Administrative Law Judge Joel Linsider convened an administrative conference of interested parties on March 25, 1997 to determine the scope and schedule for this proceeding. Comments and reply comments were invited on New York Telephone's report, and a collaborative conference to resolve issues was later scheduled for June 16, 1997; it continued on June 17. While the evidentiary hearings proposed by some parties were not convened, parties were authorized to initiate discovery in order to learn more about each others positions.

Concurrently with these events, two industry meetings were held on April 24 and May 20, 1997 in accordance with the procedures outlined in the NPA Code Relief Planning Guidelines established by the Industry Numbering Committee.[1] In addition, the Department's Consumer Services Division conducted a series of outreach events designed to inform the public about the issues in this case and solicit feedback; they are described below.

Six formal public statement hearings are scheduled to be held throughout New York City during the last two weeks of July; each hearing will be preceded by an educational forum. The parties will be invited to comment on this report, following which final recommendations, reflecting the views of the parties and the public, will be presented to the Commission.

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[1] INC 97-0404-016.

GENERAL VIEWS OF THE PARTIES

There was much discussion among the parties about the timetable for relieving the area codes and various possible relief scenarios, but no consensus could be reached at either the collaborative conference or the industry meetings. The parties seemed to be divided into two groups, one (comprising New York Telephone and Bell Atlantic NYNEX Mobile) favoring an overlay and the other (comprising primarily other telecommunications companies) generally favoring geographic splits. Several of the latter parties expressed concern about possible anti-competitive effects of area code overlays, inasmuch as new market entrants would be more likely to be assigned central office codes in the assertedly less desirable new NPA, but some Competing Local Exchange Carriers (CLECs) suggested they could accept an overlay if conditions were imposed that could mitigate the perceived anti-competitive impacts. Such conditions would include 11-digit home area code dialing, Local Number Portability, and number pooling.[1]

The parties were able to reach agreement to eliminate from further consideration the Northern Manhattan "boundary realignment" plan included in NYT's report. In addition, they agree that existing wireless customers in all five boroughs would

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[1] Number pooling permits more than one carrier to share an NXX code and can, thus, permit a fuller utilization of numbering resources. It is being examined by the North American Numbering Council on a national level; however, some parties suggesting going forward with it in New York before the national process is completed.

be grandfathered in the existing 917 area code overlay. After the 917 area code reaches exhaust, new wireless customers would be assigned to the same area code that wireline customers in their area are assigned to.

All parties agreed that a comprehensive outreach and education program will be necessary regardless of which alternative is selected. The Consumer Services Division will coordinate this effort along with the industry.

THE OVERLAY PLAN

Description

An overlay assigns more than one area code to a given geographic area. Area code relief is provided by opening up a new code throughout the geographic area of the code requiring relief. Central office codes from the new area code are assigned to new growth on a carrier-neutral (i.e., first-come, first-served) basis. No existing customers are forced to change their area codes or local telephone numbers. As required by an FCC directive,[1] the overlay would result in 11-digit (1+NPA+XXX-XXXX) home area code dialing (i.e., any call made in New York City would require dialing an area code), thereby satisfying one of Teleport's mitigating conditions.

Under the overlay plan here offered, all new wireline customers in Manhattan could be assigned to the new 646 overlay area code when the 212 area code reaches exhaust. The 917 area code would continue to be used for wireless until it, too,

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[1] FCC Order 96-333

reaches exhaust. At that point, no distinction would be made between wireline and wireless demand for assignment of NXXs in various NPAs.[1] Similarly, all new customers in Brooklyn, Queens, the Bronx, or Staten Island customers would be assigned to the new 347 overlay area code when the 718 and 917 codes reached exhaust. No existing customers would be required to change either their area codes or their local telephone numbers.

The overlay plan assumes that permanent Local Number Portability, which ensures that all telephone service providers have equal access to telephone numbering resources (i.e., number portability will allow customers to change their service providers without changing their telephone numbers within an NPA and unused and available telephone numbers could be ported to any carrier) will be available, on schedule, by the end of the first quarter of 1998 i.e., before the overlay is implemented during the second quarter of 1998. Indications are that this deadline will be met, thereby satisfying one of the three concerns expressed by some CLECs. Strict interpretation of the FCC's Central Office Code Assignment Guidelines must also be maintained in order to avoid discrimination in area code or central office code assignments.

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[1] FCC rules (Second Report and Order and Memorandum Opinion and Order, released August 8, 1996 in CC Docket Nos. 96-98, 95-185, and 92-237) adopted since the institution of the 917 wireless NPA prohibit the establishment of new technology-specific NPA overlays. Similarly, while service-specific numbering schemes are not prohibited by the FCC, we have not pursued suggestions concerning special numbering for facsimile machines and the like because of the interchangeability of the uses of such lines for communications, as well.

Advantages of the Overlay

Briefly, the overlay plan provides the longest possible term of relief, avoids forced number or NPA changes, is readily replicable, and is a concept familiar to New York City customers. These advantages are more fully explained below.

- Overlays provide a relief period at least as long as any of the geographic split proposals, often longer. Currently, NYT projects that a Manhattan overlay would last 6.5 years and a Brooklyn, Queens, the Bronx, Staten Island overlay to last 13 years. It is likely that the overlay would provide longer relief than any geographic split because we cannot be sure that Manhattan telephone customer growth would occur evenly on both sides of whatever boundary is selected. Similarly, we cannot be sure that future growth would be even as between Brooklyn/Staten Island and Queens/Bronx.

- The overlay spares customers forced number changes and forced NPA changes. Communities would not be divided, as there would be no need to split Manhattan into two nor divide the other boroughs among themselves.

- The overlay is replicable because it would be relatively easy to continue adding overlay codes as New York City continues to demand greater and greater quantities of telephone numbers.

- New York City customers are already familiar with overlays, for the 917 area code has been in use as a (primarily) wireless overlay since 1992.

Disadvantages of the Overlay and Mitigating Factors

The disadvantages of the overlay plan include the likely requirement for 11-digit dialing on home area code calls and the possibility that multiple area codes could be assigned to different customers within the same building or to the same customer in the same building. In addition, it has been suggested that an overlay could be anti-competitive. Each of these concerns, however, appears avoidable.

- Consumers might not like dialing 11 digits on home NPA calls. But this dialing requirement is mitigated somewhat because the universe of numbers dialable using just seven digits would also decrease by approximately half under a geographic split. Also, according to the Industry Numbering Committee's Uniform Dialing Plan,[1] it is possible that 11-digit dialing may someday be required on all calls. New York City residents are already familiar with 11-digit dialing as about one third of all intraLATA calls originating in Manhattan terminate in the 718, 917, 516, and 914 area codes.

- Under the overlay plan it may become inevitable that customers living or working in the same building would be assigned to different area codes.[2] But this is similar to the current situation where different central office codes are

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[1] INC 97-0131-017.

[2] It is also possible that multiple lines in the same business could be assigned to different area codes. However, this is unlikely at least in the near future as spare numbers are generally available for assignment within an NPA.

sometimes assigned in such a manner. With an adequate outreach and education program, the public should be able to learn to accept different area codes in the same geographic region, as well.

- The overlay has been said to impose competitive disadvantages on new market entrants seeking to compete with the incumbent local exchange company. The basis for this concern is that new providers would have a disproportionately large share of their numbers in the new area code, and a customer considering a move to a new provider might be deterred by the need to yield its existing telephone number and change to one in the new, presumably less desirable, area code. But these concerns, it appears, can be adequately addressed.

First, strict adherence to the non-discriminatory provisions of the central office code assignment guidelines will provide important assurance that the development of competition will not be impeded by an overlay.[1] Second, universal 11-digit dialing has already been discussed. Third, as for number portability, it is "scheduled" to be implemented in New York City by the end of the first quarter of 1998, and should help mitigate any perceived anti-competitive effects of an overlay. If Local Number Portability is not available, a mechanism to ensure that all central office code users will have equal access to any

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[1] The INC's Central Office Code Assignment Guidelines require that codes be assigned to all qualified applicants in a non-discriminatory manner (INC 95-0407-008).

remaining 212 telephone numbers would have to be developed.[1] And any CLEC that believed it was not being provided equal access to numbering resources could seek relief from the Commission. Finally, we believe that availability of Local Number Portability before use of overlay codes in New York City makes the issue of number pooling moot as all numbers in all NPAs will become portable and equally accessible to all LECs.

GEOGRAPHIC SPLIT

Description

A geographic split would divide the existing area code region into two geographic areas, leaving the existing area code to serve one portion and assigning a new area code to the remaining area. This method is the one traditionally used, and the line drawn between the areas has usually followed a clearly identifiable jurisdictional, natural, or physical boundary.

New York Telephone examined, in its report, five possible ways to divide Manhattan geographically. In the ensuing proceedings, AT&T presented three more, and all eight were discussed at the collaborative conference. On the basis of those discussions and further analysis, staff has concluded that one of AT&T's proposals constitutes the best geographic split, that is, the one that is simplest to implement, least disruptive and

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[1] For example, until Local Number Portability becomes available, unused telephone numbers in existing NPAs could be reserved for use by existing customers at existing locations.

confusing to customers, and most beneficial in the duration of relief it would provide.[1]

Under this plan, Manhattan would be divided north from south along the center median of 23rd Street: all telephone numbers south of this line would retain the 212 area code and all telephone numbers on the north side would be assigned to the new 646 area code (this would minimize disruption in lower Manhattan where information and telecommunications intensive financial service centers are located). Twenty-third Street was chosen as the boundary because it is a major crosstown thoroughfare, results in approximately half of all current telephone numbers being assigned to each side of the geographic divider (thereby increasing the duration of relief), and minimizes the number of "pocket customers" who might have to incur seven digit local telephone number changes because their serving central office is located on the other side of the dividing line. (The "pocket customer" problem could be eliminated entirely by dividing the area along central office boundaries. Those lines are not well known, however, and using them would compromise, to an unacceptable degree, the public interest in a clear, readily identifiable boundary between the new NPAs.) Appendix 2 provides a graphic depiction of the 23rd Street dividing line and the "pocket" areas.

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[1] For these reasons, the 23rd Street alternative is clearly superior to any of the geographic splits examined by NYT.

To provide relief in the existing 718 area code in 1999 or 2000, Brooklyn and Staten Island telephone numbers would be separated from Queens and Bronx telephone numbers; all telephone numbers on one side of this line (probably Queens and the Bronx because fewer customers would be forced to change their area code and because Bronx customers experienced a change in their area code more recently) would retain the 718 area code and all telephone numbers on the other side would be assigned the new 347 area code. Like 23rd Street, the Brooklyn/Queens boundary was chosen because it is generally recognizable and places roughly half of all telephone numbers in the current NPA on each side of the new geographic divider. Similar, somewhat more complicated, "pocket customer" situations exist along the Brooklyn/Queens boundary, for it appears that some fairly large segments of certain neighborhoods such as Greenpoint, Ridgewood, Cypress Hills, and Woodhaven might have to endure seven digit local telephone number changes. Appendix 3 provides a graphic depiction of the split of Brooklyn and Staten Island from Queens and the Bronx and the "pocket" areas.[1]

In many ways, the advantages and disadvantages of the geographic split are the mirror images of those of the overlay. Nevertheless, they are separately discussed below.

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[1] The identification of the exact boundaries of the "pocket" areas is ongoing.

Advantages of the Geographic Split

The geographic split would retain the familiar identification between a designated locale and a single area code, thereby avoiding the potential confusion associated with multiple area codes in a single neighborhood, building, or even household or business. While the 917 code has familiarized the public to a degree with the concept of an overlay, the public recognizes that the code is used for only a particular type of service and might still be confused by an overlay that applies to all forms of service.[1]

In addition, a geographic split would avoid any need to dial 11-digits for home NPA calls; such calls could continue to be dialed on a 7-digit basis unless 11-digit dialing were universally introduced on a national level.

New York City customers are already familiar with geographic splits as Brooklyn, Queens and Staten Island were split from the 212 NPA in 1985 and the Bronx was split from the 212 NPA more recently (1992).

Finally, a geographic split avoids any risk of anti-competitive effects associated with disproportionate assignment of telephone numbers in the new NPA to customers of new market entrants. The local service provider chosen by a customer would have no effect on the customer's telephone number or dialing patterns.

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[1] As noted, current FCC rules forbid the establishment of new service-specific area codes.

Disadvantages of the Geographic Split and Mitigating Factors

A geographic split would require approximately 1.1 million Manhattan subscribers north of 23rd Street and 1.4 million customers in Brooklyn and Staten Island to adopt new area codes. These forced area code changes would require thousands of businesses to incur potentially significant expenses to change printed materials and advertising displays and to inform suppliers and customers of the change. Residential customers might also incur some similar expenses and, in any case, would be inconvenienced.

Approximately 70,000 "pocket customers" would be more severely affected, for they might be required to change their seven-digit local telephone numbers. The expenses of making these changes could be significant and detrimental to the business community in these "pocket" areas.

Callers, particularly those from outside of New York City, could be confused about what side of the line the party they want to call is on. While 23rd Street is a major east/west thoroughfare known to most New Yorkers, it may not be clearly recognizable to outsiders, and even New Yorkers might not know if a particular address, such as 500 Fifth Avenue, was north or south of 23rd Street. This concern is mitigated, however, by the recognition that telephone directories and directory assistance would specify the area code as well as the seven-digit number.

Because of New York City's small geographic area, there might well be no reasonable way to further divide New York City into geographically-based area codes when supplies of numbers run out again. This concern, however, is diminished by the recognition that even if a split is adopted now, an overlay could be used the next time around, by which time technological changes (such as Local Number Portability) would have likely resolved the concerns that have been raised about the overlay's effects on competition.

Geographic splits will inevitably exhaust sooner than overlays because a split will provide the same relief as an overlay only if growth is equal on both sides of the line and it is impossible to project with total accuracy where future telephone number demand will occur. The Manhattan overlay is projected to provide slightly more than 6.5 years of relief while the 23rd Street geographic split would provide approximately 5.0 years of relief in the northern portion. In the other boroughs, the overlay would provide 13.0 years of relief while the geographic split would provide approximately 10.5 years of relief in Queens and the Bronx. Unbalanced (as to future growth) geographic splits have caused premature NPA exhaust in other states. For example, the former 404 NPA in Atlanta, Georgia was geographically split along the Atlanta city line in January 1995 and the new 770 NPA was projected to last for about eight years. As it turned out, most of the demand for new telephone numbers occurred in the Atlanta suburbs and the 770 NPA assigned to these

suburbs is now projected to exhaust early in 1998. Accordingly, the Georgia PSC is considering implementing an overlay of both the 404 and 770 NPAs.

The value of Local Number Portability (LNP) would be significantly diminished under a geographic split, for numbers would only be portable within the new smaller NPAs.[1]

CONSUMER OUTREACH AND EDUCATION

During the course of the proceeding, staff has conducted a comprehensive public information and involvement program. Our objective has been to inform the affected customers of the need for new area codes in New York City and to receive feedback on customers' preferences as between a geographic split and an overlay.

Staff initiated and conducted presentations at Community Boards and to other community groups throughout the City. In addition, staff participated in six meetings of community and small business leaders sponsored by NYT. Staff provided information at two large expositions in New York City, the Getting Down to Business Fair and the Black Expo. Two Consumer Alerts, describing the NYT proposal, have been developed and widely distributed throughout New York City, via the five borough presidents, every Community Board and all public library branches in the city. Finally, staff has publicized the availability of the agency's toll-free Opinion Line and the Web

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[1] Local Number Portability plans currently envision portability only within an area code.

Customer Comment Forum address as a means for consumers to access the agency with their comments, suggestions and preferences.

A large majority of persons who expressed preferences at public events and through the Opinion Line favored the overlay. The overlay choice was largely based on the desire of most current customers to retain their existing area code. Those who favored the split felt that an area code should define a particular geographic part of Manhattan. There also were repeated calls for the Commission to take the lead in the future in developing a long-term solution to area code exhaust. Finally, people stressed the need for a comprehensive consumer education and advertising campaign and for a long permissive dialing period after a decision is made.

Staff has scheduled additional informational forums prior to the six public statement hearings to be held in the five boroughs during the weeks of July 21st and July 28th.

CONCLUSION

This paper presents staff's tentative conclusions that area code relief in New York City should be provided by an overlay and that, if a geographic split is adopted instead, the line in Manhattan should divide north from south along 23rd Street and insofar as the other four boroughs are concerned, Brooklyn and Staten Island would need to be separated from Queens and the Bronx. Staff favors the overlay because it appears to provide greater relief with less disruption and inconvenience, and its potential adverse affects on competition appear subject

to adequate mitigation. Either measure, of course, would have to be introduced by an extensive and comprehensive program of public education designed to make the transition as smooth and convenient as possible.

As noted, public statement hearings and educational forums have already been scheduled, and we anticipate that further comment on this paper will be invited. The results of those processes will be reflected in the recommendations to be presented to the Commission.

CASE 96-C-1158

ATTACHMENT B

PLEASE NOTE: The code exhaust data in this excerpt are as of the end of 1996 and have been superseded.

BACKGROUND

The North American Numbering Plan (NANP) serves the United States, Canada, Puerto Rico, Bermuda, the Bahamas, and most of the English-speaking Caribbean countries (North America is also known as World Zone 1). Each telephone line is assigned a ten-digit number consisting of a three digit area code, a three digit central office code, and a four digit station number. For example, the Consumer Services Division's help line number for out-of-state callers is (212) 290-4171 which consists of the:

212	290	4171
area code	central office code	station number

Each central office code has a theoretical capacity of 10,000 station numbers (i.e., 0000 through 9999). However, only approximately 9,500 of these can actually be assigned as working telephone numbers at any time, because about 500 station numbers per central office code are needed for test purposes and to provide intercept for customers who move or otherwise disconnect their services. When all available station numbers in a central office code are assigned to customers or are otherwise in use, a new central office code must be assigned to the service area from the pool of central office codes unassigned in that area code.

The availability of central office codes is affected by: previous central office code assignments, requirements for

special access and service codes, and various necessary functions such as plant testing and the provision of repair and emergency services. Theoretically, 1,000 central office codes (i.e., all numbers between 000 and 999) might be expected to be available for assignment within an area code. However, none of the 200 numbers between 000 and 199 may be used for central office codes as the telephone switching equipment currently in use recognizes all numbers beginning with "0" or "1" as operator or long distance calls, respectively. In addition, approximately 40 special access and company administrative codes and several other codes (primarily those such as 718 and 201 codes which are assigned as area codes in surrounding areas) are not assigned as central office codes in New York City. Thus, there are only about 760 assignable central office codes per area code in New York City. Thus, in the New York City area code 212, a maximum of 7.2 million telephone numbers (9,500 telephone numbers per central office code x 760 codes) are available for assignment. In actuality, codes cannot be used to their fullest capacity because of demand for telephone service in different areas of Manhattan, disconnects of service and the need to assign central office codes to competing local exchange carriers, etc.

The NANP was first introduced in 1951. At that time, the 212 area code served all five Boroughs of New York City. The 212 code had provided New York City with an adequate supply of telephone numbers for about thirty years. However, the demand for telephone numbers began to increase rapidly during the 1970's, and the number of unassigned central office codes decreased quickly, placing the 212 area code in jeopardy. In order to make additional central office codes available as the supply dwindled, New York Telephone introduced interchangeable central office codes[1] in the 212 area code during 1980. This

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[1] Use of interchangeable central office codes provided additional central office codes in the 212 area code of a type similar in format to area codes (i.e., where the second digit of the code is zero or one). Equipment modifications were necessary to allow this as the

change made 152 additional three-number combinations available for assignment as central office codes, effectively extending the life of the 212 area code for approximately five years.

Rapid growth in the demand for telephone numbers continued; this, along with the introduction of cellular phones, pagers, and facsimile machines exacerbated the exhaust of telephone numbers in New York City. By 1984, central office code relief was again needed in New York City. Such relief was provided by dividing the geographic territory previously served by the 212 area code and assigning the Boroughs of Brooklyn, Queens, and Staten Island to a new 718 area code in 1985.

New York City's communications-intensive economy continued to grow at an unprecedented pace during the late 1980's, and additional central office code relief was again needed in New York City. In 1992, the Bronx was transferred from the 212 area code to the 718 area code and a new 917 overlay area code was created for wireless and some wireline services throughout New York City. This plan was developed by a government/industry task force led by staff. It was expected at that time that the central office code relief provided by this action would last at least through 2002 for the 212 area code, and through about 2012 for the 917 area code.

Growth in the demand for central office codes in the 212 and 917 area codes is continuing <u>and has significantly exceeded all previous projections.</u> In 1992, only 14 new central office codes were assigned in the 212 area code. Approximately 30 codes per year were assigned in 1994 and 1995. New York Telephone's latest projection for 1996 is for a total of 60 central office code assignments in the 212 area code. Based on the latest information supplied by New York Telephone, the 212 area code is now considered vulnerable to exhaust as early as the first quarter of 1998 (the "exhaust window" for the 212 area code

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second digit had previously been used to distinguish between area codes and central office codes.

is expected to be between the first quarter of 1998 and the third quarter of 1999). Central office code assignments in the 917 area code are also significantly exceeding projections, and the 917 area code is now expected to exhaust as soon as the third quarter of 1999 (the "exhaust window" for the 917 area code is currently expected to be between the third quarter of 1999 and the second quarter of the year 2000).

Area code modifications have become increasingly common since 1992. Other major metropolitan areas in the United States (i.e., Los Angeles, Chicago, Philadelphia, Atlanta, Boston, Baltimore, Cleveland, Houston, etc.) have recently experienced similar increases in central office code assignments and have required central office code relief. Several other New York State area codes are also inching toward exhaust as indicated in the following chart:

Numbering Plan Area (NPA)/Area Code Exhaust
Ranked By Required Relief Date
New York State

			Central Office Codes in Use as of January 1996 by Service Type						
Area Served	Area Code	Projected Relief Date	Normal	DID/CTX	Pager	CLECs	Cellular	Other	Total In Use
Manhattan	212	1998	406	174	8	29	0	46	663
New York City	917	1999	3	22	233	1	83	52	394
Long Island	516	2003	308	48	81	12	55	41	545
Buffalo/Rochester	716	2004	415	7	10	11	23	80	546
Kingston/White Plains	914	2005	328	13	43	6	39	77	506
Syracuse/Utica	315	2016	255	2	16	12	22	78	385
BQB/SI	718	2018	445	25	11	9	5	47	542
Albany/Plattsburgh	518	2022	254	2	16	8	22	89	391
Binghamton	607	2043	164	0	2	5	13	130	314
		Totals	2,578	293	420	93	262	640	4,286

Note: There are a maximum of 800 central office codes available for use in any area code
DID/CTX = Direct Inward Dial Centrex
CLEC = Competing Local Exchange Carrier
Other = Plant Test, protected and reserved central office codes

ATTACHMENT C

As of 9/97

Public Involvement - Case 96C - 1158

	Date	Number	Remarks
Presentations	3/97 to 7/97	13 events 1000 persons	Comments at these events overwhelmingly favored the overlay since all current customers could retain the 212 area code. However, the Commission was called upon to find a long term solution i.e., 8 digit number or the addition of a few area codes at the same time.
Opinion Line	4/97 to 8/97	131 calls	68 callers favored the overlay, 22 favored the geographic split and 41 offered other recommendations, i.e., assigning the new area code to all faxes and modems, giving one area code to residential customers and the other to business customers.
Exhibits	4/97 and 7/97	2 events	Distributed CSD consumer informationals and answered questions at Getting Down to Business (NYC Office of Business Services) and the Black Expo.
Letters & Resolutions	4/97 to 8/97	27	Correspondents included Chairpersons of five Community Boards, Queens Borough President Claire Shulman, Assemblyman Richard Gottfried and Senator Franz Leichter. Seventeen favored the overlay, 6 favored the split and 4 made other recommendations.
Web, E-Mail	7/97	3	Two made other suggestions and one favored the overlay.
PSH Forums	7/97	6 Forums 60 Persons	An informational forum was held prior to each of the public statement hearings. Staff discussed the issues and options. Eighteen persons made statements at the hearings. The majority favored an overlay.