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BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION  
AT&T COMMUNICATIONS OF THE SOUTHERN STATES, INC.  
DIRECT TESTIMONY OF JAMES M. MERTZ  
DOCKET NO. 971058  
SEPTEMBER 22, 1997

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND TITLE.

A. My name is James M. Mertz. My business address is 1200 Peachtree Street N.E., Atlanta, Georgia 30309. I am employed by AT&T as a District Manager - Government Affairs.

Q. BRIEFLY OUTLINE YOUR EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE IN THE TELECOMMUNICATIONS INDUSTRY.

A. I received a Bachelor of Science Degree in Mathematics in 1979 from the University of Georgia in Athens, Georgia. I received a Masters of Business Administration degree in Finance in 1983 from Georgia State University in Atlanta, Georgia.

My telecommunications career began in 1979 with AT&T Long Lines, in data processing, designing computer systems to maintain the telephone network. In May 1983, I accepted a position in AT&T's Finance Department supervising the maintenance of accounting records. In January 1985, I accepted a position in the

1 AT&T Accounting Regulatory Support Group dealing with  
2 financial analysis and rate case preparation. In  
3 August 1986, I joined AT&T's Government Affairs where I  
4 have held numerous management positions responsible for  
5 economic analysis, training development, financial  
6 analysis and budgeting, strategic planning, regulatory  
7 issues management, Local Exchange Company relations,  
8 legislative policy implementation, and planning and  
9 executing AT&T's strategic business initiatives for  
10 intrastate telecommunication services.

11  
12 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS CASE?

13  
14 A. The purpose of my testimony is to provide information  
15 to the Florida Public Service Commission ("Commission")  
16 that will assist in its decision on how to provide area  
17 code relief for the 305 area code. AT&T believes that  
18 Numbering Planning Area ("NPA") relief (i.e. Area Code  
19 Plan relief) must be planned and implemented in a  
20 competitively neutral manner so that no particular  
21 service provider is unduly favored or adversely  
22 affected. Today in South Florida, this is extremely  
23 important in order to ensure that competition develops  
24 for local telecommunication services. All relief plans  
25 result in some measure of customer inconvenience. AT&T  
26 is concerned about minimizing the effects of area code  
27 relief on customers while promoting the development of  
28 local competition for the long term benefit of Florida  
29 consumers.

30

1 Q. WHY IS AREA CODE RELIEF NECESSARY?

2

3 A. Simply stated, in the 305 area code, the 792 NXX codes  
4 available for use are not sufficient to meet the need  
5 from industry participants (i.e. incumbent local  
6 exchange company ("LEC"), new competing LECs, cellular  
7 carriers, wireless carriers, paging companies, etc.) in  
8 order to provide services to their customers.

9

10 Q. WHAT ARE THE AVAILABLE METHODS FOR RELIEF OF AN AREA  
11 CODE EXHAUST?

12

13 A. There are two. They are:

14

- 15 • a geographic split or
- 16 • an all services overlay.

17

18 Q. WHAT ARE THE ADVANTAGES AND DISADVANTAGES OF A  
19 GEOGRAPHIC SPLIT?

20

21 A. The advantages of a geographic split are:

22

23 This is the traditional method and is the most familiar and  
24 least confusing to customers. Each geographic area  
25 retains a unique area code.

26 There are no dialing changes with the home area code.

27 Customers continue to dial seven digits within the area  
28 code and 10 digits for toll free local calls but  
29 outside their home area code. Consequently, local  
30 calls in the Florida Keys could be completed on a seven

1 digit basis instead of dialing ten digits as required  
2 under an overlay.

3 It does not discriminate against new entrant local service  
4 providers. Both the incumbent LEC and new entrants  
5 will have NXXs in the existing area code and the new  
6 area code. All service providers, in terms of number  
7 assignments, are placed on equal footing in each area  
8 code.

9 The new area code will be populated from the outset, and so  
10 is less likely to be seen by customers as undesirable.

11

12 The disadvantages are:

13

14 Existing customers who are in the geographic area no longer  
15 served by the existing area code (i.e. 305) experience  
16 a one-time inconvenience. Businesses must change  
17 stationery and advertising and update customer lists.  
18 Customer premises equipment, including PBXs, payphones,  
19 alarm monitoring systems, speed dialing and fax  
20 machines, must be reprogrammed. Since it has not been  
21 that long since the 305 area code was split, the  
22 inconvenience recently experienced may compound  
23 customer annoyance.

24 It may be difficult to determine the split boundaries for  
25 the old and new area code since there may not be any  
26 "obvious" boundaries that meet the traditional criteria  
27 of approximately simultaneous future exhaust.

28 Cellular and wireless companies will have to reprogram their  
29 customers phones if wireless and cellular numbers are  
30 not grandfathered.

1 Q. WHAT ARE THE ADVANTAGES AND DISADVANTAGES OF AN ALL  
2 SERVICE OVERLAY?

3

4 A. The advantages are:

5 There are no number changes required for existing telephone  
6 numbers.

7 Future area code relief can be accomplished through  
8 additional overlays since subscribers will have become  
9 familiar with this method.

10 There is no further geographic division of South Florida.

11

12 The disadvantages are:

13

14 New entrant local service providers who do not already have  
15 NXXs in the 305 area code will be assigned NXXs in the  
16 new, underpopulated area code, while the majority of  
17 subscribers, customers of the incumbent LEC, retain  
18 numbers in the existing, familiar area code. Customers  
19 of the incumbent LEC will still be able to obtain new  
20 numbers from the existing NPA; while customers of new  
21 entrants may not. For example, if a customer selects a  
22 new completing LEC, who does not have any 305-NXXs, as  
23 its local service provider, the new competing LEC would  
24 only be able to assign numbers from the new area code  
25 for additional numbers due to customer growth.  
26 Consequently, new entrants may be competitively  
27 disadvantaged.

28 Two or more area codes may be required within the same  
29 household or business resulting in customer confusion  
30 and inconvenience.

1 There is a loss of geographic identity with two or more area  
2 codes covering the same geographic area. This creates  
3 the potential for confusion by telecommunication end  
4 users, both within the overlay area and for end users  
5 in other area codes unfamiliar with the overlay making  
6 calls to the overlay area.

7 Customers will have to dial more digits, even for local  
8 calls with the same area code since mandatory 10 digit  
9 dialing is required by the FCC for all calls, even  
10 local calls with the same NPA-NXX (i.e. local calls in  
11 the Florida Keys will require 10 digits).

12 Customer premises equipment, including PBXs and alarm  
13 monitoring systems which have not been programmed for  
14 10 digit dialing will require reprogramming.

15

16 Q. WHAT IS AT&T'S RECOMMENDATION FOR 305 AREA CODE RELIEF?

17

18 A. Historically, AT&T has supported geographical splits as  
19 a first choice for area code relief. In fact, AT&T  
20 supported a geographic split for the 305 area code at  
21 the industry meeting discussing 305 area code relief  
22 alternatives. However, either a geographical split or  
23 an all services overlay appear to be viable for the 305  
24 area code, both having advantages and disadvantages.  
25 From a technical standpoint, AT&T can and will support  
26 either one that the Commission may order. The  
27 determining factor should be what the Commission, after  
28 hearing the parties' positions and using a public  
29 interest standard, deems is in the best interest of the  
30 people living and working in the 305 area code.

1

2

3 Q. ARE THERE ANY CONSIDERATIONS THAT THE COMMISSION SHOULD  
4 BE AWARE OF IF IT DECIDES THAT A GEOGRAPHIC SPLIT IS IN  
5 THE BEST INTEREST OF SOUTH FLORIDA?

6

7 A. Yes. If the Florida Commission were to order a  
8 geographic split relief option rather than an overlay,  
9 it is necessary to order the grandfathering of wireless  
10 and cellular subscribers' phone numbers. Unlike  
11 whirling customers, wireless customers must have their  
12 phones reprogrammed when their area codes change. For  
13 analog wireless customers, reprogramming phones is a  
14 complex task that they can not do themselves, but  
15 instead requires them to take the phone to the wireless  
16 carrier to be reprogrammed. This is an unnecessary  
17 burden on the wireless customer and can be a huge  
18 undertaking for a wireless carrier with a large number  
19 of effected customers.

20

21 Q. WHAT MUST BE DONE TO PROMOTE LOCAL COMPETITION IN SOUTH  
22 FLORIDA IF AN ALL SERVICES OVERLAY IS ADOPTED?

23

24 A. In order to mitigate the competitive advantage of the  
25 incumbent LEC if an all services overlay is selected  
26 for the area code relief, the following items must be  
27 implemented:

28

1 All remaining NXXs in the old area code must be equitably  
2 allocated to all competing carriers, excluding the  
3 incumbent LEC.  
4 All unused numbers held by the incumbent LEC, in the  
5 existing area code, must be made available on a  
6 nondiscriminatory basis to all new local telephone  
7 service providers. Any NPA-NXX-XXXX that the incumbent  
8 LEC would make available to a customer, if that  
9 customer received service from the incumbent LEC,  
10 should also be made available directly to a new entrant  
11 to provide service to that same customer. This should  
12 be done through a one step process in which the number  
13 is directly ported from the incumbent LEC prior to the  
14 end user receiving the number.

15 Permanent number portability (LRN) must be up and operating  
16 in the 305 area code in order that new entrants may use  
17 numbers made available in item two above.

18 Mandatory 10 digit dialing must be required for all local  
19 calls.  
20

21 Q. WHAT IS AT&T ASKING THE FLORIDA COMMISSION TO DO IN  
22 THIS DOCKET?  
23

24 A. AT&T is requesting that the Commission adopt a solution  
25 for the 305 area code exhaust that ensures that  
26 competition develops for local telecommunication  
27 services while minimizing the effects of area code  
28 relief on telecommunication users.  
29

30 Q. DOES THIS CONCLUDE YOUR TESTIMONY?



1

2 A. Yes, it does.