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July 24, 2014

VIA ELECTRONIC FILING

Mrs. Gail L. Mount, Chief Clerk
North Carolina Utilities Commission
Dobbs Building
430 North Salisbury Street
Raleigh, North Carolina 27603

RE: Docket No. P-100, Sub 137C

Dear Mrs. Mount:

Attached for filing in the above-referenced docket is the *Proposed Order of Joint Telecommunications Carriers and the Public Staff*. A copy is also being provided via briefs@ncuc.net. Should you have any questions, please do not hesitate to contact me. Thank you for your assistance with this matter.

Very truly yours,

s/Mary Lynne Grigg

MLG:kjg

Attachment

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. P-100, SUB 137C

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of:)	PROPOSED ORDER OF JOINT
)	TELECOMMUNICATIONS
Area Code Relief for North Carolina's)	CARRIERS AND THE PUBLIC
336 Numbering Plan Area)	STAFF

HEARD: Monday, June 23, 2014, at 7:00 p.m. and Tuesday, June 24, 2014, at 10:00 a.m. in the High Point Courthouse, High Point, North Carolina

BEFORE: Presiding Commissioner ToNola D. Brown-Bland, Commissioner Bryan E. Beatty, Commissioner Susan Warren Rabon, Commissioner Don M. Bailey, Commissioner Jerry C. Dockham, and Commissioner James G. Patterson

APPEARANCES:

FOR NEUSTAR, INC:

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FOR THE USING AND CONSUMING PUBLIC:

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Public Staff – North Carolina Utilities Commission
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BY THE COMMISSION: By this Order, and for the reasons set forth below, the Commission concludes that a distributed overlay will be implemented in order to relieve area code 336, as the Commission has previously ordered with regard to area codes 704 and 919. The schedule for implementation of the overlay in the 336 area code will be as proposed by the North American Numbering Plan Administrator (“NANPA”), Neustar, Inc. (“Neustar”), as revised by the Joint Telecommunications Carriers¹ (“JTC” or “Carriers”) in their written Comments and testimony in this proceeding. Furthermore, seven-digit dialing across area code boundaries will be eliminated, and the Commission will require ten-digit dialing for local, extended area service (“EAS”) and expanded local calling services (“ELCS”) calls placed across area code boundaries. Finally, the Commission directs NANPA that any numbering plan area (“NPA”) it assigns for the 336 NPA distributed overlay shall not begin with “9-1”.

¹ The telecommunications and wireless carriers collectively referred to herein as the “Joint Telecommunications Carriers” are: BellSouth Telecommunications, LLC, d/b/a AT&T North Carolina (“AT&T”); Sprint Spectrum, L. P. , and Sprint Communications Company L.P. (collectively, “Sprint”); T-Mobile South LLC (“T-Mobile”); Windstream Lexcom Communications, Inc., Windstream Communications, Inc., Windstream North Carolina, LLC, Windstream NuVox, Inc., US LEC of North Carolina, LLC (collectively “Windstream”); North State Telephone Company, d/b/a North State Communications (“North State”); Carolina Telephone & Telegraph Company LLC, d/b/a CenturyLink, Central Telephone Company, d/b/a CenturyLink, CenturyLink Communications, LLC, and Mebtel, Inc., d/b/a CenturyLink (collectively “CenturyLink”); Randolph Telephone Membership Corp.; and Cellco Partnership and its commercial mobile radio service provider subsidiaries operating in the state of North Carolina, d/b/a Verizon Wireless and MCImetro Access Transmission Services LLC, d/b/a Verizon Access Transmission Services (collectively “Verizon”).

BACKGROUND AND PROCEDURAL HISTORY

On September 7, 2000, Neustar filed its petition requesting that the Commission approve an industry recommendation of an all-services distributed overlay relief plan for the 336 NPA. The petition stated that the 336 NPA would reach exhaust by the fourth quarter of 2002. However, the implementation of numbering conservation measures, including thousands-block pooling in 2002, and a decrease in demand for numbering resources, extended the projected exhaust date. On January 5, 2001, the Commission issued its Order Requesting Comments and Scheduling Public Hearing on March 13-14, 2001, to consider the various relief alternatives for the 336 NPA, as proposed in the Initial Planning Document (“IPD”) and discussed by the industry. In compliance with that Order, comments were received from both the using and consuming public and the industry. On April 23, 2001, the North Carolina Telecommunications Industry and the Public Staff jointly filed the North Carolina Telecommunications Industry Task Force Proposed Order Approving Overlay Option to Provide Area Code Relief. The Task Force stated in its proposed Order that the Commission stressed that its intent was to prolong the service life of the 336 NPA by extensive conservation measures, such as thousands-block number pooling, and thereby postpone, for as long as possible the use of the new area code as well as mandatory ten-digit local dialing.

On September 13, 2001, in Docket No. P-100, Sub 137, the Commission issued its Order Implementing Thousands-Block Pooling For the 336 Area Code, with the goal of delaying the implementation of area code relief for the 336 NPA for the foreseeable future. Thereafter, on June 18, 2003, NANPA notified the Commission that that the 336

NPA was not projected to exhaust within the next five years. Furthermore, NANPA stated that,

“according to the 2003 NRUF [Numbering Resource Utilization/Forecast] Analysis, the 336 projected exhaust date was pushed back to second quarter 2009. The extension of the projected exhaust is due in part to the implementation of thousands block pooling in February of 2002 and a continued decrease in demand for numbering resources.”

NANPA also stated that pursuant to industry guidelines, the relief petition could be rescinded by the Commission or at least two industry members. As a result of the updated information provided by NANPA, the Commission took no action at that time. On June 25, 2004, NANPA further notified the Commission that, according to the 2004 NRUF Analysis, the 336 projected exhaust date was expected to be second quarter 2010. Thus, in accord with industry guidelines, NANPA stated that the relief petition could be rescinded by the Commission on its own motion, or by at least two industry participants. Again, the Commission took no action as a result of the updated information provided by NANPA. On July 22, 2013, NANPA filed a letter notifying the Commission that the projected exhaust date for the 336 NPA code had been revised to second quarter 2016. NANPA also provided an update of the four service alternatives to provide numbering relief to the 336 NPA: 1) an all-services distributed overlay (alternative number one); 2) a geographic split which encompasses the Winston-Salem, Greensboro, and High Point rate centers, creating a circular geographic area (alternative two); 3) a geographic split with the boundary line following rate center boundaries in a northeastern to southwestern direction, placing the High Point rate center to the west of the line and the Summerfield, Monticello, Reidsville, Gatewood, and Ruffin rate centers to the east (alternative three); and 4), a geographic split with the boundary line following the rate center boundaries in a northeastern to southwestern direction, placing High Point rate center on the eastern side

of the line and the Summerfield, Monticello, Reidsville, Gatewood, and Ruffin rate centers on the western side (alternative four). Attached to NANPA's letter were geographical maps depicting each alternative and their projected exhaust dates. NANPA went on to state that it recently released the April, 2013 NRUF, an NPA Exhaust Analysis reflecting actual data as of December 31, 2012, and the industry's projected demand for numbering resources. NANPA further stated that under its federal contract as numbering administrator, it is required to begin relief planning for area codes 36 months prior to the projected exhaust. Accordingly, the July 22, 2013 filing was made to update the evidentiary record and to renew NANPA's request that the Commission approve the industry's recommendation of an all-services distributed overlay relief plan for the 336 NPA.

On January 21, 2014, the Commission issued an Order Requesting Comments and Scheduling Public Hearings to address area code relief for the 336 NPA. In the Order, the Commission permitted members of the public to file comments by February 28, 2014, and allowed the formal parties to the proceeding to file comments regarding the industry recommendation or any other proposal by February 28, 2014, and reply comments by March 14, 2014. The Commission further ordered local exchange companies ("LECs") and competing local providers ("CLPs") to send public notice as a bill insert, via US mail or electronically to their subscribers within the 336 NPA by February 28, 2014, and ordered AT&T and North State to take primary responsibility for assuring the publication of public notice in newspapers of general circulation throughout the affected area. The Commission also encouraged the telephone membership corporations to notify their customers.

On January 28, 2014, AT&T filed a Motion requesting that the Commission extend the time for carriers to comply with the customer notice requirements, public notice and hearing date established in the January 21, 2014 Order by no less than 60 days. In support of its Motion, AT&T stated that it could not issue the customer notifications required by the Order quickly enough for the notices to reach the customers in time to provide the customers with a meaningful opportunity to participate in the public comment cycle established by the Order. On January 29, 2014, Time Warner Cable Information Services (North Carolina) filed comments in support of AT&T's Motion. On January 31, 2014, the Commission issued an Order Holding Docket in Abeyance. In that Order, the Presiding Commissioner found that good cause existed to extend the time for notice, reschedule the hearing dates, and hold all matters in abeyance pending further orders of the Commission.

On March 11, 2014, the Commission issued its Order Establishing Procedures, Scheduling Hearing and Requesting Comments. In the March 11 Order, the Commission rescheduled the hearings in this matter for June 23-24, 2014, in High Point. The hearings were scheduled to commence on the evening of June 23, at which time testimony and comments from members of the public would be received, and to continue on the morning of the next day, at which time the Commission would receive any additional testimony from members of the public, as well as testimony from the formal parties to the docket. The March 11 Order further set a deadline of June 10 for the filing of initial written comments, and June 17 for the filing of reply comments. The March 11 Order also required AT&T and North State to take primary responsibility, with the cooperation of the other carriers, for publication of the public notice. The Order also required LECs

and CLPs with retail customers in the 336 NPA to transmit the notice to their customers by June 10, 2014 via bill insert, US Mail or electronically.

On June 10, the Public Staff, Time Warner Telecom of North Carolina L.P. (“TWTC”) and the Joint Telecommunications Carriers filed initial written Comments. No party filed reply comments. At the hearings at the High Point Courthouse commencing on the evening of June 23, the Commission received testimony from one member of the public, Mr. Chester Ayers. On the morning of the next day at the same location, the Commission heard live testimony from Thomas C. Foley on behalf of Neustar, and Robert Smith of AT&T on behalf of the Joint Telecommunications Carriers.

SUMMARY OF JUNE 10 COMMENTS AND TESTIMONY

NANPA: The Petitioner, NANPA, did not file written comments, but presented the testimony of Mr. Foley at the June 24 hearing. Mr. Foley testified that NANPA is the neutral third-party administrator of the North American Numbering Plan, pursuant to its contract with the Federal Communications Commission. *[June 24 Tr. at 9]*. Mr. Foley testified that NANPA began planning for relief of the 336 NPA in 1999, and on July 27, 2000, hosted an industry meeting in Greensboro, NC for the purpose of presenting NPA relief alternatives to the industry and allowing the industry members to reach consensus on a relief plan to recommend to the Commission. *[Id]*. Prior to the July 27 meeting, NANPA distributed an IPD which included the four relief alternatives for the 336 NPA, i.e., three geographic splits and a distributed overlay. Mr. Foley explained that the industry reviewed the pros and cons of the four alternatives and reached consensus to recommend that the Commission issue an order to approve the distributive overlay. On September 7, 2000, NANPA filed a petition with the Commission on behalf of the

industry notifying the Commission of the industry's consensus to recommend the overlay as its preferred method of relief for the 336 NPA. At the time that NANPA's original petition was filed, the 336 NPA was projected to exhaust in 2002. Mr. Foley further testified that the exhaust date kept being pushed back due to implementation of numbering conservation measures, such as thousands number block pooling, and some changes in the economy. [June 24 Tr. at 10]. NANPA ultimately filed three separate letters with the Commission on June 18, 2003, June 25, 2004, and July 22, 2013, notifying it of changes to the exhaust projections. At the time of the July 22, 2013 filing, the 336 NPA was projected to exhaust during the second quarter of 2016. Mr. Foley explained that because this date falls within the next three years, NANPA is required to initiate NPA relief. [Id]. Mr. Foley further stated that because NANPA's original petition remains open, NANPA submitted the July 22, 2013 filing in order to notify the Commission of the new exhaust projection dates and updated projected lives of the four relief alternatives. Mr. Foley reiterated that by a consensus decision, the industry recommended that the Commission select an all-services distributed overlay, alternative one, as the method of relief for the 336 NPA, with the result that the new NPA code would be assigned to the same geographic area as the existing 336 NPA. Mr. Foley further testified that the all-service overlay alternative has a projected life of 43 years, and that all existing customers would retain their original numbers and not be required to change their numbers. [June 24 Tr. at 11]. Mr. Foley concluded his testimony by stating that if an overlay is approved pursuant to FCC regulations, that customers would have to dial ten digits for all local calls within the area, that the new central office code assignments would be made from the new overlay area code beginning one month after

mandatory ten-digit dialing begins, and that all toll calls would continue to be completed by dialing 1 plus ten digits. *[Id]*.

Joint Telecommunications Carriers: In their June 10 written Comments, the Joint Telecommunications Carriers state that they supported NANPA's September 7, 2000 and July 22, 2013 filings; specifically, the JTC supported NANPA's all-services overlay alternative as the most equitable and practical approach to area code relief for the 336 area code. An all-services overlay would minimize inconvenience to consumers and align with the ongoing nationwide trend of the overlay method being the preferred form of area code relief. The JTC's Comments stated that an overlay has several advantages over an area code split (the other alternative for area code relief), including less customer impact and fewer technical issues, *[JTC Comments at 2]*, and that unlike the overlay solution, an area code split would treat consumers who have a 336 telephone number in an inequitable manner. A split would require some customers to change the area code of their ten-digit phone number, thus requiring those customers to contact family, friends, and business associates in order to provide them with the new area code. *[JTC Comments at 3]*. In their Comments, the Carriers also stated that an area code split could place significant financial burdens on business owners and operators in the affected area by requiring them to update their company stationery, business cards, texting information, and Internet-related sites, and to contact all of their existing customers to inform them of a new business phone number. *[Id]*. The Carriers' Comments further stated that as consumers become more and more attached to and identified by their telephone numbers, an area code split would be significantly more burdensome than it might have been just a few years ago. Also, experience shows that consumers easily

adapt to ten-digit dialing on calls within the same area code as part of their routine calling patterns. [JTC Comments at 4-5]. The JTC Comments also stated additional benefits of overlays over splits were the avoidance of technical issues that carriers experience in complying with customers' local number portability requests, as well as other technical problems such as caller ID customer confusion, text and multi-media messaging completion, smart phone applications impacts, wireless phone reprogramming issues, and administrative number impacts.

In their Comments, the Carriers stated that while they generally support NANPA's proposed implementation schedule, they recommended certain modifications. In its September 7, 2000 filing, NANPA outlined a thirteen-month schedule for implementation of the recommended all-services overlay, with implementation beginning immediately upon the issuance of a Commission Order. The Carriers stated that in implementing numerous overlays across the country, they have come to recognize that some flexibility is helpful in establishing the general thirteen-month implementation schedule, and accordingly, the JTC proposed to modify NANPA's schedule in order to provide for an initial six-month period that would be focused on customer education and network preparation, followed by six months of permissive seven- or ten-digit dialing and continued customer education. After the first twelve months, mandatory ten-digit dialing would begin and the first code activation from the new NPA would become effective after one month of mandatory ten-digit dialing. [JTC Comments at 8]. The Carriers stated that based on the industry's cumulative experience with overlay implementations nationwide, this modified schedule would provide adequate time for network preparation and customer education, leading to a smooth implementation of the overlay.

The Carriers concluded their June 10 Comments by repeating their recommendation from NANPA's September 7, 2000 filing that "seven-digit dialing across NPA boundaries be eliminated and that the Commission require ten-digit dialing for local EAS and ELCS calls placed across NPA boundaries." [JTC Comments at 9].

During his testimony at the June 24 hearing, Mr. Smith reiterated the above points, and during cross-examination, stated that he reviewed most of the consumer comments filed in the docket, the great majority of which were in favor of an overlay. [June 24 Tr. at 18-19]. Mr. Smith further testified during cross-examination that the relief option that public witness Ayers mentioned at the June 23 hearing, which would involve using the star and hashtag signs in the dialing pattern, would require significant switch reprogramming nationwide to implement. [June 24 Tr. at 21]. In response to a Commission question, Mr. Smith further testified that the primary lesson learned from implementation of the overlay involving the 919 area code was not to assign another code starting with a 9-1 due to the unintended stimulation of mistaken 911 calls to public-safety answering points in the affected area. However, Mr. Smith went on to testify that aside from that one unforeseen consequence, implementation of the overlay in that prior instance went smoothly. [Tr. at 22-23].

TWTC: TWTC submitted written Comments on June 10 supporting the industry's overlay method of relief for the 336 NPA. In its Comments, TWTC stated that although it would require ten-digit dialing, an area code overlay is the preferred solution. TWTC further stated that implementation of an overlay would allow current customers to retain existing telephone numbers as opposed to a geographic split, which would require nearly half of the consumers to change telephone numbers. [TWTC Comments at 1].

TWTC noted that consumers have become accustomed to ten-digit dialing in mobile phone usage and in other geographic areas in which an overlay has been implemented. [TWTC Comments at 2]. TWTC concluded by stating that the overlay alternative would be the least disruptive to the 336 NPA. [Id].

Public Staff: The Public Staff filed written Comments on June 10. In its Comments, the Public Staff stated its belief that the distributed overlay alternative would be the best option for providing number relief for the 336 area code. The Public Staff noted that unlike a geographic split, a distributed overlay would not force communities to be separated by an NPA boundary that would require a mixture of seven- and ten-digit dialing. The Public Staff stated that the three geographic split alternatives would divide at least four counties and create confusing mixtures of seven- and ten-digit local dialing. [Public Staff Comments at 5]. The Public Staff also observed that in contrast to the geographic split alternatives, a distributed overlay would not require customers to change their existing telephone numbers, and any future NPA relief could be more easily implemented without disruption or confusion. [Id]. The Public Staff went on to note that the disadvantage of overlays as opposed to splits, i.e., mandatory ten-digit dialing being required between and within the old area code and the new area code, is mitigated in this instance due to the fact that each of the geographic split alternatives would require a significant increase in ten-digit dialing by customers for local calls to nearby areas separated by a different area code, and accordingly, the primary advantage of the geographic split alternatives would be diminished with regard to relief for the 336 NPA. [Public Staff Comments at 5]. The Public Staff further noted that the Commission has previously approved distributed overlays for the 704 and 919 NPAs, and the only

significant implementation issue regarding these two distributed overlays was an increase in the number of users mis-dialing 911 when attempting to make a ten-digit dialed call in the 919 NPA overlay area. [Public Staff Comments at 6]. However, the Public Staff stated that as long as the new NPA for the 336 NPA distributed overlay does not start with “9-1,” this issue should not be experienced again in connection with a distributed overlay in the 336 NPA. The Public Staff concluded its written Comments by recommending that the Commission adopt the distributed overlay as the relief mechanism for the 336 NPA and request that the assigned NPA for the 336 NPA distributed overlay not begin with “9-1.”

WHEREUPON, based on the foregoing and the entire record of evidence in this matter to date, the Commission makes the following:

CONCLUSIONS

After careful examination of the evidentiary record compiled in this proceeding, the Commission concludes that the recommended method of numbering relief for the 336 NPA, alternative one, the all-services distributed overlay, is the best of the four possible methods of relief presented in this matter, and shall be adopted as the method of relief for the 336 area code. The Commission notes that no formal party and no member of the public opposed the overlay method at the June 23-24 hearings held in High Point. Moreover, as the Public Staff suggested at the hearing, of the ten written comments received from members of the of public, only two opposed the overlay, and those two commenters’ opposition appeared to stem from misunderstandings of the dialing patterns required by implementation of an overlay. [June 24 Tr. at 19]. We note NANPA’s estimate that selection of an overlay for the 336 area code will prolong numbering

resources for 43 years. The Commission also has taken into consideration the fact that the disadvantage of overlays as opposed to splits, namely, mandatory ten-digit dialing being required between and within the old area code and the new area code, is mitigated in this instance as each of the geographic split alternatives would require a significant increase in ten-digit dialing by customers for local calls to nearby areas separated by a different area code. Therefore, we select the overlay method because it is the most efficient, most effective, and least disruptive of the four relief alternatives presented.

The Commission notes that it has previously adopted an all-services distributed overlay as the method of relief for the 704 and the 919 area codes, and the only significant implementation issue associated with either of those two prior overlays was not the result of the overlay relief method itself, but instead, the unique circumstance of consumers mis-dialing the 919 NPA as 911. This issue can and should be mitigated by our directing NANPA to forebear from assigning as an overlay code for the 336 NPA any code beginning with a “9-1.”

We also take this opportunity to reiterate our commitment to conservation of numbering resources through the use of thousands-block number pooling in the 336 NPA.

IT IS, THEREFORE, ORDERED as follows:

1. That a distributed overlay is hereby adopted to provide relief for the current 336 area code in North Carolina.
2. That the schedule for implementation of the overlay in the 336 area code will be as described herein and proposed by NANPA, as revised by the Joint Telecommunications Carriers. The schedule shall be filed in this docket for informational purposes within thirty (30) days of the date of this Order.
3. That seven-digit dialing across area code boundaries shall be eliminated, and that the Commission shall require ten-digit dialing for local EAS and ELCS calls placed across area code boundaries.
4. That NANPA is hereby directed that it shall not assign an NPA beginning with “9-1” for the 336 NPA distributed overlay.

ISSUED BY ORDER OF THE COMMISSION.

This the _____ day of _____, 2014.

NORTH CAROLINA UTILITIES COMMISSION

Gail L. Mount, Chief Clerk

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Proposed Order of Joint Telecommunications Carriers and the Public Staff, as filed in Docket No. P-100, Sub 137C, was served electronically or via U.S. mail, first-class, postage prepaid, upon all parties of record.

This, the 24th day of July, 2014.

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