

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

NEWS RELEASE

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NORTH CAROLINA UTILITIES COMMISSION APPROVES
AREA CODE RELIEF PLAN

The North Carolina Utilities Commission today issued an order approving an area code relief plan which adds three new area codes to the existing three. A map of the six area codes is attached to this press release.

The order adopts the modified recommendation of a group of petitioners made up of the majority of the state's telephone companies. In addition, the Commission ordered an intense, ongoing industry investigation to recommend conservation measures that will extend the life of the area codes and to find long-term solutions to the area code problem. The Commission ordered the petitioners to file quarterly reports starting December 31, 1997, detailing the ongoing status of number utilization and proposing measures for implementing the plan.

While a full implementation schedule will not be filed until September 15, 1997, it is anticipated that affected subscribers should know what their new area codes are in approximately four to six weeks. Permissive dialing (in which either the old or the new area codes can be used) will likely begin for one or more area codes by the first quarter of 1998. The permissive dialing period for each of the new area codes will last approximately three to four months, after which time the new area codes will go into effect.

The order adopting the area code relief plan marks the culmination of a four-month process by the Commission to find a solution to the pending exhaust of telephone numbers in the state's three area codes. The Commission held industry and public hearings and received more than 500 letters from the public concerning the plan.

The petitioners projected that the current supply of numbers for the existing area codes would run out in 1999, and urged the Commission to act quickly. On August 7, 1997, the Area Code Administrator declared that North Carolina was in a

state of "extraordinary jeopardy," and ordered immediate number conservation measures.

The Commission chose the geographic split proposal over an option known as an "overlay" in which the new area codes would be assigned only to new telephone subscribers in each existing area code region and would result in all telephone users having to dial ten digits for local calls. The Commission sought to retain seven-digit dialing as long as possible, affect the fewest customers statewide, retain the geographic association of area codes with communities of interest, and find the plan with the most broad-based support. The Commission noted that an overlay would mean universal ten-digit dialing which would be permanent, creating situations in which neighbors could end up having different area codes.

The petitioners who prepared the plan represent local exchange companies with 95 percent of the access lines in the state. The large, facilities-based long distance carriers, such as AT&T, MCI, and Sprint, endorsed the geographic split, as did the North Carolina Utilities Commission Public Staff, which represents the using and consuming public. Support for the geographic split was also received from several of the military bases located in North Carolina and the State Telecommunications Services Department.

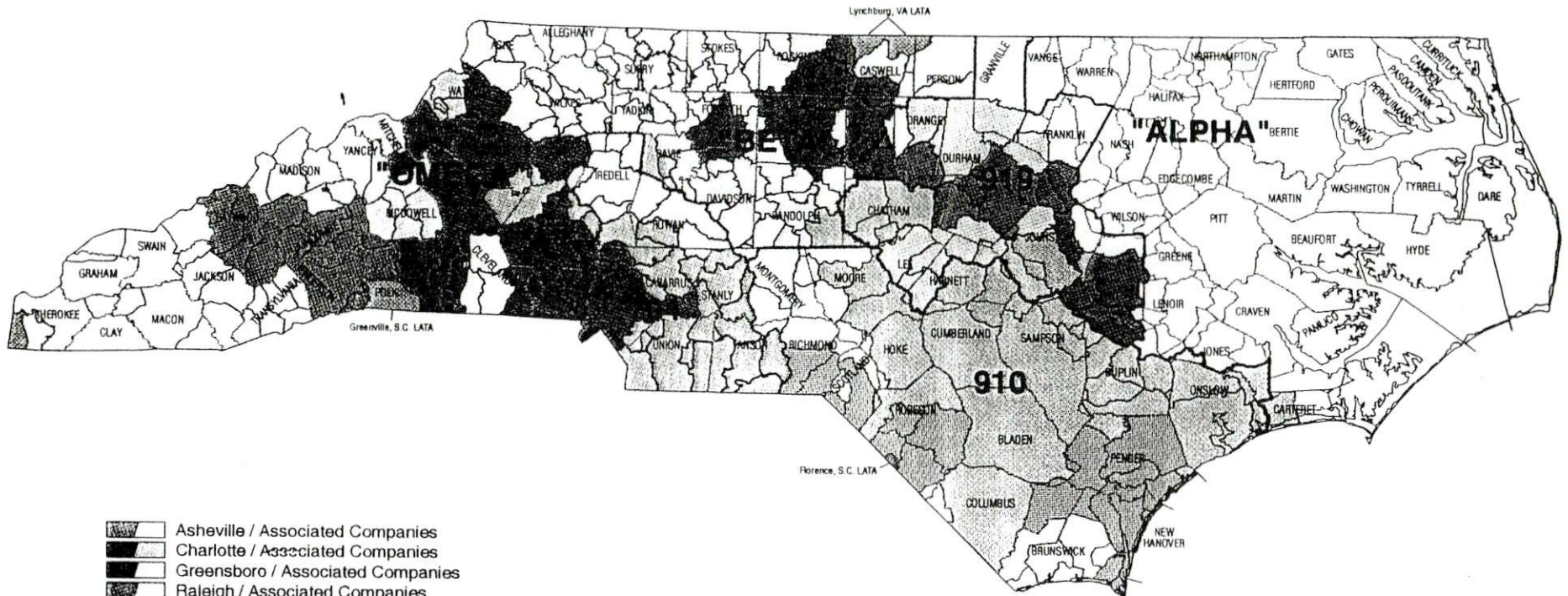
The area code relief plan was necessary because the state is running out of central office codes (prefixes) for assignment as a result of high demand for telephone numbers caused by increases in the use of new technologies, such as cellular telephones and pagers, the growth in the use of additional lines for computers and fax machines, the prospect of local competition, and growing population and economic growth.










In the order, the Commission acknowledged the cost and inconvenience of area code relief, especially to areas of the state most immediately affected, such as the Triad region, and regretted that "[n]othing the Commission can say is likely to assuage their frustration." The Commission stated that it was not adopting the geographic split proposal of the joint petitioners because it "is perfect--far from it--but because this proposal is less imperfect than the other proposals and its advantages on balance outweigh its disadvantages."

Six members of the seven-member Commission approved the proposed area code relief plan. Commissioner Charles H. Hughes dissented in favor of the overlay option.

North Carolina

Joint Petitioners' Modified Proposal 5-27-97



-  Asheville / Associated Companies
-  Charlotte / Associated Companies
-  Greensboro / Associated Companies
-  Raleigh / Associated Companies
-  Wilmington / Associated Companies
-  Fayetteville
-  Rocky Mount
-  County Line
-  Area Code Line