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January 30, 1998

**BY HAND DELIVERY**

Ms. Blanca S. Bayó  
Director, Records & Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Docket No. 980048-TL - 813 Area Code

Dear Ms. Bayó:

Enclosed for filing on behalf of MCI Telecommunications Corporation and MCI Metro Access Transmission Services, Inc. ("MCI") in the above referenced docket are the original and 15 copies of MCI's Prefiled Direct Testimony of Kelly Paul.

Copies have been furnished to parties of record as indicated on the attached service list.

Very truly yours,

*Richard D. Nelson*  
Richard D. Nelson

ACK \_\_\_\_\_  
AFA \_\_\_\_\_  
APP \_\_\_\_\_  
CAF \_\_\_\_\_

*Greg*  
RM/clp  
Enclosure  
cc: Parties of Record

*2*  
*5/1/98*

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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a copy of the foregoing was furnished to the following parties by U.S. Mail or Hand Delivery (\*) this 30th day of January 1997.

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**Attorney**

1                   **MCI TELECOMMUNICATIONS CORPORATION**  
2                   **AND MCI METRO ACCESS TRANSMISSION SERVICES, INC.**  
3                   **DIRECT TESTIMONY OF KELLY FAUL**  
4                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**  
5                   **DOCKET NO. 980048-TL**  
6                   **JANUARY 30 , 1998**

7  
8   **I.    INTRODUCTION**

9   **Q.    PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

10 **A.    My name is Kelly Faul. My business address is 8521 Leesburg Pike,**  
11 **Vienna, VA, 22182.**

12  
13 **Q.    PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL**  
14 **BACKGROUND.**

15 **A.    I am currently employed by MCI in its Local Numbering Group. I am**  
16 **responsible for representing MCI with respect to NPA Relief and various**  
17 **numbering issues and to participate in numerous state area code relief**  
18 **industry meetings and regulatory proceedings. I have been employed by**  
19 **MCI for the past fourteen years. From 1994 to 1997, I was Tariff**  
20 **Manager in the Business Markets Segment's Business Analysis**  
21 **Department, responsible for the federal and state tariff filings for that**  
22 **business Segment. From 1986 to 1994 I held various positions in MCI's**  
23 **Legal and Information System Department involving commercial litigation**  
24 **and arbitration. From 1983 to 1986, I worked in MCI's Litigation Support**  
25 **Department in Washington, D.C., providing supervisory and**

1           **analytical support to MCI litigation efforts. I have a Masters of Business**  
2           **Administration in Management from Virginia Tech, Falls Church, VA and**  
3           **a Bachelor of Science in Business Administration from Wheeling Jesuit**  
4           **University, Wheeling, West Virginia.**

5  
6   **II. PURPOSE OF TESTIMONY**

7   **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

8   **A. The purpose of my testimony is to identify competitive issues related to the**  
9           **Florida Public Service Commission ("Commission") proposal for area**  
10           **code relieve in the 813 are code and discuss dialing patterns associated**  
11           **with various calling plans.**

12  
13   **III. AREA CODE RELIEF ALTERNATIVES AND IMPACTS**

14   **Q. WHAT AREA CODE ALTERNATIVES ARE BEING CONSIDERED FOR**  
15           **THE 813 AREA CODE?**

16   **A. Two alternatives are being considered for number exhaust relief in the 813 area**  
17           **code. The North American Numbering Plan Administrator ("Administrator")**  
18           **has recommended to the Commission that an overlay area code be**  
19           **implemented in the 813 area code. Another alternative that should be explored**  
20           **is a geographic split of the 813 area code.**

21  
22           **The overlay method would create a new area code that would share the same**  
23           **geographic boundaries as the current 813 area code. Customers within this**  
24           **area code would be assigned one of the two area codes associated within this**  
25           **area.**

1           **The geographic split method would split the existing 813 area code into two**  
2           **distinct geographic areas with different boundaries.**

3

4   **Q.   WHAT TYPES OF IMPACTS SHOULD THE COMMISSION**  
5           **CONSIDER WHEN DECIDING WHICH ALTERNATIVE IS BEST**  
6           **FOR THE TAMPA AREA?**

7   **A.   In selecting which area code relief alternative is best for the Tampa area,**  
8           **the Commission should consider end user impacts, the impacts on emerging**  
9           **local competition, and to what extent, if any, negative impacts can be**  
10           **mitigated.**

11

12   **Q.   WHAT ARE THE IMPACTS OF THE SPLIT AND OVERLAY**  
13           **ALTERNATIVES ON END USERS?**

14   **A.   Unfortunately, some end users will suffer some cost and disruption under**  
15           **either the split or overlay alternatives, although the degree to which end**  
16           **users are negatively impacted differs based on whether a split or overlay**  
17           **alternative is selected.**

18

19           **The end user impacts of an overlay include: loss of all 7-digit local dialing**  
20           **(because the Federal Communications Commission ("FCC") requires**  
21           **mandatory 10-digit dialing for all local calls as a condition for overlay**  
22           **implementation); loss of the ability to associate an area code with a unique**  
23           **geographic area code; confusion resulting from different area codes**  
24           **assigned in the same home, business or neighborhood; cost to customers**  
25           **(throughout the overlay area) that currently use their 7-digit number for**

1           **advertising, stationery, etc., for new materials with their 10-digit number,**  
2           **and cost to customers (throughout the overlay area) to reprogram or**  
3           **replace automatic dialing systems (e.g., home alarm and apartment security**  
4           **systems, elevator emergency phones, etc.) that are currently programmed**  
5           **for 7-digits. Further, safety concerns are created during any period when**  
6           **such devices are incorrectly programmed.**

7

8           **The end user impacts of an area code split include: need for customers in a**  
9           **portion of the existing area code to change area codes; some additional 10-**  
10          **digit dialing required for calling between the old and new area codes; and**  
11          **cost to customers in the new area code to change advertising, stationery,**  
12          **etc., to show the new area code.**

13

14   **Q.    WHAT ARE THE IMPACTS OF THE SPLIT AND OVERLAY**  
15   **ALTERNATIVES ON EMERGING LOCAL EXCHANGE**  
16   **COMPETITION?**

17   **A.    An overlay plan can significantly frustrate entry by competitors into the**  
18   **local exchange market, and provide the incumbent LEC ("ILEC"), GTE**  
19   **Florida, with a competitive advantage, because of the disproportionate**  
20   **assignment of central office codes (called "NXXs") in the 813 area code to**  
21   **the ILEC.**

22

23           **An overlay plan would introduce a new, unfamiliar area code into the area**  
24           **currently served by the 813 area code. Callers from within and outside of**  
25           **Florida are accustomed to the 813 code, and recognize it as being the**

1 Tampa area. The new overlaid code, however, would not be familiar, and  
2 would thus be less desirable than the existing area codes. As a result,  
3 customers would be more likely select a carrier that could give them a  
4 number in the more desirable area code.

5  
6 Currently, the vast majority of these more desirable NXXs in the 813 area  
7 code have been assigned to GTE Florida, so if an overlay is implemented,  
8 new competitive Local Exchange Companies ("CLECs") would be left to  
9 draw NXXs primarily from the new, overlay NPA. This systems of NXX  
10 "haves" and "have-nots" is extremely anticompetitive, since it  
11 disproportionately affects CLECs just as they are attempting to enter the  
12 local exchange market in Tampa.

13  
14 The FCC recognized this disadvantage in its *Second Report and Order and*  
15 *Memorandum Opinion and Order*, CC Docket 96-98, August 8, 1996  
16 (*"Local Competition - Numbering Order"*). The FCC noted that  
17 incumbent LECs have an advantage over new entrants when a new code is  
18 about to be introduced, because they can warehouse NXXs in the old  
19 NPA. Incumbents also have an advantage when telephone numbers within  
20 NXXs within the existing area code are returned to them as their customers  
21 move or change carriers. (*Order at ¶289*).

22  
23 Q. HOW CAN THIS AFFECT EMERGING COMPETITION IN THE  
24 TAMPA LOCAL SERVICE MARKET?

1    **A.**    **This unfair situation will affect the potential for competition in Tampa in**  
2           **several ways. CLECs will be unable to compete effectively in the growth**  
3           **market of additional lines for fax machines, modems, and the like. This**  
4           **market is explosive, and is a primary contributor to the need for NPA relief**  
5           **at this time. Even if the scheduled number portability systems allow**  
6           **customers to switch to a CLEC without losing their telephone number,**  
7           **these same customers will be less willing to use a CLEC for a second or**  
8           **third line, even if the CLEC is less expensive or provides better service,**  
9           **because the CLEC will only be able to install additional lines if it uses the**  
10          **new, less desirable area code. This disparity between NPAs can also**  
11          **impact the market for new customers, since new customers may choose a**  
12          **carrier based on that carrier's ability to assign a number from the more**  
13          **well-known area code. Further, it is in this second line market that CLECs**  
14          **are most likely to achieve some initial success. This is because and users**  
15          **will be more likely to trial a CLECs service on a non-essential "second**  
16          **line".**

17  
18    **Q.**    **DOES A GEOGRAPHIC SPLIT HAVE THIS SAME**  
19          **DISPROPORTIONATE IMPACT ON CLECS?**

20    **A.**    **No, a geographic split affects all carriers equally. If a geographic split were**  
21          **selected for the 813 area, all carriers—both GTE Florida and new**  
22          **carriers—would issue 813 numbers in the remaining 813 area, and all**  
23          **carriers would issue numbers with the new area code in the new area.**  
24          **Thus, all carriers have equal access to the same number resource.**

25



1 Q. DOES MCI RECOMMEND THAT A GEOGRAPHIC SPLIT OR  
2 OVERLAY OPTION BE IMPLEMENTED IN THE TAMPA AREA?

3 A. MCI has consistently recommended geographic splits for area code relief,  
4 because on balance splits are usually less disruptive to consumers, and they  
5 do not have the anticompetitive impacts on local competition that are  
6 present with overlays. However, MCI recognizes that this Commission  
7 must consider all the circumstances unique to Tampa to decide which relief  
8 alternative is best at this time.

9  
10 If the Commission chooses an overlay alternative, though, it is critical that  
11 the Commission take steps to mitigate the anticompetitive impacts of an  
12 overlay, and more efficiently use the limited number resource so as to  
13 reduce the need for more disruptive area code relief.

14  
15 Q. WHAT STEPS CAN THE COMMISSION TAKE TO REDUCE THE  
16 ANTICOMPETTIVE IMPACTS OF AN OVERLAY?

17 A. If an overlay alternative is selected for the Tampa area, MCI urges the  
18 Commission to establish the following four conditions:  
19 1) The current schedule for permanent local number portability (LNP)  
20 implementation must be maintained.  
21 2) Requirement for 10-digit dialing within and between all old and  
22 new area codes (consistent with FCC order).  
23 3) Requirement for GTE Florida to analyze and report on the  
24 feasibility of a revenue-neutral Rate Center Consolidation plan for  
25 the 813 area.

- 1           4)    **Establishment of a workshop or other appropriate process to**  
2                   **consider number conservation mechanisms, such as Rate Center**  
3                   **Consolidation, for the Tampa LNP area.**

4  
5   **Q.    WHY IS GTE FLORIDA'S PROPOSED LNP IMPLEMENTATION**  
6           **PLAN IMPORTANT TO MITIGATE ANTICOMPETITIVE IMPACTS**  
7           **OF AN OVERLAY?**

8   **A.    Although LNP implementation does not solve the competitive disparity**  
9           **caused by the disproportionate allocation of NXOs needed for new service**  
10           **applications, it does facilitate the ability of end users to keep their existing**  
11           **813 numbers when switching their existing service to a new carrier. As a**  
12           **result, LNP is one of several critical components to mitigate the**  
13           **anticompetitive impacts of an overlay.**

14  
15   **Q.    WHY IS 10-DIGIT DIALING A CRITICAL FACTOR IN MITIGATING**  
16           **THE ANTICOMPETITIVE IMPACTS OF AN OVERLAY?**

17   **A.    The FCC concluded that local dialing disparity would occur absent**  
18           **mandatory 10-digit dialing, because all existing users would remain in the**  
19           **old area code and dial 7-digits to call others with numbers in that area**  
20           **code, while new users with the overlay code would have to dial 10-digits to**  
21           **reach any customers in the old code. (*Local Competition - Numbering***  
22           **Order, ¶287). As a result, customers would find it less attractive to switch**  
23           **carriers because CLECs would have to assign their customers numbers in**  
24           **the new overlay area code, which would require those customers to dial**

1 10-digits, while those customers would only have to dial 7-digits for most  
2 of their calls if they remained with the incumbent carrier.

3  
4 **Q. HOW WILL RATE CENTER CONSOLIDATION HELP TO MITIGATE**  
5 **THE ANTICOMPETITIVE IMPACTS OF AN OVERLAY?**

6 **A. Rate Center Consolidation ("RCC") involves the combining , or collapsing,**  
7 **of existing incumbent LEC rating areas into fewer rate areas, so that fewer**  
8 **NXXs are required by a carrier serving a local calling area.**

9 **In North America, each central office is assigned a "rate center" for**  
10 **determining the rating and routing of calls in and out. All the subscribers**  
11 **to that central office are considered to exist at a single point at the center**  
12 **of the rate area. Since today all rating and routing is accomplished based**  
13 **on the NPA-NXX digits of a telephone number, CLECs are forced to use**  
14 **unique NXXs for customers in each incumbent rate area in order to**  
15 **preserve incumbent LEC rating and routing. This can lead to an enormous**  
16 **waste of NXXs, especially as CLECs are first entering the local market,**  
17 **because their total customer bases initially will not require so many 10,000**  
18 **number blocks.**

19  
20 **The original purposes for establishing numerous rate areas — older switch**  
21 **technology and cost variations based on small differences in call distances**  
22 **— no longer exist. Rate Center Consolidation in the 813 would sharply**  
23 **reduce the number of NXXs required by CLECs, and would allow**  
24 **incumbent LECs to use their NXXs more efficiently. Moreover, if an**  
25 **overlay were implemented, RCC would allow CLECs to make greater use**

1 of the relatively few NXXs they manage to acquire in the 813 area, thus  
2 reducing the anticompetitive impacts of overlays.

3  
4 **Q. HOW CAN A RCC PLAN BE IMPLEMENTED IN THE 813 AREA?**

5 **A. A change in rate areas is a relatively simple task from a technical  
6 standpoint, but it would necessarily cause impacts (revenue neutral) on end  
7 user call rating. Therefore, MCI urges the Commission to direct GTE  
8 Florida to work with the industry to develop a plan to present to the  
9 Commission within ninety (90) days of an order in this proceeding, which  
10 would describe one or more revenue neutral plans for consolidating rate  
11 areas in the 813 area, the impact on end user billing, the impact on NXX  
12 demand, and any technical considerations. The Commission can then  
13 determine if the long term benefits to Florida outweigh any negative short  
14 term impacts.**

15  
16 **Q. HOW CAN NUMBER POOLING HELP TO MITIGATE THE  
17 ANTICOMPETITIVE IMPACTS OF AN OVERLAY?**

18 **A. Number pooling can mitigate the anticompetitive impact of overlays by  
19 giving CLECs access to more numbers in the old, more desirable area  
20 code. National industry numbering forums, such as the Industry  
21 Numbering Committee ("INC") are currently considering the development  
22 of a long-term number pooling solution, but a full pooling solution (i.e.,  
23 down to the individual line level) may take several years to develop and  
24 implement. In the meantime, carriers have begun looking at an interim  
25 pooling solution that would use the LNP database to enable the assignment**

1 of NXXs in blocks of 1000 numbers, rather than the 10,000 number blocks  
2 required today. This potential solution, sometimes referred to as "1000's  
3 block pooling," or "NXX-X/LRN pooling," would assign an NPA-NXX to  
4 a rate area, but allow that NPA-NXX to be shared among local service  
5 providers who are LNP-capable and offer service to customers within that  
6 area. So, for example, a single NXX could be used by as many as 10  
7 CLECs for a given rate area, instead of the 10 NXXs that would be  
8 required without this type of pooling. Thus, 1000's block number pooling  
9 would give CLECs access to more numbers in the old, more desirable area  
10 code.

11  
12 Although a long-term number pooling solution may not be available for  
13 several years, an interim pooling mechanism such as 1000's block number  
14 pooling can be implemented in the near term. Carriers in Illinois and New  
15 York, including Ameritech and NYNEX, have established a pooling  
16 implementation team, and propose to test 1000's block number pooling in  
17 this first quarter 1998. Accordingly, MCI urges the Commission to  
18 establish a workshop or other appropriate process for consideration of a  
19 number pooling mechanism for the Tampa LNP area.

20  
21 **Q. ARE THERE OTHER BENEFITS OF RATE CENTER**  
22 **CONSOLIDATION AND NUMBER POOLING?**

23 **A. Yes. In addition to mitigating the anticompetitive impacts of an overlay,**  
24 **Rate Center Consolidation and number pooling will sharply reduce the**  
25 **overall demand for NXXs. Taking steps now to conserve the finite number**

1 resource will mean that future area code relief in the Tampa area can be  
2 postponed, thus protecting Florida consumers from experiencing continued  
3 disruptions from area code relief any more often than absolutely necessary.  
4

5 **IV. DIALING PATTERNS FOR VARIOUS CALL TYPES**

6 **Q. WHAT ARE THE VARIOUS DIALING PATTERNS AVAILABLE?**

7 **A.** There are generally three calling patterns which the industry and consumers  
8 are familiar. They are: 7-digit dialing, 10-digit dialing, and "1+" or 11-  
9 digit dialing.

10  
11 **Q. CAN YOU PLEASE EXPLAIN EACH AND WHEN THEY ARE**  
12 **TYPICALLY USED?**

13 **A.** Yes. Seven-digit dialing is typically used for local calling within an area  
14 served by one area code. Ten-digit dialing is also used for local calling in  
15 areas where there are two or more area codes serving the same geographic  
16 area or between two area codes which share one local calling area. As  
17 stated above, 10-digit dialing would be required by all customers if an  
18 overlay relief plan is established. "1+" or 11-digit dialing is generally  
19 understood to be used for long distance or toll calling.  
20

21 **Q. WHAT DIALING PATTERNS DOES MCI RECOMMEND FOR**  
22 **LOCAL CALLING?**

23 **A.** MCI believes that a 7-digit dialing pattern is appropriate for local calls  
24 within a local calling area served by one area code. Where there is an area

- 1 code overlay, 10-digit dialing will be required (*Local Competition -*  
2 *Numbering Order* ¶ 287).  
3
- 4 Q. WHAT DIALING PATTERNS DOES MCI RECOMMEND FOR TOLL  
5 CALLING?
- 6 A. "1+" or 11-digit dialing is the industry standard for toll calling and there  
7 should be no change to this. Customers are familiar with the "1+"  
8 indicating a toll call and there is no reason why this should change due to  
9 area code relief.  
10
- 11 Q. WHAT DIALING PATTERNS DOES MCI RECOMMEND FOR EAS  
12 OR ECS CALLING?
- 13 A. Since customer in these types of calling plans are use to calls within the  
14 EAS or ECS being treated like local calls the calling patterns for local  
15 should apply.  
16
- 17 V. CONCLUSION
- 18 Q. WHAT IS YOUR RECOMMENDATION TO THE COMMISSION  
19 REGARDING AREA CODE RELIEF FOR THE TAMPA AREA?
- 20 A. MCI believes that a geographic split to relieve number exhaust in the  
21 Tampa area is pro-competitive and pro-consumer and should be the chosen  
22 relief method. MCI recognizes that the Commission will consider all  
23 relevant and user and competitive impacts. If, upon consideration,  
24 however, the Commission decides that area code relief in the 813 area

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should be accomplished with an overlay, then the Commission should include as conditions to it's decision the following four requirements:

- 1) The current schedule for permanent local number portability implementation must be maintained.
- 2) Requirement for 10-digit dialing within and between all old and new area codes (consistent with FCC order).
- 3) Requirement for GTE Florida to analyze and report on the feasibility of a revenue-neutral Rate Center Consolidation plan for the 813 area.
- 4) Establishment of a workshop or other appropriate process to consider of a number conservation mechanisms, such as RCC, for the Tampa LNP area.

**Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

**A. Yes, it does.**