does that mean every time there is an
25 FCC order the Public Service Commission of Florida is to

1 disregard a PA order? See, I'm not understanding that,
2 and I would like somebody to clarify that for me.

3 CHAIRMAN GARCIA: Do you want to go ahead and
4 give us all the questions you have on the issue before us
5 today, so we don't get into a back and forth. You heard
6 my instructions to staff and the companies. Clearly those
7 are legal things, Ms. Caldwell will answer that. And then
8 let's talk about what we have before us today, also.

9 MS. ARVANITAS: Okay. I'm reviewing Floyd
10 Self's comments. In his February 28th filing, he said
11 there is no new or urgent problem that requires immediate
12 Commission action today. And I believe you have been in
13 jeopardy relief in the three areas, 954, 904, and 561
14 since March of 1999. So, we have 1.4 software that is
15 available today. It is being used in what I believe -- is
16 it three different states? And they don't seem to have a
17 problem with pooling. Pooling is releasing numbers to be
18 shared so that the consumers do not have to go through a
19 jeopardy relief, either an area code overlay or an area
20 code split.

21 If you wait nine more months to wait for a
22 software that -- it isn't in a box anywhere, it is on a
23 conveyor belt with 30 percent software glitch, just so
24 that the industry can save 50 percent labor costs because
25 they believe 1.4 software is individual porting of numbers

1 and, therefore, their claim is they save money and,
2 therefore, the consumers save money.

3 But actually by nature of the -- I believe the
4 1996 Telecommunications Act, Section 251 talks about what
5 we call competitive neutrality. And I do not know how you
6 can say for the ALECs and the CLECs, where you are going
7 to restrain them with a lottery issuing, say six NXXs a
8 month for the next nine months until you can do this
9 number pooling with 3.0, you are restraining these ALECs
10 and CLECs from growth.

11 I have been on the phone last week talking to
12 some of the smaller cable companies up and down the east
13 coast, and they -- and I guess the attorney representing
14 them here today did not have an understanding that they
15 are being impeded right now from growth because they do
16 not have the numbers.

17 And I had a problem with Floyd Self's March 23rd
18 filing that he only wanted to use the number 10 on his, I
19 believe it was Exhibit 1. He only wanted to use the INC
20 numbering guidelines dated February 28th, 2000, when
21 actually in our FCC filing that just came out, 99-200 or
22 rather 00-104, the FCC makes mention that there are state
23 revisions. One of them most notably being utilization
24 threshold as a measurement for usage, which I guess in
25 Floyd Self they have decided that, in his words, any

1 subsequently modified INC guidelines shall not be utilized
2 until they have been approved and become effective
3 pursuant to the INC. So I don't believe that the Industry
4 Numbering Committee makes the rules, and the FCC has said
5 that those modifications will be implemented and they are
6 expecting that.

7 I think the other thing that I had a problem
8 with is the April 6th filing. As you can see, I was
9 banging them out like the industry was. And this was a
10 very, I think, gabberous for the Commissioner's filing.
11 The April 6th filing of AT&T, Floyd Self, discussed on
12 Number 9, the PA's order plan would -- purportedly would
13 impair the joint petitioner's access to numbering
14 resources.

15 So I do not know anywhere in any legal
16 ramifications of the NANPA, FCC, and Public Service
17 Commission they have communicated that these are the
18 public's numbers, so there is not any document that gives
19 the industry unbridled and unrestrained access to the
20 public's numbers. Also, in that filing Floyd Self, the
21 voluntary stipulation, he wants to clarify voluntary
22 stipulation that you reviewed May 1999 in the 990373
23 docket, made mention of releasing contaminated --
24 qualified contaminated 1,000 block numbers, which are
25 numbers that -- less than a 100 or less numbers in a 1,000

1 block. The number pooling administrator also gets to
2 reclaim them.

3 Floyd Self's group has defined that they will
4 only do uncontaminated numbers. From our number pooling
5 subcommittee, of which I was on almost every number
6 pooling subcommittee, we had very few -- because they made
7 the industry compile data and so we were reviewed -- they
8 had very few qualified contaminated numbers. So if right
9 now we are making the rules for number pooling, then can I
10 ask how many numbers exactly contaminated qualified or
11 uncontaminated numbers do you have available to do
12 pooling? Because if you don't have a definition of what
13 six months inventory is, which I believe is a major
14 loophole in the voluntary stipulation, then how can you
15 get them to give up their numbers? Because basically this
16 is sharing.

17 Also in Floyd Self's April 6th and April 11th
18 filing he made some discussion of certain costs that he
19 believes that they need a leeway for the 3.0 software,
20 they need this time to prepare because they have certain
21 things that they have to upgrade, their OSS, LSMS, SCP --
22 there are certain upgrades. Very specifically in the
23 99-200 of the FCC filing that just came out, it discusses
24 in Number 216 that there are shared industry costs,
25 carrier-specific, and it makes mention that we need to

1 distinguish between 1,000 block number pooling costs from
2 other network upgrades, because of number portability.
3 Network changes associated with number portability and the
4 changes to the network for both 1,000 block pooling and
5 number portability are similar.

6 Since July 1999, BellSouth has been charging
7 query charges and end user charges to the consumer. They
8 are called portability charges on your phone bill. They
9 have been charging 36 cents a month. And basically the
10 FCC in 192 question to 226 question makes mention that
11 there are very specific costs that they will allow them to
12 recover.

13 My only concern here is that last year, I have a
14 little NANPA document off their NANPA website. And they
15 say for the 3.0 software that software development per
16 released 3.0 or the national pooling software has begun
17 and will be completed and ready for testing by June 2000.
18 This year, in the year 2000 we are told that it will be
19 ready and implemented by July 2000. Now, two weeks ago
20 NeuStar sort of has a problem. The poor software is on a
21 conveyor belt, this is the software that is sight unseen.
22 We have not seen it, it has not been implemented anywhere.
23 And they are saying that there is going to be a three-week
24 delay.

25 So if there is a three-week delay, and last year

1 you said that number pooling, 3.0 software is going to be
2 ready June 2000; this year you say July 2000, but two
3 weeks ago you say that it will be a three-week delay; then
4 we are not looking then really at an implementation date,
5 we are getting pushed off into, what, August. And so
6 therefore the -- July, so that December 2000 is
7 unrealistic for what the industry is saying for 3.0.

8 This is software that has never been used. I
9 mean, maybe I -- I believe in God, but maybe I have a
10 couple of atheists up and down the east coast. And in
11 talking to the business community of which I have talked
12 to Fort Lauderdale, Mayor Noggel (phonetic) and some of
13 the other mayors, I have talked to the economic councils.
14 You are impeding growth on these small companies, not
15 allowing them to release numbers. You have been in a
16 jeopardy relief period in the longest period of time. We
17 are going to be well over a year, maybe a year and a half
18 for three area codes not releasing numbers to them.

19 You are being open ended about costs that the
20 industry says they need to be -- they need to have. OSS,
21 some of these switch upgrades should have been taken care
22 in the portability charges that they are already charging.
23 So maybe what I should ask BellSouth is is there another
24 reason beside they like 3.0 software that they believe
25 they are going -- they want this nine-month period of time

1 not to have to do 1.4 software now.

2 Because if they are ready for portability, if
3 they are charging for portability, then some of the costs
4 that they have been bringing up in their -- of course you
5 have read my filings -- their comments that they made all
6 through our number pooling subcommittees, and that they
7 are making now in Floyd Self's statement to the industry.
8 We do not need to wait for them to do these upgrades.
9 They should have already been done because they are
10 charging -- they did an FCC federal tariff nationwide, and
11 they are charging now in the State of Florida for what
12 they are saying in the Floyd Self's documents that they
13 need time to improve.

14 So, you know, basically my premise is we should
15 go into the voluntary stipulation as per the last order.
16 I am aware that there was an FCC order directly after that
17 Public Service Commission hearing. However, there is also
18 an FCC order that is released now before this hearing.
19 Does that mean you disregard anything we have done for the
20 last six months or any previous orders because there is an
21 FCC order? So -- okay. Those are my two questions.

22 CHAIRMAN GARCIA: Very good. I thought there
23 were more than two questions there, though, and --

24 MS. ARVANITAS: Well, you know, I don't get a
25 word in edgewise.

1 CHAIRMAN GARCIA: I'm not criticizing you. I
2 thought there were some very good questions there. You
3 only phrased two of them as questions, but the rest I
4 think bring up some questions about what we did and what
5 the company has done.

6 Staff, do you want to take a crack at it? And
7 those that the company wants to answer -- there were some
8 specific questions, Mr. Self, you may want to address.
9 Mr. Goggin, you may also. Staff.

10 MS. CALDWELL: Commissioner, I would first like
11 to address Ms. Arvanitas' point about staff's
12 recommendation to move -- that the Commission dismiss on
13 its own motion her protest for failure to state a claim.
14 We recognize that Ms. Arvanitas termed her filings in
15 terms of protest, but looking at actually what she was
16 making comments on and protesting, we felt -- we looked at
17 what the order actually ordered, and then we went back and
18 looked at her comments and what she was protesting.

19 Some of the comments that she made went to the
20 filing of the industry, so we addressed those in the
21 second issue where we asked comments or response to the
22 industry's filing. The other ones that we dealt with in
23 Issue 1 was her point to go to rulemaking. And we felt
24 that while the order in the 990373 docket has directed
25 staff to initiate rulemaking, staff felt that it did not

1 require the Commission to go to rulemaking before doing
2 any other procedures.

3 In addition to that, if you read Chapter 120.54,
4 Florida Statutes, the criteria for going to rulemaking,
5 staff does not believe that we have met that criteria that
6 we have to go to rulemaking. We feel that -- and finally
7 we felt that we were not prohibited from the order in
8 Docket Number 990373 from doing anything else with the
9 number management procedures. So for those reasons, staff
10 did not feel that this Commission was bound and required
11 to go to rulemaking, and hence our recommendation to
12 dismiss her request.

13 Because we are not required -- the failure to
14 state a claim is the failure or the fact that we are not
15 required to go to rulemaking at this time. That we can,
16 in fact, vote on this procedure today and move forward
17 with it. We are not prohibited at a later date to go to
18 rulemaking. I think that was the legal question that I
19 wanted to address.

20 MR. ILERI: Ms. Arvanitas has also raised the
21 question regarding Floyd Self's letter on February 28th
22 regarding the statement that it says, "No new or urgent
23 problems requires immediate action today." And currently
24 those area codes are in extraordinary jeopardy and we have
25 rationing procedures going on, like we are distributing

1 six codes per month. And also last year our Commission --

2 CHAIRMAN GARCIA: Let me ask just a small, out
3 of ignorance -- because we are in jeopardy -- and I guess
4 Mr. Goggin or Mr. Self can answer this. Because we are in
5 this jeopardy situation, does that mean the
6 telecommunications companies who want to enter the market
7 and do not have numbers and do not get allocated a number
8 cannot enter the market?

9 MR. SELF: What it means, Mr. Chairman, is in
10 order for a new entrant to get a number, that they are
11 subject to the lottery that is being held in each of the
12 NPAs that are in the extraordinary jeopardy situation.
13 And so they can only obtain numbers if they get them out
14 of the lottery.

15 CHAIRMAN GARCIA: Give me an example, Mr. Self,
16 of how that lottery works. I think we are one of the
17 fastest competitive or at least entrant markets in the
18 country. And I assume that Broward County is probably one
19 of the most competitive counties in the country. So what
20 does that mean for Joe Garcia Telecom who gets a
21 certificate and shows up for one of these lotteries?

22 MR. SELF: Well, I know, for example,
23 Trivergent, which is one of the companies that has signed
24 on to the offer of settlement, that they have been unable
25 to obtain numbers so far in the 904 other code. That they

1 had participated in two of the lotteries in the two prior
2 months seeking numbers in the 904 NPA. And because they
3 were not picked in the lottery they did not receive
4 numbers, which means they have been unable to start
5 operations.

6 I can't fully speak for Trivergent and where
7 they are in terms of their business plan or their process,
8 but I know from talking to several of the folks at that
9 company, obviously the inability to obtain the numbers
10 has, in fact, caused them delay in actually entering the
11 market. But I don't know where exactly they are in terms
12 of their business plan, you know, whether they would have
13 indeed entered operations and started offering service to
14 customers two months ago had they, indeed, gotten numbers.

15 I also believe as a legal matter that under the
16 rules that if you have a carrier who is indeed being
17 denied access to the market because they cannot get
18 numbers, I believe that under the FCC's requirements there
19 are means by which you can seek to obtain numbers outside
20 of that process.

21 CHAIRMAN GARCIA: Can you explain how that
22 works?

23 MR. SELF: Not fully, but I believe that -- I
24 think if you go back to the FCC's Pennsylvania order from
25 two or three years ago, that there was some language in

1 that order that suggested, at least to me, that if a
2 carrier was in the position where they were unable to
3 obtain numbers in an NPA that was in extraordinary
4 jeopardy that was subject to a lottery or whatever
5 rationing was going on, that they would be able to
6 petition outside of that process, if they indeed had a
7 compelling immediate pressing need for numbers, and that
8 they could obtain them that way.

9 And, in fact, I have talked with the Trivergent
10 people in particular about whether they had explored that
11 opportunity or not, and they said that they considered it
12 and had not decided whether they actually needed to
13 proceed on that basis yet.

14 CHAIRMAN GARCIA: Very good. Did you want to
15 add something?

16 MR. ILERI: Actually I will make another
17 addition. In addition to the rationing procedures,
18 currently we have mandatory 1,000 block number management
19 procedures in place since last year. And also in our
20 February 29 agenda conference our Commission approved a
21 recommendation of unused and reserved NXXs in all of
22 Florida's NPAs. And I have some statistics in terms of
23 how many NXXs have been returned. And basically like in
24 the 954 area code, the number of NXXs returned is two, in
25 the 904 it is three, in the 561 area code it is seven.

1 For example, in the 561 area code the rationing
2 procedures allow six codes per month, so it will extend
3 the life for an additional month. In the 305 area code,
4 there have been five returns, that means because of the
5 rationing procedures by one per month, it will extend the
6 life an additional five months if those NXXs are used in
7 the Keys area.

8 CHAIRMAN GARCIA: Okay. All right. There were
9 more issues that Ms. Arvanitas brought up. Yes, sir. Why
10 don't you identify yourself for the record.

11 MR. STRUTHERS: Brent Struthers with NeuStar.

12 CHAIRMAN GARCIA: Good morning, Mr. Struthers.

13 MR. STRUTHERS: The one issue that you brought
14 up, I just want to clarify for the record the dates for
15 the software release 3.0, just so we make sure everything
16 is clear. There was a slip in 3.0 availability while we
17 were doing the testing. Internally, our vendor who
18 provides us the software, we don't even officially have
19 the software yet. Our vendor is still doing testing to
20 work out all of the bugs. They have found some bugs.
21 There was a four business week slip, which is basically a
22 one month slip.

23 And to go through the new dates, I am assuming
24 you just want the southeast region because that is where
25 you are. The old date for general availability in the

1 southeast region was 12/4, December 4. The new date is
2 January 22nd. That is when the carriers would be done
3 testing, and according to the schedule now that is when
4 3.0 would be generally available for commercial use in
5 this area.

6 CHAIRMAN GARCIA: Very good. Thank you.

7 MR. SELF: That is a good segue to me, Mr.
8 Chairman. One of the points that Ms. Arvanitas made was
9 her concern about the potential for a slip. And the
10 revised plan that we filed with the Commission as part of
11 the offer of settlement on April 11th did, indeed, provide
12 that we would use the 3.0 software release starting on
13 December 4th.

14 Subsequent to that when we learned of the
15 slippage in the availability of 3.0, we subsequently came
16 back and advised the Commission that our commitment to the
17 dates that were specified in the offer of settlement,
18 which is December 4th for 561, I believe it is -- excuse
19 me, it is December 4th for 954, February 2nd for 561, and
20 whatever two months after that is for 904. That if 3.0
21 software was not available on those dates that the
22 industry would implement the 1.4 software.

23 So our commitment to the Commission was to be
24 firm with respect to those implementation dates. And,
25 yes, we believe that 3.0 provides great benefits over the

1 1.4 software, but our commitment to the Commission is to
2 implement whatever the software is that is available. And
3 if come December 4th the only thing that is available is
4 1.4, that indeed that is what we are going to be
5 implementing at that time.

6 COMMISSIONER DEASON: Mr. Self, who pays the
7 additional cost if that happens? Because part of the -- I
8 read over and over again in this recommendation it is your
9 position and staff agrees that the 3.0 is a more
10 efficient, more cost-effective mechanism to accomplish and
11 that -- in fact, I'm reading directly from staff's
12 recommendation. It says the joint petitioners assert that
13 an interim implementation of software release 1.4 would
14 only yield a marginal benefit at a great cost. So who
15 pays the additional cost?

16 MR. SELF: Well, initially obviously it is going
17 to be the carriers who are going to have to address that.
18 And then in terms of the carriers recovering their costs,
19 that would be addressed in the subsequent cost recovery
20 proceeding that the Commission would, pursuant to the
21 recommendation, deal with in a separate docket.

22 COMMISSIONER DEASON: What is the magnitude of
23 the cost?

24 MR. SELF: Well, we have some information in the
25 offer of settlement in terms of, I guess, some preliminary

1 guesstimates as to what the order of magnitude is. I'm
2 trying to find that.

3 COMMISSIONER DEASON: What I'm trying to
4 determine is the incremental cost of having a transition
5 period as opposed to just waiting until the 3.0 software
6 release is available.

7 MR. SELF: Well, to be honest with you, the
8 industry obviously would much rather wait for the 3.0.
9 And if that means January 22nd, you know, obviously that
10 is what we would much rather do because we think that is
11 more cost-effective and more efficient. However, we felt
12 that given where Florida was and the problems that we were
13 facing here in terms of the area code relief and the
14 exhaust that we needed to make a commitment to the
15 Commission to implement number pooling as soon as we
16 practically could.

17 COMMISSIONER DEASON: What you are doing -- and
18 also contained in this recommendation, and probably
19 rightfully so, is the recognition that we have the
20 obligation to allow cost recovery, and this is according
21 to FCC order is my understanding.

22 MR. SELF: That's correct.

23 COMMISSIONER DEASON: So the burden falls to us
24 to allow you to recover the costs. We need to know what
25 the costs are going to be before we authorize you. We

1 don't want to write a blank check, particularly if the
2 benefits are going to be small in relation to those costs,
3 which I understand is your position.

4 MR. SELF: That's correct.

5 MR. D'HAESELEER: Commissioner, we specified in
6 the recommendation that one of the things that we will be
7 interested in is auditing and monitoring, and then we are
8 going to have a formal proceeding to determine what actual
9 costs are involved in this administration of the area
10 codes.

11 COMMISSIONER DEASON: That brings me to another
12 point. And I hate to interrupt, but this is very
13 important, also. I read in staff's recommendation when it
14 comes to cost allocation issues and cost recovery, that
15 according to staff that the joint petitioners are going to
16 come up with options and present them to us and then we
17 have to choose between those. Well, how much discretion
18 do we have? Do we have the ability to deny cost recovery?

19 MR. D'HAESELEER: In my opinion, yes. And that
20 is why we are going to have a formal proceeding. And if
21 it turns out the companies say it is \$60 million, and we
22 through our auditing and a lot of other means determine it
23 is 1,000 or a million, that is what the cost is going to
24 be. That is what we are going to recommend be recovered.

25 COMMISSIONER DEASON: So you are saying it is

1 within our discretion to determine what is a reasonable
2 amount to have recovered and to put in the mechanism for
3 that recovery?

4 MR. D'HAESELEER: For the permanent mechanism,
5 yes.

6 COMMISSIONER DEASON: As long as it is
7 competitively neutral. That is the only requirement, as
8 long as it is competitively neutral.

9 MR. D'HAESELEER: That is my understanding.

10 MS. ARVANITAS: I could answer. That isn't
11 quite correct. Mr. Deason, let me clarify, I believe what
12 Walter has said. There is very specific costs for number
13 pooling. Actually I'm holding up a new NANPA document
14 that on their website they reiterate, beyond pooling
15 administration there are work efforts and costs. They
16 talk about software things, NPAC modification, CIS number
17 portability administration center charges, NPAC user
18 support services for pooling.

19 But I want to direct you to the FCC order that
20 came out 99-200. When they are talking LSMS, SCP, SOA,
21 and OSS systems, it is very specific they do not get a
22 recovery. Number 208 specifies carrier-specific costs
23 directly related to 1,000 number pooling. In the notice
24 we tentatively concluded that it is competitively neutral
25 for carriers to bear and recover their own

1 carrier-specific costs directly related to 1,000 block
2 number pooling implementation and administration. These
3 costs include costs associated with updates to the
4 carriers' networks. In parentheses, including LSMS, SCP,
5 SOA, and OSS systems, as well as each carrier's allocated
6 portion of shared industry costs.

7 We had a six, eight month number pooling
8 subcommittee, Levent Ileri asked Stan Greer, who was
9 BellSouth's representative, what are the costs to number
10 pooling. They said they are working on it. Finally, at
11 the end of the docket in the last number pooling
12 subcommittees, I said, what are the costs, when are you
13 going to have the costs, because it is open-ended.

14 But I thank God for an FCC order, because it
15 clarifies the greater majority in Floyd Self's three
16 filings that he filed they wrote there virtually is not --
17 there virtually is no cost recovery. OSS, SS systems,
18 these are infrastructures to a switch. If you do not
19 understand equipment, you will not understand cost
20 recovery. But it says, like in Number 216 of the FCC
21 order, if -- I read all the orders. 95-116, which is a
22 portability order. This 99-200 filing is Number 216 under
23 the classification identification of costs. It breaks
24 down costs into shared industry costs, carrier-specific
25 costs directly related to 1,000 block pooling. The direct

1 majority of costs stipulated and stated by Floyd Self are
2 carrier-specific, which it says in Number 208 that they
3 will bear the burden because that is competitively
4 neutral.

5 Moreover, it says the greater majority of the
6 costs that they want are borne for the portability
7 charges, which as you know, BellSouth July 1st, 1999 did a
8 federal tariff, that is nationally to the FCC, to allow
9 portability in every state. If they were not LNP capable
10 July 1st, 1999 in Florida, they were supposed to ask for a
11 waiver. That is as per Charlotte in the common carrier
12 bureau of the FCC.

13 If they are charging for portability, which they
14 are, my brother has it on his phone bill in the 904 area
15 code, since July 1999, then the costs being -- some of the
16 costs being stipulated in Floyd Self's filing
17 recommendations for the industry are excluded because they
18 are already recovering these costs. So, once again, I
19 want to ask why are we waiting for these costs to be
20 implemented in the carrier? Is it because BellSouth still
21 is not permanent number portability, is not LNP capable?
22 I have asked it, I don't know how many other times you are
23 going to ask it, but if they read the FCC 99-200 --

24 CHAIRMAN GARCIA: Mr. Goggin, do you want to
25 answer the question?

1 MR. GOGGIN: Yes. There seems to be a bit of a
2 misunderstanding about the difference between local number
3 portability, which makes number pooling possible, and
4 number pooling itself which requires different and
5 additional modifications to OSS.

6 First, with regard to local number portability,
7 BellSouth is local number portability capable in each of
8 its switches in Florida. Secondly, the costs of local
9 number portability have already been considered and a cost
10 recovery mechanism has been adopted at the national level.
11 The costs that we are discussing in this docket are costs
12 that relate solely to the implementation of number
13 pooling, not to local number portability.

14 To get more directly to Commission Deason's
15 questions, there would be some differences in costs
16 between implementing 1.4 first and then transitioning to
17 3.0 and implementing 3.0. In terms of the
18 carrier-specific costs that would apply to BellSouth, the
19 bulk of our costs would be for OSS modification. The OSS
20 modifications that we would need to perform in order to
21 implement 1.4 are virtually the same as the OSS
22 modifications that we would need to do to implement 3.0.
23 They would not need to be done twice.

24 There are, however, additional costs in terms of
25 acquiring the NPAC software, testing the NPAC software,

1 and the costs of the pooling administrator that would be
2 incurred for 1.4 that would be duplicated when we go to
3 3.0.

4 CHAIRMAN GARCIA: Mr. Goggin, let me ask you a
5 question, since you are there. It may be a good point to
6 ask you. Why is it that other carriers are doing this,
7 though. It's just curiosity. New York is doing it in the
8 212, in the 718. These are all before January 1st, 2001.
9 Chicago is doing it in the 847; Chicago is doing it in the
10 312, the 630, the 773, the 708. California is doing it in
11 the 710 well after the first month of the new year. I'm
12 sorry, they are doing it -- I'm sorry, this year also;
13 310, 716, 603. New York again in the 516; Maine in the
14 207; Texas in the 512; California in the 415, California
15 in the 714, and California in the 909.

16 Why is it they are doing this? I mean, I just
17 want to he understand. I'm sure that BellSouth is just
18 smarter and brighter than these companies, but I want to
19 understand. Or is it that they want the cost associated
20 with doing it twice?

21 MR. GOGGIN: I would have to speculate as to how
22 they are doing it, but I would imagine that most of these
23 carriers have OSS systems as BellSouth does. Most of
24 their OSS systems are probably used regionally as ours
25 are. And it is likely that in implementing the first

1 number pooling trial for any of these carriers it took
2 them a similar period of time as it is taking us to
3 upgrade and modify their OSS to make number pooling
4 possible.

5 For additional NPAs, obviously that time period
6 would be much shorter because the OSS modifications would
7 have occurred already. So, obviously I don't have in
8 front of me the dates on which those companies were
9 ordered to implement number pooling, and the dates by
10 which they implement it. But I would guess that for the
11 first implementation it took them a similar time period.
12 As you know, this is the first state in which we operate
13 that has taken the issue up.

14 CHAIRMAN GARCIA: Right. Well, maybe I can ask
15 NeuStar or maybe staff has an issue. It is my
16 understanding that when you implement 1.4 you are
17 paying -- how does that cost go as opposed to 3.0? In
18 other words, which of the two is more expensive to
19 implement right now?

20 MR. STRUTHERS: I'm assuming you are asking
21 NeuStar?

22 CHAIRMAN GARCIA: Yes.

23 MR. STRUTHERS: I can't give actual numbers
24 unless we have an in camera or something, but 3.0 is
25 obviously a very large release. The costs for 3.0 overall

1 are probably much greater than 1.4.

2 CHAIRMAN GARCIA: But how does the base get --
3 how does the cost get assigned?

4 MR. STRUTHERS: 3.0 costs, these are impact
5 releases and they are done with number portability, so
6 they are spread among different carriers. Now, 1.4 was
7 originally done for carriers in the 847 area code actually
8 paid for by the midwest. As we move forward and more
9 regions turn up 1.4, it has generally already been paid
10 for. And the carriers in the midwest get, I guess, for
11 lack of a better word, reimbursed for --

12 CHAIRMAN GARCIA: For their costs. So it gets
13 split up proportionately.

14 MR. STRUTHERS: Uh-huh.

15 CHAIRMAN GARCIA: So as every state signs up for
16 1.4, the cost of 1.4 decreases to some degree.

17 MR. STRUTHERS: I guess you could say that, yes.

18 CHAIRMAN GARCIA: Walter.

19 MR. D'HAESELEER: Well, remember there is more
20 than just the software, there is the operating systems.
21 And Bell alluded to it that these costs for the operating
22 system, whether you use 1.4 or 3.0, are basically the
23 same. So it is really a differential in the software
24 between the two versions.

25 COMMISSIONER JACOBS: I would think that there

1 would be somewhat of a lower cost in 3.0 because you are
2 automating some of that process it sounds like, and you
3 also -- it sounds like you are eliminating some steps,
4 some manual steps from the process. That was why I was
5 wondering why the cost for 3.0 would be so much greater.
6 It sounds like there would be some reductions in 3.0 in
7 terms of operations.

8 MR. GOGGIN: There may be some cost savings in
9 terms of the on-going administration of number pooling
10 because of the additional automation that would be made
11 possible by 3.0 software. But the implementation of the
12 EDR feature, additional automation itself would require
13 modifications to the OSS that would not be performed if we
14 were implementing 1.4. The marginal cost of that
15 implementation over and above the 1.4 costs I am told is
16 not great in proportion to the cost of --

17 CHAIRMAN GARCIA: I missed it. You said the
18 additional implementation what?

19 MR. GOGGIN: The costs and the OSS modifications
20 that would be required by 1.4 would be marginally greater
21 for 3.0 because of EDR, at least for BellSouth. But given
22 the relatively large costs associated with OSS to do
23 number pooling at all under either version, the difference
24 between 1.4 and 3.0 for those OSS costs is not
25 proportionately that large.

1 COMMISSIONER GARCIA: Sir, you want to identify
2 yourself?

3 MR. KNOX: My name is Hoke Knox, I'm with
4 Sprint. And I guess I want to try to address part of this
5 question that you are asking. In relation to looking at
6 what NeuStar's costs are, that is just a small component
7 of the costs to the carriers. You have to enlarge your
8 SCPs in order to run and operate and release 1.4. The
9 release 1.4 stores in its data bases, for every 1,000
10 block that you send down it stores one record for each
11 individual telephone number.

12 In release 3.0, you are storing one record,
13 which that is where the efficient data representation
14 comes into play. And the cost of the SCPs is the driving
15 factor in the cost to all the carriers. And if you look
16 at the carriers around the room, if they have to pay for
17 these additional SCP capacities, the cost to the industry
18 and to the consumer goes up.

19 COMMISSIONER DEASON: What is an SEP?

20 MR. KNOX: A service control point.

21 COMMISSIONER DEASON: Oh, SCP.

22 MR. KNOX: Yes, SCP. Service control point.

23 COMMISSIONER DEASON: I thought you were saying
24 SEP.

25 MR. KNOX: Sorry about that. It is the data

1 base that stores the LNP, local number portability, and
2 the number pooling data for call routing. That data base
3 would increase a thousand fold in size if we had to live
4 with 1.4. Release 1.4 was a trial basis for the industry
5 back when we developed the -- or started doing the pooling
6 trial in Illinois and developed the process for that. We
7 asked NeuStar to design to release 3.0.

8 NeuStar and the Illinois Commission asked that
9 it be rolled out as soon as possible to try and get this
10 trial off the ground to test it to see if it would work
11 with local number portability. And NeuStar, if I
12 understand correctly, and, Brent, correct me if I'm not
13 correct here -- NeuStar and their vendors could not
14 develop totally to release 3.0 on the initial phase, so we
15 really had two phases of implementation.

16 The industry knew that if we went with 1.4 that
17 the costs would be tremendous going forward in time. That
18 is the reason we pushed the 3.0, release 3.0. And that is
19 the reason they were pushing the FCC to make that the
20 national standard.

21 COMMISSIONER JACOBS: In these other areas where
22 they have done pooling on the 1.4 -- I guess, you can
23 answer this if you like, or maybe NeuStar -- in
24 California, New York, which are pretty large, and Chicago,
25 which are pretty large metropolitan areas, did they incur

1 that overhead expense?

2 MR. KNOX: They are incurring that overhead
3 expenditure in those carriers that are operating in those
4 areas.

5 COMMISSIONER JACOBS: So they have had to
6 increase those data bases pretty substantially?

7 MR. KNOX: Yes. They have to have those data
8 bases sized to handle each one of those 1,000 blocks as
9 those grow. Now, what they are hoping, when the
10 conversion takes place from 1.4 to 3.0 that the process is
11 to go back in and clean up and recover that data base
12 space that is being used by 1.4. So there is some
13 potential for clean up after the conversion from 1.4 to
14 3.0. But that is a step that we as an industry, we have
15 not been through that process yet. We don't know how long
16 that is going to take or what the extent of it is going to
17 be.

18 But you can actually start clean in Florida if
19 you go straight to 3.0 and not have to worry about that
20 conversion process. It just makes it cleaner, it makes it
21 faster, and you are at what we would consider the national
22 release for the industry, and kick everything back to the
23 FCC for recovery and all that.

24 CHAIRMAN GARCIA: Okay. What happens if you
25 take -- if you are using 1.4, and as the industry goes to

1 3.0, does it mean that you have got to scrap 1.4 and then
2 move --

3 MR. KNOX: Well, what you do is you operate in
4 1.4. And then there is a process in which you migrate to
5 3.0 and you have duplicate data loaded in your SCPs for a
6 short period of time. And then you move to the release
7 3.0 section of your SCPs, and you take out the 1.4 data.
8 It is actually duplicated. So you have to have enough
9 capacity in your SCPs during that transition period to
10 cover that.

11 COMMISSIONER GARCIA: But you don't -- but you
12 have to do that?

13 MR. KNOX: Yes, if you do the transition, like
14 New York and California and Illinois is going to have to
15 do.

16 CHAIRMAN GARCIA: They are going to have to do
17 that once 3.0 is distributed?

18 MR. KNOX: Yes.

19 CHAIRMAN GARCIA: Ms. Arvanitas.

20 COMMISSIONER DEASON: I have a question first,
21 I'm sorry. What is the cost of having that data base
22 capacity to transition?

23 MR. KNOX: An SCP mated pair runs in the range
24 of about \$8 million.

25 CHAIRMAN GARCIA: I'm sorry?

1 MR. KNOX: It runs about \$8 million per carrier,
2 in the 8 to 10 range.

3 CHAIRMAN GARCIA: Ms. Arvanitas.

4 MS. ARVANITAS: Yes. I don't know if -- it's
5 hard to follow this. Last year in May 1999 or June 1999,
6 when they came up with 99-200 FCC order, they discussed
7 cost and things. So if you don't understand 1.4, it is
8 the software -- you have to individually port each number
9 out that is going to be released from your 10,000 number
10 switch, and it goes to your service control point, and
11 that is how it gets pooled to the pooling administrator.
12 So that pooling administrator now can give it to another
13 carrier.

14 But, although I appreciate -- the reason why
15 they like 3.0 is because EDR, which stands for efficient
16 data representation, which it stores more with less space.
17 I have never known the industry as newer technology comes
18 in they lower a specific charge allowed to them by the
19 Public Service Commission or the FCC and they lower that
20 charge because the burden -- you know, they meet their
21 economies of scale and their costs are less. Let me
22 remind you, the FCC order that came out, Number 208,
23 carrier-specific costs directly related to 1,000 block
24 pooling, it lists SCP, which is service control point, as
25 carrier-specific that these carriers have to absorb by

1 themselves. It is not something they can wrap up, lump
2 together, and throw in the pile for the consumer.

3 COMMISSIONER DEASON: Are SCP costs -- those
4 costs recoverable or are they not recoverable?

5 Mr. Self, do you know? I'll toss it out to
6 anyone that has an answer.

7 MR. KNOX: Are the costs recoverable? Yes, they
8 are if we follow the LNP, local number portability rules
9 that are identified in the FCC Order 00-104. The
10 methodology that is being looked at by the FCC to recover
11 these costs is identical to that of local number
12 portability.

13 And the process is to include any direct costs
14 for the carriers, to recover as they see fit under -- for
15 the ILECs it is under price caps or rate of return
16 regulation, they have to be allowed to do a cost recovery.
17 But the other carriers, the CLECs or ALECs can recover the
18 costs how they see fit. They don't have to put it in an
19 end user surcharge.

20 CHAIRMAN GARCIA: Commissioner Jaber.

21 COMMISSIONER JABER: Staff, let me get
22 clarification from you on the order which I'm reading, as
23 well. I thought that the FCC tentatively concluded that,
24 and, in fact, part of what the FCC has to do, and I would
25 imagine we would help them do is figure out what costs are

1 directly attributable to the number pooling. So I don't
2 know that that issue has been fully decided. Am I
3 correct? I'm looking at Page 96 of the order,
4 Mr. Cutting, in Paragraph 208 that Ms. Arvanitas was
5 reading from.

6 MR. SELF: Commissioner Jaber, if you look at
7 the first sentence of Paragraph 209 of FCC Order 00-104,
8 it says, "We conclude that requiring carriers to bear and
9 recover their own carrier-specific costs is consistent
10 with the competitive neutrality requirements of Section
11 252(e)(2)."

12 COMMISSIONER JABER: Uh-huh. I guess my point
13 is I don't know that it is fully decided what costs are
14 directly attributable to the implementation of the
15 pooling. And from my standpoint, I welcome the
16 opportunity to have a separate proceeding to look at the
17 cost issues. I don't know that it needs to be decided
18 prior to whatever we order that they implement. It is
19 certainly something we need to keep in the back of our
20 mind. But where I am today is just because we order them
21 to implement one versus the other doesn't mean that they
22 will get 100 percent cost recovery.

23 CHAIRMAN GARCIA: Right. And I hope with that
24 -- because Commissioner Deason brings up the question that
25 I also had. I hope that in no way we are prejudging that

1 they are allowed cost recovery. We are going to have a
2 hearing if they come in to ask for it and --

3 MR. D'HAESELEER: That is exactly right. And
4 until these numbers are tested they are just numbers.

5 CHAIRMAN GARCIA: Okay. Commissioners. Yes,
6 Commissioner Jacobs.

7 COMMISSIONER JACOBS: In my mind a very
8 important aspect of this has to do with something you
9 brought up, Mr. Self, and that is the extent to which,
10 number one, failure to do any kind of pooling before the
11 end of the year has some kind of an impact on companies.
12 And then in my mind that is what we measure to whether or
13 not we do something now or as soon as possible with 1.4
14 versus going to the other.

15 What I'm understanding is that both from the
16 proposal and from staff's recommendation is that we are
17 fairly comfortable that there will be adequate 1,000
18 blocks either that have not been contaminated or have very
19 low contamination that will be available. And so until
20 the time, and now we are saying -- I'm not prepared yet to
21 accept going to January, but let's say we just say the end
22 of December. What I understand to be the case is that a
23 company like Trivergent would not be harmed. Is that a
24 correct assumption?

25 CHAIRMAN GARCIA: Mr. Self, you are here

1 representing these carriers, so I would assume to some
2 degree that is exactly what is being represented.

3 MR. SELF: I think it is going to -- it is going
4 to depend upon the carrier's business plan. You know,
5 when you want numbers and when you need numbers may
6 be two different things. You certainly need numbers
7 before your first day of service because there is a
8 certain degree of testing that you have to do.

9 I would assume, based upon the discussion that I
10 have had with Trivergent in particular, that if they felt
11 that they were in the position where they really had to
12 have the numbers immediately, they would have petitioned
13 this Commission or the FCC, whatever the appropriate
14 mechanism is, to attempt to obtain a number outside of the
15 lottery process.

16 It is my understanding that -- and maybe there are
17 others that know better, but it is my understanding that
18 the number of carriers that have been seeking numbers
19 through the lottery process in each of these NPAs have not
20 been burdened up to this point by pursuing that process.

21 CHAIRMAN GARCIA: Okay.

22 MR. D'HAESELEER: Commissioner, the
23 recommendation states in there or alludes to, at least, an
24 auditing process. And it is the staff's intent to go
25 visit these companies and see if they are complying with

1 the Commission order and with this stipulation. So if
2 there are unused NXX codes, it would be our position to
3 recommend to you that they be reclaimed. And if they are
4 contaminating blocks of 1,000 that they shouldn't be, you
5 know, we will bring that all to your attention. But it is
6 our intent to go audit and monitor.

7 COMMISSIONER JACOBS: Is it feasible for us to
8 do 1.4 in the three areas where there is extraordinary
9 jeopardy now and then defer that are for the remaining
10 areas until whenever --

11 MR. SELF: Well, that is a good question,
12 Commissioner Jacobs, and a point I wanted to clarify.
13 Based upon the plan that we have presented, assuming that
14 what Mr. Struthers said indeed proves to be true, that 3.0
15 is not available until the middle of January, it is the
16 carriers' intent and commitment under this plan if it is
17 adopted to move forward in the first NPA on December 4th
18 in Broward County, the 954 area, with the 1.4.

19 If indeed 3.0 is --

20 CHAIRMAN GARCIA: Let me stop you there for a
21 second. You are going to charge me when you do that,
22 right? Which is Commissioner Deason's point here, that
23 I'm going to be charged either way, correct? I mean,
24 Mr. Greer is shaking his head.

25 One way or another you are going to come before

1 us to recover costs if you do 1.4, correct?

2 MR. SELF: Well, I think that is going to be up
3 to what each of the carriers want to individually do in
4 the separate cost recovery proceedings.

5 CHAIRMAN GARCIA: But you have the right to come
6 before us and ask for recovery?

7 MR. SELF: In terms of the costs that they are
8 entitled to recover, yes.

9 CHAIRMAN GARCIA: Okay. If that is the case,
10 and we have already missed that date, why not begin
11 implementation today? I mean, you are telling me that in
12 December we have already missed the date and you have
13 assured this Commission that you are going to go forward,
14 you have also told us that you have a right to recover.
15 Why not do it then today? Begin today and 104 days from
16 now we have got at least that area code much more
17 efficient distribution than we presently have.

18 MR. SELF: Because the fundamental problem is
19 the carriers aren't ready to roll out the number pooling
20 today and --

21 CHAIRMAN GARCIA: No, no, I understand. They
22 need --

23 COMMISSIONER CLARK: Why don't we say that if
24 you have to roll it out and can't meet the deadline it
25 will not be a cost you can recover.

1 CHAIRMAN GARCIA: See, because you are asking me
2 to take a risk both sides. It takes -- and I think
3 staff -- I think NeuStar can point that out, but basically
4 they complained, but it takes about 90 to 60 days max once
5 they decide to go to 1.4, correct? That is what it has
6 taken?

7 MR. STRUTHERS: For 1.4 testing, and this is
8 just our experience, the other carriers that have done it,
9 not necessarily BellSouth or anybody --

10 CHAIRMAN GARCIA: BellSouth is just as fast and
11 just as smart as those other carriers. At least their
12 commercials contend that.

13 MS. ARVANITAS: Right on.

14 MR. STRUTHERS: Our experience shows carriers
15 have tested 1.4 in about a two-week time period, and it
16 has taken -- the shortest dates I've seen go from
17 Commission order to turn up of pooling have been
18 California and New York, and both of those have done it in
19 between four and four-and-half months with some Y2K quiet
20 time thrown in there because they did it around the first
21 of the year.

22 CHAIRMAN GARCIA: Okay. So that begs the
23 question, Mr. Self. You are telling me, or you are
24 assuring us that we have already missed one deadline,
25 which is the December deadline. That being the case, you

1 know you are going to miss it, you know you are going to
2 implement 1.4, why not begin that process now so that we
3 save the remaining eight to seven months this year and all
4 the distributions therein? And I guess BellSouth would
5 have to answer that more precisely since they are the
6 carrier, or I guess you can --

7 MR. SELF: Well, the point is all the carriers
8 have to be ready when you start the pooling, and the
9 carriers are working toward pooling. Yes, they are
10 working towards 3.0, but if it is not available they are
11 going to be ready to roll out the 1.4.

12 But the problem is there are other things
13 besides simply testing the 1.4 software that have to be
14 done. There are OSS systems that have to be upgraded and
15 those have to be tested. And those systems -- all of
16 those other support and related systems have to also be
17 modified, updated, upgraded, and tested. And that is why
18 in terms of the first NPA that you roll out for pooling in
19 Florida, based upon everything that we have seen and the
20 discussions that we have had, that we have been looking at
21 the first of December in terms of when everybody is going
22 to be ready to start pooling, whether it is 1.4 or 3.0.

23 CHAIRMAN GARCIA: Do the rest of you agree with
24 that?

25 MS. ARVANITAS: I don't. I want to explain.

1 You know, I understand there are costs and there are
2 software costs, but what they aren't making mention to and
3 BellSouth keeps reiterating about their service control
4 point, their SCP upgrades, yes, that is very labor
5 intensive for them to do this, and it is something that I
6 believe that is carrier-specific. However, then BellSouth
7 has to make a commitment for the labor, to spend the money
8 on labor.

9 And if they are in service hearings because it
10 takes them extra four or five days to turn on a phone
11 number, which is a simple tromp out to the field, turn on
12 the phone so someone has new service, then how can
13 BellSouth, except without making a financial commitment to
14 labor, which is to hiring people, deal with the cost
15 implementation of upgrading to a switch?

16 If they are not going to make the burden to hire
17 people to turn on phone numbers in time for service
18 hearings, and they are already in a service hearing, then
19 what you need to get from BellSouth is what commitment do
20 they have to order. You know, when you are going to be
21 doing these software -- the provisioning for the software,
22 the upgrading to the switch, which is kind of the
23 hardgear, you need to pay them much more than you pay them
24 to waddle out to the field and turn on a number in the
25 field. So I do not know how you can procure from a

1 company and make them pay for something unless you make
2 them implement.

3 Also I want to know if there is a -- there is a
4 50 percent savings for 1.4 because it does not have the
5 EDR where it holds much more of the numbers. And that is
6 why they like 3.0, it is a new toy, holds more numbers.
7 And this SCP, service control point, for 1.4 they need to
8 individually port each individual number from the switch
9 to give back to the pooling administrator so he can give
10 it out.

11 So if the industry wants the consumers, of which
12 I have talked to Mr. Noggel, the Mayor of Fort Lauderdale,
13 and some of the economic council, some of the other mayors
14 and the commissioners and the legislators living in that
15 area, what are they going to give the State of Florida?
16 So we are going to go to 3.0 maybe in nine months. They
17 have a third party agreement with NeuStar. So if NeuStar
18 doesn't perform and provide software that works, they can
19 sue NeuStar, but you can't. I mean, that specific
20 performance kills me.

21 Are they going to waive all number pooling costs
22 to the citizens of Florida, if the citizens of Florida and
23 the CLECs and the ALECs who are being impeded numbers to
24 perform and compete with BellSouth, what are they going to
25 give the State of Florida if we wait for them? Because up

1 to this point all I have is about industry, industry,
2 industry. Me, me, me. I'm a consumer, I felt like from
3 the legal department they have tried very hard to shut me
4 up. But do we even have numbers that we can pool back,
5 because the voluntary stipulation is not definitive and
6 you have a big loophole with the six months of inventory.
7 If we are going to wait for 3.0, what is in it for the
8 citizens of Florida, that is what I would like to know.

9 COMMISSIONER JABER: I'm not comfortable yet
10 saying that they are entitled to costs. I thought the FCC
11 made clear that companies have to also give us schedules
12 of avoided costs that amount to the implementation of the
13 number pooling. Avoided costs, I think they have to be
14 very specific with respect to the incremental costs that
15 might result through the implementation of 3.0. There are
16 many, many things that the FCC has set as the elements of
17 looking at the cost standpoint.

18 And I'm really trying hard not to tie costs to
19 the date of implementation. I'm okay with considering the
20 logistical problems in terms of determining what the date
21 of implementation should be, but I don't think we have all
22 of the information related to cost that we need today.
23 And, again, I go back to that is why that proceeding is
24 important. Just because they have implemented number
25 pooling doesn't mean that we give them 100 percent cost

1 recovery.

2 As a matter of fact, implementing the OSS
3 upgrades is something they may have had to do anyway. So,
4 again, I just want to bring us back to the settlement
5 proposal and not take us down to a road of costs, because
6 I don't think they are entitled to all the costs.

7 COMMISSIONER CLARK: I think it is just like any
8 other costs that we have to review to be passed on. They
9 have to be legitimate, prudent expenses. And if they
10 incurred an expense they could have avoided, or it is
11 greater than they should have paid, they don't get it.

12 COMMISSIONER DEASON: Well, let me --

13 COMMISSIONER CLARK: I think it's as simple as
14 that.

15 COMMISSIONER DEASON: I disagree that we can
16 just divorce ourselves from considerations of cost at this
17 point. Because what we are being asked to do here is
18 going to have an impact on cost. And when it comes time
19 to determine what the appropriate cost recovery is, I
20 think you cannot ignore that we made a decision which
21 caused them to incur more costs than they otherwise would
22 have.

23 Now we can debate as to whether they get half of
24 that larger number or all of that larger number, but it is
25 a larger number than what it would be otherwise. So I

1 think we have to consider -- and I have not been -- I have
2 asked the question several times and I have not been
3 presented information which shows me what the incremental
4 costs are versus the benefits. And if I can't be shown
5 that, I cannot in good conscience vote to have higher
6 costs without knowing what the magnitude is with the
7 understanding that we have an obligation from the FCC to
8 allow recovery. Appropriate cost recovery, but
9 nevertheless cost recovery.

10 CHAIRMAN GARCIA: Just so I understand,
11 Commissioner Deason, before we leave that point. Your
12 point is we shouldn't have mandatory implementation of 1.4
13 at all if they missed the dates?

14 COMMISSIONER DEASON: What I have seen here is
15 that for one area code we are talking about implementing
16 it seven weeks prior to what there has been a commitment
17 from NeuStar to have it available. What are the
18 additional costs, and what are the benefits of that seven
19 weeks?

20 MR. SELF: May I respond to that, Commissioner
21 Deason? Based upon some of the estimates and some of the
22 information we have, we advised the Commission on March
23 23rd that the cost to the end user for the implementation
24 of 3.0 only could be in the range of 20 to 25 percent of
25 the level of the existing FCC-authorized LNP surcharge.

1 However, the direct cost of implementation of
2 1.4, transition to 3.0, and the subsequent cost of pooling
3 using 3.0 could result in a cumulative cost that would
4 lead to a separate surcharge approaching 50 percent of the
5 LNP surcharge. So, in other words, almost double.

6 COMMISSIONER DEASON: So you are saying that it
7 is doubling the cost?

8 MR. SELF: Potentially, yes.

9 COMMISSIONER JACOBS: And that brings me -- I'm
10 sorry, Commissioner Deason, were you through?

11 COMMISSIONER DEASON: Yes.

12 COMMISSIONER JACOBS: That was an interesting
13 point. So that assumes that there is a doubling of effort
14 in doing your OSS changes and all of your back office
15 changes with regard to pooling.

16 MR. SELF: I don't think it is so much the OSS
17 as much as it is the SCPs. And the cost of buying
18 additional memory capacity because you have got that
19 one-on-one relationship as opposed to one in a thousand
20 which you get with EDR. Is that correct, Hoke, basically?

21 MR. KNOX: Yes.

22 MR. GOGGIN: The other thing that would
23 potentially effect the proportionate cost recovery is that
24 if we implement 1.4 in Florida, at least from BellSouth's
25 standpoint it is likely to be the only state in which we

1 implement 1.4, because 3.0 will soon be available. And
2 although there is a national number --

3 CHAIRMAN GARCIA: Wait, wait, wait. What do you
4 mean it would be the only state it would be implemented?
5 You mean, in BellSouth's territory?

6 MR. GOGGIN: Right. So from our cost standpoint
7 at least, whatever costs we incur for 1.4 that can be
8 attributed only to 1.4 would not be spread among all of
9 our states, it would be -- we would be asking to recover
10 those costs in Florida only, because we would incur those
11 costs in Florida only.

12 CHAIRMAN GARCIA: I thought NeuStar said it
13 went -- it didn't go by region, but it went by number
14 where you use it. Are you saying you would be
15 proportionately charged for all the area codes in your
16 region?

17 MR. GOGGIN: No, what we are saying is that the
18 FCC has recently adopted an order that anticipates having
19 number pooling nationally eventually. The standard, the
20 national standard that will be used is 3.0. It stands to
21 reason then that costs that carriers incur to implement
22 3.0 might be shared not only in the NPAs in Florida where
23 it is implemented here, but also among other NPAs in other
24 states where it may be implemented. If 1.4 is implemented
25 only in one NPA in Florida, then the costs that the

1 carriers incur to implement 1.4 that can be attributed
2 only to the implementation of 1.4 likely would be
3 recovered only here and not in other states where that
4 cost was not incurred.

5 So, this really goes to the question of our
6 earlier statements about there being a relatively small
7 incremental difference, at least in terms of our OSS
8 costs, between implementing 1.4 and 3.0. The difficulty
9 is that the difference in those incremental costs might be
10 recovered only in Florida. So the potential effect in
11 terms of the amount of costs recovered in Florida would be
12 greater perhaps than it would be in other states.

13 MR. STRUTHERS: Chairman Garcia, let me quickly
14 address at least NeuStar's piece of that. NeuStar, we
15 would roll out the software on a region-by-region basis.
16 I can't speak to how BellSouth or another carrier would
17 ask for recovery for implementing 1.4 on a state-by-state
18 or NPA-by-NPA basis. I have no control over that. We
19 would roll out 1.4 on a region-by-region basis. So once
20 it is rolled out, my understanding is it is available
21 throughout the region.

22 COMMISSIONER JACOBS: It was my understanding
23 from the proposal that there is an agreement now that this
24 region gets priority, is that correct? Didn't I see
25 something where there was a premium paid for --

1 MR. SELF: To move up the original schedule by
2 which 3.0 was going to be implemented.

3 COMMISSIONER JACOBS: To be available in this
4 region, right.

5 MR. SELF: But that would effect the whole
6 country. That premium --

7 COMMISSIONER JACOBS: I'm sorry, that was for
8 everyone, not just for this region?

9 MR. SELF: That is correct.

10 COMMISSIONER DEASON: What contractual
11 obligation is NeuStar under currently to provide 3.0? Is
12 it the December 4th date?

13 MR. STRUTHERS: The date that we are under to
14 deliver the software to the carriers, the original date
15 was June 30th, whereupon the carriers would begin testing
16 and it would be available around December 4th for this
17 region. Because we have slipped four business weeks, we
18 are charged penalties for every day we slip. So we are
19 incurring penalties right now as we slip.

20 So right now there is no end date, I guess you
21 would say. Right now we are going to deliver the product
22 to the carriers on July 30th so they can begin their
23 testing. The southeast region, according to the schedule
24 now, would be done testing January 22nd. But for each day
25 we slip we incur penalties and have to pay back the

1 carriers that amount of cost.

2 COMMISSIONER DEASON: So you are going to have
3 30 days -- you have already acknowledged there is going to
4 be 30 days. Right now under your contract it is supposed
5 to be provided June 30th, and you are indicating it is
6 going to be July 30th?

7 MR. STRUTHERS: Right. The contract is all
8 based on business days. So mincing words it is 20
9 business days, but essentially 30 days, or one month of
10 slip.

11 COMMISSIONER JACOBS: Those provisions, I
12 assume, weren't tied in any way to the prospect that you
13 would have to implement 1.4. In other words, your penalty
14 provisions don't anticipate recovery of your charges to
15 transition from 1.4 to 3.0?

16 MR. SELF: I believe that is correct, yes. In
17 terms of the contractual relationship with NeuStar that
18 the carriers have, that is true.

19 COMMISSIONER DEASON: Let me ask this question.
20 If under the original schedule it would have been provided
21 on June 30th, which would have allowed a December 4th
22 implementation, and under the revised schedule it is
23 approximately July 30th, or 30 calendar days, why do we
24 then have to go out all the way to January 22nd for
25 implementation, which is 49 days?

1 MR. STRUTHERS: This is just my understanding,
2 the carriers actually got together and recently put
3 together the new schedule. The December 4th date was
4 before Christmas holidays and New Year's, and this is just
5 my understanding, I don't want to speak for the carriers.
6 But because you have asked me the question I will try and
7 answer it as best I can. My understanding was those
8 holidays had to be taken into consideration in terms of
9 work force that they would have available to do the
10 testing.

11 So most of the regions -- the only region we
12 have up front now before the holidays is the northeast.
13 The southeast is now the third region, and they are out to
14 January 22nd. So there was a month slip in there. But
15 there was also time that was needed to put in now to make
16 up for the lack of work force because of the holidays.

17 COMMISSIONER JACOBS: What is the implementation
18 date for the northeast?

19 MR. STRUTHERS: The northeast date is -- I think
20 it is November 15th. I would have to double-check on my
21 computer. It is either November 6th or the 15th.

22 MS. ARVANITAS: Can I ask a question while we
23 are talking about implementation dates? So as Floyd Self
24 says, if 3.0 did not arrive December 4th, according to
25 their agreement to you, the Commissioners, that by January

1 22nd that they would do 1.4. Excuse me, they already said
2 it is going to take 60 to 90 days to -- you have to buy --
3 you know, you got ready to do 3.0, it can't be
4 implemented, it isn't going to work, it isn't going to
5 work for you with the dates of the contract you did to the
6 Commissioners, therefore how did they feel in six or seven
7 weeks they can implement 1.4 then?

8 We are not talking about an end of January for
9 1.4 if they can't implement 3.0 December 4th. We are
10 talking about somewhere in February. I don't see an end
11 date to this maybe. I'm a realtor. I want everybody to
12 wait nine months because I'm going to buy a Mercedes, so
13 don't buy a house. And I want to charge you a 20 percent
14 commission. That is nice, but people aren't going to wait
15 for me, I'm a service industry.

16 MR. SELF: Mr. Chairman, that is not what I
17 said, and that is not what the commitment of the industry
18 is. The commitment is we will pool in the 954 area code
19 starting December 4th. If 3.0 is not available on
20 December 4th, then on December 4th we will pool with 1.4.

21 CHAIRMAN GARCIA: Which basically guarantees
22 that we are not going to having to change area codes in
23 those three areas, correct?

24 MR. SELF: That is correct.

25 CHAIRMAN GARCIA: And, Commissioners, I think

1 that there is a value there. Again, I think there is a
2 tremendous value in these areas not going to ten-digit
3 dialing. One of the horrors that I have had to face here
4 is having to go to ten-digit dialing in Dade County. By
5 giving this assurance we know we don't go to a new area
6 code in at least these three area codes because of
7 slippage on the 3.0.

8 And I wish that -- you know, we are clearly
9 going to look at these costs and make sure that we are not
10 attributing them -- I mean, that we are going to attribute
11 them correctly, but I think there is a benefit to taking
12 those costs to make sure you don't have to go to ten-digit
13 dialing.

14 COMMISSIONER DEASON: Are you saying that a
15 slippage from December 4th to January 22nd is going to
16 require an additional area code?

17 MR. GOGGIN: Mr. Chairman and Commission Deason,
18 if I might. The Commission currently has a number of
19 dockets open to consider area code relief, three of which
20 include these area codes. If I understood Mr. Garcia's
21 question correctly, what our answer would be is that no
22 additional area codes would be necessitated by doing
23 pooling according to the plan that we have proposed as
24 opposed to doing it in some other way or at some other
25 time. I don't think that we can commit that no new area

1 codes would be needed in those three areas in those
2 dockets. All three of these area codes are currently in
3 jeopardy, and my understanding --

4 CHAIRMAN GARCIA: Now you are worrying me,
5 because --

6 MR. GOGGIN: Well, what I understand those
7 dockets purpose to be is to determine what sort of area
8 code relief should be adopted for those three --

9 CHAIRMAN GARCIA: I understand, I understand.
10 But this is a bigger overriding question. Now, I'm
11 willing to go down this road with you, or at least I was
12 until a second ago. Now you are worrying me, because I
13 have looked at numbers, for example, a prime example here
14 that I think George did it, I don't know if it is in the
15 rec. I don't remember. But in the 874 area code in
16 Chicago, they were in jeopardy as late as 6/1/98. That
17 area code is still in place and they don't have ten-digit
18 dialing, and that has been quite awhile, and they are not
19 looking at making any change. That is a two-year
20 extension from where they were. I'm expecting that if we
21 are going to pay this premium of one month, it is
22 precisely so we don't run out.

23 MR. GREER: Commissioner, I think what Mr.
24 Goggin was trying to say is that at some point down the
25 road you are going to do an area code relief whether you

1 have got pooling or not, but at some point down the road.

2

3 CHAIRMAN GARCIA: Right. I agree at some point
4 down the road we are going to run out. But I expect that
5 with 3.1 being put in place, or the reason we go to 1.4,
6 there is some tangible benefit. I'm willing to even give
7 that up and simply go -- give that up if there is no
8 tangible benefit. But if there is a tangible benefit for
9 the people of Fort Lauderdale, then I'm willing to accept
10 that.

11 MR. SELF: It is our expectation that adoption
12 of the pooling on the schedule that we are talking about
13 will lengthen the life expectancy of the current area
14 codes. That is the expectation.

15 CHAIRMAN GARCIA: The current ones in jeopardy.

16 MR. SELF: The current ones that are in
17 jeopardy, that is correct.

18 CHAIRMAN GARCIA: That means that this
19 Commission -- because I want to make sure of this, and I
20 think it has been a brave position of this Commission that
21 we get in the middle of these area code things, and we
22 take the rap, and we stand there in public and we get
23 accused and we are fine. And I have played that role and
24 I have played it with the FCC by being the bad guy. I
25 don't have a problem with that.

1 But what I don't want is that these assurances
2 place us in the same place. Because then we are going to
3 have to put blame squarely on someone, and I know it isn't
4 this Commission. I mean, we have gone the extra mile to
5 try to solve this. You are giving us assurances that the
6 people of Broward County may have to look at something
7 someday down the road, but certainly not in the very near
8 future the way we were looking at it or the way that it
9 presented itself in some of the dockets that are currently
10 open before this Commission, correct?

11 MR. GOGGIN: Correct. As a resident of Broward
12 County and as a member of the industry, I feel comfortable
13 in assuring you that this number pooling will have
14 beneficial effects and will extend the life span of this
15 NPA. I just didn't want to imply that it would alleviate
16 the need for ever having area code relief.

17 CHAIRMAN GARCIA: Commissioner Clark.

18 COMMISSIONER CLARK: Commissioner Deason, was
19 your question answered?

20 COMMISSIONER DEASON: No. And I don't think the
21 question was understood. My question is this, I am
22 looking at this whole debate on an incremental basis. I
23 have no doubt that implementing pooling, regardless of
24 whether its 1.4 on December 4th or 3.0 on January 22nd, it
25 is going to extend the life of whatever area code is out

1 there.

2 My question is this, if we implement 1.4 on
3 December 4th, do we get incremental benefits to the extent
4 that it is going to have some marginal benefit in great
5 excess of the cost of waiting until January 22nd? And the
6 reason I ask that question is that from the Chairman's
7 question I got the impression that if we don't do it
8 December 4th, we are going to have to go ahead and
9 implement ten-digit dialing; whereas if we go ahead and do
10 that December 4th, then we can extend that out
11 indefinitely. And I don't think that is correct, and I
12 want that explained.

13 MR. SELF: I don't believe, and we have got a
14 room full of experts here that can follow up on this. I
15 don't believe that waiting the seven weeks, or whatever,
16 approximately seven weeks from December 4th to January
17 22nd would make a material impact on the life expectancy
18 of those NPAs. In other words, if you waited the seven
19 weeks and adopted 3.0 on January 22nd, I don't think the
20 life of the NPA would be materially different than if you
21 adopted 1.4 on December 4th.

22 CHAIRMAN GARCIA: One more question. If we, Mr.
23 Self, adopted --

24 MR. SELF: They all agree with me.

25 CHAIRMAN GARCIA: Trust me, all of them were

1 shaking their head behind you. It was like a wave. The
2 question, though, is that being the case, if we remove
3 that requirement from you and we simply go forward without
4 needing to do that, I just want to make sure, there is no
5 -- you don't see any benefit to doing that? I mean, it is
6 a one-month period, so let's --

7 MR. SELF: I mean, personally, I think there is
8 a greater benefit of waiting the month and doing 3.0. You
9 save the potential 1.4 cost recovery issues. We have had
10 carriers return codes. I know AT&T has returned codes in
11 those areas.

12 CHAIRMAN GARCIA: Staff, you would agree with
13 his comment on this?

14 MR. ILERI: It is the first -- I would like to
15 make a point regarding exhaust dates of those area codes
16 we were talking about.

17 CHAIRMAN GARCIA: Right.

18 MR. ILERI: The 561 area code will exhaust in
19 the fourth quarter of 2002, which will be October 2002;
20 904 in the second quarter of 2002; and 954 in the third
21 quarter of 2002. These are based on the '99 COCUS
22 December survey conducted by NeuStar.

23 And staff's concern is that if you do it in
24 January 22nd, what will happen to the other dates that the
25 solution is referring to like February 5th and April 2nd.

1 Are we going to extend them as well, or are we going to
2 keep them as the same dates?

3 MS. ARVANITAS: They are bumping all the dates.

4 CHAIRMAN GARCIA: That is a question?

5 MR. GOGGIN: Well, a couple of things. First of
6 all, I would assume that we would need time to --
7 intervals between the MSAs. And the FCC's order granting
8 number trialing authority anticipates that there will be
9 one MSA at a time that would be implemented. I don't know
10 if we would need exactly the same intervals between
11 implementation in each of the MSAs that is currently in
12 the plan.

13 But I also wanted to get back to your question,
14 Commission Garcia, and also your question, Commissioner
15 Deason. I don't think that we can right now give you
16 exact numbers, Commissioner Deason, that would allow you
17 to measure the added cost versus the benefit of starting
18 early. The reason that we committed to do 1.4 on December
19 4th, 3.0 was not available, is that we do recognize
20 something that I guess staff has expressed, that what if
21 you agree today to do 3.0 on January 22nd, and a month
22 from now NeuStar comes in and says it is going to be
23 another month.

24 That's why we were willing to commit to do 1.4
25 as of that date. Whether it is 1.4 or 3.0, that is the

1 earliest date we believe is feasible. If the Commission
2 were to go to the January date, speaking for BellSouth, we
3 would certainly be willing to commit to have that be a
4 hard deadline. If 3.0 slipped, we would go with 1.4.

5 COMMISSIONER JACOBS: Mr. Chairman --

6 CHAIRMAN GARCIA: The problem, Commissioners, is
7 we are the ones running all the risk. The Florida people
8 are running all the risk all the time for this problem.
9 And I understand we are running a cost on the other side.
10 And, Commissioner Deason, I am more than happy to move the
11 date to January 22nd simply -- but at what point does
12 either the ineptitude of NeuStar --

13 COMMISSIONER DEASON: I think you raise a good
14 question. How much risk is the company willing to take?
15 Do you want -- if we slip it to January 22nd, and it is
16 not met, will you just rely then upon your contractual
17 obligation with NeuStar and sue them and recover your
18 cost. And that would be your cost, because I guess they
19 would be liable for that because we wouldn't allow you
20 recovery of 1.4 if we went to January 22nd. Are you
21 willing to take that risk?

22 MR. GOGGIN: I have not reviewed the industry's
23 contract with NeuStar in 3.0. I'm not certain that there
24 would be a great deal of equality between the damages that
25 might be payable by NeuStar and the costs that might be

1 incurred for implementing 1.4.

2 COMMISSIONER JACOBS: Mr. Chairman.

3 CHAIRMAN GARCIA: Commissioner. I'm sorry,
4 Commissioner Clark, had asked, I'm sorry.

5 COMMISSIONER CLARK: How soon -- if we found out
6 that they were again slipping the date, how much in
7 advance of December 4th would we need to know to require
8 you to meet the December 4th deadline? In other words, if
9 we said at this point we are going to go with January
10 22nd, thinking that 3.0 is going to be available, and then
11 they tell us it is not going to be available, would you be
12 able to meet the December 4th date with the 1.4?

13 MR. GOGGIN: I would have to confer with our IT
14 people. But I imagine if that condition were built into
15 the order that we would continue at the pace that we are
16 going now against the eventuality that we would be
17 required to implement 1.4 as of December 4, as we have
18 committed to do.

19 To your more precise question as to how much
20 advance time would we need to know that we are doing 1.4
21 as opposed to 3.0, I can't answer that at this point.

22 COMMISSIONER CLARK: You know, I think that
23 would be worthwhile knowing. And I guess I would ask
24 NeuStar, at what point are you reasonably -- 99 percent
25 sure you are going deliver a product on the date you have

1 committed?

2 MR. STRUTHERS: It is a tough question because
3 you never know because you are always in testing, but we
4 are -- once we get the product from our vendor, it should
5 be fairly -- 90-plus percent, we should be pretty sure
6 that it is bug free.

7 COMMISSIONER CLARK: When is the product due --

8 MR. STRUTHERS: We should get the product from
9 the vendor I believe on June 22nd. Once we get to that
10 date --

11 COMMISSIONER CLARK: Surely that will give you
12 enough time. If at that point it is not delivered, we can
13 relook at the December 4th deadline.

14 COMMISSIONER JABER: Or alternatively, we hang
15 tight to the January 22nd deadline and say keep going at
16 the pace you are going now and you should have in your
17 dates cushions in terms of -- I mean, I would like to
18 think that when they proposed their December date to us
19 they put in a 60-day, 90-day cushion for themselves.

20 CHAIRMAN GARCIA: Mr. Criser, you wanted to say
21 something?

22 MR. CRISER: I suppose I have been invited to
23 say something.

24 CHAIRMAN GARCIA: Yes.

25 MR. CRISER: We have been trying to assess what

1 we think is in play here. And I do believe -- I agree
2 with the statement that we don't see a significant
3 difference in benefit that we lose. I guess I'm saying
4 that as a positive and trying not to make a negative
5 statement.

6 We do think if we go to January with the 3.0 --
7 I have a little bit of -- I guess my concern is I'm trying
8 to understand where the commitments are at the other end
9 of the table. But I do believe it is worth us accepting
10 the risk of the conversion from 1.4 to 3.0 if we go with
11 the January date. Us, I'm speaking on behalf of
12 BellSouth.

13 COMMISSIONER JACOBS: Can I ask a question?

14 CHAIRMAN GARCIA: Absolutely, I'm sorry.

15 COMMISSIONER JACOBS: When we have discussed
16 risk we have been talking about exhaust dates. And when
17 we have talked about this previously, it was my
18 understanding that the real risk here is a more prolific
19 contamination of 1,000 blocks. Isn't that the real risk
20 here?

21 MR. SELF: No, sir. And the reason for that is
22 two-fold. One, this Commission a year ago in connection
23 with the voluntary measures required at least the carriers
24 that signed on to that, which is everybody that is here
25 plus some that are not here today, to manage 1,000 blocks

1 in a way that they would preserve uncontaminated blocks
2 for eventual pooling.

3 Second, in terms of the new FCC order, and this
4 Commission's decision to make those voluntary measures
5 mandatory in the PAA order for all carriers, all carriers
6 now have more restrictive requirements for managing those
7 blocks. In other words, their number assignments must be
8 done in such a way as to preserve blocks for pooling.

9 COMMISSIONER JACOBS: And that is the point that
10 we are going to be auditing, is that correct?

11 MR. SELF: Yes.

12 MS. ARVANITAS: I would like -- you know, up
13 until this time I'm listening to this, but there is no
14 auditing in place. I talked to New York Public Service
15 Commission Greg Pontennod (phonetic) six months ago, they
16 do auditing to see which numbers are live, which numbers
17 are dead. They do a breakdown of utilization thresholds.
18 Okay.

19 There is nothing in place, there is no cost
20 analysis. There is nothing that can make these companies
21 with their relationship with NANPA -- they are not
22 supposed to contaminate. Qualified contaminate is I've
23 got a 1,000 block, less that 100 numbers, that is a 10
24 percent qualified contaminant.

25 In our voluntary stipulation, it made reference

1 to 10 percent qualified contaminated and uncontaminated or
2 pure 1,000 blocks who you haven't taken any vanity numbers
3 out to be given to the pooling administrator. In these
4 men's agreement they modified it in April to say they will
5 only do uncontaminated numbers.

6 Now, you are telling me you want to dismiss my
7 motion that we have not gone into rulemaking with a
8 voluntary stipulation. However, you are going to modify
9 the voluntary stipulation document from May 1999 and pick
10 and choose and decide what parts of it -- read the
11 voluntary stipulation, 10 percent qualified contaminated
12 numbers and uncontaminated will be given to the pooling
13 administrator.

14 You can't decide in your documents we are just
15 going to do uncontaminated numbers? If I can't go into
16 rulemaking with the voluntary stipulation, you can't pick
17 what kinds of numbers you have to give back to pool. That
18 pooling is sharing.

19 Also, I want to remind everybody I can guarantee
20 you how a lot more numbers that will materially impact our
21 exhaust if, in fact, we have a very specific measurement
22 of six months of inventory. In the 99-200 ruling,
23 MediaOne brought up, and it is being asked, the question
24 has been posed out, MediaOne feels CLECs should be 25
25 percent qualified -- the ILECs should be 25 percent

1 qualified contaminated because Section 251, it is not
2 competitively neutral with ILECs like BellSouth and GTE to
3 have a mass amount of numbers and then, therefore, they
4 aren't having to pool back. They have already amassed
5 their inventories.

6 So one of the things that is going before the
7 FCC is MediaOne has posed they want a 25 percent qualified
8 contaminated level for ILECs, like BellSouth and GTE. And
9 they want CLECs, which are cable companies who don't have
10 the inventory, because how NANPA assigns numbers is
11 first-come/first-served, which actually if you are
12 reviewing it is not competitively neutral.

13 I bet if we went into voluntary stipulation
14 rulemaking, and we got very specific what six months of
15 inventory is, because we would know what one month of
16 inventory is, that we would prolong the area code. And I
17 want to remind everybody, I did a 99-200 response they
18 filed. And in it I have a formula which I think I would
19 help and I would be glad to give the Commissioners a copy.

20 CHAIRMAN GARCIA: Commissioners, any questions?
21 A motion?

22 COMMISSIONER DEASON: I have one. Maybe I'm
23 prepared to make a motion. I need some further
24 clarification. What we are acting upon is an offer of
25 settlement, or a stipulation, or however you want to

1 characterize it. We have had discussion here today which
2 indicates, if I understand the discussion, that it may be
3 preferable to not require implementation of 1.4 software
4 release on December 4th, with the understanding that it
5 would wait until January 22nd with the full anticipation
6 that 3.0 would be available. And if it were not
7 available, 1.4 would be implemented, but the costs would
8 be absorbed at least for BellSouth, that is the
9 indication.

10 Now, we are talking about a modification to a
11 stipulation which has been signed by numerous parties.
12 Normally if we have a stipulation we either accept it or
13 reject it. We don't modify it. It is up to the parties
14 to modify it. So where do we stand procedurally?

15 MR. SELF: Commissioner Deason, I think if you
16 made that modification, I think I am authorized on behalf
17 of the parties to say that we would accept that.

18 MR. GREER: Commissioner, I also think that it
19 says that we would go through a cost proceeding. I think
20 that is what the carriers have committed to. And
21 essentially BellSouth's commitment is we wouldn't seek
22 recovery of that in the cost proceeding, I would think.

23 COMMISSIONER DEASON: The increment cost of
24 implementing 1.4 would not be sought in cost recovery?

25 MR. GOGGIN: Yes. So I don't think it is really

1 modifying the stipulation itself, or the settlement
2 itself, because the settlement essentially says we will go
3 to a cost proceeding to deal with cost.

4 COMMISSIONER DEASON: Yes, but the stipulation
5 definitely has the December 4th date in it, does it not?

6 MR. GOGGIN: Yes, it does.

7 MR. SELF: So I think to that extent, based upon
8 what I have been told, we would be authorized to accept a
9 motion along the lines like you just outlined as a
10 modified plan.

11 COMMISSIONER DEASON: Is staff comfortable with
12 that?

13 MS. ARVANITAS: You can't -- they have a motion
14 before you. It is accept or deny. They can't ask you to
15 modify it for them. Roberts Rules of Order. Aren't we
16 out of order here? You have to accept or deny what they
17 have.

18 CHAIRMAN GARCIA: You are out of order right
19 now. Okay. We have a motion on the floor, and --

20 COMMISSIONER DEASON: Is the staff comfortable
21 with the procedure we are following?

22 MS. CALDWELL: Yes, we are.

23 COMMISSIONER CLARK: Second.

24 CHAIRMAN GARCIA: Do you want to say something?
25 I'm looking at you, sir.

1 MR. KNOX: No.

2 COMMISSIONER DEASON: Well, is there any
3 commitment from Sprint for their portion of transitional
4 costs?

5 CHAIRMAN GARCIA: I was hoping you would say it,
6 that's why I looked at you.

7 MR. STRUTHERS: Chairman Garcia, I will make one
8 commitment on NeuStar. I know you have got the first
9 three area codes. Should you go forward and do pooling in
10 other area codes, we will endeavor to meet any time frames
11 you have. If you have six in a quarter, seven in a
12 quarter, we will try to meet that.

13 We are not limited to three NPAs per quarter by
14 any means. So we will put on staff if we need to put on
15 staff to help you meet your deadlines.

16 CHAIRMAN GARCIA: Charles.

17 MR. REHWINKEL: Charles Rehwinkel with Sprint.
18 Yes, we are okay with what Mr. Self has said.

19 CHAIRMAN GARCIA: Very good. We have a motion,
20 it has been seconded.

21 MS. CALDWELL: I have a question. Are you
22 voting on the entire recommendation or are you voting per
23 issue?

24 COMMISSIONER DEASON: My motion is all issues
25 with the understanding of the modification, the very

1 narrow modification that we are making to the stipulation
2 are the parties are exceeding.

3 MS. CALDWELL: All right. I need to make one
4 correction on Issue number 3, which is the close the
5 docket issue. And staff recommends in the first sentence,
6 whether or not -- the staff recommends that whether or not
7 the Commission approves staff's recommendation in Issue 2,
8 rather than Issue 1, this docket should remain open. And
9 then when we discuss Issues 1 and 2 in the second
10 sentence, it should only read Issue 2.

11 CHAIRMAN GARCIA: Very good. With that
12 modification made to the modified motion --

13 MR. GREER: Commissioner, I hate to stop the
14 gavel, but I would like to know the implementation dates
15 for the 561 and 904. Are you leaving them at the
16 breakdown of March or February?

17 COMMISSIONER DEASON: I understood that they
18 were February 2nd and April -- or thereabouts, April the
19 2nd. I heard February 2nd, and then approximately two
20 months later for 904.

21 CHAIRMAN GARCIA: The same dates.

22 MR. GOGGIN: February 5th and April 2nd.

23 MR. ILERI: Commissioners, I would just like to
24 point out that the FCC did not address the specific times
25 in terms of intervals between MSAs, so we don't have to be

1 two months apart.

2 CHAIRMAN GARCIA: They can move them up.

3 MR. ILERI: Correct.

4 MR. GOGGIN: Speaking on behalf of BellSouth, we
5 are ready and able to commit to implementing in 561 and
6 904 on the dates that we committed to in the offer of
7 settlement and moving only the 954 dates.

8 MR. SELF: Yes. I believe the FCC order talks
9 about a reasonable period of time between the
10 implementation. And I think if everyone agrees that going
11 from January 22nd to February 5th is a reasonable period
12 of time, then that should be a reasonable period of time.

13 COMMISSIONER DEASON: That is two weeks.

14 MR. SELF: Right.

15 CHAIRMAN GARCIA: Okay.

16 MS. CALDWELL: One other thing. Issue 3, Issue
17 1 would be a final agency action rather than a PAA.

18 CHAIRMAN GARCIA: All right. We have a motion,
19 that motion is still seconded.

20 COMMISSIONER JACOBS: There is one brief point.
21 While I accept the representations that we have adequate
22 management provisions in place to ensure that we are going
23 to be okay in terms of timing, I think there is a very
24 clear need to say that this is premised upon adherence to
25 those provisions and that we will have noncontaminated

1 blocks available up through this time frame, and that is a
2 very important underlying assumption.

3 CHAIRMAN GARCIA: It is required presently,
4 right?

5 MR. SELF: That is correct.

6 CHAIRMAN GARCIA: It is required already.

7 MR. SELF: And also there will be pooling of
8 uncontaminated blocks, as well, based upon a schedule that
9 everybody works out. So both the contaminated and the
10 uncontaminated will be pooled.

11 CHAIRMAN GARCIA: Before we vote this out, Mr.
12 Self, I would like to ask you and Levent and Kevin Bloom
13 to get together when we vote this out, just so that we can
14 explain to the public what was done here today.

15 MR. SELF: Yes, sir.

16 CHAIRMAN GARCIA: We have a motion and a second.
17 No other comments. All those in favor signify by saying
18 aye.

19 (Unanimous affirmative vote.)

20 CHAIRMAN GARCIA: Opposed? Thank you very
21 much. The motion passes.

22 COMMISSIONER JACOBS: I would like to say --

23 CHAIRMAN GARCIA: This hearing is closed. I'm
24 sorry, Commissioner Jacobs.

25 COMMISSIONER JACOBS: -- that I think it is

1 important to say that when we last were here on this
2 issue, there was a great divergence. And I think it is
3 important to recognize the effort that was put in to bring
4 some resolution to this. And I congratulate the companies
5 on that.

6 MR. SELF: Thank you, Commissioner.

7 (The special agenda concluded at 11:20 a.m.)
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1 STATE OF FLORIDA)

2 : CERTIFICATE OF REPORTER

3 COUNTY OF LEON)

4

5 I, JANE FAUROT, RPR, Chief, FPSC Bureau
6 of Reporting, Official Commission Reporter, do
7 hereby certify that the Special Agenda Conference in
8 Docket No. 981444-TP was heard by the Florida Public
9 Service Commission at the time and place herein
10 stated.

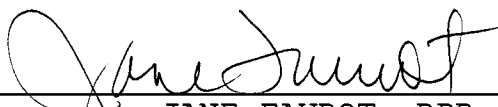
11 It is further certified that I
12 stenographically reported the said proceedings; that
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15 77 pages, constitutes a true transcription of my
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17 I FURTHER CERTIFY that I am not a
18 relative, employee, attorney or counsel of any of
19 the parties, nor am I a relative or employee of any
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23 DATED THIS 11TH DAY OF MAY, 2000.

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26 JANE FAUROT, RPR
27 FPSC Division of Records & Reporting
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