BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Investigation into the)
Exhaustion of Central Office Codes in the) Case No. TO-98-212
314 Numbering Plan Area.)

REPORT AND ORDER

Issue Date: July 22, 1998

Effective Date: August 4, 1998

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In the Matter of the Investigation into the Exhaustion of Central Office Codes in the 314 Numbering Plan Area.	))))	Case No. TO-98-212

APPEARANCES

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William K. Haas, Senior Counsel, and **Marc D. Poston**, Assistant General Counsel, Missouri Public Service Commission, Post Office Box 360, Jefferson City, Missouri 65102, for the staff of the Missouri Public Service Commission.

REGULATORY LAW JUDGE: **Amy E. Randles.**

REPORT AND ORDER

Background

The system developed to provide telephone numbers to customers who wish to obtain telecommunications service within the United States is known as the North American Numbering Plan (NANP), which has generally divided the fifty states into geographic areas known as numbering plan

areas (NPAs). In the Matter of the Investigation into the Exhaustion of Telephone Numbers in the 314 Numbering plan Area, 3 Mo. P.S.C. 3d (1995 Exhaustion Case), pp. 461-462. Each NPA has a three-number designation (NPA code) that corresponds to a geographic area, and is commonly referred to as an area code. 1995 Exhaustion Case, p. 462. The first three digits of a ten digit telephone number constitute the NPA code. The fourth, fifth and sixth digits of a ten digit number constitute the central office code (CO code), which is commonly called a prefix. The CO code is also referred to as an "NXX code" because the first of the three digits must always be a numeral between 2 and 9 and the second and third digits may each be any numeral between 0 and 9. There are 10,000 telephone numbers associated with each NXX code.

The assignment of area codes has historically been the responsibility of the NANP Administrator. 1995 Exhaustion Case, p. 462. This function is in the process of being turned over to an independent contractor for future NPA relief activities[1]. The assignment of NXX codes within an NPA is the responsibility of the Central Office Code Administrator. The Administrator in the 314 NPA is William T. Adair of Southwestern Bell Telephone Company.

An NPA has 792 NXX codes potentially available for assignment to telecommunications carriers and to such carriers' customers. There are

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[1]In the Matters of Implementation of the local Competition Provisions of the Telecommunications Act of 1996 (CC Docket No. 96-98); Interconnection between Local Exchange Carriers and Commercial Mobile Radio Service Providers (CC Docket No. 95-185); Area Code Relief Plan for Dallas and Houston, Ordered by the Public Utility Commission of Texas (NSD File No. 96-8); administration of the North American Numbering Plan (CC Docket No. 92-237); Proposed 708 Relief Plan and 630 Numbering Plan Area Code by Ameritech-Illinois (IAD File No. 94-102), *Second Report and Order and Memorandum Opinion and Order* (Released August 8, 1996) (FCC 96-333), ¶ 261.

800 usable NXX codes (consisting of numbers between 200 and 999) in an NPA. Eight of these codes (211, 311, etc.) are reserved for public safety and present and future public access. In the 314 NPA an additional 42 NXX codes are reserved for future use, serve as test codes or serve other special purposes. Therefore, only 750 NXX codes were initially available for assignment to telecommunications carriers in the 314 NPA. As of December 15, 1997, only 204 of those 750 NXX codes had not yet been assigned to telecommunications carriers in the 314 NPA. An NPA code is considered to be in "jeopardy" when the forecasted or actual demand for NXX codes will exceed the known supply during the planning and implementation interval for relief. In jeopardy situations, a rationing plan is used for the assignment of the remaining NXX codes until NPA relief is provided.

This case was established by the Commission on November 25, 1997, to address impending exhaustion of central office codes in the 314 numbering plan area. The current 314 NPA was established pursuant to the Commission's Report and Order in the 1995 Exhaustion Case, when the 573 NPA was split from a larger 314 NPA. The evidence before the Commission in that case suggested that the 573/314 NPA split would provide relief for the 314 NPA for eight years. 1995 Exhaustion Case, p. 467. From the 1995 Exhaust Case, the Commission created Case No. TO-96-1 to address NXX code exhaustion statewide. In Case No. TO-96-1, the parties filed a report on September 12, 1997 (1997 Report) indicating that the current 314 NPA was projected to exhaust in the fourth quarter of 1999. The Commission bifurcated this case from Case No. TO-96-1 in order to concentrate its efforts on the 314 NPA rather than the other Missouri NPA codes. The Commission has left Case No. TO-96-1 open for the purpose of

addressing NXX code exhaustion and related issues in NPAs other than the 314 numbering plan area in the future.

Procedural History

In its November 25 order establishing Case No. TO-98-212, the Commission gave notice and an opportunity to intervene to interested persons. All parties to Case No. TO-96-1 were ordered to notify the Commission of their intent to participate in Case No. TO-98-212. The Commission also informed the parties that it would treat the proposed procedural schedule that had been filed by Staff in Case No. TO-96-1 as having been filed in Case No. TO-98-212.

Several of the parties to Case No. TO-96-1 filed timely notices of their intent to retain party status in this proceeding. In addition, Orchard Farm Telephone Company (Orchard Farm) filed a timely application to intervene. On December 18, the Commission granted intervention to the following parties:

Ameritech Mobile Communications, Inc. (Ameritech Mobile);

AT&T Communications of the Southwest, Inc. (AT&T);

GTE Midwest Incorporated (GTE);

MCI Telecommunications Corporation (MCI);

Midwest Independent Coin Payphone Association (MICPA);

Orchard Farm Telephone Company (Orchard Farm);

The Mid-Missouri Group of Telephone Companies (Alma Telephone Company, Chariton Valley Telephone Corporation, Choctaw Telephone Company, Mid-Missouri Telephone Company, MoKan Dial Inc., Northeast Missouri Rural Telephone Company, and Peace Valley Telephone Company) **(Mid-Missouri Group);**

Southwestern Bell Mobile Systems, Inc. (SWB Mobile);

Southwestern Bell Telephone Company (SWBT);

TCG St. Louis (TCG); and

Sprint Missouri, Inc., f/k/a United Telephone Company of Missouri d/b/a Sprint (Sprint).

The Commission's December 18 order also established dates for the filing of direct and rebuttal testimony and a Hearing Memorandum, and dates for an evidentiary hearing. In addition, the Commission ordered the Technical Committee established in Case No. TO-96-1 to file a report concerning conservation of number resources in the 314 NPA in Case No. TO-98-212. Finally, the Commission set a deadline for parties to propose dates for local public hearings.

The Commission subsequently scheduled five local public hearings to take place in the 314 NPA on January 22, 23 and 29, 1998. These hearings were held at the Commission's office in Chesterfield, at St. Charles Community College in St. Peters, at the University of Missouri-St. Louis in St. Louis, at Harris-Stowe State College in St. Louis, and at Fox High School in Arnold.

After the Technical Committee had filed its number conservation report on January 9 (1998 Report), and the parties had filed direct and rebuttal testimony and a Hearing Memorandum, the Commission conducted an evidentiary hearing on February 9, 10 and 11 in Jefferson City. The Mid-Missouri Group, MICPA, Sprint and TCG had not filed testimony and were excused from participating in the hearing. Orchard Farm had filed rebuttal testimony on only one issue and requested permission to be excused from further participation after its witness was cross-examined.

At the hearing, Exhibit Nos. 1 through 30 and 33 were offered and admitted into evidence. The Commission ordered the parties to submit certain evidence in the form of late-filed exhibits and reserved Exhibit Nos. 31, 32, 34, 35, 36, 37, 38 and 39 for this purpose. Following the

evidentiary hearing, the parties submitted the requested late-filed exhibits and were given an opportunity to object. SWBT filed a motion to strike Exhibit No. 37 on March 5. OPC opposed SWBT's motion to strike Exhibit No. 37, but simultaneously filed a corrected version of Exhibit No. 37. On March 18, the Commission issued an order denying SWBT's motion to strike and admitting the corrected version of Exhibit No. 37. The Commission decided that the original version of Exhibit No. 37 was no longer being offered into evidence. The Commission has not taken action prior to this Report and Order concerning late-filed Exhibit Nos. 31, 32, 34, 35, 36, 38 and 39.

The parties filed initial briefs on April 6, and reply briefs on April 20, on which date the case was fully submitted.

After its initial review of the evidence, the Commission determined that additional information was required in order to choose the best solution for the problem of NXX code exhaustion in the 314 NPA. The Commission issued an order on May 22 that required OPC to submit exhaustion date forecasts for the NPAs that would result if the Commission were to allow all exchanges located primarily within St. Louis City or St. Louis County to retain the 314 NPA and to assign either one or two new NPAs to the remaining exchanges within the current 314 NPA (two-way and three-way county line splits). Under the three-way county line split scenario, the Commission ordered OPC to perform its calculations under the assumptions that all such counties north of the Missouri River would receive one new NPA, and all such counties south of the Missouri River would receive another new NPA. OPC was ordered to use the Lockheed Martin forecasting model that it had used to generate

Exhibit 32[2], and to project exhaust dates once using the same number conservation assumptions that OPC had used to generate Exhibit 32 at the hearing, and once using the assumption that no number conservation methods would be implemented. On June 1, the Office of Public Counsel filed the forecast information required by the Commission's May 22 order, including its exhaust projections, its adjustments to the model, and its adjustments to the inputs for the model. OPC clarified that it was not endorsing the proposal by responding to the Commission's order. On June 8, Staff and SWBT filed responses to OPC's projections, and OPC commented on its own projections, as well.

Meanwhile, on June 4, the Commission ordered OPC to file a second set of forecasts by June 10. This second order required OPC to use the model to project exhaust dates for another three-way split (city/county line split) involving: one NPA for exchanges lying primarily in St. Louis City, a second NPA for exchanges lying primarily in St. Louis County, and a third NPA for exchanges lying primarily outside of St. Louis City and St. Louis County. Again, OPC was to project exhaust dates once assuming that the Exhibit 32 assumptions relating to number conservation would apply, and once assuming that no number conservation would be implemented. The Commission also ordered OPC to file a map showing the relationship of exchange boundaries to political boundaries in the current 314 NPA. OPC filed its projections and map on June 10 as ordered and commented on its projections on June 16. Responses to the projections were filed by SWBT and SWB Mobile on June 16. Also on June

[2]The Lockheed Martin forecasting model (model) can be used to project an NPA exhaust date in a number pooling environment. Number pooling is discussed in section D.1. below.

16, Staff filed a reply to OPC's June 8 comments about the first set of Commission ordered exhaust projections.

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 positions and arguments of all of the parties have been considered by the Commission in making this decision. 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.

A. Late-Filed Exhibits

No parties objected to the admission of Exhibit Nos. 31, 32, 34, 35, 36, 38 and 39. The Commission finds that the information contained in these exhibits is relevant and finds that these exhibits should be admitted into evidence.

B. Overview

The parties presented conflicting evidence regarding the date on which there will be an exhaustion of NXX codes in the current 314 NPA and the effect that number conservation measures could have on the exhaustion date. All parties agreed that NPA jeopardy should be avoided at all costs, and that even if conservation measures are employed in the near future, there are so few NXX codes remaining in the 314 NPA that a new NPA must be assigned if jeopardy is to be avoided.

The parties presented evidence to support their positions on various forms of NPA relief, including methods of introducing new NPA codes and methods of conserving NXX codes to delay the need for

introducing new NPA codes or to extend the life of the 314 and any new NPAs. The following discussion addresses first the Commission's findings concerning those forms of relief that involve introduction of new NPA codes, then the Commission's findings concerning those forms of relief that involve number conservation, and then the Commission's findings concerning the implementation of various forms of NPA relief.

C. NPA Relief in the Form of Introducing New NPA(s)

The following methods of introducing new NPA codes will be discussed because significant evidence was presented concerning these methods. Other methods, such as boundary realignment[3], were also described in the record but were not presented by any of the parties or the citizens as the best alternatives.

1. All-Services Overlay

If the Commission were to adopt an all-services overlay, this would involve introducing a new NPA code using the existing 314 area code geographic region. The 314 area code would also remain in use in those exchanges, so that both NPA codes would share the same geographic footprint. As the 314 area code NXXs became fully assigned, telephone numbers in the new NPA code could be used to meet requests for new or additional exchange prefixes. The proponents[4] of an all services overlay explained that it has numerous advantages. All existing

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[3]Boundary realignment would involve moving additional, outlying portions of the current 314 NPA into the 573 NPA that was previously split off from the 314 NPA in the 1995 Exhaust Case. However, this option would require individuals being moved out of the 314 NPA who have the same seven digit telephone number as someone in the current 573 NPA to change their seven digit telephone number.

[4]The proponents included GTE, Staff, Ameritech Mobile, SWB Mobile, and SWBT. AT&T stated that it could support either a geographic split or, if certain conditions were imposed, an overlay.

customers would retain their existing ten-digit telephone number, and no change in area code boundaries would occur. Thus, customers could avoid significant costs related to changing stationery, checks, signs, publications, and data entry or programming for their computers. Cellular customers would not be required to reprogram their telephones[5]. Moreover, an all services overlay could be more quickly implemented by providers. Such an overlay would also maximize the efficiency in utilizing numbers in the new area code, because the Commission would not need to decide where to draw a new boundary to accommodate an even pace of growth in number consumption between existing and new area codes. The new area code would take longer to exhaust if implemented via an overlay because the NXX codes for the new area code would be available for assignment anywhere within the geographic boundaries of the current 314 NPA.

By contrast, the opponents of the overlay approach pointed out a number of its disadvantages. The opponents asserted that confusion would arise from having different area codes assigned in the same business, home or neighborhood. They also asserted that there would be costs with an overlay approach for customers who currently only print seven digits on their stationery and publications, and for customers with automatic dialing systems, such as home alarm and elevator emergency phones, that currently use only seven digits. Opponents argued that an overlay would necessitate greater customer education efforts than a

[5]The geographic split method of introducing a new NPA, discussed below in section C.2., would not necessarily require customers to have their wireless numbers reprogrammed, either.

geographic split because the concept is new and unfamiliar[6]. Also, an overlay would preclude subsequent adoption of further geographic splits. Opponents argued that, in light of the fact that overlays have only been tried in a few NPAs nationwide, using an overlay at this time would be premature.

Proponents and opponents of the overlay approach presented conflicting evidence about its effects on competition. On the one hand, incumbent local exchange carriers (ILECs) argued that an overlay would be fairer to them than a geographic split. According to GTE, customers might blame the ILECs for the need to switch area codes. By contrast, MCI alleged that an overlay would put facilities-based competitive local exchange carriers (CLECs) at a disadvantage because customers are likely to prefer an ILEC who can provide the same area code for both telephone and fax lines or other additional lines within one household or business, and ILECs would have a disproportionately large number of NXX codes from the 314 NPA[7]. OPC alleged that customers, and particularly business customers, are likely to prefer the old NPA numbers because a new NPA number would convey that they are new to the area rather than established. Callers from outside of the St. Louis area would not associate the CLECs' customers' numbers with the St. Louis metropolitan area. Staff pointed out that the Federal Communications Commission (FCC) has mandated that, when all services overlays are imposed, each new entrant is entitled to one NXX code from the old NPA for so long as NXX codes are available, and that sufficient codes remain available in the

[6]Overlays have only been adopted in Colorado, Georgia, New York, Florida and Maryland.

[7]This problem would not exist for CLECs offering resold services.

314 NPA to accomplish this. FCC-333 ¶ 283. However, MCI argued that reservation of a single NXX code is not sufficient in an environment where competitors must have one NXX code for each ILEC rate center to properly rate and route their calls[8]. Overlay proponents responded by pointing out that, with the advent of local number portability (LNP)[9], customers switching to a new entrants' service will be able to retain their existing telephone numbers. They also suggested that there were 204 NXX codes left as of December 15, 1997 that could be assigned to facilities-based entrants[10]. Some parties further testified in response that number pooling (see section D.1. below) would alleviate anti-competitive effects because competitors could obtain numbers from the ILECs' already assigned NXX codes.

Conflicting evidence was also presented by proponents and opponents of the overlay approach in relation to issues of geographic identity and dialing simplicity. Proponents of the overlay approach testified that an additional advantage of the overlay would be that all telephone users in the area would dial local calls using the same number of digits, namely ten, thus minimizing confusion. This would occur regardless of the area called, in contrast to the combination of seven digit and ten digit dialing that would occur with a geographic split[11].

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[8]See discussion of rate center consolidation in section D.3. below.

[9]LNP will permit customers to retain their telephone numbers when switching local service providers or moving geographically within a rate center.

[10]As of May 27, 1998, only 165 NXX codes remained available for assignment.

[11]Under either the overlay or the geographic split approach, customers would have to dial 11 digits to make long distance calls outside of the local calling scope. Calls dialed with ten digits would continue to be rated as local calls.

Proponents of the overlay approach also argued that an overlay would promote geographic identity by keeping the St. Louis geographic region in its present form rather than splitting it into smaller areas. Opponents disagreed with the proponents' assertions about geographic identity and dialing pattern simplicity, as discussed below under section C.3.

The majority of the parties that filed testimony and participated in the evidentiary hearing supported an all-services overlay, but several of the parties supported the imposition of several conditions on the introduction of an overlay to mitigate its potential anti-competitive effects. AT&T proposed the following conditions:

1) mandatory ten digit dialing for all calls within affected NPAs;

2) equitable allocation of the remaining NXX codes in the old NPA to non-ILECs only;

3) permanent LNP implementation by wireline carriers in the MSA involved; and

4) application to all telecommunications carriers and services.

As discussed below in connection with service-specific overlays in section C.2., the fourth condition is a requirement of the FCC. GTE, an overlay supporter, also argued that any overlay should cover all services and involve mandatory ten digit dialing. Staff, another overlay supporter, supported AT&T's conditions. MCI, a split supporter, supported AT&T's conditions in the event of an overlay, but also insisted that rate center consolidation and number pooling should be pursued if an overlay is implemented. SWBT opposed AT&T's second condition, arguing

that all carriers should be treated equally and that SWBT should have equal access to the remaining NXX codes if an overlay is imposed.

2. Service-Specific Overlay

A service-specific overlay is similar to an all services overlay but does not involve traditional landline telecommunications carriers in the new NPA. The Commission could, for example, request a new NPA and require all wireless service providers to obtain NXX code assignments solely out of the new NPA. This would lessen demand for codes in the 314 NPA and permit a delay of further relief for the 314 NPA without affecting all customers and providers in the 314 NPA. Other examples of specific services and technologies that could be segregated include pager services, fax and modem lines, credit card verification lines and ATM transaction lines.

Schedule 1 to the direct testimony of William T. Adair that was filed on January 16 (Schedule 1), contained statistics on the numbers of NXX codes assigned to various segments of the telecommunications industry during each month in 1995, 1996 and 1997. Schedule 1 shows that, had the 314 NPA not regained some NXX codes upon implementation of the 314/573 NPA split in January of 1996, there would have been a total growth in NXX code assignments of 184 between January of 1995 and December of 1997. Of the additional 184 NXX codes assigned during this period, 43 were assigned to wireless carriers, 38 were assigned to pager companies, and 8 were assigned in the PCS market, for a total of 87 out of 184 assigned to carriers in these technology markets. Thus, almost half of the new NXX code assignments were to non-landline telecommunications carriers during this period.

On February 6, the Commission issued a Notice of Expansion of Issues that explained to the parties that the Commission intended to inquire about wireless-specific overlays at the evidentiary hearing. In response to the Commission's notice, SWB Mobile and Ameritech Mobile filed a memorandum explaining the FCC's position on wireless-specific and other service-specific or technology-specific overlays. They pointed out that the FCC has rejected service/technology-specific overlay plans proposed by Ameritech-Illinois and by the Public Utility Commission of Texas. The FCC has found that any overlay that would segregate only particular types of telecommunications services or technologies in discrete area codes would be unreasonably discriminatory and would unduly inhibit competition, and would therefore violate the Federal Communications act[12]. The FCC has now codified its prohibition in the form of a regulation. See 47 C.F.R. Ch. I, § 52.19(c)(3)(i-iii).

Following the hearing, OPC submitted information to update the Commission on the number of NXX codes remaining, and included a breakdown of NXX code consumption by type of carrier. Of the 39 additional NXX codes assigned between December 15, 1997 and May 27, 1998, 15 were assigned to wireless carriers.

3. Geographic Splits

The geographic split method of introducing a new NPA involves dividing the existing NPA into two, smaller geographic areas. One area retains the existing NPA code and the other area is assigned a new NPA code. Customers throughout both areas retain their seven digit telephone

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[12]*See* In the Matter of Proposed 708 Relief Plan and 630 Numbering Plan Area Code by Ameritech-Illinois, IAD 94-102, *Declaratory Ruling and Order*, para. 2 (Released January 23, 1995) (Ameritech Order). *See also* FCC 96-333, ¶¶ 291-305.

numbers, but those located in the new NPA area must change to a different three digit NPA code preceding their seven digit telephone number. The existing NPA can also be split into multiple areas, with one retaining the existing NPA code and each of the new areas obtaining a new, distinct NPA code.

OPC proposed a specific two-way split, which MCI endorsed[13]. Under OPC's proposed two-way split, the 314 NPA would be retained for all numbers located inside of an area defined roughly[14] as follows: beginning at the confluence of the Missouri River and the Mississippi River, heading south along the Mississippi River to the county line between St. Louis County and Jefferson County, then west/northwest along that county line to the Jefferson Barracks Bridge, then along I-270 from the Jefferson Barracks Bridge to US 40/61, then west along US 40/61 from I-270 to the Missouri River, then east along the Missouri River to the beginning point. The specific exchanges that OPC proposed to include in the reduced size 314 NPA (OPC's revised 314 NPA) either fall within the "principal" zone or are labeled with a "1" or a "2" on the first map attached to this Report and Order (Attachment 1)[15]. The new area code

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[13]Most of the overlay proponents did not question OPC's proposed split boundary, emphasizing that their opposition to the geographic split method was based on problems associated with geographic splits in general rather than the specific split advocated by OPC.

[14]The Commission notes that NPAs must follow exchange boundaries, which as a rule do not follow the boundaries that define political subdivisions or landmarks such as highways. One exception to the rule is the Missouri River; none of the exchanges in the current 314 NPA span the Missouri River.

[15]This is the geographic area in which telecommunications carriers are required to provide service at their regular local rates to all customers, and is also referred to as the mandatory metropolitan calling area (mandatory MCA). *See* In the matter of the establishment of a plan for expanded calling scopes in metropolitan and outstate exchanges, 2 Mo. P.S.C. 3d (decided December 23, 1992) (1992 Expanded Calling Scopes

would be assigned to all numbers in the remaining exchanges of the existing 314 NPA under this proposal. The boundary of OPC's split is the same as that which separates mandatory MCA areas from optional MCA areas, and is widely available in the telephone directory. *See* Attachment 1. OPC stated that, under its proposed split, the 314 NPA would be retained for 151 of the approximately 160 wireless NXX codes that were assigned in the 314 NPA as of the time testimony was filed. According to OPC, under this proposal, the revised 314 NPA would not be likely to exhaust until the year 2012 and the new NPA would not be likely to exhaust until the year 2045 if the Commission were to implement certain number conservation measures. OPC did not perform any calculation of the proposed exhaust dates if no conservation measures were implemented. SWBT witnesses estimated that OPC's revised 314 NPA could exhaust as early as the year 2002, and OPC's new NPA could exhaust as early as 2009, if no conservation measures were implemented.

OPC also pointed out that the Technical Committee's 1997 Report, filed in Case No. TO-96-1, had also discussed an illustrative three-way split, as well as an illustrative two-way split that differed from OPC's proposed two-way split. The Committee's two-way and three-way splits would each include 11 of the mandatory MCA exchanges in the 314 NPA

Case). It consists of a center (or "principal") zone, a set of "Tier 1" exchanges, and a set of "Tier 2" exchanges. Id. Outside of the mandatory MCA boundary are three additional zones of exchanges (Tier 3, Tier 4 and Tier 5 exchanges) in which MCA service is optional for the customer and in which the carriers charge a flat rate in addition to the local rate to those customers who opt in (optional MCA subscribers). Id. The 314 NPA exchanges are numbered on Attachment 1 in accordance with their Tier in the MCA. Exchanges that are numbered are not included in the MCA.

(Committee's revised 314 NPA)[16], and the remainder of the current 314 NPA exchanges in one or more new NPA(s). *See* pp. 26-27, 1997 Report. Under the Committee's illustrative two-way split, the revised 314 NPA was projected to last until the year 2005 and the new NPA was projected to last until the year 2007 without conservation. 1997 Report, p. 27. OPC supported its proposed two-way split rather than the splits discussed by the Technical Committee. According to OPC, the benefits of a geographic split begin to diminish as the NPAs begin to diminish in size. However, OPC emphasized that a three-way split would be preferable to an overlay.

Proponents of the geographic split method[17] pointed out that, under a geographic split, customers would preserve the ability to dial seven digits within each NPA's boundaries[18]. Proponents argued that the public is more familiar with geographic splits because they have been used in the past, and that a split at this point in time would preserve the public's opportunity to resolve future NPA exhaust problems through

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[16]The 11 exchanges were as follows: Overland, Ferguson, Riverview, Parkview, Evergreen, Forest, Jefferson, Mission, Chestnut, Prospect and Flanders. All of these except for Overland, Ferguson and Riverview constitute the principal zone as shown on Attachment 1.

[17]The proponents are OPC and MCI. AT&T also supports this method, but not exclusively, as explained in footnote 4, *supra*.

[18]Customers calling within each NPA could *choose* to dial ten digits and their calls would be completed, but they would only be *required* to dial seven digits to complete such calls. It should be noted that customers making intra-NPA calls who are not optional MCA subscribers will still have to pay toll charges and dial eleven (1+10) digits when calling intra-NPA to a different exchange. Non-subscribing customers in optional MCA zones (Tiers 3, 4 and 5) already dial eleven digits across the line that separates them from the mandatory MCA area (principal zone and Tiers 1 and 2). Even optional MCA subscribers must currently dial eleven digits and pay toll charges when making certain calls within their NPA, and customers in 314 NPA exchanges that are outside of the optional MCA areas must always dial eleven digits when calling to another exchange. A geographic split would not reduce the incidence of eleven digit dialing that currently takes place outside of the mandatory MCA (principal zone, Tier 1 and Tier 2 exchanges).

either further geographic splits or overlays, whereas an overlay would not. Also, proponents argued that customers prefer to associate each NPA code with a unique geographic area so that they can discern the geographic location of a calling or called number. Customers who make many calls per day in connection with their jobs would be spared the effort of dialing an additional three digits when calling in the same NPA. Proponents further asserted that mandatory ten digit dialing across the entire existing 314 NPA would make it difficult for customers to distinguish between local and toll calls. Finally, geographic split proponents suggested that their method would be more competitively neutral than an overlay, for the reasons discussed above in section C.1.

Opponents of the geographic split method disputed the advantages of seven digit dialing. First, they pointed out that seven digit dialing would only be possible for certain intra-NPA calls[19]. Under the two-way split proposed by OPC, the new 314 area would consist only of St. Louis City and portions of St. Louis County, as shown on the second attached map (Attachment 2). Any calls across the boundary between this area and the area with the new NPA would involve ten digit dialing. Therefore, on many calls[20], callers would not be spared from dialing ten digits and, for all of their calls, callers would have to know the geographic area of the called party in order to know whether to dial seven or ten digits. This would be difficult because a split boundary must follow exchange

[19]As discussed previously, many intra-NPA calls outside of the mandatory MCA are rated as long distance and require eleven digit dialing today. *See* footnote 18, *supra*.

[20]No parties were aware of any calling pattern studies that had been done to measure the amount of calling across OPC's proposed boundary. Cost estimates of performing such a study were submitted as Exhibits 34 and 38 and totaled $950,000.

boundaries, which do not follow naturally occurring or man-made boundaries such as political boundaries. Calls dialed with seven digits that should be dialed with ten digits would reach a wrong number. Opponents claimed that this would be more confusing and time consuming than simply dialing ten digits for all local calls.

Opponents also explained that wireless phones might have to be reprogrammed. Wireless technology is such that a wireless customer can roam into an NPA that has a different code than the customer's own NPA code and receive calls from persons who have dialed the customer's NPA code rather than the NPA code of the location called. However, it would be up to the Commission to mandate whether wireless customers should have to switch their wireless phones to the new NPA. Reprogramming would be time-consuming and costly. The benefits of requiring reprogramming based on whether the customer's billing address is in the revised 314 NPA or the new NPA are debatable. Currently, each NXX code assigned to a wireless carrier is used to assign telephone numbers throughout an NPA and even beyond NPA boundaries; use of the NXX codes is not restricted to a particular exchange. Therefore, it is unlikely that any entire NXX codes would be emptied for use in the revised 314 NPA as a result of compelling customers with billing addresses in the new NPA to change their NPA.

It is possible that wireless customers could in any event avoid switching their NPA by changing their billing addresses. Also, cellular carriers have the ability to move the rate centers out of which their customers' phones are rated. Therefore, if the rate center location were to determine which NPA code would apply to each customer, Ameritech Mobile could move its Ladue rate center to the same location as its St.

Louis City rate center, so that its customers could continue to use their phones without having them reprogrammed.

SWB Mobile requested that the Commission give wireless customers their choice of NPA in the event that a geographic split is imposed. The Technical Committee made a similar recommendation. The Technical Committee stated that NXX codes in the 314 NPA that are voluntarily shared by wireline and wireless carriers should be returned, and only those NXX codes assigned completely to a wireless carrier should remain with that carrier, for wireless carriers whose service territories are divided by the split boundary. For wireless carriers whose service territories lie entirely within the new NPA, the Committee recommended that all NXX codes should be returned and customers should be required to change their wireless numbers. Ameritech Mobile's witness testified, however, that customers would be likely to voluntarily reprogram their cellular phones to match the NPA code for their wireline phone(s), as they did after the 573/314 split. Thus, the costs of reprogramming would not necessarily be avoided even if the Commission made reprogramming voluntary.

Another request of Ameritech Mobile and the Technical Committee was to have the Central Office Code Administrator assign any NXX codes in the new NPA that duplicate NXX codes held by a wireless carrier in the 314 NPA only to that wireless carrier or a wireline company, but not to a different wireless company. No party opposed this request.

Opponents claimed that an overlay would last longer than any geographic split. GTE concurred, suggesting that an overlay could last for ten years. GTE noted that in other areas of the country where splits have been implemented, the new NPAs have been exhausting prior to their

forecasted exhaust dates. GTE objected to OPC's assumptions about the timing of conservation method implementation, and therefore with OPC's estimates of how much the new NPAs' lives could be extended by such measures. OPC conceded that an overlay would be likely to last somewhat longer than a geographic split in this case if no number conservation measures are imposed.

Following submission of briefs, the Commission ordered OPC to file exhaust projections under additional split scenarios. One of those scenarios involved a two-way split including all of the exchanges in St. Louis City and St. Louis County in the revised 314 NPA. OPC projected that, without number conservation, the NXX codes in a revised 314 NPA with such a boundary would exhaust by March of 1999. If number conservation measures were implemented, the life of the revised NPA could be extended to June of 2008[21]. Another scenario involved a three-way split that included all of the St. Louis City exchanges in one NPA, all of the St. Louis County exchanges in a second NPA and the remaining exchanges in a third NPA. OPC projected that, without number conservation, the new NPA for the St. Louis County exchanges would exhaust by January of 2003, and with certain conservation measures, the life of the St. Louis County NPA could be extended to as late as January 2037. The NPA for St. Louis City would last until July 2021 without conservation, and until July 2078 if certain conservation measures could be implemented. The other parties disputed OPC's projections, but did not provide evidence to support alternative projections.

[21]Adding all of the Tier 3 exchanges would reduce the life expectancy of the revised 314 NPA to seven years if conservation measures were implemented as OPC assumed.

4. Public Sentiment

At the local public hearings conducted by the Commission, the public overwhelmingly expressed support for a geographic split rather than an overlay. Of the 16 members of the public who attended the Commission's five local public hearings, not one citizen supported an all services overlay as a first choice. One citizen stated that an all services overlay would be an acceptable alternative to number pooling. Seven citizens expressed support for either a two-way or a multiple-way geographic split. Four additional citizens expressed support for either a geographic split or a service specific overlay. Five citizens expressed support for either number conservation or a service specific overlay, or both.

OPC offered Group Exhibits 6, 7, 28 and 29 into evidence at the hearing to make a record of the letters sent by citizens to the Commission and to OPC regarding this case. *See also* Corrected Exhibit 37. These letters overwhelmingly expressed support for a geographic split, or a service specific overlay, as opposed to an all services overlay. Only seven of the 52 letters expressed support for an all services overlay. Twenty of the letters expressed support for a wireless-specific or other technology-specific overlay. Thirty-three expressed either support for a geographic split or opposition to an all services overlay.

Moreover, through letters and at the public hearings, citizens repeatedly stated that, whatever solution the Commission devises, the solution should prevent the need for further NPA relief for years to come.

5. Findings

The Commission finds that a service-specific overlay or technology-specific overlay would be inappropriate in light of the FCC's position on these types of overlays. Moreover, even though a significant portion of the NXX code consumption during 1995, 1996, 1997 and the first part of 1998 was in the wireless, pager and PCS markets, at this point in time there are so few NXX codes left in the 314 NPA that creating a service-specific or technology-specific overlay for these markets would not be likely to significantly lengthen the life of the 314 NPA.

The Commission finds that there are significant advantages, and disadvantages, to both geographic splits and all services overlays. With respect to all of the factors save customer impacts, the Commission finds that the evidence is fairly evenly balanced. If the Commission were to disregard customer impacts in rendering a decision, an all services overlay would be somewhat preferable to a geographic split under the facts of this case.

However, the Commission finds that the evidence concerning customer impacts clearly and unequivocally tips the scale in the direction of a geographic split rather than an overlay. The customers have made their assessment of these issues clear on the record before the Commission, and the Commission therefore finds that, from the standpoint of customer impacts, a geographic split is preferable to an all services overlay at this time. The Commission therefore finds that it should implement a geographic split rather than an all services overlay or a service specific overlay in this case.

The Commission notes that there is evidence supporting a number of alternative two-way and three-way split proposals. While numerous

citizens at the local public hearings suggested a multiple-way split, most of these citizens explained that their purpose in making the such a proposal was to achieve a solution that would last for a significant number of years. The St. Louis County line two-way split that the Commission required OPC to forecast following the hearing would not provide significant relief because the revised 314 NPA would exhaust within a year. Under OPC's proposed two-way geographic split, the area codes are projected to last until the year 2012 in the revised 314 NPA and until the year 2045 in the new NPA, if the Commission would implement certain conservation methods[22]. It is true that the Technical Committee's illustrative two-way split might last longer than OPC's in the absence of number conservation efforts. At the same time, all parties acknowledge that number conservation measures could extend the life of each NPA in OPC's proposed two-way geographic split, and the Commission intends to order implementation of certain number conservation measures in the near future, as discussed in section D below. The split boundaries in the Technical Committee's illustrative two-way split and the two-way county line split are not as easily identifiable to the public as OPC's proposed two-way split. The Commission is also mindful of the parties' arguments that dividing the current 314 NPA into more than two areas would result in such small NPAs that the benefits of a geographic split would be significantly reduced, and rejects the three-way county line and city/county line splits and the Committee's

[22]OPC assumed that LNP would begin in the third quarter of 1998 and pooling for wireline carriers would begin in the first quarter of 1999. OPC assumed that Option 2 rate center consolidation would be implemented, and made certain other assumptions about pooling for wireless carriers and the rates of growth and NXX code consumption for various categories of carriers. For a discussion of pooling and rate center consolidation, see sections D.1. and D.3 below.

illustrative three-way split for this reason. The Commission finds that, on the record before it, the two-way geographic split proposed by OPC is the best method for implementing a new NPA to prevent exhaustion of NXX codes in the current 314 NPA[23].

The Technical Committee proposed to let wireless customers choose whether they want to undergo the reprogramming of their phones in order to switch to a new NPA when their carriers do not share NXX codes with wireline providers and their carriers' service territories are split by an NPA boundary. The remainder of the wireless customers would have to reprogram their wireless phones. The Technical Committee also proposed that NXX codes in the new NPA that duplicate NXX codes held by wireless carriers in the 314 NPA not be assigned to competing wireless carriers. No party opposed the Technical Committee's proposals, and Ameritech Mobile explicitly endorsed them. Therefore, the Commission finds that the Technical Committee's proposed treatment of wireless carriers, as described on pages 20 to 22 of the 1997 Report, should be adopted.

The parties did not present any evidence to the Commission about whether a particular NPA code could be requested from the NANP Administrator, or whether NPA codes 310, 311, 312, 313, 315, 316, 317, 318 and 319 are already assigned in other areas. The Commission finds that, if any of these NPA codes is available and may be requested from the NANP Administrator, the parties should request one of these codes for

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[23]The Commission notes that an overlay could be done retroactively after a split is implemented. However, customers who would be required to change their NPA because of a geographic split would not be able to subsequently switch back to the 314 NPA upon implementation of a retroactive overlay if their number had already been given to someone else in the revised 314 NPA. By contrast, imposing an overlay at this point would eliminate any incentives to provide relief via a geographic split in the future.

the new St. Louis area NPA so that customers can more easily learn the new NPA code. Also, the Commission finds that the parties should inform the Commission of whether an assignment of NPA code 310, 311, 312, 315, 316, 317, 318 or 319 will be possible and whether customers would be able to dial eight digits rather than ten digits across the split boundary if one of these codes were assigned.

D. NPA Relief in the Form of Number Conservation

The following methods of conserving number resources are discussed in detail because significant evidence was presented concerning these methods. Other methods, such as individual number pooling and inconsistent rate center consolidation, were also described in the record but were not presented by any of the parties or the citizens as the best alternatives.

1. 1,000s Block Number Pooling

Numbers are currently assigned to telecommunications companies one NXX code at a time. There are 10,000 individual telephone numbers associated with each NXX code. The entity responsible for assignment of NXX codes is the NXX Code Administrator. The NXX Code Administrator follows NXX Code Assignment Guidelines (Guidelines) developed at the request of the FCC and are the basis upon which numbering resources are used within the North American Numbering Plan. Currently, the Guidelines specifically provide for the assignment of entire NXX codes to applicants. The reason for assigning NXX codes in their entirety is tied to the current method of rating and routing calls. The NXX code imparts information to the companies providing service about the locations, carriers and rates associated with each call. Any change in the assignment criteria would require both national and local changes to

guidelines, operational support systems and various network translation modifications. The Commission may not have the authority to require all those changes, and they may take time to accomplish if the Commission does have authority.

One of the number conservation methods discussed in the Technical Committee's report is 1,000s block number pooling. This method would involve assigning only 1,000 numbers to carriers at a time, rather than 10,000 numbers at a time. Many companies have few customers and do not require an entire NXX code to serve their customers' needs. The evidence presented showed that in 18 of the approximately 60 exchanges in the current 314 NPA, the utilization rate for telephone numbers assigned to carriers is lower than 25 percent. In 26 of the exchanges, the utilization rate is lower than 40 percent[24]. Thus, the need to assign a minimum of 10,000 telephone numbers to each carrier is a significant contributor to NXX code waste.

Most of the parties argued that 1,000s block pooling is not ready for implementation at the present time. In order to implement 1,000s block number pooling and retain the rating and routing capabilities described above, computer systems and databases must be altered so as to analyze not only the three digit NPA code and the three digit NXX code, but also the first digit of the telephone number. Also, permanent local number portability (LNP) among carriers is a prerequisite to 1,000s block number pooling. The FCC established a deadline of May 15, 1998 for wireline carriers to implement LNP, and a deadline of July 1999 for wireless carriers to implement LNP, in the St. Louis area. Wireless

[24]As GTE pointed out, many of the unused numbers result from the assignment of 2 NXX codes per exchange to carriers offering optional MCA in Tiers 3, 4 and 5.

carriers have asked for a nine month extension of their deadline. Another problem is that after LNP is in place, number pooling could significantly increase the capacity needed in the LNP database. Furthermore, administrative guidelines would have to be developed for the pool, and implementation costs would have to be fairly allocated.

Some of the technical changes other than LNP that would be required to implement 1,000s block number pooling are currently being discussed at the national level, and national standards for implementation are being developed. This work is being done within the North American Numbering Council (NANC) through the Industry Numbering Council (INC). The evidence submitted to the Commission showed that national work is being done on the following technical issues in addition to LNP: pre-port versus port on demand, utilization of embedded numbers for establishment of pool, snap-back, national pool architecture and assignment guidelines/requirements. Additional issues are LNP database capacity upgrades and operation support systems (OSS) changes. NANC has set a goal of the second quarter of 1999 for development of national standards. Any pooling done at the state level that turns out to be inconsistent with national standards would, however, ultimately have to be changed to conform to the national standards. In the 847 NPA in Illinois, a number pooling trial has been ordered. The trial is scheduled to conclude at the end of 1998.

According to AT&T, even though these issues must be resolved nationally before pooling is implemented, the Commission should target a date in the future by which pooling should be implemented anticipating that the standards will be established in the meantime. AT&T's witness testified that the national standards are taking shape now and that it

would be realistic for the Commission to establish a deadline in the first quarter of 1999 for beginning implementation of 1,000s block number pooling in all exchanges except Orchard Farm's exchange, and to create a team to iron out the details in the meantime and to address implementation issues over a twelve month period following that deadline. A similar grassroots approach has been taken in Illinois and New York in anticipation of national standards being developed.

AT&T argued that implementation would be unlikely to come about unless the Commission orders it. However, most of the parties urged the Commission to await the development of national standards before ordering implementation of 1,000s block number pooling in the 314 NPA.

2. Sequential Number Assignment

Sequential number assignment is a method of conservation that encourages companies to assign telephone numbers to their customers in an efficient sequence. This has the effect of reducing the number of NXX codes or, under a system of 1,000s block number pooling, the number of 1,000s blocks, that must be assigned to each company. Sequential number assignment conserves 1,000s blocks in anticipation of 1,000s block number pooling.

Under sequential number assignment, each carrier would be required to use up all of the numbers in any given 1,000s block before assigning telephone numbers out of another 1,000s block. Sequential number assignment could also require each carrier to assign the telephone numbers in a certain order, for example by assigning numbers in the range 0001 to 1000 before assigning telephone numbers in the range 1001 to 2000, and so on. However, in Texas, where sequential number assignment has been ordered, the carriers are not required to proceed in any order

within 1,000s blocks or from one 1,000s block to another. AT&T's witness testified that efficiency would not be enhanced by requiring carriers to use numbers in any particular order. A sequential numbering plan could permit carriers to assign from a new 1,000s block when a certain percentage of their existing blocks are in use. There would need to be exceptions to accommodate customer requests for vanity numbers and to accommodate the needs of customers who request large blocks of numbers for businesses or other purposes. Also, certain customers might be limited in their ability to utilize certain telephone numbers because of the nature of their computer or telephone systems. For example, GTE assigns numbers in the 0000, 1000, 8000 and 9000 blocks only to residential customers, as many businesses cannot use them.

The parties debated what the guidelines for sequential number assignment should be and how much the Commission should be involved in developing the details of a sequential number assignment plan. AT&T suggested that the Commission should order implementation of a sequential number assignment plan and order the parties to propose details for subsequent Commission approval prior to the date of implementation. None of the parties expressed serious disagreement with this proposal.

3. Rate Center Consolidation

Before competition in the local exchange telecommunications services market was permitted to develop, ILECs established rate centers within their exchanges for the purposes of routing and rating calls. Each exchange had one or more rate centers, and each rate center was identified by a unique pair of vertical and horizontal coordinates (V & H coordinates) that was used to calculate the distance of calls. Charges for long distance services, whether offered by the ILEC or interexchange

carriers, were billed on a distance-sensitive basis. Distance-sensitive rates remain the practice for some carriers and services today.

Following passage of the federal Telecommunications Act of 1996, 47 U.S.C. § 151 *et seq.*, competitive local exchange carriers (CLECs) entered the market. Facilities-based CLECs must mirror the ILECs rate center structure so that rating and routing of calls can be correctly performed[25]. In order to rate and route the CLECs' calls, one NXX code is needed for each ILEC rate center, no matter how many customers the CLEC has[26]. Thus, in an exchange where the ILEC has 5 rate centers, the CLEC will require 5 NXX codes[27], or 50,000 telephone numbers, even if it only has 500 customers within the exchange. The result is inefficient use of numbering resources.

One method of eliminating inefficiencies in the current system is to reduce the number of rate centers used by the ILEC for each exchange by collapsing multiple rate centers into a new, larger rate center. Rate center consolidation results in a single V & H coordinate serving as the toll reference point for central office switches that previously were associated with different V & H coordinates. Rate center consolidation can enhance the effectiveness of pooling by lowering NXX code demand[28]. The original purposes for establishing numerous rate

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[25]Wireless carriers are an exception; they do not need to mirror the ILECs' rate center structure. SWB Mobile has only one rating point for all of its NXX codes, and Ameritech Mobile has two.

[26]As of the date of the evidentiary hearing, four new entrants had been assigned 37 NXX codes in the 314 NPA.

[27]As discussed above, assignment of less than a full NXX code for each area is not yet feasible under the CO Code Assignment Guidelines.

[28]Neither rate center consolidation nor pooling would eliminate the need to assign a minimum of two NXX codes per exchange to each carrier offering optional MCA in Tiers 3, 4 and 5.

centers, such as older switch technology and cost variations based on small differences in call distances, no longer exist.

While it is technically feasible to implement rate center consolidation at this point in time, most of the parties have urged the Commission to study the revenue implications of rate center consolidation before ordering implementation. The V & H coordinates would change for all telephone numbers associated with one of the rate centers to be eliminated in a consolidation. This would have revenue impacts for local exchange and interexchange carriers and affect the amounts to be billed to customers located inside and outside of the consolidated exchanges[29]. Certain customers' bills would increase and certain customers' bills would decrease. To complicate matters further, most of the exchanges in the current 314 NPA fall within either the mandatory calling area or one of the optional calling areas of the St. Louis MCA, and Extended Area Service (EAS) arrangements exist between certain sets of exchanges, as well. Finally, the Technical Committee did not investigate 911 impacts before filing its 1998 Report.

The Technical Committee discussed six different rate center consolidation plans that the Commission might want to consider, but did not recommend implementation of any of the plans without further planning by the affected parties. At the evidentiary hearing, most of the parties asked the Commission to give the Technical Committee more specific direction concerning the rate center consolidation options described in

[29]Even though wireless carriers' rate centers do not coincide with those of wireline carriers, wireless carriers and their customers would also be impacted because of changes in the rates charged for land to mobile calls. Wireline customers located outside of the consolidated exchanges would be impacted by higher or lower toll charges when calling into the consolidated area, as would their providers.

its report and then permit the Technical Committee to work out the details of implementation for Commission approval.

The simplest proposal (Option 1) discussed in the Technical Committee's 1998 Report would involve consolidation of nine rate centers located in the St. Louis core area. These would be collapsed into a single rate center. AT&T supported adoption of Option 1 and further study of the five other options discussed in the Technical Committee's report. AT&T's witness testified that Option 1 would have little impact on customer charges or companies' toll revenues. Option 1 would involve no calling scope issues because all of the rate centers have the same local rates and calling scopes, but it would involve EAS issues because customers in the principal zone have EAS into Illinois. AT&T argued that customer impact issues could be dealt with following implementation. MCI also supported implementation of Option 1.

The Option 2 rate center consolidation plan identified in the Technical Committee report was supported by OPC. Under Option 2, the entire metropolitan exchange, including the principal zone and the mandatory calling areas identified as Tier 1 and Tier 2 exchanges on the attached map, would be consolidated. Option 2 would collapse 14 rate centers into one. Four of the rate centers (Mehlville, Sappington, Creve Coeur and Kirkwood) have EAS into six Tier 3 exchanges, where MCA is optional. Option 2 rate center consolidation would make calls between the six Tier 3 exchanges and the entire metropolitan exchange area local, and thus would affect local calling scopes. However, OPC argued that Option 2 might not have a significant revenue impact on SWBT if optional MCA subscription rates are high. SWBT argued that high subscription rates would correlate with a greater, rather than a lesser, revenue

impact. Implementation of a similar plan was estimated to take six to nine months to implement in Texas.

The remaining four options discussed in the 1998 Report are more complicated than Options 1 and 2. The 911 impacts of each of the six options remain unknown at this time. The Commission would need to address the impacts of changing V & H coordinates on customer charges, company revenues and local calling scopes in the St. Louis area if it were to order rate center consolidation. Also, the Commission would need to consider the fact that consolidation would prevent further geographic splits in the consolidated exchanges in the event that a new NPA must be introduced again in the future. Although some assigned NXX codes that are "freed up" as a result of consolidation could be returned to the CO Code Administrator, the primary benefit of rate center consolidation would be to slow the rate of assignment of previously unassigned NXX codes. None of the parties suggested that rate center consolidation or any of the other conservation measures proposed should take the place of NPA relief.

4. Public Sentiment

At the Commission's five public hearings, only seven of the 16 speakers mentioned conservation. Of those seven, two discussed recycling of disconnected numbers, three discussed pooling, one discussed recycling and pooling and stated that the Commission should not introduce a new NPA until the companies demonstrated a need, and one mentioned conservation in a general fashion without specifying any particular conservation methods.

Letters sent to the Commission and to OPC by citizens and representatives of citizens also demonstrated support for conservation

efforts. Twelve of the 52 letters expressed support for conservation in a general fashion. One named pooling explicitly. An additional six described ideas similar to either sequential number assignment or pooling or variations thereof.

5. Findings

The Commission finds that none of the methods of number conservation discussed in the Technical Committee's report or by the parties are ready for immediate implementation. However, the Commission finds that 1,000s block number pooling, sequential number assignment and rate center consolidation have significant potential for promoting the efficient utilization of numbering resources in the future and could dramatically prolong the lives of the NPAs if implemented as soon as possible. The Commission finds that, with national standards for 1,000s block pooling scheduled to be completed in 1999, the public interest would be best served if 1,000s block number pooling were implemented as soon as possible following completion of national standards, but not before. By contrast, the details of sequential number assignment and rate center consolidation can be addressed by the parties and presented to the Commission for approval without delay.

Therefore, the Commission finds that it should establish a new case for the purpose of addressing these three methods of number conservation in the geographic area that currently comprises the 314 NPA and that it should assign the number TO-99-14 to the new case. The Commission finds that it should order all parties to this case to propose a schedule of meetings at which they will develop plans and proposed time frames for implementing sequential number assignment and rate center consolidation. The parties to Case No. TO-99-14 shall also be required

to prepare for eventual implementation of 1,000s block number pooling in anticipation of the development of national standards. The Commission will set forth the tasks to be accomplished in Case No. TO-99-14 by a separate Order and Notice in that case.

E. Implementation of New NPA

Most of the parties estimated that it would take from nine to 15 months to implement a geographic split to introduce a new NPA. The Commission finds that the Technical Committee should submit a plan for implementing OPC's proposed two-way split in the manner specified in this Report and Order within 15 days. The parties' plan should include a proposed schedule for accomplishing technical changes, obtaining a new NPA code, educating the public, beginning permissive dialing and beginning mandatory dialing for the new NPA. The specific dates of educational meetings, and the specific contacts to be made with newspaper, radio and television media, should be described in the plan. The plan should also include samples of the materials to be distributed to media, customers and governmental bodies. Finally, the plan should inform the Commission regarding the possibility of obtaining 310, 311, 312, 313, 315, 316, 317, 318 or 319 as the new NPA code and the possibility of dialing eight digits rather than ten digits if one of these codes is assigned.

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 § 386.250 and § 392.520, RSMo 1994. These statutes provide the Commission with general regulatory authority over the

operations of the telecommunications companies within its jurisdiction and over the conditions and methods of providing service. The selection of a method for addressing NPA exhaustion and the changing of customer dialing patterns is within this broad statutory authority. In addition, the FCC has recognized that state commissions have a significant role in determining what method should be adopted to remedy the exhaustion problem. *See* Ameritech Order; FCC 96-333, ¶ 268. The NPA guidelines also anticipate regulatory oversight of the decision. *See* Code Relief Planning and Notification Guidelines, Industry Numbering Committee, ¶ 2.10 (issued April 4, 1997) (NPA Guidelines).

The Commission has found that the geographic split alternative is more reasonable than the all services overlay and service specific overlay plans, and that the two-way split proposed by the Office of Public Counsel is the most reasonable of the split alternatives. The Commission concludes that OPC's proposed geographic split will meet the NPA Guidelines, and that this split should be adopted and implemented without delay.

The Commission has further found that 1,000s block number pooling, sequential number assignment and rate center consolidation have the potential to dramatically lengthen the lives of the revised 314 NPA and the new NPA that will be come into existence if the geographic split proposed by OPC is implemented. The Commission therefore concludes that Case No. TO-99-14 should be established for the purpose of addressing implementation plans and deadlines for sequential number assignment and rate center consolidation as soon as possible, and preparation for eventual implementation of 1,000s block number pooling, in the St. Louis area.

IT IS THEREFORE ORDERED:

1. That the Commission will accept and order the implementation of the two-way geographic split proposed by the Office of the Public Counsel.

2. That the Technical Committee shall file a plan for implementation of the new NPA in accordance with this Report and Order. Such plan shall be filed not later than August 6, 1998.

3. That Case No. TO-99-14 is established for the purpose of developing implementation plans and schedules for 1,000s block number pooling, sequential number assignment, and rate center consolidation in the geographic area currently comprising the 314 Numbering Plan Area.

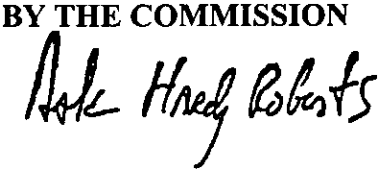
4. That every party to Case No. TO-98-212 is granted intervention in Case No. TO-99-14.

5. That the Commission shall issue a separate order in Case No. TO-99-14 giving notice and establishing appropriate deadlines and directives for the parties.

6. That the Records Department of the Missouri Public Service Commission shall serve copies of this Report and Order on all parties in Case No. TO-96-1 and TO-98-212.

7. That this Report and Order shall become effective on August 4, 1998.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Crumpton, Murray,
Schemenauer and Drainer, CC., concur.

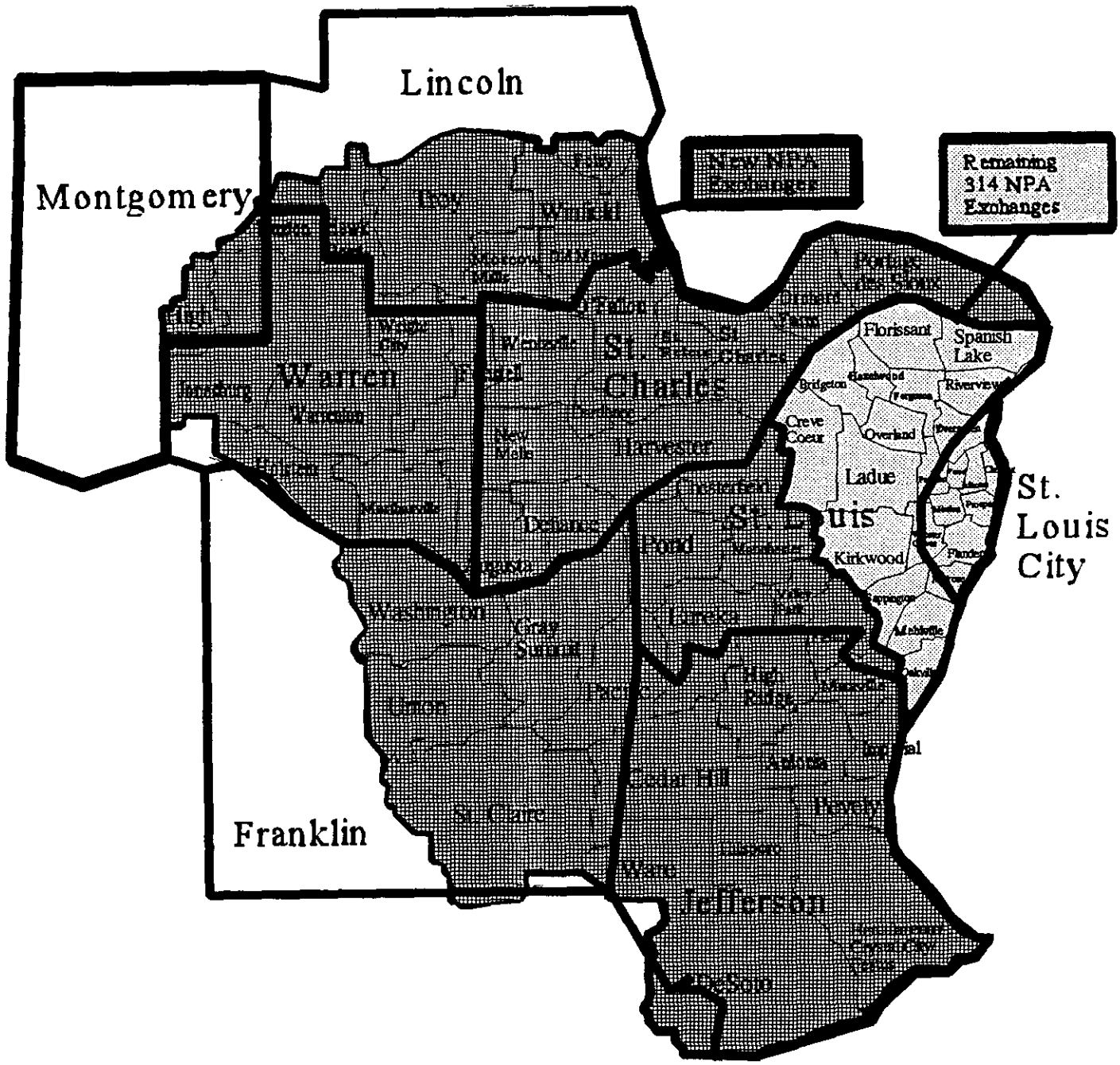
Dated at Jefferson City, Missouri,
on this 22nd day of July, 1998.

314 NPA

Exhibit No. 19
Date 2-9-98 Case No. TO-98-21
Reporter TV

Document produced by Texas Exchange Carrier Relations organization of Southwestern Bell Telephone Company, JLBrockell 1/2/98

ATTACHMENT 1



ATTACHMENT 2