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.

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.