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Docket: UT-060012

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Recommendation

Issue an order requiring mandatory thousands-block number pooling in all rate centers in the 509 area code by June 29, 2007.

Background¹

Docket UT-060012 concerns the conservation of telephone numbering resources in the 509 and 360 area codes. On January 24, 2007, the Washington Utilities and Transportation Commission ordered mandatory thousands-block number pooling in the 360 area code.

The UTC now needs to decide whether to order mandatory thousands-block number pooling in the 509 area code, which comprises most of Eastern Washington.² Today's meeting is to take public comment and consider whether to issue such an order.

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.

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 360 area code was brought before the Commission at its open meeting of January 24, 2007.

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.

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

On February 6, 2007, the Washington Utilities and Transportation Commission (commission) issued a notice of opportunity to file written comments in this docket regarding mandatory number pooling⁶ in the 509 number plan area or area code. The notice provides a discussion of the benefits of mandatory number pooling.

Discussion

Prior to the commission's January 24, 2007, order in this docket, only those rate centers designated by NeuStar and based on census data, as within the top one hundred metropolitan service areas (MSA)⁷ were required to number pool in the 360 and 509 area codes.

Staff recommends the commission order mandatory number pooling for all rate centers in the 509 area code.

Problem: The 509 area code will run out of numbers for assignment by 2011 if no action is taken.

NeuStar Inc. is the North American Numbering Plan Administrator (NANPA) and the Pooling Administrator (PA).⁸ NeuStar projects that the 509 area code will run out of numbers in 2011.⁹

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.

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 99-200, DA 06-2299 (November 9, 2006), 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 Thousands block number pooling is a numbering resource optimization measure in which 10,000 numbers in an code or "NXX" are divided into ten sequential blocks of 1,000 numbers and allocated to different service providers or different switches with a rate center. *FCC Numbering Resource Optimization Docket*, CC 99-200, CC 95-116, para 5 (2003).

⁷ 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)

⁸ 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),

The UTC, with the cooperation of the industry and the public, needs to act to address this problem.

Solution: Implement mandatory thousands-block number pooling in the 509 area code.

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.¹⁰ As Public Counsel stated in its January 10, 2006, comments in this docket, 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.¹¹ Moreover, the cost to change an individual business’ contact information as a result of an area code split or overlay can be several thousand dollars.¹²

The New Mexico Public Service Commission ordered implementation of a new area code in November of 2006.¹³ That commission identified particular financial hardships of a new area code overlay on security alarm businesses, which estimated costs reaching “six figures.”¹⁴ Such

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.

⁹ See NANPA: http://www.nationalnanpa.com/reports/reports_nruf.html.

¹⁰ 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.

¹¹ 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.

¹² 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, (September 20, 2004), at 3, ¶ 13.

¹³ *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, November 9, 2006).

¹⁴ *Id.* at 6-7.

cost data does not 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 509 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 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.

Mandatory number pooling is also consistent with the UTC'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.¹⁵

Finally, mandatory number pooling will not be unduly burdensome to the telecommunications companies subject to such pooling requirements. UTC staff is not aware of any technical impediments to implementing mandatory number pooling in Washington. UTC 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.

¹⁵ *In re Consolidation of Rate Centers in Cllalam, Jefferson, Yakima and Klickitat Counties*, Dockets UT-031803 and UT-991627, Order 1, Requiring Consolidation of Rate Centers (December 10, 2003). See also *WUTC Petition for Additional Delegated Authority to Implement Number Conservation Measures*, FCC Response Letter, in CC Docket 96-98 (April 10, 2001), at ¶ 3, and the WUTC's *Amended Petition for Additional Delegated Authority to Implement Number Conservation Measures*, FCC L-99-102 (July 20, 2000), at ¶ 38.

Public Comments

The commission's February 8, 2007, notice requested interested persons to file written comments by March 5, 2007.¹⁶ No written comments were filed on the issue of mandatory thousands block number pooling in the 509 area code.

Implementation Matters: Timeline and Related Issues

Staff recommends the commission order mandatory number pooling for all rate centers in the 509 area code beginning June 29, 2007. NeuStar, the Pooling Administrator, has a defined protocol for industry meetings and implementation timelines for the introduction of mandatory number pooling in all rate centers in an area code. Staff's recommended mandatory pooling completion date of June 29, 2007, gives industry and the Pooling Administrator 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 509 area code.

Technically speaking, number pooling requires the participating carriers to be capable of providing local number portability.¹⁷ Because some rural carriers in this country do not have that capability, rural carriers are eligible for a federal exemption from mandatory number pooling.¹⁸ To address this issue, staff recommends the commission issue the order mandating number pooling, and consider on a case by case basis any request for waivers based on this exemption.¹⁹

Conclusion

For the reasons stated above, the commission should issue an order mandating thousands-block number pooling in all rate centers in the 509 number plan area by June 29, 2007.

¹⁶ 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.

¹⁷ 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 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 Edition 2005).

¹⁸ *Fourth Report and Order in CC Docket 99-200 and CC Docket 95-116, and Fourth Further Notice of Proposed Rulemaking in CC Docket 99-200* (June 18, 2003), at ¶¶ 1, 18, and 19.

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