

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Petition for (801) Area Code Overlay & Abrogation and Recision of 801 Area Code Split Order)
)
) DOCKET NO. 07-999-01
) ORDER SELECTING AREA CODE
) OVERLAY, AND REVERSING APRIL
) 13, 2000 ORDER SELECTING AREA
) CODE SPLIT

ISSUED: July 12, 2007

By The Commission:

In Docket No. 99-999-05, we entered an order to deal with the anticipated number exhaust that is to occur in the 801 area code, or NPA, and the use of the new 385 NPA, assigned by the North America Numbering Plan Administrator as part of the area code relief. In an April 26, 2000, Report and Order, issued in that docket, we explained our reasoning for selecting an area code split and we designated the geographic area that would continue to use the 801 NPA (generally the Salt Lake County area) and the geographic area that would use the new 385 NPA (generally Weber, Davis and Utah Counties). The area code split would create areas similar to a doughnut, with the 801 area in the center and the 385 area almost surrounding the 801 area. Area code relief was addressed through that docket in anticipation of the 801 NPA's number exhaust, which at the time, was expected to occur in June of 2001. With the various number conservation measures which we also ordered in Docket No. 99-999-05, we have been able to postpone the implementation of area code relief up to this point. However, the number conservation measures have now run their course and number exhaust for the 801 NPA may no longer be postponed and is now anticipated to occur in or soon after the second quarter of 2008.

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As we neared the time to begin the steps needed to implement area code relief, a number of telecommunications service providers (AT&T, Sprint Nextel Corporation, T-Mobile West Corporation, Qwest Corporation, Verizon Wireless, and MCI Metro Access Transmission Services, collectively Carriers) submitted, on March 23, 2007, their request (March 23rd Request) for the Commission to repeal and rescind the April 26, 2000, Report and Order and to consider use of an area code overlay in place of an area code split. The Division of Public Utilities (Division) submitted an April 4, 2007, Memorandum wherein the Division summarized its analysis of the March 23rd Request and recommended that the Commission grant the request and use an area code overlay rather than an area code split. Also in response to the March 23rd Request, we gave notice of and conducted an April 12, 2007, public technical conference where the Carriers and the Division could provide information regarding the proposal for use of an area code overlay and its implementation and respond to any questions interested persons may have regarding the Carriers' proposal, its implementation, and area code relief in general. We also sought, through an April 13, 2007, Notice of Request for Comments on Use of Area Code Overlay or Area Code Split, comments from any interested person on the March 23rd Request and their preferences for use of an area code overlay or split to address the 801 NPA's impending number exhaust. We have received a number of written public comments, some favoring an overlay and some favoring a split.

In consideration of the March 23rd Request and all the information provided to us, we conclude that we will rescind our Docket No. 99-999-05 April 26, 2000, Report and Order and, instead, order the use of an area code overlay. We find that the use of an area code overlay is

a better means of dealing with the 801 NPA's impending number exhaust in light of current circumstances. Conditions have changed from the time we issued our April 26, 2000, Report and Order and we have a greater understanding of the implications attendant to area code splits and overlays and have a different appreciation of the impacts each would have in the circumstances we will face when the area code relief will need to be effected in 2008. We also have the benefit of the experience of other jurisdictions that have implemented the overlay approach.

In our April 26, 2000, Report and Order, we noted our concern that an area code overlay would require the future use of 10 digit dialing, whereas a split would permit some customers to continue the use of 7 digit dialing for some of their local calls. Indeed, most of the written comments that favor the use of an area code split do so on the basis of avoidance of 10 digit dialing, at least for the individual commentor involved. Some comments also express concern that the use of an area code overlay would make calling a number associated with the new 385 NPA a long distance or toll call, even if the call were made to a neighbor next door who happened to receive a new 385 area code telephone number. This concern, however, is based on a misunderstanding of the relationship between NPAs and the local calling area (where calls may be made without incurring toll or long distance charges) a telecommunications carrier may offer to its customers. Local call versus long distance or toll call status is based upon the geographic limitations specified in the terms and conditions of services offered by the carrier and selected by the customer. They are not driven by NPAs. Many telecommunications service carriers provide service offerings whose terms classify certain calls as toll or long distance calls, even though the calls originate and terminate within the same NPA. Carriers also offer services which provide a

'local calling area' which extends beyond the geographic boundaries of a single NPA. Indeed, many carriers today offer service choices which span a number of NPAs or service which may be national (and even international) in scope without consideration of whether a call is a long distance call.

Even the area code split which would have been implemented under the April 26, 2000, Report and Order would have required many customers to use 10 digit dialing for some local calls. The geographic boundaries contemplated for the area code split would have separated customers into different NPAs, but their local calling areas would have remained the same and crossed into the two NPAs used in the area code relief. The use of 10 digit dialing cannot be entirely avoided regardless of whether an area code split or overlay is selected. What has changed since our prior decision is the relative number of customers that could be segregated into 10 and 7 digit dialing patterns. With rapid population growth and unpredicted development patterns, the relative number of land-line customers which the April 26, 2000 Report and Order contemplated to be unavoidably affected with 10 digit dialing has burgeoned. The growth in cellular telecommunications was significantly underestimated, and the extent to which some customers would elect the sole use of cellular service for their communications needs and abandon land-line based service was not adequately contemplated. We are now aware of the significantly greater number of customers served by this technology. We now have a different appreciation of the disparate impact an area code split will have on the greater number of users. The relative number of calls that could remain with 7 digit-dialing patterns, through an area code split, versus 10

digit-dialing patterns, through an overlay, is much different than anticipated by the Commission seven years previous.

Technological innovation and customer adoption has moved more and more customers from actually dialing telephone numbers. We note that there are now many more customers and devices that use pre-programmed telephone numbers (whether 11, 10, 7 or whatever number of digits). An area code split would now require much more device reprogramming than contemplated when we made our prior decision. An area code overlay will allow customers to retain the current programming and only necessitate reprogramming to add additional telephone numbers to their devices' directories. In the past, telephone numbers may have been associated with a limited geographic area, but technological innovations and development increasingly relate a telephone number with a user/customer. The Federal Communications Commission and this Commission have encouraged implementation and use of advanced technological capabilities for carriers to permit customers to retain their telephone numbers and move with them beyond the geographic area that may have been associated with a telephone number under the past notions of telephone number assignment. Compared with what we faced when considering our prior decision, telecommunications developments, e.g., extensive number portability and voice over internet or VOIP, now permit customers to take their telephone numbers with them as they move and relocate.

We agree with the Carriers' statement that "[p]erhaps the greatest advantage of an overlay over a split is that implementing an overlay will not require any consumers or businesses to change their telephone numbers." (March 23rd Request, page 4, emphasis in original.) We

previously recognized and continue to recognize that an area code split requires customers (whether residential or business) in the new NPA to incur the costs and inconvenience to inform and update their past contacts with their new telephone numbers or rely upon the permissive dialing and call interrupt functions implemented during area code relief to try to accomplish the same. We now have a greater appreciation of the detrimental impact that a split has on small businesses that would be forced to 'give back' their existing telephone numbers, a problem which is entirely avoided by an overlay.

Proponents of an overlay have pointed out that small businesses, independent contractors and agents (e.g., real estate agents, construction or maintenance contractors, tax consultants, brokers, etc.) that may not have regular contact with their clients, who may conduct business on an ad-hoc or seasonal basis, or who may rely on referrals from past rendition of service have little means of avoiding a business downturn and resulting financial impact from the loss of customers trying to reach them using their old telephone numbers. Customers who would try to reach these businesses at their old telephone numbers could not be contacted or informed of the businesses' new telephone numbers. The permissive dialing and call interrupt services would not reach all of such customers due to the limited time period during which these functions are used in an area code split. In a similar fashion, residential customers who have to 'give back' their telephone numbers with a split also face the challenge of contacting all of their prior telephone contacts (whether social or business related) to inform them of their new telephone numbers. As with business customers, residential customers must undertake the same daunting task of trying to contact all or risk the loss of past contacts. In choosing between either an area code split or

overlay, we think it reasonable to consider whether a choice necessitates the need or burden for such small businesses and residential customers to inform all their prior contacts of a newly assigned telephone number that does not arise from their own choices.

Over the seven years since our prior decision, there have also been additional changes relative to the experience with and abilities to implement area code overlays versus area code splits. Other jurisdictions and the industry now have prepared for or implemented seventy area code overlays; a record of experience much more substantial than when we faced this matter in 1999 and 2000. This experience has shown that difficulties with widespread customer confusion with an area code overlay did not materialize as feared. Indeed, this experience has shown that an area code overlay is more successfully implemented with less inconvenience to consumers and businesses than an area code split. Area code splits require overnight database modifications or updates for number portability administration and carriers' operational support systems and databases. Errors in this work result in misrouted or denied calls. This is avoided with an overlay. An overlay also provides a more efficient means of allocating numbering resources throughout the area, obviating the need to predict where need or demand will occur and draw boundaries based on such predictions which may turn out to be in error. Furthermore, an overlay will avoid future area code splits, thereby permitting customers to retain their existing numbers indefinitely. An overlay allows numbers to be assigned as demand in an area actually materializes. Industry experience has led to the development of successful public education programs and activities that facilitate a smooth transition for customers. The Carriers have

indicated that they are ready to bring to bear their experience, skills and resources, developed from implementing other overlays, to facilitate the transition in Utah in 2008.

Based upon our consideration of the March 26th Request, the information provided by the Carriers, the Division, and the participants and public in their filings and through participation at the public meetings, we conclude that we will rescind and vacate that part of our April 26, 2000, Report and Order wherein we designated an area code split as the area code relief to be used for the 801 NPA. We will order that an area code overlay be used and the telecommunications carriers in the 801 NPA prepare for an area code overlay.

Wherefore, we enter this ORDER wherein we:

1. Rescind and vacate that part of our April 26, 2000, Report and Order, issued in Docket No. 99-999-05, which designated the use of an area code split.
2. Order the use of an area code overlay, overlaying the 385 NPA over the 801 NPA.
3. The Carriers and other telecommunications service providers should prepare to implement the area code overlay and be prepared for it prior to the anticipated exhaust of numbering resources in the 801 NPA, which is expected to occur in June, 2008.
4. The Carriers and the Division will provide periodic reports to the Commission providing information on the steps they are taking to prepare for the overlay, their customer/public education efforts and what difficulties, if any, they wish the Commission to address.

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DATED at Salt Lake City, Utah, this 12th day of July, 2007.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary
G#53804