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April 24, 2001

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MAIL ROOM

Ms. Blanca S. Bayo, Director
Division of Records & Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 010102-TP
Investigation of Proposed Updates to the Routing Data Base System (RDBS) and Business Rating Input Database System (BRIDS) Affecting the Tampa Telecommunications Carriers

Dear Ms. Bayo:

Please find enclosed for filing an original and 15 copies of Verizon Florida Inc.'s Posthearing Statement in the above matter. Also enclosed is a diskette with a copy of the Posthearing Statement in Word 97 format. Service has been made as indicated on the Certificate of Service. If there are any questions regarding this matter, please contact me at 813-483-2617.

Sincerely,

Kimberly Caswell

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## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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| In re: Investigation of Proposed Updates to the Routing Data Base System (RDBS) and Business Rating Input Database System (BRIDS) Affecting the Tampa Telecommunications Carriers | ) | Docket No. 010102-TP<br>Filed: April 24, 2001 |

## VERIZON FLORIDA INC.'S POSTHEARING STATEMENT

Verizon Florida Inc. (Verizon) files its Posthearing Statement in accordance with Florida Administrative Code rule 28-106.215 and the Commission's order number PSC-01-0380-PCO-TP, establishing procedure in this case.

## VERIZON'S BASIC POSITION

The issues in this proceeding arose largely because of fundamental misconceptions about Verizon's effort to harmonize Verizon's rate centers with the Local Exchange Routing Guide (LERG) and its underlying databases. Verizon is not proposing to expand or otherwise change its existing rate centers. It is only seeking to ensure that the LERG is revised to correctly reflect that there are five Tampa rate centers, instead of only one. This correction is imperative to ensure proper call routing and rating, as well as compliance with FCC number portability guidelines.

In conjunction with the database and LERG changes, Verizon proposes to grandfather customers in their existing rate center (which is Tampa Central) and to implement a number pooling trial within six months of a Commission Order. This proposal fully satisfies the alternative local exchange carriers' (ALECs') concerns about customer number changes and premature exhaustion of the 813 area code. As such, there is no reason to consider extreme proposals, such as consolidating Verizon's existing five rate centers.

The ALECs have failed to show that Verizon's proposal for correcting the LERG will have any adverse effect on them. While changing the LERG to match Verizon's tariffs will have no effect on the ALECs, changing Verizon's tariffed rate centers to match the LERG would cost Verizon many millions of dollars a year. The Commission does not, in any event, have the legal authority to order such rate center consolidation.

## VERIZON'S SPECIFIC POSITIONS

<u>Issue A</u>: **Under current Florida and federal law, what is the extent of the Commission's authority to order rate center consolidation?**

<u>Verizon's Position</u>: *** The Commission has no authority to order rate center consolidation. This authority was removed with the 1995 changes to Chapter 364, and no federal law or FCC rulings have restored it. ***

When the Legislature revised Chapter 364 in 1995, it removed the Commission's authority to unilaterally order rate center consolidation. Section 364.385 of the Florida Statutes prohibits the Commission from initiating any new proceedings (after July 1, 1995) to consider requests for "extended area service, routes, or extended calling service." Because rate center consolidation would necessarily involve extension or expansion of customers' local calling areas and service, the Commission may not force Verizon to implement any such consolidation. (Menard, T. 32.)

Mandatory rate center consolidation is unlawful for the additional reason that it would result in a change in Verizon's rates. Verizon is a price-regulated carrier under section 364.051 of the Florida Statutes, so its rates are strictly controlled by that statute, rather than through Commission action. The incompatibility of section 364.051 and mandatory rate center consolidation was the basis for BellSouth Telecommunications Inc.'s Florida Supreme Court appeal from this Commission's decision requiring BellSouth to ballot certain customers to determine if they would pay higher rates for the expanded local calling scope that rate center consolidation would necessitate. (BellSouth's Notice of Appeal in Docket Nos. 990455-TL, etc., dated Nov. 20, 2000.)

There is no federal law, regulation, or ruling overriding sections 364.385 or 364.051. At the hearing, the Commission was particularly interested in the effect of the FCC's 1999 decision on this Commission's Petition for authority to implement certain number conservation measures. In that Petition, the Commission sought FCC permission to consolidate rate centers, among other conservation measures. In response, the FCC clarified that: "Rate center consolidation, as it involves matters relating to local calling scopes and local call rating, falls under state utility commissions' rate-making authority." (*Florida Pub. Svc. Comm'n Petition to F.C.C. for Expedited Decision for Grant of Authority to Implement Number Conservation Measures*, FCC 99-249 (*Florida Numbering Order*), at para. 38 (Sept. 15, 1999).) The FCC observed that because rate center consolidation was already within the state Commission's purview, no FCC action appeared necessary with regard to this aspect of the Commission's petition. (*Florida Numbering Order* at para. 1.) Nevertheless, the FCC granted the Florida Commission's request "for any additional authority it may need to consolidate rate centers" since rate center consolidation could enhance efficient use of numbering resources, over which the FCC has plenary jurisdiction. (*Florida Numbering Order* at para. 38.)

The only way this FCC Order could give the Commission the authority to compel rate center consolidation is if that Order preempted sections 364.365 and 364.051. There is no indication whatsoever that the FCC intended its Order to supersede those provisions or that it even knew they existed. The Petition included no discussion of the Commission's authority (or lack of authority) to order rate center consolidation under state law. (*See generally* Petition to FCC for Expedited Decision for Grant of Authority to Implement Number Conservation Measures, April 2, 1999.) As such, it was reasonable for the FCC to assume that the Commission already had the requisite state grant of authority.

The FCC made clear that local rates and local calling scopes are *state*, not federal, matters. It did not grant the Commission rate center consolidation authority; rather, it assumed the Commission already had such authority. While the FCC did, almost offhandedly, give the Commission unspecified *additional* authority it might need to implement rate center consolidation in the event the Commission should need it, it did not purport to give it any *different* authority than it already had under state law. Its grant of additional authority was explicitly grounded in the FCC's jurisdiction over "numbering resources," not local calling scopes. It was not intended to and could not alter state law on this matter.

A federal statute or ruling will not be deemed to preempt a state statute "in the absence of persuasive reasons—either that the nature of the regulated subject matter permits no other conclusion, or that the Congress has unmistakably so ordained." *Florida Lime & Avocado Growers, Inc., et al. v. Paul, et al.*, 373 U.S. 132, 142 (1963). There are no such persuasive reasons here. As the FCC itself made clear, it controls numbering resources, not local calling scopes. The FCC cannot delegate a power it does not have, and Congress has given it no authority to change or establish local calling scopes or local retail rates.

**Issue 1: Should the Tampa Market Area be considered one rate center? If not, what rate centers should be associated with the Tampa Market Area?**

**Verizon's Position: * No. The Tampa Market Area encompasses all of Verizon's territory, and thus all of its rate centers. The Commission cannot lawfully order Verizon to consolidate all (or any) of its rate centers. Rather, the incorrect "Tampa" LERG designation should be changed to reflect the existing five Tampa rate centers. ***

The Tampa Market Area encompasses all of Verizon Florida's territory, as Verizon's tariffs (including area code maps) and the Commission's website reflect. Verizon witness Menard's Exhibit BYM-5 (in Ex. 3) shows the exchanges in the Tampa Market Area, which includes all of the 813 and 727 area codes and a portion of the 941 and 863 area codes.

Despite the broad wording of this issue, Verizon does not believe the entire Tampa Market Area is at issue in this case. The focus of this docket is only Verizon's Tampa rate centers; no other rate centers have been discussed.

The Tampa rate centers should not and cannot be "considered" just one rate center. For over 30 years, Verizon has had five tariffed Tampa rate centers—Tampa North, Tampa South, Tampa Central, Tampa East and Tampa West. (Menard, Tr. 19, 46.) These rate centers have different extended calling service (ECS) and extended area service (EAS) calling scopes, and Verizon's billing and other operations support systems recognize five Tampa rate centers. However, the Local Exchange Routing Guide (LERG) mistakenly uses only a "Tampa" rate center designation. This mistake probably occurred and persisted because calling among all five Tampa rate centers is local in nature (and not EAS or ECS); this is a unique situation among Verizon's rate centers. (Menard, T. 54-56.)

The LERG is a document containing information on all switches in the public switched telephone network. It shows where an NXX code resides in the network (that is, which carrier is responsible for making assignments for a particular NXX code). (Menard, T. 19.) The LERG is an output of the Routing Database System, a Telcordia system that houses NPA-NXX code information allowing carriers to determine how to route calls to particular NXXs. (T. 19.)

Verizon's tariffs, not the LERG, are the definitive reference for determining how many rate centers Verizon has. Although the LERG is widely used by the industry as a reference, it is not approved by or otherwise officially sanctioned by this Commission. (Menard, T. 133-34.) It is not publicly available, but rather privately published by Telcordia and offered only by subscription. (Foley, T. 153, 161.) Verizon's tariffs and accompanying area code maps, on the other hand, are Commission-approved, publicly filed, and have the force of law. While the tariffs and underlying rate centers have existed for over 30 years, the LERG was first published only about 17 years ago. (Foley, T. 161.)

The non-specific "Tampa" rate center that appears in the LERG does not exist. Contrary to the ALECs' assertions, there are not six rate centers (Henderson, T. 174; Thomas, T. 238), and Verizon is not trying to expand from one rate center to five (Faul, T. 207; Thomas, T. 240; Tystad, T. 284). The so-called universal or generic Tampa rate center appears only in the LERG, and it is incorrect.

Neither Verizon's tariffs nor its rating and billing systems can or do recognize a "Tampa" rate center. In Verizon's systems, the ALECs' codes designated as "Tampa" in the LERG have been assigned to the Tampa Central rate center. (Menard, T. 53, 74.) When Verizon acted as code administrator, it was able to correctly assign rate centers in its system (despite the incorrect Tampa LERG designation) because it discussed each NXX request with the ALEC. (Menard, T. 20, 53, 89-90.) Unfortunately, the inadvertent Tampa designation in the LERG was not changed when Verizon transferred code administration functions to Neustar in 1998. (Menard, T. 36-37, 52.) Neustar did not continue this verification process, (Menard, T. 21), so today Verizon has no way of knowing which Tampa rate center is associated with an ALEC's NXX code; Verizon continues to use the assumption that the customers are located in the Tampa Central rate center. By reviewing ALEC customers' addresses and corresponding NXX codes, Verizon has verified that assignment to the Tampa Central rate center is correct in most cases. (Menard, T. 38; Ex. 3, BYM-4.)

However, as time goes on and ALECs' customers become more dispersed throughout Verizon's Tampa territory, it will become less likely that the Tampa Central designation in Verizon's systems is correct. Without a specific Tampa rate center designation, Verizon cannot know how to correctly rate calls from Verizon's customers to ALECs' customers. (Menard, T. 64-65.) In addition, customers' whose rate centers are incorrect in Verizon's systems will not get the correct local calling scope under their applicable EAS or ECS plan. These customers are thus treated differently from others in the same rate center. (Menard, T. 71.)

Before the existing call routing and rating problems get worse, it is imperative for the LERG to be harmonized with Verizon's tariffs. The dissonance between the LERG and Verizon's rate centers has been a matter of industry concern for some time. In fact, Verizon was prompted to undertake efforts to correct the RDBS and the LERG as a result of concerns raised at the Common Industry Group on Routing and Rating (CIGRR), an industry forum open to any company that has been assigned an NXX code. (T. 21, 100-01; Ex. 9.) In April of 1999, Verizon took the initial step of breaking out the localities associated with its NXXs in the LERG. (T. 21, 37, 50.) This action did not solve the routing and rating problem, however, because there was no way to ensure that other carriers would do the same population.

Thus, a CIGRR subgroup continued to discuss efforts to harmonize the LERG with Verizon's tariffs and actual rate centers. Commission Staff was made aware of these efforts. On August 15, 2000, Verizon sent registered mail (or e-mail) notices to all Tampa rate center code holders, asking them to submit to the North American Numbering Plan Administrator (NANPA) information necessary to correctly reflect the rate centers of their codes. Verizon set a conversion date of February 1, 2001. (T. 22, Ex. BYM-1.) Verizon and certain other ALECs (*e.g.*, Winstar Wireless and US LEC) did show the correct Tampa rate centers prior to February 1, 2001, and some requested changes as Verizon did to correct the LERG. (Menard, T. 37, 133.) A number of ALECs, however, complained to the Commission about the contemplated changes (leading to the initiation of this docket), so their codes still appear with the incorrect "Tampa" designation in the LERG.

The Commission should be skeptical of ALEC claims that they never knew there were five Tampa rate centers. (Menard, T. 91.) At least some carriers listed rate center location codes like Verizon did before it changed the actual rate center designations in the LERG. (Menard, T. 133.) The contact listing for the CIGRR Tampa rate center project included over 40 entities, among them two AT&T companies, two MCI companies, Intermedia, and Time Warner Telecom. (Ex. 10; see also Henderson, T. 191.) In addition, as rational entities, ALECs seeking to compete with Verizon would be expected to have reviewed Verizon's tariffs before entering the market.. In fact, we know this is true because the ALECs' own Commission-filed price lists indicate that their calling areas mirror Verizon's. AT&T, for instance, concurs in Verizon's exchange areas and exchange maps. Verizon's exchange maps appear in its tariffs, not in the LERG. (Henderson, T. 189-91.) The ALECs could not have known what Verizon's calling areas (and thus rate centers) were without examining Verizon's tariffs.

In addition, the five Tampa rate centers have been discussed in a number of contexts at this Commission, including the long-term number portability docket (number 960100-TP), in which a workshop was held in October 1997 to specifically discuss the problems associated with porting numbers between rate centers as opposed to wire centers. (Menard, T. 121.) MCI, among others, made a presentation at that meeting and the materials Ms. Menard distributed showed the five Tampa rate centers and their locations. (Menard, T. 134.)

In any event, speculation about what carriers might have known and when is unproductive and will not help remedy the existing mismatch between Verizon's rate centers and the LERG. Continuing the *status quo* or allowing Verizon to use its existing five rate centers while the ALECs continue to use the fictional Tampa rate center, as some ALECs urge the Commission to do (Henderson, T. 186; Thomas, T. 252, 264-65), will not work (Menard, T. 42-43, 49, 68, 71, 79-80). As Mr. Tystad testified, "If ALECs have one rate center while Verizon has five, number pooling, portability and termination issues arise immediately." (Tystad, T. 287, 299 ("The point is that all providers have to match....you can't have six [rate centers]").)

Maintaining a "Tampa" LERG designation cannot change the fact that there are actually five Tampa rate centers or the requirement for Verizon to assign each NXX to only one of the five Tampa rate centers in its billing and other systems. (Menard, T. 43, 68-70.) As explained, it is impossible for Verizon to correctly rate calls without knowing the rate center associated with the NXX code. (Menard, T. 63-64, 69, 79-80, 130.) Precisely because of the importance of accurate call rating, this Commission has prohibited assignment of telephone numbers to customers located outside of the rate center associated with those telephone numbers—unless the assigning ALEC can provide information allowing correct call rating. ("If Intermedia intends to assign numbers outside of the areas with which they are traditionally associated, Intermedia must provide information to other carriers that will enable them to properly rate calls to those numbers. We find no evidence in the record indicating that this can be accomplished." (BellSouth/Intermedia Arbitration, Order No. PSC-00-1519-FOF-TP, Docket No. 991854-TP, at 43 (Aug. 22, 2000).)

This is exactly what is happening in Verizon's Tampa rate centers. Because of the incorrect, non-specific Tampa LERG designation, carriers can assign numbers to customers anywhere in any of the five Tampa rate centers, regardless of their physical location. Verizon does not believe the Commission wishes to approve here this same practice it disapproved before, and which is a matter specifically identified for discussion in the ongoing generic reciprocal compensation docket (number 000075-TP).

In addition to call rating problems, the existing situation runs afoul of FCC number porting guidelines and industry standards. All parties agree that porting can occur only within a single rate center under FCC guidelines. (*See, e.g.*, Henderson, T. 172, 197; Thomas, T. 259-60.) But without knowing the specific rate center associated with an NXX, there is no way of assuring compliance with the intra-rate-center porting requirement. (Menard, T. 65, 76-78, 83.) To the extent that porting is taking place today between rate centers within the Tampa area, it is impermissible under FCC guidelines, and customers in the Tampa rate centers are being treated differently from those in the rest of Verizon's (and all other) rate centers. (Menard, T. 76-77.) Again, the use of a generic Tampa designation in the LERG does not magically transform Verizon's five rate centers into just one, for number porting or any other purpose.

It is not possible to simply "consider" all five Tampa rate centers to be just one, as the ALECs urge. The *only* way Verizon's existing five rate centers can be collapsed into just one is through rate center consolidation—in effect, making one big local exchange calling area from the existing five areas. The Commission has no legal authority to order rate center consolidation, as discussed above, and Verizon has not proposed any voluntary rate center consolidation.

The existing five rate centers must be maintained, and the RDBS, BRIDS, and the LERG should be revised to correctly reflect these rate centers. This is a simple and inexpensive solution to the mismatch between the LERG and the current rate centers, and it will have no meaningful adverse impact on any carrier, either Verizon or the ALECs. (*See* Verizon's position on Issue 3(b), below.) There is no reason for the Commission to consider the ALECs' extreme and enormously costly suggestion to instead change the existing five rate centers to conform to the incorrect LERG designation.

**<u>Issue 2</u>: How would multiple rate centers impact the numbering resources in the Tampa Market Area?**

**<u>Verizon's Position</u>: * There are already multiple rate centers in the Tampa area. Under Verizon's number pooling proposal, there will be little, if any, effect on the numbering resources in the Tampa area. ***

Again, Verizon interprets "Tampa Market Area" in the context of this docket to mean just the five-rate-center Tampa area under consideration here.

If the routing databases and the LERG are revised to reflect the five Tampa rate centers, and no number conservation measures are taken, the 813 area code would likely exhaust much more quickly than currently projected. This is because ALECs wishing to serve customers in each of Verizon's rate centers would require entire NXX codes (10,000 numbers) in each of these rate centers.

To eliminate this potentially adverse impact on the 813 area code, Verizon would support number pooling for the 813 area code in the Tampa Metropolitan Statistical Area (MSA). (Menard, Tr. 30.) Verizon's number pooling proposal completely eliminates the concerns Staff and the ALECs initially expressed about Verizon's proposal to correct the LERG and the underlying databases. Without pooling, Mr. Foley estimated that ALECs would need an additional 260 codes under a worst case scenario assuming that each would serve all five Tampa rate centers, causing the exhaust date for the 813 code to advance from fourth quarter 2006 to third quarter 2001. (Foley, T. 156, 159.) Under Verizon's pooling proposal, the estimate of codes needed would drop to about 9 if each ALEC required one thousand numbers in each of the four Tampa rate centers. This is a conservative assumption, since most of the ALECs' customers are located in Tampa Central. (T. 39, Ex. BYM-4.) This number of CO codes could likely be reduced further, since there are probably thousand number blocks in existing Tampa Central NXXs which could be returned for reassignment; and because there may be existing NXX codes which could be reclaimed under existing numbering guidelines. (T. 39, 73.) Ms. Menard estimated that number pooling would accelerate exhaust of the 813 by only three months, in the worst case, and could well extend the life of the code beyond what it would be without number pooling. (Menard, T. 73.)

In sum, if the Commission accepts Verizon's pooling proposal, there would be no or virtually no adverse impacts on numbering resources in the Tampa area if Verizon's existing five rate centers are properly recognized in the LERG.

**<u>Issue 3(a)</u>: What effect will Verizon's changes to its Routing Database System (RDBS) and Business Rating Information Database System (BRIDS) have on other telecommunications carriers in the Tampa Market Area?**

**<u>Issue 3(b)</u>: What effect would one or more rate centers have on telecommunications carriers in the Tampa Market Area?**

**<u>Verizon's Position</u>: * There are already five Tampa rate centers. Changing the LERG and the underlying RDBS and BRIDS to recognize these existing five Tampa rate centers will have virtually no effect on other telecommunications carriers, and will ensure nondiscriminatory treatment of Verizon's customers. ***

There are already five Tampa rate centers, so the issue in this docket is not creation of new rate centers. It is simply whether the existing rate centers should be accurately reflected in the LERG and its inputs.

As explained in Issue 1, Verizon has already made changes to the LERG, RDBS, and BRIDS, to correctly reflect the five rate centers. Certain other ALECs have done so, as well. These changes have had no effect on other carriers, except for the benefit of giving them accurate call routing and rating information.

The LERG, however, still remains incorrect for the majority of ALECs, because they opposed changing their "Tampa" LERG designation to show the specific Tampa rate center associated with their NXXs. (See Verizon's Position on Issue 1, above.) Verizon believes the ALECs originally overreacted to Verizon's plans because of a misunderstanding about their nature and effect. The ALECs mistakenly thought that Verizon's updates to the LERG would cause changes in local and toll calling scopes and reciprocal compensation obligations. (Ex. 2, Jan. 23, 2001 letter from F. Self to W. D'Haeseleer.) These were never valid concerns, as the ALECs appeared to have realized by the time of the hearing.

Verizon agrees with the ALECs that carriers should be allowed to determine their own local calling scopes, (T. 23), and there is no evidence that Verizon requires the ALECs to mimic Verizon's local calling scopes. (Menard, T. 23; Henderson, T. 188-89; Thomas, T. 256.) While ALECs often do copy Verizon's local calling areas, that is entirely their own business decision. (Tystad, T. 297.) They can offer a local calling scope that encompasses all of Verizon's rate centers, they can mimic Verizon's calling scopes, or they can do anything in between. The Commission's ruling in this docket—

whatever it may turn out to be—will not affect the ALECs' local calling scopes at all. (Thomas, T. 242.)

The reciprocal compensation concerns some carriers originally raised, likewise, proved to be illusory. Verizon's interconnection agreements treat local, EAS, and ECS traffic all as local service for compensation purposes. As shown in Exhibit 2 (BYM-2), the calling scopes for all Tampa rate centers are comparable. So starting to use the correct rate centers will not affect reciprocal compensation. (Menard, T. 29.) In any event, Verizon's interconnection agreements, which define reciprocal compensation terms, refer to Verizon's tariffs, not the LERG, to define Verizon's local calling areas. The ALECs have no entitlement to reciprocal compensation based on LERG designations.

The only potentially legitimate concerns the ALECs ever raised with regard to correcting the LERG were accelerated exhaustion of the 813 area code and the need for ALEC customers to take number changes (Henderson, T. 175-76; Faul, T. 208, 218; Tystad, T. 228). Verizon's proposal in this docket fully accommodates both these concerns.

As discussed in Verizon's response to Issue 2, Verizon's number pooling proposal would eliminate or virtually eliminate any negative effects on numbering resources, and might even extend the life of the 813 code.

As to number change concerns, Verizon has proposed to grandfather existing ALEC customers in the Tampa Central rate area, with their current telephone numbers, even if they are not physically located within the Tampa Central rate center. These customers would be permitted to add lines in the same NXX. (Menard, T. 100.) Of course, if a customer decided to return to Verizon and was not physically located within the Tampa Central rate center, he would have to take a number change in accordance with local number portability guidelines. (Menard, T. 26-27, 40; Tystad, T. 290.) This situation works only to *Verizon's* detriment, so ALECs' purported concerns about the customer inconvenience and so-called anticompetitive effects of Verizon's proposal are disingenuous, at best. (*See* Thomas/Baez exchange at 270-72.) To the extent there is any customer inconvenience if a customer transfers back to Verizon, it would affect only the relatively tiny amount of customers who are today outside of the Tampa Central rate center. As noted, Verizon's thorough analysis shows that over 98% of ALEC customers are in the Tampa Central area. The ALECs acknowledged that most of their customers are within the Tampa Central rate center (Faul, T. 224; Tystad, T. 290); no ALEC could seriously dispute Ms. Menard's analysis because they produced no data of their own as to customer distribution. (Henderson, T. 194-95; Thomas, T. 260-61; Tystad, T. 290-91.)

In sum, other than having to determine where their customers are physically located (which Verizon has already done for the ALECs, for the most part, anyway (Menard, T. 25-26, 107 & Ex. 3, BYM-3 and BYM-4), Verizon's proposal to reconcile the LERG and routing databases with its existing rate centers will have no effect on other carriers, and none could even allege otherwise. (Menard, T. 29.) Verizon agrees with Time Warner's witness Tystad: "the only way there will not be an impact on ALECs is if all ALECs match Verizon's rate centers." (Tystad, T. 287.) That is exactly what Verizon proposes.

**<u>Issue 4</u>: Should a number pooling trial be implemented in the Tampa Metropolitan Statistical Area? If so, when should the number pooling trial begin?**

<u>Verizon's Position</u>: * **Verizon supports a number pooling trial in the Tampa MSA, as long as the Commission accepts Verizon's proposal to harmonize the LERG with Verizon's rate centers.** *

If the Commission approves Verizon's proposal to harmonize the LERG with Verizon's existing rate centers, Verizon would support a number pooling trial in the Tampa MSA, which encompasses both the 813 and 727 area codes. (Menard, T. 30.) Verizon believes it could be ready to implement a pooling trial for the 813 area code six months from a Commission Order establishing such a trial.

There would be seven pools—Tampa North, Tampa South, Tampa Central, Tampa East, Tampa West, Plant City and Zephyrhills. (Menard, Tr. 41-42.) Verizon and all ALECs with customers in the rate center would participate in each pool. (T. 41.) There would be no pools including only Verizon or only the ALECs, as the ALECs have suggested. (Henderson, T. 176; Faul, T. 210; Thomas, T. 243-44; Tystad, T. 280.) This suggestion is based on a mistaken notion about the existing number of rate centers in Tampa. The ALECs appear to believe there are six existing Tampa rate centers—the five Verizon listed above, plus a universal "Tampa" rate center. This is not true. As Verizon explained above, there are only five Tampa rate centers, and Verizon's systems recognize only five such rate centers. (T. 41.) There is no "Tampa" rate center, so there is no issue of ALECs pooling numbers only among themselves in this (imaginary) rate center.

There is no question the Commission has the authority to order number pooling, and no party has raised any issue in this regard. (Prehearing Order, no. PSC-01-0715-PHO-TP, at 13-14 (Mar. 21, 2001).) In particular, there is no requirement for the 813 code to be in jeopardy before pooling is ordered. A state commission petitioning the FCC for number pooling authority in the first instance must show "that an NPA in its state is in jeopardy." (*Numbering Resource Optimization*, Report & Order and Further Notice of Proposed Rulemaking, FCC 00-104 at para. 170 (Mar. 17, 2000.) But there is no requirement for a Commission that has *already* been granted number pooling authority to show that each code considered for pooling is in jeopardy before a pooling trial is implemented. Through its Petition to the FCC, this Commission made the necessary showing of *an* NPA in the state being in jeopardy (in fact, the Petition mentioned six that might be in jeopardy) and the FCC granted it all the authority it needs to do number pooling. (*Florida Numbering Order* at paras. 5-24.) Moreover, the Tampa MSA is already on the FCC's list for a pooling trial. (Menard T. 24; *Numbering Resource Optimization*, at para. 158.)

The only requirement for additional pooling trials is to allow sufficient time between such trials, to allow carriers to make the necessary network changes. (*Id.* at para. 19.) In this regard, the ALECs agree that, given the current pooling trial schedule in Florida, the earliest a new trial could start would be late November 2001 (60 days after the Ft. Pierce MSA trial.) (Prehearing Order at 13.)

**<u>Issue 5</u>: What other number conservation measures, if any, should the Commission order in the Tampa Market Area? If so**

**(a) When should these measures be implemented;**

**(b) How should cost recovery be accomplished?**

**<u>Verizon's Position</u>: * The Commission should not order any conservation measures other than a number pooling trial. No other measures are necessary to meet numbering resource concerns in association with correcting the LERG. Any other measures are properly considered in the generic number conservation docket already established. ***

This is not a number conservation docket. Discussion of number conservation measures is appropriate only to the extent that they are necessary to alleviate any negative effects of correcting the LERG to reflect Verizon's existing rate centers. Because Verizon's proposed number pooling trial would meet Staff and ALEC concerns about potential premature exhaust of the 813 area code upon correction of the LERG, there is no reason to consider any other measures in this limited context. (Menard, T. 30.)

If the Commission wishes to consider other conservation measures for the Tampa Market Area (which is much larger than the five-rate-center area involved in this docket), it should do so only in the context of the generic number conservation docket already established (Docket No. 981444-TP). In that way, all affected parties could participate and any relief could be uniformly implemented on a statewide basis and in accord with the nationwide measures the FCC has already ordered. (Menard, T. 30-31.)

**Issue 6: Should Verizon be ordered to implement rate center consolidation in the Tampa Market Area? If so,**

**(a) How many rate centers should be consolidated? And if so, how should it be implemented?**
**(b) When should the rate center consolidation be effective?**
**(c) Should Verizon be allowed to recover its costs upon consolidation of its rate centers in the Tampa Market Area? If so, how?**

**Verizon's Position: * No. Verizon has not proposed any rate center consolidation, and the Commission cannot lawfully order Verizon to consolidate its Tampa (or other) rate centers. ***

Again, Verizon assumes this question refers to the area encompassed by Verizon's five Tampa rate centers, rather than the entire Tampa Market Area.

As explained in Verizon's response to Issue A, the Commission cannot order rate center consolidation without Verizon's consent, and Verizon has proposed no such consolidation here. This is not a number conservation docket, *per se*, and there has been no customer groundswell for a local calling scope including all of Verizon's Tampa rate centers. (Menard, T. 140.) Because rate center consolidation is not necessary to reconcile the LERG with Verizon's Tampa rate centers, there is no reason to consider that option here.

Verizon's existing five Tampa rate centers include most of Hillsborough County, part of Pinellas County, and a large portion of the Pasco county area contained in Verizon's territory. (Menard T. 31.) This area comprises more than 1100 square miles. (Menard, T. 56.) Consolidation of the Tampa rate centers would thus create a local calling scope of unprecedented size. It would also cost Verizon millions of dollars annually.

As part of the Commission's past examination of rate center consolidation, Verizon looked at the possibility of combining the five Tampa rate centers. However, it was determined that the revenue impact would be far too large to warrant further consideration. (Menard, T. 80.) Therefore, the task force report submitted to the Commission Staff on September 28, 2000 included a proposal to combine only the Tampa South and Tampa East rate centers. Consolidation of the Tampa North rate center with the Zephyrhills exchange was also included in the task force analysis. The potential revenue requirement for even this partial consolidation of the Tampa rate centers was $6.5 million a year. (Menard, T. 31, 79.) Consolidation of all the Tampa rate centers would cause substantially greater revenue losses, probably at least $20 million a year. (Menard, T. 131-32.)

Verizon would not expect customers to agree to the additives necessary to cover Verizon's losses associated with consolidation of all the Tampa rate centers—even assuming they wanted a calling scope that large in the first place. (Menard, T. 140.) In short, Verizon has not proposed rate center consolidation for the Tampa area because it is not reasonably feasible and it is certainly not necessary to harmonize the LERG with Verizon's rate centers. (Menard, T. 31-33.)

**Issue 7: Should Verizon be required to undo changes made prior to August 15, 2000, in its RDBS and BRIDS systems? If so, would Verizon be required to file a revised tariff reflecting one Tampa Rate Center?**

**Verizon's Position: No. Verizon's changes to its own rate center designations did not affect any other carriers. Verizon cannot be required to file a tariff reflecting only one Tampa rate center without the Commission ordering rate center consolidation, which it cannot lawfully do.**

As explained in Verizon's response to Issues 1 and 3, the changes Verizon has already made to the RDBS and BRIDS affect only Verizon. Verizon cannot and has not unilaterally changed any carriers' rate center or other designations in the routing databases or the LERG. No carrier has alleged any adverse effect from Verizon's corrections of its own rate center designations in the LERG, so there is no reason for the Commission to order Verizon to undo them.

Verizon has five Tampa rate centers today. The only way the Commission can require Verizon to file a tariff reflecting only one Tampa rate center is if it orders rate center consolidation. As discussed, the Commission has no authority to order this extreme action.

Respectfully submitted on April 24, 2001.

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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that copies of Verizon Florida Inc.'s Posthearing Statement in Docket No. 010102-TP were sent via U.S. mail on April 24, 2001 to the parties on the attached list.

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