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Docket: UT-060012

Company Name: Telecommunications, General.

Staff: Rebecca Beaton, Senior Analyst
Deborah Reynolds, Regulatory Analyst
Robert Williamson, Senior Engineer
Don Trotter, Assistant Attorney General

Recommendation

Accept public comment, and continue this docket to the February 7, 2007, open meeting, for the purpose of deciding whether to issue an order mandating thousands-block number pooling in the 360 area code.

Background¹

This docket concerns the conservation of telephone numbering resources in the 360 and 509 area codes (also called numbering plan areas, or NPAs). At this stage of the docket, the commission needs to decide whether to order mandatory thousands-block number pooling in the western Washington 360 area code.² Today's meeting is to take public comment. The decision whether to issue an order mandating number pooling in the 360 area code will be addressed at the commission's February 7, 2007, open meeting.

Thousands-block number pooling is a telephone number resource conservation measure in which ten thousand telephone numbers in a prefix code or "NXX" are divided into ten sequential blocks of one thousand numbers and allocated to different telecommunications service providers or different switches within a rate center.³ Absent number pooling, a telecommunications company would be assigned all 10,000 numbers, even if only 2,000, 200, or even 20 numbers were needed.

Historically, the Federal Communications Commission (FCC) has had exclusive jurisdiction for allocating telephone numbers for telecommunications companies in this state.⁴ However, on

¹ All documents referred to in this memo are available on the commission's web site under this docket.

² The issue of mandatory pooling in the 509 area code will be brought before the commission later this spring. The projected 509 area code exhaust date is later than the projected exhaust date for the 360 area code. Therefore, the staff is asking the commission to implement the 360 area code mandatory number pooling first.

³ A "rate center" is a carrier-designated geographic location. Telephone numbers are assigned by rate center. For example, all of a carrier's customers who have telephone numbers with the same prefix (*e.g.*, "664"-XXXX) are in the same rate center.

⁴ In 47 U.S.C. § 251(e)(1), Congress granted the FCC authority to administer the portions of the "North American Numbering Plan" that apply to the United States. That section acknowledges the FCC's authority to delegate numbering authority.

November 9, 2006, the FCC granted the commission's petition seeking authority to implement mandatory thousands-block number pooling in all rate centers within the 360 and 509 area codes.⁵

Discussion

Currently, number pooling is mandatory only in rate centers within the top one hundred metropolitan service areas (MSA)⁶ in the United States. In the 360 area code in Washington, this applies only to the Vancouver MSA. A list of rate centers for which staff recommends the commission order mandatory number pooling is contained in Attachment one to this memorandum.

Issue: The 360 area code will run out of numbers for assignment by 2010 if no action is taken.

NeuStar is the North American Numbering Plan Administrator (NANPA) and the Pooling Administrator (PA).⁷ NeuStar now projects that the 360 area code will run out of numbers in the first quarter of 2010.⁸ Consequently, the 360 area code is approaching a critical exhaust stage. The commission, with the cooperation of the industry and the public, needs to act now to address this issue.

Solution: Implement mandatory thousands-block number pooling in the 360 area code.

⁵ In re Numbering Resource Optimization, Petition for Delegated Authority by the Public Utilities Commission of Ohio, Petition of the New York State Department of Public Service for Mandatory Pooling, Petition of the Washington Utilities and Transportation Commission for Mandatory Number Pooling, the New Mexico Public Regulation Commission's Petition for Delegated Authority to Implement Additional Number Conservation Measures, CC Docket No. 99-200, DA 06-2299 (November 9, 2006) (hereafter "FCC Numbering Resource Optimization Docket"), available at http://www.fcc.gov/Bureaus/Common_Carrier/Orders/2000/fcc00333.doc. In 2006, the FCC also authorized nine states to make number pooling mandatory in wider areas. Washington, New York, Ohio, and New Mexico received FCC authority on November 9, 2006. West Virginia, Nebraska, Oklahoma, Michigan, and Missouri received the same authority on February 17, 2006.

⁶ An MSA is defined by the Census Bureau as having "at least one urbanized area of 50,000 or more inhabitants." www.census.gov (prod/2006pubs/smadb/smadb-06)

⁷ The Pooling Administrator is the entity charged with overseeing the assignment of area codes, three-digit central office codes, and other "numbering resources" throughout the North American Numbering Plan Area (NANPA), which includes Washington. The Pooling Administrator also works with the telecommunications industry in developing area code relief plans. NeuStar, Inc. is currently the Pooling Administrator for the NANPA. NeuStar, Inc. was selected by the FCC for this role.

⁸ See NANPA: http://www.nationalnanpa.com/reports/reports_nruf.html.

If number pooling is used, there are three basic regulatory choices when it comes to addressing telephone number exhaust: 1) do nothing; 2) continue voluntary number pooling, or 3) implement mandatory thousands-block number pooling.

The first option, doing nothing, is not a reasonable response. When available telephone numbers are exhausted, a new area code will need to be created, either by an “overlay” (*i.e.*, a new NPA covering the same area as one or more existing area codes), or a “split” (*i.e.*, some customers in an existing area code get a new area code assignment, while others maintain the former area code).

The cost and inconvenience of area code overlays and splits are very substantial.⁹ As Public Counsel stated in its January 10, 2006, area code changes create inconveniences and additional costs for consumers and the telecommunications industry alike. When the western Washington overlay plan process was initiated in 2001 for the 564 area code, telecommunications industry members in Washington allocated 1.2 million dollars to educate consumers on the change.¹⁰ In particular, the cost to change an individual business’ contact information as a result of an area code split or overlay can be several thousand dollars.¹¹

The New Mexico Public Service Commission ordered implementation of a new area code in November of 2006.¹² That commission identified particular financial hardships of a new area code overlay on security alarm businesses, which estimated costs reaching “six figures.”¹³ Such cost data does not include or reflect the customer confusion that can be caused by an area code split or overlay.

In short, when an area code changes, it places a major economic burden on consumers and businesses, as well as less tangible burdens.

The second option, continuing voluntary number pooling, is a suboptimal solution. Voluntary number pooling in Washington has not done enough to extend the life of the 360 area code. Carriers with optional pooling status lack the incentive to forecast appropriately or to donate number blocks to the Pooling Administrator (PA) for reassignment. Optional number pooling

⁹ See (e.g.), *FCC Numbering Resource Optimization Docket*, Order FCC 99-200, DA 06-14 (February 17, 2006); at 4 (b) (7), (See) (e.g.) FCC First Report and Order, 15 FCC Rcd at 7348 7651-52, (2000) ¶ 170.

¹⁰ See, e.g., *In re Area Code Relief for the 206, 253, 425 and 360 Number Plan Areas*, Docket UT-991535, Order Approving Expenditure and Refunds of Education Plan Funds (Oct 31, 2001) at ¶ 2.

¹¹ By analogy, in the context of a street name change, one business estimated the cost to change business cards, stationary etc. to be around \$11,000 (King County Journal (Aug 25, 2004), at 1, ¶ 3. (www.kingcountyjournal.com) Taneum Computer Products Inc, S. Grand., Another business estimated a cost of \$157,000, Renton City Council Meeting Minutes, (Sep 20, 2004), at 3, ¶ 13.

¹² *In re Petition of NeuStar, Inc., on Behalf of the New Mexico Telecommunications Industry, for Approval of NPA Relief Plan for the 505 NPA*, Case 06-00141-UT, Final Order Adopting NPA Relief Plan for 505 NPA (New Mexico PSC, Nov 9, 2006).

¹³ *Id.* at 6-7.

leaves the decisions to pool to the discretion of competing service providers, who also lack the incentive to aid their competitors by providing them number resources.

The third option, mandatory number pooling, has proven to be an effective number conservation tool in Washington. This option, together with other number conservation measures, has prevented the implementation of the overlay area code of 564, which has been assigned to the 206, 253, 360, and 425 area codes. Mandatory number pooling is an effective means of assuring optimal conservation of numbering resources.

The following table identifies changes in area code exhaust forecasts. The extended area code time lines were caused primarily by the implementation of mandatory number pooling in Washington. As the information shows, before mandatory pooling, the 360 area code was expected to run out of numbers in 2000. After mandatory pooling was implemented in 2000, the 360 area code exhaust forecast changed to 2007. The number plan administrator now projects the 360 area code to exhaust in early 2010.

NEUSTAR FORECASTED AREA CODE EXHAUST DATES¹⁴

NPA	May, 2000 Forecast	April, 2005 Forecast	October, 2006 Forecast
206	Second Quarter 2002	Fourth Quarter 2023	Fourth Quarter 2022
253	Second Quarter 2006	Fourth Quarter 2021	First Quarter 2022
360	Third Quarter 2000	Third Quarter 2007	First Quarter 2010
425	Fourth Quarter 2003	First Quarter 2030	Third Quarter 2025
509	Second Quarter 2002	First Quarter 2011	First Quarter 2012

NeuStar estimates that sixty telephone number prefixes (600,000 numbers) have been conserved in the 360 NPA since 2003 due to mandatory number pooling. In addition, 447,000 numbers were returned to the numbering inventory in 2005 due to other conservation measures. These ongoing commission efforts have moved the potential exhaust of the 360 NPA to 2010.¹⁵

¹⁴ North American Number Plan Administrator, NPA Exhaust (October, 2006), WA data at www.nanpa.com

¹⁵ Washington's experience with extending exhaust dates with the benefits of mandatory number pooling is consistent with the experience nationally. For example, in 2000, the FCC determined that thousands-block number pooling was essential to extending the life of the North American Numbering Plan (NANP) by making the assignment and use of number codes more efficient. *FCC Numbering Resource Optimization Docket*, Report and Order and Further Notice of Proposed Rulemaking, 15 FCC Record 7574, 7625, (2000) ¶ 122.

Mandatory number pooling is consistent with the commission's policy that the telecommunications industry make more efficient use of the existing supply of numbering resources before new area codes are added in this state.¹⁶

Finally, mandatory number pooling will not be unduly burdensome to the telecommunications companies subject to such pooling requirements. Commission staff is not aware of any technical impediments to implementing mandatory number pooling in Washington. Commission staff understands that all companies providing telecommunications services in Washington are local number portability (LNP) capable, which is one of the key technical requirements for number pooling. Moreover, the affected telecommunications companies are experienced in working with number resources. The incremental cost, if any, of some additional effort to implement thousands-block number pooling, should not be significant.

Public Comments

The commission's December 7, 2006, notice requested written comments by January 10, 2006. Only Public Counsel filed comments. Public Counsel strongly supports mandatory pooling, characterizing the conservation measure as a regulatory success story.¹⁷

Implementation Matters: Timeline and Related Issues

Staff recommends the date of July 31, 2007, for implementing mandatory number pooling for all rate centers in the 360 area code. This date provides the industry members and NeuStar sufficient lead time to complete the necessary administrative requirements. Commission staff plans to participate in all relevant meetings and decisions relevant to number pooling in the 360 area code.

The FCC provides an exemption for rural carriers that have not yet received a specific request for the provision of local number portability¹⁸ from another carrier.¹⁹ However, because the

¹⁶ In *re: Consolidation of Rate Centers in Cllalam, Jefferson, Yakima and Klickitat Counties*, Dockets UT-031803 and UT-991627, Order No. 1, Requiring Consolidation of Rate Centers (December 10, 2003). See also WUTC *Petition for Additional Delegated Authority to Implement Number Conservation Measures* FCC Response Ltr, in CC Docket 96-98 (April 10, 2001), ¶ 3, See also WUTC *Amended Petition for Additional Delegated Authority to Implement Number Conservation Measures*, FCC L-99-102 (July 20, 2000) ¶ 38.

¹⁷ Industry members and the general public have had other opportunities to comment on the subject of mandatory pooling by the commission. For example, the Commission's petition to the FCC seeking authority to mandate number pooling in Washington was filed December 7, 2005. The FCC allowed two rounds of comments. The sole commenter on the commission's petition was Sprint Nextel Corp., who supported the commission's petition and urged the FCC to act expeditiously because prompt action could ensure that Washington residents would be spared the costs and burdens of a new NPA, while ensuring carriers have access to needed numbers.

¹⁸ Local number portability (LNP) allows customers to change companies and keep their original phone number. A switch must be LNP capable in order to route calls to the LNP database. That is, a particular telephone number has a network address. The LNP database keeps track of that address, and it records and locates the client and network

commission has received no comments from any rural carriers, staff assumes all such carriers have received a specific request for the porting of a local number. In any event, the commission can consider any rural carrier's request for waiver of mandatory number pooling on a case-by-case basis.

Conclusion

For the reasons stated above, the commission should accept public comment today, and continue this docket to the February 7, 2007, open meeting for the purpose of deciding whether to issue an order mandating number pooling in the western Washington 360 area code.

Attachments:

- 1: List of areas proposed for mandatory number pooling
- 2: WUTC Petition to the FCC (December 6, 2005)
- 3: FCC Order in the FCC Numbering Resource Optimization Docket (November 9, 2006)
- 4: WUTC Request for Comments (December 12, 2006)
- 5: Document explaining the terms Pooling, Local Number Portability and Metropolitan Service Area

address. It then notifies all telecommunications companies involved where to route the call, and which company to credit the call (Newton's Telecom Dictionary (21st Updated Edition (ed. 2005))).

¹⁹ *FCC Numbering Resource Optimization Docket*, (2003) DA 06-2200, at 7, ¶ 4, lines 7-11.