

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for Numbering ) DOCKET NO. 961153-TL  
Plan Area Relief for 904 Area ) ORDER NO. PSC-97-0138-FOF-TL  
Code, by BellSouth ) ISSUED: February 10, 1997  
Telecommunications, Inc. )  
\_\_\_\_\_)

The following Commissioners participated in the disposition of this matter:

JULIA L. JOHNSON, Chairman  
SUSAN F. CLARK  
J. TERRY DEASON  
JOE GARCIA  
DIANE K. KIESLING

APPEARANCES:

J. Phillip Carver, Esquire, and Robert G. Beatty, Esquire, BellSouth Telecommunications, Inc., Suite 400, 150 South Monroe Street, Tallahassee, Florida 32301.  
On behalf of BellSouth Telecommunications, Inc.

J. Jeffry Wahlen, Esquire, Ausley & McMullen, 227 South Calhoun Street, Tallahassee, Florida 32301  
On behalf of Central Telephone Company of Florida, Inc., United Telephone Company of Florida, Inc., ALLTEL Florida, Inc., and Northeast Florida Telephone Company, Inc.

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On behalf of Quincy Telephone Company, Inc., Florida Telecommunications, Gulf Telecommunications, Inc., and St. Joseph Telecommunications, Inc.

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On behalf of BellSouth Mobility, Inc.

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On behalf of the State of Florida Department of Management Services.

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Florida 32399-0850  
On behalf of the Commission Staff.

ORDER APPROVING IMPLEMENTATION OF A GEOGRAPHIC SPLIT TO  
PROVIDE NUMBERING PLAN RELIEF FOR THE 904 CODE

BY THE COMMISSION:

BACKGROUND

On September 20, 1996, BellSouth Telecommunications, Inc., (BellSouth) filed a petition with this Commission seeking approval of a plan to provide relief from the expected exhaustion of numbers available for assignment in the 904 Numbering Plan Area (NPA) code. The 904 NPA code includes the Pensacola, Panama City, Tallahassee, Jacksonville and Daytona Beach Local Access and Transport Areas (LATAs), as well as a part of the Orlando LATA.

The North American Numbering Plan (NANP) was introduced in 1947 by AT&T to govern the assignment and use of telephone numbers in North America and other Zone 1 countries. The plan is based on a destination code in which each main telephone number in the NANP is assigned a specific address or destination code. The destination codes are commonly referred to as telephone numbers. NANP telephone numbers are in a ten-digit format, consisting of a three-digit NPA code (also known as the area code), a three-digit Central Office code (usually referred to as an NXX code), and a four-digit station address code. Bellcore is currently the code administrator with the responsibility for assigning area codes within the NANP. Generally, the Regional Bell Operating Company (RBOC) or a large independent telephone company in the NPA code is responsible for the assignment of central office codes within that NPA. These entities are required to follow guidelines approved by the industry while assigning NPA or central office codes.

In the late 1950's it became apparent that NPAs were being assigned at a rate significantly higher than originally anticipated. Out of that early concern came a plan to expand the supply of numbers through the introduction of interchangeable codes. The industry began to implement interchangeable central

office codes in 1974. In January 1992, Bellcore notified the telecommunications industry that interchangeable NPAs would be introduced in early 1995. Prior to the introduction of interchangeable NPAs, the NANP had 160 NPAs with the possibility of 1.28 billion available telephone numbers for assignment. The introduction of the interchangeable NPA codes provided an additional 640 NPA codes, which provide a total of 6.4 billion available telephone numbers.

Usually, code holders within the NPA code are able to arrive at a consensus on how to relieve an exhaustion of an NPA code. The industry has only requested that we determine an NPA code relief plan once before. That was for the exhaustion of the 305 NPA code, Docket No. 941272-TL. In Order No. PSC-95-1048-FOF-TL, issued August 23, 1995, we applied the following criteria, in order of importance, to determine the NPA code relief plan implemented in that docket: (1) competition concerns; (2) customer impact; (3) carrier impact; and (4) length of relief. In this case, as noted, the code holders could not agree on an appropriate plan for the 904 NPA code. Therefore, BellSouth presented three plans the industry considered viable for our review in this proceeding. Each of these is a geographic split along LATA boundaries. They are:

Option 1, assigning a new NPA code to the Pensacola, Panama City and Tallahassee LATAs, with the Jacksonville, Daytona Beach, and 904 portion of the Orlando LATAs retaining the 904 code;

Option 1a, assigning a new NPA code to the Jacksonville, Daytona Beach, and 904 portion of the Orlando LATAs, with the Pensacola, Panama City and Tallahassee LATAs retaining the 904 code; and

Option 2, assigning a new NPA code to the Pensacola and Panama City LATAs, with the Tallahassee, Jacksonville, Daytona Beach and 904 portion of the Orlando LATAs retaining the 904 codes.

These plans were developed by the code holders at two industry meetings held on July 31, 1996, and August 22, 1996, in Jacksonville.

We held five service hearings, one in each 904 code LATA, Pensacola, Panama City, Tallahassee, Daytona Beach and Jacksonville, to provide customers with the opportunity to express their views on which plan should be implemented. On December 9, 1996, we held a technical hearing in Tallahassee. At this hearing, we received evidence regarding options that included two three-way geographic splits in addition to the three options presented in BellSouth's petition. These are:

Option 3, an intraLATA three-way split, assigning NPA code 1 to the Pensacola and Panama City LATAs, NPA code 2 to West Jacksonville and the Tallahassee LATA and NPA code 3 to East Jacksonville and the Daytona Beach and 904 portion of the Orlando LATAs; and

Option 4, a split following LATA lines, assigning a new NPA code 1 to the Jacksonville LATA; a new NPA code 2 to the Daytona Beach and 904 portion of the Orlando LATAs, with the Tallahassee, Panama City and Pensacola LATAs retaining the 904 code.

Upon consideration of the evidence, we have decided that the most appropriate way to avoid the expected exhaustion of the 904 NPA code is Option 4. The reasons for our decision are set out below.

#### DECISION

##### THE OPTIONS

###### Option 1

Option 1 would assign a new NPA code to the Pensacola, Panama City and Tallahassee LATAs. The exhaustion dates for this option are September 2006 for the new NPA code and November 2002 for the retained 904 NPA code.

This option was favored by four of the eight parties. BellSouth Mobility, Inc., (BMI) stated that any geographic split has undesirable consequences for the cellular industry. In light of the industry consensus in favor of a geographic split, however, BMI viewed Option 1 as the most desirable. Northeast Florida

Telephone Company (Northeast) stated that Option 1 is the most appropriate choice when the guidelines for NPA relief are considered. Central Telephone Company of Florida and United Telephone Company of Florida (Centel/United) stated that it could support any of the three options although Option 1 was preferable, because it most closely followed industry guidelines. ALLTEL Florida, Inc., (ALLTEL) also advocated Option 1, because it best met the industry objective to provide the longest term relief, while minimizing the number of customers that will be affected by the change. BellSouth did not advocate any one of the options it presented; however, it stated that Option 1 best meets industry guidelines.

#### Option 1a

Option 1a would assign a new NPA code to the Jacksonville and Daytona Beach LATAs. The exhaustion dates for this option are November 2002 for the new NPA code and September 2006 for the retained 904 NPA code.

This option was favored by the Florida Department of Management Services (DMS). DMS advocated Option 1a or any other plan that would keep the 904 NPA code in the Tallahassee Market Area, leaving dialing the state's capital undisturbed. Quincy Telephone Company (Quincy) and Florala Telecommunications, Inc., Gulf Telecommunications, Inc., and St Joseph Telecommunications, Inc., (collectively, St. Joseph Companies) initially favored this option; however, they later changed their support to Option 4.

#### Option 2

Option 2 would assign a new area code to the Pensacola and Panama City LATAs. The exhaustion dates for this option are May 2012 for the new NPA code and October 2000 for the retained 904 NPA code.

This option was not the first choice of any party. DMS preferred this option to Option 1 since it left the Tallahassee LATA with the 904 NPA code. It was the second choice of those parties supporting Option 1, since it did not change the NPA code for the Jacksonville, Daytona Beach and 904 portion of the Orlando LATAs.

### Option 3

With Option 3, the split would be intraLATA. The Jacksonville LATA division would be along the western boundary of Duval and Clay Counties. The exhaustion dates for this option are 2012 for the Pensacola and Panama City LATAs; 2033 for Tallahassee and West Jacksonville; and 2003 for the Daytona Beach LATA, the 904 portion of the Orlando LATA and East Jacksonville.

This option would extend the relief period for the East Jacksonville area and the Daytona Beach and 904 portion of the Orlando LATAs area by one year compared to Options 1 and 1a. It would introduce an NPA code with a life of over 35 years. It would also create a possibility of interNPA, seven-digit dialing routes. No party supported Option 3.

### Option 4

Option 4 is a three-way split along LATA lines. It was advocated by St. Joseph Companies' witness Bowden. Quincy also supported Option 4. The exhaustion dates for this option are 2006 for new NPA code 1; 2030 for new NPA code 2; and 2006 for the retained 904 NPA code.

Option 4 provides the longest period of relief throughout the entire area. Although it would introduce an NPA code with a life of more than 30 years, it would avoid the need to implement additional relief in just a few years, as would be necessary with all of the other options.

### EVALUATION CRITERIA

The industry has developed what are known as the NPA Relief Planning Guidelines (Guidelines). The Guidelines present the assumptions, constraints, and principles used in NPA code relief planning. The Guidelines set out the steps of the NPA code relief planning process and describe the alternative methods of providing NPA code relief and the attributes of each. BellSouth witness Baeza testified that the industry applied the Guidelines in reaching a consensus that the 904 NPA code relief should be by means of a geographic split along LATA boundaries. While we are not bound by the Guidelines, we believe they present sound general principles of NPA relief planning. The Guidelines provide that we have the ultimate authority to approve or reject a relief plan.

The parties in this proceeding have based their arguments on considerations of the same criteria as those we applied in Docket No. 941272-TL. Thus, in addition to the Guidelines, we find it appropriate to apply those criteria in this proceeding as well.

#### Impact on Competition

We find that none of the options considered would negatively affect the development of competition. All of the options are geographic splits. None of them unduly favors or discriminates against any particular industry segment or group of consumers. None favors one technology over another. All carriers will be similarly situated with respect to each other in any of the options, none of them having a competitive advantage over any of the others.

#### Impact on Customers

##### Reprinting Costs

The overall cost of reprinting depends on the number and size of business customers in the area receiving the new NPA code. It also depends on the supply of printed material on hand and the length of the permissive dialing period. DMS witness Mayne estimated the reprinting cost to the 31 State of Florida agencies to be \$2,480,000. This amount was a "worst case" extrapolation of costs estimated by using data from three state agencies.

Several public witnesses at the Jacksonville service hearing claimed their businesses would lose money if their NPA code were changed. Mr. Kostenski of Nationwide Equipment Company testified that his company had spent thousands of dollars advertising in foreign markets. He estimated that his company would lose 20 to 25 percent of its \$15,000,000 foreign revenue if the Jacksonville NPA code is changed.

BellSouth identified a mandatory dialing date of February 24, 1998, in its petition. We have ordered mandatory dialing to begin in June 1998 (see below). Thus, affected customers will have more than 16 months to deplete or modify existing inventories of printed materials. Overall, with appropriate steps, reprinting costs can be minimized.

Cost To Cellular Customers

The cost to cellular customers consists of the time, travel, and any other expense associated with customers bringing their cellular telephones to a service center for reprogramming. Based on the record, we are unable to determine the extent of these costs.

Reprogramming Costs

The costs of reprogramming PBXs should not be a major factor in implementing a new NPA code, as it was in previous years. According to DMS witness Mayne, reprogramming agency PBXs was one of Alabama's major problems when the NPA code for Montgomery was changed from 205 to 334. He estimated that it would cost the State of Florida about \$500,000 to reprogram 340 PBXs and 1600 key systems and that this figure could approach \$1,500,000 depending upon the status of software configurations that provide the NANP dialing scheme. We note that this might have been the case when the first interchangeable NPA codes were implemented in January 1995. Alabama's 334 NPA was one of the first to be implemented. There are, however, now over 60 interchangeable NPA codes in service nationwide, with four in Florida - 941, 954, 352 and 561. It follows that if the state's PBXs were still unmodified to accept interchangeable NPA codes, state employees would not be able to dial the interchangeable NPAs already implemented.

Witness Mayne estimated costs of \$160,000 for making changes in the State's 176 consolidated systems (ESSX, Centranet, Centrex), which serve 128,000 stations. He stated that the majority of these changes would have to be made by the LECs and that he understood that the LECs would charge the State for these changes. Sprint witness Khazraee stated that, if the changes were made in the local exchange company's switch, there would be no charge to the State. Therefore, we cannot be certain that the State would actually incur these costs.

Another component of the estimated cost to the State was that of reprogramming automatic dialers. Based on the record, we cannot identify this cost as appreciable.

Customers will incur costs in adapting to the change with all of the options. To the extent that these costs are established in the record, they do not appear to weigh in favor of any one of them.



### Customer Confusion

In any case, there will be some customer confusion. We are not persuaded, however, that changing Jacksonville's and Daytona Beach's NPA code would cause more customer confusion than changing Tallahassee's code. In reality, little confusion should result as long as the customers have ample notice and a sufficient permissive dialing period.

### Dialing Patterns

We have considered whether there would be a need to change interNPA dialing patterns. If the new NPA code results in routes with interNPA seven-digit dialing, a change to ten-digit dialing may be necessary on those routes.

Options 1, 1a and 4 do not introduce this dialing pattern problem. There would be no seven-digit dialing across the new NPA code boundary. However, Options 2 and 3 would establish new NPA code boundaries with seven-digit dialing across them. Under both options the LATA line between the Tallahassee and Panama City LATAs would be a new NPA code boundary. There are nine seven-digit routes across this boundary. In addition, Option 3 would create six new seven-digit interNPA routes. BellSouth witness Baeza stated that these routes may require protecting (withholding) NXX codes because of the potential for dialing conflicts. With careful assignment, however, Options 2 and 3 would not create a need to protect NXX codes. Therefore, it would not be necessary to change any dialing patterns with any of the options.

### Impact on Carriers

The parties to this proceeding identified the effects on carriers when an NPA code is implemented in their service territories. Witness Eudy listed three types of costs that ALLTEL would incur if a new NPA code were implemented in ALLTEL's territory. These are:

1. Switch-programming to recognize the new NPA code for routing of traffic;
2. Updating Operational Support Systems, including billing, customer service, repair reporting and testing;

3. Administrative expense to provide customer notification of the changes and to respond to customer inquiries.

We acknowledge these costs, but we note that the carriers serving the affected areas cannot avoid them. Furthermore, to some extent, carriers will incur some of these costs even if a new NPA code were not implemented in their service territories.

BMI witness Burleson stated that it would cost approximately \$15 to reprogram a new NPA code in cellular telephones. However, he observed that any NPA code adjustment would result in costs to cellular consumers generally, which they must be prepared to absorb.

The cost impacts on carriers will arise to one extent or another with any decision we would make in this proceeding. The identified costs are merely some of the usual costs of doing business in the telecommunications industry. We find that they are not determinative in this proceeding.

#### Length of Relief

We have found the impacts on competition, customers and carriers not to be determinative in this proceeding. We conclude that the determinative factor in the relief plan we have approved for implementation in this proceeding is the available length of relief.

Of all the options before us, we find that Option 4 provides the longest periods of relief. A new NPA for the Jacksonville LATA would exhaust in 2006, as would the 904 NPA retained by the Pensacola, Panama City and Tallahassee LATAs. A new NPA for the Daytona Beach and 904 portion of the Orlando LATAs would exhaust in 2030. This would be consistent with the Guidelines' condition that customers not be required to experience more than one NPA change for eight to ten years.

On the other hand, with Option 1, the 904 code retained by the Jacksonville, Daytona Beach and 904 portion of the Orlando LATAs would exhaust at the latest in 2002. If the 904 code were retained by the Pensacola, Panama City and Tallahassee LATAs, as in Option 1a, the new NPA code assigned to the Jacksonville, Daytona Beach and 904 portion of the Orlando LATAs would exhaust at the latest in 2002. If a new NPA code were assigned to only the Pensacola and

Panama City LATAs, as in Option 2, then the 904 code retained by the Tallahassee, Jacksonville, Daytona Beach, and 904 portion of the Orlando LATAs would exhaust at the latest in 2000. Finally, if the three-way split in Option 3 were implemented, the NPA code assigned to East Jacksonville and the Daytona Beach and 904 portion of the Orlando LATAs would exhaust at the latest in 2003. Except for Option 1, these options are inconsistent with the Guidelines condition that customers not be required to experience more than one NPA change for eight to ten years. In Option 1, the Jacksonville, Daytona Beach and 904 portion of the Orlando LATAs would exhaust in less than eight years; however, assigning new NPA codes to those LATAs at that time would be the first change for them.

We have considered that the exhaustion dates that have been projected by the industry may in fact occur earlier as the result of local exchange competition. We also recognize that Option 4 is not consistent with the Guidelines condition that the difference between exhaust periods resulting from a geographic split should not exceed 15 years. However, with Options 1, 1a or 2, no later than 2002 or 2000, and possibly even earlier, a new NPA code may have to be assigned to the Daytona Beach LATA.

#### CONCLUSION

We find that of all the options we have considered on this record, Option 4 best serves all the customers in the present 904 NPA code. Therefore, we find it appropriate to order that Option 4 be implemented to relieve the 904 NPA code exhaustion. We will inform Bellcore that two new NPA codes are needed to implement our plan.

The permissive dialing period should begin as soon as possible and extend for approximately one year in order to permit end-users to prepare for the change. We find that it is reasonable for the industry to implement permissive dialing under Option 4 by June 30, 1997. Mandatory dialing, therefore, shall be implemented by June 30, 1998.

Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that each and all of the specific findings set forth in the body of this Order are approved in every respect. It is further

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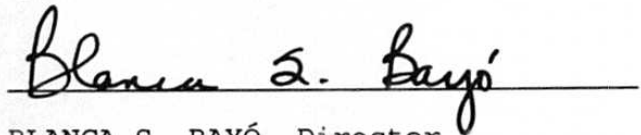
ORDERED that the 904 NPA code relief shall be implemented by means of the relief plan described as Option 4 in the body of this Order. It is further

ORDERED that permissive dialing shall be implemented by June 30, 1997. It is further

ORDERED that mandatory dialing shall be implemented by June 30, 1998. It is further

ORDERED that this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 10th day of February, 1997.



BLANCA S. BAYÓ, Director  
Division of Records and Reporting

( S E A L )

CJP

DISSENTS

Commissioner Clark dissents from the majority decision in this case. Her preference would have been to approve Option 1 for the reasons enumerated in the staff's recommendation. She views Option 1 as being consistent with the NPA Relief Planning Guidelines developed by the numbering plan administrator and followed by the Commission previously.

Commissioner Garcia dissents from the majority decision. The majority has departed from applying the criteria that the Commission adopted in Docket No. 941272-TL. The staff recommendation, which would have maintained the 904 area code in the Jacksonville and Daytona Beach region and created a new area code for the Tallahassee, Panama City and Pensacola areas, was the only alternative that was both consistent with established

Commission policy and with the NPA relief Planning Guidelines. A significantly larger number of people will be affected with the majority's plan than would have been affected under a plan that more closely adhered to the criteria previously established by this Commission. While the existence of special circumstances may have justified a departure from the established criteria, none were evident in the record.

This Commission has recognized the imminent need for NXX relief in other parts of this state. Hopefully, the majority and the North American Numbering Plan Administrator (NANPA) will continue to be flexible in granting area codes with long exhaust dates as these cases inevitably arise. The question is whether there will be enough NPA codes to reconcile the nationwide demand with NANPA's generosity.

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900 (a), Florida Rules of Appellate Procedure.