

AT&T Exhibit 1 - Sprint Costs Improperly Included in its Transmittal No. 192

	Application/ Functional Area*	Modifications Sprint Asserts Were Required	System Function/ Explanation by Sprint	Sprint Rationale for Cost Recovery	AT&T Comments
1	Revenue Requirements include expenditures for the years 1998 through 2001.	None directly identified.	None directly identified.	Revenue Requirement includes prior year expenditures.	Expenditures prior to the implementation of National number pooling are sunk costs that have already been recovered. The costs of state trials are recovered in the state jurisdiction.
2	Telephone Number Administration.	Exhaustive inventory of approximately 28 million numbers.	Identify, donate and receive blocks of pooled numbers which includes an audit of the inventory, NRUF reports and the creation of service orders.	Sprint claims this as a cost that would not have been incurred "but for" Thousand Number Block Pooling and therefore should be eligible for recovery.	Sprint will certainly not be required to review and inventory all 28 million numbers. Numbers not subject to local number pooling would not need to be included. NRUF reports would be required with or without TNBP.
3	National Provisioning Administration Center (NPAC)	Database number pooling software upgrades, pooled number database downloads, and NeuStar administrative costs.	National center that administers number portability.	TBNP has directly caused an increase to Sprint's share of industry costs.	These costs are not incremental to TBNP. Even if they were, the allocation of the costs should be by end-user revenue percentages and not relative database queries.
4	Sprint's Intelligent Network (SS7)	Increased capacity needed to handle increased query volumes.	Queries to the number pooling database for call routing.	Increased query volumes due to the increase to the telephone numbers open for queries.	While the number portability database will increase in size, it will have no effect on the number of queries. Since all calls are currently queried, only an increase in volumes would result in an increase in queries. In addition, incidental costs required to adapt or maintain systems in order to accommodate the provision of number pooling are not eligible for recovery.
5	Switch Upgrades	Software upgrades to 323 switches.	Properly route calls in a TBNP environment.	The routing environment has changed under TBNP requiring switch upgrades.	This assumes differences in call routing under TBNP as compared to local number portability. This is not true. Routing is on the telephone number only under both.

* Sprint Transmittal No. 192, Description and Justification. pp. 1-13

** Third NRO Order, ¶¶ 44 and 45.

*** Third NRO Order, ¶ 39.

**** Third NRO Order, ¶¶ 43 and 46.

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6	CODARS/ Operational Support Systems (OSS)	Modifications to provide identification of block owners, a number pooling utilization report, number assignment process, provision of numbers to multiple switches, and NRUF reports.	Number assignment, provisioning telephone numbers to multiple switches required for routing, and report generation.	These modifications are required by the implementation of TBNP.	Sprint has not demonstrated that these costs are only for the provision of number pooling, are a direct cost of pooling, or fall within the eligible pooling criteria. Indeed, call routing should not be directly impacted by number pooling. Routing occurs irrespective of TBNP.
7	Consumer, Business, Wholesale Market Systems, Customer Service Operations and Network Systems, and Customer Record Database/ OSS	Modification to remove the restriction that new telephone numbers in an NPA/NXX be located at a single office location.	Provisioning of NPA/NXX codes to multiple switches.	Required by TBNP.	Routing is on a telephone number, no matter where the switch is located. The cost to allow an NPA/NXX at more than one switch may well be attributable to internal number management or based on FCC ordered number conservation initiatives, and not TBNP.
8	Customer Information Database (CIDS)/ OSS	Provide for an additional field on the customer record and modification of the assigned number classification.	Handle number changes.	Required due to TBNP.	Number category changes were ordered by the FCC independently of any number pooling requirement.

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9	Customer Record Database/ OSS	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), 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.
10	Integrated Request Entry System (IRES)/ OSS	Create a number assignment process, modify the assigned number classification and enable ordering and provisioning of CLEC customers.	Creation of a comprehensive number assignment process, modification of number categories and addition of porting indicators.	These are costs that are needed solely for TBNP.	Detection of attempts to port outside the rate center should not be considered a number pooling cost.
11	Service Order Entry (SOE)/ OSS	Create number assignment process and modify assigned number classification procedure.	To allow provisioning, to maximize the number of low contaminated blocks, to add additional numbering categories and to add porting indicators.	These are costs that are needed solely for TBNP.	Sprint should not be allowed to recover costs for sequential number assignment. The FCC had ordered SNA for all carriers separate from TBNP.
12	Sprint Intelligent Computing Environment (SPICE)/ OSS	Create a comprehensive number assignment process and modify assigned number classification process.	Creation of a comprehensive number assignment process, modification of number categories and addition of porting indicators..	Required due to TBNP.	Number category changes were ordered by the FCC independently of any number pooling requirement.

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13	Switch Audit Process (SWAP)/OSS	Create a downstream audit process and allow NPA/NXX codes to be assigned to multiple offices.	Audit among systems.	Required by TBNP.	Audit processes are not incremental to TBNP. Further, audit related costs, if any, can only partially support TBNP.
14	Unison/ OSS	Allow NPA/NXX to multiple offices.	Allow NPA/NXX to multiple offices.	Required by TBNP.	The cost to allow an NPA/NXX at more than one switch may well be attributable to internal number management and not TBNP.
15	Testing, Training and Provisioning	New numbering administration methods and procedures.	New numbering administration methods and procedures.	Required by TBNP.	Testing and Training functions are an "incidental consequence" of number pooling, the costs of which are not recoverable. Thus, personnel and overhead expenses are not recoverable. To the extent these costs exist, they are one-time and not on-going expenses.

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