

FLORIDA PUBLIC SERVICE COMMISSION
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M E M O R A N D U M

JANUARY 9, 1997

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF COMMUNICATIONS (WIDELL) *rw*
DIVISION OF LEGAL SERVICES (PELLEGRINI COX) *WPC*

**RE: DOCKET NO. 961153-TL - PETITION FOR NUMBERING PLAN AREA
RELIEF FOR 904 AREA CODE, BY BELLSOUTH
TELECOMMUNICATIONS, INC.**

**AGENDA: JANUARY 21, 1997 - REGULAR AGENDA - POST HEARING DECISION
- PARTICIPATION IS LIMITED TO COMMISSIONERS AND STAFF**

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: S:\PSC\CMU\WP\961153TL.RCM

CASE BACKGROUND

The North American Numbering Plan (NANP) was introduced in 1947 by AT&T. The NANP governs the assignment and use of telephone numbers in North America and other Zone 1 countries. The plan is based on a destination code in which each main telephone number in the NANP is assigned a specific address or destination code. The destination codes are commonly referred to as telephone numbers. NANP telephone numbers are in a 10 digit format, consisting of a 3-digit Numbering Plan Area (NPA) code (also known as the area code), a 3-digit Central Office code (usually referred to as an NXX code), and a 4-digit station address code. Bellcore is currently the code administrator with the responsibility of assigning area codes within the NANP. However, this function is currently being transferred to a neutral third party administrator. Generally, the Regional Bell Operating Company (RBOC) or large independent telephone company in a specific area code is responsible for the assignment of central offices codes within that NPA. These entities are required to follow guidelines approved by the industry while assigning NPAs or Central Office Codes.

In the late 1950s it became apparent that NPAs were being assigned at a rate significantly higher than originally anticipated. Out of that early concern came a plan to expand the

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supply of numbers through the introduction of interchangeable codes. The introduction of interchangeable codes modifies the format previously used for the area codes and the central office codes. The previous format of the area codes was N,0/1,X while the central office code format was N,N,X, where N is any number from 2 through 9 and X is any number from 0 through 9. Currently, the interchangeable area codes and central office codes take the format of N,X,X with the same meanings for N and X as listed above. The industry began to implement interchangeable Central Office codes in 1974. In January 1992, Bellcore notified the telecommunications industry that interchangeable NPAs would be introduced in early 1995. Prior to the introduction of interchangeable NPAs, the NANP had 160 NPAs with the possibility of 1.28 billion available telephone numbers for assignment. The introduction of the interchangeable NPA codes provided an additional 640 NPAs which provide a total of 6.4 billion available telephone numbers.

Normally, code holders within the area code are able to arrive at a consensus as to which relief plan should be implemented prior to an area code exhaust. The industry has only requested the Commission to determine an area code relief plan once in the past, Docket No. 941272-TL - 305 Area Code Relief. In that proceeding, the Commission established the criteria it would use to determine which area code relief plan should be implemented. Listed below are the criteria used in that docket:

1. Competitive Concerns
2. Impacts to Customers
3. Impacts to Carriers
4. Length of Area Code Relief

At the prehearing conference, Commissioner Kiesling informed the parties that the Commission would use these same criteria in this proceeding to determine the appropriate area code relief plan for the 904 NPA.

This docket was initiated by a petition filed by BellSouth Telecommunications, Inc. (BST or the Company) on September 20, 1996, seeking review and approval of a plan to provide relief from the impending exhaustion of numbers available for assignment in the 904 area code. BellSouth, as code administrator, has the responsibility of assigning numbers within the 904 area code to code holders. In this case the code holders did not agree as to which plan should be implemented. The petition requested the Commission to review three possible plans for relieving the 904 area code and to determine which plan would best serve the public interest. The plans proposed by BST for review are:

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1. Assign the new NPA to the Pensacola, Panama City and Tallahassee LATAs (also known as Option 1)
2. Assign the new NPA to the Jacksonville and Daytona LATAs (also known as Option 1a)
3. Assign the new NPA Code to the Pensacola and Panama City LATAs (also known as Option 2)

These plans were developed and discussed by the 904 code holders at two industry meetings, on July 31, 1996 and August 22, 1996, in Jacksonville. After lengthy discussions of the plans, the participants were unable to arrive at a consensus agreement as to which plan should be implemented. Therefore, BST decided to file its petition with this Commission.

The Commission held five service hearings, one in each 904 area code LATA (Pensacola, Panama City, Tallahassee, Daytona and Jacksonville), to provide customers an opportunity to express their views as to which plan they believed should be implemented. On December 9, 1996, the Commission held its main evidentiary hearing in Tallahassee. At the hearing, two three-way geographic splits were discussed in addition to the three options filed in BST's petition.

This recommendation addresses staff's recommendation as to which area code relief plan is appropriate, as well as the implementation aspects of the approved plan.

DISCUSSION OF ISSUES

ISSUE 1: What geographic split for 904 area code relief should be ordered by the Commission?

RECOMMENDATION: The Commission should implement a geographic split that assigns the current 904 NPA to the Jacksonville and Daytona LATAs and the new NPA to the Tallahassee, Panama City, and Pensacola LATAs. (Option 1)

POSITION OF PARTIES

ALLTEL: ALLTEL recommends Option 1, because it provides the greatest relief for the most amount of time for both the new NPA and the old (904) NPAs. If the Commission does not adopt Option 1, the Commission should adopt Option 2.

BST: Of the three available options identified, Option 1, which assigns a new NPA to Pensacola, Panama City, and Tallahassee, is the option that best meets the criteria set forth in the industry guidelines for NPA relief.

EMI: Of the three options identified by the industry group, Option 1 is the most desirable option and should be implemented by the Commission.

DMS: DMS supports Option 1a, Option 2, or any split plan that would keep the 904 area code in the Tallahassee Market Area and therefore not disrupt the public's calling into the State's Capital.

SPRINT: Sprint could support all three of these plans although Plan 1 is preferable. A three-way geographic split with "non-LATA boundary" boundaries is not consistent with industry guidelines and is not in the public interest.

NORTHEAST: Option 1 is the most appropriate choice when the guidelines for NPA relief are considered. It offers the greatest amount of relief for both the new (850) and the old (904) NPAs.

QUINCY: Quincy Telephone Company supports the "Three Way Split" plan as the best alternative available.

ST. JOE, FLORALA AND GULF: St. Joseph Telecommunications supports the "Three Way Split" plan as the best alternative available.

ATT: No Position.

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STAFF ANALYSIS: On September 20, 1996 BST filed a petition on behalf of the 904 area code holders. The petition requested the Commission to review three proposed options for a geographic split of the 904 area code to determine which option will best serve the public interest and to enter an order approving the implementation of that geographic split. All three options presented in the petition called for the split to be along LATA boundaries. In addition to the three options presented in BST's petition, there were two three-way split options identified at the hearing. The options are:

- Option 1 - Assign the new area code to the Pensacola, Panama City and Tallahassee LATAs, with the Jacksonville and Daytona LATAs retaining 904.
- Option 1a - Assign the new area code to the Jacksonville and Daytona LATAs, leaving the Pensacola, Panama City and Tallahassee LATAs in the 904 NPA.
- Option 2 - Assign the new area code to the Pensacola and Panama City LATAs, with the Tallahassee, Jacksonville and Daytona LATAs remaining in the 904 NPA.
- Option 3 - IntraLATA three-way split. Assign NPA 1 to the Pensacola and Panama City LATAs, NPA 2 to West Jacksonville and the Tallahassee LATA and NPA 3 to East Jacksonville and the Daytona LATA.
- Option 4 - Three-way split following LATA lines. Assign new NPA 1 to the Jacksonville LATA; new NPA 2 to the Daytona LATA and leave the Tallahassee, Panama City and Pensacola LATAs in 904.

The petition states that Option 1 best meets the industry guidelines for NPA relief. These guidelines will be discussed later in this analysis.

Each option is listed below along with the forecasted exhaust dates and preferences of the parties.

Option 1

This option assigns the new area code to the Pensacola, Panama City and Tallahassee LATAs. The exhaust dates for this option are:

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New Area Code - September 2006
904 - November 2002.

This option was favored by five of the eight parties. BST states that it best meets the industry guidelines. (TR 23) BellSouth Mobility (BMI) says that any geographic split has undesirable consequences for the cellular industry. However, in the light of the telecommunications industry consensus in favor of a geographic split, BMI's view is that Option 1 is the least objectionable approach with Option 2 also being acceptable. (TR 213) Northeast believes that Option 1 is the most appropriate choice when the guidelines for NPA relief are considered. (TR 114) Sprint/Centel says that this option most closely follows BellCore's guidelines and that Sprint could support any of the three options although Option 1 is preferable. (TR 221, 223) ALLTEL witness Eudy summarizes her testimony with, "ALLTEL believes that Option 1 should be adopted for area code relief for the 904 NPA. Option 1 best meets the industry objectives to provide the longest term relief, while minimizing the number of customers that will be impacted by the change." (TR 204)

Option 1a

This option assigns the new area code to the Jacksonville and Daytona LATAs. The exhaust dates for this option are:

New Area Code- November 2002
904 - September 2006.

This option was favored by three of the eight parties. DMS favors Option 1a or any other plan that does not change Tallahassee's area code. (See position above) In original testimony, Quincy (TR 175) and the St. Joseph companies (TR 125) also favored this option; however they later changed their support to Option 4.

Option 2

This option assigns the new area code to the Pensacola and Panama City LATAs. The exhaust dates for this option are:

New Area Code- May 2012
904 - October 2000.

This option was not the first choice of any party. DMS preferred this option to Option 1 since it left the Tallahassee LATA in the 904 NPA. (See position above) It was the second choice of those parties supporting Option 1 since it did not change

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the area code for the Jacksonville and Daytona LATAs. (BMI, Burleson TR 213; Northeast, Khazraee TR 118; ALLTEL, Eudy TR 203)

Option 3

This option is a three-way split option, and it assigns the area codes as listed below:

- NPA 1. Pensacola and Panama City LATAs.
- NPA 2. Tallahassee LATA and Western portion of the Jacksonville LATA.
- NPA 3. Eastern portion of the Jacksonville LATA and the Daytona LATA.

The Jacksonville LATA division would be along the western boundary of Duval and Clay counties. The results of this NPA arrangement are shown in Table 1.

Table 1 - IntraLATA Three-Way Split

AREA CODE	NO. OF COUNTIES	EXCHANGES	PRES. NO. OF NXXs	YEAR OF EXHAUST
Pensacola and Panama City LATAs	14	60	190	2012
Tallahassee & West Jacksonville	13	31	111	2033
Daytona and East Jacksonville	7	33	315	2003

Source: Exhibits 6 and 9

As can be seen, this three-way split plan would extend the relief period for the Jacksonville and Daytona area in Option 1 by one year; however, it would introduce another NPA with a life of over 35 years. It would also create interNPA, seven-digit dialing routes. This problem will be discussed in detail later when advantages, disadvantages and dialing patterns are covered for each of the relief options being considered. No party supported this option.

Option 4

This option is a three-way split along LATA lines. It assigns new NPA 1 to the Jacksonville LATA; new NPA 2 to the Daytona Beach LATA and leaves the Pensacola, Panama City and Tallahassee LATAs in the 904 NPA. The exhaust dates for this option are:

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New NPA 1 - 2006
New NPA 2 - 2030
904 NPA - 2006

No party favored this option as their primary alternative in their original testimony; however, Quincy and the St. Joe companies switched their support to this option in their Post-hearing Brief.

Table 2 below summarizes the positions of the parties on the relief options presented above.

TABLE 2

PARTY	OPTIONS		
	1ST CHOICE	2ND CHOICE	3RD CHOICE
DMS	1A	2	1
QUINCY	4	--	--
ST.JOE, ETC.	4	--	--
BST	1	2	1A
BMI	1	2	1A
N.E.	1	2	1A
ALLTEL	1	2	1A
SPRINT	1	2	1A

Other Plans Considered at the Industry Meeting

Three other split plans, along LATA lines were considered at the industry meetings as listed below:

1. Split-off only the Pensacola LATA
2. Split-off only the Panama City LATA
3. Split-off only the Daytona LATA

These three plans were discarded since they did not meet relief period guidelines. In all three, the new area code would have a life of over 25 years while the 904 area code would last less than 5 years (meeting minutes and Exhibit 6, p.16). In

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addition, the Panama City only plan would create a non-contiguous 904 area code.

A plan which would have split off only the Jacksonville LATA was discussed at the first industry meeting and was also discarded since it created a non-contiguous 904 area code which the group thought would be very confusing to customers.

In addition, two plans for intraLATA splits were considered and discarded. 1) Establish an area code boundary along the Eastern-Central Time zone boundary. This plan would not improve the exhaust dates and would split the St. Joseph Telephone Co's territory. 2) Establish an area code boundary along the south boundary of Duval County in the Jacksonville LATA. This plan was discarded because it would split a very high local and toll community of interest between Duval County and the Clay and St. Johns counties.

A three way split plan with the Daytona LATA being one of the new area codes was discussed but discarded because of the extremely long life of the new Daytona NPA.

Staff attended both industry meetings and agrees with the code holders' decision to discard all of these plans.

Source of all the data on Other Plans Considered is the Minutes of industry meetings attached to the petition and Exhibit 6, page 16.

NPA RELIEF PLANNING GUIDELINES

In deciding on an appropriate area code split plan, the industry has developed what are known as the NPA Relief Planning Guidelines. These guidelines list the assumptions, constraints, and the planning principles used in NPA code relief planning efforts. They also list the steps of the NPA code relief planning process and describe the alternative methods of providing NPA code relief and their various attributes. (EXH 4) Although staff does not believe the Commission is bound by the recommendations in the guidelines, we do believe they present sound principles of NPA relief planning and should be given appropriate consideration when determining a specific relief plan in this proceeding.

There are numerous details in the guidelines, but staff believes the key points of the guidelines that the Commission should consider are:

1. Choose a plan that does not favor a particular interest group.
2. For a split relief plan, the exhausting NPA is split into two geographic areas, leaving the existing area code to serve the area with highest customer density and assigning the new area code to the remaining area.
3. Customers who undergo number changes shall not be required to change again for a period of 8-10 years.
4. The relief plan should minimize end user confusion while balancing the cost of implementation by all affected parties.
5. A difference in NPA lifetimes of more than 15 years should be avoided.

EVALUATION CRITERIA

In Order No. PSC-95-1048-FOF-TL issued in Docket No. 941272-TL, the Commission set priorities for four criteria to be used in selecting an area code relief plan for an exhausting NPA. Although this NPA relief proceeding is somewhat different than the 305 NPA relief proceeding, staff believes use of those criteria is appropriate in this case. Listed below are the criteria identified in Docket No. 941272-TL:

1. Impact On Competition

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2. Impact On Customers
3. Impact On Carriers
4. Length of Relief

Each option being considered will be examined below in relation to each of these four criteria.

IMPACT ON COMPETITION

No evidence was provided that indicated that any option would affect the development of competition. Staff believes that since all five options are geographic splits all carriers will be treated the same no matter which option is approved. Incumbent LECs will not have any advantage over ALECs, cellular companies or pagers; nor will any of them have a competitive advantage over any other. Therefore, staff believes there is no impact to competition no matter which geographic split is approved.

IMPACT ON CUSTOMERS

The impact on customers will be analyzed in three areas: Costs, Customer Confusion, and Dialing Patterns.

COSTS

The costs identified in this proceeding are primarily associated with business customers. It appears that the only costs for residential customers would be for notifying relatives and businesses of their number change. Staff believes this is more of an inconvenience than a cost. Business customers, however, will have costs such as:

1. Reprinting of stationery, business cards and other printed matter that have their area code printed on the material. (ALLTEL, Eudy TR 200)
2. Returning their cellular phones to a service center to be reprogrammed. (BMI, Burleson TR 213)
3. Reprogramming PBXs and other equipment to handle the new area code. (DMS, Mayne TR 135)

Reprinting Costs

The overall cost of reprinting is a function of the number and size of business customers in the area receiving the new area code. It is also dependent on the supply of printed material on hand and

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the length of the permissive dialing period. A mandatory dialing date of February 24, 1998 was presented in the BST petition. The decision on the appropriate plan by the Commission is due to be made on January 21, 1997 and ordered on February 10, 1997. If the LECs operating in the area receiving the new area code will notify their customers of the change and advise them on ordering printed material after the February 1997 date, the cost impact for printed material will be minimized, and only those customers with more than a year's supply on hand will have any cost impact at all.

This reprinting cost is very difficult to quantify, as each customer's situation is different. Except for DMS witness Mayne, who supports Option 1a, there was very little cost information identified by customers. DMS witness Mayne estimated the cost to the State of Florida to be \$2,480,000. (TR 137). This figure was based on estimated costs of three state agencies and extrapolated to cover all 31 state agencies. (TR 137)

Staff believes this estimate is not accurate for several reasons. First, one of the three figures used to estimate the cost per state agency was based on reprinting all of its materials at once and did not consider using existing supplies and reordering only to meet the mandatory dialing date. The cost identified was the highest of the three used in the sample, \$200,000. (TR 156) Second, it was discovered that one agency had estimated no cost but was given full weight in the extrapolation. (TR 160-161) Third, witness Mayne did not give any consideration in the extrapolation to agencies that produce their own letterhead using Word Perfect macros. (EXH 14)

Besides the cost information identified by DMS witness Mayne, there were several witnesses at the Jacksonville service hearing that claimed their businesses would lose money if their area code was changed. Witness Kostenski of Nationwide Equipment Company testified that his company had spent thousands of dollars advertising in the foreign marketplace. He estimated that his company would lose 20 to 25 percent of their \$15,000,000 foreign revenue if the Jacksonville area code is changed. (Jax Pub. Hearing, TR 27-32)

Cost To Cellular Customers

The cost to cellular customers is almost impossible to quantify. Essentially this cost is made up of the time, travel, and any other expense associated with the customers bringing their cellular telephones to a service center for reprogramming. (BMI, Burleson TR 213)

Reprogramming Costs

PBX reprogramming cost should not be a major factor in implementing a new area code as it was in previous years. DMS filed a letter from the Finance Department of the State of Alabama which outlined that state's problems when the area code for the State government was changed from 205 to 334. One of Alabama's major problems was reprogramming agency PBXs. (EXH 13) DMS' witness, Mayne estimated that it would cost the State of Florida about \$500,000 to reprogram 340 PBXs and 1600 key systems and that this figure could approach \$1,500,000 depending upon the status of software configurations that provide the North American Numbering Plan (NANP) dialing scheme. (TR 136) This may have been true when the first interchangeable area codes were implemented in January 1995. Alabama's new NPA, 334, was one of the first interchangeable area codes to be implemented. However, there are now over 60 such area codes in service nationwide (four in Florida - 941, 954, 352 and 561). (EXH 7 pp 1-8) Staff believes that the necessary software has already been installed in most PBXs in Florida, and future area codes will only require a routine translation change. If the state's 340 PBXs are still unmodified, that would mean that the state employees would not be able to dial any of the over 60 interchangeable NPAs already implemented.

Another item of cost estimated by DMS was \$160,000 for making changes in the 176 consolidated systems (ESSX, Centranet, Centrex) serving 128,000 stations. (TR 136) When DMS' witness Mayne was asked what portion of the modifications would be made by the LEC, he replied, "I would think that the majority of them would be made by the local exchange company". (EXH 14 p.25) Witness Mayne stated that it was his understanding that the LEC would charge the State for these changes. (EXH 14 p.25) Sprint's witness Khazraee stated that if the changes were made in the LEC switch there would be no charge to the State. (TR 229-230) Therefore, it is unclear whether the State would actually incur these costs.

Another item of customer cost included in the \$500,000 estimate, was the cost to the state of reprogramming automatic dialers. (TR 136) Staff believes that reprogramming autodialers will be an inconvenience for customers throughout Florida, but this is true no matter which relief option is implemented. Staff also believes that customers who use autodialers are used to programming them on a routine basis and that little cost can be associated with this reprogramming.

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No matter which geographic split is introduced the customers in the area affected by the new area code will incur the costs identified above. (TR 161-162) Even those who retain their 904 number may still incur some costs associated with the new area code such as reprogramming dialing lists. Although DMS appears to have identified a large cost to the state, staff believes the cost figures provided are overstated as identified above. Therefore, staff believes the geographic split that affects the fewest number of customers would be the least costly option for the overall body of customers.

CUSTOMER CONFUSION

DMS witness Mayne believes that customer confusion and irritation would result with a 904 area code change in Tallahassee. (TR 144) This confusion would be due to customers outside of the new area code having to change from dialing 904 + 7-digits to NEW NPA + 7-digits when calling the new area code. Witness Mayne believes the Tallahassee Market Area holds a community of interest for 14 million Florida citizens and the general public, since these customers may need services from the state agencies located in the Tallahassee area. (TR 143) He indicates that there are numerous state agencies that provide public assistance in dealing with complaints, licenses, registrations, permits, taxes and other issues dealing with state government. (TR 143) Further, witness Mayne believes that changing customers dialing patterns is very difficult in spite of efforts to preplan, test and advertise this change. (TR 144)

Staff believes that there will be some confusion for customers no matter which area changes its area code. Staff is not convinced that changing Tallahassee's area code would cause more customer confusion than changing the code for Jacksonville and Daytona Beach. Although witness Mayne presented several arguments as to why there would be considerable confusion if Tallahassee's area code was changed, staff believes that there was evidence at the hearing that would minimize this confusion. First, excerpts from telephone directories showed that all of the state telephone numbers listed in the directory were either a local 7-digit numbers or an 800 number. (EXH 3) Witness Mayne agreed that quite a few customers would utilize directory assistance and blue pages from the directories to get the telephone numbers for various state agencies. (TR 163) Second, witness Mayne stated that probably 70% of the state agencies use 800 numbers for incoming calls from consumers or citizens. (TR 162) Staff would like to point out that 800 numbers are not affected when an area code is changed. Third, as for witness Mayne's belief that changing the dialing patterns of

customers is very difficult, it should be pointed out that the data he relied on was data collected when the state changed to 1 + 10-digit dialing on SUNCOM toll calls. (TR 166) Staff believes that comparing this type of change to just changing the area code is inappropriate and does not provide useful analysis. Witness Mayne agreed that the majority of the dialing problems he identified were due to the failure to dial a 1 before the area code. (TR 166) Staff believes Florida customers have been subjected to over 60 such area code changes throughout the country since January 1, 1995. (EXH 7 pp. 1-8) Four of these new area codes are within Florida. Staff believes that customers are used to the changes required when a new NPA is split off, and there is little confusion as long as they are given ample notice and a sufficient permissive dialing period.

Dialing Patterns

Another item of impact on customers is a change in dialing patterns affected by a new area code. If the new area code results in routes with interNPA seven-digit dialing, a change to ten-digit dialing may be necessary on those routes.

Options 1, 1a and 4 do not introduce any dialing pattern problems, since there is no seven-digit dialing across the new area code boundary. However, Options 2 and 3 do establish new area code boundaries with seven-digit dialing across them. Under both options the LATA line between the Tallahassee and Panama City LATAs would be a new area code boundary. There are nine seven-digit routes across this boundary, Tallahassee to Quincy, Gretna, Greensboro, Havana, Chattahoochee, Bristol, Hosford, Alligator Point, and Carrabelle. In addition, Option 3 would create six new seven-digit interNPA routes, Macclenny to Jacksonville, Baldwin & Maxville and Sanderson to Jacksonville, Baldwin & Maxville. Although BST's witness Baeza indicated that these types of routes may necessitate protecting codes due to the potential for dialing conflicts, staff believes that none of the plans would cause NXX code assignment problems that could not be handled with careful assignment of NXX codes. Therefore, staff does not believe it is necessary to change any dialing patterns no matter which area code plan is implemented.

IMPACT ON CARRIERS

The parties to this proceeding have identified effects on carriers when an area code is implemented in their service territory. ALLTEL witness Eudy listed three types of costs that her company would have to incur if a new area code was implemented in ALLTEL's territory. (TR 200)

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1. Switch programming to recognize the new area code for routing of traffic.
2. Updating Operational Support Systems, including billing, customer service, repair reporting and testing.
3. Administrative expense to provide customer notification of the changes and respond to customer inquiries.

Although ALLTEL indicates that these are its costs if a new area code is implemented in its service territory, staff believes that no matter which geographic split plan is implemented, these costs would be incurred by the local exchange company serving that area. Further, staff believes that to some extent companies will incur some of the costs identified for category 1 and 3 even if the new area code is not implemented in their service territory.

The only other impact identified by the carriers was the cost to reprogram cellular telephones. BMI's witness Burleson stated that it would cost approximately \$15 per cellular telephone to reprogram the new area code in the set. (TR 213) However, witness Burleson recognizes that any NPA adjustment will result in costs on various consumers in business, industry and government, which must be absorbed by those various entities.

Staff believes the items listed above are valid costs to carriers due to the implementation of a new area code, no matter which geographic split is implemented. However, staff believes the costs identified above are costs of doing business in the telecommunications industry, and do not justify implementing one plan over another.

LENGTH OF RELIEF

The length of the relief plans are not as subjective as the other criteria. Listed below are the plans and their associated exhaust dates.

OPTION	NPA	LATAS	EXHAUST
1	NEW	PEN, PAN, TAL	SEP. 2006
	904	JAX, DAY	NOV. 2002
1A	NEW	JAX, DAY	NOV. 2002
	904	PEN, PAN, TAL	SEP. 2006
2	NEW	PEN, PAN	MAY 2012
	904	TAL, JAX, DAY	OCT. 2000
3	NPA 1	PEN, PAN	MAY 2012
	NPA 2	TAL, W. JAX	--- 2033
	NPA 3	E. JAX, DAY	--- 2003
4	NEW 1	JAX	--- 2006
	NEW 2	DAY	--- 2030
	904	PEN, PAN, TAL	SEP. 2006

SUMMARY OF THE OPTIONS

Since the impacts on competition, customers and carriers do not vary with any of the proposed relief plans, staff believes the best plan to implement would be the one that provides the longest life and affects the fewest customers.

The impact on customers is most affected by the number of customers that have their area code changed. The number of customers relates to the access lines experiencing an area code change. This data along with the exhaust dates of each area code proposed is summarized in Table 3.

Table 3

OPTION	NPA	LATAS	RES ACCESS LINES	BUS ACCESS LINES	EXCHS	NXX	EXHAUST
1	NEW	PEN, PAN, TAL	505,275	237,798	71	269	SEP. 2006
	904	JAX, DAY	704,990	306,854	53	347	NOV. 2002
1A	NEW	JAX, DAY	704,990	306,854	53	347	NOV. 2002
	904	PEN, PAN, TAL	505,275	237,798	71	269	SEP. 2006
2	NEW	PEN, PAN	374,513	136,614	60	190	MAY 2012
	904	TAL, JAX, DAY	830,752	408,038	64	426	OCT. 2000
3	NPA 1	PEN, PAN	379,513	136,614	60	190	MAY 2012
	NPA 2	TAL, W. JAX	*175,897	*113,956	31	111	--- 2033
	NPA 3	E. JAX, DAY	*654,855	*294,082	33	315	--- 2003
4	NEW 1	JAX	508,906	235,200	43	274	--- 2006
	NEW 2	DAY	196,084	71,654	10	73	--- 2030
	904	PEN, PAN, TAL	505,275	237,798	71	269	SEP. 2006

Source: Access lines from Exhibits 2, 11 and 15

* Estimated

Option 1, when compared with Option 1a, best meets the guidelines on length of relief. The new area code would have a life of 8+ years, and the 904 NPA would be relieved for 4.5 years. The relief lengths for the two area codes would be the same under Option 1a; however, the new area code life of 4.5 years would mean that some customers would experience a second area code change in less than five years. Under Option 1, additional relief for the Jacksonville-Daytona area would be required in less than five years but the affected customers would be experiencing their first area code change, not a second change. Also under Option 1, fewer

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access lines - both residence and business and fewer NXX codes would have number changes and the cost to business customers would be less.

Under Option 2, the fewest customers would be affected. However, this plan would create a new area code with a life of about 14 years and would only provide relief of 2+ years for the 904 NPA. This means that planning for additional relief would need to begin immediately.

Options 3 and 4 fail to meet the guideline that specifies less than 15 years' life differential, and would affect a larger number of customers than any of the three plans submitted in the petition. The concern raised about the extended life is the efficient use of numbering resources. In addition, staff believes establishing a 3-way split at this time may minimize the future options for area code relief.

If Option 1 is implemented, there would be adequate time to plan the next step for relief of the 904 area code. Staff believes this is important because of the uncertainty of the NXX forecast for new entrants to LEC competition. It could be that the next step could split off the Daytona LATA, and we would have the same arrangement of area codes as in Option 4 above. However, there would be a choice of this or some other relief option such as an overlay depending on the status of the industry at that time.

Based on all of the above, staff recommends that Option 1 be approved.

Docket No. 961153-TL
January 9, 1997

ISSUE 2: How and when should the area code relief be implemented?

RECOMMENDATION: Permissive dialing should begin as soon as practicable but no later than May 31, 1997, with mandatory dialing on May 31, 1998. No changes in dialing patterns as a result of the new NPA should be made without future approval of the Commission.

POSITION OF PARTIES

ALLTEL: ALLTEL agrees with Northeast that permissive dialing should be allowed beginning on February 24, 1997, with mandatory dialing to become effective one year later on February 23, 1998.

BST: The 904 NPA relief should be implemented through a transition plan which would allow permissive dialing to begin within three to six months of the Commission's final decision and mandatory dialing to commence in the second quarter of 1998.

BNI: Relief should be implemented through a transition plan, which should allow permissive dialing after a certain period and mandatory dialing to commence in the second quarter of 1998.

DMS: DMS supports the implementation timetable for area code relief as set forth in BellSouth's petition with permissive dialing beginning on February 24, 1997, and mandatory dialing beginning on February 23, 1998.

SPRINT: The longest possible permissive dialing period needs to be instituted, preferably a permissive dialing period of one year. All involved telecommunications companies and the Commission need to work together to mitigate the negative impact to all customers affected by this NPA split.

NORTHEAST: Permissive dialing should be allowed beginning on February 24, 1997, with mandatory dialing to become effective one year later, on February 23, 1998.

QUINCY: The 904 area code relief should be implemented in accordance with the time table set forth in BellSouth's petition.

ST. JOE, FLORALA AND GULF: The 904 area code relief should be implemented in accordance with the time table set forth in BellSouth's petition.

ATT: No Position.

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STAFF ANALYSIS: The petition filed by BST proposed a time line that showed permissive dialing beginning on February 24, 1997 and a mandatory dialing date of February 24, 1998. Five of the eight parties adopted these dates as their position on this issue. However, the order in this proceeding will not be issued until February 1997, and BST testimony states that a minimum of three months after the final order is required to complete the required translation work in the switches. (TR 74) Based on this, it appears that May 1997 will be the earliest permissive dialing date possible. Also, BST witness Baeza proposed that mandatory dialing begin in the second quarter 1998. (TR 24) Staff believes this one year permissive dialing period will be adequate to meet all customer needs including reprogramming cellular telephones.

Therefore, staff recommends that permissive dialing begin as soon as practicable, but no later than May 31, 1997 and that mandatory dialing for all customers be effective on May 31, 1998.

If the recommendation is approved in Issue 1, there will be no dialing pattern problems. However, if it is denied and Option 2 or 3 is approved, there will be interNPA seven-digit routes created by the new area code boundaries. In this event, staff recommends that careful assignment of the affected NXX codes be ordered, and that no changes in dialing patterns be made on these routes without future approval of the Commission.

Docket No. 961153-TL
January 9, 1997

ISSUE 3: Should this docket be closed?

RECOMMENDATION: Yes, with the adoption of staff's recommendation in Issues 1 and 2, this docket should be closed.

STAFF ANALYSIS: Assuming Issues 1 and 2 are approved, staff does not believe there is any need to keep this docket open. Therefore, staff recommends the Commission close this docket.

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