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MEMORANDUM

To: Public Service Commission

From: Division of Public Utilities

Constance B. White, Director
Laura Scholl, Telecommunications Manager
Chris Luras, Technical Consultant

Date: April 4, 2007

Re: Docket No. 99-999-05 / New Docket 07-999-01

In the Matter of the Petition for (801) Area Code Overlay & Abrogation of 801 Area Code Split Order

BACKGROUND

In a memorandum filed January 30, 2007, the Division stated that the exhaust of the 801 NPA was imminent. The Division recommended that the Commission proceed with its plan for an area code split that it ordered on April 26, 2000. On March 28, 2007, AT&T, Sprint Nextel Corporation, T-Mobile West Corporation, Qwest Corporation, Verizon Wireless and MCImetro Access Transmission Services (collectively, "Carriers"), filed a petition requesting that the Commission repeal its April 2000 Split Order. The Carriers urged the Commission to enter a new Order implementing an area code overlay in lieu of an area code split.

ANALYSIS

Since the April 2000 Commission Order, there have been many changes in consumer preferences, the telecommunication industry, and the demographics of Utah consumers. Primarily, based on the large growth in Utah, Davis, and Weber counties over the last seven

years, an area code split would now affect a significantly larger portion of Utah's population. Given these changes, an area code split is not as attractive as it was in 2000. Moreover, in their Petition, the Carriers have explained that an overlay offers consumers many advantages over an area code split. Most notably, these benefits include:

- Eliminates the need for, and all costs associated with, businesses and residential customers to change their telephone number; only new customers will receive the 385 NPA.
- Eliminates the costs to businesses in Utah, Davis, & Weber Counties stemming from number changes. These costs may include changes in advertising, brochures, business cards, et al.
- Eliminates the need for certain wireless customers to reprogram their phone.
- Creates a less costly and more efficient method for implementation.
- Decreases the difficulty for companies to comply with Local Number Portability requirements.
- Allows for a more efficient allocation of numbering resources upon implementation.

The Division has had correspondence with many of the telecommunications companies, including the Carriers, a sample of CLECs, and the one rural ILEC serving in the 801 NPA. Generally, the companies have expressed the advantages of an area code overlay versus a split. The Carriers have also described several successful overlay implementations across North America over the past few years; the Division is aware of one recent area code split that was considered a bad experience by market participants. Through their experience with overlays, the Carriers have developed a codified process to facilitate consumer education. The Carriers' experience and knowledge regarding area code overlays could be extremely beneficial to the transition of Utah consumers to the new NPA.

RECOMMENDATION

Given the numerous reasons cited in the Carriers' petition, the extensive customer education program proposed and successfully implemented in the past by the Carriers, and based on

correspondence with other telecommunication companies, it is reasonable to conclude that an overlay will be less costly to both residential and business consumers and the telecommunication companies. The Division therefore sees no reason to oppose the Carriers' request for an area code overlay. The Division also recommends that the Commission grant expedited consideration of this Request due to the imminent nature of the 801 exhaust.