State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER ● 2540 SHUMARD OAK BOULEVARD TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE:

JULY 12, 2001

TO:

DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYÓ)

FROM:

DIVISION OF COMPETITIVE SERVICES (BROWN, CA

DIVISION OF LEGAL SERVICES (L. FORDHAM) 2.74

RE:

DOCKET NO. 010783-TL - BELLSOUTH'S PETITION FOR REVIEW OF POOLING ADMINISTRATOR'S DENIAL OF REQUEST FOR ADDITIONAL

NUMBERING RESOURCES

AGENDA: 07/24/01 - REGULAR AGENDA - PROPOSED AGENCY ACTION

INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\CMP\WP\010783.RCM

CASE BACKGROUND

On May 8, 2001, BellSouth Telecommunications, Inc. (BellSouth) submitted an application to NeuStar for two thousand consecutive Direct Inward Dialing (DID) numbers for the Cypress (FTLDFLCYDS0) switch in the Ft. Lauderdale rate center. On May 10, 2001, BellSouth submitted an application to NeuStar for a one thousand block of consecutive DID numbers with a five as the fourth digit for the Sawgrass FTLDFLSGDS0 switch which is also in the Ft. Lauderdale rate center. Also on May 10, 2001, BellSouth submitted an application to NeuStar for twelve hundred consecutive DID numbers for the Clay Street (JCVLFLCLDS0) switch in the Jacksonville rate center. Each code request was made to fulfill a specific customer request.

The Ft. Lauderdale exchange consists of nine central offices and ten switches [Coral Ridge (FTLDFLCRH01 and FTLDFLCR56E), Cypress (FTLDFLCYDS0), Jacaranda (FTLDFLJADS0), Ft. Lauderdale Main (FTLDFLMRDS0), Plantation (FTLDFLPLDS0), Oakland (FTLDFLOADS0),

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Sunrise (FTLDFLSU74E), Sawgrass (FTLDFLSGDS0), and Weston (FTLDFLWNDS0)].

The Jacksonville exchange consists of thirteen central offices and switches [Arlington (JCVLFLARDS0), Beachwood (JCVLFLBWDS0), Clay Street (JCVLFLCLDS0), Ft. Caroline (JCVLFLFCDS0), International Airport (JCVLFLIARS0), Lake Forest (JCVLFLLF76E), Normandy (JCVLFLNODS0), Oceanway (JCVLFLOWDS0), Riverside (JCVLFLRV38E), San Jose (JCVLFLSJ73E), San Marco (JCVLFLSMDS0), Southpoint (JCVLFLJTRSO) and Westconnett (JCVLFLWCDS0)].

On May 10, 2001, NeuStar denied BellSouth's request for the Ft. Lauderdale Cypress and Sawgrass switches. On May 11, 2001, NeuStar denied BellSouth's request for the Jacksonville Clay Street switch. All denials were made because BellSouth had not met the rate center months-to-exhaust (MTE) criteria currently required to obtain a growth code.

On May 25, 2001, BellSouth filed "BellSouth's Petition for review of Pooling Administrator's Denial of Request for Additional Numbering Resources." The Commission has previously addressed two similar issues in Docket Nos. 010309-TL, and 010565-TL. These previous two dockets concerned growth codes which contain 10,000 numbers. This petition addresses 1,000 number blocks since the Ft. Lauderdale and Jacksonville rate centers have initiated number pooling. However, the same scenario applies. On July 3, 2001, BellSouth filed an amended petition to withdraw its request to overturn NANPA's denial of 1,000 numbers, with a five as the fourth digit for the Sawgrass (FTLDFLSGDSO) switch in the Ft. Lauderdale rate center. BellSouth stated in its amended petition, that its customer requesting 1,000 numbers obtained service from an ALEC solely because BellSouth was unable to fulfill the customer's numbering requests.

This recommendation addresses BellSouth's request that the Commission overturn NeuStar's decision to deny 2,000 numbers for the Cypress (FTLDFLCYDS0) switch and 1,200 numbers for the Clay Street (JCVLFLCLDS0) switch in the Jacksonville rate center.

The Commission is vested with jurisdiction pursuant to Sections 364.01 and 364.16(4), Florida Statutes, and 47 U.S.C. §151, and 47 C.F.R. §52.15(g)(3)(iv).

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission overturn NeuStar's decision to deny 2,000 numbers for the Cypress (FTLDFLCYDS0) switch in the Ft. Lauderdale rate center, and 1,200 numbers for the Clay Street (JCVLFLCLDS0) switch in the Jacksonville rate center?

RECOMMENDATION: Yes, the Commission should overturn NeuStar's decision to deny the requested numbers, and direct NeuStar to provide BellSouth with 2,000 numbers for the Cypress (FTLDFLCYDS0) switch in the Ft. Lauderdale rate center, and 1,200 numbers for the Clay Street (JCVLFLCLDS0) switch in the Jacksonville rate center as soon as possible. (BROWN, CASEY)

STAFF ANALYSIS: As mentioned in the case background, BellSouth submitted an application to NeuStar for 2,000 numbers Cypress (FTLDFLCYDS0) switch, 1,000 numbers with a five as the fourth digit for the Sawgrass (FTLDFLSGDS0) switch in the Ft. Lauderdale rate center, and 1,200 numbers for the Clay Street (JCVLFLCLDS0) switch in the Jacksonville rate center. was denied these numbering resources because it had not met the rate center MTE criteria currently required to obtain a growth On July 3, 2001, BellSouth filed an amended petition to withdraw its request to overturn NANPAs denial of 1,000 numbers, with a five as the fourth digit for the Sawgrass (FTLDFLSGDS0) switch in the Ft. Lauderdale rate center. The withdrawal occurred because the customer in the Ft. Lauderdale-Sawgrass switch who needed the additional numbering resources, had decided to obtain service from an ALEC solely because BellSouth was unable to fulfill it numbering demands.

Pursuant to Order No. FCC 00-104¹ applicants must show the MTE criteria by rate center instead of by switch, and have no more than a six-month inventory of telephone numbers. Pursuant to 47 C.F.R. § 52.15(q)(3)(iii):

All service providers shall maintain no more than a sixmonth inventory of telephone numbers in each rate center

¹Report and Order, CC Docket No. 99-200, <u>In the Matter of Number Resource Optimization</u>, Order No. FCC 00-104 (March 31, 2000)

or service area in which it provides telecommunications service.

The new MTE criteria creates a disadvantage for carriers with multiple switch rate centers because it is now based on rate centers, rather than switches. One switch in a multiple-switch rate center may be near exhaust while the average MTE for the rate center is above six months, thus preventing a carrier from obtaining a growth code for the switch near exhaust. Another carrier who may have just one switch in the rate center, would have an advantage and may be able to obtain a growth code to provide the service.

The code denial also poses a possible barrier to competition. A customer desiring service from BellSouth may have to turn to another carrier simply because BellSouth cannot meet the MTE rate center requirement. At the time of BellSouth's code denial, the Ft. Lauderdale rate center MTE was 6.3 months, while the MTE for the Cypress-FTLDFLCYDSO switch was 2.51 months. The Jacksonville rate center MTE was 11.7 months, while the MTE for the Clay Street-JCVLFLCLDSO WAS 14.7 months.

In its application, BellSouth states "under earlier MTE procedures, waivers or exceptions were granted when customer hardship could be demonstrated or when the service provider's inventory did not have a block of sequential numbers large enough to meet the customer's specific request. Under existing procedures, NeuStar looks at the number of MTE for the entire rate center without any exception." BellSouth asserts that its request was denied even though the company doesn't have the numbering resources necessary to satisfy its customers' demand in the switch. In Order No. DA 01-386², the FCC stated:

Under no circumstances should consumers be precluded from receiving telecommunications services of their choice from providers of their choice for want of numbering resources.

FCC No. DA 01-386 at ¶11.

²DA 01-386, CC Docket No. 99-200, CC Docket No. 96-98, In the Matter of Numbering Resource Optimization, <u>Implementation of the Local Competition</u>

Provisions of the Telecommunications Act of 1996 (February 14, 2001)

Another dilemma created with the new MTE rate center criteria is rate center consolidation. The FCC promotes rate center consolidation as a number conservation measure, and encourages states to consolidate rate centers wherever possible. The problem arises when you attempt to consolidate small rate centers which may have one switch and end up with one rate center with multiple switches. In Order No. FCC 00-429³, the FCC states:

Some ILECs suggest, however, that the utilization threshold should be calculated on a per-switch basis in rate centers that have multiple switches, particularly where they have not deployed LNP capability. According to BellSouth, in the absence of thousands-block number pooling, numbers cannot be shared easily among multiple switches in the same rate center. They assert that there are technical constraints on their ability to share numbering resources among multiple switches within the same rate center and that a low utilization rate in one or more switches could prevent it from meeting the rate center utilization threshold. SBC argues in its comments that the utilization threshold should be calculated at the "lowest code assignment point" - the rate center, where there is only one switch, or the switch, where there is more than one in a rate center.

Order No. FCC 00-429 at ¶ 32.

The North Carolina Utilities Commission addressed a BellSouth denial of a growth code in an order issued January 16, 2001. The Order addresses NANPA's denial of two growth codes because BellSouth did not meet the new MTE rate center requirements. BellSouth had two large customers in need of NXX codes. One customer requested 10,000 sequential numbers, and the other customer needed approximately 6,000 numbers immediately for the establishment of a call center. The North Carolina Commission

³Second Report and Order, Order on Reconsideration, CC Docket No. 99-200 and CC Docket No. 96-98, <u>In the Mater of Numbering Resource Optimization</u>, et. al., Order No. FCC 00-429 (December 29, 2000)

⁴ State of North Carolina Utilities Commission, Order Granting Reserved Numbers, issued January 16, 2001, in Docket No. P-55, Sub 1250, In the Matter of Petition of BellSouth Telecommunications, Inc. for Review of NANPA Denial of Application for Numbering Resources.

overturned NANPA's denial of the two NXX codes, and directed NANPA to provide numbers to meet the specific requests of Microsoft and Duke Energy.

The Public Service Commission of Wisconsin also addressed a similar issue in its Docket 5-TK-101, Ameritech's Challenge of NeuStar's Denial of a Request for a Central Office Growth Code at the Appleton Exchange, mailed December 22, 2000. In that case, Ameritech was denied a growth code because its MTE estimate was 7.4 months based on the rate center criteria, which is above the six month maximum MTE required by 47 C.F.R. § 52.15(g)(3)(iii). Ameritech requested the growth code to fulfill a request by two large customers who each wanted five-digit dialing for internal calls and specifically requested to have an eight as the third digit of the NXX code. In its Order, the Wisconsin PSC overturned NANPA's decision to deny a growth code, and directed NANPA to provide Ameritech with a growth code.

The Commission has previously addressed two similar issues in Dockets Nos. 010309-TL, and 010565-TL. These previous two dockets concerned growth codes which contain 10,000 numbers. This petition addresses 1,000 number blocks since the Ft. Lauderdale and Jacksonville rate centers have initiated number pooling. However, the scenario is the same. On February 6, 2001, BellSouth was denied a growth code for its Orlando Magnolia switch (ORLFLMADSI), and as a result, could not provide numbering resources to a specific customer requesting 2,500 consecutive DID numbers. March 9, 2001, BellSouth challenged NANPA's decision by filing a petition with the Commission. By Order No. PSC-01-1146-PAA-TL, issued May 21, 2001, the Commission overturned NANPA's decision and directed NANPA to issue a new growth code to BellSouth for its Orlando Magnolia switch.

On April 10, 2001, BellSouth was denied a growth code for its Orlando Pinecastle switch (ORLFLPCDSO), and as a result, could not provide numbering resources to two customer requests for 2,500 and 500 DID numbers. On April 20, 2001, BellSouth again challenged NANPA's decision by filing a petition with the Commission. By Order No. PSC-01-1312-PAA-TL, issued June 18, 2001, the Commission overturned NANPA's decision and directed NANPA to issue a new growth code to BellSouth for its Orlando Pinecastle switch.

The procedure which is available to carriers who are denied growth codes because of the rate center MTE requirement is addressed in 47 C.F.R. § 52.15(q)(3)(iv), which states, in part:

The carrier may challenge the NANPA's decision to the appropriate state regulatory commission. The state regulatory commission may affirm or overturn the NANPA's decision to withhold numbering resources from the carrier based on its determination of compliance with the reporting and numbering resource application requirements herein.

BellSouth has provided staff with the name of the customers requesting the 2,000 and 1,200 consecitive DID numbers, copies of its NeuStar applications for numbering resources, copies of its MTE worksheets for the Ft. Lauderdale and Jacksonville rate centers, and copies of NueStar's denials. Staff contacted BellSouth's proposed customers via telephone and verified that they want BellSouth as their provider of service. We also verified with NeuStar that there would be minimal impact on the 954 and 904 NPAs by releasing the required blocks for these switches. We also reviewed the BellSouth utilization data for the switches in the Ft. Lauderdale and Jacksonville rate centers to verify that BellSouth has no available codes to meet this specific customer's needs.

In evaluating BellSouth's petition, staff has analyzed and concluded that:

- 1) BellSouth has demonstrated that it has customers in need of numbering resources;
- 2) BellSouth has shown that it is unable to provide services to the potential customers because of NeuStar's denial of the numbering resources;
- 3) There are potential competitive concerns because of the NeuStar denial since these potential customers cannot choose the provider of their choice because BellSouth does not have the numbers available; and,
- 4) There would be minimal impact to the 954 and 904 NPAs by releasing these needed blocks.

Based on the foregoing, staff recommends the Commission overturn NeuStar's decision to deny the requested numbering resources, and direct NeuStar to provide BellSouth with 2,000 numbers for the Cypress (FTLDFLCYDS0) switch in the Ft. Lauderdale rate center, and 1,200 numbers for the Clay Street (JCVLFLCLDS0) switch in the Jacksonville rate center.

ISSUE 2: Should this docket be closed?

<u>RECOMMENDATION</u>: Yes. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order. (FORDHAM)

STAFF ANALYSIS: This docket should be closed upon the issuance of a consummating order if no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order. In the event that a protest is filed, this docket should remain open pending the resolution of the protest.