Time Warner

Time Warner offers "qualified support"[1] for the Staff Paper overlay plan. Noting that it generally objects to overlays because of their anticompetitive attributes, Time Warner recognizes that the absence of natural boundaries within Manhattan makes a geographic split more difficult to carry out and suggests as well that the comparatively advanced state of competition in New York City provides a basis for qualified support of the overlay.

Time Warner goes on to explain that, as a facilities-based new entrant with a network in Manhattan, it is concerned about the effects of a geographic split on its own customers, many of whom would be required to undergo a telephone number change a second time (with respect, at least, to the area code if not to the entire seven-digit number), having only recently done so in becoming a Time Warner subscriber.

While it supports the Staff Paper's overlay given the conditions in New York City, Time Warner, like other CLECs, emphasizes the need to ensure that it is competitively neutral. It favors not only universal 11-digit dialing and number portability but also number pooling, given the widespread belief that 212 numbers will remain desirable.

BANM

BANM favors an overlay, citing the various arguments in its favor offered in the Staff Paper. It asserts that competitive fairness is ensured by universal 11-digit dialing, as required by the FCC, and by the FCC's determination that "allowing every telecommunications carrier [serving in an area code] to have at least one NXX in the existing NPA will also reduce the potential anticompetitive effect of an area code overlay."[2] BANM notes that the FCC declined to require permanent

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[1] Time Warner's Comments, p. 3.

[2] BANM's Comments, p. 4, citing FCC 97-74, Appendix to part 52, ¶288.

number portability as a prerequisite to an overlay but that the availability of that device renders moot any anticompetitive claims. It adds that the Colorado Public Utilities Commission recently approved an overlay and, in so doing, noted that anticompetitive effects could be alleviated by a combination of permanent number portability, proper conservation and management of remaining NXX codes, universal 11-digit dialing, and NXX set asides. It asserts as well that certain CLECs, though given the opportunity, refused, in interrogatory responses, to provide evidence supporting a claim of competitive harm.[1]

BANM goes on to endorse the arguments against a geographic split presented in the Staff Paper, noting the burdens of changed phone numbers. It also cites the burdens that would be imposed on cellular customers in the 917 area code if they were not grandfathered in their existing numbers.[2]

Finally, BANM cites the overlays adopted in Maryland, Georgia, and Colorado. It notes, among other things, the Colorado Commission's observation that an overlay promotes code conservation, inasmuch as it uses NXX codes with the new area code for growth purposes only, in contrast to a geographic split, where new codes need to be assigned earlier to allow for a permissive dialing period.

Consumer Protection Board

CPB would favor a suitably conditioned overlay if a new area code were adopted, but it urges that we first determine whether new technologies can postpone the need to do so. It believes that staff's projected exhaust dates may fail to take account of the degree to which number pooling may permit fuller use of numbering resources and to which local number portability will reduce the demand for new telephone numbers. Suggesting that more than 1.5 million available telephone numbers in the 212

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[1] BANM's Comments, p. 4, citing NYT-MCI 19 and NYT-MCI 20.

[2] As already noted, the grandfathering of 917 customers was universally supported and is approved.

NPA have not yet been assigned to customers,[1] CPB calculates that even assuming annual access line growth of 10% a year, a higher rate than actually exists, enough telephone numbers remain to satisfy demand for at least a year. It surmises that the large number of unassigned numbers results from numbers being allocated in blocks of 10,000 and that pooling, which would permit assignment of numbers in much smaller blocks, could use numbers more efficiently and forestall the need for area code relief. CPB notes in this regard that the Pennsylvania Commission recently ordered the industry to adopt number pooling as soon as local number portability is available and that the Colorado Commission recently required new telephone numbers to be distributed in blocks of 1,000.

CPB disputes staff's suggestion that an accelerated schedule for number pooling should not be considered in New York and that a national determination should be awaited. Noting New York's leadership in removing barriers to competition, CPB urges us to continue that lead by considering an accelerated schedule for number pooling, which would permit postponing the dislocations associated with an area code change.

CPB also objects to introducing a new area code for the current 718 area before the expected exhaust date of 2000.[2] It sees no justification for the Staff Paper's suggestion that the new area code be introduced in 1998, even though telephone numbers would not be assigned from it until the old code were exhausted. CPB expresses concern that introducing a new area code so long before it was needed would be confusing to customers.

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[1] Comprising, by CPB's calculation (CPB's Comments, p. 5) 1.28 million numbers allocated to New York Telephone and approximately 300,000 telephone numbers allocated to CLECs and not assigned to customers. The Communications Division estimates the latter figure to be 775,000.

[2] That is the date specified in the Staff Paper. Our best current estimate is that 718 will reach exhaust early in 1999.

Finally, if a new area code were needed, CPB would use an overlay. It notes the dislocations and expense associated with the telephone number changes that would be occasioned by a geographic split, as well as the absence of natural boundaries in Manhattan. To mitigate the anticompetitive effects of an overlay, CPB would require, as prerequisites, local number portability and number pooling. And to insure that local number portability and number pooling were implemented on schedule, it would have us determine that New York Telephone's failure to meet the schedule would cause all remaining telephone numbers in the 212 area code to be reserved for CLECs, while New York Telephone would be required to assign new customers only from the new area code.

New York City

Taking no position on the relative merits of an overlay and a geographic split, New York City strongly urges us to consider other options, including number pooling, unassigned number porting, rate center consolidation, and eight-digit local dialing, that would forestall the need for new area codes and the dislocations they entail. It disputes the Staff Paper's premise that such matters must be considered on a national level; regards it as "unfair to consumers that a significant number of telephone numbers remain unused because of a lack of industry consensus on number pooling"[1]; and urges us to implement a pooling scheme as soon as possible.

Like CPB, the City urges that area code relief not be specified now for the 718 area code. It recognizes that 718 will exhaust in two or three years, but suggests, again, that technological solutions may prolong its life.

Finally, the City urges us to authorize a survey, independent of New York Telephone but funded by it as code administrator, "to discern residential and business preferences for the traditional relief options of geographic split and

[1] New York City's Comments, p. 4.

overlay, giving survey respondents updated information regarding area code options such as technological solutions to forestall area code relief and the truer, longer exhaust periods for the split option."[1]

Manhattan Borough President

The Manhattan Borough President's Office concurs with the Staff Paper and supports the overlay. It acknowledges the potential anticompetitive effects of an overlay but believes they are effectively dealt with by the mitigating measures described in the Staff Paper and that competitive considerations must be balanced against other effects on business and residential customers. In this regard it notes the forced number changes associated with the geographic split, the absence of natural boundaries within Manhattan, the division of existing communities by a geographic split, and the cost and confusion associated with these consequences. It suggests that the inconvenience of 11-digit dialing may be unavoidable, regardless of the choice made here; and it notes that constituents who have contacted the Borough President's Office have generally preferred an overlay, noting that it does not favor one community over another.

PUBLIC INVOLVEMENT

Formal Public Statement Hearings

As noted earlier, six formal public statement hearings were held, attracting a total of 18 speakers; representatives of three parties also made statements. Two were held in Manhattan (an afternoon hearing at our offices and an evening session at Mt. Sinai Hospital) and one in each of the remaining boroughs (afternoon hearings in Brooklyn and The Bronx; evening hearings in Queens and Staten Island.)

Of the 18 speakers, 15 favored the overlay, one favored the geographic split, and two expressed no clear preference. (One, Mr. Alan Flacks, noted the importance of maintaining City-

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[1] Ibid., p. 6.

wide Directory Assistance.) The speakers favoring the overlay stressed the difficulties that new telephone numbers would cause for senior citizens and visually impaired telephone users, as well as the costs they would impose on small businesses. The advocate of a split (a representative of the Brooklyn Borough President) noted the usefulness of maintaining an NPA's geographic identity, the burdens of universal 11-digit dialing, and the competitive implications. He argued, however, that in any split, Brooklyn should be permitted to retain 718.

Informal Outreach and Education

Consumer Services Division (CSD) Outreach and Education staff, assisted by other staff members, conducted a comprehensive consumer outreach and education program in the five boroughs of New York City. The primary objective of the program was to inform the affected customers of the need for additional area codes, explain the pros and cons of the various relief mechanisms, and gain an understanding of their preferences.

During the course of the proceeding, staff made more than 15 presentations to large groups of leaders of residential and business organizations in Manhattan and the other boroughs. In addition, staff participated in eight meetings of community and small business leaders, observed focus group meetings sponsored by NYNEX, and provided information at two large expositions in New York City (the Getting Down to Business Fair and the Black Expo).

Staff also arranged for the widespread dissemination of literature on the proceeding. Two Consumer Alerts describing the NYNEX proposal were distributed throughout the City, via the offices of the five Borough Presidents, all the Community Boards, and every public library branch. The Office of External Affairs issued press releases that led to extensive media coverage, including a number of interviews on local television and cable stations.

Staff also publicized the availability of the Department's toll-free Opinion Line and the web site Customer

Comment Forum address as means by which consumers could offer their comments, suggestions, and preferences. Finally, staff held informational forums before each of the six scheduled public statement hearings in the five boroughs.

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 212 area code. Those who favored the split felt that an area code should define a particular geographic part of Manhattan. Comments called repeatedly for us to take the lead in developing a long-term solution to area code exhaust and noted the need for a comprehensive consumer education and advertising campaign and a long permissive dialing period after a decision is made. Attachment C summarizes the public comment resulting from this process.

DISCUSSION AND CONCLUSION

Need for Relief

The City, CPB, and Teleport all suggest that the need for an additional area code, and the burdens associated with any means of providing it, could be forestalled by other measures, such as more efficient administration by New York Telephone of the resources available in New York City's existing NPAs, including number pooling. But while these parties point to the correct threshold question, no one has shown any error in our initial premise (on which we acted in instituting the proceeding) that relief in 212 would be needed during the first half of 1998 and relief in 917 would be needed in the second half of 1999.

The Staff Paper speaks, in this regard, of staff's general satisfaction with New York Telephone's management of numbering resources, noting that its number utilization (i.e., the percentage of numbers within an assigned NXX actually in use) approaches 80%, among the highest such factors in the country; that its demand growth forecasts are conservative; and that needed NXX code assignments often exceed projections. Teleport

questions the significance of the 80% use factor, suggesting it may be tied to the comparatively low number of rate centers in the 212 NPA,[1] and noting that at some central offices, such as Broad Street, the utilization factor is considerably lower. But while a paucity of rate centers can indeed elevate number utilization data, implying that the 80% is overstated, other factors may cause it to be understated and therefore less likely to be subject to increase by the company's efforts. For example, the 80% figure does not reflect lines recently vacated by customers and still intercepted; such lines cannot be assigned to new customers until the intercept period expires, and taking account of them in the computation would increase the factor even further. Relatedly, the Broad Street central office is one characterized by very large customers. A single customer discontinuing service (such as by moving to New Jersey) may vacate a large number of lines, significantly depressing the utilization factor. Moreover, the CLECs, for the most part, have substantially lower number utilization rates than New York Telephone[2] and correspondingly more available 212 numbers in proportion to their much smaller shares of the market.

We see no basis for any suggestion that more efficient number resource administration could significantly delay the need for a new area code in Manhattan, and the potential disruption of telephone service in Manhattan is too high a price to pay for a small delay in the relief date. Given the unthinkable consequences of being unable to provide telephone service in Manhattan promptly, a new area code is better provided slightly

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[1] Every local exchange carrier wishing to serve a rate center must have at least one NXX assignment in it; therefore, a large number of rate centers in an NPA will tend to depress number utilization factors, since more NXX codes must be assigned even if each is used only in small part.

[2] Comprehensive figures are not available because some CLECs have not responded to requests for information on the number of lines they serve. The best information available to us suggests an overall CLEC utilization rate of only 15%.

too soon (should that in fact be the case) than slightly too late.

That said, we must recognize that recent months have seen a precipitous drop in the number of NXX codes remaining available for assignment in the 212 NPA (as well as some others). This drop appears due, in large measure, to CLECs increasing the pace of their requests for NXX assignments. In these circumstances, steps are needed to ensure that assignments are made in a manner that properly conserves available resources, and, as discussed below, we are directing counsel to examine the steps that may be taken.

Comparing the Remedies

1. The Geographic Split

With limited recent exceptions, NPAs have been geographically defined, and an overlay would represent a novel departure. (Contrary to the Staff Paper's suggestion, the 917 overlay cannot really be cited as precedent; as a primarily service-specific overlay, it seems to have a clear definition that, like a geographic boundary, can easily be recognized.) Once the need to provide a new NPA is recognized, therefore, the weight of history leads one naturally to think in terms of a geographic split. But a geographic split in Manhattan also would be novel, in that geographic splits have historically followed natural, political, or telephone company service territory boundaries, none of which exist within the borough; and assigning one area code to addresses north of 23rd Street and another to addresses to the south (particularly avenue addresses, whose associated cross streets are not immediately apparent) is a far cry from assigning one to Brooklyn and another to Manhattan. These considerations are not, of course, dispositive, but they suggest that the overlay's novelty alone is no reason to choose the split.

One significant drawback to a geographic split, and the one emphasized in most of the comments on the case, is its requirement that many subscribers change area codes and that

some, albeit relatively few, receive totally new telephone numbers. That requirement gives rise to several concerns. First, and emphasized most strongly by the commenting public, are the burdens imposed by any changes of this sort on many elderly and visually impaired people, for whom predictability can make day-to-day living easier. Relatedly, business customers (and, to a much lesser degree, residential customers) whose telephone numbers are changed will incur potentially significant expense in publicizing their new numbers and ensuring that their callers are able to maintain contact with them. More specifically, the supposed cachet of the 212 area code makes many subscribers, especially businesses, reluctant to give it up, lest their callers not recognize their Manhattan associations.

The interplay of these factors is made evident by the disagreement between AT&T and staff over which zone would retain 212 if Manhattan were split at 23rd Street. AT&T's proposal would have left 212 to the north and assigned 646 to the south, thereby requiring only 40% of Manhattan customers to change their area codes. The Staff Paper, on the other hand, would leave 212 to the south, to "minimize disruption in lower Manhattan where information and telecommunications intensive financial service centers are located."[1] Meanwhile, various other comments have suggested that the lower Manhattan financial district, because of its sophistication, would be better able to cope with a changed area code, or that assigning the new code to the north could be seen as discriminatorily favoring the financial district. All of these factors greatly complicate the use of a geographic split and favor a mechanism that requires no subscriber to give up an existing telephone number.

Finally, regardless of whether AT&T or staff is correct about the duration of a 23rd Street split--and their difference of one year becomes less significant when all other factors are taken into account--it is true a priori that no split can provide longer-lasting relief than an overlay, and only an unattainably

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[1] Staff Paper, p. 14.

ideal split can provide the same degree of relief. All else equal, therefore, an overlay would be preferable on these grounds alone.

2. The Overlay

But all else, of course, is not equal, and the proceeding identified various drawbacks to an overlay. One--its novelty--already has been alluded to. People would no doubt find it strange to have area codes that differed from those of their immediate neighbors. But it overstates the matter to suggest this would be seen as dividing communities; among other things, there would be no clear dividing line.

More serious is the possible need for 11-digit dialing even within the same NPA, as currently required by the FCC. This would constitute a considerable inconvenience, even though mitigated by the use of tone rather than rotary dialing and, for some customers, by various forms of abbreviated dialing equipment. The Staff Paper may be right that some day, 11-digit dialing will be universal, but that day is not yet here. Even though a geographic split also would cause increased 11-digit dialing, a universal need to dial 11 digits on calls within Manhattan would have to be seen as a drawback to an overlay. (We discuss below the steps to be taken to avoid imposition of that requirement.)

Finally, the competitive concerns raised by the CLECs must be addressed. Even if those concerns are overstated (as suggested by the CLECs' proportional advantage in numbering resources, referred to above), the importance attached to the 212 area code requires steps to ensure that all LECs have equal access to available 212 numbers and that 11-digit dialing is not seen as needed to promote fair competition.

At case-end, only Teleport among the CLECs takes a position firmly opposed to an overlay. Given adequate pro-competitive conditions, Time Warner favors an overlay and AT&T and MCI would find it acceptable. The conditions, therefore, are of particular importance.

3. Overlay Conditions

The Staff Paper's first condition is that New York Telephone, as code administrator, be required to adhere strictly to the anti-discrimination provisions of the code assignment guidelines. The condition is easy to impose (indeed, it should go without saying), but it cannot, standing alone, resolve the concerns raised about the overlay.

The second condition referred to in the Staff Paper, 11-digit dialing throughout Manhattan, poses difficulties already discussed. Though sought by the CLECs, assumed in the Staff Paper, and required by the FCC, 11-digit dialing represents a substantial burden on customers. But while intra-NPA 11-digit dialing may help the CLECs overcome the burden of having their subscribers disproportionately assigned to the new NPA (by subjecting calls to and from New York Telephone customers to the same degree of 11-digit dialing), that form of protection becomes far less important in view of the other conditions we are imposing to ensure parity of access to numbers in 212.

Perhaps most significant is the Staff Paper's recommendation that permanent LNP be a precondition to any overlay. LNP is being introduced on schedule, and the process should be completed in advance of the date on which an overlay would go into effect. With number portability in effect, no New York Telephone customer would have to sacrifice an existing telephone number or area code in order to take service from a CLEC instead.

Where the Staff Paper and the CLECs part company is on the need for number pooling. Taking strong issue with the Staff Paper's statement that LNP obviates pooling and will itself make "all numbers in all NPAs . . . equally accessible to all LECs,"[1] the CLECs, as recounted in detail above, maintain that LNP ensures parity only with regard to numbers already assigned to customers, but that only pooling can make unassigned numbers in 212 equally available to CLECs. They likewise contest the view

[1] Staff Paper, p. 13.

that pooling should not be required until it is considered on a national basis.

At our session of September 30, 1997, we directed staff to examine, in collaboration with representatives of affected segments of the industry, the feasibility of expedited introduction of number pooling. Three meetings were held, at which the participants generally agreed, first, to retain the existing schedule for permanent LNP (a precondition to pooling), which calls for LNP to be in place in Manhattan by April 1, 1998. With respect to pooling itself, the participants organized a steering committee and four working groups looking toward expedited introduction of number pooling, with the 212 area code to be accorded the highest priority.

It now appears that while technical limitations related to the data bases used to route calls to pooled numbers may slow down the full deployment of number pooling, it is not unreasonable to anticipate that number pooling will be introduced in Manhattan by April 1, 1998 (coincident with the availability of permanent LNP) and extended to New York City's other boroughs by January 1, 1999. New York Telephone has submitted a letter committing itself to exercising its best efforts to achieve number pooling in New York by April 1, 1998, and we fully expect the other participants in the industry to work toward that goal as well.

Conclusion Regarding
New Area Code Implementation

Taking account of all the factors described above, we conclude that the advantages of an overlay in comparison with a geographic split far outweigh its disadvantages. Its benefits include its longevity, its avoidance of forced number changes, its avoidance of inevitably controversial divisions, and its apparent public support. An adequate public education program should limit any confusion that might be occasioned by its novelty, and the introduction of number pooling should obviate most competitive concerns.

Accordingly, we are directing the activation of the 646 area code as an overlay for Manhattan, effective April 1, 1998, on the terms described below. To deal with these issues on a coordinated, City-wide basis, we are directing as well that the 347 area code be activated as an overlay for Brooklyn, The Bronx, Queens, and Staten Island, effective January 1, 1999, a date that recognizes current estimates of when the 718 area code will reach exhaust and that allows time for the introduction of number pooling in the 718 NPA. These overall determinations are to be carried out in accordance with the following terms and conditions:

1. Outreach and Education. New York Telephone is to conduct, after consulting with staff and taking account of staff's suggestions, a comprehensive outreach and education program to acquaint the public with each of the overlays and its operation in advance of the overlay going into effect. It will be required to submit for staff review, within 30 days of the date of this order, its plan for the outreach and education programs for the Manhattan overlay. A corresponding plan for the overlay in the other boroughs should be submitted by July 1, 1998. Other carriers providing local service within New York City should similarly provide their customers information regarding the new area codes in advance of their activation.

2. Telephone Directories and Directory Assistance. During its 1998 telephone directory publishing cycle, New York Telephone is to issue, for all New York City boroughs, telephone directories setting forth each telephone number with its area code. Distribution of those directories is to be completed by November 1998.

In addition, all providers of directory assistance service in New York City shall satisfy the following requirements (insofar as they are not already satisfied), by not later than April 1, 1998 with respect to Manhattan and January 1, 1999 with respect to the other boroughs: (1) the directory assistance response for any telephone number shall include the area code if specification of the area code is needed to enable the customer

to complete the call; and (2) a customer calling directory assistance by dialing either of the area codes assigned to an overlay area (or by dialing 411 from within an overlay area) shall be able to gain information regarding every telephone number within the overlay area, regardless of its area code. (For purposes of this requirement, an "overlay area" means either Manhattan or the other boroughs; directory assistance providers are free, of course, to go beyond these requirements and provide City-wide directory assistance regardless of which of the City's area codes is used in dialing directory assistance.)

3. Number Portability and Pooling. Permanent LNP is to be introduced on its current schedule, i.e., by April 1, 1998 throughout the City. The staff/industry committees working to introduce number pooling should continue their work, and, as noted above, we anticipate the availability of number pooling in Manhattan by April 1, 1998 and throughout the City by January 1, 1999. (Achievement of the latter goal may be facilitated by measures to relieve capacity demands on call routing databases, and such measures should be examined.)

4. Rate Center Consolidation. The movement of long distance telephone rates toward a zone structure may have made rate centers less important than they used to be. Staff and the industry should examine whether the consolidation of rate centers could be a means for conserving NXX code assignments and relieving pooled number capacity demands in New York City and in other area codes nearing exhaust.

5. Dialing Requirements. If the federal dialing requirements associated with overlays remain in effect, they will best be implemented on a City-wide basis after both overlays have been activated. That approach would avoid the confusion and disruption occasioned by piecemeal introduction of the requirements. Moreover, it would allow time for all telephone service providers in the City (including customers operating their own telephone network equipment, such as private branch exchanges or alarm systems) to make the network and equipment modifications necessary to comply with the requirements and to

conduct the education and outreach programs needed to introduce the dialing arrangements in an orderly and coordinated manner.

Accordingly, April 1, 1999 (three months after the second overlay code is activated) will be established as the date for City-wide compliance with federal dialing requirements, should they remain in force. All telephone carriers in New York City whose customers would be affected by the implementation of the federal dialing requirements, in consultation with staff, should conduct outreach and education programs regarding those dialing requirements during the first quarter of 1999. Additionally, in order to ensure a smooth transition, these carriers should introduce, no later than January 1, 1999, permissive dialing that would allow their customers, during the three-month transition period, the option of placing calls using either the federally required dialing procedure or the traditional dialing method.

Meanwhile, we will press forward in our efforts to retain seven-digit intra-NPA dialing and to have current federal requirements that preclude it waived or set aside.

Interim Number Conservation Measures

Recent weeks have seen a dramatic increase in requests by CLECs for NXX assignments, not only in the 212 NPA but also in others around the State. This trend has placed the 212 code in extraordinary jeopardy of early exhaust and increased the pressure on the others. Action is needed to forestall a potential crisis by conserving NXX codes to the extent possible. To that end, we are directing counsel to examine the steps that may be taken, either on our own or by application to the FCC, to ensure that NXX codes are suitably conserved.

Other Matters

1. Use of the 917 NPA

As the Staff Paper suggests, the 917 NPA should continue to be used for wireless service City-wide until it exhausts, at which time wireless and wireline numbers would no

longer be distinguished with respect to NPA assignment. AT&T correctly notes that this has the effect of making 646 temporarily a landline-only code, in seeming violation of the FCC's rule if literally applied.[1] But that state of affairs should be seen not as the unlawful establishment of a new service-specific NPA but as merely the temporary fall-out effect of the grandfathering of the service-specific 917 NPA.

2. Eight-Digit Dialing

As already noted, the schedule for this case could not allow for full consideration of eight-digit local dialing as a means for providing a major, long-term increase in number resources. But the measure deserves careful consideration in New York City (and, perhaps, other areas of very high and growing demand) long before its projected nation-wide introduction nearly 30 years from now. Staff is directed to convene a task force to consider it.

The Commission orders:

1. Consistent with the conditions and requirements set forth in the foregoing opinion, New York Telephone Company (the company) shall take the steps necessary to activate the 646 area code as an overlay to the existing 212 area code, effective April 1, 1998.

2. Within 30 days of the date of this order, the company shall submit to the Secretary, for review by staff, its plan for an outreach and education program to acquaint the public with the 646 area code overlay and its operation.

3. Consistent with the conditions and requirements set forth in the foregoing opinion, the company shall take the steps necessary to activate the 347 area code as an overlay to the existing 718 area code, effective January 1, 1999.

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[1] The analogous situation would arise with respect to the 347 code, given our decision to activate it as well.

4. By not later than July 1, 1998, the company shall submit to the Secretary, for review by staff, its plan for an outreach and education program to acquaint the public with the 347 area code overlay and its operation.

5. By not later than April 1, 1998 with respect to Manhattan, and by not later than January 1, 1999 with respect to the other boroughs of New York City, all providers of directory assistance for telephone numbers within New York City shall comply with the requirements of the foregoing opinion with respect to directory assistance service.

6. All telephone carriers providing local service in New York City shall take the steps needed to comply, by not later than April 1, 1999, with federal 11-digit dialing requirements related to overlay area codes to the extent those dialing requirements remain applicable. In the event those requirements do remain applicable, all such carriers shall introduce, by not later than January 1, 1999, a permissive dialing arrangement that will allow their customers, during a three-month period beginning on that date, the option of placing calls using either the federally required dialing procedure or the traditional dialing method. In addition, all such carriers, in consultation with staff of the Commission, shall conduct, during that three-month period, comprehensive outreach and education programs related to the federal dialing requirements.

7. This proceeding is continued.

By the Commission,

(SIGNED)

JOHN C. CRARY
Secretary

CASE 96-C-1158

ATTACHMENT A

NEW AREA CODE(S) FOR NEW YORK CITY

A DESCRIPTION OF OPTIONS

Case No. 96-C-1158

Prepared by:

The Staff of the New York State
Department of Public Service

July 22, 1997

3 Empire State Plaza
Albany, NY 12223

STATE OF NEW YORK

DEPARTMENT OF PUBLIC SERVICE

AN OPTIONS PAPER FOR NEW AREA CODE(S) FOR NEW YORK CITY

SUMMARY

The 212, 917, and 718 area codes that currently serve New York City are running out of assignable telephone numbers. The purpose of this paper is to present what appear to the Department Staff to be the two best alternative plans for providing additional telephone numbering resources for New York City. Our views on these two plans, which grew out of recent meetings with various segments of the telephone industry and a review of comments received from the public, will be the subject of further comment before final recommendations are presented to the Commission. Thus, the views contained in this paper are Staff's views and not necessarily the views of the Commission.

It is expected that the Commission will make a determination in this matter early in the fall of 1997 to allow time for the telephone companies to make all necessary network changes and to permit customers to get used to new dialing patterns before new area codes(s) take effect in 1998. Both of these plans are designed to provide additional telephone numbers for all five boroughs of New York City because there is a New York City-wide need for new central office/area codes. The Commission may approve either of these two alternatives, a combination thereof or entirely different plans.

Additional area codes or numbering plan areas (NPAs) can be provided by overlays or by geographic splits. Each of these alternatives is permitted by the Industry Numbering Committee's NPA Code Relief Planning Guidelines.[1] The central issue to be resolved in this proceeding is which of these two methods can provide greater relief while imposing fewer disruptions and difficulties on users and providers of telephone customers in New York City.

The two plans are described in detail below. Briefly, an overlay plan would establish two new overlay area codes in New York City: one to overlay the existing 212 area code in Manhattan and another to overlay the existing 718 area code in Brooklyn, Queens, the Bronx, and Staten Island. Depending on circumstances, a new customer in each area could receive a telephone number in either the old or the newly overlaid NPA. A geographic split would divide Manhattan into two zones, one retaining the 212 area code and the other being assigned the new 646 code. Similarly, the Boroughs of Brooklyn and Staten Island would be separated from the Boroughs of Queens and the Bronx with one area retaining the 718 area code and the other adopting a new area code, probably 347.

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[1] INC 94-1216-004.

For reasons described below, Staff tentatively favors the overlay plan, suitably conditioned to resolve some of the objections raised against it.[1] If the Commission should decide to adopt a geographic split, we would recommend dividing Manhattan at 23rd Street and assigning the area north of that boundary to the new 646 NPA. Similarly, Brooklyn and Staten Island would be assigned to the new 347 NPA. An overview of the comparative advantages and disadvantages of these two alternatives appears on Appendix 1.

CASE PROCEDURES

This proceeding was instituted by the Commission on December 31, 1996 in light of the recent, unprecedented demand for telephone numbers in all areas of New York City. The Commission found that actual demand had significantly exceeded all previous projections and that prompt action needed to be taken to ensure the continued availability of telephone numbers in New York City. The Commission's goal is to provide long term area code relief for New York City while causing the least possible customer disruption.[2] Based on the latest estimates,

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1 Regardless of which of the two (or, any other) alternatives is ultimately chosen, it is imperative that callers to companies' Directory Assistance bureaus receive all pertinent information (including area code) to enable them to complete their calls.

2 Memorandum dated December 4, 1996 from the Communications Division and the Consumer Services Division, Page 1. This memorandum was attached to the Commission's December 31, 1996 Order in this proceeding.

the 212 area code (assigned to wireline services in Manhattan) is considered vulnerable to exhaust (i.e., to running out of central office codes) in June 1998 and the 917 area code (assigned to wireless services throughout New York City) could exhaust in August 1999. The 718 area code (assigned to wireline services in the four boroughs other than Manhattan) is expected to exhaust in the year 2000. In general, we are satisfied that NYT is prudently managing New York City's telephone numbering resources as number utilization in the 212 NPA approaches 80%. We believe this level of utilization to be among the best in the U.S. and find no support for assertions that only if NYT administered numbering resources more efficiently, there would not even be a need for any area code relief. NYT's central office code and access line growth demand forecasts are generally conservative, and actual code assignments frequently exceed projections.[1] Thus, the Commission found it necessary to take prompt action to ensure that adequate telephone numbering resources remained available in New York City.

The Commission ordered New York Telephone (NYT) to submit a report outlining the relative merits of various area code relief alternatives, including overlays and geographic splits. The company filed its report on February 28, 1997. In reviewing NYT's report, staff recognized that the 718 area code might exhaust in three to four years and that potential relief plans for the 212 and 917 area codes could significantly shorten

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[1] Ibid., Page 4.

the life of the 718 area code. Staff reached this conclusion because current wireless demand of about 40 codes per year in Brooklyn, Queens, the Bronx, and Staten Island might have to be assigned to the 718 area code (instead of the 917 area code) beginning in 1999, when the 917 area code is projected to exhaust. This wireless demand, along with very strong growth in landline services in Brooklyn, Queens, the Bronx, and Staten Island, places the 718 area code in jeopardy of exhaust in the year 2000. Accordingly, in order to develop a comprehensive area code relief plan for New York City, staff believes it necessary to consider providing relief for the 718 area code as well as 212 and 917 area codes, and it requested NYT to augment its report along those lines.

NYT's report presented six possible geographic splits, a boundary realignment, and, as its favored alternative, an overlay relief plan. Staff requested that NYT examine expanding local telephone numbers to eight digits in order to expand the supply of assignable central office codes within an NPA ten-fold. NYT responded that it would be impractical for NYT to adopt eight digit telephone numbers in New York City at the present time because implementing this dialing arrangement would require coordinated national switching and routing changes that are not anticipated until approximately 2025. We believe this issue needs to be pursued further, albeit not for conclusion by September 1997 when a decision on area code relief is otherwise required to be reached. It is suggested that eight digit dialing options be further developed soon after September 1997.