

PLACE: Guilford Technical College,  
Greensboro, North Carolina

DATE: March 14, 2001

DOCKET NO.: P-100, Sub 137C

TIME IN SESSION: 9:00 a.m. - 10:30 a.m.

BEFORE: Commissioner Sam J. Ervin, IV, Presiding  
Chair Jo Anne Sanford  
Commissioner Lorinzo L. Joyner

IN THE MATTER OF:  
Generic Proceeding - Telephone

Petition of North American Numbering Plan Administrator

VOLUME 2

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

7           I now call for hearing Docket Number P-100,  
8   Sub 137C, in which the Commission is considering the  
9   issue of area code relief for the 336 numbering plan  
10   area or NPA.   Although federal law makes the Federal  
11   Communications Commission responsible for the  
12   administration of the telephone numbering system in the  
13   United States, the FCC has delegated its authority over  
14   the issue of area code relief to state regulatory bodies  
15   such as the North Carolina Utilities Commission.  
16   As a result, the Commission has the responsibility for  
17   determining the manner in which relief should be  
18   provided in the event that exhaust occurs in a  
19   particular NPA.

20           On September 7, 2000, NeuStar, Inc., in its role as  
21   North American Numbering Plan Administrator and acting  
22   on behalf of the North Carolina telecommunications  
23   industry, filed a petition with the Commission seeking  
24   approval of the consensus industry recommendation that

1 an all services distributed overlay be implemented as  
2 the relief plan for the 336 NPA. In its petition,  
3 NeuStar alleged that in the absence of relief, central  
4 office or NXX codes for the 336 NPA would exhaust during  
5 the fourth quarter of 2002.

6 In addition, NeuStar described the various relief  
7 options which were considered at an industry meeting  
8 held on July 27, 2000, including three different  
9 geographic split alternatives and an all services  
10 distributed overlay. According to NeuStar's petition,  
11 the consensus at the July 27, 2000, industry meeting  
12 favored an all services distributed overlay.

13 On January 5, 2001, the Commission entered an Order  
14 requesting comments and scheduling public hearing in  
15 which the Commission acknowledged the filing of  
16 NeuStar's petition; provided an opportunity for the  
17 submission of written comments concerning the issues  
18 raised by NeuStar's petition; set this matter for public  
19 hearing at 7 p.m. on March 13, 2001, for the purpose of  
20 receiving testimony from public witnesses and at this  
21 time for the purpose of receiving additional public  
22 witness testimony and testimony from formal parties to  
23 this proceeding; and required the provision of  
24 appropriate public notice through the use of bill

1 inserts and newspaper advertisements.

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

15 The Commission has received written comments from a  
16 number of the formal parties and many interested  
17 citizens, all of which are contained in the Commission's  
18 official record concerning this proceeding. In  
19 addition, last night the Commission held a hearing in  
20 this location for the purpose of receiving testimony  
21 from public witnesses. I now call for the appearances  
22 of Counsel beginning with the movant.

23 MR. WEST: I'm James West. Good morning,  
24 Commissioners. I'm appearing here on behalf of NeuStar,

1 Inc., as their local counsel. I would like to introduce  
2 to the Commission Kimberly Wheeler who is sitting to my  
3 left. She's an attorney with Morrison and Foerster in  
4 Washington, DC. She is NeuStar's national counsel and  
5 we have yesterday filed a motion for admission pro hac  
6 vice.

7 COMMISSIONER ERVIN: All right. Ms. Wheeler,  
8 welcome and that motion is allowed.

9 MS. WHEELER: Thank you, Commissioner.

10 MR. CAUTHEN: Mr. Chairman, I'm Robert B.  
11 Cauthen, Jr., Staff Attorney for the Public Staff,  
12 representing the using and consuming public.

13 MR. VOIGT: Good morning, Commissioners. My  
14 name is Robert Voigt. I'm appearing on behalf of  
15 Sprint/Carolina Telephone. Sprint will not be  
16 presenting a witness at this proceeding but I wish to  
17 state for the record that Sprint does support the all  
18 services overlay proposal that was filed by NeuStar on  
19 behalf of the industry last September.

20 COMMISSIONER ERVIN: Thank you, Mr. Voigt.  
21 As a preliminary matter after the conclusion of the  
22 hearing last night an individual named -- I believe his  
23 name was Dr. Jeffery Miller appeared and had intended to  
24 testify as a public witness. I offered to reopen the

1 hearing so that Mr. Miller, I believe he's actually a  
2 doctor, could testify. Dr. Miller had a written  
3 statement with him and requested simply that the written  
4 statement be incorporated in the record as Miller  
5 Exhibit 1, that if it was so received that he would  
6 waive the right to have the hearing reopened.

7 At this time we will admit into evidence the  
8 statement submitted by Dr. Miller as Miller Exhibit  
9 Number 1. I believe, Madam Court Reporter, that that  
10 was delivered to your colleague last night which is why  
11 you don't have it.

12 MILLER EXHIBIT 1

13 Identified & Admitted

14 COMMISSIONER ERVIN: Are there any other  
15 preliminary matters that need to be addressed prior to  
16 the beginning of the hearing? (No response.) If not, I  
17 guess the next order of business would be to ascertain  
18 whether anyone wishes to testify as a public witness.  
19 Mr. Cauthen, do you know of --

20 MR. CAUTHEN: (Interposing) I am aware of one  
21 public witness, Mr. Grant Thayer.

22 COMMISSIONER ERVIN: Mr. Thayer, if you would  
23 come back up and join us, please. You've already been  
24 sworn in this proceeding. So I believe that we will

1 dispense with the necessity to administer an oath a  
2 second time. You are still under oath in this  
3 proceeding based on the one you took last night.

4 GRANT THAYER;                    Being previously sworn,  
5                                        returned to the stand and  
6                                        testified as follows:

7 DIRECT STATEMENT BY MR. THAYER:

8            Last night I came and I did testify in support for  
9 the overlay program. The long and the short of what I  
10 was asking for is that should this be enacted that we  
11 move as swiftly as we can towards it so we don't end up  
12 on the short end of only having a few months left to do  
13 it and asking for the longest possible window of  
14 permissive dialing within it to get the things done that  
15 my company in my industry, which is the burglar and fire  
16 alarm industry, needs.

17           After I went home last night I called my grandson  
18 and told him basically where I was and what I was doing  
19 and he said, why, pa, and I said, well, if this goes  
20 through every time you call me you're going to need to  
21 dial seven digits plus the three more on the front. His  
22 comment was, I can't remember all that. And so I called  
23 some others. I'm the Sunday School Superintendent for  
24 our church and I called some other kids and their



1 concern also was, we can't remember that, especially the  
2 little ones. I mean, we're in the point of it's hard  
3 for us to remember our numbers now.

4 When I called my parents, who are 75 and 81,  
5 respectively, they ran into the same basic thing of it's  
6 getting more and more difficult for them to remember  
7 numbers and especially when as new numbers are issued  
8 they could be in the new area code and the difficulty of  
9 remembering, well, this one I've got to add this to it  
10 and that one I've got to add that to it. I looked at  
11 our area and I said, well, if we do an overlay we may  
12 generate seven million more numbers. With that seven  
13 million more numbers things will go forward and we'll go  
14 on for as long as our area code is available. By the  
15 time this group of numbers is used up, so will the area  
16 codes available to the nation be used up.

17 So I looked at our area and I said, well, if we did  
18 a division within the area -- here we have a reasonably  
19 clean division, Greensboro on one side, Winston and its  
20 area on the other side, and High Point really being able  
21 to fall under either one of them. So the simplicity for  
22 the citizens of the areas, being able to figure out  
23 which area code do I use or do I use seven digits or  
24 more to dial, would be a lot easier for them.

1           It doesn't make a difference in the numbering  
2       scheme whether we do a division or whether we do an  
3       overlay. It's still the same number of numbers. It's  
4       still the same number of numbers available to be  
5       utilized. I just wanted to get those concerns on the  
6       record. And, again, I'm sure the citizens of this  
7       community will go forward with whatever plan is laid  
8       upon them and there's going to be grumbling from both  
9       sides no matter which way it happens. Those concerns  
10      were real enough to me that I drove the 90 miles from my  
11      home, which is 60 miles northwest of Winston-Salem, this  
12      morning just to come back just to state those things for  
13      my kids, my grandkids, and the kids and grandkids and  
14      parents of so many others. Thank you.

15           COMMISSIONER ERVIN: Excuse me, Mr. Thayer,  
16      let me ask you to stay with us just a second. Counsel  
17      for any of the parties have any questions for  
18      Mr. Thayer?

19           MR. WEST: No, we have no questions.

20           COMMISSIONER ERVIN: Commissioner Joyner.

21      EXAMINATION BY COMMISSIONER JOYNER:

22      Q.     Mr. Thayer, we appreciate the fact that you came  
23      back this morning. You raised an issue that I have  
24      given some thought to and that is we're accustomed to

1 7-digit dialing and we're kind of conditioned to  
2 remember those -- that number of digits in telephones.  
3 And I've given some thought, because I have aging  
4 parents and grandchildren, to the same kinds of concerns  
5 but then I thought about my social security number,  
6 which is a 9-digit number, and I wondered just how much  
7 of it is conditioning what you're used to. Do you have  
8 any thoughts on that?

9 A. Yeah. Ironically, social security number ran  
10 through my mind in my discussions with my wife last  
11 night too and, yes, we utilize that social security  
12 number for so much in our lives and where it seems to be  
13 our tag to humanity. We're not names anymore, we really  
14 boil down to a number. But then we started counting up  
15 the things that we have in our home. We do have a  
16 computer line. We do have a regular telephone line.  
17 She has her cell number, I've got mine. We have a  
18 pager. Right now with the technology that's available  
19 in the area that we live, I mean, we're pretty much  
20 limited to having those numbers. Maybe we'd all be good  
21 if we went back to the days and shot Alexander Graham  
22 Bell but somebody else would have come along and  
23 invented it anyway. We have no real peace in our  
24 lives. We're tied to something, it seems, 24 hours a

1 day, 7 days a week anymore, and that's just the  
2 technology and the society that we're in today.

3 EXAMINATION BY CHAIR SANFORD:

4 Q. Thank you for coming back this morning. I was not  
5 able to be here last night and I apologize for that. I  
6 had a conflict that I couldn't avoid. I really  
7 appreciate you coming back because I think your comments  
8 are extremely thoughtful and they also reflect some of  
9 the concerns that I've had. For the record, unlike my  
10 colleagues here, I was on the Commission when this  
11 decision was last made for 336. So I'm here and  
12 chagrined that we are having to be back here as are the  
13 people in the 336 area code, chagrined that we have to  
14 be back so soon.

15 These area code problems are pretty profound.  
16 They are certainly nationwide and causing a lot of  
17 heartache and a lot of expense for residential and  
18 business customers and for the telephone industry. I  
19 have questions actually going to your alarm system  
20 business. You urged, and I believe you urged the same  
21 thing last night, that we allow sufficient time for you  
22 to make the changes necessary should we order an  
23 overlay. What is a sufficient time?

24 A. I said last night that a 6-month window should be

1 allowed. The example that I gave last night is if I had  
2 to go out and change everything that I had to change  
3 just for my business, that realistically if I put 100%  
4 of my staff on it, I did no service work and I did no  
5 new work, that it would take me approximately two months  
6 to accomplish this task. These are not necessarily  
7 costs I can pass on to my customers. It's not their  
8 fault anymore than it is mine. I'm not sure in my mind  
9 whether I could honestly look my customers in the eye  
10 and say, I've got to charge you for a service call  
11 because these people did this to me and you. I'm not  
12 sure I could honestly do that. So, yeah, there's a  
13 great deal of expense.

14 If it went to an area code split, everything that  
15 comes to me locally would for the most part continue to  
16 come to me locally no matter how it was split, whether I  
17 was the new area code or I was not, because the majority  
18 of my business is around Winston as within our industry  
19 the majority of the folks here in the Greensboro market,  
20 their market is basically the Greensboro area. There  
21 are some, of course, national firms and stuff within our  
22 industry that travel from one end of our nation to the  
23 other but most of us are centered around the towns that  
24 we're based within. So an area code split does not have

1 near the magnitude of an effect upon us.

2 Q. At what point in an overlay process can you begin  
3 to do the work that you need to do?

4 A. Just as soon as someone tells me it's permissible  
5 to dial either way.

6 Q. So it's permissive dialing that's the trigger for  
7 your ability?

8 A. Yes. The homework and stuff, I can do that now,  
9 once I know what direction I need to go with it.

10 CHAIR SANFORD: Thank you. That's all I had.  
11 Thank you again for coming.

12 COMMISSIONER ERVIN: All right. Are there any  
13 questions on the questions asked by members of the  
14 Commission? (No response.) If not, Mr. Thayer, thank  
15 you very much for coming back with us. Thank you.

16 (WITNESS EXCUSED)

17 MR. CAUTHEN: No one else had indicated a  
18 desire to testify.

19 COMMISSIONER ERVIN: At this time is there  
20 anyone else present, whether you've signed up with  
21 Mr. Cauthen or not, that wishes to testify as a public  
22 witness? Yes, ma'am. Please come forward and be sworn.

23 MS. HOLLIS: I didn't know where I was  
24 supposed to sign up. I'm sorry.

1 COMMISSIONER ERVIN: That's all right. You  
2 don't need to do that.

3 LINDA HOLLIS; Being first duly sworn,  
4 testified as follows:

5 MS. HOLLIS: I'm from the High Point Chamber  
6 of Commerce. We have already --

7 MR. CAUTHEN: (Interposing) Ma'am, could we  
8 have your name?

9 MS. HOLLIS: Beg your pardon. I'm sorry. I  
10 go through that spill all the time and then forget who I  
11 am. Linda Hollis, H-o-l-l-i-s.

12 MR. CAUTHEN: An address, please?

13 MS. HOLLIS: The Chamber's address?

14 MR. CAUTHEN: Uh-huh.

15 MS. HOLLIS: 1101 North Main Street, High  
16 Point, 27262.

17 COMMISSIONER ERVIN: I'm sorry, ma'am, I  
18 didn't catch your name when you told us.

19 MS. HOLLIS: Okay. It's Linda Hollis,  
20 H-o-l-l-i-s.

21 COMMISSIONER ERVIN: Okay, Ms. Hollis, if  
22 you'd proceed, please.

23 DIRECT STATEMENT BY MS. HOLLIS:

24 The High Point Chamber is in support of the

1 overlay. We have already written a letter to the State  
2 Attorney General that we are in support. I just came  
3 this morning to restate that, I guess, is what I want to  
4 say. That's all that I have is that we are in favor of  
5 the overlay.

6 COMMISSIONER ERVIN: Does anyone have any  
7 questions for Ms. Hollis?

8 CHAIR SANFORD: I have one.

9 EXAMINATION BY CHAIR SANFORD:

10 Q. Ms. Hollis, is it your belief or the belief of  
11 those for whom you speak that folks in your community  
12 will adjust readily to the 10-digit dialing?

13 A. I think so. I thought about that, too, when the  
14 gentleman spoke before because I'm getting older and you  
15 forget the numbers but I think -- we didn't want to go  
16 to 336 but it came along pretty quickly. So if you have  
17 to adjust to it, I think that you will. I mean, you  
18 just program your mind that this is the way it's done.

19 It's going to take a little while longer but after  
20 you've been into it a while, I think you won't remember  
21 it, you will just automatically do the ten digits and go  
22 on. It's easier, I think, than going through another  
23 area code and then you've got to get all that  
24 information out, change everything, and all that type of



1 thing. So I think we can adjust to that well.

2 COMMISSIONER ERVIN: Thank you very much,  
3 Ms. Hollis, appreciate you coming to be with us.

4 (WITNESS EXCUSED)

5 COMMISSIONER ERVIN: Is there anyone else  
6 present that wishes to testify as a public witness? (No  
7 response.) Seeing no one, I guess, Mr. West, if you  
8 would proceed. It would be logical for you to go next.

9 MS. WHEELER: Commissioner, Kimberly Wheeler.  
10 I'd like to call Thomas Foley as a witness for NeuStar.

11 THOMAS C. FOLEY; Being first duly sworn,  
12 testified as follows:

13 DIRECT EXAMINATION BY MS. WHEELER:

14 Q. Mr. Foley, would you please state your name for  
15 the record?

16 A. My name is Thomas C. Foley.

17 COMMISSIONER ERVIN: Let me inquire, can  
18 everybody hear? Okay. Just wanted to make sure.  
19 When you've got a witness facing away from you, I want  
20 to make sure you can be heard.

21 A. I'll try to speak up.

22 COMMISSIONER ERVIN: Thank you, Mr. Foley.

23 Q. Please state your business address.

24 A. My business address is NeuStar, Incorporated, 820

1 Riverbend Boulevard, Longwood, Florida, 32779.

2 Q. And I understand you have prepared a presentation  
3 to provide to the Commissioners and to the parties  
4 present?

5 A. Yes, ma'am, I have. I have given copies to the  
6 Commissioners and to the Commission Staff and I have  
7 some copies up here available for the public if anyone  
8 would like one.

9 MS. WHEELER: With the Commissioners'  
10 permission, we would like to proceed with the  
11 presentation.

12 COMMISSIONER ERVIN: That's fine. Mr. Foley,  
13 you can proceed whenever you're ready.

14 A. Thank you, Commissioners, for having me back  
15 again. It's always a pleasure to come back. As I said  
16 before, I used to live here so I do enjoy coming back.  
17 Basically, I'll start out and tell you who NANPA is or  
18 what NANPA is and what role we played in this and that  
19 may help determine how we got to where we are.

20 In July of '95, the FCC took what's considered an  
21 important step for competition and adopted a new model  
22 for the administration of the North American Numbering  
23 Plan. That model included the establishment of the  
24 North American Numbering Council who developed

1 guidelines for use by the industry in assigning  
2 telephone numbers and providing numbering resources.

3 Lockheed Martin, under competitive bid, was named  
4 as the new North American Numbering Plan Administrator  
5 by the FCC in its Third Report and Order in October  
6 of '97 and Lockheed Martin took over in November of '97.  
7 In November of '99 the FCC approved the transfer of  
8 Lockheed Martin IMS' Communications Industry Services  
9 Group to a new entity, NeuStar, Incorporated, and the  
10 transaction was completed on November 30th. NeuStar is  
11 a neutral third party administrator of the North America  
12 Numbering Plan, neutral having no ties to any particular  
13 industry or industry segment.

14 The next page shows basically how NeuStar has  
15 organized the North American Numbering Plan we have in  
16 regions. For those of you who have a color copy the  
17 areas for which I am responsible are shown in red and  
18 the rest of the country is divided into three operating  
19 areas. Basically, NANPA is responsible for determining  
20 the need and identifying timing necessary for any NPA  
21 relief in any one particular area. This is what we have  
22 done in the 336 area. The relief planner takes the lead  
23 in preparing options as a starting point for an industry  
24 meeting and during that meeting facilitates consensus on

1 a single alternative to recommend in this case to the  
2 North Carolina Utilities Commission, which we have done.

3 We then compile and file documents with you  
4 detailing the status of our efforts for this relief and  
5 the recommendation. Then ultimately we coordinate the  
6 initial industry activities concerning implementation  
7 once the Commission reaches a decision on the accepted  
8 method of relief.

9 The next slide is basically some industry approved  
10 documentation that we use and where it can be located, a  
11 summary. And then we provide -- this is the consensus  
12 process that the North American Numbering Plan  
13 Administration uses in reaching consensus during the  
14 implementation -- or the industry planning and  
15 implementation meetings. Basically, we don't allow any  
16 one particular interest group to dominate the decision  
17 and we solicit opinions and comments from all  
18 participants.

19 Specifically, the NPA relief -- there are three  
20 basic types of NPA relief available to the industry.  
21 The first one is a geographic split which was discussed  
22 earlier today and people have heard about it, they're  
23 most familiar with it. A few years ago North Carolina  
24 went through geographic splits when it broke off from

1 919 and 704 creating 336 and the other area codes.

2 The second method is an overlay. That's where one  
3 or more NPAs is laid over the same geographic area. And  
4 then a third method which isn't used very often because  
5 it causes a lot of conflicts and problems but is used  
6 occasionally is a boundary realignment and that's where  
7 a portion of one NPA is moved into another NPA to free  
8 up numbering resources for the first NPA. And then, of  
9 course, any combination of those methods are acceptable.

10 The industry has agreed on a series of attributes  
11 that are applicable to those different types of relief.  
12 And, basically, the attributes for an NPA split are is  
13 that a split provides a single area code for a  
14 geographic area. This may minimize confusion for  
15 customers outside the area. Implementation is generally  
16 understood because it's the historically most common  
17 method of use.

18 Splits require an area code change for  
19 approximately half of the customers in a two-way split  
20 and of two-thirds of the customers in a three-way split.  
21 Geographic splits permit 7-digit dialing, local dialing,  
22 within an area code. Stationary, business cards, and  
23 advertising containing any 10-digit phone number will  
24 need to be revised by customers receiving the new area

1 code. Any future splits that occur will reduce, again,  
2 geographically the size of the area.

3 In an NPA overlay there will be more than one area  
4 code in a geographic area. Where the overlay is a new  
5 concept, some customer education is desirable. An  
6 overlay will not require any existing customer to change  
7 their area code. An overlay requires customers,  
8 however, to dial ten digits for all calls, local  
9 included. There is no need to revise stationary,  
10 business cards, and advertising unless they contain only  
11 a 7-digit number at this time. An overlay will end  
12 further geographic shrinkage of size of the area code  
13 because subsequent relief will most likely, but not  
14 necessarily, be another overlay.

15 In April of 2000, the Central Office Code  
16 Utilization Survey was forwarded to NeuStar and at that  
17 time NeuStar projected the exhaust of the 336 NPA to be  
18 the fourth quarter of 2002, as you mentioned earlier.  
19 A subsequent review in January of all exhausts in the  
20 North American Numbering Plan did not cause NeuStar or  
21 NANPA to modify its exhaust projection for the 336 area.

22 The next slide is basically a summary of the status  
23 of the 336 area code or NPA. As of about February 22nd,  
24 I guess is the date we put on this, the assigned NXXs in

1 the area or codes was 593 with only available of 180.  
2 And the monthly utilization, as you can see down at the  
3 bottom from January '99 through February 22nd, these are  
4 the codes assigned to various carriers. Operating  
5 within the 336 NPA there are 14 independent local  
6 exchange carriers, 19 competitive local exchange  
7 carriers, and 15 wireless carriers, all of whom are  
8 using numbering resources.

9 A little bit of chronology of what's happened as  
10 far as the relief planning process is the initial  
11 industry invitation to the relief planning meeting went  
12 out in June of 2000 and ultimately through the process  
13 we filed with the North Carolina Utilities Commission in  
14 September of last year.

15 At the meeting several options were discussed. It  
16 was held July 27th here in Greensboro. It was attended  
17 by 21 individuals representing 11 different carriers.  
18 Four proposed plans were prepared by NANPA and were  
19 considered by the participants. None of the  
20 participants presented any additional alternatives to be  
21 considered. And then by consensus, the industry agreed  
22 to recommend an all services distributed overlay.

23 For your information, but I won't go through it in  
24 detail, are the four -- next come the four plans that

1     were recommended by the industry in detail and for those  
2     people who've received xeroxed copies, I'm sorry, some  
3     of the lines were a little hard to see. Basically, the  
4     first plan was the overlay and provided a life  
5     approximately of nine years.

6             The second alternative was the split alternative  
7     and it had lives on either side of the line respectively  
8     of nine and eight years. And, basically, that split  
9     would occur segmenting Winston-Salem, High Point,  
10    Greensboro area from the rest of the 336 area.

11            The third alternative was a geographic split with a  
12    north/south line cutting it into an east and west  
13    portion. Again, the lives would be about eight years  
14    and nine years for the Areas A and B, respectively.

15            The last alternative was also an east/west split  
16    with nine years and eight years of life. The basic  
17    difference between the two was up in the Reidsville area  
18    and down in the Denton and Thomasville areas as to which  
19    side of the line those exchanges fall.

20            Ultimately, the industry by consensus agreed to  
21    recommend to this Commission an all services distributed  
22    overlay as the method for providing relief for the 336.  
23    And some of the comments that were given during the  
24    meeting for the proposal to eliminate some of the



1 alternatives was that the split alternative split  
2 counties. It would create in cases a mix of seven and  
3 10-digit dialing that could be confusing.

4 In alternative two, for instance, only 7% of the  
5 Greensboro customers would retain 7-digit dialing, only  
6 6% of the High Point customers would retain it, and only  
7 5% of the Winston-Salem customers would retain 7-digit  
8 dialing. That's specifically in alternative two.

9 Also, because of the forecasting methods used and  
10 the unknowns of when carriers begin business in the  
11 future, the assurance of equal lives in these splits is  
12 not necessarily known. In some cases these split lines  
13 would split host offices from their remote switching  
14 centers, which could cause problems for the industry.  
15 Some customers have already changed their NPA three  
16 times in the last six years, and these were comments  
17 given by the industry as to the reasons for coming up  
18 with the overlay and rejecting the split alternatives.

19 They also recommend an implementation interval of  
20 13 months from the time of the Commission Order and they  
21 request that the Commission consider and possibly have  
22 an Order by September 1st. That's the end of my  
23 presentation.

24 Q. Mr. Foley, let me continue with my questions.

1 When you referred to the initial planning document that  
2 contains the four different relief plans you said that  
3 they were the four plans recommended by the industry.  
4 Is that what you meant to say?

5 A. No. They were the four plans that were  
6 recommended to the industry as a starting point for the  
7 discussion in the meeting.

8 Q. Okay. And just to make the point clear, the  
9 recommended relief plan and the reasons for recommending  
10 that relief plan, those are not NeuStar's reasons, is  
11 that correct?

12 A. Correct. Those were provided by -- those are  
13 industry reasons and we have facilitated consensus on  
14 the industry recommending the overlay but it's not  
15 NeuStar's decision.

16 MS. WHEELER: Thank you. That's all my  
17 questions. I'm sorry. I think because that there is  
18 quite a bit of data in Mr. Foley's presentation I would  
19 like to ask that it be marked as Petitioner's Exhibit 1  
20 and would like to move that into the record.

21 COMMISSIONER ERVIN: It will be so identified  
22 and will be received into evidence.

23 PETITIONER'S EXHIBIT 1

24 Identified & Admitted

1 MS. WHEELER: Thank you.

2 COMMISSIONER ERVIN: Mr. Cauthen -- well,  
3 let's see, Mr. Voigt, let's let you go first. Do you  
4 have any questions?

5 MR. VOIGT: No questions.

6 COMMISSIONER ERVIN: Mr. Cauthen.

7 CROSS-EXAMINATION BY MR. CAUTHEN:

8 Q. Mr. Foley, do you happen to have any feel for how  
9 long the current 3-digit area code 7-digit number is  
10 going to last nationwide?

11 A. The latest projection that I have seen is in the  
12 neighborhood of 2007 to 2010 is the projected exhaust of  
13 the North American Numbering Plan.

14 Q. What happens then?

15 A. There are several proposals that have been made to  
16 the industry numbering committees to consider ranging  
17 from adding additional digits to area codes to adding  
18 additional digits to NXX codes to add to -- basically  
19 splitting the North American Numbering Plan into two  
20 areas, the east and the west, I think that's what they  
21 call them, the east and west halves in the North  
22 American Numbering Plan.

23 Q. So basically within ten years something drastic  
24 beyond what we're talking about here is going to happen,

1 is that correct?

2 A. That's the projection, yes, sir.

3 MR. CAUTHEN: That's all. Thank you.

4 COMMISSIONER ERVIN: Chair Sanford.

5 EXAMINATION BY CHAIR SANFORD:

6 Q. Mr. Foley, with respect to those projections about  
7 the exhaustion of the NANP there's -- of the whole plan,  
8 there's a lot of controversy about whether that 2007  
9 date is really in the ballpark, isn't there?

10 A. There are -- that is the North American Numbering  
11 Planning Administration's forecast and, yes, there are  
12 dissenting opinions on that. Whether it's controversy  
13 or not there's discussion about it, yes.

14 Q. And I know that there are more assumptions in  
15 there than the stars in the sky, but aren't some of  
16 those assumptions including the belief that we would  
17 continue to allocate numbers in the way that we have  
18 been doing it?

19 A. Yes, until we know specifically otherwise and the  
20 effects of any other changes, that's the assumption  
21 that's being made.

22 Q. So I guess I just want it said on the record,  
23 there are lots of people who think that the plan can  
24 last a lot longer than that.

1 A. That is correct.

2 Q. I have a variety of questions and if I get outside  
3 your bailiwick you're very welcome to tell me so. Do  
4 you have a ballpark idea of how many overlays have been  
5 implemented within the numbering plan?

6 A. There are quite a few that's in the process of  
7 being implemented right now and just in the southeast  
8 alone I think there's a half dozen in service now.

9 Q. In the southeast?

10 A. Yes. My territory is primarily southeast United  
11 States.

12 Q. And some of these matters I just want to get on  
13 the record in this case. I know we discussed them --

14 A. (Interposing) Atlanta, by the way, just approved  
15 the second overlay over Atlanta.

16 Q. So that's over --

17 A. Overlaying an overlay.

18 Q. Overlaying the overlay. Is that over the outside  
19 of the doughnut?

20 A. The whole thing.

21 Q. Where other than Atlanta in the southeast are  
22 you --

23 A. (Interposing) Orlando has an overlay, 407, 321;  
24 Miami area, not the Keys area but just the Miami area

1 right now; one has been approved for the Fort Lauderdale  
2 area for Broward County, 954; Charlotte, North Carolina,  
3 has one; one is being -- let's see, where else? There  
4 have been several that have been recommended and not  
5 acted on. There are several -- the other one, 919, has  
6 been recommended in this state but there's been no  
7 action. West Virginia was the recommendation but no  
8 action at this time.

9 COMMISSIONER ERVIN: As a matter of  
10 information, Mr. Foley, the Commission issued an Order  
11 in the 919 matter yesterday afternoon and we did elect,  
12 subject to some commentary on thousand block pooling, to  
13 approve the use of an overlay with some additional  
14 number conservation measures as well. So just for your  
15 information, that has now been done as well.

16 A. Thank you. That's another one.

17 Q. In the overlay instances with which you're  
18 familiar have all of them begun, and I know Charlotte  
19 and Raleigh have not done this, but have the others  
20 begun mandatory 10-digit dialing?

21 A. Some of them, yes. In Atlanta they have, in  
22 Orlando and in Miami they have.

23 Q. Are you aware in any of these cases where  
24 Commissions have ordered overlay as the relief measure

1 but have also ordered pooling as a conservation measure?

2 A. Yes. In the case of Broward County or, excuse me,  
3 954, they have ordered an overlay and specific start  
4 date pending the results of the pooling trial there.

5 Q. Do you know when that was done?

6 A. It was done in November of last year, I believe.  
7 I think the Order came out the end of October. The  
8 Order was protested and went to the Supreme Court and  
9 back. So I think the Order ultimately was finally  
10 settled in February.

11 Q. So they are proceeding with the pooling trial and  
12 no date set. Do you know what the remaining life of  
13 that area code is supposed to be?

14 A. No, not off the top of my head. It's less than  
15 one year.

16 Q. In California they have, and I hesitate to go  
17 there because there's so many variations on the overlay  
18 issues out there, but it's my understanding that  
19 overlays have been ordered in California but actual  
20 implementation of mandatory 10-digit dialing has been  
21 postponed due to various conservation measures. Is that  
22 your understanding?

23 A. From my understanding that has occurred out there,  
24 yes.

1 Q. Do you have any information about the period of  
2 time for which the implementation of mandatory dialing  
3 has been postponed?

4 A. No, I don't.

5 Q. Can you talk to us for the record about the  
6 Numbering Plan Administrator's role in conservation  
7 measures?

8 A. The Numbering Plan Administrator, being neutral,  
9 has no opinion on one way or another as to the advantage  
10 or disadvantage of any measure of conservation.

11 Q. And what is the Plan Administrator's role --  
12 should a Commission make decisions about conservation  
13 what role does the Numbering Plan Administrator play in  
14 implementation of those conservation measures?

15 A. We work with whoever the pooling or conservation  
16 within the guidelines provided by the Commission. We  
17 adhere to the order, obviously, but if they assigned  
18 pooling, for instance, or something like that we work  
19 with the pooling administrator to assist them in the  
20 transition.

21 Q. Let me take some individual measures and if you  
22 would just help us get clearly understood the  
23 delineation of responsibility for doing certain things.  
24 Reclamation of codes. Should a Commission desire that



1 codes be reclaimed to the greatest extent possible and  
2 made usable for other folks, where is the  
3 responsibility?

4 A. NeuStar, North American Numbering Plan  
5 Administration, has a procedure that has been  
6 implemented in several other states that they use to  
7 assist the Commissions in reclaiming unused codes.

8 Q. And how does that work?

9 A. Basically, within the time limit set by the  
10 Commission and within the industry guidelines that  
11 NeuStar, NANPA, sends notice to the Commission of any  
12 delinquent receiving of the Part 4's, which are the  
13 forms that say the code has been placed in service, that  
14 any delinquencies are sent to the Commission and the  
15 Commission takes whatever action they wish at that  
16 point.

17 Q. Have we asked for and are we receiving such  
18 notices?

19 A. I don't believe so. You have asked for it?  
20 That's the code administration people in California and  
21 it's quite common that Commissions ask for it so if  
22 you've asked for it, that's fine.

23 Q. Thank you. Sequential numbering.

24 A. I know what it is.

1 Q. Okay. We're about even. Pooling is a decision  
2 made by state and implemented by a pooling administrator  
3 and that's --

4 A. (Interposing) That's out of the realm of North  
5 American Numbering Plan Administration.

6 Q. Of your responsibilities.

7 A. Correct.

8 Q. Number portability. Can you just talk to us for  
9 the record about number portability and any -- or do you  
10 have any role at all?

11 A. We have no role in number portability other than  
12 it exist.

13 Q. And it doesn't -- decisions about number  
14 portability don't impact you one way or the other in  
15 your administration of the numbers?

16 A. Not generally, no.

17 Q. Looking at Page 11 of your summary of 336 --

18 A. (Interposing) Yes, ma'am.

19 Q. -- we have -- can you talk to us about the  
20 unavailable NXXs?

21 A. The unavailable NXXs are NXX codes that have been  
22 marked as not usable in a particular area for a myriad  
23 of reasons, the most common of which are the N11  
24 numbers, 911, 611, et cetera, there's eight of those.

1 For the most part the rest of them are to -- have been  
2 marked as unavailable to prevent dialing conflicts and  
3 things like that.

4 Usually adjacent NPAs are held out and -- the  
5 existing NPA is held out as unavailable for a use. In  
6 other words, in 336 you would not have the number -- the  
7 NXX prefix of 336. You would also probably not have 704  
8 or 919. They usually hold out to adjacent NPAs.  
9 Those -- other than the eight that are there and the  
10 three test NXXs, those are under constant review in  
11 working with the carriers to free some of those up,  
12 getting consensus to let those go and be used.

13 Q. Is that something you do, work with the carriers  
14 to let them know --

15 A. (Interposing) North American Numbering Plan  
16 Administration does that, yes. I personally do not.

17 Q. When I say you, I mean your company. With what  
18 degree of success have your efforts to work with the  
19 industry to free up unavailable codes been met?

20 A. Fairly successful in my knowledge because I've  
21 seen several NPAs go from anywhere from forty and fifty  
22 unavailable NXXs down to the range of in the twenty's or  
23 less.

24 Q. Do you think we have been down -- has there been a

1 decrease in the number of unavailable NXXs in 336?

2 A. I couldn't comment on that, no. I don't know.

3 Q. What I'm trying to get at, is there anything we  
4 need to look at in terms of unavailable NXXs in 336?

5 A. It's continuing to being looked at. As a matter  
6 of fact, we provided your staff with the information on  
7 919 just recently and at a request we'll do the same  
8 thing there. We will work with the carriers to free up  
9 those unavailable NXXs that are usable.

10 Q. And is that -- again, I'm trying to get a better  
11 handle on the proper allocation of responsibility. Are  
12 there things Commissions can do or is that a NANPA  
13 industry responsibility?

14 A. I think it's everyone's responsibility to look at  
15 it. The industry, for instance, may be hesitant to use  
16 one because it may consider that it would be public  
17 confusion, for instance, like 336, 336, and if in the  
18 Commission's opinion that that is an issue or a problem  
19 then the three, NANPA, the industry, and the Commission,  
20 would work on that and get that resolved.

21 Q. I mean, there clearly are some that should not be  
22 used. What -- where have you experienced success in  
23 reducing the number of unavailable NXXs? I mean, what  
24 kinds of prior uses have yielded to the need for

1 numbers?

2 A. The biggest use I've seen for decreasing  
3 unavailable NXXs is the elimination of 7-digit cross NPA  
4 boundary dialing, which required the reservation of the  
5 codes on either side of the line to prevent dialing  
6 conflicts.

7 Q. The protective codes?

8 A. They are called protective codes. As you can see,  
9 you have zero protective codes in there now.

10 Q. And each of these NXXs has ten thousand numbers?

11 A. Each of those has ten thousand numbers.

12 Q. Two more questions, just slightly more than idle  
13 curiosity, I guess. Looking at the code assignment  
14 record in 336, February '99, for example, is a bit of an  
15 outlier. What can you tell us about the pattern of  
16 assignment in terms of the numbers assigned?

17 A. Without knowing the specifics of February '99 or  
18 May 2000 or October 2000, for that matter, which had  
19 anomalies like that, what -- in areas that we have seen  
20 that before and we have looked into it usually what that  
21 incurs is the startup of a carrier and coming in and  
22 getting an NXX code in each rate center in the  
23 surrounding area. That's the one type of thing or a  
24 carrier expanding its business plan outward to pick up

1 more area around its existing area.

2 Q. One genuinely last question or last line of  
3 questions.

4 COMMISSIONER ERVIN: Every time I said that as  
5 a lawyer, you chastised me.

6 CHAIR SANFORD: I know. I know.

7 Q. Are you aware of the existence of any efax  
8 kinds -- there's another name, there's a more generic  
9 name for what I'm trying to say.

10 A. That's the name I use.

11 Q. Okay. That will work. Are you aware of any of  
12 those kinds of operations in any of our area codes?

13 A. No, I am not. That's not to say they aren't  
14 there, I'm just not aware of any.

15 Q. Anywhere in the southeast?

16 A. I know that there were some codes that were  
17 assigned in the Atlanta area, but I don't know the  
18 number. I just remember having seen them assigned at  
19 one time. Specifically what carriers get what codes, I  
20 don't have much use -- I don't keep that information  
21 handy.

22 Q. Is it obvious when something like that occurs, say  
23 an efax type operation?

24 A. When efax initially started and similar carriers

1 started, yes, it was very obvious. You've got large  
2 code requests for single rate centers.

3 CHAIR SANFORD: All right. Thank you. I  
4 don't have anymore questions.

5 COMMISSIONER ERVIN: Commissioner Joyner, do  
6 you have any questions?

7 COMMISSIONER JOYNER: No.

8 COMMISSIONER ERVIN: All right. I can't resist  
9 either.

10 EXAMINATION BY COMMISSIONER ERVIN:

11 Q. Let's start on Page 11, Mr. Foley. I want to  
12 follow up on a couple of questions that the Chair asked  
13 you. In looking at this pattern of code assignments  
14 with the exception of months where you have these rather  
15 large numbers of code assignments we don't seem to be  
16 seeing a pattern of increasing NXX assignments in the  
17 336 at least in the last six to nine months, is that  
18 fair?

19 A. With the exception of those three or four  
20 anomalies that we mentioned earlier, it seems to be a  
21 fairly stable, just a quick guess, about seven codes a  
22 month.

23 Q. Now, in projecting that the 336 NPA will exhaust  
24 in the fourth quarter of 2002, tell me sort of the

1 process that you go about in making that projection?

2 A. They obviously start with the number of assigned  
3 NXX codes currently. Annually the carriers are required  
4 to send to NANPA their projections for number  
5 utilization. Formerly it was called the COCUS, it's now  
6 called NRUF. These projections along with, if you will,  
7 a sanity check looking at the past trended history and  
8 some forecasting techniques used by our forecasting  
9 people, they come up with a monthly or an annual growth  
10 rate. And then a certain number of codes are set aside  
11 for what we call the growth pool for which these large  
12 anomalies receive -- numbers are taken out of that so  
13 that we don't have a continuing month to month change of  
14 the forecast where you say, okay, this month because  
15 thirteen is there, a big number, we bring it in, next  
16 month it's one code assignment so we send it out. It's  
17 to level the thing out. That's how the forecast is  
18 projected. We start our relief planning anywhere  
19 from -- it used to be 30 months, it's now 36 months  
20 ahead of the projected exhaust.

21 Q. What rate do your current projections show that  
22 NXX codes are likely to be assigned over the next year  
23 to year and a half in the 336 NPA?

24 A. I think it is about seven a month. I'd have to



1 look to make sure. If you'd like me to do that, it will  
2 take me a few minutes to turn on the computer and log  
3 on.

4 Q. I mean, if you've got it right at your fingertips  
5 I'd take it, if not, the approximation is fine. So if  
6 I'm understanding you in very simplistic terms in saying  
7 that the 336 NPA is likely to exhaust by the fourth  
8 quarter of 2002, what that essentially means is that you  
9 anticipate on average the assignment of about seven NXX  
10 codes between then and now and that if you continue to  
11 assign them at that rate you're not going to have any  
12 left at the fourth quarter 2002, right?

13 A. Correct.

14 Q. That, of course, assumes that we don't do anything  
15 that changes the way in which numbers are assigned?

16 A. Correct.

17 Q. Continue to use ten thousand block?

18 A. Correct.

19 Q. Obviously, the FCC is in the process of rolling  
20 out thousand block pooling nationwide subject to the  
21 selection of an administrator and some things of that  
22 nature, is that correct?

23 A. I understand that they're in the process of  
24 selecting an administrator, yes, national administrator.

1 Q. But the implementation of that program does not  
2 impact the calculations that you've testified to this  
3 morning and that your projections are based on, correct?

4 A. Correct.

5 Q. Now, your projections are based on the assignment  
6 of NXX codes and not individual telephone numbers,  
7 right?

8 A. Correct.

9 Q. Do you know anything about the actual utilization  
10 of individual telephone numbers in the 336 NPA?

11 A. No, sir, I do not.

12 Q. You don't have in your possession --

13 A. (Interposing) I don't have in my possession any of  
14 that information. That's a function of the carriers  
15 themselves.

16 Q. So that when an NXX code is assigned to a  
17 particular carrier for a particular rate center that  
18 carrier might use ten numbers or it might use all ten  
19 thousand numbers, you really just don't know, right?

20 A. Correct.

21 Q. So what's driving this process is the exhaust of  
22 NXX codes under a ten thousand block assignment system  
23 rather than necessarily the exhausting of individual  
24 telephone numbers?

1 A. Correct.

2 Q. And the reason -- and that fact is what is driving  
3 the increasing attempt by Commissions to use the  
4 numbering conservation measures that you talked about  
5 with the Chair a little bit?

6 A. I believe that that would be the reason, yes.

7 Q. Now you talked about -- and I recognize that  
8 you're not in here advocating the industry's position  
9 with respect to these particular plans but you did do  
10 some work with them in terms of setting them out as  
11 alternatives at the industry meeting, is that correct?

12 A. Yes, sir.

13 Q. As I recall your testimony in the 919 proceeding  
14 one of the things that was discussed was the fact that  
15 all of the split options had pretty dramatically  
16 different potential lives. If you split alternative  
17 one, you might have a significant difference in the  
18 exhaust between the two split areas, do you recall that?

19 A. That's possible, yes.

20 Q. And that's at least one thing that you see and it  
21 tends to drive recommendations for overlays as compared  
22 to splits, is that correct?

23 A. Yes.

24 Q. In this instance in looking through both the

1 filing that was made on behalf of NeuStar and in your  
2 presentation here today I'm not seeing a lot of  
3 difference in the lives of the splits and the lives of  
4 the overlay. Am I reading that correctly?

5 A. Yes, that's correct. In this particular case  
6 we're able to balance the lives by manipulating the rate  
7 centers on either side of the line to come up with  
8 uniform life. And that's one of the criteria we use in  
9 proposing a split plan is we try to get it to be as  
10 uniform as possible following some other guidelines,  
11 like we try to follow some geographic boundary, some  
12 logical boundary. We don't split rate centers. We try  
13 not to split communities of interest, although that's  
14 getting almost impossible now to do that.

15 Q. I believe in one of your earlier comments you  
16 indicated some uncertainty about the validity of the  
17 projected lives of some of the splits. Did I hear you  
18 correctly to say that?

19 A. There is that concern because --

20 Q. (Interposing) What is the basis for the concern?

21 A. We do not receive forecasts based on specific rate  
22 centers. We receive forecasts from the carriers based  
23 on the NPA. So we don't know if the growth is in  
24 particularly in one particular rate center or group of

1 rate centers as opposed to the other one. Now, we can  
2 make some assumptions about that, for instance, that we  
3 would assume that Greensboro would be growing a little  
4 bit faster than Ramseur but, nonetheless, we get no  
5 specific rate center data and, therefore, at the time of  
6 this -- at this COCUS, therefore, we don't know if the  
7 growth is heavier on one side of the line or the other.  
8 We apply a uniform growth across all the rate centers.

9 Q. Let's look, for example, at your document here and  
10 let's turn to page -- I'm looking at Page 23 which is  
11 the alternative four and chose the various calling areas  
12 of Area A and Area B. On Page 25 you indicate that the  
13 projected life for Area A is nine years and the  
14 projected life of Area B is -- it's Area B but the "B"  
15 is not there, Area B is eight years. Tell me subject to  
16 the limitations that you've described for me how did you  
17 get those two numbers?

18 A. We have a model that we use that projects the  
19 growth based upon the projected exhaust of the entire  
20 NPA and then projects that to each individual rate  
21 center. We have --

22 Q. (Interposing) Based on what?

23 A. Pardon?

24 Q. I mean, just a uniform --

1 A. (Interposing) Just a uniform split or, excuse me,  
2 split is a poor choice of words, just a uniform  
3 dissemination of the growth across all rate centers.

4 Q. Now, based on that I'm hearing you say, and tell  
5 me if I'm hearing correctly, that you have more  
6 confidence in your projection for the expected life of  
7 an overlay than you do for any of the split  
8 alternatives. Is that a fair deduction or are they all  
9 equally uncertain?

10 A. There's an equal amount of uncertainty in all of  
11 them in that we don't know the future of the growth of  
12 the number of carriers, which is one of the main drivers  
13 in the assignment of NXX codes, or their specific  
14 business plans for expansion. There's that uncertainty  
15 and it's to the uncertainty, yes, there is additional  
16 uncertainty as to whether particular rate centers grow  
17 faster than others and, therefore, would shorten the  
18 life of one side or the other given the fact that we  
19 don't know, for instance, if a carrier is going to be  
20 going to Walkertown and Kernersville as opposed to  
21 Randleman and Asheboro, in the case of using one on  
22 23 -- on Page 23.

23 Q. Now, you mentioned in one of your earlier answers  
24 that in the event that alternative two was adopted, and

1 I believe that's a split that would involve putting  
2 Greensboro, High Point, and Winston-Salem in area -- in  
3 one of the areas and everything else in 336 in area --  
4 in the other one, that you mentioned that very few folks  
5 would wind up with anything other than 10-digit dialing.  
6 Can you give me --

7 A. (Interposing) Those were the reasons that were  
8 provided by the industry at the meeting as to  
9 eliminating that alternative.

10 Q. Did you receive any similar information at the  
11 meeting concerning the other two split alternatives that  
12 were discussed at that time?

13 A. Yes, I did.

14 Q. Can you tell me what information you received at  
15 that time?

16 A. Okay. The alternative number four was eliminated  
17 because it splits five counties. It disrupts existing  
18 7-digit calling routes by where the split line is  
19 placed. It splits the Triad, Greensboro, Winston-Salem  
20 area from High Point. It separates Gatewood and Milton  
21 rate centers which are served from the same switch in  
22 Virginia. For Greensboro only 34% of the dialing would  
23 remain seven digits, this is in alternative four, 87%  
24 would remain in Winston-Salem, and only 25% would remain

1 seven digit for High Point.

2 Q. I'm sorry, would you say that for me again?

3 A. Thirty-four percent -- if you'd like, I'll give  
4 you this piece of paper that's got it all on it.

5 Q. Why don't you trust me to try to make some --

6 A. (Interposing) Okay, 34% of the dialing would  
7 remain seven digits.

8 Q. In alternative four?

9 A. In alternative four.

10 Q. In Greensboro?

11 A. For Greensboro. For Winston-Salem 87% would  
12 remain seven, High Point, 25%.

13 Q. Would remain seven?

14 A. Correct.

15 Q. So we have 34% would remain seven for Greensboro,  
16 87% in Winston and the last figure for High Point was?

17 A. Twenty-five percent.

18 Q. Do you have similar figures for alternative three?

19 A. Alternative three, respectively for the same rate  
20 centers, 50, 78, and 60 percent.

21 Q. Would remain --

22 A. (Interposing) Seven digit.

23 Q. And, lastly, and this is just to try to clear up  
24 something that one of the public witnesses raised last



1     night. We received a number of letters in this  
2     proceeding that say, in effect, there's an easy solution  
3     to this problem, why don't you go add a fourth digit to  
4     the NXX code, that would free up a whole bunch of  
5     numbers. Is that possible? If it's not, tell us why  
6     not.

7     A.     That question, I'm afraid, would have to be  
8     answered by the carriers. They have the technology that  
9     does that.

10    Q.     Do you have any basic understanding as to whether  
11    that's feasible given existing --

12    A.     (Interposing) Personally, yes, I used to be in the  
13    business and it would require a lot of translation and a  
14    lot of programming changes in the switches to  
15    accommodate a fourth digit in the NXX.

16    Q.     Would that basically require a total revision of  
17    the numbering plan?

18    A.     Yes.

19    Q.     Is that a cheap matter?

20    A.     No.

21    Q.     Do you have any estimate as to what aggregate  
22    cost --

23    A.     (Interposing) No credible estimate, no.

24            COMMISSIONER ERVIN: All right. Thank you

1 very much, Mr. Foley. I'm afraid I have stimulated  
2 further conversation by the Chair.

3 EXAMINATION BY CHAIR SANFORD:

4 Q. I just wanted to be sure I wasn't plowing ground  
5 that was already plowed here. Let me ask you a few more  
6 questions, Mr. Foley, and I appreciate your input. If  
7 you weren't such a knowledgeable witness, we wouldn't  
8 have so many questions. How long was 336 projected to  
9 last when we created it?

10 A. I don't know.

11 Q. You don't know. I guess that's in our Order  
12 somewhere. Do you know whether it was supposed to last  
13 longer than it looks like it's lasting?

14 A. I believe it was.

15 Q. If you can, please speak specifically to 336 and  
16 if you can't, if you would just talk to me generally  
17 about what usually accounts for the fact that these  
18 codes, in I think a number of instances, just aren't  
19 lasting as long as any of us thought?

20 A. One of the reasons that we hear, first of all,  
21 there's the proliferation of telecommunications services  
22 and the different alternatives that customers have and  
23 the number of carriers that are in the marketplace.  
24 Those alone are not doing it by themselves but the

1 larger demand by customers which then help stimulate the  
2 growth for additional carriers, but we've talked about  
3 the structural limitations of ten thousand number  
4 assignments. Those all combined and the rapid growth of  
5 the alternative carrier business I don't think was  
6 foreseen a number of years ago when the initial  
7 projections were made for area codes like 336. As these  
8 carriers came in and took up numbering resources to  
9 serve their customers, they dwindled the supply of  
10 numbering resources faster than it was anticipated.

11 Q. And is it, and I really invite your disagreement  
12 if you disagree with anything I'm saying, is it  
13 reasonable -- is it accurate, I guess, for a Commission  
14 to say to a community that is in this kind of situation  
15 that one way to look at it is that there's growth in  
16 that community that is placing increased demands on the  
17 numbering supplies?

18 A. There's growth in the telecommunications and the  
19 availability of telecommunications services. I don't  
20 know if I could say that there is growth such as  
21 population specifically or economic growth, although I  
22 think those two would lead to -- if there was no growth  
23 in the economy and no growth in population, I would  
24 assume that nobody would want to do business in that

1 town in the form of telecommunications carrier. So  
2 that's as indication that there's activity there,  
3 there's growth.

4 Q. Even -- switching gears a little bit. Even with  
5 an overlay we still have an inefficient allocation  
6 system right now, isn't that correct?

7 A. Yes, ma'am. It's been said it's inefficient, yes,  
8 it's the allocation system that we have.

9 Q. Well, and it's not -- this isn't about hanging  
10 personal fault anywhere, it's simply where we are based  
11 upon decades of allocating numbers. I mean, the system  
12 has developed as it has developed and for good reason  
13 during that period of time. It's just that we're in  
14 different times right now it seems to me, wouldn't you  
15 agree?

16 A. I believe that in 1947 when the North American  
17 Numbering Plan was initially proposed and implemented  
18 that the exhaust of the North American Numbering Plan  
19 using the traditional area codes, those are the ones  
20 with the 0 and the 1 in them, were somewhere around  
21 2020. Now we've added the non-traditional area codes,  
22 those are the ones that don't have 0 and 1s in the  
23 middle, and the projections are as -- whichever method  
24 you wish to look at projecting it somewhere around the

1 same time or a little less.

2 Q. And is our best and earliest hope for a more  
3 efficient allocation system thousand block pooling?

4 A. I can't comment on that. I have no opinion one  
5 way or the other.

6 Q. When do you -- do you have an opinion on when  
7 thousand block pooling will actually be implemented?

8 A. (Shakes head indicating the negative) I  
9 understand that the National Pooling Administrator is to  
10 be selected some time late this month or early next  
11 month but the FCC is doing that selection and that could  
12 mean June or July.

13 Q. That's true. I'll ask another question you might  
14 not be able to address. I mean, the fact is --

15 A. (Interposing) I'm sorry.

16 Q. No, it's not you. I'm not saying this to impugn  
17 you. I know this is a tough area and you have your  
18 responsibilities. I guess I'll just make a statement to  
19 the record that it is very frustrating for companies,  
20 the Commissions, and consumers, for everybody  
21 involved -- I mean, there are, as my daughter says,  
22 gazillions of phone numbers out there assigned but not  
23 being used right now, isn't that correct, nationwide?

24 A. Yes.

1 Q. Whatever gazillions -- I mean, you probably would  
2 like a little more technical term. There are a lot of  
3 phone numbers out there.

4 A. Gazillions is real close.

5 Q. It's a big number. I did the math one time but I  
6 would not dare trust myself to do it on the record but  
7 it's -- there are a lot of numbers out there that we as  
8 a country, and it's a bunch of us, responsible for --  
9 we're going to have to find a way to free up, isn't that  
10 right, or face exhaust of the NANP when there are  
11 numbers that could be used sitting there locked up?

12 A. Yes, that would be the prudent thing to do.

13 CHAIR SANFORD: Well, I don't have anymore  
14 speeches to make. Thank you.

15 COMMISSIONER ERVIN: Are there any questions  
16 based on the questions that have been asked by either  
17 the Chair or myself? (No response.) If not, thank you  
18 for coming to be with us today, Mr. Foley. You're  
19 excused.

20 (WITNESS EXCUSED)

21 COMMISSIONER ERVIN: Is there any other  
22 witness that is -- I'm going to get totally informal  
23 here. Is there anybody else that is planning on  
24 testifying that we need to hear from? Mr. Smith.

1     ROBERT B. SMITH;             Being first duly sworn,  
2                             testified as follows:

3     EXAMINATION BY COMMISSIONER ERVIN:

4     Q.     Would you state your name and business address for  
5     the record, please?

6     A.     Yes. My name is Robert B. Smith. I work with  
7     BellSouth Telecommunications, Incorporated, out of  
8     Charlotte, North Carolina, 300 South Brevard Street.

9     Q.     And what are your responsibilities with BellSouth?

10    A.     I'm Director of Regulatory Affairs for North  
11    Carolina.

12    Q.     And does that include any responsibility for  
13    numbering?

14    A.     Yes, it does.

15    Q.     And could you tell me what your responsibilities  
16    in numbering area are?

17    A.     I am in charge of all numbering related issues for  
18    BellSouth in North Carolina, so coordination and  
19    development of comments filed on behalf of BellSouth.

20    Q.     Do you have any comments that you wish to make to  
21    us this morning concerning the issues that have been  
22    raised by NeuStar's petition for relief in the 336 NPA?

23    A.     Yes, I do.

24    Q.     Would you please do that?

1 A. Yes, I will. Thank you. I have handed out -- had  
2 Ms. Pam Smith hand out several handouts, there's a  
3 couple there. One of them is a summary of comments  
4 filed. You will note that I'm representing today  
5 BellSouth, Alltel, and North State in these comments.  
6 Sprint was a party to our comments that were filed with  
7 the Commission. They have spoke on their own behalf  
8 today so I've also --

9 Q. (Interposing) You think you speak with their  
10 approval but not directly for them?

11 A. That's correct. I don't think we have any  
12 disagreements. I've also handed out an exhibit that  
13 there were some questions on when Mr. Foley was here.  
14 That exhibit is directly from the petition that NANPA  
15 filed for relief of 336. I thought that would be of  
16 interest in relation to the 10-digit dialing issue.

17 Q. All right. For purposes of the record, the  
18 document that you just referred to is Attachment 6?

19 A. That's correct.

20 COMMISSIONER ERVIN: Let's for the purposes of  
21 the record identify this as Smith Exhibit 1.

22 SMITH EXHIBIT 1

23 Identified

24 Q. All right. If you would proceed, Mr. Smith.



1     A.     Thank you. I do have one correction from comments  
2     that were filed by the incumbents that I'd like to bring  
3     to your attention. It's a minor typographical error  
4     that I'd like to have on the record. It's on Page 3 of  
5     comments filed on the paragraph, alternative two,  
6     geographic split, line two, there's a number that  
7     says 45 in the comments, it should say 85, it's changed.

8             On behalf of BellSouth, North State, and Alltel  
9     we are here to endorse the industry consensus plan that  
10    the industry met on July 27, 2000, on for an all  
11    services distributed overlay for the 336 NPA area. We  
12    believe that the benefits of the proposed overlays are  
13    several, one of them being the communities would not be  
14    divided by an NPA boundary. There would be no number  
15    changes for anyone that has existing numbers in those  
16    areas. There's more efficient use of the numbering  
17    resources than there would be in a split environment  
18    where the numbers can be used for the people that need  
19    them. In a split environment the forecast, yes, they're  
20    both depending on forecast but the element there that  
21    needs to be pointed out is you could very well have more  
22    growth in one side of a geographic split than the other.  
23    With an overlay, the numbers can be used universally  
24    across the relief area.

1           Future NPA relief would be drastically  
2   simplified. You would already have consumers and  
3   businesses adjusted to 10-digit dialing. You wouldn't  
4   have to re-educate that anymore. It would just be a  
5   matter of overlaying another NPA. And last but not  
6   least, we believe that it's less confusing to customers  
7   to just go ahead and use 10-digit dialing universally.

8           I'm going to go into some of these issues briefly  
9   as we go along but the primary issue here is under the  
10   geographic split plans that have been reviewed by the  
11   industry there's a mixture of seven and 10-digit dialing  
12   for local calls. Here everyone would know 10-digit  
13   dialing for local calls.

14           There is one main disadvantage of the proposed  
15   overlay, and we all know that that's the 10-digit  
16   dialing for local calls and that does take some getting  
17   used to. We do place more emphasis on customer  
18   education as we have in the 704 area code because of  
19   that. We don't believe that because of the situation  
20   336 that that is a real clear disadvantage, however.

21           As has been covered by Mr. Foley and as shown on  
22   the attachment that you have, in each of the geographic  
23   split options you're going to have a quite substantial  
24   mix of seven and 10-digit dialing. On alternative

1     number two of the split plan where you would have the  
2     Triad isolated from 85 other exchanges in the 336 area,  
3     Greensboro -- from the Greensboro area the basic local  
4     calls and the expanded local calls you would have 42  
5     exchanges that would be called ten digits.

6             Under, again, alternative two, High Point -- from  
7     the High Point area you would have 45 exchanges that  
8     would be dialed in the basic local and expanded area ten  
9     digits. Winston-Salem would have 52 from their area.  
10    So that -- not only are you isolating the Triad from the  
11    rest of the area but you're creating a huge amount of  
12    10-digit dialing in even the geographic split plan.

13            Alternative three, Greensboro, from the  
14    Greensboro exchange calls to the basic local and  
15    expanded local, 23 exchanges would be 10-digit dialing;  
16    High Point, 19; and from Winston-Salem, 12. And then,  
17    finally, alternative four from the Greensboro exchange  
18    you would have 30 exchanges that would need to be dialed  
19    ten digits; High Point, 36; and for Winston-Salem, 7.

20            So that in itself we believe is going to be  
21    extremely burdensome to customers to understand when  
22    they use ten digits, when they use seven digits. You'd  
23    almost have to have a map on your refrigerator to cover  
24    it. For that reason, the overlay is much more

1     simplified.

2             The other disadvantage, of course, the alarm  
3     industry spoke last night and the alarm industry does  
4     need to go out and change a good amount of their  
5     translations to be able to dial ten digits from  
6     customers. I think Mr. Thayer spoke very well last  
7     night about the fact that since we have so many changes  
8     that we've been going through with NPAs, it is probably  
9     better to just go ahead, even for the alarm industry, to  
10    bite the bullet and change them to 10-digit dialing.  
11    Then we won't have this problem on a going forward  
12    basis, although I do appreciate Mr. Thayer's comments  
13    that he made earlier today and everyone is concerned  
14    about the concerns of the consumers about dialing ten  
15    digits.

16            Alternative two, aside from the overlay plan, we  
17    did have three geographic split plans. I just want to  
18    go through them real briefly. Alternative two takes  
19    Winston-Salem, Greensboro, and High Point, again, into a  
20    single NPA, 85 of the remaining exchanges are in a  
21    different NPA. Mr. Foley went over the exhaust.  
22    They're pretty even assuming that the forecasts are  
23    balanced on both sides and growth is equal on both  
24    sides. Four counties would be split by an NPA line

1 which has been a point of contention in previous NPA  
2 splits, where to draw that line and who to divide in  
3 those situations, of course, once again, a large mixture  
4 of seven and 10-digit dialing. The industry did not  
5 believe that that plan made sense because of those  
6 reasons.

7         Alternative three divides, again, as Mr. Foley  
8 said, 336 NPA east and west. Greensboro is separated  
9 from the remaining Triad exchanges of Winston-Salem and  
10 High Point, also separated from Kernersville. Five  
11 counties in this case are split by an NPA boundary and,  
12 once again, a heavy mixture of seven and 10-digit  
13 dialing for local calls.

14         Alternative four divides, once again, the 336 NPA  
15 east and west. In this case, however, Greensboro and  
16 High Point would be separated from Winston-Salem and  
17 also from Kernersville. Five counties in this case are  
18 separated by an NPA line and, once again, a heavy amount  
19 of seven and 10-digit dialing mixture.

20         For all of these reasons in going through all of  
21 the geographic split plans available and for primarily  
22 the reason of the confusion that it would create in mix  
23 dialing and the splitting of counties, the incumbents  
24 endorse the distributed overlay plan. That's all I

1 have.

2 COMMISSIONER ERVIN: Are there any questions  
3 from Counsel for Mr. Smith?

4 MR. VOIGT: Mr. Chairman, again, we have no  
5 questions of Mr. Smith but, again, I would like to state  
6 for the record that Smith supports the all services --  
7 Sprint supports the all services overlay for the reasons  
8 that Mr. Smith has well summarized in his statement.

9 COMMISSIONER ERVIN: All right. Questions  
10 from the Commission? Chair Sanford.

11 EXAMINATION BY CHAIR SANFORD:

12 Q. Good morning, Mr. Smith. I bet you can tell me  
13 how long we thought 336 was going to last, you were  
14 there along with me.

15 A. Well, actually I was not at 336, I was at 704.  
16 But, no, I really do not have that. I can provide that  
17 if you would like that information after the fact.

18 Q. I can get it back out of our files.

19 A. I apologize. I do not have that. Seems like I've  
20 been here that long.

21 Q. Tomorrow is mandatory 10-digit dialing in 704,  
22 right?

23 A. Yes, that's correct.

24 Q. Have the companies -- to your knowledge have the

1 companies, the telephone carriers in the 704 region,  
2 done anything in recent weeks to reemphasize that  
3 changeover?

4 A. There's been a lot of communication between  
5 companies in that area and I'm confident that everybody  
6 is ready for it and is prepared.

7 Q. Customers included?

8 A. Yes.

9 Q. Heard anything from the alarm industry recently?

10 A. I have not heard any direct comments from the  
11 alarm industry, no, not in the last couple of weeks.

12 Q. Are you aware of any way in which -- and I  
13 apologize I should know this from the record, but is  
14 there any distinction in your proposal and Sprint's  
15 proposal in this matter?

16 A. No, there is not.

17 CHAIR SANFORD: Okay. That's all. Thank you.

18 COMMISSIONER ERVIN: Commissioner Joyner.

19 EXAMINATION BY COMMISSIONER JOYNER:

20 Q. Good morning, Mr. Smith.

21 A. Good morning.

22 Q. I'm concerned about the future impact of the  
23 decision we make in this case. Once an overlay is  
24 ordered on an ongoing basis in the future when

1 additional relief is needed does -- are you kind of tied  
2 in to overlays over overlays or is it still possible to  
3 do a mix and match and how complicated is all of that?  
4 Do you understand my question? I'm trying to figure out  
5 the impact of a decision today in 336 ten years or five  
6 years down the road if we have to come back and look at  
7 this.

8 A. I think the main factor is if you do an overlay  
9 and you condition everyone to 10-digit dialing, the  
10 likelihood is you're not going to want to have to  
11 recondition it to change that. The only way that you  
12 could really change that scenario is to pull someone out  
13 of the overlay and completely separate them and create  
14 another geographic split type environment where they're  
15 not in the overlay anymore.

16 I don't think you would want to do that  
17 simply because, yes, it's going to take a lot of  
18 customer education which we have seen in the 704 NPA to  
19 get people in the 10-digit dialing mode. And with the  
20 way the numbers are being used today, in all likelihood  
21 if you do isolate someone they're going to have to be  
22 pulled back sooner or later unless the FCC eventually  
23 does order 10-digit dialing anyway. So I would not  
24 encourage that. I would say that it is a lot easier to



1 go ahead and implement overlays on a going forward basis  
2 for consumers, businesses, and for the industry.

3 Q. Given the current number resource administration  
4 do you think, universally, 10-digit dialing is  
5 inevitable?

6 A. I would only be guessing but, yes, I would say  
7 that there will come a time that that will happen  
8 universally across the United States. Now, your guess  
9 is as good as mine when that's going to happen.

10 COMMISSIONER JOYNER: Thank you.

11 EXAMINATION BY COMMISSIONER ERVIN:

12 Q. Mr. Smith, just a couple of things that Mr. Foley  
13 told me you might be able to answer that he couldn't.  
14 Can you tell me anything about actual individual number  
15 utilization in the 336 NPA?

16 A. I can only speak for BellSouth in that regard.

17 Q. All right. Well, to the extent that you can,  
18 would you?

19 A. Yes, sir. I can tell you generally that our  
20 utilization rates are generally in the 336 area in the  
21 70's, and I would say that they're in the upper 70's,  
22 middle to upper 70's, from what I can recall.

23 Q. Do you have any sense of where other carriers may  
24 be?

1 A. I do not. I'm sorry.

2 Q. They don't give you all their numbers?

3 A. No.

4 Q. All right. Secondly, and the other question --  
5 and this is to follow up on some comments that we have  
6 received in this proceeding. There's been suggestions  
7 that in lieu of affording relief in the forms that have  
8 been suggested to us in this proceeding that we could  
9 avoid the necessity for a lot of this by adding a fourth  
10 digit to the existing NXX codes or doing something of  
11 that nature. That's not something I've seen done  
12 elsewhere. Can you tell me why that option has not been  
13 adopted? Why it couldn't or shouldn't be?

14 A. My understanding, and I am not an engineer, but my  
15 understanding is there would need to be changes in  
16 switching equipment to be able to accommodate that.  
17 Also, in customer premises, PBX systems for businesses  
18 and the IMC is being very careful to go through this  
19 meticulously to decide what is the best way of doing  
20 that.

21 Q. For purposes of the record what is IMC?

22 A. The industry numbering -- industry numbering  
23 committee -- council, excuse me.

24 Q. Committee, council, it's a group of people in the

1 industry looking at the situation.

2 A. That's correct.

3 Q. Is that something that you could do right now,  
4 this adding a fourth digit to an NXX code? Is that  
5 feasible at the present time?

6 A. You could not do it without the involvement of the  
7 industry which IMC has taken care of.

8 Q. Is that an immediately available option at this  
9 point?

10 A. No, sir, not my understanding.

11 COMMISSIONER ERVIN: Are there any further  
12 questions from members of the Commission? (No  
13 response.) Any questions from Counsel on the questions  
14 asked by the members of the Commission? (No response.)  
15 If not, Mr. Smith, thank you for coming to be with us.

16 (WITNESS EXCUSED)

17 COMMISSIONER ERVIN: Is there anyone else that  
18 was planning on testifying or that wishes to testify at  
19 this time? (No response.) If not, for Counsel would  
20 our usual practice of requesting Briefs and Proposed  
21 Orders within 30 days from the mailing of the transcript  
22 be acceptable in this case? Hearing no objection, I  
23 will request that Briefs and Proposed Orders be filed 30  
24 days from the mailing of the transcript.

1 I believe that we had -- I think I admitted  
2 Mr. Foley's exhibit into evidence. If I did not, it is  
3 received and the same for Mr. Smith's exhibit, Smith  
4 Exhibit 1 is also received into evidence.

5 SMITH EXHIBIT 1


6 Admitted

7 COMMISSIONER ERVIN: Is there anything else  
8 that needs to come before us this morning? If not, the  
9 hearing is adjourned and we thank y'all for being with  
10 us.

11  
12 WHEREUPON, this hearing was adjourned.  
13

14 CERTIFICATE

15 The undersigned Court Reporter certifies that  
16 this is the transcription of notes taken by her during  
17 this proceeding and that the same is true, accurate and  
18 correct.

19  
20   
21 Deanna Rountree  
22 Court Reporter II  
23 March 19, 2001  
24

**FILED**

**MAY 10 2001**

Clerk's Office  
N.C. Utilities Commission