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November 8, 2006

MEMORANDUM

TO: Commission
Case file, Case No. 2006-00357

FROM: PSC staff

RE: Public meetings in Case No. 2006-00357

On October 23, 24 and 25 and November 6, the Commission conducted a series of meetings for the purpose of taking public comment on the options for creating a new area code in western Kentucky in order to address the imminent number exhaustion in Area Code 270.

These meetings were held in Hopkinsville (October 23), Paducah (October 24), Henderson (October 24), Bowling Green (October 25), Elizabethtown (October 25) and Owensboro (November 6).

Verbal remarks made at the meetings are summarized below. Sign-in sheets for the meetings have been placed in the case file. Public comment forms submitted at or subsequent to the meetings will be summarized in a separate memorandum.

HOPKINSVILLE

This meeting was attended by representatives of the telephone industry and members of the news media. No members of the public attended and no comments were received.

PADUCAH

This meeting was attended by representatives of the telephone industry and members of the news media. No members of the public attended and no comments were received.

HENDERSON

This meeting was attended by representatives of the telephone industry and members of the news media. Three members of the public attended and one person made public comments. A local business owner spoke in favor of an overlay for the new area code, citing the potential loss of customers if the business is forced to change its number due to split and the costs of informing customers and changing the phone number on invoices, advertising brochures and other materials.

BOWLING GREEN

This meeting was attended by representatives of the telephone industry and members of the news media. Six members of the public attended and one person made public comments. The commenter supported an overlay, saying that he wants to retain his current phone number and that 10-digit dialing for local calls would not pose an inconvenience for most people. The commenter also suggested that the overlay be for wireless telephones only.

ELIZABETHTOWN

This meeting was attended by representatives of the telephone industry and members of the news media. Five members of the public attended and one person made public comments. The commenter favored a split, citing the inconvenience of 10-digit dialing for local calls.

OWENSBORO

This meeting was attended by representatives of the telephone industry and members of the news media. Nine members of the public attended and four persons made public comments. All four commenters supported an area code split. Three specifically supported split option 4A and said that Owensboro, Bowling Green and the other areas to the east of the dividing line in that split should retain area code 270. Two commenters said that the areas in the eastern portion of the current area code 270 have the most business activity and business growth. Allowing them to retain the current area code would minimize costs to businesses as a result of a number change. Other reasons cited in support of a split included the inconvenience of 10-digit dialing (two comments), the confusion of having two area codes in the same location, particularly with respect to emergency response (one comment), and the fact that people in Kentucky are accustomed to having new area codes created via a split (one comment). The Greater Owensboro Chamber of Commerce submitted the results of a member survey and a related news release. These were entered into the case record as exhibits.

Needing Auth. #1

Case No. 2006-00357

Greater Owensboro Chamber of Commerce Area Code survey – October 2006

The Kentucky Public Service Commission is holding hearings across western Kentucky in the next three weeks to receive public input on options for addressing the shortage of new phone numbers in area code 270.



Area code 270 is expected to run out of available phone numbers in late 2007. A new area code must be established in western Kentucky prior to the exhaustion date.

New area codes can be established in one of two ways:

- A **new area code** could be created in the existing 270 area code. For example, a portion of the existing 270 area code could receive a new area code similar to how Daviess County switched from 502 to 270 in the late 1990s. This could make your existing promotional materials (letterhead, business cards, etc.) that include the 270 area code outdated.
- A new area code could be created as an **“overlay”** on an existing area code. This would allow all existing 270 numbers to stay the same. Any new numbers would receive the new area code. This would allow existing 270 numbers to stay the same. However, ten-digit dialing is required under this scenario.

The Owensboro hearing is set for Monday, November 6th at 4 p.m. in Blandford Hall at OCTC. The Chamber of Commerce is asking its members to give their input, which will be given at the hearing. You are encouraged to attend.

1. Which method of establishing a new area code do you prefer? (Check one)

New area code		38	47%
Overlay		43	53%
Total		81	100%

2. Why?

View 72 Responses...see attached pages

3. If you would be required to replace your current promotional items, approximately how much would that cost your business?

View 71 Responses...high of \$500,000, low of \$200, **average is \$3,983**

Greater Owensboro Chamber of Commerce Area Code survey open-ended question responses

2. Why?	
#	Response
1	As our company adds new numbers we would then have potentially different area codes for the same office.
2	I don't want to reprint everything.
3	too much confusion with overlay and additional numbers will need to be dialed for every call made.
4	It seems that this would be a longer term solution, and in that I am in favor.
5	I don't want to dial extra digits. We have already increased digit dialing. Owensboro should maintain the 270 with outlying areas change their code - similar to Louisville and the 502 area code we used to share
6	Because of the impact it would have on my business expense, etc.
7	Neither! Why, when the initial change was completed in the 1990's was more growth not anticipated? Why not make the change in the far Southern Corner and leave Daviess County alone?
8	So we do have to reprint stationery, business cards, brochures, ads, etc.
9	Our immediate paperwork impact would be minimalized. People are becoming used to 10 digit dialing with cell phones.
10	Wouldn't have to use ten digit
11	All our advertisement, etc is based on 270 a/c. Would amount to changing all web base, invoice procedures, contracts etc. Would be a real pain.
12	To avoid ten-digit dialing.
13	Overlay too complicated.
14	I think it would be confusing to have the overlay. Currently we know which area code to use by the part of the state it's in. We'd have to look up any number in this part of the state to know which area code to use.
15	I often travel to large cities to visit at multiple locations. Often times they will have the overlay-type area codes. It is a very minor inconvenience to dial the full number
16	We've already had to change our material once.
17	It has been my experience that overlays are the least disruptive to existing phone assignments i.e. business cards don't need to be changed, only minor modifications are required to PBXs, etc. Although it requires 10 digit dialing the community quickly adjusts to the process.

18	Distinct area codes are easier to identify a location by as opposed to the overlay type.
19	The cost of changing materials would be costly. Business cards, pamphlets, all HIPPA documentation that has to be displayed in waiting areas, letterhead, etc
20	Printing costs for new stationery and the inconvenience for our customers using not so current advertising media
21	I don't like the idea of having to dial the area code on ALL phone calls, since most of our calls are in 270 now, and it would be worth the cost of having to reprint our letterheads, invoices, etc., with a new area code number rather than have to dial 10 digits on every call.
22	Costs associated with a number change / Eventually, we will need to dial ten digits anyway...might as well get used to it.
23	Printing and publication costs. We have invested a lot of money in marketing our telephone number
24	We would have to buy all new stationary, business cards, brochures and other major advertising pieces. We can't afford to do that again.
25	The cost of change over for our type of business would be EXPENSIVE. If new area is the answer, Why not leave the Owensboro Area alone since we are the Largest city in the 270 service area.
26	I don't want to have the expense of changing all the letterhead, envelopes, & all printed material we have.
27	This will be a great expense for our company to change all letter head, envelopes, business cards, truck signage, etc
28	EXPENSE
29	You wouldn't have to dial a 10 digit code for every number
30	We are in the real estate business and would have to buy hundreds of new signs, change all our paperwork, persons outside the state who have our numbers would have trouble getting us of just say forget about us, every thing in our computers with a phone number would have to be changed----You get the idea.
31	Sooner or later we will have to change to another area code as technology grows. We just as well go ahead an accept dialing 10-digits and be done with it.
32	Cost impact on advertising, customers out of town
33	<i>less confusing than overlay - with a new code, if you know the location, you know the area code, plus you don't have to ask for all ten digits of the number or try the different area code when you forget to ask</i>
34	I work with the elderly and I believe a new area code would be easier for them to remember and dial verses an overlay. Could they not split Western Kentucky up and give half the 270 and other half a new area code?
35	(1) 10-digit (actually 11-digit) dialing would be a significant inconvenience. (2) Some, especially many elderly, would likely not adapt to it at all. Would almost certainly create some safety issues, if family members, etc. could not be called quickly, if at all, during a possible urgent need to reach them. (We work daily with folks who would have this risk, and are certain it is a significant genuine concern.)(3) We may get to keep the present 270 area code, so it's not certain there would be

	any conversion cost. (4) In any event, the conversion cost is small relative to the ongoing inconvenience and safety risk of an overlay.
36	most states and cell phone providers require 10 digit dialing. you also keep your existing #
37	A lot of calling is done via cell phone and with the entrance of the number automatically whenever calling or receiving calls and just hitting a button the impact of ten digit dialing is nil in those situations. Also, for those residents that have friends and relatives out of the area must call the 10 digit + 1 already and this would not change the way those people call as an area code number change would. I believe the greatest impact of an area code change would be our elderly who don't change very well and may not be able to communicate change to everyone living in other areas that may contact them. Businesses periodically will change their stationery anyway and this would be a great opportunity to do such.
38	Overlay would be initially better but in the long run would create too much confusion.
39	less confusing
40	Save confusion of who's what and where.
41	Avoid 10 digit dialing
42	This will just keep happening, and if the overlay is used, people will get used to it and won't have worry about needing a change in the future.
43	the cost of existing numbers to change data could be detrimental to their business
44	Having to go to a 10 digit dialing for half of my customers and employees (after a year or two of the overlay taking affect) will grow to be an unnecessary annoyance. Make the change that will stick and be universal across the street and across the county.
45	With nationwide long-distance and so many numbers in electronic phone books and set under speed dial, ten digits would be no more hassle than 7. But having to track down every customer and Web site that lists my business phone with the current area code and make sure they are notified of a new area code as well as replacing all business cards and promotional materials would be time-consuming, expensive and run the risk of not finding them all--which means customers may not find me resulting in lost business.
46	Actually, I prefer keeping things as they are! Why not bunch E'Town, Owensboro and Bowling Green in an area that would not require any change???
47	7 digit dialing
48	Additional cost and trouble to my business.
49	Because of the expense and inconvenience to our thousands of customers.
50	easier,
51	Don't like the hassle with overlay
52	Eventually all phone numbers will require 10 digit dialing. So why delay the inevitable?
53	simple way
54	Too many items would need to be changed for my business. All promotional items, business cards, signs, web sites, etc.

55	The short term inconvenience is better than the long term, permanent inconvenience.
56	We could keep our area code and let Paducah change their's. When Louisville took 502 we all knew Louisville would exhaust 502 and need a new area code but instead of them getting the new code, Western KY was told we would get it because Louisville did not want to change their promotional items.
57	Due to stock pile of sales materials and promotional items indicating business and fax phone numbers
58	Less confusing if we have only one area code for a geographic region. Nicer if we were the ones able to keep the 270 area code.
59	An overlay not only means that you have to remember the main number but also the area code for every local number. Because the overlay area code is based on when the number became active, there is no easy way to determine which numbers should have which area code. At least with a new area code there is an easily defined geographical area for each area code and the dialing is greatly simplified.
60	do not want to dial ten numbers each time
61	letterhead, delivery tickets, etc
62	overlay too confusing in long run
63	We're accustomed to dialing 10 digits with our cell phones anyway being close to 812 area code. Being the largest community in the area, we should keep 270 and let the area to the west have the new area code.
64	ALL MY CUSTOMER AND VENDER NUMBERS WOULD NO LONGER BE CORRECT IF WE HAD A NEW AREA CODE, BESIDE MY OWN OFFICE CHANGES.
65	Our business depends very heavily on phone orders. We have established our identity with this area code and number.
66	Either is OK with me. Why is the PSC looking at a new area code for Western KY? Seems unnecessary foolish to me.
67	In long run (after people get used to change) it will be easier to not have to dial 10 digits.
68	I would support a new area code if it would be established in the far west and we could continue with 270.
69	cost and time spent to change
70	some initial expense and aggravation now for changing telephone number on written materials for some versus 10 digit dialing for ever by everyone seems a no brainer.
71	less dialing
72	This would be less confusing.

NOVEMBER 6, 2006

For more information, contact Jody Wassmer
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Greater Owensboro
CHAMBER OF COMMERCE

Chamber says largest cities in western Kentucky, including Owensboro, should retain 270 area code

With the Kentucky Public Service Commission considering options for creating a new area code for telephone customers in western Kentucky, a survey of Owensboro-Daviess County businesses shows no clear choice on whether they would be in favor of a new area code or an overlay. An email survey of members of the Greater Owensboro Chamber of Commerce shows 54% favor an overlay method vs. 46% that prefer a new area code.

As a result, the Chamber will tell the PSC that a new area code should be created for far western Kentucky with the two largest cities in area code 270—Owensboro and Bowling Green—staying the same.

"It's logical to allow the largest communities to keep 270," explains Chamber of Commerce Board of Directors Chairman J. Todd Inman. "No one wants to change, but it appears counterintuitive to do otherwise."

With area code 270 set to exhaust all available phone numbers in late 2007, the PSC must establish a new area code in western Kentucky. The PSC has held five hearings in western Kentucky with the final one set for **Monday, November 6th at 4 p.m.** in Blandford Hall at OCTC.

New area codes can be established in one of two ways. An existing area code can be split geographically, which has been the history in Kentucky. A new area code also can be created as an "overlay" on an existing area code. This option, which has been used mostly in major metropolitan areas, allows for existing phone numbers to keep their current area code but requires ten-digit dialing for local calls.

Working with telecommunications providers and technical considerations, the PSC has determined its preferred split from north to south in the 270 area code. The split would be along the *Daviess County and Henderson County line and go south through McLean and Muhlenberg and Todd counties to the Tennessee line*. The line potentially splits McLean, Muhlenberg and Todd counties and does not follow county boundaries.

The Chamber of Commerce polled its members because of the potential costly impact for businesses, which print the 270 area code on everything from letterhead to invoices to business cards to decals on their vehicles. Survey respondents reported an average cost of nearly \$4,000 if their area code changes.

"You might think an overlay would be more attractive to business especially with the wide use of cell phones with preset number features that makes ten-digit dialing associated with an overlay area code less of an issue," says Chamber President Jody Wassmer. "However, as businesses add new cell phones for their employees, an overlay means you have the same business with two area codes which is very confusing."

"Considering everything, the best option is to split 270 and allow the largest communities to be unaffected," concludes Inman.

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