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Public Service Commission

January 19, 2000

Magalie Roman Salas, Secretary
Federal Communications Commission
Portals II
445 12th St., S.W., Suite TW-A325
Washington DC 20554

IN RE: Public Service Commission of Kentucky's Petition
For Number Conservation Measures
CC Docket No. 96-98

Dear Ms. Salas:

Enclosed please find the Petition of the Kentucky Public Service Commission for Additional Delegated Authority to Implement Number Conservation Measures. If you have any questions regarding this matter, please call me at 502-564-3940, Ext. 257.

Sincerely,

Amy Dougherty

Amy Dougherty
Staff Attorney

/rst
Enclosure
cc: File

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Before the
Federal Communications Commission
Washington, D. C. 20554

In the Matter of

Implementation of the Local Competition Provisions of the Telecommunications Act of 1996	)))	CC Docket No. 96-98

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PUBLIC SERVICE COMMISSION OF KENTUCKY'S PETITION FOR ADDITIONAL DELEGATED AUTHORITY TO IMPLEMENT NUMBER CONSERVATION MEASURES

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Before the
Federal Communications Commission
Washington, D. C. 20554

In the Matter of

Implementation of the Local Competition Provisions of the Telecommunications Act of 1996	)))	CC Docket No. 96-98

PUBLIC SERVICE COMMISSION OF KENTUCKY'S PETITION FOR ADDITIONAL DELEGATED AUTHORITY TO IMPLEMENT NUMBER CONSERVATION MEASURES

The Public Service Commission of the Commonwealth of Kentucky ("KPSC") hereby petitions the Federal Communications Commission ("FCC") for additional authority pertaining to number conservation measures. Specifically, the KPSC requests the authority to:

1. Enforce number assignment standards, including the reclamation of NXX codes, and thousand-number blocks within those codes;
2. Implement mandatory thousand-number block assignments within Local Number Portability ("LNP") capable areas;
3. Require sequential number assignments by carriers;
4. Require the submission by carriers of number utilization and forecast information;
5. Audit carrier's use of numbering resources; and
6. Accomplish other tasks necessary to perform the functions enumerated above.

The KPSC will use this additional authority to prolong the lives of the 270, 502, 606, and 859 area codes, and thus delay the necessity to provide additional area code relief within the Commonwealth of Kentucky.

BACKGROUND

Kentucky, a relatively small State, contains six Congressional Districts and a population of approximately 3.7 million. The first area code (502) was assigned to the Commonwealth in 1947. The second area code (606) was assigned to the eastern portion of the State in 1955. With about 7.6 million numbers available for assignment within each area code, Kentucky had about 15.2 million numbers available to provide telephone services to 3.7 million citizens.

With the advent of competition and technological innovation in the telecommunications industry, the need for new telephone number assignments has grown. Kentucky has seen an explosion in the numbers and types of new services and competitors in Kentucky, such as wireless providers, paging services, competitive local exchange carriers ("CLECs"), internet service providers, and fax machines. Kentucky now has 440 carriers authorized to provide local service and 414 carriers authorized to provide long distance service. The incumbent local exchange carriers in Kentucky have entered into approximately 500 interconnection agreements. Kentucky also has experienced growth in additional telephone lines and computers. Unfortunately, the telephone network was not designed efficiently to accommodate these changes.

Telephone numbers have historically been assigned to service providers in blocks of 10,000 numbers. With the advent of new services, this means that

competitors and other service providers must take a minimum of 10,000 numbers, even though as few as one of those numbers may actually be utilized. The KPSC has worked diligently to insure that pro-competitive policies are in place in order to speed the benefits of competition to Kentucky's citizens. However, our work in this regard has increased the strain on number availability.

Kentucky was first advised of the need for area code relief in November 1997, when the PSC was informed that available numbers in the 502 area code would exhaust in 1999. After initial study of the problem, it appeared that the best solution would be the "overlay," wherein a new area code would be "overlaid" over the existing 502 area code. This would allow existing customers to keep their 10-digit numbers, but would require them to dial 10-digits for all local calls. This would prepare Kentucky for Location Number Portability for a future in which customers can take their telephone numbers with them should they move to any new location, whether within Kentucky or to another State.

Three significant events occurred after the KPSC issued its Order in August 1998. First, the ("FCC") decided to defer further consideration of Location Number Portability until some future undefined date. Second, the citizens residing within the 502 area code began protesting strongly against the overlay relief solution. Finally, the North American Numbering Plan Administrator ("NANPA") advised the KPSC that a filing would soon be made involving necessary relief for the 606 area code.

In order to implement a statewide solution to the problem, the KPSC revisited the 502 area code relief issue and conducted a series of public

meetings within Louisville and Western Kentucky in order to gain citizen input. Kentucky citizens made clear in those meetings that they did not want an overlay solution. Following those meetings, the KPSC modified its order and determined that a traditional geographic split of the 502 area code would be implemented. The PSC subsequently decided that a geographic split of the 606 area code would be implemented. 502 area code relief began in April 1999, and 606 area code relief is scheduled to begin in April 2000. To put this into perspective, in April 2000 there will be about 31 million numbers available to serve our 3.7 million citizens. Our state will soon have enough potential telephone numbers to supply each citizen with about nine telephone numbers.

The Commonwealth of Kentucky is making great strides toward becoming a high-tech state, but it does not need nine telephone numbers per citizen. While there has been some increase in demand for telephone numbers from our citizens as they purchase more telephone lines for voice, data, fax, and wireless services, it is obvious that the current system of number assignment is both inefficient and inadequate. Various service providers are holding numerous blocks of 10,000 numbers, while frequently using very few of these numbers. The number assignment system worked well in a monopoly environment, but has simply not worked in the current competitive environment.

The KPSC has learned that four CLECs in Kentucky have been assigned a total of nearly one million numbers. This compares to a total of fewer than 2.5 million numbers currently utilized by the incumbent local exchange telephone companies, a level that has taken over a century to reach. As a specific

example, a small town in Kentucky called Midway, that has about 1,100 residents, has been more than adequately served by one 10,000 number block assignment. However, there are now four 10,000 number block assignments in Midway, including two block assignments to one of the CLECs mentioned herein.

This situation is being repeated in most states across the country. NANPA has reported to the FCC that at the current rate of number block assignment, North America will be deleted of area codes around 2007. It is likely that consumers will be forced to pay the staggering cost of changing the current numbering system should that be necessary. Businesses in Kentucky are already faced with the high costs of changes in advertising and business cards, as well as programming changes to telephone systems, because of area code relief.

Kentucky, and other States, need the authority to require the assignment of 1,000 number blocks to service providers. States also need the authority to require reporting and to conduct audits to ensure that service providers are using the numbers already assigned, and to reclaim unused number blocks. The technology to allow this, LNP, is available within the 100 largest Metropolitan Statistical Areas ("MSAs"). BellSouth has now completed a project to provide LNP capability within all of its Kentucky service area.

Currently, the FCC has authority over the North American Numbering Plan, and therefore Kentucky does not have authority to take needed steps to conserve this limited resource. The FCC issued a Notice of Proposed

Rulemaking ("NOPR") on June 2, 1999.[1] Through this rulemaking, the FCC intends to slow the rate of number exhaust and thereby prolong the life of the North American Numbering Plan. However, the KPSC seeks additional authority to implement number conservation measures pending the outcome of the FCC's proposed rulemaking. The FCC has already given limited authority to several States to take some of these steps. Further, the FCC is considering allowing some additional States interim authority to deal with the problem. Kentucky needs this authority, particularly in fast-growing areas where number conservation efforts will yield significant results.

Requests for Delegation of Additional Authority

The KPSC petitions for delegation of the numbering authority enumerated below:

1. The enforcement of Number-Assignment Standards, including the reclamation of NXX codes, and thousand-number blocks within those codes.

The KPSC requests authority to enforce number-assignment standards. The KPSC is in the best position to enforce number-assignment standards because of its familiarity with Kentucky's numbering situation, rate-center patterns, competitive environment, and typical uses of telephone numbers. The FCC should grant interim enforcement authority to the KPSC so that it may track NXX code assignments and ensure that numbers are being assigned to carriers having legitimate business plans to begin providing service in a timely manner.

[1] *In the Matter of Numbering Resource Optimization*, Notice of Proposed Rulemaking, CC Docket No. 99-200, FCC 99-122 (June 2, 1999).

Specifically, we request that the FCC delegate to the KPSC the authority to: (A) reclaim codes obtained in violation of Central Office Assignment Guidelines and any other applicable rules; (B) reclaim codes that are being used to provide service in violation of state law; and (C) reclaim codes that were acquired by carriers certifying that they would be facilities-based, but that have failed to establish facilities within the appropriate time frames.

2. The implementation of mandatory thousand-number block assignments within LNP capable areas.

The KPSC is convinced that no single action can be more important in slowing the rate of number utilization than to require that number assignments be made in blocks of one thousand. The Commission sees no practical reason why this should not be implemented as quickly as possible utilizing the most current technology. The KPSC is aware that newer versions of necessary pooling software are under development, but we believe that pooling can proceed with minimal additional cost of conversion after the software upgrades are available. The KPSC believes that the national Number Plan Administrator can administer thousand-number block pooling.

The KPSC further requests that the FCC delegate authority to establish fill rates for growth codes that must be met before carriers may acquire additional codes. These fill rates requirements should apply in all areas, whether or not thousand-number block pooling is currently effective within a given area.

3. The requirement of sequential number assignments by carriers.

Under current standards, carriers are free to assign numbers without any restriction. Carriers may unfortunately have an incentive to assign numbers in such fashion as to utilize portions of all of the thousands-blocks within a code, thereby preventing the reclamation of number-blocks within that code. KPSC does not see any harm that would be done by requiring sequential number assignment.

4. The requirement of the submission of number utilization and forecast information by carriers.

The current numbering administration standards work against number conservation. Under current policies, carriers are allowed to: (A) obtain numbers without demonstrating actual need; (B) obtain numbers when they may have sufficient numbers within codes already assigned to them; (C) obtain numbers even though they do not use them within the time frame required by the Central Office Code Administration Guidelines; and (D) retain numbers even though they may be resellers and do not require numbers to provide service. These practices must be halted. By authorizing this Commission to require numbering utilization and forecasting reports by carriers, the KPSC will be enabled to ascertain whether scarce numbering resources are being utilized in the most efficient manner.

5. The requirement that carriers' use of numbering resources be audited.

As part of this enforcement authority, the KPSC seeks the authority to conduct audits of the use of numbering resources in order to identify, and

address, inefficiencies within Kentucky, in addition to ensuring compliance with fill-rate requirements. Carriers are more likely to use appropriately their numbering resources if they are subject to audits regarding their use, particularly if the FCC enacts rules imposing penalties for violations of numbering-utilization rules.

6. Any other authority necessary to accomplish the above-listed items.

Should any additional authority be necessary to accomplish the above listed items, the KPSC requests that the FCC delegate such additional authority.

Conclusion

The KPSC urges the FCC to grant the numbering authority described herein.

The KPSC is aware that numbering and the conservation of numbering resources is a complex and difficult subject, but we are convinced that it is necessary to begin as quickly as possible to conserve this valuable resource. We recognize that the NOPR will address many of these issues. However, until the FCC develops standards for number assignment and utilization, and provides for their meaningful enforcement on a national basis, the FCC should grant the KPSC interim numbering authority.

In exercising this authority, the KPSC is committed to working with the FCC and other state commissions to avoid imposing multiple, disparate number conservation regimes on carriers. For the reasons set forth in this petition, the KPSC requests that the FCC grant this petition for additional delegated authority to implement the number conservation measures set forth above.

Respectfully submitted,

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