

*North American Numbering Council
Meeting Minutes
January 19-20, 1999*

I. Time, Date and Place of Meeting: The North American Numbering Council held a meeting, commencing at 8:30 a.m., at the Federal Communications Commission, 1919 M Street, NW, Washington, D.C.

II. List of Attendees:

A. Council Members

<u>Voting Members</u>	<u>Organization</u>
1. Emily Williams	ALTS
2. David Konczal	American Mobile Satellite
3. Edmund Gould	AT&T Corp.
4. Dan Hochvert/Jo Gallagher	Bell Atlantic
5. Paul Kenefick	Cable & Wireless, Inc.
6. Ronald Binz	Competition Policy Institute
7. Robert McDowell	CompTel
8. Lori Messing	CTIA
9. Alan Hasselwander	Frontier
10. Ted Noeker	GTE
11. Peter Guggina	MCI WorldCom
12. Gerry Thompson	Mobility Canada
13. Vincent Majkowski/Bruce Armstrong	NARUC
14. Erin Duffy	NARUC
15. Beth O'Donnell	NCTA
16. Larry Krevor	Nextel Communications, Inc.
17. Dan Gonzalez	NEXTLINK
18. Joe Kingrey	Nortel Networks
19. Carl Hansen	Omnipoint
20. Trent Boaldin	OPASTCO
21. Cathy Handley	PCIA
22. Bill Adair	SBC Communications, Inc.
23. Lou Almeida	Stentor Resource Centre, Inc.
24. Ron Havens	Sprint Corp.
25. Gerry Rosenblatt/Benjamin Walston	TIA
26. Paul Hart/Tony Pupek	USTA

Special Members (non-voting)

John Manning	ATIS
Ron Connors	NANPA

B. Commission Employees

Kris Monteith, Designated Federal Official
Jared Carlson, Network Services Division (NSD), CCB
Patrick Forster, NSD, CCB
Jeannie Grimes, NSD, CCB

III. Estimated Public Attendance: Approximately 29 members of the public attended the meeting as observers.

IV. Documents Introduced. Each member received the following handouts:

- (1) Canadian Numbering Administration Consortium Inc.
- (2) Local Number Portability Working Group Status Report to NANC
- (3) Industry Numbering Council (INC) Report to the NANC
- (4) Cost Recovery Working Group Co-Chairs' Update
- (5) NANPA Fund Performance Status Report & Funds Projection
- (6) Numbering Resource Optimization Working Group Report to the NANC
- (7) Lockheed Martin CIS Issue Management Report
- (8) Policy Statement Re: Scope of Requirements of NANPA for CO Code Administration and NPA Relief Activities
- (9) NANPA Presentation on Audits
- (10) NANC Meeting Minutes, December 16-17, 1998 and January 7, 1999
- (11) NANPA Oversight Working Group Report
- (12) Draft Compliance/Performance Matrix
- (13) NANPA Performance Evaluation Tools
- (14) Contribution Re: Proposed Methods to Improve Efficiency of NANC Meetings
- (15) Letter from Lockheed Martin IMS - CIS to Alan Hasselwander, Chairman, NANC, dated January 19, 1999
- (16) Letter from E.M. Warburg, Pincus & Co., LLC, to Alan Hasselwander, Chairman, NANC, dated January 19, 1999
- (17) NARUC Contribution Re: Issues for which NANC Could Benefit from Data on Consumer Preferences

V. Summary of the Meeting:

A. Opening Remarks. Chairman Hasselwander welcomed NANC members. Chairman Hasselwander asked NANC members to review the minutes of the December NANC meeting and of the special January 7, 1999 meeting by conference call overnight for consideration the following day.

B. Canadian Numbering Administration Consortium, Inc. (CNAC). Gerry Thompson, Mobility Canada, announced that CNAC selected Science and Applications International Corporation of Canada (SAIC Canada) as the neutral Canadian Numbering Administrator (CNA)

for administration of telephone numbers in Canada. Currently, the administration of telephone numbers in Canada is performed primarily by companies that make up the Stentor alliance. The CNA will provide numbering resources to all Canadian carriers, and will operate under the regulatory supervision of the Canadian Radio-television and Telecommunications Commission (CRTC). Mr. Thompson added that key persons involved in Canadian numbering matters are noted on the press release: Leo Mevel, CRTC, observes for CRTC (but does not represent CRTC at NANC meetings); and NANC member, Jacques Sarrazin, Stentor Resource Centre, has been named Chairman of the board of CNAC. Mr. Thompson also noted that he believes that the billing difficulties experienced by the NANPA last year will not be repeated in light of the new numbering administration.

C. Local Number Portability Administration Working Group (LNPA WG) Report. Co-chair Tom Sweeney, AT&T, provided the report to the Council. Mr. Sweeney provided a status update on the following items: (1) Wireless Number Portability Subcommittee (WNP SC); (2) Wireline/Wireless Integration; (3) National Number Pooling Subcommittee (SC); (4) Slow Horse Subcommittee Status; and (5) NPAC Release 2.0 Status.

WNP SC. Mr. Sweeney reported that consensus had been reached to support the evaluation of the proposal to allow resellers direct interface with the NPAC. The issue will be managed, however, in the context of the broader LNPA WG forum. Mr. Sweeney reported that the WNP SC is evaluating alternatives regarding improvements to the LSR/FOC process (NANC 204). With regard to NPAC turn-up testing and intercarrier testing, Mr. Sweeney reported that a timeline of all testing requirements and a draft outline of the test plan are under development and discussion. Finally, Mr. Sweeney reported that the WNP SC has been working on the issue of the impact of wireless porting on NPAC performance. Specifically, work has been performed on the wireless busy hour transaction model and assumptions, as well as the wireless transaction requirements for the years 2000-2004.

In response to a request from the LNPA WG as to the status of NANC requests that PCIA and CTIA distribute letters to their members regarding participation within the WNP SC on LNP implementation planning and testing, Lori Messing stated that CTIA had not sent a letter to its members. Ms. Messing reported, however, that CTIA is engaged in activities designed to increase participation within the WNP SC and is conducting educational activities with the industry in the top 100 MSAs on LNP planning and implementation. Ms. Messing reported that CTIA has industry forums planned for February and March, during which members will be informed of the WNP SC work. Cathy Handley, PCIA, also reported that PCIA had not sent a mailing to its members. She similarly indicated that PCIA is engaged in educational and outreach programs on these issues.

Carl Hansen, Omnipoint, suggested that the associations seek assistance from the FCC (through FCC license records) in identifying all wireless carriers doing business in the top 100 MSAs. Ms. Messing indicated that the identification of carriers through FCC license records could prove difficult because many A-F block carriers have returned their spectrum and, accordingly, the FCC records may be difficult to track.

Wireline/Wireless Integration, Second Report. Mr. Sweeney reported that the WG had reviewed and updated the 4th draft of the LNPA WG Second Report on Wireless/Wireline Integration. Mr. Sweeney reported that the team has developed a third alternative for investigation to shorten the porting interval between wireline and wireless. He also reported that a report will be provided to the NANC by February 5, 1999, that will include a description of alternatives to be investigated and a work plan for that effort. During the time period of May to June 1999, the Second Report will be finalized, with delivery of the final report targeted for the June NANC meeting.

National Number Pooling SC. With respect to the work of the National Number Pooling SC, Mr. Sweeney reported that the FRS and IIS requirements were completed on December 28, 1998, and the integration of Release 2.0 requirements (FRS) were completed on January 8, 1999. The statement of work process was initiated by the LLCs and Lockheed Martin expects to deliver the statement of work by First Quarter 1999. Mr. Sweeney noted the concern of the LNPA WG that the number pooling target implementation date of December 1999 is coincident with the Y2K event. Finally, Mr. Sweeney reported that the SC will meet from January 19-21, 1999 in San Antonio, to focus on the test plan review. Additional meetings are scheduled for February 16-19, 1999.

Slow Horse Status. Mr. Sweeney reported that the Slow Horse Subcommittee (SC) is identifying data needed to conduct the "slow horse" analysis. The SC expects delivery of data from Lockheed Martin by January 22, 1999. The SC then will identify criteria and minimum carrier LSMS interface performance and threshold requirements, and data collection/reporting processes. The SC's long term goal is that industry develop LSMS interface performance requirements. A time frame for this initiative has yet to be determined.

Chairman Hasselwander inquired as to the length of time expected before a long-term approach to the slow horse problem has been developed. Mr. Sweeney responded that the answer is not known. Mr. Sweeney stated that a lot of work remains to be done and that the SC expects increasing work over the next few months.

Finally, Mr. Sweeney reported on the NPAC 2.0 Release status. Mr. Sweeney indicated that this release includes wireless change orders NANC 201, 202 and 203. The release remains on target for service provider testing by mid-June 1999.

D. *Industry Numbering Committee (INC) Report.* Richard Round, GTE, presented the INC Report. Initially, Mr. Round directed the NANC's attention to the overview contained on page two of the INC Report, which notes no recent INC activity on number pooling. Mr. Round noted that the INC Report provides status information on the INC 500/900 Number Portability effort, and advised the NANC that the next INC meeting would be held the week of January 24, 1999, in Orlando, Florida. Mr. Round also advised the NANC that the draft for Thousands-Block Number Pooling Document, as well as the three other drafts which have been modified to reflect Thousands-Block Number Pooling, are expected to be finalized during the INC meeting on Monday, January 25, 1999.

Mr. Round advised the NANC that the INC had created a workshop to handle the 500/900 Number Portability issue that had been previously delegated to the INC. Mr. Round then reviewed the agreements contained in the INC Report reached during the INC conference call on January 12, 1999. The initial INC Report concerning 500/900 Number Portability, submitted in response to the FCC's First Report and Order and Further Notice of Proposed Rulemaking for Telephone Number Portability, will be used as a baseline text for a new report on 500/900 Number Portability. The initial report can be viewed on the INC web site at <http://www.atis.org/atis/clc/inc/incdocs.htm>. Mr. Round noted that the first report only focused on porting of LEC 500/900 telephone numbers, and that the new report would focus on methods to make the entire 500/900 numbering database portability capable. Mr. Round indicated that the schedule for INC 500/900 Portability Workshop meetings in 1999 is included in the handout. The next 500/900 Workshop meeting will be held February 2-3, 1999, at the ATIS Headquarters in Washington, D.C.

Chairman Hasselwander inquired as to the number of participants on the January 12, 1999 conference call. Mr. Round indicated that he believed there were 22-24 participants. Carl Hansen, Omnipoint, questioned how participants could obtain the telephone number to participate in INC meetings. Mr. Round replied that the telephone number would be posted on the INC web site at <http://www.atis.org/clc/inc>, or that John Manning, ATIS (202) 434-8842, could be contacted to obtain the number. Ron Binz, CPI, noted that there was an INC Exploder List on the INC web page to which parties could subscribe to be advised of all INC events.

E. Cost Recovery Working Group (CR WG) Report. Co-chair, Anne La Lena, MCI WorldCom, provided the report to the Council. Ms. La Lena stated that at the December NANC meeting, the CR WG was requested to address treatment of variables under its tentative fixed price recommendation for thousands block number pooling. Ms. La Lena reported that the effort is ongoing. She noted, however, that participation on the CR WG has lagged; in addition to MCI WorldCom and SBC, participation has come from the Ohio PUC, OPASTCO, Bell Atlantic and AT&T. Ms. La Lena urged Council members to check with their staff and to encourage participation at the working group level. Chairman Hasselwander stated that NANC members need to address participation, recognizing that participation does fall over time.

Ms. La Lena noted two outstanding work items -- cost allocation for ITN and UNP recommendations. Ms. La Lena reported that these issues will be addressed following completion of the recommendation on thousands block pooling.

NBANC Report. Vince Majkowski, NARUC, provided the status report on the NANPA Fund performance as of January 14, 1999. The financials are as follows: current fund balance is \$933,000; projected receivables in monthly contributions are \$.7 million (includes Canada and the Dominican Republic) and approximately \$10,000 from non-compliant carriers; payments to Lockheed to date total \$2.75 million, with remaining payments of \$.55 million; payments to NECA to date total \$221,000, with \$27,000 remaining; Board expenses to date total \$16,045 (includes member reimbursement, conference calls and meeting expenses).

With regard to outstanding 1998 NANPA contributions, Mr. Majkowski reported that 75 carriers are on the "failure to comply" list, down from the 77 reported in December. He also stated that invoices have been sent to Canadian carriers with a due date of January 15, 1999. Finally, Mr. Majkowski reported that Lincoln Robinson has contacted Codetel regarding the Dominican Republic payment of \$17,800; payment is anticipated by the close of the fiscal year.

1999 Funding Process. Mr. Majkowski reported that on December 30, 1998, the FCC released an order approving the 1999 funding requirements for Lockheed Martin and the NBANC, the retention of 50% of the 1998 surplus, and the 0.000020 contribution factor for U.S. telecommunications service providers. Mr. Majkowski noted that the NBANC may begin billing in February 1999 for the March 1999 - February 2000 time period. He also noted that as of January 7, 1999, NBANC has received 3,156 forms totalling \$242.9 billion in gross carrier revenues with a net value of \$199.8 billion.

Mr. Majkowski reported that Anne La Lena, MCI WorldCom, has been elected to the NBANC Board of Directors. Mr. Majkowski reported that the next Board meeting will be held in Washington, D.C., on January 20, 1999. In closing, Mr. Majkowski indicated that the refund credit question raised by the NANC at its December meeting will be discussed at the January 20 Board meeting.

F. NANPA Presentation on Audits. Ron Conners, Director, NANP Administration, provided a report to the Council, in response to a December 28, 1998, NANC written request for an audit recommendation from the NANPA, detailing proposed methods, procedures, scope and frequency of audits of Central Office (CO) Code holders and applicants. At the December NANC meeting, the Council concluded that such audits should take place in the very near future in accordance with the responsibilities of the NANPA under applicable FCC rules and orders. Chairman Hasselwander's letter to the NANPA indicated that the NANPA's recommendation should include an analysis of random audits, as well as audits conducted on the occasion of requests for CO Codes.

Peter Guggina, MCI WorldCom, raised a question regarding the criteria for the audit and the documentation of reserved numbers. Mr. Guggina voiced a concern that if the industry waits for the development of specific audit guidelines, a significant period of time could elapse before audits are initiated. Chairman Hasselwander questioned whether reserved numbers could be memorialized during the audit process. Mr. Conners stated that the NANPA could ask service providers to count and verify numbers reported as reserved during the audit process; he questioned the usefulness of that information, however. Mr. Conners stated that the NANPA is looking to industry for audit guidance and for the conditions under which audits should be conducted.

Peter Guggina, MCI WorldCom, again noted his concern about waiting too long before implementing service provider audits. Carl Hansen, Omnipoint, also noted the difficulty in getting a handle on the reserved telephone number issue and the need for some way to gather empirical evidence on whether differences in the way carriers handle reserved numbers is a significant

problem. Ed Gould, AT&T, stated that he would take the issue a step further and question the overall categories of numbers maintained by carriers in their respective databases. Paul Hart, USTA, noted the need for confidential treatment of audit information.

Chairman Hasselwander stated that the confidentiality issue has not been worked yet, but remarked on the need to respect the proprietary nature of information. Chairman Hasselwander suggested that the NANC identify open issues and discuss them at the Steering Group meeting that evening.

Bill Adair, SBC, stated that in his view an audit is an audit against a standard. Thus, the NANPA should not just collect data. Instead, specific, identified, data should be collected. Mr. Adair also noted the changing nature of this type of information -- that is, the data could be obsolete within a month.

Chairman Hasselwander reviewed where he believes the NANC presently stands on the audit issue. Chairman Hasselwander stated that the NANC decided at its last meeting that its must move forward on the issue of service provider audits and asked the NANPA to come forth with a

Paul Hart, USTA, asked whether Mr. Conners' statements referred to the contact list or to the collection of the data itself. Mr. Conners replied that the two are linked and that both must be kept up-to-date. Vince Majkowski, NARUC, stated that the key issue is to give the NANPA the authority to collect the information. Jo Gallagher, Bell Atlantic, again questioned whether Mr. Conners was referring only to the collection of contact information. Mr. Conners stated that, as a first step, the collection of contact information is key. Peter Guggina, MCI WorldCom, noted that the major users of numbers are easily accessible and questioned when industry would get started on audits themselves, rather than simply the development of a list of contacts.

Mr. Conners then reviewed page four of the handout, detailing a path forward. Chairman Hasselwander suggested that the NANC attempt to identify issues, let the Steering Group work the issues at its meeting that evening, and report back to the full NANC tomorrow during the Steering Group report segment of the meeting.

Paul Hart, USTA, raised two questions: first, the number of contacts NANPA expects to have; and, second, NANPA's obligations under the FCC's Order addressing the July 15, 1997 Order of the Pennsylvania Public Utility Commission regarding area codes 412, 610, 215, and 717. Mr. Conners reported that the expected number of contacts is approximately 2300. He also expressed some concern regarding the Pennsylvania Order and indicated that the NANPA does not want to assume any improper responsibility. Cathy Handley, PCIA, stated that the NANC should direct the NANPA regarding its responsibilities, but it cannot direct Bellcore or TRA, for example. Chairman Hasselwander indicated that these issues would be discussed by the Steering Group. Trent Boaldin, OPASTCO, noted the need for flexible guidelines to accommodate differences in carriers. Mr. Conners responded that NANPA believes telephone number guidelines are needed; those guidelines might contain different practices for different carriers, but a standard is needed.

Peter Guggina, MCI WorldCom, asked that the issue of audits of reserved telephone numbers and random audits be considered. Carl Hansen, Omnipoint, requested that confidentiality be addressed, as well as the question of whether CO holder audits would be conducted on a sample basis or on a 100% basis. He also asked for further discussion on the issue of how to develop a final list of code holders.

G. *Numbering Resource Optimization (NRO) Working Group Report.* Co-chair, Beth O'Donnell, NCTA, provided the report to the Council. Ms. O'Donnell reported that the NRO WG had met once since the last NANC meeting and that the next NRO WG meeting will be held on January 20-21. Ms. O'Donnell noted that a suggestion had been made to move the NRO WG meetings to locations other than Washington, D.C. in an effort to increase participation. Additional discussions on meeting locations will be held at the January meeting and future meeting dates will be posted on Chairman Hasselwander's web site.

COCUS Work Plan. Ms. O'Donnell reviewed the matrix developed by the NRO WG, which lists 22 deficiencies and/or concerns with the current COCUS model and industry practice for gathering utilization/forecast data. The matrix further divides the deficiencies into two categories -- "tool" or "administrative" -- to help determine how to fix the problem.

Trent Boaldin, OPASTCO, asked for clarification on number 4 of the matrix, which states “punitive measures for mis-forecasting or under-forecasting,” in light of the recent agreement not to impose punitive measures. Chairman Hasselwander indicated that he believes item 4 represents an attempt to encourage carriers to provide the data, and agreed that the current wording may be misleading. Chairman Hasselwander indicated that the NANC had concluded that an FCC rule should be adopted, establishing that the withholding of additional resources is the appropriate sanction for the failure to report data. He noted, however, that he did not believe that the NANC had identified which of its working groups should have responsibility for the development of a proposed rule. Chairman Hasselwander asked whether the NRO WG should have that responsibility. Ms. O'Donnell asked about the standard against which the NANPA would be enforcing the withholding of additional resources, e.g., against the results of an audit. If so, Ms. O'Donnell suggested that the NANPA Oversight Working Group might be a more appropriate place for the issue to be worked. Chairman Hasselwander responded that he did not recall a specific discussion of the issue in the context of audits.

Following further discussion, the NANC agreed to review its meeting records on this issue before assigning it a working group for further review and development.

H. Consumer Information. Ron Havens, Sprint, updated the Council on recent contacts and existing consumer survey and end-user information. Mr. Havens reported that he had contacted an Australia regulatory group regarding an end-user survey conducted in Australia. He will provide further information when he receives a copy of the questions used in that survey.

Vince Majkowski, NARUC, reported on several studies of which he is aware, for example, the July 1998 Regulatory Research Institute study on consumer information; the September 1998, US WEST service quality report; and the Area Code 303 business survey. In addition, Mr. Majkowski reported on a focus group study, paid for by industry participants, that discusses single split versus double split or overlay decisions. Mr. Majkowski reported that these studies and surveys are part of an already existing public record.

Erin Duffy, NARUC, reviewed a NARUC contribution identifying possible issues of interest in the area of consumer preferences. Ms. Duffy noted that the contribution, which had been sent electronically to NANC members on January 13, 1999, was not intended to be an exhaustive list of issues of interest. At Chairman Hasselwander's request, Ms. Duffy read the following questions, posed under (1)(a) and (1)(b) of the contribution, for the benefit of the NANC members:

(1)(a) In jurisdictions where overlays have been implemented, how have consumers reacted to and adjusted to mandatory 10-digit dialing? Have their preferences and opinions changed after implementation of the overlay? Have they experienced any difficulties in dialing or announcements provided by the carriers when dialed erroneously?

(1)(b) In jurisdictions where area code splits have been implemented, what are the type and level of costs to consumers of these splits? How have they adapted to 1+10 digit

calling to the other NPA in the split? Have they experienced any difficulties in dialing or announcements provided by the carriers when dialing erroneously?

Ms. Duffy noted the historic resistance to 10-digit dialing and indicated that changes in consumer reaction would be of interest. Vince Majkowski, NARUC, remarked on a particular problem with payphones, where oftentimes no indication is provided concerning the need to dial the area code when making a local call. Mr. Majkowski also stated that Directory Assistance frequently is of little or no help in this situation. He suggested that payphones need to be brought into the dialing pattern equation. Paul Hart, USTA, agreed.

Chairman Hasselwander asked whether the NANC should seek more data on the issues raised by NARUC. Carl Hansen, Omnipoint, noted that the FCC has a docket open addressing the NRO report on numbering resource optimization. He questioned what the NANC would do with any information it receives. Ron Havens, Sprint, responded that, in his view, the information should be assimilated and the NANC should simply pay attention to it as the NANC makes decisions and recommendations. Ron Binz, CPI, agreed. In his view, the NANC should avail itself of publicly available information. Elsa Morris, Ohio PUC, remarked that information is needed by the states on virtually a daily basis.

Peter Guggina, MCI WorldCom, mentioned that he believed a study had been conducted indicating that consumers favor splits over overlays. He noted that the NANC must be careful to recognize the source of information as it proceeds and to recognize that consumer preferences may differ from one geographic region to another. Beth O'Donnell, NCTA, noted that consumers might want to keep their area code; the question then becomes how much they are willing to pay to do so.

Joe Kingrey, Nortel Networks, indicated support for NARUC's contribution. Jo Gallagher, Bell Atlantic, questioned the objective; that is, whether the NANC is contemplating a national consumer survey. Chairman Hasselwander indicated that the objective is merely to know what information is publicly available that would assist the NANC in making informed decisions.

Ted Noeker, GTE, noted concerns similar to those identified by Jo Gallagher. He also indicated that the issues identified by NARUC appear to be similar to those posed by the State Issues Task Force. Chairman Hasselwander again clarified that the NANC is simply trying to identify information that might be publicly available that would be helpful to the NANC in its decisionmaking. Chairman Hasselwander acknowledged Mr. Noeker's concern that the context of a survey should be recognized and stated that he believes the NANC will satisfy itself as to the value of any particular data. Peter Guggina, MCI WorldCom, suggested that any person desiring to bring information to the attention of the NANC should prepare a one-page summary of the information, to assist NANC members in keeping on top of the substance of available information. Erin Duffy, NARUC, suggested that the NANC should first determine what information is, in fact, publicly available.

Following further discussion, Chairman Hasselwander noted that Ms. Duffy had volunteered to poll the NARUC in an effort to determine what consumer preference information might be available and to report to the NANC at its next meeting. The NANC agreed on that course of action.

I. Policy Statement Concerning the Scope of Requirements of NANPA for CO Code Administration and NPA Relief Activities: Ron Binz, CPI, reported that he, Bill Adair, SBC, Erin Duffy, NARUC, and Brent Struthers, Illinois Commerce Commission, had agreed to draft a policy statement on this issue. Mr. Binz reviewed the handout that had been provided to NANC members by email prior to the meeting. Mr. Binz stated that controversy over the scope of the NANPA's responsibility for CO code administration and NPA relief activities will arise in the area of what can reasonably be deduced from statements in the NANPA Requirements Document or in FCC orders. Mr. Binz reviewed the four criteria developed by the Issue Management Group to assist in determining whether a specific proposed activity is within the responsibilities of the NANPA.

Beth O'Donnell, NCTA, questioned the definition of "core responsibilities." She also suggested that "relief planning" should be added to the third criterion under "Guidelines" on page two of the statement. Ron Conners, Lockheed Martin, confirmed that the NANPA's responsibilities include both CO code administration and NPA relief planning and activities. Mr. Conners also suggested the addition of "(iii) CO code transition and NANP transition plans" under "General Principles" on page one of the statement to reflect the current scope of Lockheed Martin's responsibilities. Following discussion on this point, the Issue Management Group agreed to look at the relevant transition plans before adding the language to the policy statement.

Peter Guggina, MCI WorldCom, suggested that the NANC "test" the principles on a couple of situations, for example, the California court reporter situation. Discussion followed on the question of whether disputes over what falls within the scope of the NANPA's responsibilities should go directly to a NANC working group or should be handled by the NANC itself. Carl Hansen, Omnipoint, suggested that disputes go directly to a working group in an effort to speed the process of resolution. Beth O'Donnell, NCTA, disagreed. Ron Binz, CPI, suggested that disputes could come to the NANC from different directions and that the NANC does not have control over how issues come before it. Chairman Hasselwander noted that the NANC always can delegate issues to working groups.

Ron Conners, Lockheed Martin, noted that a lot of "fringe" activities come up and that he would like to have a place to take questions. He also noted that he believes it would be impractical for the full NANC to address all of the issues that arise. Bill Adair, SBC, noted that these types of questions come up daily.

Chairman Hasselwander reminded NANC members that the NANC does not have final authority on questions of this nature. Rather, it must make a recommendation to the FCC. Brent Struthers, Illinois Commerce Commission, added that some issues that come before the NANC may not

need to go the FCC -- in a given situation, the state or other entity posing the question may simply be looking for informal guidance and, therefore, no FCC ruling would be required.

Chairman Hasselwander re-posed the question of whether disputes first should go to a subgroup before coming to the full NANC. Trent Boaldin, OPASTCO, voiced concern that the NANC not invite disputes to come its way. Carl Hansen, Omnipoint, stated that the NANPA Oversight WG is doing a good job of handling issues and that the process seems to be working. Bill Adair, SBC, indicated that the NANC should at least know about issues that are being addressed by the working group, even if it cannot control the manner in which the issues come to it. Brent Struthers, Illinois Commerce Commission, and Andrea Cooper, AirTouch, gave examples of issues that have been handled by the NANPA Oversight WG or the Central Office Transition Task Force that did not require a NANC recommendation.

Further discussion ensued on whether disputes should first go to the full NANC or should be handled in the first instance at the working group level. Chairman Hasselwander noted that both points of view have validity. Accordingly, he asked the Issue Management Group to address this question and report a recommendation to the NANC at its next meeting.

Peter Guggina, MCI WorldCom, moved that the NANC tentatively adopt the policy statement and apply it to the California court reporter situation. Ron Binz, CPI, voiced opposition to the suggestion stating that he did not want persons to argue against the principles outlined in the policy statement simply because the right result is not obtained on a specific issue. Jo Gallagher, Bell Atlantic, noted that the California court reporter question had not been on the NANC's agenda and, for this reason, persons who have an interest in the question may not be present. Paul Hart, USTA, suggested that the NANC discuss, but not resolve, the California situation. Chairman Hasselwander agreed with Ms. Gallagher's point from a due process standpoint.

In response to Chairman Hasselwander's request for a summary of the California situation, Andrea Cooper, AirTouch, stated that the issue has been handled by Paula Jordan, to avoid any appearance of a conflict of interest with Ms. Cooper's role as NANPA Oversight WG co-chair. Bill Adair, SBC, stated that the NANC needs more factual information on the California situation. Peter Guggina, MCI WorldCom, noted concern that Lockheed Martin is performing the job of court reporter for California open meetings and that the entire industry is funding it. Chairman Hasselwander expressed his concern about whether the NANC could engage in a meaningful discussion with the facts known at this point. He suggested that the NANC defer discussion until its next meeting but commit to resolve the question at that time with a common set of facts. Chairman Hasselwander asked Ron Binz, CPI, to frame the issue and suggested that NANC members make contributions on the issue no later than February 3, 1999. It was agreed that a compilation of contributions would be sent to NANC members no later than February 10, 1999.

J. NANPA Oversight Working Group (WG) Report. Co-Chairs Andrea Cooper, AirTouch, and Brent Struthers, Illinois Commerce Commission (by conference bridge), presented the report to the Council, and provided three handouts: NANPA Oversight WG Report; Compliance/Performance Matrix; and NANPA Performance Evaluation Tools. The January 29,

1999 draft NANC NANP Thousand Block Pool Administrator Requirements Document, was emailed to all Council members in advance of the meeting. Ms. Cooper reported that the editors, Karen Mulberry and Cathy Handley, had received contributions from the New York PSC, SBC and Frontier Communications, all of which had been incorporated into the document.

Ms. Cooper sought NANC guidance on the next step with respect to the Thousand Block Pool Administration Requirements document in order to move forward with the pricing of number pooling. Mr. Struthers reported that Lockheed Martin had reviewed the Requirements Document and had indicated that it is sufficient to permit pricing. In response to a question from Chairman Hasselwander, Richard Round, INC Moderator, confirmed that the INC Number Pooling guidelines will go to final closure at the next INC meeting and will either be approved as is, approved with minor modifications, or remanded to the committee. Chairman Hasselwander stated that the Steering Group will discuss the next step at its meeting that evening and will report back the following day.

With respect to the Compliance/Performance Matrix, Ms. Cooper reported that the matrix includes all areas covered by industry guidelines, FCC rules, the Requirements Document and the NANPA, CO code administration and NPA relief planning transition plans. The matrix also includes the Lockheed Martin further response to questions raised during the NANPA selection and evaluation process.

Ms. Cooper reported that the NANPA Oversight WG met on January 6, 7, and 8 to complete the Thousand Block Pool Administration Requirements Document, and again on January 13 and 14 to complete the compliance/performance matrix work. Ms. Cooper stated that the NANPA Oversight WG reviewed each issue listed and noted that some issues involve compliance only while others also are performance-related. The WG agreed that the annual review period should run from February 21, 1998 through February 21, 1999. The Working Group and the NANPA will independently respond to each item listed on the compliance matrix, that is, the NANPA will perform a self-evaluation. Additionally, Ms. Cooper reported that the WG created a list of eight possible tools that could be used to evaluate the NANPA's performance.

Ms. Cooper stated that the NANPA Performance Evaluation Tools are intended to facilitate a fair and objective evaluation by the WG. She reviewed the tools, as listed on a handout provided to NANC members: (1) NANPA self-evaluation; (2) NANPA OS WG completion of the compliance matrix; (3) feedback survey; (4) onsite visits for verification of documentation; (5) issues raised at NANC (California; Florida; Nevada; Missouri; Maine/Massachusetts); (6) proposals from NANPA outside the Requirements Document (i.e., COCUS/LINUS solution initiative); (7) face-to-face industry meeting to receive feedback; and (8) written commendations and complaints. Ms. Cooper reported that the WG has concluded that it will not use an independent third party for any of the work associated with the performance evaluation.

Ms. Cooper indicated that the NANC needs to set a deadline for the completion of the performance evaluation. She stated that the NANPA self-evaluation should be completed by March 1. Mr. Struthers indicated that the timeline for completion of the performance evaluation

will determine which of the eight tools are used. Chairman Hasselwander posed the question of when the NANC seeks to have the performance review completed and a report submitted to the FCC. Trent Boaldin, OPASTCO, suggested the end of May. Ted Noeker, GTE, questioned whether the process would be expedited if a third party conducted the performance review. Ms. Cooper responded that the WG had considered this issue but decided against it for several reasons -- time, cost and expertise. Paul Hart, USTA, suggested that the WG should establish key issues that must be evaluated, and stagger the process of considering other issues in an effort to keep focused.

Mr. Struthers added that some activities can be done in parallel. Ms. Cooper noted that site visits should be conducted. She also remarked that the completion of the compliance matrix will be the most time-consuming part of the process. In addition, she suggested that survey questions could be distributed through a FCC public notice and/or through NARUC.

Larry Krevor, Nextel, suggested that, in the interest of time, the Group cull out a subset of key performance issues. Ms. Cooper noted, however, that all of the issues are important. Kris Monteith, FCC, confirmed that, from the FCC's standpoint, all of the performance issues are important. She also noted that although timing is important, because this performance evaluation is the first one, the NANC should do what it considers to be a very thorough job and one with which it is comfortable.

Peter Guggina, MCI WorldCom, asked whether site visits could be better handled by a third party or perhaps by the FCC Audits Division. Ms. Cooper responded that the WG believed that a smaller subset of the WG would have the ability to perform an unbiased audit. Additionally, the question of payment for a third party audit and how an auditor would be selected would complicate and delay the matter. Chairman Hasselwander noted that an issue of confidentiality had been raised. Ms. Cooper stated that the WG will develop procedures -- such as a non-disclosure agreement -- to protect the confidentiality of information. Ed Gould, AT&T, suggested that the effort spent on the performance review should be proportionate to the amount of money at stake. Jo Gallagher, Bell Atlantic, stated that, in her view, site visits are essential.

Chairman Hasselwander stated that a timeline will assist in determining how detailed the performance evaluation should be; he nonetheless indicated that the NANC should have a feeling of comfort that the evaluation is being conducted in a satisfactory way. Chairman Hasselwander further stated that the NANC will revisit the issue the following day and provide guidance to the NANPA Oversight WG on the timing of the performance evaluation.

In concluding, Mr. Struthers suggested that the FCC and NARUC assist in the distribution of survey questions on the NANPA's performance in an effort to obtain the widest possible response. Ms. Monteith indicated that FCC assistance was a possibility. She noted that because it might trigger Paperwork Reduction Act requirements or other federal requirements, a survey (collection of information) under the auspices of the FCC must be explored before a commitment to assist can be provided.

Issue Management Group - Lockheed Martin CIS Divestiture Issue. Peter Guggina, MCI WorldCom, reviewed the Lockheed Martin CIS Issue Management Group Report that had been provided to NANC members. Mr. Guggina noted that the Issue Management Group had focused on questions for Lockheed Martin and Mitretek that must be submitted to the FCC by January 22, rather than on the overall question of whether the Lockheed Martin request for approval of the divestiture of the CIS business unit should be granted. Mr. Guggina reported that the Issue Management Group had concluded that neutrality is the key issue and should be the focus of the inquiry.

Following a review of the Issue Management Group report, Mr. Guggina indicated that many of the questions had been asked and answered during the January 7, 1999 NANC conference Call. Kris Monteith, FCC, confirmed that the minutes of that call will become a part of the record of this proceeding. Thus, all interested parties will have the opportunity to review the questions asked during the conference call and the responses provided by Lockheed Martin and Mitretek.

Chairman Hasselwander adjourned the meeting, indicating that the discussion on this subject would continue the following day.

January 20, 1999

J. NANPA Oversight WG Report (discussion continued). Before proceeding with further discussion on the Issue Management Group's report on the Lockheed Martin CIS divestiture, Chairman Hasselwander addressed the issue of the Lockheed Martin performance evaluation, to be conducted by the NANPA Oversight WG. Chairman Hasselwander reported that the NANPA Oversight WG should be prepared to report back to the NANC on Lockheed Martin's performance by the April NANC meeting. Cathy Handley, PCIA, raised the question of who would perform the evaluation and assumed that the evaluation would be performed by the NANPA Oversight WG. Chairman Hasselwander replied that to the extent the performance evaluation was performed by a third party, the NANC would have to address how to pay that third party. Karen Mulberry, MCI WorldCom, noted that audits are built in for an evaluation of NECA's performance and questioned whether NBANC could consider the issue.

Vince Majkowski indicated that an annual audit is conducted of the NBANC. Anne La Lena, MCI WorldCom and co-chair of the Cost Recovery Working Group, indicated that the CR WG would be happy to address this issue. Chairman Hasselwander posed the question as whether NANC has the authority to finance a performance evaluation by a third party going forward. Mr. Majkowski also indicated that the NBANC would address the issue at its next meeting.

Bill Adair, SBC, noted that the April deadline for a performance evaluation constitutes an aggressive schedule and questioned whether the deadline means that only a partial review will be conducted. Accordingly, Chairman Hasselwander suggested that the NANPA Oversight WG report back to the NANC at its February meeting with a plan indicating whether the performance

evaluation could be completed by that date and, if not, what part of the performance evaluation could be completed by the April NANC meeting.

Joe Kingrey, Nortel Networks, stated that the matrix is very detailed and questioned whether the level of detail indicated on the matrix is necessary. Mr. Kingrey questioned whether some part of the matrix could be used for the evaluation. Ms. Cooper stated that she wished to discuss this issue with her co-chair and with the other members of the WG. She remarked that the industry is paying for the services of Lockheed Martin, as detailed on the compliance matrix. Ms. Cooper noted that the NANPA Oversight WG was scheduled to meet by conference call the following week, with further face-to-face meetings scheduled for February 8-9 in Dallas. Ms. Cooper also noted that only eight weeks remain between now and the April NANC meeting.

Dan Hochvert, Bell Atlantic, underscored the point made by Joe Kingrey, indicating that the NANPA Oversight WG had completed a great deal of important work in developing the compliance matrix. Mr. Hochvert suggested that the NANPA Oversight WG extract the most important components from the matrix without getting bogged down in detail. Ted Noeker, GTE, raised the question of confidentiality. Ms. Cooper acknowledged that confidentiality is an important issue, but noted that the NANPA Oversight WG believes site visits are necessary nonetheless.

Chairman Hasselwander reiterated that the NANPA Oversight WG should report back to the full NANC at its February meeting as to whether the WG believes it can complete the performance evaluation by the April NANC meeting. Chairman Hasselwander expressed the view that the NANC does not need minute detail concerning Lockheed Martin's performance. Instead, the NANPA Oversight WG should identify performance problems, that can be cured. The WG also should ensure that Lockheed Martin's overall performance is adequate as industry begins its second year with Lockheed Martin as the NANPA. Brent Struthers, Illinois Commerce Commission, suggested that the NANPA Oversight WG could eliminate issues from the performance review, for example, issues related to NPA relief process.

Chairman Hasselwander suggested that the NANPA Oversight WG review the tools, including surveys, that the NANPA Oversight WG should use in conducting the performance evaluation. Ms. Monteith agreed to provide a response as to whether the FCC could assist in distributing a survey on Lockheed Martin's performance.

L. Approval of Meeting Minutes. Chairman Hasselwander called for approval of the December 16-17, 1998, and January 7, 1999 meeting minutes. There being no changes or corrections, the meeting minutes were approved.

M. Steering Group Report. Chairman Hasselwander provided the Steering Group Report. Chairman Hasselwander stated that the Steering Group discussed the election of working group co-chairs prompted by the resignation of Ben Childers from the Missouri Commission and thus from the Numbering Resource Optimization (NRO) Working Group, as well as the resignation of

Brent Struthers from the Illinois Commerce Commission. Following discussion as to the appropriate number of co-chairs for a working group, the Steering Group determined that the NRO Working Group should decide, in the first instance, the number of co-chairs to serve. On the question of co-chairs of the NANPA Oversight WG, the Steering Group concluded that Mr. Struthers' status must be determined, with consideration given to his place of employment and the need for balance among co-chairs. Chairman Hasselwander reported that the Steering Group had determined that both the NRO Working Group and NANPA Oversight WG should bring any decisions reached to the NANC for ratification in accordance with normal procedures.

Chairman Hasselwander then reported that Ron Conners had reviewed in more detail the NANPA proposal entitled "NANPA Presentation on Audits." After considerable discussion, the Steering Group reached the following agreements: (1) Ron Conners will report to the Steering Group at its February meeting on methods for obtaining accurate lists of code holder contacts; (2) because the results of audits will be disclosed only to the NANPA, the code holder, and possibly the FCC, confidentiality of interim audits will be maintained; and, (3) because NANPA is reluctant to proceed on the issue of service provider audits, other than to verify code requests, the Steering Group decided that the NANC should create interim audit guidelines. A task group consisting of Bill Adair, Trent Boaldin, Chuck Eppert, Carl Hansen, Karen Mulberry, and Shawn Murphy, to be assisted by Ron Conners, was established. The subgroup will report back to the Steering Group at its February meeting.

Finally, Chairman Hasselwander reported that the February meeting of the Steering Group will be held on February 17, after the NANC meeting, at the FCC Portals II location, 445 12th Street SW, Washington, D.C.

K. Questions Concerning Lockheed Martin CIS Divestiture (discussion continued). The discussion resumed on questions to be forwarded by the NANC to the FCC concerning the Lockheed Martin divestiture of the CIS unit. Chairman Hasselwander stated that the NANC needs to agree on the questions to be forwarded to the FCC on January 22. Chairman Hasselwander asked how questions that have already been asked and answered in the context of the January 7 NANC conference call should be handled. Kris Monteith, FCC, suggested that, to ensure adequate review by the public, Lockheed Martin and Mitretek might repeat the questions and answers.

Jeff Ganek, Lockheed Martin, indicated that Lockheed Martin would do whatever is necessary to answer questions concerning its petition. He also indicated that Lockheed Martin and Warburg, Pincus had prepared written responses to the questions presented during the January 7 NANC conference call. Dave Garvin, Mitretek Systems, added that Mitretek likewise would respond in writing to any questions directed to Mitretek.

Chairman Hasselwander suggested that the NANC proceed with the development of a list of questions that have not been answered by Lockheed Martin and/or Mitretek. He also suggested that, in his transmittal letter to the FCC, he will indicate that the record of the proceeding should include responses already received from Lockheed Martin and the meeting minutes of the January

7 NANC conference call. Finally, Chairman Hasselwander will identify for the FCC the questions that already have been posed to Mitretek and Lockheed Martin and, in this manner, the FCC will have discretion to include those questions in the list that goes forward to Lockheed Martin and to Mitretek.

In response to a question from Ted Noeker, GTE, Dan Hochvert, Bell Atlantic, indicated that the Issue Management Group had reviewed the questions received from Chairman Hasselwander and from the NANPA Oversight WG. Mr. Hochvert stated, and Ron Havens, Sprint, confirmed, that the Issue Management Group attempted to focus only on the issue of the neutrality of Lockheed Martin and not to stray into other areas.

Ron Binz, CPI, asked what questions the Issue Management Group had omitted. Mr. Hochvert responded that performance questions, for example, had been omitted. Following discussion, the Issue Management Group confirmed that the legal question of whether Lockheed Martin had defaulted on its obligations had not been addressed, pursuant to guidance provided by the FCC. Ron Havens, Sprint, indicated that the commitment to perform as the NANPA for the duration of the original five year term was a significant issue. Kris Monteith, FCC, noted that the FCC had specifically asked parties to address the issue of the ability of the new CIS business unit to satisfactorily perform the functions of the NANPA. Following discussion, the NANC agreed that to the extent members believe that the Issue Management Group had omitted relevant questions, they should submit those questions to the FCC independently, on behalf of their company or association.

The discussion then turned to the question of whether Warburg, Pincus would provide assurance that it would not be involved in any investments that would result in non-compliance with the neutrality rules. Paul Hart, USTA, suggested a broad question to ascertain Warburg's position on investments in common carrier services generally. Following discussion, the NANC agreed on the following revised question:

“Warburg, Pincus should assure that they will comply with the neutrality rules now and going forward. Please provide sufficient detail to fully understand Warburg, Pincus' view as to what level of investment in a company utilizing NANP resources would result in non-compliance with the neutrality rules.”

A discussion then followed on Lockheed Martin's role as NPAC and its relationship with the LLCs. Dan Hochvert, Bell Atlantic, noted that the NANC has oversight responsibilities regarding LNPA and the NPACs. Kris Monteith, FCC, confirmed that although the FCC did not believe that Lockheed Martin's role as NPAC was inextricably linked to its role as the NANPA, the FCC had asked for input on this issue in its Public Notice. Ms. Monteith stated that the FCC assumed that those with an interest, for example, the LLCs, would provide input on whether the two roles were tied and how the FCC should move forward. Ms. Monteith also noted that the FCC would seek input consistent with the January 22, 1999, and March 17, 1999, time frames set out in its Public Notice. Anne La Lena, MCI WorldCom and Chair of the Mid-Atlantic LLC, stated that a letter to the LLCs requesting their input would be of assistance. Chairman Hasselwander agreed

to write such a letter, requesting the LLCs' input by March 8, 1999. He also agreed to copy the Canadian numbering administration on that letter.

In concluding the discussion on this issue, Chairman Hasselwander agreed to include the following with his letter to the FCC on January 22: the Issue Management Group report, as amended; the minutes of the January 7 NANC conference call, with attachments; and, any responses to questions received from Lockheed Martin, Warburg, Pincus and Mitretek. Chairman Hasselwander also agreed that his letter would cull from the January 7 conference call minutes those questions that have already been posed of Lockheed Martin and Mitretek. The FCC then can determine which questions it should direct to either entity.

N. *Methods to Improve Efficiency of NANC Meetings.* Chairman Hasselwander stated that this issue had been considered by the Steering Group and referred NANC members to his amended contribution on this subject. In response to the question of what constitutes a quorum, Chairman Hasselwander indicated that the Federal Advisory Committee Act and GSA rules are silent on the subject. He also stated that although case law may exist, it may not be relevant to this particular situation. Thus, in Chairman Hasselwander's view, the important consideration is that decisions be made when a broad representation of NANC members is present. He indicated that the decision is necessarily subjective.

Paul Hart, USTA, indicated that the question of whether a quorum is present is the Chairman's call. Chairman Hasselwander indicated, however, that his decision is subject to challenge by NANC members who may not believe that a quorum is present. In response to Chairman Hasselwander's request, NANC members indicated conceptual agreement with Chairman Hasselwander's presentation on this issue.

Chairman Hasselwander next reviewed his contribution concerning proposed methods to improve efficiency of NANC meetings. Carl Hansen, Omnipoint, suggested that the statement at the end of the contribution, regarding how items are placed on NANC meeting agendas, be converted to an affirmative statement and that the contribution be accepted. Chairman Hasselwander asked for concurrence. The NANC members agreed, with the additional suggestion that Chairman Hasselwander also capture the thought that NANC agenda items should be consistent with the NANC's charter and the conceptual agreement already reached on the issue of a quorum.

O. *Other Business.* No other business was reported.

Next Meeting of the NANC. February 17-18, 1999, FCC Portals, 445 Twelfth Street, SW, Washington, D.C.

VI. Action Items and Decisions Reached:

1. NRO WG Report. Chairman Hasselwander will post NRO meeting schedule on his web site.

2. Consumer Preferences. Erin Duffy will move forward on exploring questions related to customers preferences and find what data is available and report conclusions at a future NANC meeting.

3. NANC Policy Statement regarding Scope of Requirements of NANPA for Central Office Code Administration and NPA Relief Activities: The Issue Management Group (Erin Duffy, Bill Adair, Brent Struthers and Ron Binz) will continue in effect; the Group will incorporate two changes -- “core” and “relief planning” -- and review the third issue in the general principle, whether to include existing transition plans. The Issue Management Group also will develop a recommendation on process for consideration of these issues. Recommendations will be presented at the February NANC meeting.

California Issue: Issue Management Group will frame a suggested question to be considered by the NANC relative to the California issue. The Issue Management Group also will collect contributions on the issue; meeting minutes; original submission by NANPA Oversight WG to NANC on the California issue; and other contributions. Contributions must be received by February 3, 1999. NANPA will also make a contribution by January 25, 1999, to be redistributed by the NANC Chairman.

Issue Management Group will distribute information to members one week prior to February meeting (February 10). NANC will reach a decision on California issue at the February meeting. NANC Chairman will contact the appropriate parties to invite participation at the February meeting. NANC will conclude its discussion of the suggested policy statement at its February meeting.

4. NANPA Performance Evaluation. NANC requested the first performance evaluation of the NANPA by the April NANC meeting. April due date and level of first performance evaluation and related issues will be considered by the NANPA Oversight WG and included in their report. The NANPA Oversight WG will provide a work plan and methods to address confidentiality concerns at February NANC meeting.

5. NANPA Audits. In February (Steering Group Meeting), NANPA will report on methods of compiling an accurate list of code holders. Confidentiality question has been satisfied because audit information will only be available to the code holder, NANPA and the FCC. Steering Group will address random versus 100% audits and concern raised regarding going forward without guidelines. The Steering Group formed a Task Group to develop interim (temporary) audit requirements; a tool to move forward with audits in the near future and provide input to permanent rule/guideline development. During interim, no sanction will be levied as a result of a NANPA code holder audit. The Task Group will report progress on last three items at the February Steering Group meeting and in turn, progress will be reported out to the full NANC meeting.

6. Response to January 22, 1999 FCC deadline. NANC Chairman will prepare cover letter to FCC which will include minutes of conference call of January 7 (with attachments); responses

from Lockheed Martin/Warburg Pincus received at January NANC meeting; the Chairman will review the meeting minutes, cull out answers to questions and highlight/outline those questions in the body of the FCC letter. The letter also will include, to the extent made available on or before January 22, 1999, or will reference forthcoming Mitretek written response to questions posed on the conference call. The Issue Management Group report (conclusions and questions) also will be included as amended. The amended question to read as follows:

Warburg Pincus should assure that they comply with the neutrality rules now and going forward. Please provide sufficient detail to fully understand Warburg Pincus' view as to what level of investment in a company utilizing NANP resources would result in non-compliance with the neutrality rules.

NANC Chair will prepare letter to LLCs asking for input on their views on the neutrality and capability of the proposed change in the ownership of CIS. A copy will be provided the Canadian LLC to invite their views on this issue.