

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

In the Matter of the Petition of the )  
North American Numbering Plan )  
Administrator for the Approval of ) Case No. GNR-T-00-36  
Numbering Plan Area Relief for )  
the 208 Area Code. )

**COMMENTS OF VERIZON**

**September 13, 2001**

**I. Introduction**

Verizon Northwest Inc. (Verizon) submits these comments in response to the Commission's August 23, 2001, Notice of Modified Procedure Notice of Comment Deadline (Order No. 28819). As requested by the Commission, Verizon comments on (1) the merits of a technology-specific overlay (TSO) and (2) which of the two proposed geographic split options should be adopted, including which region should retain the "208" area code. Verizon also (3) urges the Commission to reject the TSO and the geographic split and to instead adopt the industry's recommended all-services distributed overlay plan.

In the Order the Commission introduced a third option not considered in the workshops -- a TSO, stated its preliminary conclusion that a TSO is the best option, and stated that a geographic split appears to be a better option than the industry-recommended all-services overlay. The Commission stated that parties desiring a hearing must request one in these comments. Verizon requests that the Commission conduct a hearing before finalizing any decision to adopt a TSO or a

geographic split. Should the Commission decide to adopt the industry-recommended all-services overlay, Verizon would not request a hearing.

## **II. NPA Relief Criteria**

The method chosen to implement a new area code is important to Idaho's residential customers, business customers and telecommunications service providers. The chosen option should accomplish at least three goals: (i) minimize inconvenience to customers, (ii) minimize costs to customers and the industry, and (iii) treat customers and carriers fairly and equitably. The industry-backed all-services overlay clearly meets these objectives better than the TSO or the geographic splits. The overlay plan allows all current customers to retain their numbers indefinitely, avoids cellular and wireline telephone reprogramming, involves minimal administrative burdens and costs for customers, provides a longer period of NPA relief, and generally operates in a manner that is fair and equitable to all parties. The all-services overlay is truly the best method that can be implemented in a relatively short time frame to provide new numbering resources on a non-discriminatory basis to all service providers.

## **III. A TSO Would Unfairly and Anti-Competitively Burden One Set of Technology and Customers**

In its Order the Commission states its preliminary finding that the heretofore unconsidered TSO option "may offer the most benefits for the least costs to the public." This finding is incorrect. The sole supposed benefit of retaining seven-digit local dialing is relatively slight, and there are significant costs to consumers, to

companies, to the development of competition, and to efficient number administration.

Verizon previously filed comments with the Federal Communications Commission (FCC) with regard to TSOs. Verizon opposed TSOs for two reasons, which apply to Idaho's situation, as well.

First, a TSO would impede achievement of competitive dialing parity. while a TSO would allow seven-digit local dialing to continue for wireline-to-wireline calls, it would require ten-digit dialing for wireline-wireless calls, as the Commission noted.

~~by requiring, e.g., that calls to wireless customers have ten digits while calls to landline customers would only necessitate seven digits.~~ This barrier to consumer acceptance would run counter to the FCC's desire to encourage the development of new telecommunications services. It also undercuts the supposed benefit of retaining seven-digit local dialing.

Second, the designation of an NPA for a specific technology runs the risk of inefficient assignment of numbering resources in the event that the targeted technology does not fully utilize the numbers in the NPA assigned to the TSO.

~~In addition, while a TSO would allow seven-digit local dialing to continue for wireline-to-wireline calls, it would require ten-digit dialing for wireline-wireless calls, as the Commission noted.~~

Furthermore, the Commission does not describe the details of its assumed implementation of a TSO. Perhaps the most likely TSO scenario is to require existing wireless customers to take a number change to the new NPA in order to

establish and maintain the technology-based NPA distinction that is the crux of a TSO approach. This obviously would burden wireless customers and providers with significant costs and disruptions, like those of a geographic split (discussed below).

#### **IV. A Geographic ~~Would~~ Split ~~Would~~ Needlessly and Unfairly Burden One Set of Customers and Their Providers**

The Commission preliminarily finds that a geographic split is "better" than the all-services overlay. It is not. A geographic split would impose significant costs and inconvenience on ~~half~~ the state.

The geographic split approach necessarily produces "winners" and "losers." As the Commission describes, in a geographic split roughly ~~7~~ half of the customers and their providers convert to a new area code. The sole benefit identified by the Commission is that seven-digit dialing can be retained for local calls within the NPA. However, where local calling areas straddle the new NPA boundary, inter-NPA local calls would require ten-digit dialing. This mix of seven and ten-digit dialing can cause customer confusion and irritation.

More importantly, with a geographic split, business customers (including government agencies such as cities, counties, schools and hospitals) assigned to the new NPA need to change their stationery, business cards, advertising, websites and other material to reflect their new telephone number. In addition, they need to communicate the new NPA code to their customers. This requirement is a costly one for many businesses and can result in significant business customer dissatisfaction. Business customers across the state also incur costs to change their

customer/client/student/patient records to reflect those persons' new telephone numbers.

Residential customers also need to provide their new telephone numbers to family, friends and businesses and government agencies with whom they deal, which imposes costs and inconvenience on the affected customers.

In addition, all customers, both inside and outside the new NPA region, who place or direct calls to the new NPA using programmable technology (e.g., speed calling, call forwarding, and automatic route selection) have to reprogram their telephone systems or, if they have older equipment, possibly replace them.

As stated above, geographic splits force approximately half of the existing customers to change their ten-digit telephone numbers, sometimes resulting in customer dissatisfaction with their current provider. Most new entrants have a much smaller customer base than the incumbent local exchange carrier (ILEC), so the cost and inconvenience of implementing a split is primarily borne by the ILEC and its customers. These costs include modification of ILEC systems, thorough testing of the implemented changes, and customer education.

The convenience of retaining seven-digit local dialing does not outweigh the real customer and industry costs and burdens of geographic splits.

In the Order the Commission asked parties to state a preference between the two geographic split options identified by the Commission. Verizon prefers Option #2.

The Commission also asked parties to comment on which half of the state should be required to take a number change. Verizon sees no reason to depart from the equitable FCC criterion cited by the Commission: the half projected to have the longer interval before the next NPA exhaust should take the change.

#### **V. The Industry-Backed All-Services Overlay Will Best Serve Customers**

As the Commission describes, under the industry's overlay proposal a second NPA will cover the entire state. NXXs served from the new overlaid NPA will be available for assignment equally to all carriers on a first-come first- basis (pursuant to FCC 96-333, released August 8, 1996). The Commission will not be in the position of picking the "winners" (those who get to keep the 208 NPA) and the "losers." (those forced to take a number change). Customers will not be inconvenienced by having to change their telephone numbers. Customers will keep their NPA code and their seven-digit number. No changes will be needed for stationery, business cards, -advertising, websites or records as a result of the overlaid code.

In addition, once an overlay is implemented, it is easier to implement new overlaid area codes in the future as the demand for telephone numbers increases, because customers will already be acquainted with the concept of overlaying new NPAs.

The overlay approach can be implemented per the FCC's requirements well in advance of a projected NPA exhaust, to guarantee that all service providers have the opportunity to obtain adequate numbers for their customers.

In addition, the overlay approach maximizes the length of time before another NPA is required to provide number relief. In other areas of the country where splits have been implemented, it has not been uncommon for the new NPA to reach exhaust well in advance of the date forecasted by NANPA. For example, within two years of ~~a~~ Dallas, Texas ~~split~~ the new 972 area code was facing imminent exhaust (far in advance of the projected exhaust date). The decision was made ~~to~~ implement a reverse overlay and allow both the 972 and 214 area codes to serve the entire geographic area previously served by the two NPAs. If an overlay had been adopted initially, this additional industry effort and customer irritation would have been avoided.

By implementing an all-services overlay, the industry is assured of getting maximum life expectancy from the new NPA being added. In all cases this approach will outlast any split configuration (unless you have a perfect forecast and are able to split the existing code along a line that will ensure both codes exhaust at the same time). In addition, when additional numbering relief is required, a third NPA can be overlaid with a minimum ~~of~~ additional customer education and no impact to customer phone numbers.

When an overlay is implemented, the FCC requires that ten-digit dialing ~~be~~ implemented for all local calling within the overlaid area. This condition is designed to eliminate perceived anti-competitive stigma associated with an NPA overlay. This

ten-digit dialing requirement is the only negative customer impact that the Commission identified for the all-services overlay approach.

Verizon and the rest of the industry acknowledge that some customers find ten-digit local dialing to be an irritant. This reaction has occurred to some degree in the areas in the country that have already implemented NPA overlays. After a public information campaign and a transition period, however, the new dialing pattern becomes second nature and customer complaints virtually disappear. The industry and its customers have successfully undergone similar transitions in the past, e.g., when local dialing went from four to seven digits and when numbers replaced names as prefixes. Experience to date across the country with overlays demonstrates that Idaho customers can readily adapt to an NPA overlay, as well. From a national perspective, a review of the North American Numbering Plan Administrator (NANPA) website indicates that there are currently 27 overlays ~~and~~ but only 10 splits planned for ~~future~~ implementation. Because of its superior cost-benefit characteristics, the all-services overlay is rapidly becoming the relief method of choice for both the telecommunications industry and state commissions.

## **VI. Conclusion**

The all-services overlay best meets the goals of (i) minimizing inconvenience to customers, (ii) minimizing costs to customers and the industry, and (iii) treating customers and carriers fairly and equitably. It allows all current customers to retain their numbers indefinitely, avoids cellular and wireline telephone reprogramming, imposes minimal administrative burdens and costs on customers, can be

implemented quickly, provides a longer period of relief from future change, and generally operates in a manner that is fair and equitable to all parties. The winners-and-losers geographic split option that the Commission preliminarily rates above the all-services overlay would clearly impose the most costs and inconvenience on customers and providers. It would, among other things, require half the state to take a number change, and necessitate reprinting stationary, redoing business records, and reprogramming - - or even replacing - - telecommunications systems. It would also require telecommunications providers to perform extensive changes to their operations.

The TSO tentatively favored by the Commission would be the worst of both worlds. It would impose many of the same costs and burdens as a geographic split, ~~-- but it and it would~~ discriminates against one technology and its users.

Verizon urges the Commission to act promptly in adopting the all-services overlay proposal so that the industry may move forward with the NPA relief effort that is in the best interests of Idaho consumers.

## **VII. Recommended Schedule**

In light of NANPA's revised estimate that postpones the 208 exhaust from first quarter to third quarter 2003, Verizon recommends that the Commission and Industry adopt the following schedule:

September 2002 – Carriers initiate technical, administrative, educational activities;

March 2003 – Permissive dialing begins; and

September 2003 – Mandatory dialing begins.

Verizon

Fred Logan

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