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LAW OFFICE OF
ROBERT W. KAYLOR, P.A.
225 HILLSBOROUGH STREET, SUITE 480
RALEIGH, NORTH CAROLINA 27603
(919) 828-5250
FACSIMILE (919) 828-5240

March 6, 2001

Mrs. Geneva S. Thigpen
Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, NC 27699-4325

FILED

MAR 06 2001

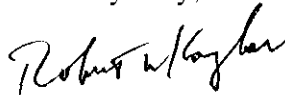
Clerk's Office
N.C. Utilities Commission

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

Dear Mrs. Thigpen:

Enclosed for filing are the original and thirty (30) copies of Verizon Wireless' Comments in the above-referenced docket.

Yours very truly,



Robert W. Kaylor

Enclosures

cc: Parties of Record

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DOCKET NO. P-100, SUB 137c

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

FILED

In the Matter of)
Area Code Relief for North Carolina's 336)
Numbering Plan Area (NPA))

MAR 06 2001

Clerk's Office
N.C. Utilities Commission

**REPLY COMMENTS OF VERIZON WIRELESS
ON NPA 336 AREA CODE RELIEF PLAN**

Verizon Wireless ("VZW") respectfully submits to the North Carolina Utilities Commission ("NCUC" or "Commission") these comments on the 336 area code relief plan. Verizon Wireless participated in the Industry Meetings and the relief planning process for the 336 area code. VZW urges the NCUC to implement an all-services overlay. Alternatively, if the Commission orders a geographic split, VZW urges the NCUC to grant wireless carriers the option to "grandfather" telephone numbers for existing wireless customers in the 336 area code, or at a minimum, provide for an extended permissive dialing period to allow us an adequate time period to reprogram customer handsets.

BACKGROUND & INTRODUCTION

The North American Numbering Plan Administrator ("NANPA") projects that the 336 area code will exhaust during the fourth quarter of 2002. Relief should be implemented now to provide adequate time to educate and prepare customers for the numbering plan change.

The industry met with NANPA on July 27, 2000 to discuss long-term relief options, and recommended implementation of an all-services overlay. The reasons for eliminating the geographic split alternatives from consideration are because the split line would (1) split at least four counties in each alternative, (2) divide seven-digit local dialing routes, and (3) create a confusing mixture of seven and ten-digit local dialing.

dialing routes, and (3) create a confusing mixture of seven and ten-digit local dialing. Additionally, implementing an all-services overlay would allow customers to retain their existing 336 phone numbers.

VZW supports the industry consensus for an all-services overlay as the most suitable method for area code relief. An overlay would avoid the intractable problem of splintering the 336 region into smaller parts, further fracturing communities of interest. The 336 NPA is the result of a split of the 910 NPA in December 1997. Little more than three years later, the 336 NPA is in jeopardy of exhaust. The Commission should approve an all-services overlay, as it did for the 704 area code,¹ and not burden customers in the 336 area code with another split. All three geographic split alternatives have the potential of forcing some customers – some who have changed their telephone number three times in the previous six years – to do so again. Overlays save millions of dollars in expenses for the group of businesses and residents who would otherwise have to change their area codes under a split.

VZW urges the Commission to order relief for the 336 NPA now. This is sound public policy, in light of the projected number exhaust. The Commission is required to “take all necessary steps to prepare an NPA relief plan that may be adopted by the state commission when numbering resources in the NPA are in imminent danger of being exhausted.”² A decision is needed now to ensure that area code relief can be implemented before number exhaust.

¹ The 704 area code in Charlotte will receive an overlay of 980 in 2001. *Order Approving Overlay Option for Area Code 704*, P100 Sub 137A, September 15, 1999.

² *In the Matter of Numbering Resources Optimization*, CC Docket No. 99-200, 15 FCC Rcd 7574, Order, ¶ 17 (July 20, 2000).

I. AN ALL-SERVICES OVERLAY WILL FACILITATE ENTRY INTO THE MARKETPLACE BY MAKING NUMBERING RESOURCES AVAILABLE WHEN NECESSARY

The Commission already recognized the advantages of overlays when it chose to implement an overlay for the 704 area code³. VZW respectfully urges the Commission to implement the overlay method again, consistent with the industry recommendation. An all-services overlay is a particularly appropriate remedy for the 336 region given the disruption of recent area code splits. Recently, the New Jersey Board of Public Utilities ordered an overlay as the form of relief for the 201, 973, and 732 area codes. The Board's press release stated, "The Board, which previously authorized a geographic split, has changed to overlay relief because of the reduced size of the geographic regions that would remain after future splits. Overlay relief also avoids future splitting of towns between different area codes. And further, the amount of 10-digit dialing (inter- area code) would increase with continued geographic splitting due to the subsequent smaller boundaries of the area code."²

The FCC recently considered the relative advantages and disadvantages of geographic splits and overlays.³ The FCC stated that state commissions that choose to implement geographic splits, "must ensure that numbering resources are made available on an equitable basis; that numbering resources are made available on an efficient and

³ . *Order Approving Overlay Option for Area Code 704* P100 Sub 137A, September 15, 1999.

⁴ The New Jersey Board's press release, dated March 1, 2001, is attached.

⁵ Numbering Resource Optimization, *Second Report and Order, Order on Reconsideration in CC Docket No. 96-98 and CC Docket No. 99-200, and Second Further Notice of Proposed Rulemaking in CC Docket No. 99-200*, released December 29, 2000 at ¶¶ 62-70 ("Second NRO Order").

timely basis; that relief not unduly favor or disfavor any particular telecommunications industry segment or group of telecommunications consumers; and that relief not unduly favor one telecommunications technology over another.”⁴ Among the disadvantages recognized by the FCC of geographic splits when compared to overlays are:

- (1) the fact that approximately half of the subscribers in the existing NPA must change to a new NPA, which for wireless customers means reprogramming their handset unless wireless telephone numbers are grandfathered;
- (2) successive geographic splits create substantial costs for subscribers, thus increasing the consequences associated with inaccurately forecasting growth versus non-growth areas;
- (3) splits can often create dialing confusion by requiring customers to use one dialing pattern for some calls (seven digits) and another dialing pattern for others (ten digits).⁵

In support of overlays, the FCC recognized that overlays, from a numbering optimization perspective, create a new numbering resource that is available for use throughout the entire geographic area covered by the old NPA, allowing resources to follow demand throughout an area receiving relief. As a result, the consequences associated with inaccurately forecasting growth areas may be reduced.⁶

⁶ *Id.*

⁷ *Id.* at ¶ 63.

⁸ *Id.* at ¶ 66.

As VZW has stated previously in the 704 area code proceeding,⁷ overlays are the least disruptive method of relief because they do not force number changes, can be implemented quickly, and are the most cost effective form of relief.

1. *Overlays spare customers forced number changes.* Thousands of residents and businesses would be forced to change phone numbers under a geographic split, with businesses and residents incurring significant costs to repaint vehicles, make new signs, reprint business cards and letterhead, and update records; to reprogram telephones, fax machines, rolodexes and computer equipment; and, to notify those who have their current telephone number regarding the new area code.

2. *An overlay will allow more flexibility to assign resources once number conservation measures are adopted.* The overlay provides the region with future flexibility when conservation measures free up numbering resources. With an overlay in place, number conservation measures, such as code reclamation and thousand number block number pooling can, in effect, work retroactively. Freed-up numbers can be utilized throughout the 336 region. If a geographic split is implemented, however, customers who have had their area code changed will no longer have access to any 336 numbers that conservation may release. Once a split is implemented, there is no going back.

3. *Any burden associated with a dialing change can be minimized.* Although an overlay requires permanent ten-digit dialing, a split would not avoid this circumstance. In fact, if a geographic split is adopted, the frequency of ten-digit dialing would increase because the universe of numbers dialable with seven digits would shrink further. If, for some customers, an additional dialing burden is associated with dialing three extra digits,

⁷ See VZW comments to Docket No. P-100, SUB 137, *In the Matter of Area Code Relief for North Carolina's 704 Numbering Plan Area (NPA)*, filed March 26, 1999.

speed dialing and automatic dialing can ease the transition. Furthermore, ten-digit dialing is becoming routine for many wireline and wireless customers throughout the country. Customer education efforts can help customers adapt to ten-digit dialing.

4. *Overlays are fair to wireless customers.* Cellular customers would be burdened uniquely and disproportionately by another geographic split in the region, unless they are allowed to retain their existing NPA through grandfathering. The telephone number of each cellular phone customer is programmed or coded into the customer's individual phone. When a cellular customer's phone number or area code is changed, the phone unit must be programmed manually, causing inconvenience to each customer. Some customers must incur significant personal costs from reading VZW's notices, taking carrier telephone calls, traveling to service centers, etc. By contrast, an overlay would not entail any reprogramming costs for the thousands of wireless customers with the 336 area code.

5. *Any future relief can be added easily once an overlay is implemented.* With an all-services overlay in place, the Commission can add new numbers as necessary without splitting communities, drawing difficult boundaries, or holding additional proceedings. Furthermore, new area codes can be added quickly because permissive dialing periods to introduce a new area code in one geographic region would not be necessary. A geographic split, on the other hand, would require more proceedings, a permissive dialing period and more customer disruption.

6. *Another geographic split in the region does not ensure a long area code life.* Recent experience in North Carolina confirms that geographic splits do not provide longevity. By contrast, an overlay will provide a supply of numbers that will be available throughout the existing 336 area code region without regard to the rate of usage in any particular part of the region. If the numbers are exhausted, another overlay can be ordered without carving up North Carolina into ever-smaller NPAs.

7. *The 336 area code cannot be split further without dividing communities of*

interest. An all-services overlay would not require the further splitting of communities in the 336 area code that have already endured a split. It also gives the Commission flexibility in the future to add new numbers without having to draw even smaller boundaries, or holding additional proceedings.

II. IF THE COMMISSION ORDERS A GEOGRAPHIC SPLIT INSTEAD OF THE RECOMMENDED OVERLAY, EXISTING WIRELESS CARRIERS MUST HAVE THE OPTION TO "GRANDFATHER" TELEPHONE NUMBERS

Allowing grandfathering of wireless customers is appropriate when a geographic split is ordered. Geographic splits have a disproportionate negative impact on wireless customers and carriers. That burden results from the need to reprogram wireless handsets with the customer's new telephone number because, unlike wireline telephone numbers, the telephone number of each cellular phone customer is programmed or coded into the customer's individual phone. Wireless technology currently assigns a telephone number to each handset that uniquely identifies that handset to the wireless network for purposes of call registration, set-up, routing, and billing. The assigned number cannot be changed at the switch or any other remote point, but rather must be done for each individual handset. Verizon Wireless urges the Commission to allow wireless carriers the option of grandfathering wireless customers so they can retain their 336 numbers.

If grandfathering is not authorized, a much longer permissive dialing period is needed to provide for reprogramming wireless handsets. Unlike other changes that will be required, *i.e.*, reprinting stationary or republishing ads, the process of reprogramming handsets cannot begin until the permissive dialing begins. Before the commencement of permissive dialing, wireless consumers must continue to use their existing phone numbers to make and receive calls. The new phone numbers cannot be programmed into

phones until the permissive dialing period begins. In other words, unlike other consumers of telecommunications services, wireless consumers can not get a “head start” once they are on notice of the implications of the Commission’s decision. Thus, wireless handsets must all be reprogrammed during the permissive dialing period in order to be fully operational by the time the split is mandatory. Moreover, an adequate education and outreach effort must be accomplished in order to motivate wireless consumers to go to stores and service outlets to accomplish the reprogramming.

The Federal Communications Commission has recently affirmed the states’ delegated authority to grandfather Type II wireless numbers in the event of a geographic split.⁸ In authorizing wireless grandfathering, the FCC recognized that grandfathering is a means of distributing more equitably the burdens of a geographic split.⁹ The FCC suggested that states consider factors such as the number of wireless customers affected, the location of wireless customers, and the type of interconnection the wireless carriers are using.¹⁰ All three of the geographic split alternatives will impact our customers and business negatively. A geographic split may require area code changes for tens of thousands of VZW customers. While certain classes of wireline customers may have to reprogram autodialers, facsimile machines, computers, burglar alarms, and other devices, all VZW subscribers subject to the split would need to have their phones reprogrammed

¹⁰ *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-98, *Petition for Declaratory Ruling Regarding Area Code Relief Plan for Area Codes 508 and 617, filed by the Massachusetts Department of Public Utilities*, NSD-L-96-15, *Third Order on Reconsideration of Second Report and Order and Memorandum Opinion and Order*, released October 21, 1999 (“*Third Order on Reconsideration*”) at ¶¶ 68-69.

¹¹ *Id.*

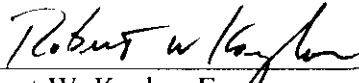
¹² *Id.* at ¶ 68, note 271.

in order to continue receiving cellular service, which can entail bringing phones into service outlets or retail stores for reprogramming.

CONCLUSION

The overlay is the superior form of relief for the 336 NPA, because it best meets the goal of providing long-term area code relief while causing the least possible customer disruption. An overlay would eliminate the need to change existing phone numbers and thereby, minimize costs to customers and providers and maximize the efficiency and length of relief. For all of these reasons, the Commission should order the overlay form of relief for the 336 NPA.

Respectfully submitted this the 6th day of March, 2001.

By: 
Robert W. Kaylor, Esq.
Law Office of Robert W. Kaylor P.A.
225 Hillsborough St., Suite 480
Raleigh, NC 27603
(919) 828-5250

Anne Hoskins, Esq.
Lolita Smith, Esq.
Verizon Wireless
1300 I Street, N.W., Floor 400W
Washington, D.C. 20005
(202) 589-3770

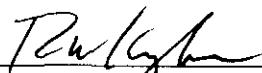
CERTIFICATE OF SERVICE

I certify that a copy of Verizon Wireless' Comments in Docket No. P-100, Sub 137c, has been served by hand delivery or by depositing a copy in the United States Mail, first class postage prepaid, properly addressed to parties of record.

This the ^{7th}~~6th~~ day of March, 2001.

Law Office of Robert W. Kaylor, P.A.

BY:


Robert W. Kaylor
225 Hillsborough Street, Suite 480
Raleigh, North Carolina 27603
(919) 828-5250
North Carolina State Bar No. 6237