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January 30, 1998

Mrs. Blanca S. Bayo
Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

RE: Docket No. 980048-TL

Dear Mrs. Bayo:

Enclosed are an original and fifteen copies of the Direct Testimony of Bobby R. Smith for AT&T Communications of the Southern States, Inc. Please file this document in the above captioned docket.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been furnished to parties on the attached certificate of service. Thank you for your assistance.

ACK _____

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SF _____

WAS _____

OTH _____

Sincerely,

Terry J. Lyons
for Mark K. Logan

cc: All parties of record

DOCUMENT NUMBER DATE

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EPSC: A PUBLIC UTILITY BOARD

ORIGINAL

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**DIRECT TESTIMONY OF
BOBBY R. SMITH**

**ON BEHALF OF
AT&T COMMUNICATIONS OF THE SOUTHERN STATES, INC.**

DOCKET NO. 980048-TL

January 30, 1998

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DIRECT TESTIMONY OF
BOBBY R. SMITH
ON BEHALF OF
AT&T COMMUNICATIONS OF THE SOUTHERN STATES, INC.
DOCKET NO.: 980048-TL

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

A. My name is Bobby R. Smith. My business address is 1200 Peachtree Street N.E., Atlanta, Georgia 30309. I am employed by AT&T as a Manager in the Law & Government Affairs Organization.

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

A. I received a Bachelor of Arts Degree in 1974, in Sociology from Washington & Lee University in Lexington, Virginia. I received a Master of Business Administration Degree in Marketing/Finance in 1976 from Wake Forest University in Winaton-Salem, North Carolina.

My telecommunications career began in 1976 with Southern Bell (now known as BellSouth) in Charlotte, North Carolina, in the Inventory and Cost Engineering group. In 1979, I transferred to Southern Bell's Service Costs organization in Atlante, Georgia where I held

1 responsibility for developing cost studies for WATS, coin
2 telephone and data services. In 1981, I accepted a
3 position with AT&T's Marketing department in New York
4 where I held responsibility for the implementation of a
5 new digital data service. In 1983, I returned to Atlanta
6 with AT&T's Government Affairs organization and have held
7 various positions dealing with carrier local access,
8 service pricing, legislative and regulatory policy and
9 other regulatory issues.

10

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

12 A. The purpose of my testimony is to provide information to
13 the Florida Public Service Commission ("Commission")
14 regarding the most appropriate method of relief for the
15 813 Numbering Planning Area ("NPA"). AT&T believes that
16 any NPA relief (i.e. Area Code Plan relief) must be
17 planned and implemented in a competitively neutral manner
18 so that no particular service provider is unduly favored
19 or adversely affected. This is extremely important in
20 order to ensure that competition develops for local
21 telecommunication services. Even though - all relief
22 plans result in some measure of customer inconvenience,
23 AT&T believes that the impact of area code relief on
24 customers can and should be kept to a minimum while
25 promoting the development of local competition for the

1 long term benefit of Florida consumers. AT&T believes
2 that a geographic split best accomplishes these goals in
3 the 913 NPA. If the Commission adopts an overlay,
4 however, it should implement the requirements described
5 below to minimize customer impact while promoting
6 competition.

7

8 **Q. WHY IS THERE AN INCREASING NEED FOR AREA CODE RELIEF?**

9 **A.** The increased demand for telephone numbers due to
10 subscriber growth, second lines, fax machines, cellular
11 phones, pagers, etc., is accelerating the depletion of
12 numbers available for assignment within a NPA. As more
13 and more numbers are assigned within existing central
14 office codes, new NXXs are assigned and used.
15 Eventually, the NPA nears exhaust, that is, the near-term
16 demand for NXXs and telephone numbers exceeds the
17 available quantity of unassigned NXXs and telephone
18 numbers.

19

20 In addition, competition in the local exchange is further
21 increasing the demand on numbering resources. New
22 competing local service providers will need NXXs to
23 provide telephone numbers for their customers. NPA
24 relief has developed into a major issue nationally.

1 Q. WHAT ARE THE AVAILABLE METHODS FOR RELIEF OF AN AREA CODE
2 EXHAUST?

3 A. There are two methods:

4

- 5 • a geographic split or
- 6 • an all services overlay.

7

8 Q. WHAT ARE THE ADVANTAGES AND DISADVANTAGES OF A GEOGRAPHIC
9 SPLIT?

10 A. The advantages are:

- 11 1. The geographic split is the most familiar and least
12 confusing to customers. Each geographic area
13 retains a unique area code.
- 14 2. There are no dialing changes within the home NPA.
15 Customers can continue to dial seven digits within
16 their home area code and 10 digits for toll free
17 local calls outside their home area code.
- 18 3. It does not discriminats against new entrant local
19 service providers. Both the incumbent LEC and new
20 entrants will have NXXs in the existing area code
21 and the new area code. All service providers, in
22 terms of number assignments, are placed on equal
23 footing in each area code.

24

1 4. The new area code will be populated from the
2 outset, and therefore is less likely to be seen by
3 customers as undesirable.
4

5 The disadvantages are:

- 6 1. Existing customers who are in the geographic area
7 no longer served by the existing area code (i.e.
8 813) experience a one-time inconvenience.
9 Businesses must change stationery and advertising
10 and update customer lists. Customer premises
11 equipment, including PBXs, payphones, alarm
12 monitoring systems, speed dialing and fax machines,
13 must be reprogrammed.
- 14 2. It may be difficult to determine the split
15 boundaries for the old and new area code since
16 there may not be any "obvious" boundaries.
17 Additionally, the geographic area served by each
18 NPA after the split will be smaller. Such
19 shrinkage increases with future geographic splits,
20 increasing customer confusion and inconvenience.
- 21 3. Unless cellular numbers are grandfathered, cellular
22 and wireless customers must have their phones
23 reprogrammed, causing inconvenience to the
24 customers and great expense to the companies.
25

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

3 A. The advantages are:

- 4 1. There are no number changes required for existing
5 telephone numbers.
- 6 2. Future area code relief can be accomplished
7 through additional overlays since subscribers will
8 have become familiar with this method.
- 9 3. There is no further geographic division of the
10 Tampa area.

11

12 The disadvantages are:

13

- 14 1. New entrant local service providers who do not
15 already have NXXs in the 813 area code will be
16 assigned NXXs in the new, underpopulated area
17 code, while the majority of subscribers, customers
18 of the incumbent LEC, retain numbers in the
19 existing, familiar area code. Customers of the
20 incumbent LEC will still be able to obtain new
21 numbers from the existing NPA; while customers of
22 new entrants may not. For example, if a customer
23 selects a new competitive LEC, who does not have
24 any 813-NXXs, as its local service provider, the
25 competing LEC would only be able to assign numbers
26 from the new area code for additional numbers.
27 Consequently, new entrants may be competitively

- 1 disadvantaged because customers typically perceive
2 the new area code as less desirable than the old
3 code.
- 4 2. Two or more area codes may be required within the
5 same household or business resulting in customer
6 confusion and inconvenience.
- 7 3. There is a loss of geographic identity with two or
8 more area codes covering the same geographic area.
9 This creates the potential for confusion by
10 telecommunication and users, both within the
11 overlay area and for and users in other area codes
12 unfamiliar with the overlay making calls to the
13 overlay area.
- 14 4. Customers will have to dial more digits, even for
15 local calls with the same area code since 10 digit
16 dialing is mandated by the FCC for all calls, even
17 local calls with the same NPA-NXX (i.e. local
18 calls in the Tampa will require 10 digits).
- 19 5. Customer premises equipment, including PBXs and
20 alarm monitoring systems that have not been
21 programmed for 10 digit dialing will require
22 reprogramming.
- 23
- 24 Q. **WHAT IS AT&T'S RECOMMENDATION FOR 813 AREA CODE RELIEF?**
- 25 A. AT&T supports the geographical split as the first
26 choice for area code relief for the 813 area code.
27 Both geographic splits and all service overlays,

1 however, have advantages and disadvantages as I have
2 previously mentioned. From a technical standpoint,
3 AF&T can and will support either one that the
4 Commission may order. The determining factor should be
5 what the Commission, after hearing the parties'
6 positions and using a public interest standard, deems
7 is in the best interest of the people living and
8 working in the 813 area code.

9

10 **Q. ARE THERE ANY REQUIREMENTS THE COMMISSION SHOULD**
11 **IMPLEMENT IF IT DECIDES THAT A GEOGRAPHIC SPLIT IS IN**
12 **THE BEST INTEREST FOR THE 813 AREA CODE?**

13 **A. Yes. If the Florida Commission were to order a**
14 **geographic split relief option rather than an overlay,**
15 **the Commission should also order the grandfathering of**
16 **wireless and cellular subscribers' phone numbers.**
17 **Unlike wireline customers, wireless customers must have**
18 **their phones reprogrammed when their area codes change.**
19 **Reprogramming analog wireless phones is a complex task**
20 **that customers cannot do themselves; they must instead**
21 **take the phone to a wireless carrier to be**
22 **reprogrammed. This is an unnecessary burden on the**
23 **wireless customer and can be a huge and expensive**
24 **undertaking for a wireless carrier with a large number**
25 **of effected customers.**

26

1 Q. WHAT REQUIREMENTS SHOULD THE COMMISSION IMPLEMENT TO
2 PROMOTE LOCAL COMPETITION IF AN ALL SERVICES OVERLAY IS
3 ADOPTED?

4 A. In order to offset the competitive advantage enjoyed by
5 the incumbent LEC if an all services overlay is
6 selected for the area code relief, the following items
7 must be implemented:

- 8 1. All remaining NXXs in the old area code must be
9 equitably allocated to all competing carriers,
10 excluding the incumbent LEC.
- 11 2. Mandatory 10 digit dialing must be required for
12 all local calls.
- 13 3. The overlay must be applied to all
14 telecommunications carriers.
- 15 4. Permanent number portability must be up and
16 operating in the 813 area code.

17
18 Q. WHAT NPA RELIEF PLAN SHOULD THE FLORIDA COMMISSION
19 ADOPT IN THIS DOCKET?

20 A. AT&T believes that the Commission should adopt a
21 geographic split in the 813 NPA. If the Commission
22 adopts an overlay, however, it should implement the
23 requirements described above to minimize customer
24 impact while promoting competition.

25

26 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

27 A. Yes, it does.