

# AT&T Exhibit 1 - Qwest Costs Improperly Included in its Transmittal No. 120

	Application/ Functional Area*	Modifications Qwest Asserts Were Required	System Function/ Explanation by Qwest *	Qwest Rationale for Cost Recovery	AT&T Comments
1	5ESS Number Pooling Feature/ Network Costs	Feature upgrade available on operating generic release 5E14	Addresses the needs of the switching network to route calls in particular situations.	Qwest claims this as a cost that would not have been incurred "but for" Thousand Number Block Pooling and therefore should be eligible for recovery.	Many (if not most) of Qwest's 5ESSs already are equipped with 5E14, and some have 5E15. Even if not, however, this feature should already have been purchased as a generic upgrade, especially since Qwest was well aware of the eventual need to provide number pooling in many of its NPA/NXXs around its region.
2	DMS10 Generic 412.20 Software Host and Stand Alone Switches/ Network Costs	To purchase and place the Number Pooling feature set to function.	This software is needed to enable the Number Pooling feature set to function.	There were no plans prior to Number Pooling to place this release of the generic operating program.	Generic software upgrades are continuously needed for switches. There is no indication that this cost only covers the strict TNBP Functionality.
3	DMS10 Memory Cards for Generic 412.20/ Network Costs	To load the generic 412.20 software.	To load the generic 412.20 software.	Needed to load recoverable software.	Qwest has not demonstrated that pooling will require more switch processing resources than LNP call processing. Thus, these are not "new" costs. ****
4	AXE Unique Location Routing Numbers, LRNs, per RC/ Network Costs	To provide the capability of establishing multiple LRNs to a switch.	When the switch supports more than one rate center, this feature will allow the creation and assignment of an LRN number on the switch for each Rate Center.	Without this feature in place, the originating caller may be routed and/or billed incorrectly.	It appears that these features are needed for LNP and thus the costs are not recoverable because they are not "new." **** In addition, to the extent that they support billing systems, they are an "incidental consequence" of pooling and not recoverable. **

\* Qwest Transmittal No. 120, D&J Workpapers 1-3

\*\* Third NRO Order, ¶¶ 44 and 45.

\*\*\* Third NRO Order, ¶ 39.

\*\*\*\* Third NRO Order, ¶¶ 43 and 46.

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5	Miscellaneous Switching Inter Office Trunking Switch/ Network Costs	To augment interoffice trunks required to provide added capacity for voice messaging traffic in a pooling environment.	When a messaging provider operates more than one Voice Response Unit, VRU, in a rate center, number pooling will cause the addressing scheme to become ambiguous. The NPA-NXX used to identify the VRU will appear on more than one switch.	Qwest claims this as a cost that would not have been incurred "but for" Thousand Number Block Pooling and therefore should be eligible for recovery.	A software fix should be made to avoid the addressing scheme problems. This is an adaptation of another system to TBNP, and is not a direct cost.** Therefore, it should not be eligible for recovery.**
6	Miscellaneous Switching Inter Office Trunking Switch/ Network Costs	To increase circuit equipment related to Miscellaneous Switching Inter Office Trunking Switch.	When a messaging provider operates more than one Voice Response Unit, VRU, in a rate center, number pooling will cause the addressing scheme to become ambiguous. The NPA-NXX used to identify the VRU will appear on more than one switch	Qwest claims this as a cost that would not have been incurred "but for" Thousand Number Block Pooling and therefore should be eligible for recovery	A software fix should be made to avoid the addressing scheme problems. This is an adaptation of another system to TBNP, and is not a direct cost.** Therefore, it should not be eligible for recovery.**
7	ISCP Number Pooling Feature/ Network Cost	To record the block of pooled numbers as single entry in the LNP record database as opposed to 1,000 individual entries.	Necessary for the efficient implementation of TBNP.	Qwest claims this as a cost that would not have been incurred "but for" Thousand Number Block Pooling and therefore should be eligible for recovery.	Adaptation of other systems and database, in this case the LNP database, are clearly not recoverable.**

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8	Network Planning and Project Management term/ Staffing and Personnel Related Costs	To design, coordinate and price the changes and various impacts to the switching and signaling networks as well as the staffing Impacts in the network organization. And to manage the implementation of the number pooling program across all departments.	Required to put TBNP in place.	These are costs that are needed solely for TBNP.	It is not clear what portion, if any, of the expense for this item is directly caused by the items outlined as specifically incurred in the narrowly defined thousands-block pooling functions. ** It appears that some or all of these costs may be incurred for general numbering administration (e.g., managing, forecasting, and reporting numbers at the 1000s-block level), recovery of which "is already included in basic LEC compensation."**** Some or all of these costs may also be incurred for LNP, so they are not "new" costs.
9	Number Administration Specialist/ Staffing and Personnel Related Costs	To manage, receive, administer, allocate, track, monitor, forecast, and report on the utilization of numbering resources.	Required to support the information and reporting requirements to obtain NXXs.	These are costs that are needed solely for TBNP.	It is not clear what portion, if any, of the expense for this item is directly caused by the items outlined as specifically incurred in the narrowly defined thousands-block pooling functions. ** It appears that some or all of these costs may be incurred for general numbering administration (e.g., managing, forecasting, and reporting numbers at the 1000s-block level), recovery of which "is already included in basic LEC compensation."**** Some or all of these costs may also be incurred for LNP, so they are not "new" costs.

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10	Technical Consultant/ Subject Matter Expert on Number Pooling/ Staffing and Personnel Related Costs	Temporary function to analyze the system and personnel needs to support number management, receipt, administration, allocation, tracking, monitoring, forecasting, and reporting.	Required to initiate and identify thousands-block number pooling implementation processes.	These are costs that are needed solely for TBNP.	It is not clear what portion, if any, of the expense for this item is directly caused by the items outlined as specifically incurred in the narrowly defined thousands-block pooling functions. ** It appears that some or all of these costs may be incurred for general numbering administration e.g., managing, forecasting, and reporting numbers at the 1000s-block level), recovery of which "is already included in basic LEC compensation."**** Some or all of these costs may also be incurred for LNP, so they are not "new" costs.
11	Number preparation, analysis and correction/ Staffing and Personnel Related Costs	To support Number Pooling and the requirement to donate blocks of numbers to a pool.	Required to prepare TN data and analyze the potentially donatable 1K blocks within the NPA-NXXs in Qwest switches to determine which number blocks should be donated to a pool and which, if any, numbers must be ported back into the switch prior to donation.	Without this temporary function it is not possible to accurately determine how many and which blocks should or should not be donated and customers could easily be inadvertently disconnected from service.	It is not clear what portion, if any, of the expense for this item is directly caused by the items outlined as specifically incurred in the narrowly defined thousands-block pooling functions. ** It appears that some or all of these costs may be incurred for general numbering administration (e.g., managing, forecasting, and reporting numbers at the 1000s-block level), recovery of which "is already included in basic LEC compensation."**** Some or all of these costs may also be incurred for LNP, so they are not "new" costs.

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12	Number reservation, reporting and auditing/ Staffing and Personnel Related Costs	To work concurrently with and eventually replace existing functions to meet the number administration requirements of the FCC.	The application name is the only indication Qwest gives of the function.	Function is necessary to address FCC requirements due to TNBP.	It is not clear what portion, if any, of the expense for this item is directly caused by the items outlined as specifically incurred in the narrowly defined thousands-block pooling functions. ** It appears that some or all of these costs may be incurred for general numbering administration (e.g., managing, forecasting, and reporting numbers at the 1000s-block level), recovery of which "is already included in basic LEC compensation."**** Some or all of these costs may also be incurred for LNP, so they are not "new" costs.
13	Interim reporting and analysis/ Staffing and Personnel Related Costs	Temporary function to generate the first of a new set of reports categorizing Qwest's usage of numbers specifically requested by the FCC in August 2000.	The application name is the only indication Qwest gives of the function.	Function is necessary to address FCC requirements due to TNBP.	It is not clear what portion, if any, of the expense for this item is directly caused by the items outlined as specifically incurred in the narrowly defined thousands-block pooling functions. ** It appears that some or all of these costs may be incurred for general numbering administration (e.g., managing, forecasting, and reporting numbers at the 1000s-block level), recovery of which "is already included in basic LEC compensation."**** Some or all of these costs may also be incurred for LNP, so they are not "new" costs.
14	Repair, repair screening & repair analysis/ Staffing and Personnel Related Costs	To handle the repair process from the initial call by a customer through the repair analysis and added function of repairing the problem attributable to Number Pooling.	The application name is the only indication Qwest gives of the function.	Function necessary due to foreseen customer problems due to TBNP.	Repair functions are an "incidental consequence" of number pooling, the costs of which are not recoverable.** Thus, personnel and overhead expenses for repair functions are not recoverable.

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15	Furniture, floor space/ Staffing and Personnel Related Costs	To provide for additional headcount caused by TBNP.	The application name is the only indication Qwest gives of the function.	Since the headcount are directly associated with TBNP, this is a cost that is necessary solely because of TBNP.	Since it is not clear what portion, if any, of the headcount costs in items 8-14 are recoverable, it is similarly unclear for these related overhead costs.
16	PCs, Terminals, Software & Lease for additional staffing/ Staffing and Personnel Related Costs	To provide for additional headcount caused by TBNP.	The application name is the only indication Qwest gives of the function.	Since the headcount are directly associated with TBNP, this is a cost that is necessary solely because of TBNP.	Since it is not clear what portion, if any, of the headcount costs in items 8-14 are recoverable, it is similarly unclear for these related overhead costs.
17	Local Network training/ Staffing and Personnel Related Costs.	To provide for increasing training needs due to the magnitude of changes required by TBNP.	The application name is the only indication Qwest gives of the function.	Since the training is directly associated with TBNP, this is a cost that is necessary solely because of TBNP.	Since it is not clear what portion, if any, of the headcount costs in items 8-14 are recoverable, it is similarly unclear for these related overhead costs.
18	Maintenance on Capital hardware/ Staffing and Personnel Related Costs	Personnel time and component parts to maintain the capitalized investment in number pooling.	The application name is the only indication Qwest gives of the function.	This cost is solely to maintain the TBNP system. As such, it is recoverable.	Maintenance functions are an "incidental consequence" of number pooling, the costs of which are not recoverable.** Thus, personnel and overhead expenses for maintenance functions are not recoverable.

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19	Short Term Utilization and Forecasting/	To create semi-annual Utilization and Forecasting reports to supply to NANPA per FCC requirements.	The application name is the only indication Qwest gives of the function.	These are costs that are needed solely for TBNP.	It is not clear what portion, if any, of the expense for this item is directly caused by the items outlined as specifically incurred in the narrowly defined thousands-block pooling functions. ** It appears that some or all of these costs may be incurred for general numbering administration (e.g., managing, forecasting, and reporting numbers at the 1000s-block level), recovery of which "is already included in basic LEC compensation."**** Some or all of these costs may also be incurred for LNP, so they are not "new" costs.
20	Number Reporting Costs/ Category 1 - Operational Support Systems(OSS)	To calculate Qwest's utilization, forecasts and produce bi-annual Numbering Resource Forecast and Utilization Reports to the NANPA.	The application name is the only indication Qwest gives of the function.	These are costs that are needed solely for TBNP.	It is not clear what portion, if any, of the expense for this item is directly caused by the items outlined as specifically incurred in the narrowly defined thousands-block pooling functions. ** It appears that some or all of these costs may be incurred for general numbering administration (e.g., managing, forecasting, and reporting numbers at the 1000s-block level), recovery of which "is already included in basic LEC compensation."**** Some or all of these costs may also be incurred for LNP, so they are not "new" costs.

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21	Database Management/ Structure/ Category 3- OSS	To manage telephone numbers at the thousand block level for regional databases and the numerous systems and subsystems that receive feeds from the regional databases	The application name is the only indication Qwest gives of the function.	These databases, systems and subsystems need to handle data in a number pooling environment.	It is not clear what portion, if any, of the expense for this item is directly caused by the items outlined as specifically incurred in the narrowly defined thousands-block pooling functions. It appears that some or all of these costs may be incurred for general numbering administration (e.g., managing, forecasting, and reporting numbers at the 1000s-block level), recovery of which "is already included in basic LEC compensation."**** Some or all of these costs may also be incurred for LNP, so they are not "new" costs.
22	Headcount/ Service Delivery Costs	Did not find an explanation of this category in the support for the transmittal.	The application name is the only indication Qwest gives of the function.	These are costs that are needed solely for TBNP.	With no explanation, cannot comment on this item.
23	Expense/ Service Delivery Costs	Did not find an explanation of this category in the support for the transmittal.	The application name is the only indication Qwest gives of the function.	These are costs that are needed solely for TBNP.	With no explanation, cannot comment on this item.
24	Capital/ Service Delivery Costs	Did not find an explanation of this category in the support for the transmittal.	The application name is the only indication Qwest gives of the function.	These are costs that are needed solely for TBNP.	With no explanation, cannot comment on this item.

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