

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF NANPA)	
ON BEHALF OF THE KENTUCKY)	
TELECOMMUNICATIONS INDUSTRY)	ADMINISTRATIVE
FOR APPROVAL OF NPA RELIEF)	CASE NO. 388
PLAN FOR THE 270 NPA, AND)	
NUMBER CONSERVATION)	
MEASURES WITHIN KENTUCKY)	

O R D E R

On July 25, 2001, NeuStar, Inc., the North American Numbering Plan Administrator ("NANPA"), filed a petition requesting that the Commission develop and implement a relief plan for the 270 Area Code, or 270 Number Plan Area ("NPA"). NANPA functions as the neutral third party NPA Relief Planner for Kentucky under the North American Numbering Plan and has filed the petition on behalf of the Kentucky telecommunications industry.

The Commission hereby opens this proceeding to develop a 270 NPA relief plan. As part of this process, the Commission will solicit input from telephone customers residing within the affected area and will consider that input in reaching a decision concerning appropriate NPA relief. However, the Commission is extremely concerned that relief should be required so soon after creation of the 270 NPA. Therefore, by this Order, the Commission also institutes a series of actions designed to delay the implementation date of such relief.

A copy of this Order is being sent to all telecommunications utilities, except for payphone providers, that are authorized to provide intrastate telecommunications services within Kentucky. However, any telecommunications utility that would not be affected, and therefore desires to be removed from the list of parties to this proceeding, should notify the Commission within 20 days of the date of this Order.

BACKGROUND

Kentucky was first advised of the need for NPA relief in this area of Kentucky in November 1997, when the Commission was informed that available numbers in the 502 NPA (a portion of which now constitutes the 270 NPA) would exhaust in 1999. A series of public meetings were conducted within Louisville and Western Kentucky in order to obtain citizen input. Following those meetings, the Commission determined that a traditional geographic split of the 502 area code would be implemented. 502 NPA relief began in April 1999, with the creation of the 270 NPA. NXX assignments, those being the first three digits of a seven-digit telephone number ("Code"), were not made within the 270 NPA until November of 1999. As late as January 18, 2000, the Central Office Code Utilization Survey ("COCUS") results published by NANPA estimated that the 270 NPA would not reach exhaustion until the third quarter of 2006.¹

However, on February 5, 2001, NeuStar, Inc., in its role as NANPA, reassessed the issue and so advised 270 NPA code holders and other industry members of an industry relief planning meeting for the 270 NPA. NANPA stated in its notice that the 270 NPA was estimated to exhaust its supply of NXX codes during the second quarter of 2004. In accordance with the NPA Code Relief Planning and Notification Guidelines

¹ NANPA 1999 COCUS and NPA Exhaust Analysis, January 18, 2000 update.

(INC 97-0404-016), NANPA advised that an Initial Planning Document (“IPD”) was being prepared to assist the industry with NPA relief planning efforts. A pre-IPD planning meeting via conference call was conducted on February 20, 2001, at which time industry input was solicited to assist NANPA in preparing the IPD.

On April 2, 2001, NANPA conducted a 270 NPA relief planning industry meeting in Lexington, Kentucky. At that time, representatives of the telecommunications industry within Kentucky met to consider 270 NPA relief alternatives. An industry consensus was reached at the meeting to conduct another telephone conference call on July 11, 2001 to review the status of the 270 NPA and to determine a date that NANPA would file the industry relief plan with this Commission.

On June 1, 2001, the 2001 Numbering Resource Utilization Forecast (“NRUF”), the successor to the COCUS forecast, was made available on the NANPA Web site (<http://www.nanpa.com>). The 2001 NRUF forecast is that the 270 NPA will reach exhaustion in the second quarter of 2003. This represents an estimated life decrease of 39 months since the January 2000 estimate. A determination was made during the telephone industry conference call conducted on July 11, 2001 that NANPA should file the 270 NPA relief petition with this Commission on July 25, 2001.

DISCUSSION

In its petition, NANPA requests that the Commission approve the industry’s consensus decision to recommend to the Commission an all-services distributed overlay as its first choice for relief of the 270 NPA. The industry, by consensus, recommends a north-to-south geographic split as its second choice for relief. The

recommended geographic split was one of five split proposals considered by the industry, and is specifically identified within the petition as Alternative #4A.

However, prior to scheduling public meetings for the purpose of gathering input, there are several issues that must be addressed as part of the Commission's effort to indefinitely delay the actual date of relief implementation. They are as follows:

1. All-services overlay versus a geographic split within the 270 NPA.

The Commission has previously addressed this issue in two prior administrative cases.² In both cases, the Commission rejected an overlay as a solution to area code relief and determined that the entire state of Kentucky should utilize the same dialing pattern to reduce confusion. However, the brief time between previous NPA relief and the current NANPA petition indicates the rapidity of change within the telecommunications industry. Therefore, the Commission finds that all alternative forms of NPA relief should be given full consideration. The Commission's consideration of a 270 NPA relief plan will be based upon its review of all appropriate relief possibilities.

2. Thousands-block number pooling within the 270 NPA.

Telephone numbers have historically been assigned to service providers in blocks of 10,000 numbers. With the advent of new services, this means that competitors and other service providers must take a minimum of 10,000 numbers, even though as few as one of those numbers may actually be utilized. This Commission has worked diligently to ensure that pro-competitive policies are in place in order to speed the benefits of competition to Kentucky's citizens. However, the increase in the number

² Administrative Case No. 373, Area Code Exhaustion and Relief, and Administrative Case No. 377, Area Code Exhaustion Relief for 606 Area Code Region.

of telecommunications providers, and consequent increases in telephone numbers required to provide new and competitive services, has increased the strain on number availability.

Although the 270 NPA is a growing area, it is not a “rapid growth” area. The rapid code assignment, and subsequent depletion, has been caused not by overwhelming consumer demand, but rather by providers of varying services receiving 10,000-number codes that are not being fully utilized. There are far more numbers assigned to carriers than can possibly be utilized by consumers of telecommunications services. This inefficient system forces customers to deal with the consequences and expense of NPA relief before such relief should be necessary.

In order to address this issue, the Commission has petitioned the Federal Communications Commission (“FCC”) for additional authority pertaining to number conservation measures.³ Specifically, the Commission has requested interim authority to:

1. Implement mandatory thousands-block number pooling trials within the 270 NPA.
2. Allow the Pooling Administrator and the Commission to require number utilization and forecasts from carriers as required for number pooling administration.
3. Accomplish any other tasks necessary to implement the requested interim authority.

³ FCC Petition, Public Service Commission of Kentucky’s Petition for Interim Delegated Authority to Implement Number Pooling Trials Within the 270 NPA, filed July 2, 2001.

The Commission's petition was filed with the FCC on July 2, 2001, and may be accessed at both this Commission's, and the FCC's, respective Web sites. If the petition is granted by the FCC, the Commission will use this additional authority to prolong the life of the 270 NPA as it currently exists. The Commission finds that the petition should be incorporated by reference into this proceeding. Implementation issues related to thousands-block number pooling trials within the 270 NPA will be further addressed in this proceeding pending FCC action on the Commission's petition.

3. Non-tariffed seven-digit dialing patterns across NPAs.

In both Administrative Case Nos. 373 and 377, the Commission required local exchange carriers to continue to provide seven-digit dialing across NPA boundaries for existing local calling plans.⁴ The intent of both of those Orders was to preserve existing intrastate dialing plans that were tariffed as of the date of the respective Orders. However, NANPA has identified an issue related to seven-digit inter-NPA dialing plans that the Commission must address. In Exhibit A, page 1 of NANPA's petition, a total of 86 codes were identified as unavailable for assignment within the 270 NPA. Of the 86 unavailable codes, 63 NXX codes are protected for land-to-mobile seven-digit dialing across NPAs. These seven-digit dialing plans are not tariffed with this Commission. Therefore, they do not have the protected status afforded by Commission Orders in Administrative Case Nos. 373 and 377. If these codes were available for assignment

⁴ Administrative Case No. 373, Order dated November 16, 1998, Ordering Paragraph No. 3, and Administrative Case No. 377, Order dated August 4, 1999, Ordering Paragraph No. 5.

within the 270 NPA, the projected exhaust date would be extended by 1 to 2 years, depending upon the rate of code assignment.

The Commission Staff has previously addressed this issue through a staff opinion letter, written in response to a query by Verizon South, Inc. ("Verizon") dated January 26, 2001. In an April 11, 2001, letter from the Commission's Executive Director, at page 2, Verizon was advised that the subject land-to-mobile seven-digit dialing arrangements across NPAs are not local calling plans, but rather are service arrangements generally provided with wireless and paging providers. A copy of the subject letter is attached to this Order as Appendix A, and incorporated herein.

The Commission agrees with the Staff's conclusion on this issue. Since these service arrangements are not protected by previous Commission Orders, they should be eliminated, thereby allowing the subject protected codes to be assigned by NANPA to service providers. Additionally, this situation exists within the 502, 606, and 859 NPAs utilized in Kentucky. The public interest demands that the Commission take action to eliminate this situation.

The Commission, therefore, finds that all land-to-mobile seven-digit dialing across NPAs, as well as any other intrastate seven-digit dialing plans that cross NPAs, which were not tariffed as of the dates of the Orders in Administrative Case Nos. 373 and 377, and are not tariffed with this Commission as of the date of this Order, should be eliminated within 90 days of the date of this Order. The 90-day period will allow affected utilities time to notify customers and to make necessary network changes. Any interested utility may, however, file objections and request hearing on this issue within 30 days from the date of this Order.

4. Rate Center consolidation within the 270 NPA.

In its petition to the Commission, NANPA has identified 167 rate centers within the 270 NPA. A carrier desiring to provide telecommunications services must obtain a code for each rate center within its serving area. It is not clear to the Commission at this time as to whether the 270 NPA requires this number of rate centers to provide adequate and dependable telecommunications services. If some of the rate centers could be consolidated, this would result in a more efficient system of code assignment, with a concurrent reduction in the magnitude of such assignments. However, the Commission needs more information in order to determine if such rate center consolidations could be done in an efficient and economical manner. The Commission, therefore, finds that all Incumbent Local Exchange Carriers ("ILECs") providing service within the 270 NPA, as well as any other party desiring to provide comment, should file with the Commission, within 30 days of the date of this Order, comments, proposals, and estimates of cost relating to the issue of rate center consolidation. Following these filings, the Commission will determine whether to pursue this issue within this proceeding.

IT IS THEREFORE ORDERED that:

1. This administrative case is hereby opened to develop a 270 NPA relief plan and to institute procedures designed to delay the implementation date of such relief.

2. Any telecommunications utility that would not be affected, and therefore desires to be removed from the list of parties to this proceeding, shall notify the

Commission within 20 days of the date of this Order to reduce the size of the mailing list.

3. The 270 NPA relief plan that will be determined in this proceeding shall be based upon consideration of all appropriate forms of NPA relief, as contained within the NANPA petition.

4. The Commission's petition to the FCC, dated June 27, 2001, for additional authority pertaining to number conservation measures, is hereby incorporated by reference into this case.

5. The staff opinion letter attached as Appendix A to this Order is hereby by reference incorporated into this case.

6. All land-to-mobile seven-digit dialing across NPAs, as well as any other intrastate seven-digit dialing plans that cross NPAs that were not tariffed with this Commission as of the dates of the Orders in Administrative Case Nos. 373 and 377 referred to herein, and that are not tariffed with this Commission as of the date of this Order, shall be eliminated within 90 days of this Order date subject to any objection or request for hearing from a party to this proceeding.

7. If no objection or request for hearing on the determination described in Ordering paragraph 6 herein has been filed within 30 days of the date of this Order, such determination and Order shall be final.

8. All ILECs providing service within the 270 NPA, as well as any other party desiring to provide comment, should file with the Commission, within 30 days of the date of this Order, comments, proposals, and estimates of cost relating to the issue of rate center consolidation.

Done at Frankfort, Kentucky, this 26th day of September, 2001.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN
ADMINISTRATIVE CASE NO. 388 DATED September 26, 2001



Paul E. Patton, Governor
Ronald B. McCloud, Secretary
Public Protection and
Regulation Cabinet

Thomas M. Dorman
Executive Director
Public Service Commission

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
211 SOWER BOULEVARD
POST OFFICE BOX 615
FRANKFORT, KENTUCKY 40602-0615
www.psc.state.ky.us
(502) 564-3940
Fax (502) 564-3460

Martin J. Huelsmann
Chairman

Edward J. Holmes
Vice Chairman

Gary W. Gillis
Commissioner

April 11, 2001

Mr. Larry D. Callison
C/o Verizon
P.O. Box 1650
Lexington, Kentucky 40588-1650

Dear Mr. Callison:

This is in response to your letter dated January 26, 2001. In that letter, Verizon has provided its interpretation of various implementation issues resulting from the Commission's Order dated August 4, 1999 in Administrative Case No. 377 (In the Matter of Area Code Exhaustion Relief for the 606 Area Code Region). In response to a Commission staff verbal request, Verizon filed a further letter of clarification and justification on February 15, 2001.

The specific issues involved Ordering Paragraph No. 5 of the subject Commission Order, which required that "Local exchange carriers shall provide seven-digit dialing across area code boundaries within Kentucky for existing local calling plans." The Commission staff believes that the issues addressed within your letters are equally applicable to the Commission's Order dated November 16, 1998 in Administrative Case No. 373 (In the Matter of Area Code Exhaustion and Relief). Ordering Paragraph No. 4 of that Order required that "Local exchange carriers shall provide seven-digit dialing across NPA boundaries for existing local calling plans."

In your January 26, 2001 letter, you describe several specific local dialing patterns that would be impacted by an area code split. However, only two of these situations would require any interpretation of the referenced Ordering Paragraphs. The first is contained within the last paragraph of your letter and as graphically displayed in Attachment D of that letter. Verizon's interpretation of that situation is that if a new inter-NPA route is added to an existing local calling plan that already contains inter-NPA routes, then all inter-NPA routes will be converted to 10-digit dialing. All intra-NPA routes will remain 7-digit dialing.

In your February 15, 2001 letter, you support Verizon's position as described above. You have maintained that when new routes are added to existing calling plans, then the plan has been modified such that it is no longer an existing calling plan. You also addressed the issues of potential customer confusion, the need to preserve codes,

Mr. Larry Callison
April 11, 2001
Page 2

and the technical difficulties involved in provisioning some inter-NPA routes as 7-digit calls and others as 10-digit calls within the same local calling plan.

The Commission staff has reviewed your interpretation and agrees that it is not inconsistent with the Commission's Orders in Administrative Cases No. 373 and 377. When new inter-NPA calling routes are added to an existing local calling plan, then that plan has been modified to the extent that it is no longer an existing plan. Additionally, this would likely be a source of customer confusion in determining whether an inter-NPA call is to be seven-digit or ten-digit dialed.

However, the staff is concerned that in those instances where an inter-NPA call is also an intra-County call, then seven-digit dialing should be maintained for such intra-County calls when the calling plan is changed. County integrity should be maintained to the maximum possible extent. Your utility should also insure that customers are given adequate advance notice and educational information concerning such changes in dialing patterns.

The second situation requiring interpretation is described within the first two paragraphs of the second page of your January 26, 2001 letter. You state that you currently have some contracts with wireless carriers that allow callers to dial 7-digits to reach certain paging or wireless phone numbers. These calls are then reverse-billed to the wireless/paging service. Verizon proposes that any inter-NPA reverse-billed calls of such nature be required to be 10-digit calls. You state that you intend to implement this change for the purposes of code preservation and ease of administration.

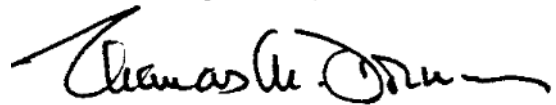
The Commission staff has reviewed this proposal carefully. It is the staff's opinion that the situation you describe would not be covered by the referenced Ordering Paragraphs of the subject Commission Orders. Reverse-billed dialing patterns are not "local calling plans" as such, but rather are service arrangements generally provided with wireless and paging providers. The terms and conditions of the relevant contracts (if any) would define the appropriate dialing patterns. Obviously, no new seven-digit dialed inter-NPA routes should be provided, but the disposition of prior existing dialing patterns would be subject to the terms and conditions of existing contracts and/or agreements. Should wireless and paging providers be required to make any changes to existing arrangements, again adequate notice should be provided.

I trust I have provided a complete answer to your inquiry. I have forwarded a copy of this letter to Mr. Jim Tipton of BellSouth, who had expressed interest in your inquiry.

Mr. Larry Callison
April 11, 2001
Page 3

Please be advised that the foregoing is a staff opinion applying the law to the facts as presented in your letter. It is not binding on the Commission should the issues discussed herein be brought before the Commission for formal resolution. Should you have any questions concerning this matter, please feel free to contact Wayne Bates of our Engineering Division at 502-564-3940.

Sincerely Yours,

A handwritten signature in black ink, appearing to read "Thomas M. Dorman", with a long horizontal flourish extending to the right.

Thomas M. Dorman
Executive Director

cc: Mr. Jim Tipton
BellSouth Telecommunications, Inc.