

ITEM NO. 1

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: November 21, 2006**

REGULAR CONSENT EFFECTIVE DATE _____

DATE: November 13, 2006

TO: Public Utility Commission

FROM: David Sloan and Woody Birko

THROUGH: Lee Sparling, Phil Nyegaard and Lance Ball

SUBJECT: NEUSTAR INC: (Docket No. UM 924) Requests Approval of Plan for Providing Number Relief for the 503A Area Code (Northern Coast Exchanges).

STAFF RECOMMENDATION:

Staff recommends that the Industry Implementation Plan, as submitted by NeuStar, Inc. in its Petition dated October 18, 2006, be approved.

DISCUSSION:

NeuStar, Inc., in its role as the North American Numbering Plan Administrator (NANPA) currently forecasts that the 503A Numbering Plan Area (NPA) will run out of assignable telephone numbers during the fourth quarter of 2008.¹ At that point, no more prefix codes could be assigned, and expansion of telecommunications facilities in the 503A area code would cease.

Because assignable numbers are projected to exhaust within two years, Commission staff requested that NANPA work with the Oregon telecommunications industry (Industry),² to develop an implementation plan for the provision of assignable telephone numbers to Oregon's 14 coastal telephone exchanges once the 503A numbers exhaust.

¹ As of October 11, 2006, 34 central office codes from the 503 NPA remain available for assignment from the general pool. Historical demand shows that six central office codes were assigned in 2004, 13 in 2005 and, to date, 15 central office codes have been assigned in 2006.

² The Industry is composed of current and prospective telecommunications carriers operating in, or considering operations within, the 503 and 971 area codes.

During September and October of 2006, NANPA convened and facilitated implementation telephone conferences with the Industry to reach consensus on the implementation of a 503A area code relief plan. Staff, NANPA and the Industry agree that the only reasonable relief plan is to extend the area code 971 overlay to include the coastal exchanges.³

On October 18, 2006, NeuStar, Inc., in its role as the NANPA and on behalf of the Industry, filed a petition with the Commission for approval of an industry implementation plan (Petition). The Petition reopened Docket No. UM 924, "In the Matter of the Investigation of the Appropriate Method of Providing Number Relief for the 503 Area Code". The current investigation is designated UM 924(1).

HISTORY

In Order No. 99-286, dated April 26, 1999, the Commission approved a new area code plan for the 503 area code.⁴ In its order, the Commission adopted an overlay plan that imposed a new area code (971) over all of the 503 area code except the immediate coastal exchanges. The 14 coastal exchanges excluded from the 503/971 area code overlay in 1999 are: Qwest Corporation's Astoria, Cannon Beach, Seaside, and Warrenton exchanges; United Telephone Company of the Northwest/Embarq's Bay City, Beaver, Cloverdale, Garibaldi, Pacific City, Rockaway and Tillamook exchanges; CenturyTel's Jewell and Knappa exchanges; and Nehalem Telecommunications, Inc.'s Nehalem exchange. The area code for the 14 coastal exchanges has since been referred to as 503A area code.

In its 1999 decision, the Commission concurred with Staff that nothing would be gained by including the coastal exchanges in the overlay at that time. Thirty prefix codes were reserved for future growth in those exchanges. An additional 18 prefix codes were reserved for the FCC requirement to allow a 90-day period prior to the implementation of the new area code for future service providers to enter into the 503 area code. Prefixes unclaimed during the 90-day FCC period were reserved for growth in the coastal 503A area code. These exchanges represent approximately 60,000 telephone numbers.

³ Assignable telephone numbers for the 971 area code are not currently forecasted to exhaust until the fourth quarter of 2028.

⁴ The Commission also considered adoption of a "split" area code plan. When an existing area code is split, some customers retain their old phone numbers, while others are given new ones based on a geographic boundary. The Commission decided that splitting the 503 area presented more problems than an overlay plan.

According to 1999 growth projections, the available prefixes in the 503 area code would exhaust by the end of 1999 or early 2000 if no changes were made. The imminent exhaustion of assignable telephone numbers was attributable to a number of factors, including an influx of new residential and business customers, expansion by existing customers, a high rate of growth in cellular and paging services and the introduction and use of new services, equipment and features. However, the coastal rate centers had not shown the same growth rate as the remainder of area code 503.

CURRENT INDUSTRY PROPOSAL

As outlined in the Petition, the Industry's preferred action for assignable number relief in the coastal exchanges is to complete the overlay of area code 971 over the existing 503A area code. The proposed overlay would be activated in May 2007 with a six-month network preparation and customer education period, followed by a six-month extended permissive dialing period. Final implementation of the new 503/971 overlay would be effective prior to April 30, 2008. After April 30, 2008, ten-digit dialing would be mandatory for customers of the 14 exchanges in the 503A/971 overlay area.

STAFF POSITION

Staff agrees with NANPA and the Industry that the only possible relief plan for the 503A area code is to extend the area code 971 overlay to include the coastal exchanges. If the Industry's plan is not implemented, the coastal exchanges will run out of prefix codes, and staff revisiting the Commission's 1999 overlay decision would affect the entire 503/971 area code. Staff recommends that the Industry be required to inform and educate the public through news releases, bill inserts and/or newsletters, and that concurrently the Commission hold several public comment meetings within the 14 coastal exchange area to inform the public of the issues and to receive comments.

The primary negative impact on customers from extending the 971 area code overlay to include the 503A area code is mandatory ten-digit dialing for all local calls. Staff believes that this negative impact should be minimized by the permissive ten-digit dialing that has been in effect since 1999. A permissive dialing period was implemented for the coastal exchanges in 1999 but was not terminated. Today, customers of these coastal exchanges can dial seven or ten digits for a local call.

Also, due to the continued permissive dialing period, customers have had several years to change business cards, letterhead, etc. to reflect their ten-digit telephone number.

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PROPOSED COMMISSION MOTION:

The Industry Implementation Plan for number relief in the 503A area code, as outlined in NeuStar, Inc.'s Petition dated October 18, 2006, be approved.