

XII. Numbering Issues:**1. Should the ICA include charges for the migration of an NXX?**

Sprint Numbering Issue 1: *Should the agreement contain language contrary to FCC rules regarding full NXX migration cost recovery?*

SBC's Statement of the Issue: *Should the agreement contain language on how the acquiring parties shall pay for migration of an NXX?*

Discussion:

SBC states that its proposed language clarifies the charges for a full NXX migration because SBC is entitled to receive appropriate compensation for the work it must perform to move an entire NXX out of its network in response to a Sprint request for an NXX migration. SBC states that it has not proposed a new rate, but simply carried forward the charge that was previously approved by the Commission and that is in Sprint's current ICA.

Sprint responds that the parties differ only on the final sentence of Section 2.7.1:

The Party to whom the NXX is migrated will pay NXX migration charges per NXX to the Party formerly assigned the NXX as described in the Pricing Appendix under "OTHER".

Sprint contends that SBC's proposed last sentence is contrary to FCC rules regarding full NXX migration cost recovery. Sprint opposes the additional SBC language because, under the normal porting process for a full NXX, each party is responsible for its own cost under the FCC's local number portability rules. "Requiring incumbent LECs to bear their own carrier-specific costs directly related to providing number portability will not disadvantage any telecommunications carrier because under an LRN implementation of long-term

number portability a carrier's costs should vary directly with the number of customers that carrier serves.”¹

SBC replies that, in claiming that SBC's proposed charge is inconsistent with the FCC's number portability rules, Sprint confuses the migration of an entire NXX with the porting of a number. NXX migration is not part of number portability. Local number portability involves a temporary reassignment of an end-user's telephone number to a competitive carrier's switch. Although the number will be ported to the new carrier's switch, the switch of the original provider remains the “home” for that telephone number. Thus, if the end-user discontinues service with the new carrier, the number will eventually be returned to the original provider.² An NXX migration, on the other hand, involves the permanent reassignment of an entire NXX block of numbers to a different carrier's switch. For example, an NXX migration would occur if Sprint requested that all 10,000 of the 573-321-XXXX telephone numbers be permanently reassigned to a Sprint switch. This is a completely different activity than the activity associated with local number portability.³

Moreover, SBC states, the authority upon which Sprint relies is misplaced. The FCC Order Sprint cites⁴ has no relevance to an NXX migration. Rather, the Order focuses on cost recovery for porting a number for a particular end user at an existing location, not the migration of an entire NXX to a different carrier.⁵ In addition, the industry standards

¹ CC Docket 95-116, *Third Report & Order*, FCC 98-82, released May 12, 1998, ¶ 137.

² Chapman Rebuttal, pp. 54-55.

³ Chapman Direct, p. 55.

⁴ See, CC Docket 95-116, *Third Report & Order*, at ¶¶ 8, 14, 29, 36-38.

⁵ Chapman Rebuttal, pp. 54-56.

Sprint offered in support of its position⁶ are not standards for number portability. Instead, the standards pertain to number assignment and provide no support for Sprint's position. In fact, this document differentiates between number portability, NXX assignments and NXX migrations, which makes clear Sprint's mistaken assumption that NXX migration is part of number portability.⁷

Decision:

The Arbitrator is persuaded that SBC is correct.

⁶ See, Exhibit HRK No. 2 to Sprint Witness Knox Direct Testimony.

⁷ Chapman Rebuttal, p. 56.