

by consumers in a manner that promotes our numbering resource optimization goals, competition, and the public interest.

7. State commissions exercising this delegated authority must find that LNP would serve the public interest because there is actual, meaningful consumer demand, as evidenced by consumer requests, for LNP in specified areas within the largest 100 MSAs. State commissions also must find that consumer demand and numbering resource optimization considerations justify the cost of providing LNP in the specified areas, including impacts on small and rural telephone companies. Because there is little incentive for states to require LNP in areas where there is little or no consumer demand, and requiring LNP in such cases would be costly for the carriers and, in turn, costly, for the consumers, the Commission is confident that the state commissions will carefully consider the consumer demand for LNP when utilizing this delegated authority.

8. *Thousands-Block Number Pooling.* The Commission adopts its tentative conclusion that all carriers, including covered CMRS providers, should be required to participate in thousands-block number pooling, regardless of whether they are required to provide number portability, in accordance with the national rollout schedule. Because carriers can participate in pooling once they deploy the LRN architecture, thousands-block number pooling need not be linked to a carrier's ability to provide number portability. The Commission, therefore, required all carriers operating within the 100 largest MSAs, except those specifically exempted, to participate in pooling in areas where pooling has been or will be implemented in accordance with the national rollout schedule. In addition, the Commission directs the NANPA to cease assignment of NXX codes to carriers after they are required to participate in pooling. Carriers required to participate in pooling must request and receive numbering resources from the national Pooling Administrator (PA).

9. Pooling is essential to extending the life of the NANP by making the assignment and use of central office codes more efficient. As previously found, delaying the implementation of national pooling until all carriers are required to be LNP capable would needlessly prolong the inefficiencies resulting from the NXX number allocation system. The Commission continues to believe that thousands-block number pooling will provide the greatest benefits when participation is maximized. In addition, the

Commission continues to believe that the industry and consumers are best served by national numbering resource optimization standards implemented consistently and in a competitively neutral manner across the nation. Expanding pooling to all carriers in the 100 largest MSAs furthers the Commission's numbering resource optimization goals by allowing telephone numbers to be assigned to carriers in smaller blocks in areas where the demand for numbering resources have proven to be the greatest.

10. Generally, the Commission believes that the inclusion of rural and other small carriers operating within the largest 100 MSAs in the pooling requirement is very important to furthering its goals of slowing the pace of area code and NANP exhaust. Because most, if not all, of these carriers have a small customer base, thousands-block number pooling allows these carriers to obtain numbering resources in quantities that better reflect their actual needs; *i.e.*, 1,000 blocks rather than 10,000 blocks. This results in fewer stranded numbers and thus better utilization rates. Nevertheless, the Commission recognizes that the costs associated with implementing thousands-block number pooling without having first implemented LNP can be particularly burdensome to rural and small carriers. Several commenters therefore suggest it is necessary to create an exemption from pooling for these carriers.

11. Several commenters state that many rural carriers do not operate in competitive markets. The Commission knows that pooling is most effective in areas where competition exists, because it allows multiple service providers to more effectively share limited resources. Where there is less competition, and therefore fewer carriers requiring numbering resources, pooling has less impact on numbering resource exhaust. Because many rural and other small carriers operate in areas where they are the only or one of a few service providers, they are less likely to require multiple NXX codes or blocks of numbers in a manner that will drive premature area code exhaust. The Commission therefore finds that a limited exemption for these carriers is warranted.

12. The Commission is also mindful of the concerns raised by some commenters regarding the costs to rural and small carriers associated with the implementation of thousands-block number pooling. Although the specific costs of implementing pooling for rural carriers are unknown at this time, the Commission knows that these costs may

ultimately result in increased customer costs. The Commission believes, therefore, that the added benefits to be gained by requiring certain carriers that have not received a request for LNP to participate in pooling do not outweigh the potential burden, specifically the cost associated with pooling, on such carriers. The Commission therefore exempts from the pooling requirement rural telephone companies, as defined in the Communications Act of 1934, as amended, that have not received a request to provide LNP. The Commission also exempts Tier III wireless carriers, as defined in the *E911 Stay Order*, that have not received a request to deploy LNP. Once an exempted rural telephone company or Tier III wireless carrier has received a request to provide LNP, however, that carrier must participate in pooling. State commissions may petition the Commission for authority to require these exempted carriers to implement pooling in areas within the largest 100 MSAs if they can demonstrate that participation in pooling will further its numbering resource optimization goals.

13. In addition, because the Commission finds that pooling has less impact on numbering resource exhaust where there is no competition, the Commission declines to impose pooling costs on carriers that are not required to provide LNP operating in areas where there are no competing service providers. The Commission therefore exempts carriers operating in rate centers within the largest 100 MSAs, where they are the only service provider receiving numbering resources, from the pooling requirement in those rate centers. Once such a carrier receives a request to provide LNP, however, the carrier must then also participate in pooling in areas where it is deployed.

14. *100 Largest MSAs.* The Commission reaffirms its finding that the 100 largest MSAs include those MSAs identified in the 1990 U.S. Census reports and all subsequent U.S. Census updates of the 100 largest MSAs. The Commission declines, however, to expand the list of the 100 largest MSAs to include areas in CMSAs that would not otherwise be included on the list of the 100 largest MSAs. Nevertheless, the Commission delegates to the state commissions the authority to determine whether pooling should be extended to areas included in CMSAs that otherwise would not be included as one of the 100 largest MSAs. In doing so, the Commission aims to focus pooling efforts on the nation's most densely populated areas so as to slow the further proliferation of area codes.