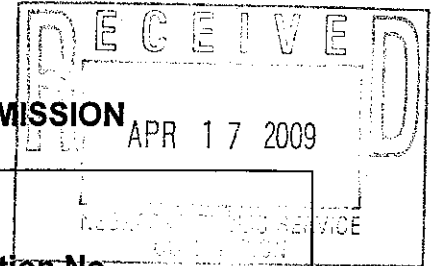


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BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION



In the Matter of the Nebraska Public Service Commission, on its own motion, to adopt a relief plan for the 402 area code.

**Application No.
C-4152**

QWEST CORPORATION'S COMMENTS IN RESPONSE TO THE ORDER OPENING DOCKET AND SETTING WORKSHOP

Qwest Corporation ("QC" or "Qwest") files the following comments in response to the request from the Nebraska Commission in its Order Opening Docket and Setting Workshop, dated March 17, 2009.

Introduction

Qwest recommends an area code overlay. Qwest provides service to tens of thousands of customers in the 402 area code. An area code overlay will impact these customers far less than an area code split. Implementing an area code split will cause great inconvenience and many difficulties for consumers and the telecommunications industry because an area code split would force tens of thousands of customers to change their telephone numbers. To avoid these problems, the Commission should implement an area code overlay in numbering plan area 402 (the "402 NPA"). As explained below, an overlay has many benefits and avoids many of the difficulties that would occur if a split were implemented.

An Overlay Offers Many Advantages Over An Area Code Split.

As the Commission has made clear for some time, ever-increasing demand for telephone numbers necessitates adding a new area code in Nebraska. In implementing this new area code, the Commission should choose a relief plan with the most

advantages and fewest disadvantages for consumers. Qwest strongly believes that an overlay of a new area code over the existing 402 area code NPA will offer consumers far more advantages than the area code split method.

There are two primary reasons for the Commission to select an overlay: (a) An overlay offers consumers many advantages over an area code split; and (b) The telecommunications industry has already developed a successful plan for educating consumers about an overlay.

An Area Code Overlay Benefits Consumers Because Existing Customers Keep Their Telephone Numbers.

Perhaps the greatest advantage of an overlay over a split is that implementing an overlay will not require **any** consumers or businesses to change their telephone numbers. A recent decision by the California Public Utilities Commission to reverse its previous order to do a split and to change to an overlay illustrates how important the number change issue is to customers:

The extensive public response to our decision focused on the inconvenience and expense of changing telephone numbers, as compared to the relatively minor burden of 10-digit dialing. Customers explained in great detail the expenses that will be incurred by businesses, the lost contacts for individuals, and the use of "speed dial" features on modern telephones that can offset the impact of 10-digit dialing. We have considered the volume and substance of these comments and have determined that we should grant the petition for modification and adopt a geographic overlay. This will allow all customers to retain their existing telephone numbers, which we understand to be the highest priority for customers.¹

Eliminating the need for consumers to change their telephone numbers has many important advantages, including:

- No consumers will be forced to change or "give back" their telephone number(s).

¹ *Granting Petition for Modification of Split Decision and Ordering an Overlay for the 760 Area Code* California Public Utilities Commission Decision 08-10-038, Application 07-06-018, p. 4 (October 16, 2008, Date of Issuance, October 21, 2008).

- No businesses will be required to endure the unnecessary cost and inconvenience of changing stationery, business cards, signage, yellow page advertising and other advertising, websites, brochures, catalogs, etc. for their existing services.
- Overlays minimize the risk that calling parties will not be able to reach the intended called parties at the expected telephone number. This risk is particularly important for small businesses, independent contractors and agents that may not have regular contact with their clients, who may conduct business on an ad-hoc or seasonal basis, or who may rely heavily on referrals for ongoing work (*i.e.*, real estate agents, construction or household maintenance contractors, tax consultants, brokers). An overlay would minimize undue financial risk where the loss of a phone number could disrupt or shut down a business.
- For residential customers, adopting an overlay instead of a split will obviate the need for customers to contact friends and family (often located out of state) to distribute updated phone numbers. Number changes can cause confusion for the elderly and children. Out-of-state callers may not be able to reach family or businesses if they are not aware of the number changes. These problems do not occur with an overlay.
- Overlays treat all consumers equally; there is no "wrong side" of an overlay, whereas an area code split necessarily provides what could be perceived as "preferential" treatment to some users who are allowed to retain their existing numbers, while asking other existing customers to bear the costs and inconvenience by forcing them to change their phone numbers. Forced telephone number changes create economic hardships on customers.
- Once an overlay is implemented, if future demand warrants additional area code relief, it is very easy to implement an additional overlay in the same geographic area. Further geographic splits, in contrast, would become increasingly complex and controversial.
- Generally, carriers are able to make the necessary changes in their networks to implement an overlay more quickly than for a split.
- There is no "flash cut" with an overlay. Rather, new numbering resources are assigned as they are needed. This does not force current customers on the "wrong side" of the split to change their numbers.
- Overlays provide a more efficient means of allocating numbering resources throughout the affected area by allowing telephone numbers to be available for use across the entire footprint of the original NPA. In this

way, numbering allocation mirrors demand without the need to “predict” where future resources are needed, unlike with geographic splits.²

- An area code split would require many wireless devices associated with changing telephone numbers to be reprogrammed by the wireless provider, often manually. With an overlay, it is unnecessary to reprogram wireless devices, either manually or otherwise.
- With an area code split, even with “over the air” reprogramming, if a wireless customer is an infrequent user or out of the country, he or she may miss the reprogramming transmissions. That could result in service interruption and/or a trip to the wireless service provider’s retail store to correct the problem.

As this list demonstrates, there are many advantages to establishing an overlay instead of implementing a geographic split.³ In fact, overlays are now the most popular form of numbering relief to be ordered by state commissions across the country today. Twenty-two (22) states, the Territory of Puerto Rico, Canada and the Dominican Republic have ordered a combined total of nearly 80 overlays⁴ in recent years.⁵ The Commission should join these states in their “progressive” approach to numbering

² Split boundary lines are usually recommended by NeuStar (as the NANPA) based on its analysis of likely future demand patterns -- to ensure that the split areas are relatively balanced and have similar life expectancies after the split. Such predictive analyses, which may not match actual market conditions in the future, are not necessary with an overlay.

³ The FCC has considered the relative advantages and disadvantages of geographic splits and overlays. See *Numbering Resource Optimization, Second Report and Order, Order on Reconsideration in CC Docket No. 96-98 and CC Docket No. 99-200, and Second Further Notice of Proposed Rulemaking in CC Docket No. 99-200*, 16 FCC Rcd. 306, ¶¶ 62-70 (2000). Among the disadvantages of geographic splits relative to overlays that the FCC has identified are: (1) approximately one-half of the subscribers in the original NPA must bear substantial costs associated with changing to a new NPA; (2) the difficulty of accurately forecasting growth versus non-growth areas, thereby increasing the likelihood of premature exhaust; and (3) splits can often create dialing confusion by requiring customers to use one dialing pattern for some local calls (seven digits) and another dialing pattern for others (ten digits).

⁴ This number includes planned area code overlays that have been adopted by the state or other jurisdiction but have not yet been put into service due to conservation measures.

⁵ Puerto Rico and the following states have implemented an overlay: Alabama, California, Colorado, Connecticut, Florida, Georgia, Illinois, Massachusetts, Maryland, Michigan, Mississippi, North Carolina, New Jersey, New York, Ohio, Oregon, Pennsylvania, Texas, Utah, Virginia, Wisconsin and West Virginia. Fifteen states have more than one overlay. See www.nanpa.com. In addition, Canada (10 overlays) and the Dominican Republic (2 overlays) have each implemented overlays. See *id.* In all, 79 overlays have been implemented or are in the process of implementation in North America. See *id.*

policy by recognizing that the divisiveness inherent in a split can and should be avoided.

Over time, customer acceptance and public perception of ten-digit dialing have changed – a fact recognized by many state commissions – and so the requirement to dial ten digits no longer poses a significant concern for most consumers. An area code split has a far greater impact, however, because it “guarantees” that approximately one-half of all residents and businesses will suffer negative repercussions of relief planning when they are forced to change their phone numbers.

Many overlays have been implemented without incident in numerous states since 2000.⁶ In fact, it is the experience of the industry that an overlay is less disruptive than a split because no consumers are forced to change their telephone numbers.

Conversely, during a split many consumers are adversely impacted by the disruption of having to change their telephone number merely because they live in the area that is selected to lose the prior NPA designation in favor of another community. A split is particularly burdensome for small businesses that will have to expend a great deal of time and money to change all of their literature, including phone directory listings, stationery, business cards, invoices, web pages and advertisements, that contained their old phone number and update them to show their new phone number(s).

With an area code split, the number changes trigger massive changes to emergency 911 databases which contain 10 digit telephone numbers to identify addresses for police and fire emergencies. Also, ported telephone numbers and toll free numbers (e.g. 800, 866, etc.) that provide service in the new area code must all be

⁶ Since 2000, overlays have been implemented in Virginia (2000); Oregon (2000); North Carolina (2001); Texas (2000 and 2003); Pennsylvania (2001); New Jersey (2001); Florida (2001); Massachusetts (2001); Illinois (2002); Ohio (2000 and 2002); Michigan (2002); Puerto Rico (2001); Dominican Republic (2005); Mississippi (2005); Georgia (2006); California (2006, 2008 and 2009); Illinois (2007); Utah (2009); West Virginia (2009). See www.nanpa.com. See *id.* Of the 35 relief plans not yet in service, 31 are overlays.

changed in national databases, or calls will not complete. Qwest's experience with the recent area code split in New Mexico indicates that even if the ILECs complete an area code split flawlessly, there can still be implementation problems experienced by wireless providers, smaller long distance companies, and PBX equipment. Given the forecasted exhaust of the 402 NPA, successfully implementing a split prior to the exhaust date would be difficult.

Based on the experience in the industry of implementing both splits and overlays in other markets, residents in the 402 NPA will come to realize that dialing a few extra digits will be far more preferable than having their telephone numbers taken away and replaced with new ones.

LNP Difficulties

Another important consideration is the FCC's decision requiring telecommunications carriers to provide Local Number Portability ("LNP"). Industry experience demonstrates that it is difficult to comply with LNP requirements in an area where an area code split occurs. A split also imposes a technical challenge to carriers that are also required to comply with LNP requirements. The Number Portability Administration Center ("NPAC") houses all of the ported and pooled numbers. During the night of initiating permissive dialing, the NPAC personnel must act to update the database to include both the old and new NPA. Port requests can fail or create a backlog if the carrier's operational support systems are not in sync with the NPAC. In addition, work also is required to the carriers' Local NPAC databases (LSMS) and networks to include both the old and new NPA and the NXX's⁷ associated with each. If

⁷ NXX refers to the exchange code – the first three numbers in a seven-number telephone number, or the first three numbers following the area code or NPA in a ten-number telephone number.

this is not accomplished successfully, calls will be misrouted or fail to complete.

The Industry Has Developed A Successful Plan To Educate Consumers About An Overlay In Other Jurisdictions.

The industry has learned through experience that the key to success with any relief plan is public education. In particular, the industry has valuable experience and extensive knowledge of how best to facilitate a smooth transition to a new ten-digit dialing protocol that occurs when an overlay is implemented. The transition to such arrangements has been extremely successful in many other markets.

Once the Commission orders an overlay in the 402 NPA, the industry is ready to form an Industry Task Force that will develop a comprehensive customer education plan. A sample list of responsibilities that need to be considered when implementing an overlay is attached as **Exhibit A**. These activities are conducted by committee and/or by individual companies and include everything from updating Telephone Directories, to mailing letters to notify public safety organizations, alarm and security associations, and Coin Operated Pay Telephone (COIP) vendor associations. This list of activities represents "best practices" that have been derived from other Task Forces that helped with the successful implementation of NPA overlays in other states. Qwest would be happy to discuss this plan with the Nebraska Commission and other members of the industry at the workshop scheduled for April 20, 2009.

It is important that the industry be afforded sufficient time to do a thorough job of public education. Therefore, Qwest respectfully requests that the Commission make a decision to select an overlay as quickly as possible.

Changed Circumstances With More Wireless Customers Supports An Overlay.

In recent years the telecommunications industry has witnessed a nationwide transformation in the way people communicate that has changed consumer needs and priorities. There are now more wireless users than traditional residential wireline customers across the country, with more than 270 million wireless subscribers nationwide.⁸ The significance of this proliferation of wireless usage is that people today are more "mobile" and frequently traverse across regional boundaries to work, commute home, attend school, and seek entertainment. In today's kinetic society, businesses, both large and small, are finding the use of wireless products and services not only a convenience but "essential" to maintain their competitiveness and increase the productivity and efficiency of their workforce. As a result of these developments, wireless users increasingly associate their number not with a set geographic area, but identify more "personally" with their mobile phone numbers.

Wireless customers increasingly rely on their cell phones not only for work but also as a means to manage their personal lives and to "stay in touch" with friends and family members. It is more important than ever for wireless consumers to be able to keep their phone numbers and not be forced to change their numbers. Overlays can provide a progressive approach to numbering relief in a flexible and accommodating manner, without compelling people to give up their phone numbers. In addition, since most people use their mobile phones to place both local calls and long distance calls throughout the country, most people are already using 10 digit dialing when they dial from their mobile phones. This makes implementation of an overlay, and the 10-digit

⁸ <http://www.ctia.org/advocacy/research/index.cfm/AID/10323>

dialing associated with local calls, even more acceptable and easier. The popularity and widespread use of wireless devices and technology has fundamentally changed the economic climate of the state and has altered consumer demands of residents and priorities of many businesses. The Commission should recognize these developments in determining the most appropriate way to implement numbering relief.

Conclusion

For the foregoing reasons, the Carriers respectfully request that the Commission: enter an order implementing an overlay of the new area code over the area that is currently assigned to the existing 402 NPA.

REQUEST FOR EXPEDITED DETERMINATION TO IMPLEMENT AN OVERLAY

Time is of the essence to solve 402 NPA exhaustion. Based upon the most recent NeuStar forecast, exhaust will happen during 3rd quarter 2010. Accordingly, Qwest respectfully recommends the following time line for implementation of an overlay.

- Nebraska Commission orders an overlay - July 2009 or sooner
- Permissive Dialing Period starts⁹ - January, 2010
- End of Permissive Dialing Period¹⁰ – July, 2010
- New Central Office Codes available in the new area code – starting August, 2010

⁹ During the Permissive Dialing Period customers can dial 7 or 10-digits for local calls.

¹⁰ Mandatory 10-digit dialing for local calls

Dated: April 17, 2009

Respectfully submitted,

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Exhibit A

Industry Task Force - Customer Communications

Milestone List

Milestone	Responsibility	Completed By	Status	Comments
Industry Task Force - Customer Communications Kick-Off Meeting	All Carriers			Each carrier to designate a representative.
Carriers' Internal Communication	All Carriers			Distribute information to be used by employees when answering customer inquiries.
Customer Notification No. 1: Announce the new area code plan. Include information about 10-digit dialing and indicate affected areas. Have in customers hands by mm-dd-yyyy.	All Carriers			Complete Industry document by mm-dd-yyyy, at which time carriers should start internal processes for mailing a letter or bill insert to all customers in the 402 NPA. Significant deviations from Industry document requires NPSC staff approval. In-home delivery to be completed no later than mm-dd-yyyy.
Develop letters for distribution to Alarm and Security Service/Equipment Providers, Telephone Directory Publishers, Customer-Owned Pay Telephone Providers, and public safety organization (911PSAPs) throughout the 402 Area.	All Carriers			Mail by mm-dd-yyyy.
NPSC Press Release	NPSC			Press Release: Permissive Dialing
Permissive Dialing begins	All Carriers	mm-dd-yyyy		
Update/modify letters (as required) to Alarm and Security Service/Equipment Providers, Telephone Directory Publishers, Customer-Owned Pay Telephone Providers, and public safety organization (911PSAPs) throughout the 402 Area.	All Carriers			
Customer Notification No. 2: Announce the new area code plan. Include information about mandatory 10-digit dialing and indicate affected areas. Have in customers hands by mm-dd-yyyy.	All Carriers			
NPSC Press Release	NPSC			Press Release: Mandatory Dialing
Mandatory Dialing begins	All Carriers	mm-dd-yyyy		
First Code Activation in new 458 Area Code	All Carriers	mm-dd-yyyy		