Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of Number Resource Optimization Petition of the California Public Utilities Commission for Authority To Implement Specialized Overlay Area Codes	CC Docket No. 99-200

OPPOSITION OF VERIZON

Commission policy has long disfavored specialized overlay ("SO") area codes and had originally prohibited them completely.[1] In the *Third Report and Order* in this proceeding, the Commission relaxed that absolute ban and permitted state commissions to request delegated authority to implement them on a case-by-case basis.[2] The order also prescribed in detail the showing a state would have to make in such requests.[3] The California PUC's petition for two specialized overlays fails to meet the required showing, as it omits many important details of its plan. Verizon[4] urges the Commission to deny the petition for this reason alone. Moreover, the description it does provide reveals that the plan has many flaws. Most importantly, perhaps, the CPUC utterly fails to show that the benefits of its proposal outweigh the costs to the public and the industry.

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1 *E.g.*, *Proposed 708 Relief Plan and 630 Numbering Plan Area Code by Ameritech – Illinois*, 10 FCC Rcd 4596, ¶¶ 25-29, 33-35 (1996),

2 *Numbering Resource Optimization*, 17 FCC Rcd 252 (2001) ("*Third Report and Order*").

3 *Third Report and Order* ¶¶ 81-94.

4 The Verizon telephone companies are the local exchange carriers affiliated with Verizon Communications Inc., listed in Attachment A.

The Petition Is Missing Vital Information. The *Third Report and Order* tells state commissions the information that the Commission needs in order to determine whether to grant a SO request. This petition comes up short in many respects.

Most important, the Commission instructed that "states seeking to implement a SO must also demonstrate that the benefits will outweigh the costs of implementing the SO."[5] The petition does not even attempt to meet this test. It does not attempt to quantify the financial costs to customers and carriers, including the extraordinary costs of number take-backs, a customer survey and operating support system modifications. It does not consider the "customer confusion costs" of a dialing plan that would require ten-digit dialing of some local calls and seven-digit dialing of other local calls, depending on the type of line making the call and receiving the call. And it makes no attempt to size the benefit — the more efficient use of numbers and the delay of additional area code relief.

This deficiency alone would be sufficient grounds for the Commission to deny this petition, but there are others, for example:

> The Commission said that "a SO should divert significant demand from the underlying area code to extend the life of that area code,"[6] but the petition does not indicate how much demand will be diverted from the underlying codes.
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> Because the Commission "agree[d] with concerns raised regarding routing and rating issues, … state commissions proposing expanded SOs should address specifically how they will resolve such issues, especially the rating and routing of calls placed between the underlying area codes and the SO NPA."[7] The petition does not even hint at how the CPUC plans to resolve these issues.

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[5] *Third Report and Order* ¶ 80.

[6] *Third Report and Order* ¶ 82.

[7] *Third Report and Order* ¶ 83.

The Proposal Includes Features Disfavored by the Commission. In several respects, the *Third Report and Order* indicated that SOs with certain features were disfavored and explained why the Commission would not be inclined to approve such proposals. The CPUC proposal contains a number of these disfavored characteristics. For example:

> The Commission said that "we will generally not grant authority to create SOs until the state commissions have determined, in accordance with our rules and orders, that area code relief is needed."[8] The Petition includes no discussion of this one of the Commission's criteria, perhaps because it has not, in fact, determined that area code relief is needed.
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> While the Commission "favor[s] technology-specific overlays that are transitional,"[9] the CPUC asks for a permanent SO.
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> While the Commission advised that "we do not favor take-backs as a matter of policy,"[10] the CPUC proposes broad-scale takebacks.
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> Although the CPUC was warned that "we favor SO proposals that include ten-digit dialing in the SO NPA as well as the underlying area code,"[11] it seeks permanent seven-digit dialing in the SO.
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> The CPUC "proposes that the rules of the existing NPAs in California, including pooling and lottery, apply to the SOs,"[12] which seems inconsistent with the Commission's conclusion "that any SO that achieves the purposes for which it is implemented … should not need to be subject to rationing."[13]
>
> The Commission indicated that it will "look favorably upon petitions from state commissions pursuing other numbering optimization measures in the underlying area code,"[14] but the CPUC apparently is not pursuing any such measures.

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8 *Third Report and Order* ¶ 85.

9 *Third Report and Order* ¶ 84.

10 *Third Report and Order* ¶ 90.

11 *Third Report and Order* ¶ 92.

12 Petition at 9.

13 *Third Report and Order* ¶ 93.

14 *Third Report and Order* ¶ 94.

If the Commission were to ignore the vital gaps in the CPUC's petition and deal with it on the merits, its proposal starts with at least two strikes against it, as many of its features are inconsistent with the Commission's preferences for SOs.

The Proposal Has Numerous Features That Make it a Truly Bad Idea. In addition to vital omissions in the petition and the inclusion of features the Commission has already indicated that it disfavors, the CPUC proposal has some extraordinary aspects.

First, the CPUC recognizes that carriers "do not currently track the type of services to be included in the SOs" and that carriers have advised that "they would need to individually survey their customers to determine the extent of usage and identify the individual numbers assigned to specialized overlay type services."[15] The CPUC offers no estimate of how long this survey process would take or how much it would cost. It also does not make any estimate of how honestly it believes customers will answer questions that could result in their having to change their telephone numbers.

By the time that the overlay is to be implemented, the survey will be out of date and useless.[16] Many of the numbers will have been reassigned to other customers or have been put to a different use by the same customer. What was a business modem line may have become a residential voice line, and the regular voice line may later be used for a VoIP service. Numbers will be moved into the SOs incorrectly, and numbers that should have been moved will stay in the existing NPAs. Truly a fine mess.

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15 Petition at 3.

16 Verizon estimates that it would take at least 15 months to develop and take the survey and plan the overlay.

Second, the CPUC notes in passing that "carriers will need to modify their billing, provisioning and ordering data bases and systems" in order to be able to specially track these types of telephone numbers.[17] When a service rep takes an order from a customer, he will have to ask what the customer intends to use the line for. If it is one of the services in the SO, that fact will have to be recorded in the carrier's records and systems. The carrier would also have modify its systems to keep track of its utilization of these numbers separately from other numbers in the rate center. While the CPUC doesn't even try to guess at the cost of such an effort, it would plainly be substantial.

Third, the CPUC's proposal represents an extremely inefficient use of telephone numbers. The CPUC says that there are 738 rate centers in California and that every ILEC and CLEC that has customers or wants to have customers in a rate center will have to have a thousands block of numbers in it.[18] One can expect that many of the blocks will be very lightly used — that many carriers will have only a handful of business fax or modem lines in a rate center. This means that 1000 numbers will have been assigned, but only a handful will be used, stranding most of the numbers in the block. Thus, two whole NPAs will be consumed, with a very low return on that substantial investment. Moreover, it is possible that two NPAs will not be enough to satisfy this demand, plus the needs of paging companies, ATMs, ISPs and the other users proposed by the CPUC. Thus, the CPUC might find itself very soon having to come back to the Commission to ask for a third NPA to allow it to carry out its plan.

Fourth, the CPUC's proposal would result in an area code implementation like none that has ever happened before. Typically when existing numbers are moved into a new area code (in

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17 Petition at 3.

18 Petition at 4.

an area code split), numbers are moved *en masse* — an entire NXX is moved to the new code and given a new NPA. In this case, numbers would have to be moved individually, one by one by one by one by one…. Moreover, the customer would have to be given a new seven-digit number at the time of the move, not just a new area code. Not only is it unclear how long such a process would take, the industry has no idea how it would manage a process involving seven-digit number changes — would there be a "permissive" period during which both numbers would work?

Fifth, while this laborious process is underway, the companies will also be busy installing new facilities. For each of the new codes, Verizon would need separate trunk groups from each one of its 200 central offices to its operator switches in order to separate calls from these codes from others calls. Dedicated trunking would also be required from each non-SS7 end office to the 911 tandem and from the tandem to the public service answering point.

Sixth, while the carrier employees are busy doing all this, the people of the state of California will be busy trying to learn new dialing patterns. Under the CPUC proposal, a fax call from San Diego to Bishop 360 miles away (more than the distance between Washington and Hartford, Connecticut) would be dialed with seven digits, but would be a toll call — in fact, it would be an interLATA call, presumably carried by the customer's presubscribed interLATA carrier. However, a 13-mile call to from San Diego to a pager with a La Jolla number would be dialed with 11 digits and would be local.

In sum, the proposal would be costly, confusing and wasteful of numbering resources.

Conclusion

The Commission should deny the petition.

Respectfully submitted,

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ATTACHMENT A

THE VERIZON TELEPHONE COMPANIES

The Verizon telephone companies are the local exchange carriers affiliated with Verizon Communications Inc. These are:

Contel of the South, Inc. d/b/a Verizon Mid-States
GTE Midwest Incorporated d/b/a Verizon Midwest
GTE Southwest Incorporated d/b/a Verizon Southwest
The Micronesian Telecommunications Corporation
Verizon California Inc.
Verizon Delaware Inc.
Verizon Florida Inc.
Verizon Hawaii Inc.
Verizon Maryland Inc.
Verizon New England Inc.
Verizon New Jersey Inc.
Verizon New York Inc.
Verizon North Inc.
Verizon Northwest Inc.
Verizon Pennsylvania Inc.
Verizon South Inc.
Verizon Virginia Inc.
Verizon Washington, DC Inc.
Verizon West Coast Inc.
Verizon West Virginia Inc.