

MEMORANDUM

Date: July 21, 2000

To: The Utah Public Service Commission

From: Ric Campbell, Director
Ingo Henningsen, Manager Telecommunications
Judith Hooper, Rate Analyst

RE: Order of the Federal Communications Commission (DA 00-1616) issued and released July 20, 2000.
In the Matter of Number Optimization (CC Docket No. 99-200),
Implementation of the Local Competition Provisions of the Telecommunications Act of 1996 (CC Docket No. 96-98).
Petition of the Utah Public Service Commission for Accelerated Grant of Authority to Implement Number Conservation Measures (NSD File No. L-99-89).
In the Matter of Telephone Number Conservation Measures for (801) Area Code Relief (PSC Docket No. 99-999-04),
In the Matter of the Request of North American Numbering Plan Administrator for a Area Code within the (801) Area Code (PSC Docket No. 99-999-05)

Recommendation:

Regarding the above referenced order, the Division of Public Utilities (DPU) hereby recommends that the Utah Public Service Commission (PSC) move as quickly as possible to open a docket to order the implement of the number conservation measures granted to it by the Federal Communications Commission (FCC). The two most critical issues on which the PSC must move are: 1) Ordering of implementation of mandatory thousand-block number pooling by all Local Number Portability (LNP)-capable carriers in all LNP-capable rate centers in the 801 Area Code; and, 2) Appointment of a neutral third party number administrator to implement thousand-block number pooling until such a time as the FCC appoints a national thousand-block pooling administrator.

The North American Numbering Council (NANC) has recommended to the FCC that NeuStar be named the national pooling administrator. The FCC has currently put this contract out for bid, but the process has not yet been completed. Historically, NeuStar has a proven record of providing pooling administration services pursuant to the

terms approved by the NANC in those states that are granted authority by the FCC to implement mandatory thousand-block pooling trials. Currently, NeuStar is acting as state administrator for the thousand-block number pooling trials in California, Connecticut, Florida, Illinois, Maine, Massachusetts, New Hampshire, New York, and Texas. To date, no other entity is providing PA services in any state, although Telcordia announced at the most recent NARUC symposium in California that they would soon be in a position to provide such services. However, given NeuStar's experience in providing pooling administration in other states and the fact that Telcordia is not yet in position to provide such services, the Division suggests that NeuStar is the best choice for the position of pooling administrator (PA) for the 801 Area Code (NPA) pooling trial. Too, because NeuStar is familiar with our relief efforts and has been involved with our planning efforts and local town meetings from the beginning when jeopardy was declared for the 801 NPA on September 24, 1999, the DPU recommends that the PSC order LNP-capable carriers to negotiate and enter into a PA contract with NeuStar.

The vehicle by which this is typically done is The North American Portability Management, LLC (NAPM), the voluntary nationwide number pooling consortium which handles the coordination of individual state PA contracts. If the PSC finds NeuStar is an acceptable candidate for the position of state PA, certain steps need to be taken to secure NeuStar's services. It will be necessary for the PSC to issue an order to LNP-capable carriers to begin negotiations with NeuStar via NAPM to form a standard contract for pooling administration services in the state of Utah. Since thousand-block number pooling is mandatory for all LNP-capable carriers, the PSC should order each LNP-capable carrier to sign the contract with NeuStar.

It is also the recommendation of the DPU that a technical conference be scheduled as soon as possible to discuss with the telecommunications industry (the Industry) the manner in which number conservation measures will be deployed and how the measures will be funded. Because thousand-block number pooling requires carriers to modify the manner in which they manage their inventory of telephone numbers, including their Operations Support Systems (OSSs) and retraining of their staffs, the DPU recommends that the technical conference be scheduled immediately to ensure that an adequate transition time is provided for carriers to implement thousand-block number pooling in switches and administrative systems. It will be necessary to have Industry input concerning what will be an adequate amount of time for updating.

History:

On September 23, 1999, members of the Industry met with the North American Numbering Planning Administration (NANPA, NeuStar as agent) in Salt Lake City, to discuss a resolution of the pending exhaust of the 801 Area Code (NPA). Various options were discussed, with the Industry favoring an area code overlay plan that would require ten-digit dialing for local calls and eleven-digit dialing for long distance. The following day, NANPA declared the 801 NPA in jeopardy and estimated at that time that the exhaust date for the 801 NPA would be the end of first quarter, 2001.

On October 27, 1999, the PSC filed a petition¹ with the Federal Communications Commission requesting an accelerated grant of authority to implement number conservation measures similar to those which had previously been granted to other states who were experiencing or nearing area code exhaust. The PSC issued public notice concerning the 801 NPA exhaust, and along with the Division and NeuStar as facilitators, held hearings in Provo on March 14, 2000, Bountiful on March 15, 2000, Salt Lake City on March 16, 2000, and in Ogden on March 22, 2000. The PSC heard evidence presented by US West, Inc., other interested parties, and the general public.

On March 31, 2000, the FCC released Report and Order and Further Notice of Proposed Rule Making In the Matter of Number Resource Optimization² (NRO) answering some of the issues and concerns in the PSC's October 27, 1999 filing. However, other Utah specific portions of the PSC's October 27, 1999 filing for waiver of number conservation measures remained unanswered until July 20, 2000.

The PSC considered many view points and different concerns in reaching its decision³ on April 26, 2000, to establish an Area Code Relief Split Plan⁴ which upon deployment will establish the boundary of the existing 801 NPA around Salt Lake County. All other rate areas in the current 801 NPA will be served by the new 385 NPA upon deployment of the relief plan. The deployment date for the availability of the new area code with permissive dialing is set for the end of 2000.⁵

On April 27, 2000, the PSC filed a supplemental petition with the FCC specifically requesting authority to implement 1000-block number pooling and filed notice with the FCC that the Utah PSC had decided upon an area code split relief plan for the 801 NPA.⁶ Thousand-block pooling is a number conservation measure that allows telephone prefix numbers⁷ to be allocated in blocks of 1000 rather than 10,000 (as currently required in the Central Office Guidelines) by a pooling administrator that coordinates the allocation of numbers to a particular service provider with the Number Portability Administration Center (NPAC). The FCC has found that thousand-block number pooling is one of the best conservation measures for extending the life of the North American Numbering Plan, and that its use by individual states that are granted

¹ *Petition of the Utah Public Service Commission for Accelerated Grant of Authority to Implement Number Conservation Measures, NSD File No. L-99-89 (October 27, 1999).*

² *Report and Order and Further Notice of Proposed Rule Making in the Matter of Number Resource Optimization, FCC 00-104, CC Docket No. 99-200 (March 31, 2000).*

³ *In the Matter of the Request of the North American Numbering Plan Administrator for a New Area Code within the (801) Area Code, Utah Public Service Commission Report and Order, Docket No. 99-999-05 (April 26, 2000).*

⁴ *Id.* at 7.

⁵ *Id.*

⁶ *Supplemental Petition to Federal Communications Commission for Accelerated Decision for Grant of Authority to Implement Number Conservation Measures, CC Docket No. 96-98, NSD File No. L-99-89 (April 27, 2000).*

⁷ *The first three digits of a telephone number are referred to as an "NPA" or "area code," the fourth, fifth and sixth digits are referred to as an "NXX" or "prefix", where the last four digits of a telephone number indicate the unique local number; generally, NPA-NXX-xxxx. Pooling efforts will affect the NXX portion of the telephone number allowing greater number distribution efficiencies.*

such authority will aid in developing national pooling implementation, architecture, and administrative standards.⁸

On July 20, 2000, the FCC ruled⁹ on the October 27, 1999 petition of the Utah PSC along with petitions of 14 other states that had filed for number conservation measures waiver with the FCC from October, 1999, through the first quarter of 2000. The FCC granted in part and denied in part the Utah PSC's petition of October 27, 1999, as summarized below.

1. The PSC is conditionally granted 1000-block number pooling.¹⁰ This mechanism allows for the allocation of blocks of one thousand sequential telephone numbers within the same NNX to different service providers. Prior to this granting of authority to Utah, there was a mandatory distribution of intact 10,000-number blocks to any applicant. At this time, only those carriers who have Local Number Portability (LNP) capability will be required to participate in 1000-block number pooling.
2. The PSC is conditionally granted authority to maintain rationing procedures for 6 months after implementation of area code split.¹¹
3. On October 27, 1999, the Utah's petition requesting authority to consolidate rate centers or rate areas was filed with the FCC. The FCC in the Numbering Resource Optimization Order released on March 31, 2000 examined this numbering resource optimization measure, granting to all state commissions this authority.¹²
4. In the same March 31, 2000 order, the FCC delegated authority to the state commissions to closely monitor the way numbering resources are used within the North American Numbering Plan (NANP), to promote more efficient use of the NANP numbering resources, to direct the North American Numbering Plan Administrator (NANPA) to reclaim non-activated or unused NXX codes, to direct the state Pooling Administrator (PA), once established, in pooling trials to reclaim non-activated or unused thousand-blocks, and made a national mandatory reporting and sequential number assignment framework.¹³
5. The March 31, 2000 order also granted authority to the states to:
 - a) Order the return of unused and reserved NNX codes;
 - b) Monitor usage through mandatory reporting requirements and number utilization reporting, but limited the reporting to bi-annual data requests so as not to duplicate the reporting requirements demanded by the preparation of

⁸ *In Re Petition of Public Utility Commission of Texas for Expedited Decision for Authority to Implement Number Conservation Measures*, CC Docket No. 96-98, NSD File No. L-99-55 (Nov. 30, 1999).

⁹ *In the Matter of Numbering Resource Optimization*, DA 00-1616, CC Docket No. 99-200, *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-98, regarding the Petition of the Utah Public Service Commission for Accelerated Grant of Authority to Implement Number Conservation Measures, NSD File No. L-99-89 (July 20, 2000).

¹⁰ *Id.* at ¶48.

¹¹ *Id.* at ¶62.

¹² *Id.* at ¶59.

¹³ *Report and Order and Further Notice of Proposed Rule Making in the Matter of Number Resource Optimization*, FCC 00-104, CC Docket No. 99-200, ¶169 (March 31, 2000).

the Central Office Code Utilization Survey (COCUS) reports. Actual auditing by the state of carriers' records are not limited;

- c) Require carriers to prove facilities readiness prior to obtaining numbering resources in that area, and carrier must specifically show that applicant is or will be capable of providing service within 60 days of the numbering resources activation date.

Concerning the issue of usage fill factor for non-pooling carriers, a nationwide utilization threshold will go into effect January 1, 2001.¹⁴ For pooling carriers, the specific utilization rate has been set at 10%¹⁵ the point at which a pooling carrier is considered making good use of a block of numbers and will not be subject to forced recovery of the block from the number administrator. The fill factor for non-pooling carriers is still open for comment.¹⁶ Wireless carriers, which are typically not capable of LNP, are not subject to pooling efforts before November 24, 2002. However, wireless carriers requesting growth codes are subject to compliance with utilization thresholds that will go into effect January 1, 2001. The FCC agrees with Nextel that the fill factor should be set higher in major markets and jeopardy areas than for non-jeopardy areas. However, the FCC has not set a prescribed fill factor range, but has put the issue out for further comment. Therefore, a MINIMUM fill factor of 10% has been set temporarily for the wireless carriers seeking growth codes.¹⁷

6. With the new July 20, 2000, delegation of pooling authority, the PSC must in general conform to the national framework as articulated in the March 31, 2000 Order.¹⁸
7. The Utah Commission is directed to ensure that an adequate transition time is provided to carriers to implement thousands-block pooling in their switches and administrative systems.
8. In the interim period, prior to the FCC appointment of a national PA, Utah will be responsible for contracting to provide its own state level PA.¹⁹ The Utah Division of Public Utilities' suggestion is to appoint NeuStar.
9. The PSC must develop its own cost recovery mechanism (to be in effect until transitioning to the national plan once implemented by the FCC) for the joint and carrier-specific costs of implementing and administering pooling within the State of Utah.²⁰ Too, the PSC must determine how the costs directly relating to the pooling administration should be recovered in a competitively neutral manner, and not exclude any class of carrier, nor overly burden any service provider to the extent they cannot earn normal returns on their investments.²¹

¹⁴ *Id.* at ¶115.

¹⁵ *Id.* at ¶191.

¹⁶ *Id.* at ¶115.

¹⁷ *Id.* at ¶114-115, and ¶141.

¹⁸ *In the Matter of Number Resource Optimization*, DA 00-1616, ¶16.

¹⁹ *Id.* at ¶20.

²⁰ *Id.* at ¶21.

²¹ *Id.* at ¶22.

10. In excess of the impact thousand-block number pooling authority will make on number conservation efforts in the 801 area code, the FCC has also allowed this authority to extend to the new 385 area code as well.²²
11. The PSC is granted authority to hear claims of carriers outside of the area code rationing process.²³
12. The PSC is denied the authority to implement unassigned number porting (UNP), a self-help strategy that allows carriers with numbering resources to make them available to carriers needing numbering resources. The FCC found this strategy to be not sufficiently developed at this time to order implementation. However, Utah carriers are encouraged to and not precluded from voluntarily engaging in UNP where mutually agreeable and where there are no safety or reliability concerns.²⁴
13. The PSC is granted the authority to conduct number utilization and forecast reporting audits of carriers to verify carrier compliance with number conservation measures until the FCC enacts national rules or policies relating to auditing carriers' use of numbering resources.²⁵
14. The PSC is granted the authority to implement NXX Code Sharing, if technically feasible and economically viable.²⁶ NXX Code Sharing allows an NPA-NXX associated with a specific rate center to be distributed among various service providers that serve that rate center.
15. On October 27, 1999, when the PSC filed for authority to revise rationing measures prior to the adopting of an area code relief plan, the PSC had not made a decision concerning the type of relief that would be afforded the 801 Area Code. Since then, the PSC ruled²⁷ on April 26, 2000, that a split will be the general relief plan implemented and set availability of the new 385 Area Code by the end of 2000. The FCC has denied the PSC request to alter the terms of a number rationing plan prior to the adoption of a relief plan or the establishment of an area code relief date.²⁸ Furthermore, the FCC has ruled that:

Whether the rationing plan in place prior to relief was an industry consensus plan, or whether it was a state commission-ordered plan, only those terms in place prior to area code relief may remain in place following area code relief.²⁹

The FCC has ordered that neither the state commissions nor the Industry participants in a consensus plan may alter the terms of the rationing plan after a relief plan has been implemented.³⁰

²² *Id.* at ¶48, ¶63.

²³ *Id.* at ¶67 referring to ¶53-54.

²⁴ *Id.* at ¶56.

²⁵ *Id.* at ¶60, ¶71.

²⁶ *Id.* at ¶61.

²⁷ *In the Matter of the Request of the North American Numbering Plan Administrator for a New Area Code within the (801) Area Code, Utah Public Service Commission Report and Order, Docket No. 99-999-05, p. 8 (April 26, 2000).*

²⁸ *In the Matter of Number Resource Optimization, DA 00-1616, ¶65-66.*

²⁹ *Id.* at ¶63.

³⁰ *Id.*

16. The FCC has denied the PSC authority to institute NXX Code Lotteries prior to adopting a relief plan and authority to order carriers to expand deployment of Local Number Portability (LNP).³¹

³¹ *Id.* at ¶68-69.