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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

February 27, 2001

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
The Portals
445 Twelfth Street, SW
Washington D.C. 20554

Re: Ex Parte Contact in CC Docket No. 99-200/Numbering Resource Optimization

Dear Ms. Salas:

On February 26, 2001, Lee Selwyn of Economics and Technology, Inc., and James Blaszak and Andrew Brown of Levine, Blaszak, Block & Boothby, LLP, met with the Kyle Dixon, Legal Advisor to Chairman Michael Powell, and Yog Varma, Deputy Bureau Chief of the Common Carrier Bureau.

At these meetings, the parties discussed the exhaustion of the North American Numbering Plan and possible solutions thereto, focusing on the process of rate center consolidation.

Pursuant to 47 C.F.R. Section 1.1206(b)(1) two copies of this letter and the written presentation provided at these meetings are being filed with the Secretary of the Commission today.

Sincerely,

Andrew M. Brown

cc:
Yog Varma
Kyle Dixon

No. of Copies rec'd 0+1
List ABCDE

Ex Parte Presentation

Rate Center Consolidation is the Solution to the Nation's Numbering Crisis

February 26, 2001

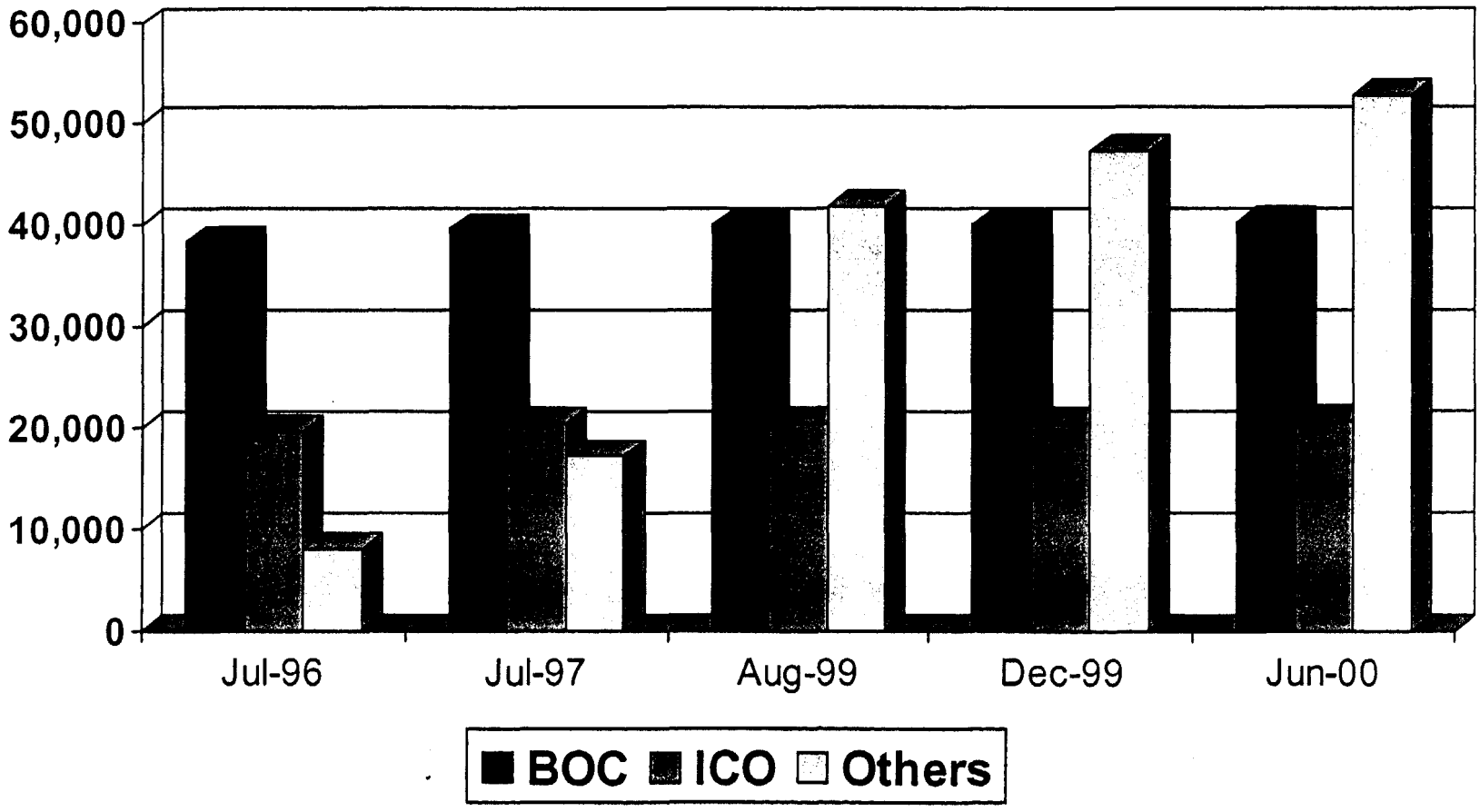
Ad Hoc Telecommunications Users Committee

ECONOMICS AND TECHNOLOGY, INC.

The Numbering Crisis Persists

- Fragmentation in the assignment of numbers is the source of the numbering problem.
  - Numerous and minute rate centers exist in virtually every NPA.
  - Carriers are forced to obtain large blocks of numbers in every rate center in which they seek to provide service, irrespective of end user demand.

Growth of NPA-NXX Assignments by Industry Sector 1996-2000



Ad Hoc
Telecommunications
Users Committee

ECONOMICS AND
TECHNOLOGY, INC.

The Incumbent Carrier Dominates NXX Code Usage in the Original NPA for those Area Code Relief Plans Using Overlays since 1995

Carrier Type	Number of NXXs	Pecentage of Total NXXs	Number of NXXs	Percentage of Total NXXs
	Maryland original NPA of 410		**Maryland 443 NPA Overlay**	
CLEC/CAP/L Reseller	85	11%	483	76%
RBOC/ICO	545	71%	41	6%
Wireless/PCS	142	18%	110	17%
Total	772		634	
	Maryland original NPA of 301		**Maryland 240 NPA Overlay**	
CLEC/CAP/L Reseller	143	19%	336	76%
RBOC/ICO	475	62%	38	9%
Wireless/PCS	149	19%	66	15%
Total	767		440	
	Florida original NPA of 305		**Florida 786 NPA Overlay**	
CLEC/CAP/L Reseller	112	15%	89	43%
RBOC/ICO	363	48%	29	14%
Wireless/PCS	283	37%	87	42%
Total	758		205	
	Colorado original NPA of 303		**Colorado 720 NPA Overlay**	
CLEC/CAP/L Reseller	144	18%	125	42%
RBOC/ICO	459	59%	87	29%
Wireless/PCS	176	23%	85	29%
Total	779		297	
	Pennsylvania original NPA of 215		**Pennsylvania 267 NPA Overlay**	
CLEC/CAP/L Reseller	142	19%	464	85%
RBOC/ICO	442	58%	19	3%
Wireless/PCS	172	23%	65	12%
Total	756		548	
	Pennsylvania original NPA of 610		**Pennsylvania 484 NPA Overlay**	
CLEC/CAP/L Reseller	216	29%	495	89%
RBOC/ICO	368	49%	23	4%
Wireless/PCS	168	22%	38	7%
Total	752		556	
	Georgia original NPA of 770		**Georgia 678 NPA Overlay**	
CLEC/CAP/L Reseller	146	19%	443	66%
RBOC/ICO	440	58%	111	16%
Wireless/PCS	179	23%	121	18%
Total	765		675	
	New York original NPA of 212		**New York 646 NPA Overlay**	
CLEC/CAP/L Reseller	137	18%	129	47%
RBOC/ICO	643	82%	70	25%
Wireless/PCS	0	0%	78	28%
Total	780		277	
	New York original NPA of 718		**New York 347 NPA Overlay**	
CLEC/CAP/L Reseller	194	25%	197	79%
RBOC/ICO	547	71%	10	4%
Wireless/PCS	28	4%	41	17%
Total	769		248	

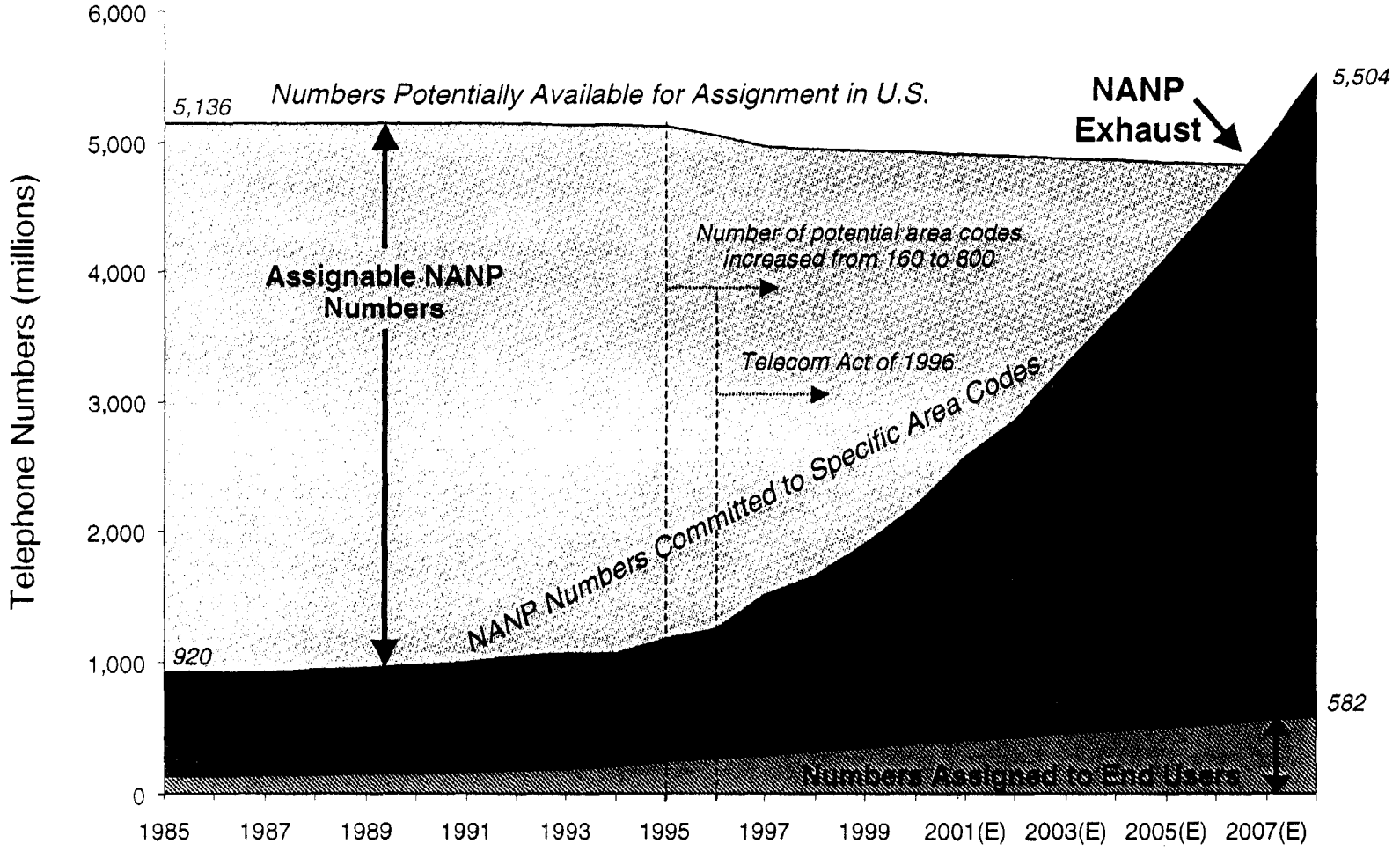
Source: LERG, January 2001

The Numbering Crisis Persists

- Policies adopted and/or proposed by the FCC in CC Docket 99-200 will not prevent NANP exhaust because they will not materially reduce carrier demand for NXX codes.
  - Thousands-block pooling
  - Rate center utilization thresholds
  - Charging for numbers
  - Service- and technology-specific overlay codes

Existing NANPA Policy of Assigning Additional Area Codes Based Solely on Demand for NXXs Results in Massive Quantity of Stranded/Unusable Telephone Numbers

(U.S. numbers only)



Sources: "Potentially Available" and "Committed" numbers (1985-1997), and "Numbers Assigned to End Users" (1985-2008) from Annual Report and Analysis of Competitive Market Conditions with Respect to Commercial Mobile Services, *Fourth Report*, FCC 99-136, rel. June 24, 1999; FCC, *SOCC*, 1985-1998; FCC ARMIS 43.08, 1999, Table II; and FCC, *Trends in Telephone Service*, March, 1999, at Table 21.1. "Committed" and "Potentially Available" numbers (1998-2008) from Lockheed Martin CIS, "Number Utilization and Trends," Feb. 18, 1999.

Notes: Number of non-ILEC carriers requiring numbering resources increased significantly following passage of the 1996 Telecom Act. Prior to releasing the middle digit of the NPA code in 1995, the quantity of numbers actually assignable was only 1.28-billion. Downward slope in "Potentially Available" numbers reflects future need for NPAs in Canada and the Caribbean.

Ad Hoc Telecommunications Users Committee

ECONOMICS AND TECHNOLOGY, INC.

The Solution for the Numbering Crisis

- Rate Center Consolidation/Elimination is the only number conservation measure that will prevent NANP exhaust.
  - National policies must force states to implement measures reducing the demand for additional NXX codes.

Why Eliminate Rate Centers?

- The need for "rate centers" has been obviated by large decreases in usage costs and the elimination of distance as a cost driver.
- The sole purpose of rating areas today is entirely pecuniary in nature.
  - Permits ILECs to maintain archaic local/toll distinctions and distance-based pricing of intraLATA calls.

Why Eliminate Rate Centers?

- Elimination of rate centers will increase local calling areas and (most likely) eliminate intraLATA toll.
- Failure to address the numbering crisis *today* will subject the US economy to significantly greater costs *in the future*.
- Monthly rates may in some cases need to be increased to make up a possible earnings shortfall, but these will be small (probably substantially less than $2.7-billion nationally) when compared with the $150-billion cost of NANP exhaust.

Ad Hoc Petition for Rulemaking

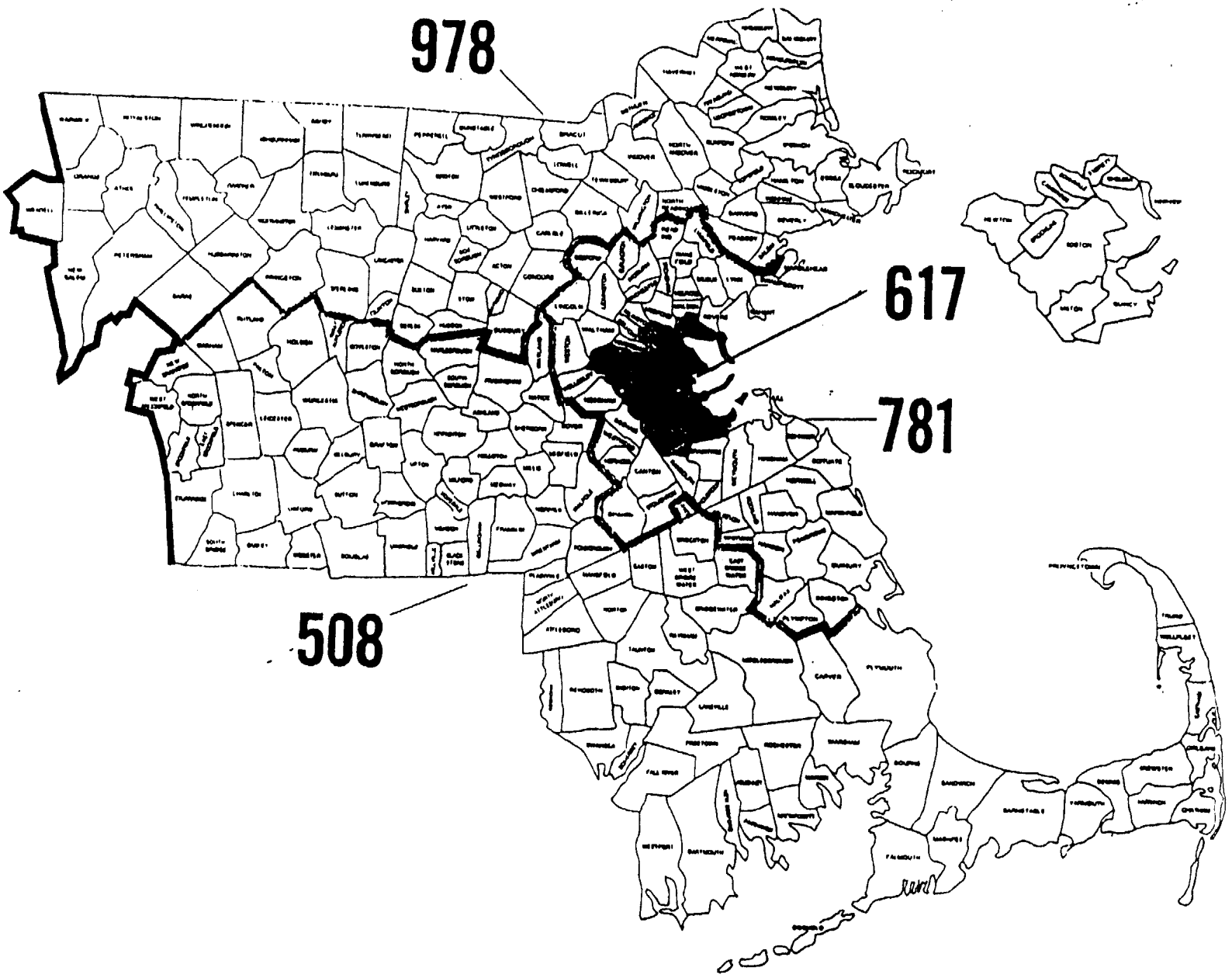
- The FCC should implement a federal policy of utilization requirements for area codes.
  - When considering the need for area code relief, NANPA currently examines only NXX codes assigned, not the utilization of the numbers within those codes.
  - Under the Rule proposed by Ad Hoc, states would not be assigned additional area codes unless they first implemented policies that achieve utilization thresholds for existing area codes.

Ad Hoc Petition for Rulemaking

- A federal area code utilization policy would require states to balance the competing interests.
  - Number supply impacts on carriers (current vs. future carrier demand).
  - Rate impacts on consumers vs. benefits of expanded local calling areas.
  - Wide-scale vs. more restricted consolidation of rate centers.
    - States could transition via a "tiered" approach (i.e., consolidate half of all rate centers in Year 1, and half again in Year 3).

Examples of Existing Rate Center Configurations

Massachesetts Area Codes After the 508 & 617 NPA Splits



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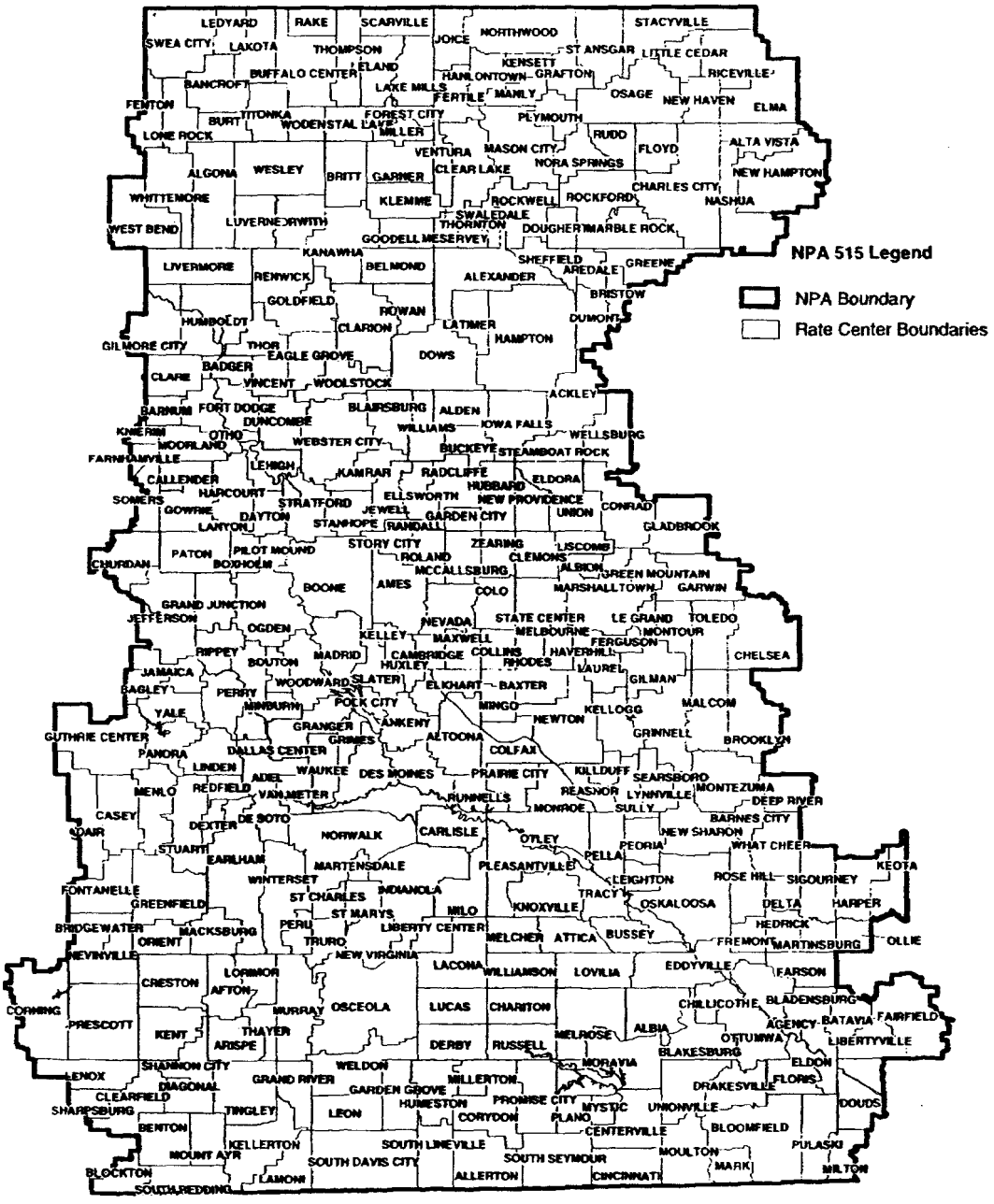


Produced by CDS Business Mapping 5/5/99

NPA 419/567 Rate Center Map

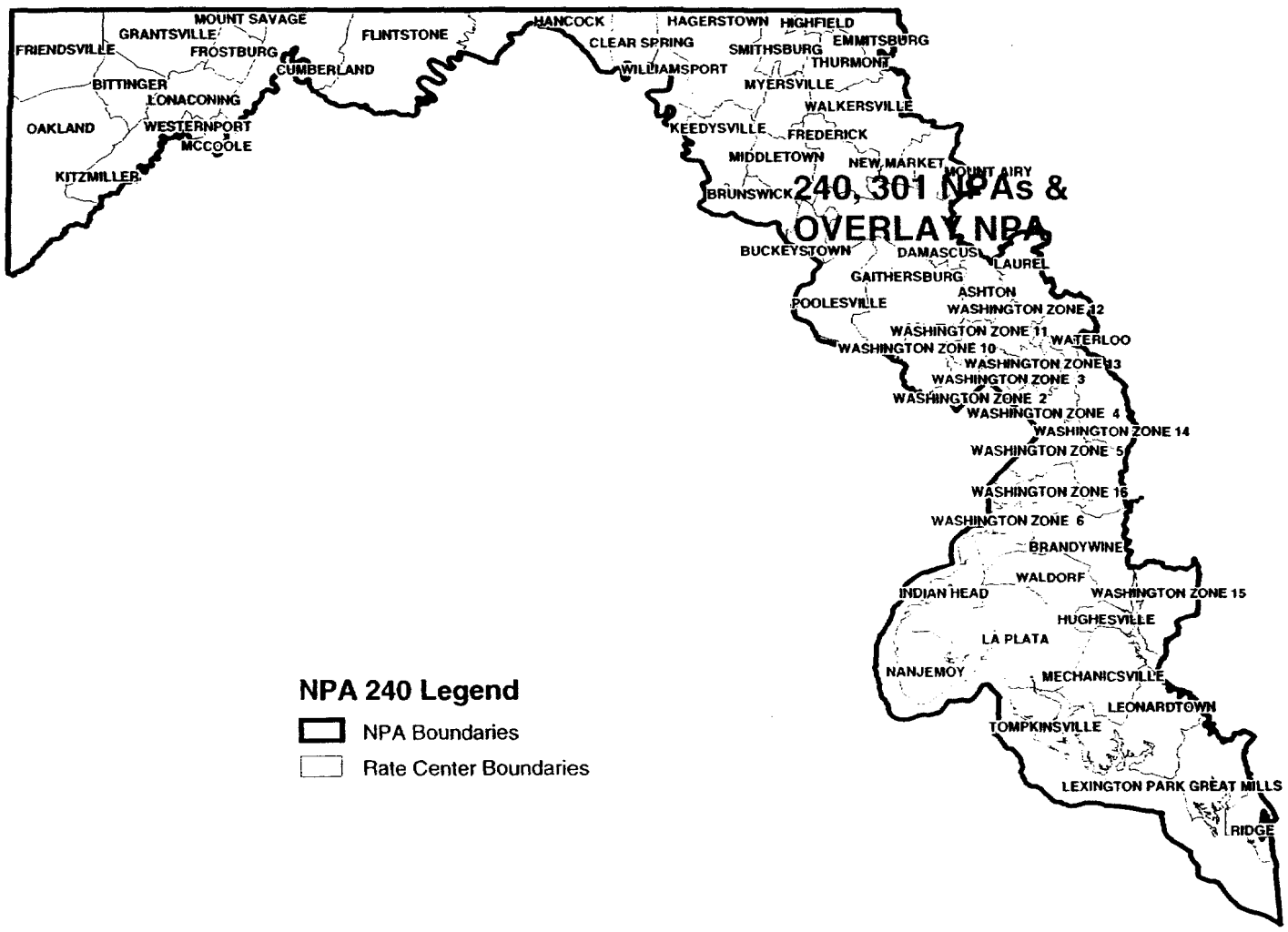
OHIO

Produced by CDS Business Mapping 11/01/2000

NPA 240 Rate Center Map

NEUSTAR

ALTERNATIVE #1
DISTRIBUTED OVERLAY



ALTERNATIVE #1	PROJECTED LIVES
DISTRIBUTED OVERLAY	5.2 to 10.4 Years

MARYLAND

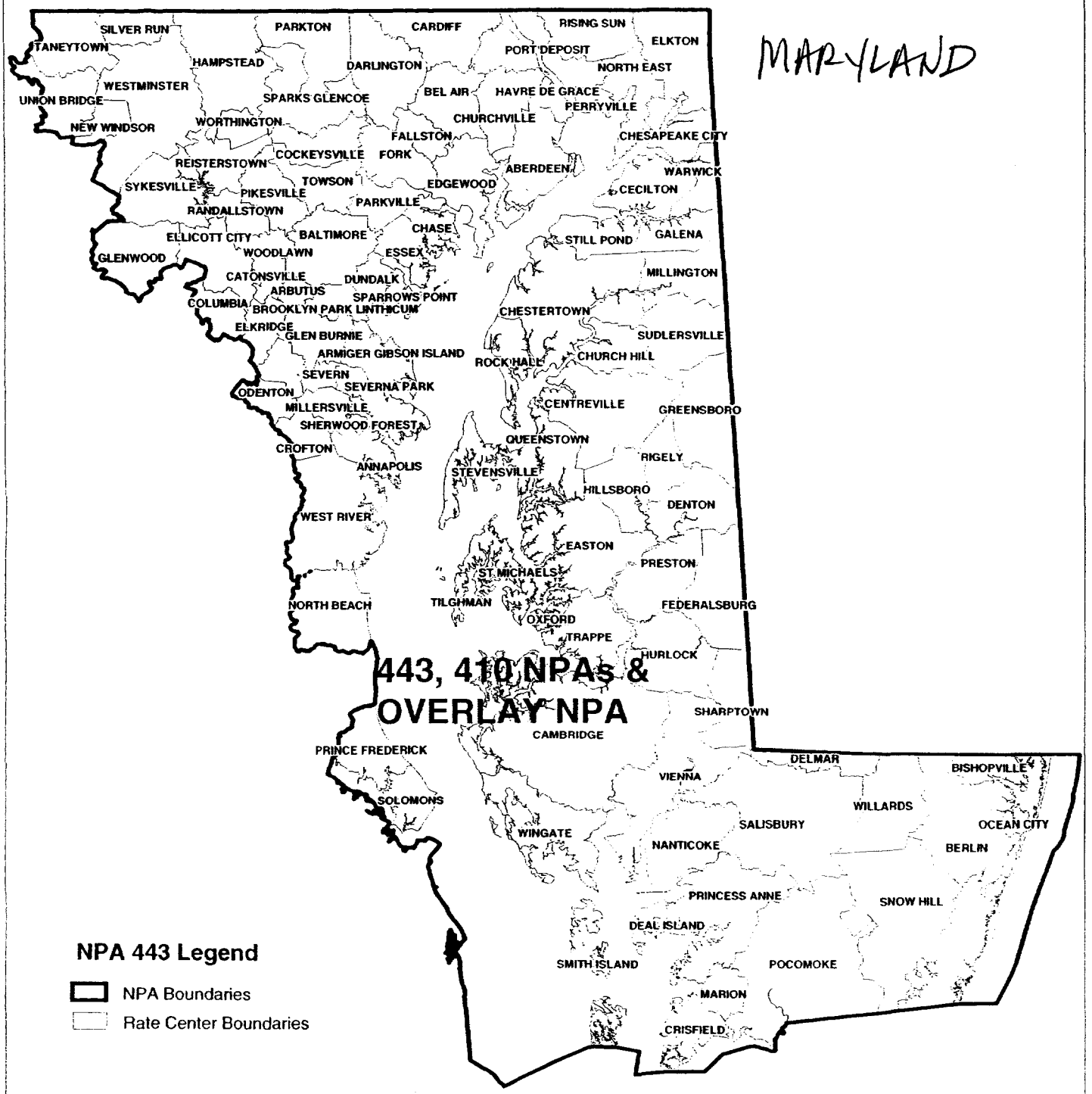
Produced by CDS Business Mapping 3/01/00

NPA 443 Rate Center Map

NEUSTAR

ALTERNATIVE #1
DISTRIBUTED OVERLAY

MARYLAND



NPA 443 Legend

- NPA Boundaries
- Rate Center Boundaries

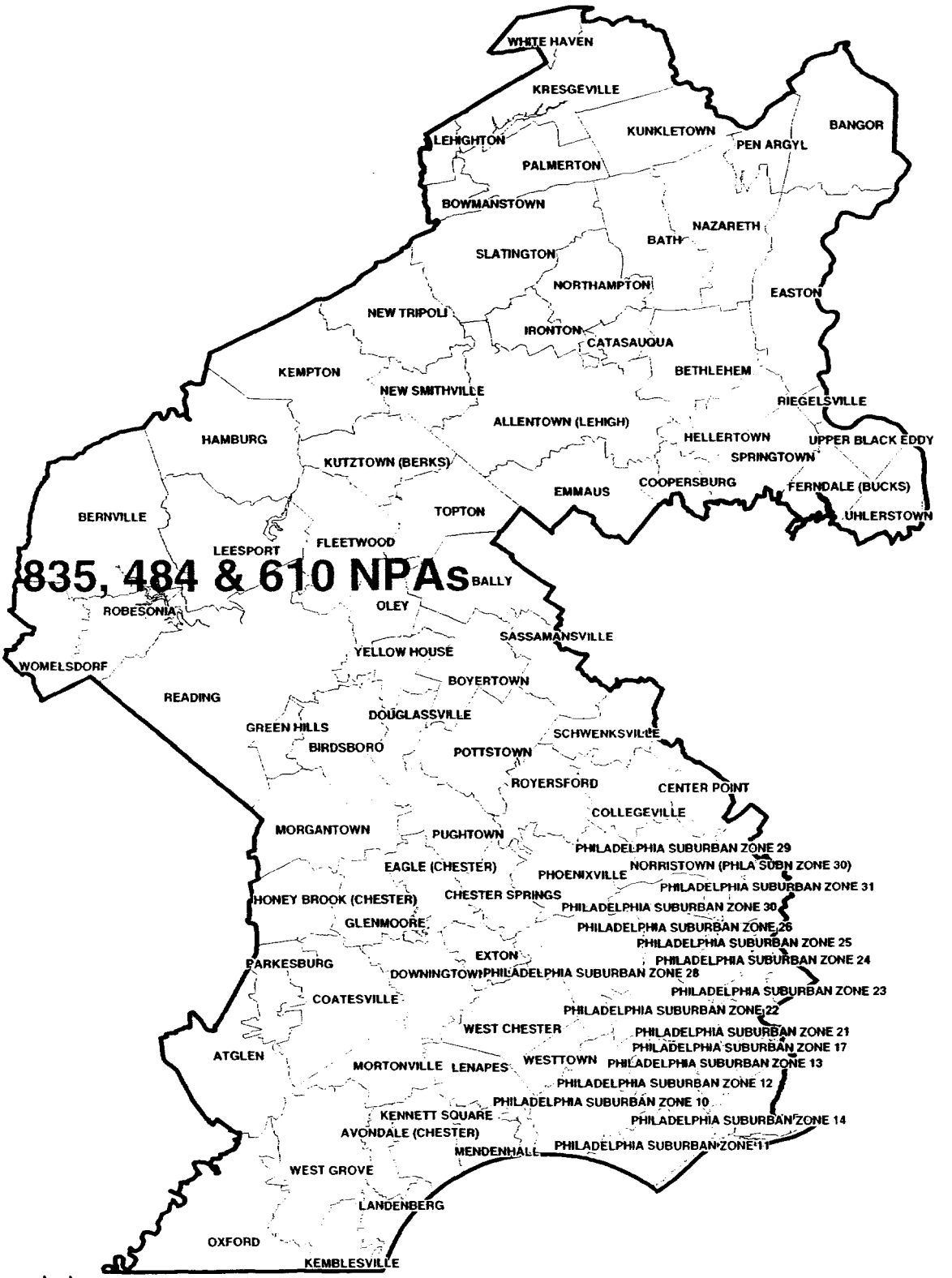
ALTERNATIVE #1	PROJECTED LIVES
DISTRIBUTED OVERLAY	4.9 to 9.8 Years

Produced by CDS Business Mapping 3/01/00

NPAs 835, 610 & 484 Rate Center Map

NEUSTAR

PENNSYLVANIA



NPA Boundaries

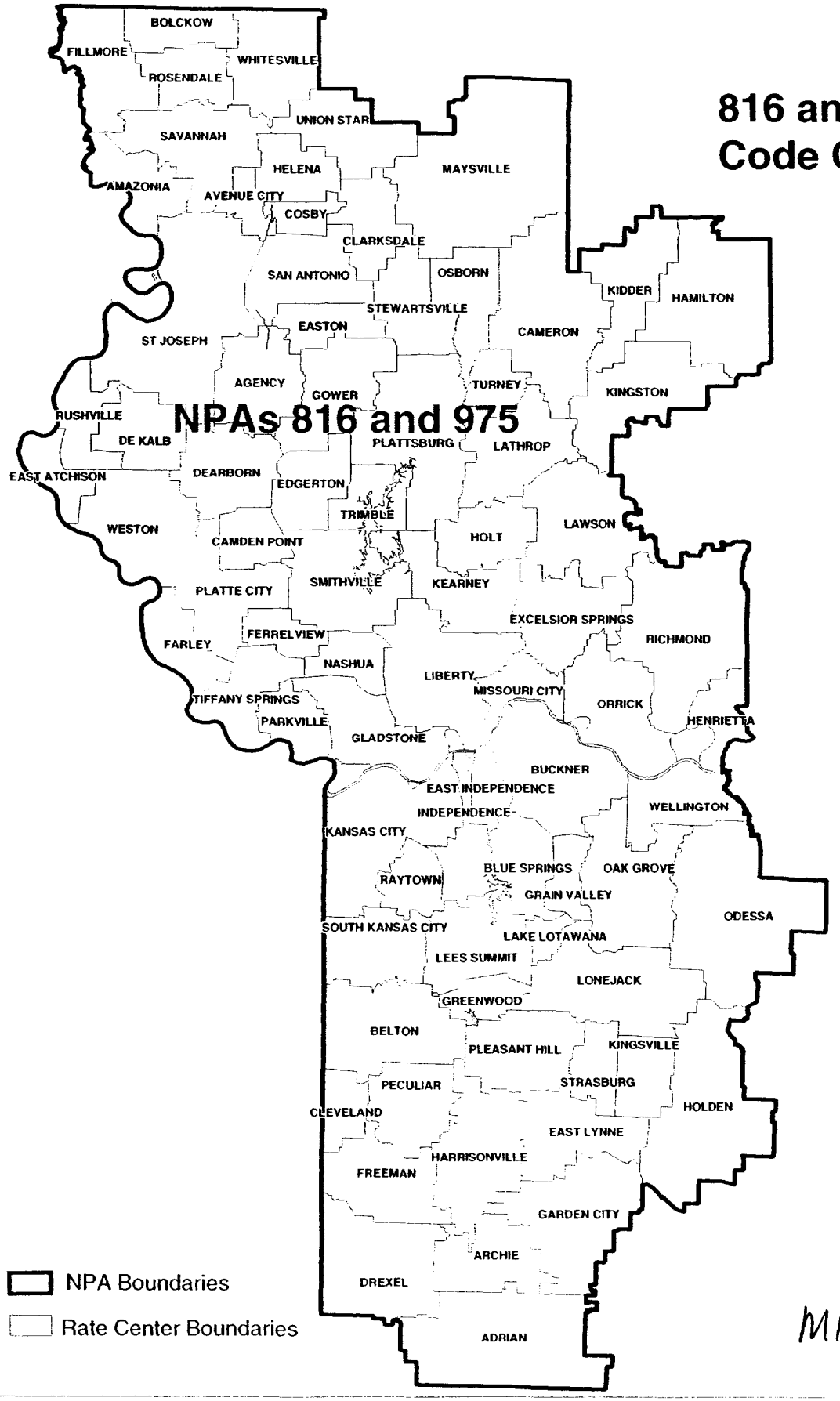
Rate Center Boundaries

Produced by CDS Business Mapping 11/03/99

NPA 816 Rate Center Map

NEUSTAR

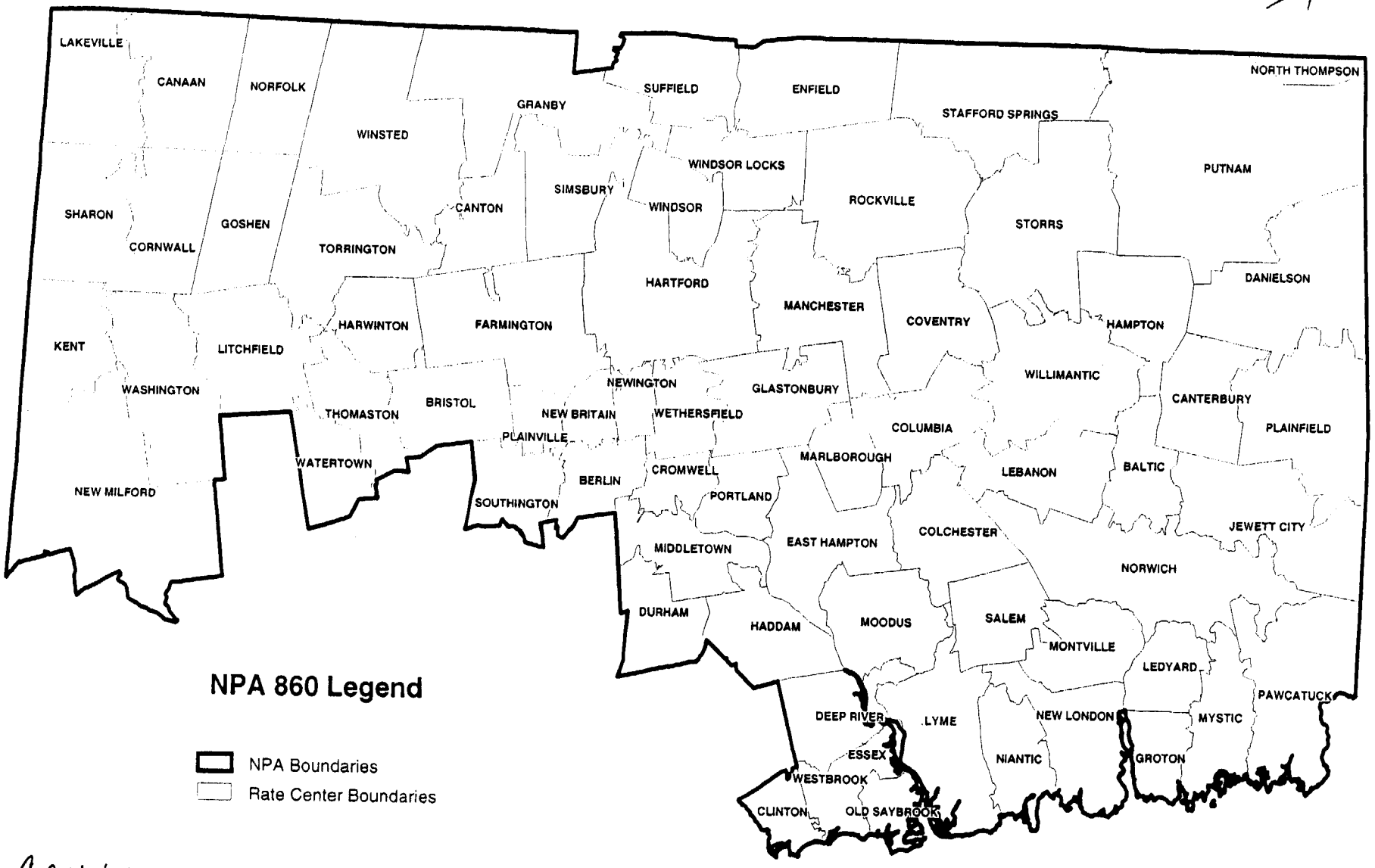
816 and 975 Area Code Overlay



MISSOURI

NPA 860 Rate Center Map

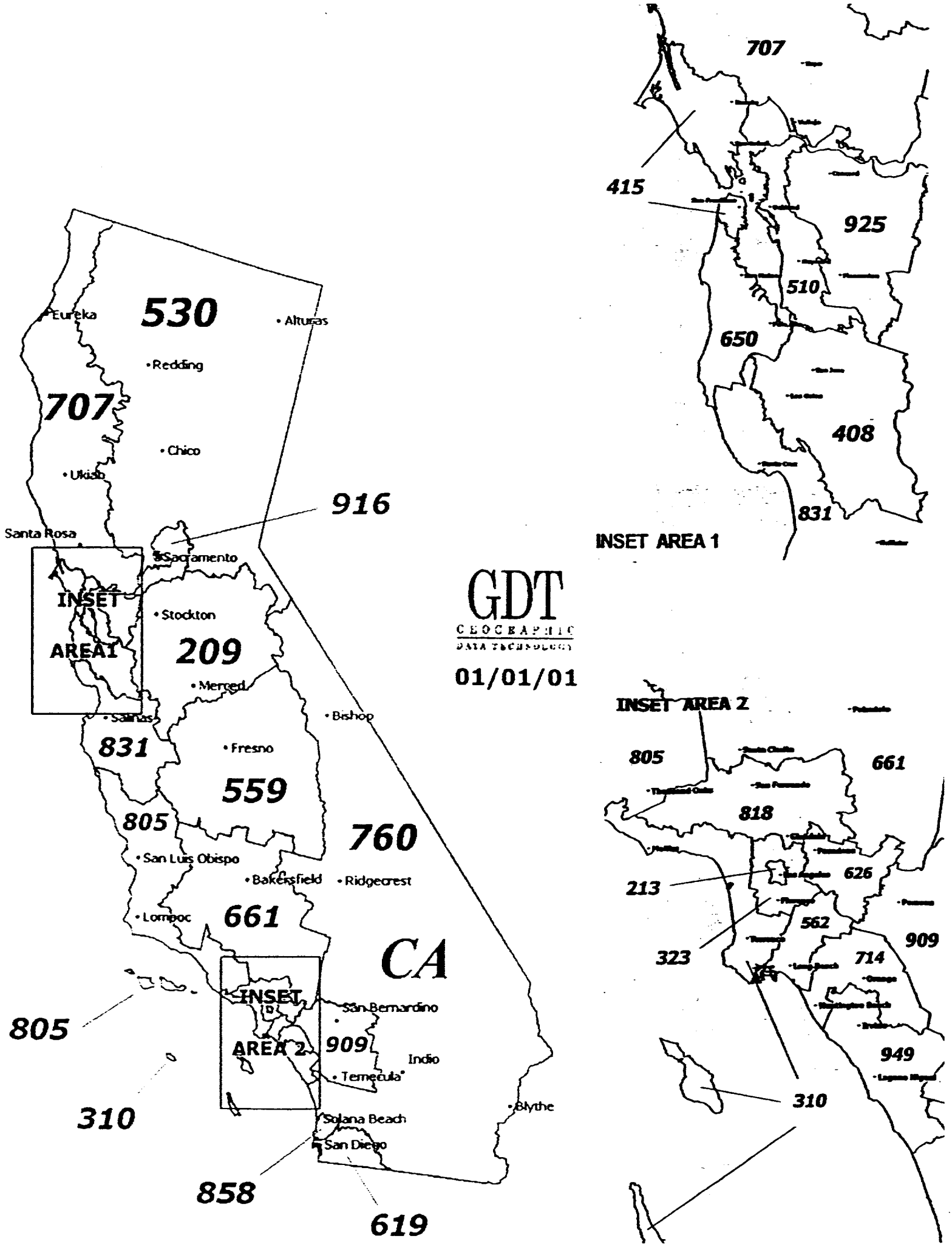
LOCKHEED MARTIN



CONNECTICUT

Produced by CDS Business Mapping 9/1/99

Area Codes Continue to Proliferate


530
Eureka
Alturas
Redding
707
Chico
Ukiah
916
Santa Rosa
Sacramento
INSET
AREA1
Stockton
209
Merced
Salinas
831
Fresno
559
Bishop
805
San Luis Obispo
760
Bakersfield
Ridgecrest
Lompoc
661
CA
INSET
AREA 2
San Bernardino
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Indio
Temecula
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Solana Beach
San Diego
Blythe
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GDT
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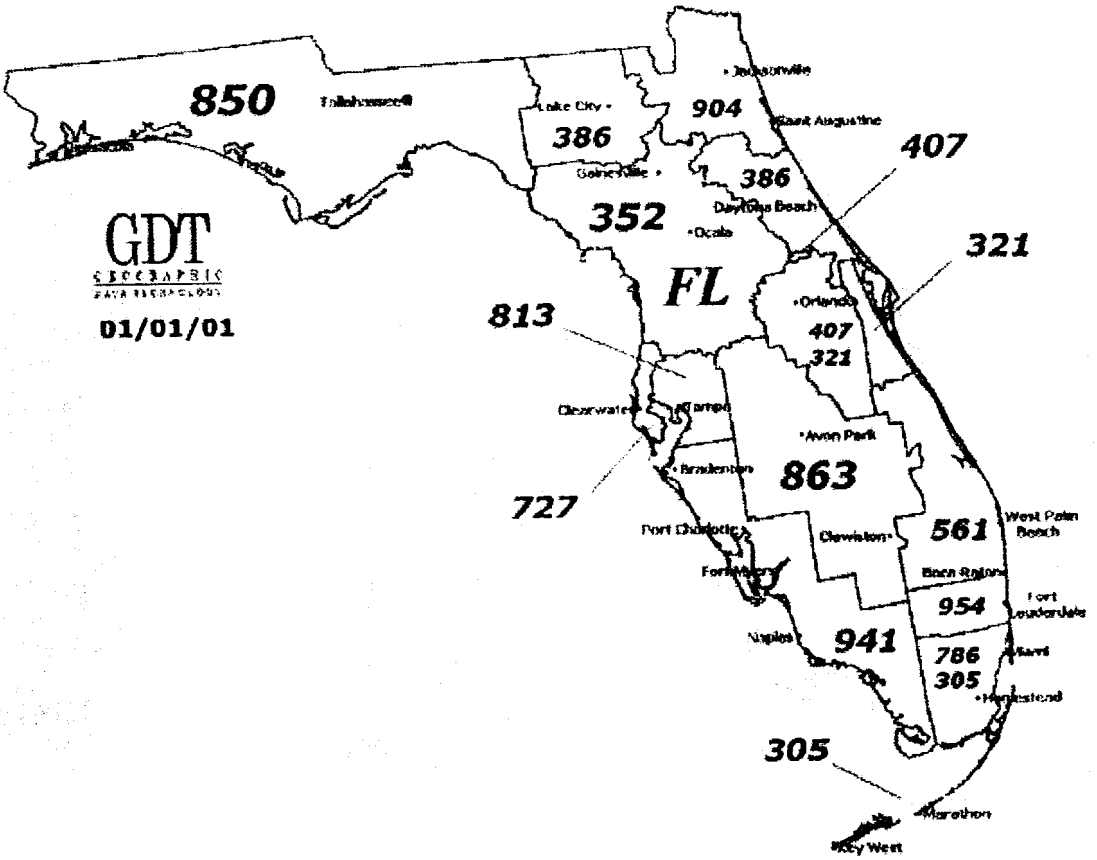

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DATA TECHNOLOGY

01/01/01

GDT
GEOGRAPHIC DATA TECHNOLOGY

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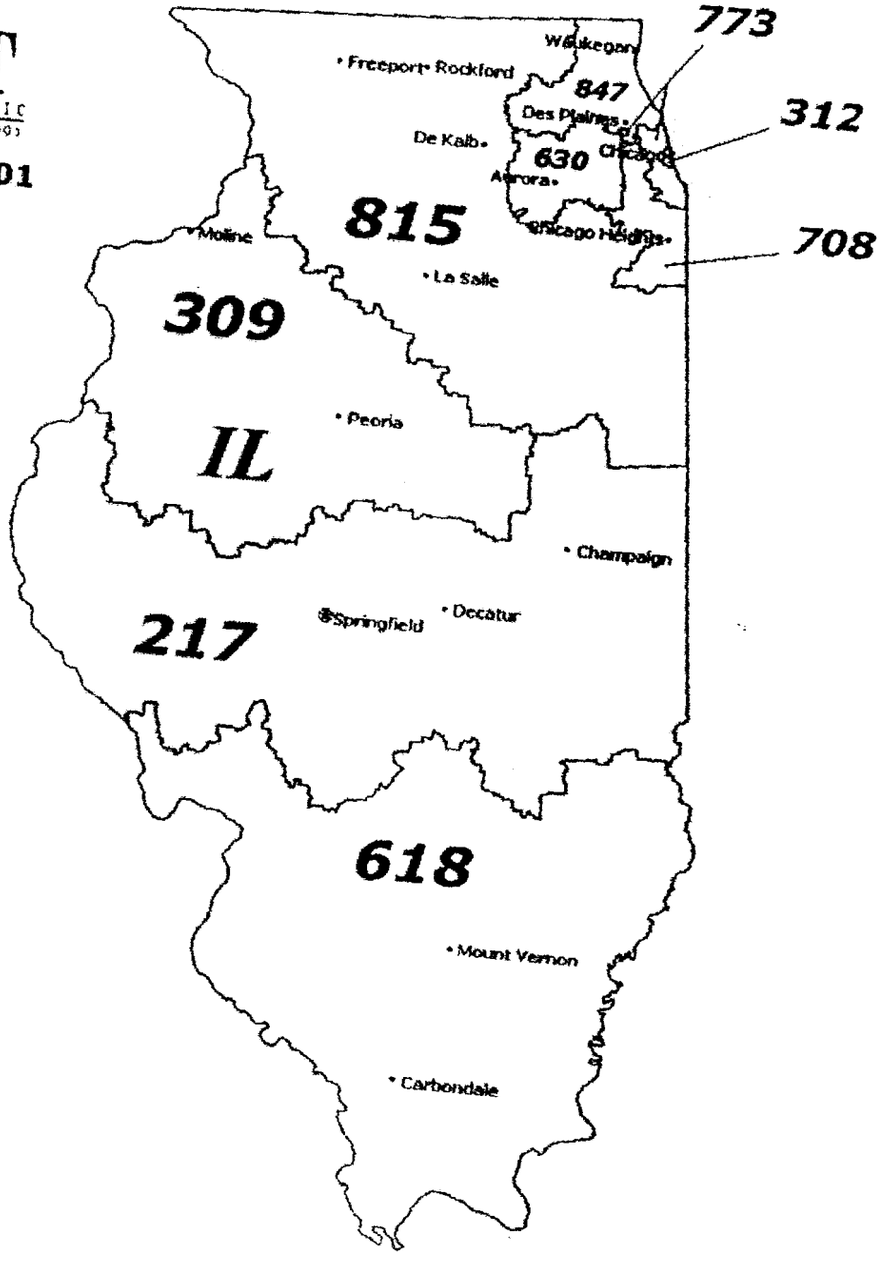
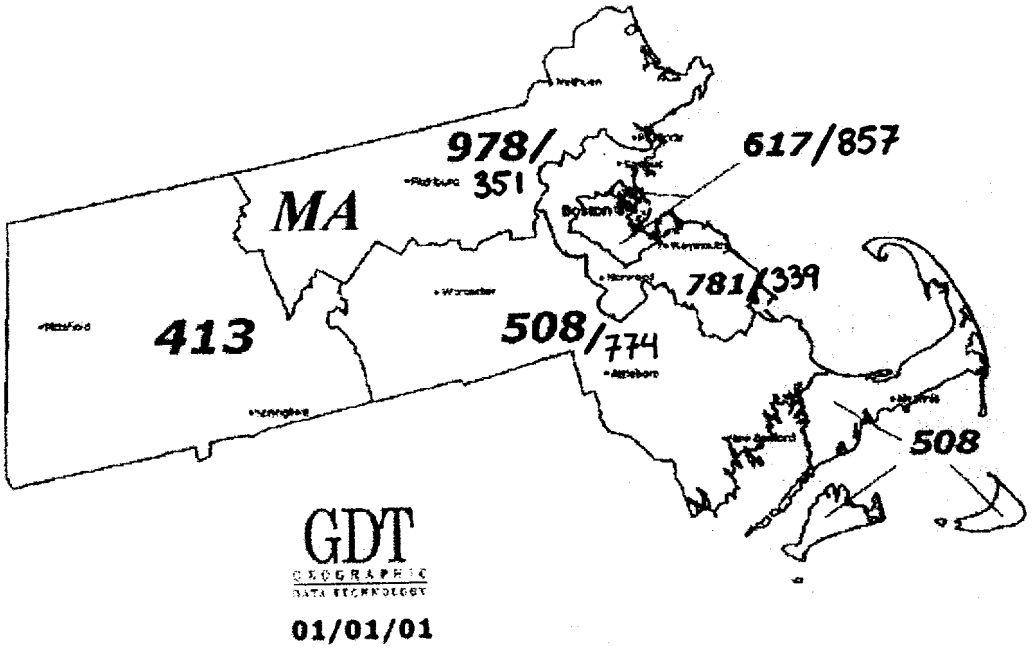
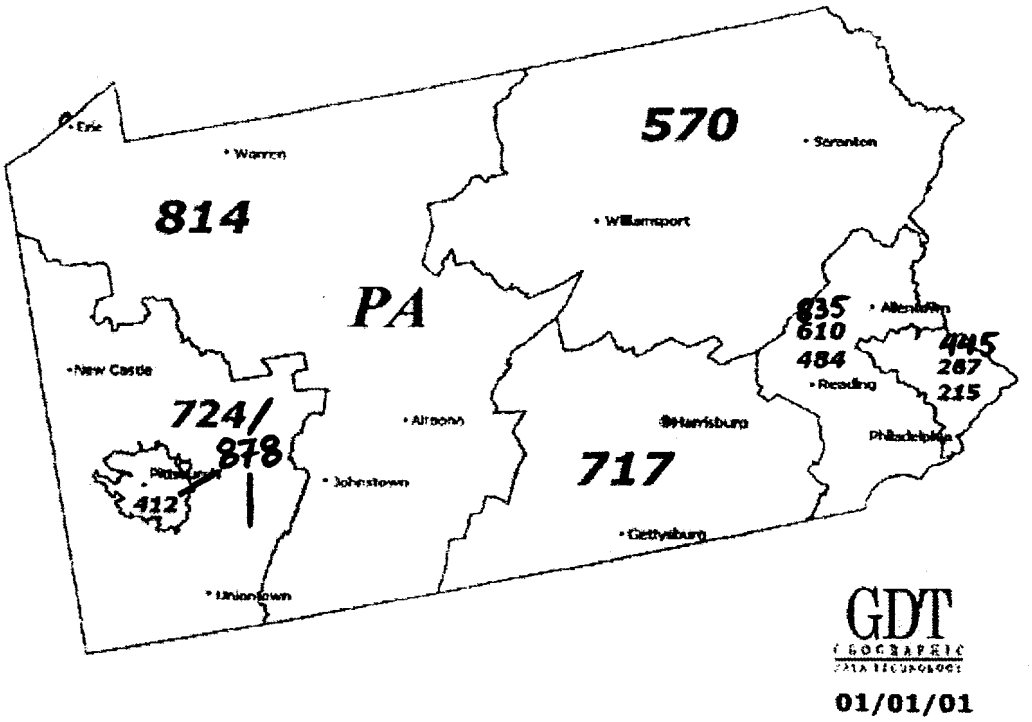


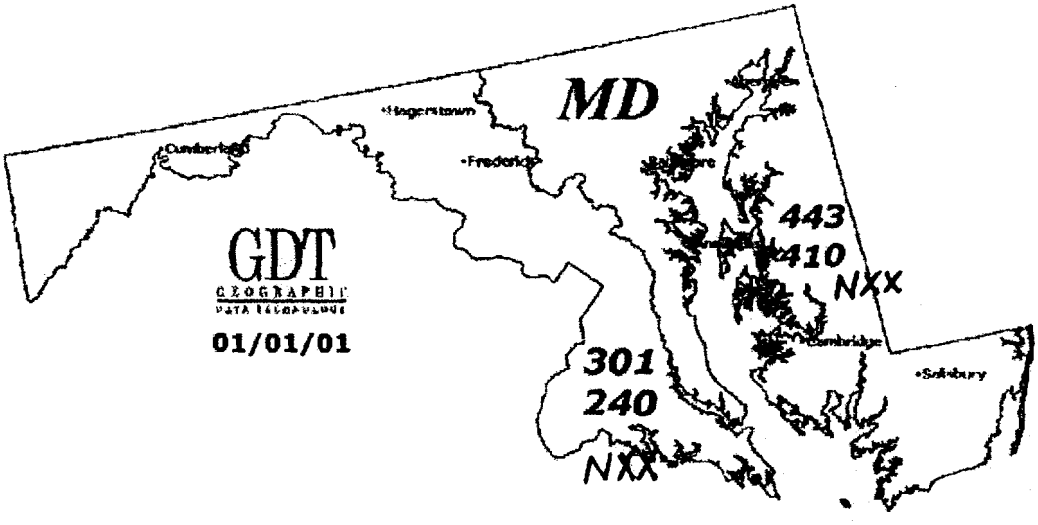


Four new overlay codes will be in effect April 2, 2001.



878 overlay will be in effect July 12, 2001.

835 and 445 overlays will be in effect May 1, 2001.



Two additional overlay area codes were approved for relief purposes by the Maryland Public Service Commission in January, 2001.