

1 PLACE: Dobbs Building, Raleigh, North Carolina
2 DATE: March 13, 2001 DOCKET NO.: P-100, Sub 137c
3 TIME IN SESSION: 7:00 - 7:30
4 BEFORE: Commissioner Sam J. Ervin, IV, presiding
5 Commissioner Lorinzo Joyner
6

7 IN THE MATTER OF:
8 General Proceeding
9 Petition of North American Numbering Plan Administrator.
10 Volume 1

11 A P P E A R A N C E S:

12 FOR SPRINT/CAROLINA TELEPHONE:

13 Robert Carl Voigt, Senior Attorney
14 Sprint
15 14111 Capital Boulevard
16 Wake Forest, North Carolina 27587-5900

17 FOR THE USING AND CONSUMING PUBLIC:

18 Antoinette R. Wike, Staff Attorney
19 Public Staff - N.C. Utilities Commission
20 Post Office Box 29520
21 Raleigh, North Carolina 27626-0520
22
23
24

I N D E X

	<u>PAGE</u>
JAMES R. SIMEON	
Ms. Wike (Direct)	8
CHESTER AYERS	
Ms. Wike (Direct)	10
GRANT THAYER	
Ms. Wike (Direct)	15
Commissioner Ervin (Examination)	18
JAY CALLAHAM	
Ms. Wike (Direct)	19

E X H I B I T S I D E N T I F I E D

	<u>PAGE</u>
Simeon Exhibit 1	9

E X H I B I T S A D M I T T E D

	<u>PAGE</u>
Simeon Exhibit 1	10

1 P-100, Sub 137c

March 13, 2001

2 COMMISSIONER ERVIN: Good evening. Let's come
3 on the record please. I'm Commissioner Sam Ervin, IV,
4 with the North Carolina Utilities Commission. I've been
5 assigned to preside over this hearing. With me is
6 Commissioner Lorinzo Joyner. Joining me on the panel
7 tomorrow will be our Chair, Jo Anne Sanford.

8 I now call for hearing Docket Number P-100,
9 Sub 137c in which the Commission is considering the
10 issue of area code relief for the 336 numbering plan
11 area or NPA.

12 Although federal law makes the Federal
13 Communications Commission responsible for the
14 administration of the telephone numbering system in the
15 United States, the FCC has delegated its authority over
16 the issue of area code relief to state regulatory bodies
17 such as the North Carolina Utilities Commission. As a
18 result, the Commission has the ultimate responsibility
19 for determining the manner in which relief should be
20 provided in the event that exhaust occurs in a
21 particular NPA.

22 On September 7, 2000, NeuStar, Inc., in its
23 role as North Carolina numbering plan administrator and
24 acting on behalf of the North Carolina

1 Telecommunications Industry, filed a petition with the
2 Commission seeking approval of the consensus industry
3 recommendation that an all-services distributed overlay
4 be implemented as the relief plan for the 336 NPA. In
5 its petition NeuStar alleged that in the absence of
6 relief, central office or NXX codes for the 336 NPA
7 would exhaust during the fourth quarter of 2002.

8 After setting out what it claimed to be the
9 need for relief in the 336 NPA, NeuStar described the
10 various relief options which were considered at an
11 industry meeting held on July 27, 2000, including 3
12 different geographic split alternatives in an
13 all-services distributed overlay. According to
14 NeuStar's petition, the consensus at the July 27, 2000,
15 industry meeting favored an all-services distributed
16 overlay.

17 On January 5, 2001, the Commission entered an
18 order requesting comments and scheduling public hearing
19 in which the Commission acknowledged the filing of
20 NeuStar's petition, provided an opportunity for the
21 submission of written comments concerning the issues
22 raised by NeuStar's petition, set this matter for public
23 hearing at this time for the purpose of receiving
24 testimony from public witnesses and at nine a.m. on

1 March 14, 2001, for the purpose of receiving additional
2 public witness testimony and testimony from the formal
3 parties to this proceeding and required the provision of
4 appropriate public notice through the use of bill
5 inserts and newspaper advertisements.

6 On January 30, 2001, the Chair of the
7 Commission entered an order changing the location of the
8 public hearing to this place. Affidavits indicating
9 that the required public notice has been provided were
10 filed by BellSouth, LEXCOM, North State and Sprint on
11 March 6 and 7, 2001. The Commission's made all local
12 exchange companies, all telephone membership
13 corporations, all competitive local providers, all
14 interexchange carriers, any wireless provider that
15 elected to file comments, the Attorney General and the
16 Public Staff, formal parties to this proceeding. No
17 other party has petitioned for leave to intervene as a
18 formal party.

19 The Commission has received written comments
20 from a number of the formal parties and from many
21 interested citizens, all of which are contained in the
22 Commission's official record concerning this proceeding.

23 I now call for the appearances of counsel
24 beginning with the companies.

1 MR. VOIGT: Good evening, Commissioners. My
2 name is Robert Voigt. I'm here on behalf of Carolina
3 Telephone/Sprint.

4 MS. WIKE: I'm Antoinette Wike with the Public
5 Staff for the using and consuming public.

6 COMMISSIONER ERVIN: All right. Are there any
7 preliminary matters that we need to address? I've got a
8 couple more comments but other than that is there
9 anything else we need to deal with?

10 MS. WIKE: No, sir.

11 COMMISSIONER ERVIN: The purpose of this
12 hearing, ladies and gentlemen, is to hear from any
13 member of the public who wishes to be heard concerning
14 the issue of relief for the 336 area code.

15 The Commission is required to make its
16 decisions on the basis of the record that is presented
17 to us in this case. No decision has been made as of
18 this point. Our purpose in coming here tonight is to
19 make sure that everybody who wishes to have input into
20 our decision, whatever it may be, has an opportunity to
21 be heard. We're very interested in hearing what the
22 citizens who would be affected by our decision would
23 like us to hear about this subject.

24 I'm going to try to proceed as informally as I

1 can this evening but this is a formal Commission
2 proceeding. For that reason, anybody that wishes to
3 testify as a public witness has got to be sworn and will
4 be subject to cross-examination so the first thing
5 that's going to happen if anybody wishes to testify is I
6 will swear you in. After that, Ms. Wike will ask you a
7 series of questions which will in essence be who are you
8 and what's your interest in the proceeding and then what
9 statement would you like to make? At the end of your
10 statement, any of the counsel or any members of the
11 Commission present will be given an opportunity to ask
12 any questions. It's not like the Star Chamber or
13 anything like that. It's a fairly informal proceeding
14 but we do have to follow certain rules in order to make
15 sure that we comply with the law.

16 Subject to those requirements, I'd certainly
17 hope that we can proceed as informally as possible and
18 then Commissioner Joyner and I and the other members of
19 the Commission look forward to receiving your comments.
20 With that, Ms. Wike, if you will proceed.

21 MS. WIKE: Thank you. Mr. Simeon, if you'll
22 come around and be sworn in.

1 JAMES R. SIMEON; Being first duly sworn,
2 testified as follows:

3 COMMISSIONER ERVIN: Thank you, please be
4 seated.

5 DIRECT EXAMINATION BY MS. WIKE:

6 Q. Would you please state for the record your name
7 and your address and whom you represent, sir?

8 A. Okay. My name is James R. Simeon. My address is
9 P. O. Box -- P. O. Drawer, excuse me, C, Lexington,
10 North Carolina, Lexington Area Chamber of Commerce. I'm
11 representing the Lexington Area Chamber of Commerce and
12 I'm the Executive Director of that organization.

13 Q. All right, sir, I believe you told me that you
14 have a letter addressed to the Commission that you would
15 like to read, is that correct?

16 A. Yes, ma'am.

17 Q. Okay, would you like to start with that?

18 A. Sure, be glad to.

19 MS. WIKE: Okay. And I would ask later that
20 this be marked as Simeon Exhibit Number 1 and entered
21 into the record.

22 COMMISSIONER ERVIN: And it will be so
23 identified and will be admitted at the appropriate time.

24

SIMEON EXHIBIT 1

(Identified)

Q. (MS. WIKE) Okay, please go ahead, Mr. Simeon.

A. Thank you. We are writing on behalf of the Lexington Area Chamber of Commerce in support of the proposed distributed overlay relief plan for the 336 area code.

After reviewing the available options, our Board of Directors on February 28 unanimously voted to recommend this plan to the Commission. This plan provides the most cost effective and efficient means to address the present and future needs of our community and the Piedmont Triad area. The advantages of this plan far outweigh the disadvantages. Therefore, the Lexington Area Chamber of Commerce strongly recommends your full acceptance of the area code distributed overlay plan before you at this time. Sincerely, William H. McMurray, III, who is Chair of our board, and James R. Simeon, myself.

Q. Okay. Mr. Simeon, do you have any further statement that you'd like to make tonight?

A. No, ma'am, not at this time.

Q. Okay.

COMMISSIONER ERVIN: Mr. Voigt, do you have

1 any questions --

2 MR. VOIGT: No questions.

3 A. Thank you.

4 COMMISSIONER ERVIN: Thank you very much for
5 coming, Mr. Simeon and we'll -- the letter will be
6 received into evidence as Simeon Exhibit Number 1.

7 SIMEON EXHIBIT 1

8 (Admitted)

9 (WITNESS EXCUSED)

10

11 CHESTER AYERS; Being first duly sworn,

12 testified as follows:

13 DIRECT EXAMINATION BY MS. WIKE:

14 Q. And if you would state your name and address for
15 the record, sir.

16 A. My name is Chester Ayers. I live at 2664 Finch
17 Farm Road in Trinity, North Carolina, and I'm serviced
18 by North State, the best telephone company in North
19 Carolina, for 25 years. I'm just a citizen. Got some
20 ideas and questions.

21 Q. Okay. Well, please proceed.

22 A. Well, first of all, I was -- I was curious as to
23 why our section of 919 area code was changed 3 times
24 where Raleigh and Charlotte's didn't get changed once.

1 COMMISSIONER ERVIN: Well, and I'm afraid
2 you've got the wrong audience to ask that question of
3 because neither Commissioner Joyner nor I were members
4 of the Commission when those decisions were made.

5 A. Well, okay.

6 COMMISSIONER ERVIN: Except to the extent that
7 the Commission did enter orders at the time that those
8 decisions were made that set out the reasoning behind
9 them, as they're required to by law, I really can't
10 elaborate on that any further and not having been a
11 participant in those proceedings, I don't have a real
12 clear memory of what those orders said. I realize
13 that's of no help to you at all but --

14 A. (Interposing) Well, it just seems like it should
15 be their turn. You know, I mean, we've had our turn
16 here a couple of times changing area codes but I was
17 wondering, I know that it's a particular hard thing to
18 do because no matter what you do, someone is going to be
19 inconvenienced by this in some ways and you guys are
20 probably pulling your hair out trying to think of it.
21 But there's 10 numbers that make up the telephone pad,
22 except for rotary and that's just -- I mean, with rotary
23 it's just 10 but the tonal type has actually 12. How
24 come we don't consider using the star and the pound sign

1 within the numbers to expand our numbers to put them in
2 the prefix or the suffix in some way?

3 COMMISSIONER ERVIN: All right, and let me --
4 I guess maybe I need to make this statement now. I am
5 permitted to explain the procedures of the court and we
6 are treated as a court for purposes of this type of
7 proceeding but I'm not permitted to make substantive
8 comments about the reasons for or against. I can say
9 what the arguments are but I can't -- when you ask the
10 question, "Why don't you do this or why don't you do
11 that" --

12 A. (Interposing) Let me rephrase the question or I
13 need to put it another way then. There were several --
14 it said that other options were considered but that
15 never was really explained in the memo I got in the
16 paper in my telephone bill, you know, what they were.

17 COMMISSIONER ERVIN: Okay. Well, let me --
18 maybe that would be of some help to you. The document
19 that I'm sort of holding up so you can see it is a -- is
20 the petition that was filed by NeuStar that I referenced
21 in my opening statement and there were basically 4
22 different relief methods proposed in that filing. One
23 of them was the overlay that Mr. Simeon referred to a
24 minute ago and that the industry has proposed. There

1 were 3 other geographic split proposals that were also
2 considered at the industry meeting that are before us as
3 well, and, again, I want to emphasize that no decision
4 has been made. We're here trying to get input, and they
5 are -- and those splits included, and I'm just going to
6 read you some sections from the petition, were
7 geographic split in which the dividing line encompasses
8 the Winston-Salem, Greensboro and High Point rate
9 centers creating a doughnut-shaped geographic area; a
10 geographic split with the boundary line following rate
11 center boundaries in a northeastern to southwestern
12 direction placing the High Point rate center to the east
13 -- to the west of the line and the Summerfield,
14 Monticello, Reidsville, Gatewood and Ruffin centers to
15 the east and a split with the boundary line following
16 rate center boundaries in a northeast to southwest
17 direction placing the High Point rate center on the
18 eastern side of the line in the Summerfield, Monticello,
19 Reidsville, Gatewood and Ruffin centers on the western
20 side. Now what that means I think in English, if I can
21 remember my geography, is that the second and the third
22 of these two geographic split options basically split
23 Greensboro and Winston-Salem and the real difference is
24 where do they put High Point. So those are the -- the

1 petition that's been filed with us recites that those
2 splits were -- split procedures were considered if that
3 helps you any.

4 A. Well, as we understand, you know, your problem and
5 then trying to get it, I just thought I would suggest
6 that we consider adding the star and the pound sign to
7 the numbers. The rotary people would probably have a
8 little bit of trouble with that but how long before
9 everybody has push button phones and the rotary will be
10 completely obsolete and I would think that that would
11 create a whole lot more numbers without changing area
12 codes. For instance, it's very simple for the prefix,
13 which like a 475 number could be a 4 star 5 and then
14 with the -- followed by the numbers or use it in any
15 one of those things. It would seem to me that that
16 would relieve a lot of problems without going into so
17 much of the demographics and changing and all of that
18 and that's particularly all I have to say.

19 COMMISSIONER ERVIN: Okay, and we appreciate
20 your coming to be with us. Mr. Voigt, do you have any
21 questions --

22 MR. VOIGT: (Interposing) No questions.

23 MS. WIKE: No questions. Thank you,
24 Mr. Ayers.

(WITNESS EXCUSED)

GRANT THAYER; Being first duly sworn,
testified as follows:

DIRECT EXAMINATION BY MS. WIKE:

Q. Please give your name and address for the record,
sir, and state whom you represent.

A. My name is Grant Thayer. Address of record is 319
North Spring Street, Winston-Salem, 27101. I represent
the North Carolina Burglar and Fire Alarm Association in
this proceeding.

Q. All right, sir, and do you have a statement you
would like to make?

A. Yes. Primarily in the last, gosh, the last 10
years I've done this many, many times, many, many
splits, some down the middle of the city, some
geographic. It has the same amount of computer
programming changes, phone number changes, letterhead
changes, everything else. The biggest thing that
affects our industry is our end user and their
particular security panels, whether that be medical,
fire, burg., industrial process supervision. So many of
them that report to a local monitoring facility are all

1 dialing 7 digits. Those need to be changed.

2 Now, I would much rather as an industry go out and
3 do this change one time again rather than doing it and
4 then a short number of years later doing it again and
5 doing it again. Let's just do it one time. Let's get
6 it over with. Let's get it clean. My biggest reason
7 for being here is saying that time is the most important
8 issue that we have with this. The sooner that this
9 group makes a final determination to move forward with
10 the plan, the sooner the telephone company can get
11 geared, the sooner we can implement permissive dialing.
12 The longer the window of permissive dialing, the better
13 success rate that we have in being able to reach all of
14 our customers to get the programming done. There are a
15 small number of units, maybe 7, 8 percent of the units
16 out in the field right now that would need to be
17 replaced because they've just -- they're old chip
18 technology and you can't even find the chips and things
19 so those units would need to be replaced causing a --
20 either a cost to the end user or a cost to a firm such
21 as mine but that's going to need to be done no matter
22 how we look at it so in essence in being expedient and
23 not dragging our feet until we all of a sudden look up
24 and say, we've only got a few months until we're out of

1 numbers. Right now we've got a little bit of time.
2 Let's use it wisely and move on and make things happen
3 and be done with it. That concludes my statement.

4 Q. All right. Mr. Thayer, is your organization
5 encouraging its members to consider reprogramming using
6 800 numbers?

7 A. The biggest problem with 800 numbers versus local
8 numbers, I don't care what kind of a rate you get, every
9 800 call is going to cost you money and if you take a
10 firm such as mine, I process thousands of signals
11 everyday. Even if I had to pay a penny and a half
12 apiece that's -- I mean, that's raw cash.

13 Q. Okay. So it's the cost consideration?

14 A. Sure it is, plus maybe it's still old line in me.
15 I still don't have the same trust in a long distance
16 communication network that's routed different places
17 than I do having something that's routed from your house
18 to the central office down the street to mine.

19 Q. So you would like to simply maximize the amount of
20 time that you have after permissive dialing is
21 implemented?

22 A. That is the whole key and other than that our
23 industry is behind doing this. Let's get it behind us,
24 get it done, one time.

1 COMMISSIONER ERVIN: Mr. Voigt, do you have
2 any questions?

3 MR. VOIGT: No questions.

4 EXAMINATION BY COMMISSIONER ERVIN:

5 Q. I mean, I realize you can't answer this with any
6 degree of precision but we're aware of this problem
7 because of our experience at Charlotte.

8 A. I just left Charlotte, yes.

9 Q. And, I mean, you say give us time. Can you give
10 me some help in terms of what kind of time you're
11 talking about assuming that --

12 A. Ideally, 6 months -- Bob and I were talking before
13 the proceedings -- if I took 100 percent of my available
14 staff, which meant I did no new work, it would take me
15 approximately 2 months to do it. In the meantime I've
16 got no other revenues coming in. I've just got expense.
17 My business couldn't survive that so I would need to
18 stretch it over a period of time and hopefully do some
19 new business along the way.

20 Q. So if you had a 6 month period of permissive
21 dialing and noticed that the change was coming, would
22 that be sufficient?

23 A. With proper notification I would say anyone in
24 this industry that's worth their salt can get it done.

1 I think Charlotte, my industry in Charlotte, I think
2 some of them drug their feet. They were hoping for
3 relief at the end and I tried telling them then you were
4 real lucky to get it and they were fortunate to get some
5 relief but I wouldn't count on that happening every
6 time. Let's just set a good, clear path and get it
7 done.

8 Q. Thank you very much, Mr. Thayer.

9 (WITNESS EXCUSED)

10 _____
11
12 JAY CALLAHAM; Being first duly sworn.
13 testified as follows:

14 DIRECT EXAMINATION BY MS. WIKE:

15 Q. Please state your name and address, sir.

16 A. My name is Jay Callaham. I'm president of
17 Callaham Telecommunications Management, a local
18 independent telecommunications consulting company. My
19 address is 1 Timber Ridge Court, 3 separate words, here
20 in Greensboro, North Carolina, zip code 27407, and I'm
21 representing myself as a member of the consuming public.
22 I'm representing myself as a businessman in this area
23 and also representing a number of clients who I have in
24 this area who are also businesses who would be impacted

1 by this particular proposal.

2 Before I get to the root of it, I would like to
3 digress for just one moment to say thank you very much
4 to the Commission for coming across and allowing
5 BellSouth to offer privacy directory service here in
6 North Carolina. I'm thoroughly enjoying being able to
7 complete a dinner without a telemarketer call so I
8 wanted to tell you how much I appreciate that.

9 Concerning the present situation on area code
10 relief, if you go back to your own files from May 19 of
11 1997, we essentially had this same conversation in
12 Raleigh when they were contemplating the split of area
13 code 910 into the 910/336 that we now have. At that
14 time I advocated an overlay as a solution as opposed to
15 a split pointing out that simply adding 3 digits to the
16 call plan is something that is inevitable simply because
17 of the number of numbers that are being consumed as well
18 as simply the growth of the industry as a whole.
19 Eventually it was going to have to happen.

20 In answer to one of your questions, ma'am,
21 concerning the security industry going to 800 numbers,
22 we're already running out of 800 numbers and 888 numbers
23 and they're running close to exhaust on 877 numbers for
24 toll-free access so the problem simply shifts from

1 whether we want to do it on a geographic footprint to
2 whether we want to do it to another set of numbers that
3 are used in a more general way.

4 The consumption of numbers is going to continue.
5 In my own household right now I have a cell phone. My
6 wife has a cell phone. My son has a cell phone. I have
7 a line for my business. I have a FAX modem line. There
8 are five numbers being consumed in one household. That
9 was unheard of just a few years ago. And the only
10 logical way to do this, unless we want an area code
11 geographic footprint the size of a couple of city
12 blocks, is to start going to overlays. Any of the other
13 split options, in my opinion, are simply bad options.
14 Whoever has a number changed due to an area code change
15 is going to incur a large amount of expense and it's not
16 just the expense of buying stationery and business cards
17 or maybe even painting the sides of trucks. In an area
18 like this one, we have a number of international
19 businesses. They go to trade shows in Belgium, in
20 Japan, in other countries. We can never measure the
21 potential for business lost to an international company
22 because somebody in a foreign country had a brochure
23 they picked up a year ago that had a 910 area code on it
24 and now cannot call that company here because they are

1 not aware of the way that splits and changes have taken
2 place. Lost business cannot be measured and an overlay
3 will prevent that and so that's what I'm here advocating
4 and certainly appreciate your consideration on it.

5 That's what I have. Thank you very much and it's
6 great to see you again.

7 COMMISSIONER ERVIN: Good to see you again. I
8 think in the interest of full disclosure it probably
9 ought to be revealed that Mr. Callaham and I have known
10 each other awhile in various capacities and it's always
11 good to see you.

12 A. And it's good to see you, too, Jimmy.

13 MR. ERVIN: Ms. Wike, do you have any
14 questions of Mr. Callaham?

15 MS. WIKE: No, I don't. Thank you, sir.

16 MR. VOIGT: No questions.

17 A. Thank you very much.

18 COMMISSIONER ERVIN: Thank you for coming to
19 be with us.

20 (WITNESS EXCUSED)


21 _____
22 MS. WIKE: That's all the names on the sign-up
23 sheet. I don't know if others may have entered after we
24 circulated them.

1 COMMISSIONER ERVIN: Is there anybody else
2 that wishes to testify as a public witness? Seeing no
3 further volunteers for that opportunity, I will again
4 thank those of you who came to be with us, particularly
5 Mr. Simeon, Mr. Ayers, Mr. Thayer, and Mr. Callaham and
6 declare this hearing adjourned. Thank you very much.

7
8 WHEREUPON, this hearing was recessed.
9

10 CERTIFICATE

11 The undersigned Court Reporter certifies that
12 this is the transcription of notes taken by her during
13 this proceeding and that the same is true, accurate and
14 correct.

15
16 
17 Jo Ann M. Jessup
18 Court Reporter II
19 March 14, 2001
20
21
22
23
24