

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY
October 24, 2000**

CASE NO: TO-2000-374

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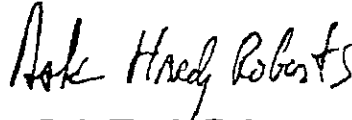
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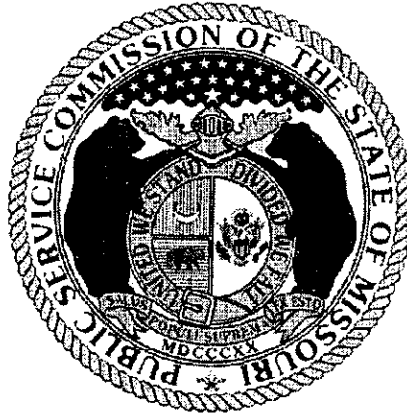
Enclosed find certified copy of REPORT AND ORDER in the above-numbered case(s).

Sincerely,

A handwritten signature in cursive script that reads "Dale Hardy Roberts". The signature is written in dark ink and is positioned above the printed name and title.

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**



In the Matter of the Petition of the North)
American Numbering Plan Administrator, on)
Behalf of the Missouri Telecommunications) Case No. TO-2000-374
Industry, for Approval of NPA Relief Plan)
for the 314 and 816 Area Codes.)

REPORT AND ORDER

Issue Date: October 24, 2000

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In the Matter of the Petition of the North)
American Numbering Plan Administrator, on)
Behalf of the Missouri Telecommunications) **Case No. TO-2000-374**
Industry, for Approval of NPA Relief Plan)
for the 314 and 816 Area Codes.)

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REGULATORY LAW JUDGE: Keith Thornburg.

REPORT AND ORDER

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Background and Overview

This case addresses the need to provide additional telephone numbers in the areas served by the 314 and 816 area codes as well as the consideration and implementation of numbering resource optimization strategies to make more efficient use of limited numbering resources. The Commission is vested with the authority to decide the method of relief as well as to consider and implement certain numbering resource optimization strategies.

The North American Numbering Plan (NANP) was established in the early 1940s, when American Telephone and Telegraph (AT&T) realized a need to integrate telephone networks into a nationwide network. The NANP is a numbering architecture in which every station in the areas served by the NANP is identified by a unique ten-digit address, i.e. a telephone number. With the break-up of AT&T and the introduction of competition into the telecommunications market, the federal Communications Act of 1934 (the Act)

was amended to address various matters including administration of the NANP. Amendments to the Act vested United States jurisdiction for the NANP in the Federal Communications Commission (FCC) under Section 251(e)¹.

Pursuant to its authority, the FCC has designated a contracted administrator for the NANP. The designated North American Numbering Plan Administrator (NANPA) is NeuStar Inc. FCC Order No. 99-346 (November 17, 1999). The NANPA acts as a neutral, third-party administrator and is charged to exercise its administrative functions in an impartial manner toward the various carriers and service providers that require numbering resources. In addition, the FCC, in various proceedings and orders, has delegated certain authority to state commissions, including the authority to determine the method of code relief when a numbering plan area (NPA or area code) is nearing exhaustion of numbering resources.

Exhibit 23 is a copy of the NPA Code Relief Planning and Notification Guidelines (Guidelines) developed by the Industry Numbering Committee (INC) that the NANPA follows in carrying out its duties. The Guidelines define terms, functions, processes and timeframes to develop and implement Numbering Plan Area (NPA) relief and describe relief methods that are currently used when an NPA is nearing exhaustion of numbering resources.

Relief typically takes the form of assigning a new NPA code for an NPA split or overlay. Another option is to change the boundaries of NPAs

¹ Pub. L. No. 104-104, 110 Stat. 56 (1996) Act). The 1996 Act amended the Communications Act of 1934, 47 U.S.C. §§ 151-174. 47 U.S.C. § 251(e)(1) provides:

The Commission shall designate one or more impartial entities to administer telecommunications numbering and to make such numbers available on an equitable basis. The Commission shall have exclusive jurisdiction over those portions of the North American Numbering Plan that pertain to the United States. Nothing in this paragraph shall preclude the Commission from delegating to the State commissions or other entities all or any portion of such jurisdiction.

to match the respective demands for numbering resources, extending the life of the NPA nearing exhaustion.

The NPA code is also called an area code and occupies the first three positions in the ten-digit NANP format (NPA-NXX-XXXX). Geographic NPAs correspond to discrete geographic areas. Nongeographic NPAs are associated with attributes, functionalities or requirements that transcend specific boundaries. A common example of the latter is the N00 format, e.g., 800.

The second three digits in a ten-digit telephone number designate the Central Office Code (CO code). The CO code uses the NXX format (N represents any number 2 through 9 and X represents any number 0 through 9). The CO code is also referred to as the NXX code.

A CO code has 10,000 numbers. Under present industry practices and under the Guidelines, there are 792 assignable CO codes within an NPA. A service provider requires at least one CO code (10,000 number block) for each rate center in which it provides service for routing, rating and billing, irrespective of the actual number of telephone numbers a service provider may require for its customers.

In order to utilize telephone numbers more efficiently, the FCC is in the initial stages of implementing thousands-block (NXX-X) number pooling on a national basis. Thousands-block number pooling is a number administration assignment process which breaks up the 10,000 numbers in the NXX code into thousands-blocks (NXX-Xs) and allocates numbers by thousands-block increments within the NXX code. Individual state commissions have successfully petitioned the FCC for authority to implement thousands-block number pooling on a trial basis. See FCC CC Docket No. 99-200, July 20, 2000.

Under the Guidelines, the NANPA monitors projected code exhaustion dates, develops initial NPA relief plan alternatives and moderates an

industry forum to develop an industry consensus NPA relief plan for consideration by the applicable state commission. Pursuant to FCC delegation, a final determination of an NPA relief plan and the ultimate authority to approve or reject a plan is vested with the state commission.

The Guidelines provide a flexible process for NPA relief planning, review, approval and implementation, taking into account historical and anticipated NXX code growth demands and the particular considerations and factors in a given case. If NPA relief is not in place prior to anticipated code exhaustion and forecasted or actual demand for NXX codes will exceed the known supply during the planning and implementation interval for code relief, the NPA is declared to be in "jeopardy" and a rationing plan for NXX codes is implemented. In this situation numbering resources allocated to carriers and service providers may be insufficient to fully satisfy customer and competitive demands.

This case was initiated by the NANPA filing a petition on behalf of the Missouri telecommunications industry requesting approval of the industry consensus NPA relief plans proposed for the 314 and 816 NPAs.

Procedural History

The NANPA filed its petition on behalf of the Missouri telecommunications industry on December 17, 1999. Eight applications and one late-filed application to intervene filed on behalf of various telecommunications industry entities were granted by the Commission on March 1, 2000. Subsequently, three additional late-filed applications to intervene were filed and the same were granted, two in orders issued on May 23, 2000, June 9, 2000, and the third, by the presiding officer on July 31, 2000, during the hearing for this matter. In addition, the Commission's Staff participated in this case represented by the

Commission's General Counsel, and the Office of the Public Counsel was also a party.

The Commission adopted a procedural schedule for this case on March 1, 2000. That schedule was modified in an order issued on March 20, 2000. An order scheduling local public hearings was issued on April 13, 2000. Pursuant to the procedural and scheduling orders, six local public hearings were held to provide the public an opportunity to offer comments. The local public hearings were held at locations in the 314 NPA on April 24, 2000, with hearings in St. Louis, Chesterfield, and O'Fallon, and at locations in the 816 NPA on May 3, 2000, with hearings in Kansas City, St. Joseph, and Blue Springs. Forty witnesses presented sworn comments at the local public hearings.

The Staff, the Office of the Public Counsel and seven of the intervening parties filed testimony presenting eleven witnesses. Direct testimony was due on May 10, 2000; rebuttal testimony was due on June 23, 2000; and surrebuttal testimony was due on July 12, 2000. All the witnesses appeared for cross-examination at the hearing for this case.

A prehearing conference was held on July 17, 2000. A proposed list of issues and order of witnesses and order of cross-examination was filed on July 19, 2000. Position statements of the parties were due on July 24, 2000. On July 21, 2000, the Commission issued an order allowing supplemental position statements to be filed no later than July 27, 2000, to further address number resource optimization strategies in view of a July 20, 2000, FCC order in CC Docket No. 99-200 and No. 96-98. Some of the intervening parties did not file position statements or took neutral positions on some or all of the issues presented.

On July 27, 2000, the Commission ordered its Staff to file a copy of the Commission's previous petition to the FCC regarding additional delegated numbering authority. On July 28, 2000, the Commission ordered

its Staff to file documentation showing the 100 largest Metropolitan Statistical Areas (MSAs) in the United States. The Commission's Staff filed these materials on July 28, 2000. No objections to the filing of these documents were received.

The Office of the Public Counsel filed a motion on August 3, 2000, requesting that the Commission petition the FCC for authority for a state number pooling trial in the 816 NPA. The Commission's Staff supported the motion in a response filed on August 14, 2000. Southwestern Bell Telephone Company opposed the motion in a response filed on August 11, 2000. The Commission issued an order on September 1, 2000, directing the Commission's General Counsel to file a petition or supplemental petition with the FCC to request a grant of authority for a state number pooling trial in the 816 NPA.

Other proceedings having a bearing on this case include notification by the NANPA on April 19, 2000, that it had declared the 314 NPA to be in jeopardy with resulting rationing of NXX codes.

On March 31, 2000, the FCC released In the Matter of Numbering Resource Optimization, CC Docket No. 99-200 (*Report and Order and Further Notice of Proposed Rule Making*, FCC issued March 31, 2000) (hereafter NRO 1). NRO 1 addresses number resource optimization by defining necessary terms and setting reporting standards to promote the management of numbering resources and initiates the implementation of national thousands-block number pooling. NRO 1 also grants to states the authority to direct the NANPA to reclaim unactivated or unused NXX codes. NRO 1 is included in the record for this case as Exhibit 24.

On July 20, 2000, the FCC released In the Matter of Numbering Resource Optimization, CC Docket No. 99-200 and 96-98 (*Order*, FCC issued July 20, 2000) (hereafter NRO 2), conditionally granting the petitions of

several states, including Missouri, to implement numbering resource optimization strategies and reemphasizing past delegations of authority. NRO 2 is included in the record of this case as Exhibit No. 26.²

On July 11, 2000, the FCC released a Public Notice that addressed questions concerning NRO 1, presented to the FCC by NeuStar, the Industry Numbering Council (INC), certain telecommunications companies and several state commissions. This document is included in the record of this case as Exhibit No. 25.

This case was heard on July 31 and August 1, 2000. Briefs were due no later than September 18, 2000. Ten briefs were filed.

Positions of the Parties and Discussion of the Evidence

NPA Relief

The NANPA initiated this case on behalf of the Missouri telecommunications industry, but is a neutral party and did not advocate a particular relief method.

The NANPA presented the industry with four alternative relief methods for the 314 NPA. The alternatives consisted of a distributed overlay³ of the 314 NPA, two split alternatives, and a boundary realignment. The last alternative would erase the boundary between the 314 and 636 NPAs (NANPA and the parties referred to the latter as a "retroactive overlay"). The industry consensus was to support the

² In NRO 1, the FCC notes that the rapid depletion of numbering resources nationwide and the potential it creates for NANP exhaustion are national problems that must be dealt with at the national level. NANP expansion would be costly to implement. The FCC noted that there would be considerable value in extending the life of the NANP by using numbering resources more efficiently. There is not agreement on when the NANP might exhaust absent more efficient use of numbering resources, but, the NRO 1 cited NANPA and North American Numbering Council projections falling in the range from 2006 to 2012 and 2005 to 2016 respectively.

³ Any reference to an overlay will be an "all services overlay" unless noted. Some parties and public comments considered specific service overlays where an NPA is designated for a specific service such as cell phones.

retroactive overlay. A factor noted by the NANPA as in support of the retroactive overlay was that the St. Louis area 911 system (encompassing four NPAs - 314, 636, 573 and 618) could be compromised by the introduction of a fifth NPA code into the 911 system, absent a longer lead time to upgrade capacity. The parties to this proceeding later verified and agreed that there was not a lack of capacity that would prevent or delay implementing a fifth NPA code in the St. Louis area 911 system.

The NANPA presented the industry with five alternative relief methods for the 816 NPA. The alternatives consisted of a distributed overlay of the 816 NPA, three split alternatives, and a concentrated overlay. The industry consensus was to support a distributed overlay.

The parties⁴ taking positions regarding the 314 NPA were as follows: Southwestern Bell Telephone Company (SWBT), Southwestern Bell Wireless, Inc. (SWBW), and Sprint Corporation (Sprint) supported the retroactive overlay as a first choice and an overlay of 314 only as a second choice; GTE Midwest Inc. (GTE), CyberTel Cellular Telephone Company (CyberTel), and AT&T Communications of the Southwest (AT&T) supported the retroactive overlay; the Commission's Staff (Staff) and the Office of the Public Counsel (Public Counsel) supported an overlay.

The parties taking positions regarding the 816 NPA were as follows: SWBT, SWBW, GTE, Sprint, AT&T, ExOp of Missouri, Inc. (ExOp), and the Commission's Staff supported an overlay. The Public Counsel advocated delaying a decision, expressed general support for a geographic split roughly following the Missouri River but did not rule out an overlay.

The persons offering testimony at the local public hearings generally supported overlay relief for the 314 and 816 NPAs rather than a split. Four persons supported the geographic split method of NPA relief.

⁴ The parties are described generally. In some cases principal corporations and affiliates were represented and in some case multiple companies were represented in a single intervention.

Four persons also suggested that the Commission consider assigning service-specific NPA codes, for example, establishing an NPA for cell phones and for pagers. The FCC has declined to authorize service-specific overlays in its proceedings but has indicated that it might reconsider this issue in the future. NRO 2, par. 64 (rejecting Pennsylvania's request).

Local hearing support for the overlay relief methods was generally based on avoiding the costs and confusion of requiring customers to change their telephone numbers which would be required if a geographic split relief method was chosen; a view that an overlay would avoid dividing communities of interest compared to artificial divisions that might result from a geographic split; and a view that moving to required ten-digit local dialing with an overlay avoids confusion in knowing when to dial seven versus ten digits. An overlay always requires ten-digit local dialing. A geographic split retains seven-digit local dialing within the NPA.

Another concern that was expressed at the local public hearings was that any relief plan should provide long-term relief to reduce, limit or avoid costs and confusion associated with implementing any NPA relief plan and a desire that further NPA relief should not be required for a significant period of time.

The majority of persons testifying at the local public hearings represented municipalities, chambers of commerce and economic development officials. These persons were concerned with minimizing economic costs to businesses, communities and consumers associated with any NPA relief. These persons tended to give less weight to the benefit of keeping a seven-digit dialing pattern for local dialing.

Delayed Decision or Implementation

Public Counsel advocated that relief implementation be delayed in the 314 NPA and 816 NPA until 90 CO codes remained in the 314 NPA and 100

CO codes in the 816 NPA. The Public Counsel argued that delaying implementation benefits the public interest by postponing the expenses and confusion attendant with NPA relief, and that numbering conservation and optimization strategies might be implemented during this period that would further extend the life of these NPA codes. In the case of the 816 NPA, Public Counsel further argued that a decision on the relief method also be postponed "so that the best approach can be selected to respond to numbering status at that time."

The Public Counsel presented testimony and evidence that questioned the NANPA estimates of code exhaustion dates. The Commission notes that the FCC has recognized the "difficulty in accurately projecting code exhaust" and stated "area code exhaust, at this time, cannot be reliably projected." NRO 1, par. 66. The FCC stated that NANPA's continual revision of exhaustion dates and changes in code issuance growth rates "demonstrates that change can happen very quickly." *Id.*

NPA Relief - 314

Geographic Split Method of Relief

A geographic split relief method was not favored by any of the parties presenting testimony and these parties presented various reasons to support their position. A geographic split would require residents and businesses in the new NPA to suffer the confusion and expenses associated with having to change telephone numbers. In the 314 NPA, it would be difficult to fashion a dividing boundary that would avoid splitting the mandatory local calling scope. It would also be difficult to fashion a dividing boundary that would result in two or more NPAs with balanced lives. One NPA might have a long projected life and the other a short projected life. A short projected life results in the need to revisit area code relief and its attendant expenses again in a relatively short time

period. In addition, while a split would preserve seven-digit local dialing within an NPA, ten-digit local dialing would be required between NPAs in the same extended local calling area as noted by the NANPA in its planning documents.

The NANPA planning documents submitted with its petition showed that the two proposed splits presented for the 314 NPA would have unbalanced lives of 2.4/16.4 years and 11.4/3.4 years, respectively, with variation depending on which NPA code wireless carriers used to home their switches. Thus, one of the resulting NPA areas in each split alternative would have a relatively short projected life.

The Office of the Public Counsel summarized the problems with a split in the 314 NPA as a recognition that carving up the already small 314 area into smaller pieces in order to retain geographic identity and seven-digit dialing does not produce sufficient benefits to outweigh the inconvenience of making customers change their area code.

Overlay Method of Relief

The overlay relief alternatives presented by the NANPA included an all services distributed overlay and a "retroactive" overlay. The all services distributed overlay (overlay) would assign a second NPA code to the 314 NPA. The retroactive overlay would be achieved by erasing the boundary line for the 636 NPA to combine the 314 and 636 NPAs. In this case, the two NPA codes would then serve the same geographic area.

The projected life submitted in the planning documents filed with the petition showed a life of 6.3 years for the overlay and 4.4 years for the retroactive overlay. The 636 NPA code would exhaust more quickly if it were used to retroactively overlay the present 314 NPA. If the 636 NPA were not used to retroactively overlay the 314 NPA, its current exhaustion

date is the first quarter of 2008. This reflects a life of approximately 7.4 years.

With an overlay, ten-digit local dialing would be required within the 314 NPA. Seven-digit local dialing would be preserved within the 636 NPA if it were not used for a retroactive overlay of the present 314 and 636 NPAs.

Proponents of both the overlay and retroactive overlay relief methods asserted that once an overlay of any kind is implemented, future relief is more easily implemented since customers become accustomed to ten-digit dialing. Proponents also argued that a significant benefit with overlay relief is that it does not require customers to change their telephone numbers, in contrast to a split method of relief. The Office of the Public Counsel noted that once an overlay method of relief is adopted, other methods of relief are essentially precluded and the Commission's options are accordingly narrowed.

The proponents of an overlay favored this approach because it would avoid burdening customers in the recently created 636 NPA. The 636 NPA was created in a prior NPA relief case by splitting it from the 314 NPA. An overlay for the 314 NPA would also provide a longer relief period for the 314 NPA and avoid shortening the life of the 636 NPA.⁵

Proponents of a retroactive overlay favored this approach because it delays the implementation of a third NPA code in the St. Louis area. One proponent argued that a benefit of combining these NPAs would be implementation of number pooling in the area presently defined in the 636 NPA at the same time number pooling is implemented in the 314 NPA. Proponents also argued that this choice reflected a more "efficient" use of

⁵ The 636 NPA was established pursuant to a geographic split of the 314 NPA approved by the Commission in Case No. TO-98-212. The Commission's decision, adopting a split, was presented in its Report and Order issued on July 22, 1998. The implementation of the 314/636 split was completed on March 25, 2000, following a nine-month permissive dialing period.

numbering resources by using numbering resources from 636 NPA to delay the introduction of a new NPA code; and that shifting codes to the areas with the highest demand presented a more efficient usage of numbering resources.

Proponents for the retroactive overlay also argued that the introduction of ten-digit dialing for local calls within the present 636 NPA would not be unduly burdensome since customers had become accustomed to dialing ten digits when calling into the 314 NPA.

The proponents favoring a retroactive overlay as a first choice and an overlay as a second choice generally distinguished their preference on the basis that this choice would postpone the need for a new NPA code, which was asserted to reflect efficiency. Proponents also asserted that eliminating the possibility of unbalanced growth in CO code usage between the 314 and 636 NPAs was beneficial. Preference for a retroactive overlay was also based on the assertion that always requiring ten-digit local dialing in the present 636 NPA would be less confusing for customers than preserving present seven-digit local dialing.

NPA Relief- 816

Geographic Split Method of Relief

The NANPA presented three split alternatives for the 816 NPA for the industry's consideration. The proposals followed rate center boundaries and gave some consideration to the scope of the Metropolitan Calling Area local calling plan. One split alternative produced NPAs with projected lives of 1.1 and 94 years, respectively. Another presented projected lives of 6.3 and 7.1 years. A third presented projected lives of 3.1 and 15.4 years.

The Office of the Public Counsel was the only party that suggested the Commission consider a geographic split for the 816 NPA and offered its own proposal to split the NPA "roughly along the Missouri River." However,

the Public Counsel was not firm in its support for any particular relief, stating that the Commission should "postpone the final decision" and direct the industry to develop contingency plans to implement "either a geographic split" or an "overlay of the entire 816 area." The Office of the Public Counsel did not present any evidence regarding the projected life of its proposed split.

Overlay Method of Relief

The NANPA presented two overlay proposals for the 816 NPA. One proposal was for an all services distributed overlay (overlay) for the NPA. The second was for a concentrated overlay. With the latter variation the second NPA code is used to overlay the portion of the NPA with the highest growth demands. The concentrated overlay can later be extended to cover the entire NPA. The projected life of the overlay is 6.7 years. The concentrated overlay has the same projected life as an overlay for the entire 816 NPA since the footprint of the second NPA code can be expanded to cover the entire 816 NPA to satisfy demand for CO codes. The NANPA planning documents showed an estimated life of 2.9 years for the "unconcentrated" portion of the 816 NPA. Thus, the concentrated NPA would be projected for extension to the entire 816 NPA in that time.

The industry consensus favored the overlay method of relief. The concentrated overlay was rejected because it provided a relatively short relief period for the area outside the initial footprint of the concentrated overlay, and because later expanding the new NPA code would result in the additional expense and disruption of having two or more implementation schedules and customer education periods.

With the exception of the Office of the Public Counsel, all the parties that took a position in this case favored the overlay method of relief for the 816 NPA.

Numbering Resource Optimization

In this proceeding, the parties addressing numbering optimization and conservation generally favored the Commission moving forward with accountability and optimization strategies vested in all state commissions consistent with parameters set by the FCC. Differences arise with regard to determining the most effective strategies and the most efficient implementation of these strategies including, whether the forum for implementation should be state or national. Some parties have asserted that the Commission should refrain from exercising certain interim authority delegated specifically to this Commission from the FCC.

The Commission does not intend in this proceeding to limit its authority or foreclose any avenue available in Missouri to use numbering resources more efficiently or for verifying and assuring the efficient use of numbering resources. The Commission's intent is to address or implement numbering resource optimization strategies when it is timely and beneficial to do so, whether in the context of this case or at any time in the future.

The FCC has referred to itself as the "guardian of numbering resources" and has stated:

Section 251(e) of the Communications Act of 1934 (Communications Act), as amended, grants this Commission plenary jurisdiction over the North American Numbering Plan (NANP) and related telephone numbering issues in the United States. In fulfilling this statutory mandate, we have identified two primary goals. One is to ensure that the limited numbering resources of the NANP are used efficiently, to protect consumers from the expense and inconvenience that result from the implementation of new area codes, some of which can be avoided if numbering resources are used more efficiently, and to forestall the enormous expense that will be incurred in expanding the NANP. The other goal is to ensure that all carriers have the numbering resources they need to compete in the rapidly growing telecommunications market place.

Exhibit 24, In the Matter of Numbering Resource Optimization, CC Docket No. 99-200 (Report and Order and Further Notice of Proposed Rule Making,

FCC issued March 31, 2000), par. 1 (NRO 1). The role of the state commissions to manage numbering resources is defined by delegation from the FCC pursuant to Section 251(e) of the Act.

In NRO 1 the FCC determined that significant savings to the United States economy, the telecommunications industry and consumers could be achieved by delaying or avoiding costs associated with numbering relief and extending the life of the NANP by optimizing the use of existing numbering resources.

In this case the Public Counsel indicated that in the 314 NPA, carriers use only about 63 percent of the numbering resources assigned. Public Counsel asserted that utilization rates would be even lower in less densely populated areas. The FCC has cited NANPA estimates that utilization rates nationwide range between 5.7 percent and 52.6 percent, depending on the industry segment, with an industry-wide average of 34 percent. NRO 1, par. 6.

If numbering resources were used more efficiently by the industry, the life of NPA codes could be greatly extended and the expense and burden of NPA relief delayed or avoided.

In exercising its authority, the Commission is cognizant of the FCC delegations and the parameters under which those delegations are made. The Commission has an obligation to ensure that numbers are made available on an equitable basis; that numbering resources are made available on an efficient and timely basis; that the Commission's policies not unduly favor or disfavor any particular telecommunications industry segment or group of telecommunications consumers; and that the Commission not favor one telecommunications technology over another. Number conservation measures under delegated authority may not be used as a substitute for unavoidable and timely area code relief. Ex. 26, In the Matter of Numbering Resource

Optimization, CC Docket No. 99-200 and 96-98 (Order, FCC issued July 20, 2000), pars. 7, 10-11 (NRO 2).

Rate Center Consolidation

Rate centers are generally the creation of incumbent local exchange carriers and are designed to facilitate billing and routing of local calls. Rate center consolidation involves creating larger geographic areas in which individual NXX (CO) codes can be used. This is accomplished by combining existing rate centers. Carriers, such as competing wireline local exchange carriers, require NXX codes in most or all rate centers in an NPA to establish a competitive "footprint." Establishing larger rate centers means fewer CO codes are required to provide service in the NPA; thus, rate center consolidation has significant potential to reduce the demand for NXX codes. NRO 2, pars. 3 and 60.

The FCC has found that rate center consolidation falls under the authority and jurisdiction of state commissions. *Id.* State commissions need no additional authority to engage in rate center consolidation, and the FCC has strongly encouraged states to proceed expeditiously with rate center consolidation. *Id.*

The Commission has previously ordered rate center consolidation in the 314 NPA in Case No. TO-99-914 in its Report and Order issued on September 30, 1999. SWBT was responsible for implementing the rate center consolidation and testified in this case that the number of rate centers in the 314 NPA was reduced from fourteen to seven without impacting local calling scopes. SWBT stated that it supports rate center consolidation when consolidation would not negatively impact consumers' existing calling scopes, SWBT is able to remain revenue neutral, and all incumbent local exchange (ILECs) and competitive local exchange companies (CLECs) comply with the rate center consolidation. SWBT indicated that further rate

center consolidation could not occur in the 314 NPA without changing local calling scopes and rates.

SWBT indicated that it has begun investigation of rate center consolidation in the 816 NPA and initially anticipates that rate centers could be reduced from thirteen to five without impacting local calling scopes or rates. SWBT intends to move forward with its review of rate center consolidation in the 816 NPA and recommended that if a rate center consolidation plan is approved, that the Commission require ILECs and CLECs to comply with the rate center consolidation plan.

The Commission's Staff agreed with SWBT that the benefits of further rate center consolidation in the 314 NPA would not justify the potential costs and customer impacts. Staff also agreed with SWBT that rate center consolidation in the 816 NPA should proceed. Staff stated that rate consolidation would enhance other number conservation efforts and extend the life of any relief plan. There were no arguments presented that opposed rate center consolidation in the 816 NPA.

Reclamation of Numbering Resources

Reclamation refers to the process by which service providers are required to return numbering resources to the NANPA or to a pooling administrator. This matter was addressed in NRO 1, pars. 232-240. Reclamation of unused numbering resources can apply to both CO codes and NXX-X blocks. *Id.*, par. 238. The FCC has delegated authority to state commissions to investigate and make decisions on reclaiming CO codes and NXX-X blocks. *Id.*, pars. 232-240. The FCC found that code reclamation presented one of the easiest and quickest measures of numbering optimization to implement and that state commissions may be able to resolve such issues more quickly and decisively than an industry consensus process. *Id.*, par. 237.

In their position statements and testimony, the parties expressing a position on reclamation of unused numbering resources recommended that the Commission proceed with this process consistent with the FCC's delegation. The Public Counsel supported code reclamation. No party opposed reclamation of unused numbering resources.

Sequential Number Assignment

In NRO 1 the FCC mandated that carriers first assign all available telephone numbers within an open thousands-block before opening another thousands-block, unless the available numbers in the opened thousands-block are insufficient to meet a customer request. NRO 1, par. 244. The FCC determined that implementation of this requirement would maintain clean or lightly contaminated thousands-blocks and would increase the efficiency of pooling. Under the FCC directive, carriers that depart from this standard for sequential number assignment must be prepared to demonstrate to the state commission: 1) a genuine request from a customer detailing a specific need for telephone numbers; and 2) the inability of the carrier to meet the specific customer request from a currently activated thousands-block. NRO 1, par. 245.

All of the parties that addressed sequential numbering assignment in their position statements or testimony supported implementation consistent with the FCC requirements. No parties opposed implementation of sequential number assignment.

Maintaining Rationing Procedures Following NPA Relief

The FCC granted this Commission the authority to maintain code rationing procedures for six months following implementation of NPA relief in NRO 2. NRO 2, pars. 2, 62-63. SWBT, in its supplemental position statement, stated that code rationing is not necessary after code relief is implemented. AT&T stated in its supplemental position statement that such

a transition mechanism should be assessed in light of current provisions in place that limit consumption of numbering resources. In its supplemental position statement, the Public Counsel did not believe post-NPA relief rationing would be necessary if carriers complied with the NRO requirements and the Commission used its delegated authority to monitor code requests and usage and acted to reclaim unused codes. Sprint testified that rationing procedures following area code relief would not be necessary if numbering conservation measures and allocation standards are in place.

Claims for Numbering Resources Outside of Rationing Process

The FCC granted this Commission's request to respond to requests from individual carriers to obtain NXX codes outside of the rationing process in NRO 2. NRO 2, pars. 2, 53-54. The FCC's delegation of authority provides the Commission with discretion and authority to obtain the information necessary to act and to determine such a request. *Id.* The FCC stated that this authority would allow customers to retain their choice of service provider and ensure that carriers in dire need of numbering resources can obtain the numbering resources necessary to continue to provide service. *Id.*

In its supplemental position statement AT&T supported this delegation of authority subject to the Commission adopting a nondiscriminatory and efficient hearing procedure. The Public Counsel, in its supplemental position statement, supported this delegation of authority provided the Commission affords Public Counsel a full opportunity to participate and the Commission requires carriers to document and support their requests to the full extent identified by the FCC. Sprint testified that such a procedure should only take place in the context of a jeopardy NPA situation.

NXX Code Sharing

In NRO 2 the FCC delegated authority to this Commission to implement NXX code sharing. NRO 2, pars. 2, 61. Code sharing would permit an NXX code associated with a particular rate center to be distributed among various service providers that serve that rate center. *Id.* The FCC conditioned its delegation of this authority by providing that the Commission investigate and study the technical and economic feasibility of NXX code sharing and implement NXX code sharing on a trial basis if the Commission finds it is technically feasible and economically viable. *Id.*

SWBT, in its supplemental position statement, recommended against proceeding with this authority and recommended instead that the Commission focus its resources and industry resources on number pooling. In its supplemental position statement, AT&T expressed doubt that the FCC standards and conditions could be met. Public Counsel stated in its supplemental position statement that the Commission should focus its efforts on approved number conservation methods because they are most likely to produce meaningful results in a timely manner versus study and validation of this method. Sprint testified that NXX code sharing does not meet the competitive neutrality requirement because one carrier controls the terminating traffic for the NXX. Sprint also testified that local number portability requirements already allow two or more wireline carriers to compete in an area and potentially use a common NXX code under certain circumstances.

Frequency of Utilization Reports

The FCC has established reporting requirements for numbering resource utilization and forecast data by carriers. In NRO 1, the basic reporting frequency provided is semiannually. NRO 1, par. 67. The FCC recognized certain circumstances where less frequent reporting may be

sufficient, and authorized state commissions to reduce the requirement to annual reporting. Semiannual reporting is for the periods ending December 31 and June 30 with reports due February 1 and August 1, respectively. Annual reporting is for the period ending June 30 with the report due August 1. *Id.*

SWBT supported the FCC's reporting requirements. No party advocated or presented circumstances for the Commission to exercise its delegated authority to reduce reporting requirements.

Audit, Verification and Review of Numbering Resource Utilization and Reporting

In NRO 2, the Commission was delegated authority by the FCC to conduct audits of carriers' use of numbering resources within the parameters of NRO 1. This delegation is subject to future FCC enactment of national rules or policies relating to auditing carriers' use of numbering resources. NRO 2, par. 60.

In its supplemental position statement, SWBT supported this delegation of authority as conditioned by the FCC. AT&T described this as a "prudent activity" for the Commission to undertake in its supplemental statement of position. The Public Counsel deemed this action "critical" and stated the Commission "must have an independent avenue" to obtain information about code usage in its supplemental position statement.

In testimony filed prior to the issue of NRO 2, Sprint testified that an audit process was not necessary in light of the processes identified on NRO 1. GTE testified that regularly scheduled audits were not needed and that for-cause or random audits would meet the needs for ensuring compliance with applicable numbering policies.

Thousands-block Number Pooling

The FCC delegated this Commission authority to implement thousands-block number pooling in the 314 NPA in NRO 2. NRO 2, par. 35. This grant of authority is subject to the conditions provided in NRO 2 and by reference is subject to conformance to parameters defined in NRO 1 and prior orders delegating pooling authority to other states. NRO 2, par. 17, and pars. 13-22. State commissions must also provide for cost recovery mechanisms according to FCC parameters and the transition of those mechanisms to the as-yet-nonexistent national cost recovery plan. NRO 2, par. 21.

The FCC emphasized that state commissions considering or adopting number pooling must take necessary steps to prepare NPA relief plans for NPAs in imminent danger of being exhausted and that while a state commission may initiate number pooling, it must be prepared to implement a "back-up" NPA relief plan prior to exhaustion of numbering resources. NRO 2, par. 17.

Thousands-block Number Pooling in the 314 and 816 NPAs

Industry parties in this case were supportive of thousands-block number pooling on the basis of national implementation, but many opposed interim implementation by Missouri. In their position statements SWBT stated that in light of national pooling and FCC requirements, a state number pooling trial was not feasible, and in the case of the 314 NPA would not delay the need for relief; GTE supported state implementation where there would be sufficient relief to justify deployment; CyberTel supported only national number pooling; ExOp supported only national number pooling citing technical and implementation hardships for CLECs; Sprint supported only national number pooling; AT&T supported state implementation of number

pooling but in the context of a retroactive overlay in the 314 NPA in order to extend number pooling to the area presently in the 636 NPA.

Staff recommended establishment of implementation teams in the 314 and 816 NPAs made of representatives from the industry, Staff and the Office of the Public Counsel. Many of the parties were supportive of implementation teams and no party objected to establishing such teams.

The Office of the Public Counsel suggested that number pooling be pursued in the 816 NPA because of a potentially greater benefit for extending the life of that NPA as opposed to a lesser potential in the 314 NPA. In response to the Public Counsel's motion and suggestion in this proceeding, the Commission has petitioned the FCC for additional delegated authority in the 816 NPA to consider and implement thousands-block number pooling on a state trial basis. In the Matter of the Petition of the North American Numbering Plan Administrator, on Behalf of the Missouri Telecommunications Industry, for Approval of NPA Relief Plan for the 314 and 816 Area Codes, Case No. TO-2000-374 (*Order Directing Staff to File Petition or Supplemental Petition Requesting Additional Numbering Authority*, Mo. P.S.C. issued August 22, 2000).

In testimony, Sprint stated that cost recovery should be under the federal cost recovery mechanism to eliminate having to establish cost recovery at both the state and federal levels. A witness for GTE asserted the FCC proposed that costs incurred to implement state "mandated" thousands-block number pooling trials are intrastate costs and should be attributable to the state jurisdiction. GTE provided no citation to support this statement. GTE went on to state that if a state trial were in conjunction with the FCC ordered national rollout, then cost recovery would be through a nationally mandated surcharge. GTE provided a timeline for implementation of a California Pooling Trial with its testimony showing an

approximate six-month implementation period for a state trial of thousands-block number pooling. GTE testified that a pooling administrator would have to be selected by the third month to maintain this timeline.

CyberTel testified that it supports number conservation efforts in strict compliance with delegation guidelines in NRO 1 and with input and comment from the industry. ExOp's witness supported thousands-block number pooling in areas capable of local number porting.

SWBT's witness testified that SWBT supported national thousands-block number pooling. But the witness testified that despite the uncertainties associated with a national rollout of thousands-block number pooling, a state pooling trial would not provide significant benefits in relation to its costs, including particularly implementation of a state cost recovery plan. SWBT's witness testified that waiting for a national rollout would enable Missouri to avoid addressing cost recovery and selection of a pooling administrator. SWBT further testified that implementation of a state trial would take at least five months. SWBT's witness supported establishment of an implementation team to prepare for thousands-block number pooling.

Staff testified that planning should begin for thousands-block number pooling, but noted that it could be more efficient to await a national rollout. Staff cited costs and difficulties with contracting a pooling administrator and developing a cost recovery mechanism for the industry as obstacles to a state pooling trial. However, Staff supported the Office of the Public Counsel in its request to petition the FCC for thousands-block number pooling authority in the 816 NPA. In the Matter of the Petition of the North American Numbering Plan Administrator, on Behalf of the Missouri Telecommunications Industry, for Approval of NPA Relief Plan for the 314 and 816 Area Codes, Case No. TO-2000-374 (Order Directing Staff to File Petition or Supplemental Petition Requesting Additional

Numbering Authority, Mo. P.S.C. issued August 22, 2000). Staff's position was that if national number pooling is delayed, a state pooling trial in the 816 NPA could be undertaken sufficiently in advance of national number pooling to justify the costs in relation to the benefits.

The Office of the Public Counsel testified in support of pooling trials under delegated FCC authority and planning for number pooling through establishment of technical working groups. In moving the Commission to petition the FCC for delegated authority in the 816 NPA, the Public Counsel argued that thousands-block number pooling could have a substantial and beneficial impact on alleviating and delaying exhaustion of numbering resources in the 816 NPA and postponing the cost, inconvenience and confusion associated with NPA relief.

Substitution of NPA in National Rollout of Thousands-Block Number Pooling

To permit a greater level of state participation in the choice of NPAs which will be pooled, the FCC determined that it would permit state commissions to substitute the NPA listed in the national rollout schedule with an alternative NPA. NRO 1, par. 165. To exercise this authority, the Commission must be prepared to timely notify the number pooling administrator. *Id.* This authority will permit state commissions a role in responding to the particular needs of their state during the national rollout period for thousands-block number pooling.

Findings of Fact

The Missouri Public Service Commission, having considered all of the competent and substantial evidence upon the whole record, makes the following findings of fact. The Commission in making this decision has considered the positions and arguments of all of the parties. Failure to specifically address a piece of evidence, position or argument of any party

does not indicate that the Commission has failed to consider relevant evidence, but indicates rather that the omitted material was not dispositive of this decision.

Delayed Decision or Implementation

The Commission finds that it has authority to determine and prepare and implement NPA relief in the 314 and 816 NPAs. The Public Counsel has requested that the Commission delay implementation of NPA relief, and in the case of the 816 NPA, to delay a decision determining the method of NPA relief. The Commission declines to delay its decision for the 816 NPA.

The Commission's obligation is to act in order that numbering resources are made available on an efficient and timely basis, in order that all carriers have the numbering resources they need to compete, and in order that no consumer is denied a choice of carriers or services based on the unavailability of numbering resources. Public Counsel's evidence did not refute the imminent need for additional numbering resources in the 314 and 816 NPAs, particularly in light of the recognized difficulty in precisely projecting code exhaustion dates. The implementation dates for the NPA relief methods approved in this case will be determined, reviewed and approved by the Commission when it reviews the implementation plans for each NPA as submitted to the Commission.

Relief - 314 NPA

The Commission finds that it is in the public interest to provide an all services distributed overlay as the method of relief for the 314 NPA.

The 314 NPA presents a geographic area that is too small to support a split method of relief that would result in areas that present reasonably balanced lives or that would adequately preserve local calling

scopes with seven-digit dialing. A further concern is that one of the resulting NPAs with either split alternative would have an unacceptably short life, presenting the expense and confusion of additional NPA relief within too short a time frame.

The proposed "retroactive overlay" presents no significant advantages over the distributed overlay and presents some distinct disadvantages. First, the consumers in the 636 NPA would be disrupted with direct involvement in another NPA relief plan after having recently suffered the burdens associated with the split of the 636 NPA from the 314 NPA. The 636 NPA was only fully implemented in the first quarter of 2000. These consumers have already completed the transition to new calling patterns that preserved seven-digit local calling within the new NPA. A retroactive overlay would significantly change these calling patterns, eliminating all seven-digit dialing, whereas the only change for 636 NPA consumers with the distributed overlay is dialing a new NPA for new numbers assigned in the 314 NPA.

Another significant disadvantage of the retroactive overlay is that it would shorten the life of the 636 NPA and would provide a shorter projected life for the 314 NPA than a distributed overlay. Many of those testifying and offering public input at the local public hearings suggested that the Commission fashion a long-term relief plan. The retroactive overlay does not provide the longest-term relief that is available in this instance.

Some of the industry parties suggested that a retroactive overlay was more efficient than a distributed overlay because it delayed use of an NPA, possibly prolonging the life of the NANP. This is a concern and matter that is not within the scope of this Commission's delegated jurisdiction. The Commission's jurisdiction is to select the best relief method for this Missouri NPA. Delaying the introduction of an NPA with the

retroactive overlay also does not present, and should not be confused with, number resource optimization or conservation. Carriers will not utilize numbering resources any more efficiently because they are being drawn out of one, two or three NPA codes. The key to achieving greater efficiency is not the number of NPA codes in use but the fill or utilization rates for assigned codes or blocks of numbers. Finally, based on current projections of exhaustion and expected lives for alternative relief plans, it is likely that a third NPA will be needed in the St. Louis area before the NANP itself is exhausted or a permanent solution to NANP exhaustion is determined.

Relief - 816 NPA

The Commission finds that it is in the public interest to provide an all services distributed overlay as the method of relief for the 816 NPA.

The geographic split alternatives presented by the NANPA were generally characterized by unbalanced lives. Two of the three split alternatives each presented one NPA that provided only short-term relief. One NANPA alternative presented balanced lives and reasonable projected lives for each NPA. However, no party supported any of these proposals.

The Public Counsel presented a proposal for a split but did not present any evidence to support the efficacy of its proposal.

The split alternatives all presented the prospect of significant ten-digit local dialing across NPA boundaries which diminishes the benefit of retaining seven digit local dialing within an NPA. The split alternatives all present consumers in the new NPA with the costs and confusion of obtaining and using new telephone numbers. While a few witnesses at the local public hearings expressed frustration at the prospect of required ten-digit dialing that results with an overlay method of relief, more

witnesses expressed serious concerns with dividing community and economic interests artificially with an area code split and concern with the costs and confusion of changing telephone numbers due to NPA relief by means of a geographic split.

The proposal for a concentrated overlay presents the negatives of a relatively short time period before the new NPA has to be extended with its resultant costs and confusion associated with more than one customer education and transition period. Thus, it is not preferable to an overlay in this case.

Rate Center Consolidation

The Commission finds that further consolidation of rate centers in the 314 NPA is not warranted at this time. The Commission finds that rate center consolidation in the 816 NPA should proceed as expeditiously as possible. The Commission further finds that all incumbent local exchange carriers and competitive local exchange carriers in the 816 NPA shall comply with the rate center consolidation.

Rate center consolidation provides significant benefits in optimizing and conserving numbering resources because carriers require fewer CO codes to serve an NPA.

The 314 NPA has already undergone rate center consolidation and that consolidation was successfully implemented without significant expense or burden to carriers or to consumers. Further rate center consolidation in the 314 NPA could adversely affect calling scopes and would be difficult to obtain while maintaining revenue neutrality for carriers.

Rate center consolidation in the 816 NPA has the potential to reduce the number of rate centers from thirteen to five with little disruption to calling scopes while being revenue-neutral for carriers.

Rate center consolidation is most effectively implemented if all carriers comply.

Reclamation of Numbering Resources

The Commission finds that reclamation of unused numbering resources should be implemented in Missouri. Reclamation of numbering resources represents one of the easiest and quickest measures of numbering resource optimization to implement.

The Commission will direct its Staff to work with the NANPA and any designated pooling administrator to reclaim CO codes and thousands-blocks. The Staff and carriers seeking review of reclamation disputes may utilize existing Commission procedural rules and practices if necessary to resolve reclamation disputes. If Staff or any person or entity believes such procedural rules and practices to be inadequate, that matter, or the need to address the Commission's practices and procedures, may be brought to the Commission's attention or otherwise addressed by any appropriate means.

Sequential Number Assignment

The Commission finds that carriers in Missouri must adhere to sequential numbering assignment to preserve and maintain clean or uncontaminated thousands-blocks. Carriers that depart from this standard for sequential number assignment must be prepared to demonstrate to the Commission: 1) a genuine request from a customer detailing a specific need for telephone numbers; and 2) the inability of the carrier to meet the specific customer request from a currently activated thousands-block.

Sequential number assignment is required by FCC directives and facilitates numbering resource optimization strategies, particularly thousands-block number pooling.

The Staff and carriers seeking review of any dispute or finding regarding sequential number assignment may utilize existing Commission procedural rules and practices if necessary to resolve the disagreement. If Staff or any person or entity believes such procedural rules and practices to be inadequate, that matter, or the need to address the Commission's practices and procedures, may be brought to the Commission's attention or otherwise addressed by any appropriate means.

Maintaining Rationing Procedures Following NPA Relief

The Commission finds that it will not implement or extend rationing procedures for six months following implementation of NPA relief in this case. The FCC delegated this additional authority to the Commission. At this time it appears that other numbering optimization, conservation and management strategies and requirements being implemented by the FCC and by the states should be the Commission's focus, and rationing may be unnecessary if these other strategies prove effective.

Claims for Numbering Resources Outside of Rationing Process

The Commission finds that it will exercise its delegated authority to hear claims of carriers for numbering resources outside of the rationing process. This authority will allow customers to retain their choice of service provider and will ensure that carriers in dire need of numbering resources can obtain the numbering resources necessary to continue to provide service.

The carrier making application for numbering resources outside of the rationing process and the Staff, the Office of the Public Counsel or any interested party may utilize existing Commission procedural rules and practices, if necessary, to request numbering resources or to dispute a request for additional numbering resources. If Staff or any person or entity believes such procedural rules and practices to be inadequate, that

matter, or the need to address the Commission's practices and procedures, may be brought to the Commission's attention or otherwise addressed by any appropriate means.

NXX Code Sharing

The Commission finds that it will not implement NXX code sharing in this case. The FCC delegated this additional authority to the Commission. At this time it appears that other numbering optimization, conservation and management strategies and requirements being implemented by the FCC and by the states should be the Commission's focus, and NXX code sharing may be unnecessary if these other strategies prove effective.

Frequency of Utilization Reports

The Commission finds that it will not reduce FCC reporting frequency for numbering resource utilization and forecast data by carriers. The FCC reporting requirements are appropriate and conducive to numbering resource optimization and conservation by providing necessary information for accounting and managing numbering resources in a timely fashion.

Audit, Verification and Review of Numbering Resource Utilization and Reporting

The Commission finds that it is in the public interest for the Commission to conduct audits of carriers' use of numbering resources within the parameters set by the FCC. Audit and review of numbering resources and their utilization by carriers provides the Commission a basis to independently verify the appropriate and efficient use of limited public resources. The Commission at this time will not implement particular audits or audit schedules. The Staff shall report to the Commission as necessary regarding audits it deems appropriate. The Office of the Public Counsel or any interested party may bring a request for audit to the Commission informally or formally via an application or motion.

Thousands-block Number Pooling

The Commission finds that thousands-block number pooling is in the public interest, and the Commission will order its Staff and the industry to begin planning and preparation for thousands-block number pooling. The Commission will not, however, order a pooling trial in this Report and Order, but will reserve its authority to do so in a later proceeding.

Thousands-block number pooling will extend the life of NPAs by providing higher utilization rates for numbering resources assigned to carriers and other service providers. Extending the life of NPAs and, ultimately, of the NANP will benefit carriers and consumers by avoiding or delaying the exhaustion of NPAs and the NANP and the resultant costs and burdens associated with providing numbering relief.

At this time the Commission has authority to implement a state pooling trial in the 314 NPA and has a request pending for similar authority in the 816 NPA. The Commission must conform its implementation of a thousands-block pooling trial to the requirements of the FCC's delegation of authority.

The primary tasks confronting the Commission regarding implementation of a thousands-block number pooling trial in Missouri consist of performing or contracting for the performance of a pooling administrator and developing a cost recovery plan. Both of these tasks involve investments of money, time and energy that should be weighed in the context of the national rollout of number pooling by the FCC. In other words, the benefits of a decision to proceed with a state pooling trial must be weighed against its costs and the length of time that Missouri would benefit from having its trial in place prior to merging the trial into the national program. It makes less sense to invest in state number pooling if national number pooling quickly succeeds the state effort.

Preparations for thousands-block number pooling in Missouri should proceed in conformance with FCC and national standards because these actions will be necessary under either a national rollout or a state trial. The Commission's Staff should identify the procedures, including any abbreviated procedures, that may be available to the Commission to request proposals for and to contract for a pooling administrator or alternative options to perform this function in-house or through an independent contractor. The Staff should develop and review with the Commission the requirements for a request for proposal. The Staff should obtain preliminary information regarding costs and functionalities and potential vendors, and report these matters to the Commission.

Staff should review and report to the Commission the feasibility of developing a state cost recovery mechanism that adopts the future national model and defers cost recovery for carriers so that costs may be recovered under the national model. Staff should also begin initial development of an independent state cost recovery model that does not defer cost recovery.

Substitution of NPA in National Rollout of Thousands-Block Number Pooling

The Commission finds that it would be in the public interest for the Commission to be prepared to substitute an NPA in the national rollout schedule. Staff shall prepare the necessary internal review and reporting triggers to timely bring a recommendation to the Commission regarding NPA substitution.

To permit a greater level of state participation in the choice of NPAs which will be pooled, the FCC determined that it would permit state commissions to substitute the NPA listed in the national rollout schedule with an alternative NPA. NRO 1, par. 165. To exercise this authority, the Commission must be prepared to timely notify the number pooling

administrator. *Id.* This authority will permit state commissions a role in responding to the particular needs of their state during the national rollout period for thousands-block number pooling.

The Commission may choose to exercise this option in conjunction with or in lieu of a state pooling trial in order to maximize the benefits of thousands-block number pooling in Missouri and obtain these benefits in an accelerated fashion.

Technical and Planning Committees

The Commission finds that it is in the public interest to establish technical and planning committees for both the 314 and the 816 NPAs. Each technical and planning committee shall be made up of representatives of the Commission's Staff, the Office of the Public Counsel, the parties in this case, and industry representatives of facilities-based carriers in each respective NPA. In addition, any interested party may request and may be granted intervention for the limited purpose of participating on the 314 or 816 technical and planning committee.

The Commission's Staff shall coordinate the meetings and activities of the technical and planning committees, and prepare and file or provide for the preparation and filing of reports through assignment to one or more committee members. To the extent possible, reports of the technical and planning committees shall present a consensus position and recommendation for the Commission to consider. Any party or member of the technical and planning committees may file a response or comments to the reports within ten days of filing.

The following reports will be required:

1. An NPA relief implementation plan and schedule for NPA relief in the 314 NPA - within 30 days of the issue date of this Report and Order.
2. An NPA relief implementation plan and schedule for NPA relief in the 816 NPA - within 60 days of the issue date of this Report and Order.
3. A status report or survey regarding the required but incomplete industry preparations and their status for thousands-block number pooling in the 314 NPA - within 60 days of the issue date of this Report and Order.
4. A status report or survey regarding the required but incomplete industry preparations and their status for thousands-block number pooling in the 816 NPA - within 60 days of the issue date of this Report and Order.
5. A status report and implementation plan and schedule for rate center consolidation in the 816 NPA - within 60 days of the issue date of this Report and Order.

Conclusions of Law

The Missouri Public Service Commission has arrived at the following conclusions of law.

The Commission has jurisdiction over the subject matter of this case pursuant to Section 386.250 and Section 392.520, RSMo 1994. These statutes provide the Commission with regulatory authority over the operations of the telecommunications companies within its jurisdiction, including conditions and methods of providing service.

The Federal Communications Commission (FCC) is vested with exclusive jurisdiction over those portions of the North American Numbering

Plan that pertain to the United States pursuant to 47 U.S.C. Section 251(e). The FCC has authority to delegate all or any portion of this authority to state commissions or other entities. *Id.*

Pursuant to its statutory and delegated authority, the Commission has authority and jurisdiction to determine the matters presented in this proceeding, including, in particular, authority to determine the method and implementation of numbering relief for the 314 and 816 Numbering Plan Areas, to determine and implement certain numbering resource optimization and conservation methodologies, to review, verify and audit the use of numbering resources, and to hear and determine certain requests or disputes related to the use or procurement of numbering resources.

IT IS THEREFORE ORDERED:

1. That the Commission adopts an all services distributed overlay as the method of relief for the 314 NPA.
2. That the Commission adopts an all services distributed overlay as the method of relief for the 816 NPA.
3. That rate center consolidation shall occur in the 816 NPA as expeditiously as possible and that all incumbent local exchange and competitive local exchange carriers shall comply with the rate center consolidation.
4. That reclamation of unused numbering resources shall be implemented in Missouri, and that the Commission's Staff shall implement all necessary procedures for number reclamation.
5. That carriers in Missouri utilizing numbering resources shall assign numbers sequentially to preserve and maintain clean or lightly contaminated thousands-blocks.
6. That the Commission shall consider any application for numbering resources outside of the rationing process.

7. That the Commission's Staff shall implement procedures to audit, verify and review numbering resource utilization and reporting as necessary to determine the appropriate and efficient use of limited public resources.

8. That thousands-block number pooling shall be implemented in Missouri pursuant to a national program or pursuant to authority delegated to the Commission.

9. That the Commission shall preserve its authority to choose and substitute a Numbering Plan Area in the national program schedule for thousands-block number pooling. In this regard, this authority shall be exercised by the Commission independently of this case and pursuant to a timely-filed Staff recommendation.

10. That a technical and planning committee shall be established for the 314 NPA as described in this Report and Order.

11. That a technical and planning committee shall be established for the 816 NPA as described in this Report and Order.

12. That the respective technical and planning committees shall file the following plans, schedules and reports as follows:

- a. An NPA relief implementation plan and schedule for NPA relief in the 314 NPA - within 30 days of the issue date of this Report and Order.
- b. An NPA relief implementation plan and schedule for NPA relief in the 816 NPA - within 60 days of the issue date of this Report and Order.
- c. A status report or survey regarding the required but incomplete industry preparations and their status for thousands-block number pooling in the 314 NPA - within 60 days of the issue date of this Report and Order.

- d. A status report or survey regarding the required but incomplete industry preparations and their status for thousands-block number pooling in the 816 NPA - within 60 days of the issue date of this Report and Order.
- e. A status report and implementation plan and schedule for rate center consolidation in the 816 NPA - within 60 days of the issue date of this Report and Order.

13. That any response to a plan, schedule or report filed by a technical and planning committee in this proceeding shall be due ten days after filing.

14. That the Commission's Staff shall proceed with planning and implementation of the numbering resource optimization strategies and authority adopted in this Report and Order including, but not limited to, providing advice and notice to the Commission regarding substitution of a Numbering Plan Area for scheduling on a national number pooling program and the matters described in this Report and Order relating to establishing a number pooling program in Missouri.

15. That the Commission's Staff shall promptly notify the Commission regarding any additional delegated authority for a number pooling program in Missouri.

16. That the Commission's Staff shall periodically report and advise the Commission of its conclusions and recommendations regarding implementation of a state number pooling program and shall file a final report not later than 120 days following the issue date of this Report and Order. The Staff shall obtain and present the input of the technical and planning committees regarding procedures or standards it proposes for a state number pooling program. The Staff shall specifically address the Commission's options for performing or obtaining pooling administrator functions, provide draft purchasing or contracting documents, provide

preliminary information regarding costs, functionalities and potential vendors, and address development of a state cost recovery mechanism and the feasibility of deferring costs and adopting the national model for cost recovery.

17. That this Report and Order shall become effective on November 3, 2000.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Drainer, Murray,
Schemenauer, and Simmons, CC.,
concur and certify compliance
with the provisions of
Section 536.080, RSMo 1994.

Dated at Jefferson City, Missouri,
on this 24th day of October, 2000.

ALJ/Sec'y:

Thornburg / Pope

10-19
Date Circulated

70-2000-374
CASE NO.

SL p10, 30, 31 - p4
Lumpe, Chair

ML p7, 19
Drainer, Vice Chair

CM several edits
Murray, Commissioner

RI p33, 34
Schemenauer, Commissioner

KS
Simmons, Commissioner

10-24
Agenda Date

Action taken: 5-0AA

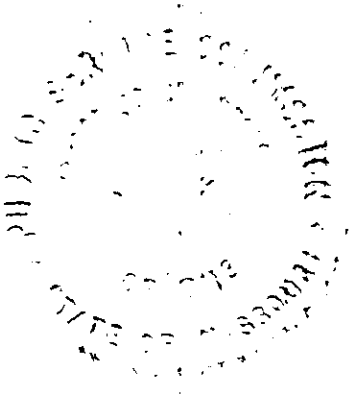
Must Vote Not Later Than _____

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and
I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City,
Missouri, this 24th day of Oct. 2000.



Dale Hardy Roberts

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge