

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

<b>In the Matter of:</b>	)	
	)	
<b>BellSouth Tariff FCC No. 1</b>	)	<b>Transmittal No. 623</b>
	)	
<b>Qwest Tariff FCC No. 1</b>	)	<b>Transmittal No. 120</b>
	)	

**WORLDCOM PETITION TO REJECT OR,  
IN THE ALTERNATIVE, SUSPEND AND INVESTIGATE**

**I. Introduction**

WorldCom, Inc. (WorldCom), pursuant to Section 1.773 of the Commission's Rules, hereby petitions the Commission to reject or, in the alternative, suspend and investigate the above-captioned transmittals filed by Qwest Corporation (Qwest) and BellSouth Telecommunications, Inc. (BellSouth) on March 18, 2002.<sup>1</sup> If the Commission

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<sup>1</sup> Rejection of a proposed tariff or proposed changes to an existing tariff is warranted when the proposal is prima facie unlawful in that it can be demonstrated that it conflicts with the Communications Act or a Commission, rule, regulation or order. See, e.g., American Broadcasting Companies, Inc. v. FCC, 633 F.2d 133, 138 (D.C.Cir. 1980); Associated Press v. FCC, 448 F.2d 1095, 1103 (D.C.Cir. 1971); MCI v. AT&T, 94 FCC 2d 332, 340-41 (1983); AT&T, 67 FCC 2d 1134, 1158 (1978), recon. denied, 70 FCC 2d 2031 (1979).

Suspension and investigation of a proposed tariff or tariff modification is warranted when significant questions of unlawfulness arise in connection with the tariff. See AT&T Transmittal No. 148, Memorandum Opinion and Order, FCC 84-421 (released Sept. 19, 1984); ITT, 73 FCC 2d 709, 719 (1979); AT&T, 46 FCC 2d 81,86 (1974); see also Arrow Transportation Company v. Southern Railway Company, 372 U.S. 658 (1963).

suspends, rather than rejects, the above-captioned transmittals, it should suspend those transmittals for the maximum five months permitted under the Act.

## **II. Qwest Has Overstated Network Upgrade Costs**

Whereas BellSouth seeks recovery of approximately \$13.5 million in switch-related costs,<sup>2</sup> Qwest's switch-related costs are approximately 400% higher -- \$68.8 million in "network" capital and expenses.<sup>3</sup> The Commission should reject or, in the alternative, suspend and investigate Qwest Transmittal No. 120 because most of Qwest's claimed network-related costs do not meet the cost recovery standards set forth in the Third Report and Order.<sup>4</sup>

First, the upgrading of interoffice trunks and circuit equipment<sup>5</sup> to accommodate an increased level of voice messaging traffic is merely an "incidental consequence" of thousands-block number pooling, not incurred "for the provision of" thousands-block number pooling.

Second, Qwest has improperly included the entire cost of new switch generics and

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<sup>2</sup> BellSouth Transmittal No. 623, D&J, Workpaper "SME-Inputs," Lines 4, 20.

<sup>3</sup> Qwest Transmittal No. 120, D&J, Chart 1, page 1, "Network Costs" (capital and expense).

<sup>4</sup> Numbering Resource Optimization; Implementation of the Local Competition Provisions of the Telecommunications Act of 1996; Telephone Number Portability, Third Report and Order and Second Order on Reconsideration in CC Docket No. 96-98 and CC Docket No. 99-200, CC Docket Nos. 99-200; 96-98; 95-116, released December 28, 2001 (Third Report and Order).

<sup>5</sup> Qwest Transmittal No. 120, D&J at 12; Workpaper 1a at 6.

an array of SCP, processor and memory upgrades. By including these costs in their entirety, Qwest has violated the LNP Cost Classification Order<sup>6</sup> guidelines that the Commission has incorporated into the thousands-block pooling cost recovery guidelines.<sup>7</sup> Under the Cost Classification Order guidelines, carriers seeking recovery of switch generic and hardware upgrade costs may include only the incremental portion of upgrade costs due to thousands-block number pooling.<sup>8</sup> For example, in the LNP tariff proceedings, the Commission permitted carriers to allocate upgrade costs between number portability services and non-portability services based on capacity utilization.<sup>9</sup> Furthermore, the Cost Classification Order permits LECs to claim only the “advancement” costs associated with the incremental portion of upgrades due to number pooling.<sup>10</sup> Because Qwest has included switch generic and hardware upgrade costs in their entirety, rather than isolate only the incremental costs associated with thousands-block number pooling, the Commission should reject or, in the alternative, suspend and investigate Qwest Transmittal No. 120 for the maximum five-month period.

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<sup>6</sup> Telephone Number Portability Cost Classification Proceeding, Memorandum Opinion and Order, 13 FCC Rcd 24495 (1999) (Cost Classification Order).

<sup>7</sup> Third Report and Order at ¶ 120 (citing First Report and Order, 15 FCC Rcd at 7673).

<sup>8</sup> Cost Classification Order at ¶ 29.

<sup>9</sup> Long-Term Number Portability Tariff Filings, Ameritech Operating Companies et al., Memorandum Opinion and Order, CC Docket No. 99-35, released July 16, 1999, at ¶ 73.

<sup>10</sup> Cost Classification Order at ¶ 30.

### III. Both Qwest and BellSouth Have Overstated OSS Costs

In the Third Report and Order, the Commission made clear that OSS costs incurred as an “incidental consequence” of thousands-block number pooling are not eligible for recovery.<sup>11</sup> Under that order’s cost recovery standards, ILECs may include only those OSS costs incurred for one of three categories of functions: (1) to “identify, donate, and receive blocks of pooled numbers;” (2) to “create and populate the regional databases and carriers’ local copies of those databases;” or (3) to “adapt the procedures for querying these databases and for routing calls.”<sup>12</sup>

Both Qwest and BellSouth have included an array of OSS costs that do not meet the Third Report and Order’s standards. Indeed, BellSouth essentially admits that it has included OSS costs incurred as an “incidental consequence” of number pooling, stating in the D&J that it has included OSS costs associated with “every OSS that relies on the NXX portion of the 10-digit North American Numbering Plan (NANP) telephone number as a primary data source.”<sup>13</sup> In Attachment B of BellSouth’s D&J, BellSouth has listed many ordering and provisioning systems, such as CRIS, WFA-C, and RNS, that may need to be modified as an incidental consequence of the implementation of thousands-block number pooling, but do not fall within one of the Third Report and Order’s three categories of functions associated with the “provision of” thousands-block number pooling.

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<sup>11</sup> Third Report and Order at ¶ 45.

<sup>12</sup> Id. at ¶ 44.

<sup>13</sup> BellSouth Transmittal No. 623, “Cost Development” study at 4.

Qwest has also improperly included costs incurred as an incidental consequence of the implementation of number pooling. In its "Category 3" OSS costs, for example, Qwest has included the costs of modifying numerous systems and subsystems simply because "they receive feeds from [] local databases" receiving data from NPAC.<sup>14</sup> Similarly, in its Categories 1 and 2, Qwest has improperly included costs of modifying systems that (1) categorize and inventory telephone numbers; (2) calculate Qwest's utilization and produce forecasts; and (3) process service orders.<sup>15</sup> The list of systems in Qwest's Workpaper 2 shows that Qwest, like BellSouth, has included upgrade costs for an array of systems modified to "aid accurate service order flow through,"<sup>16</sup> that have a "business benefit" for Qwest,<sup>17</sup> assist Qwest representatives in "accurately determin[ing] ISDN service capability for customers . . . ,"<sup>18</sup> and perform other functions that do not fall within one of the Third Report and Order's three categories of functions associated with the "provision of" thousands-block number pooling.

Moreover, Qwest has inflated its cost estimates by including administrative and labor costs that are not incurred for the "provision of" thousands-block number pooling. Qwest has included \$5.5 million for the "management team" responsible for thousands-

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<sup>14</sup> Qwest Transmittal No. 120, Workpaper 2 at 1.

<sup>15</sup> Id.

<sup>16</sup> Workpaper 2, page 3, "ROMS/RMSC".

<sup>17</sup> Id., "CRDM."

<sup>18</sup> Id., page 11, "Codetalker".

block number pooling OSS changes.<sup>19</sup> Because that team is apparently responsible not only for OSS costs incurred “for the provision of” thousands-block number pooling, but also responsible for managing the OSS changes included in Workpaper 2 that are properly classified as an “incidental consequence” of the introduction of thousands-block number pooling, the Commission should disallow a significant portion of the \$5.5 million claimed by Qwest.

#### **IV. The Commission Should Disallow Qwest’s Service Delivery Costs**

As with its claimed OSS costs, Qwest has included “service delivery” costs that are incurred as an incidental consequence of thousands-block number pooling, not “for the provision of” thousands-block number pooling. According to the D&J, most of Qwest’s service delivery costs are “associated with the incremental time that will be spent by frontline personnel who negotiate service orders.”<sup>20</sup> But “check[ing] orders to determine whether the assigned number is a pooled number” and “creat[ing] a manual written order with additional entries for pooled numbers”<sup>21</sup> are not functions required to “identify, donate, and receive blocks of pooled numbers;” “create and populate the regional databases and carriers’ local copies of those databases;” or “adapt the procedures for querying these databases and for routing calls.”<sup>22</sup> Consequently, the Commission should

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<sup>19</sup> Workpaper 2, page 9.

<sup>20</sup> Qwest Transmittal No. 120, D&J at 16.

<sup>21</sup> Id.

<sup>22</sup> Id. at ¶ 44.

disallow Qwest's "service delivery" costs.

**V. Conclusion**

For the reasons stated herein, the Commission should reject or, in the alternative, suspend and investigate Qwest Transmittal No. 120 and BellSouth Transmittal No. 623.

Respectfully submitted,  
WORLD.COM, INC.

/s/ Alan Buzacott

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March 25, 2002

STATEMENT OF VERIFICATION

I have read the foregoing and, to the best of my knowledge, information, and belief, there is good ground to support it, and it is not interposed for delay. I verify under penalty of perjury that the foregoing is true and correct. Executed on March 25, 2002.

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## CERTIFICATE OF SERVICE

**I, Alan Buzacott, do hereby certify that copies of the foregoing Petition to Reject or, in the Alternative, Suspend and Investigate, were sent via first class mail, postage paid, and by facsimile\*, to the following on this 25<sup>th</sup> Day of March, 2002.**

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**Hand Delivered\*\***

/s/

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Alan Buzacott