

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion,)	
to consider implementation of a 517 area code)	Case No. U-12552
relief plan.)	
_____)	

At the November 8, 2000 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. John G. Strand, Chairman
Hon. David A. Svanda, Commissioner
Hon. Robert B. Nelson, Commissioner

OPINION AND ORDER

On October 10, 2000, Ameritech Michigan filed a petition seeking rehearing of the Commission's September 15, 2000 order in this proceeding, which approved the 517 area code relief plan filed by NeuStar, Inc.¹ Ameritech Michigan maintained that after careful consideration of the many tasks associated with the area code implementation plan, no amount of effort would permit it to meet the implementation schedule mandated by the Commission's September 15, 2000

¹ NeuStar has been delegated authority by the Federal Communications Commission (FCC) to act as the administrator of the North American Numbering Plan (NANP) and is responsible for the initiation and development of area code relief planning and central office code administration for area codes in Michigan. The Commission has authority pursuant to Section 303(4) of the Michigan Telecommunications Act (MTA), MCL 484.2101 et seq.; MSA 22.1469(101) et seq., to approve or deny the proposed addition, elimination, or modification of an area code in this state.

order, which required the implementation of permissive dialing² by January 1, 2001 and required dialing³ by July 1, 2001. According to Ameritech Michigan, the technical, network, and workforce issues associated with implementation of the new area code are simply too varied, time-consuming, and complex to allow the company to meet those implementation deadlines. Further, Ameritech Michigan contended that an estimate that was provided by its representative at an August 31, 2000 public hearing in West Branch, Michigan was overly optimistic because it was provided without the benefit of prior research or detailed analysis. Ameritech Michigan stated that it simply cannot perform all of the billing and switch-level network tasks that need to be accomplished in the time provided by the Commission's September 15, 2000 order. Indeed, Ameritech Michigan asserted that it could not implement permissive dialing until May 5, 2001 at the earliest and that implementation of required dialing would be impossible before October 6, 2001.

On October 24, 2000, the Commission issued an order directing Ameritech Michigan to respond to nine specific questions. The Commission also directed Ameritech Michigan to attend a November 1, 2000 public hearing conducted for the purpose of investigating Ameritech Michigan's request to delay implementation of the 517 area code relief plan.

On October 31, 2000, Ameritech Michigan filed its written response to the Commission's questions. Written comments were also received from the Saginaw County Chamber of Commerce, Stanley Alarm Systems, Thumb Promotions, and State Representatives Ken Bradstreet and Dale Sheltroun.

² Permissive dialing allows the calling party to use either the old or new area code to reach a called party.

³ Required dialing does not allow the calling party to complete a telephone call through use of the old area code.

At the November 1, 2000 public hearing, which was attended by representatives of Ameritech Michigan, Verizon Wireless, Attorney General Jennifer M. Granholm, the West Branch Chamber of Commerce, the Small Business Association of Michigan, the Michigan Association of Promotional Products, and legislative staffers from the offices of representatives Bradstreet and Sheltroun, the Commission conducted an investigation into Ameritech Michigan's readiness to implement the 517 area code relief plan and associated issues. Ameritech Michigan indicated that the work that is necessary to implement an area code split is time-consuming and complex because it involves switch translations, billing system modifications, and notification procedures. According to Ameritech Michigan, its ability to implement this area code relief plan cannot be compared to other situations because anecdotal evidence regarding implementation of other area code relief plans does not address the unique challenges presented by the division of the 517 area code. According to Ameritech Michigan, two-way split plans typically have implementation intervals ranging from four to eight months from the date of an order authorizing a split to the date by which permissive dialing is possible. Indeed, Ameritech Michigan estimates that it will take over 6,000 person-hours to perform the necessary billing system adjustments required to implement the 517 area code split. Further, Ameritech Michigan represents that these changes must be made to the billing system as it exists at the time that the implementation process begins, which means that little, if any, of the work performed prior to the Commission's October 10, 2000 order will be of any use.

Ameritech Michigan also maintains that it cannot rely upon outside contractors to perform the functions necessary to implement the 517 area code split. According to Ameritech Michigan, the required adjustments to its billing and network functions are far too complex to be entrusted to outside contractors. Further, Ameritech Michigan doubted that it could locate qualified outside

contractors capable of performing the switch translations necessary to implement the area code split. However, Ameritech Michigan did concede that it should be able to implement permissive dialing no later than April 7, 2001, with required dialing being implemented six months later.

The Commission is aware that a change in the dates for implementation of permissive and required dialing will cause adverse consequences to some end-users. As noted in the October 24, 2000 order, many of Ameritech Michigan's customers appeared at the August 31, 2000 public hearing to plead for a prompt and certain switch in the area code designation. Some of these customers have prepared (or are about to prepare) promotional brochures publicizing an area code that is not yet effective. These customers are quite reasonably agitated by the lack of finality with regard to implementation of the area code revision. Other customers have expressed the need for additional time for them to acclimate their businesses to a new area code, and they welcome the delay proposed by Ameritech Michigan. The Commission's decision to require permissive dialing to begin on January 1, 2000 was based on an earlier estimate by an Ameritech Michigan spokesman, which the company now considers a "mistake."

Under the circumstances, the Commission reluctantly concludes that Ameritech Michigan's request to delay implementation of the 517 area code relief plan approved by the Commission's September 15, 2000 order must be granted. However, the Commission is persuaded that in granting Ameritech Michigan's request for relief, the Commission should also provide a warning in the event that Ameritech Michigan or another carrier fails to implement either permissive or required dialing by the dates proposed at the November 1, 2000 public hearing. The Commission has authority pursuant to Section 601(a) of the Michigan Telecommunications Act (MTA), MCL 48 4.2601(a); MSA 22.1469(101), to impose a maximum fine on Ameritech Michigan or any other carrier involved of \$20,000 per day. Ameritech Michigan and other carriers are hereby

placed on notice that any failure to implement the revised 517 area code relief plan approved by this order will be subject to the imposition of the maximum daily fine allowed by law. Accordingly, the Commission directs that Ameritech Michigan and all other members of the telecommunications industry affected by the 517 area code relief plan shall implement permissive dialing by April 7, 2000 and required dialing six months later.

At the November 1, 2000 public hearing, an issue was raised that concerns wireless carriers. It was brought to the Commission's attention that delaying implementation of the 517 area code relief plan may have a significant adverse effect on wireless carriers. By way of background, when an area code is determined to be in need of relief, NeuStar is required to convene a meeting of the carriers in that area to develop a "Jeopardy Plan," which rations the remaining new central office codes (frequently referred to as NXX codes) so that the available NXX codes are not used up prior to implementation of the required dialing date established in the initial area code relief plan.

The current allocation quota for the 517 area code was established at six codes per month, which were to be distributed amongst the providers by lottery. However, this quota was established on the basis of a projected permissive dialing date of August 19, 2000 and a required dialing date of January 20, 2001. Because the Commission has determined that the implementation dates for permissive and required dialing need to be delayed to accommodate Ameritech Michigan's needs, it is readily apparent that the monthly allocation of NXX codes also needs to be revised to ensure that the remaining codes are not exhausted before area code relief begins.

During the November 1, 2000 public hearing, it was determined that in order to seek revision of the Jeopardy Plan, at least two of the affected providers must petition NeuStar in writing seeking a change in the previously approved allocation of NXX codes on the basis of the change in the 517 area code relief plan approved by this order.

By establishing a date certain for implementation of the 517 area code relief plan, the Commission has provided the information that is necessary for the industry to petition NeuStar for revision of the NXX allocation process. Although the allocation process is based on federal guidelines, the Commission reminds the providers that their solution to the allocation problem must be consistent with the MTA and the Commission's prior orders with regard to the encouragement of competition in the telecommunications' marketplace. In other words, existing providers may not disadvantage new market entrants by seeking to erect artificial barriers to competition during the process of revising the NXX code allocation process. Moreover, the Commission encourages providers in the 517 region to take all necessary steps to reach a consensus on a fair and equitable arrangement to resolve this problem without further Commission assistance.

The Commission FINDS that:

- a. Jurisdiction is pursuant to 1991 PA 179, as amended, MCL 484.2101 et seq.; MSA 22.1469(101) et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; MSA 3.560(101) et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1992 AACRS, R 460.17101 et seq.
- b. Ameritech Michigan's request for revision of the implementation dates for permissive and required dialing for the 517 area code relief plan should be granted.
- c. Permissive dialing should commence on April 7, 2001, and required dialing should commence on October 6, 2001.
- d. The industry should continue to file monthly progress reports until the area code relief plan is fully implemented.
- e. The industry should file, within 30 days, a revised plan for customer education.

THEREFORE, IT IS ORDERED that:

A. Ameritech Michigan's request for revision of the implementation dates for permissive and required dialing for the 517 area code relief plan is granted.

B. Permissive dialing shall commence on April 7, 2001, and required dialing shall commence on October 6, 2001.

C. The industry shall continue to file monthly progress reports until the area code relief plan is fully implemented.

D. The industry shall file, within 30 days, a revised plan for customer education.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26; MSA 22.45.

MICHIGAN PUBLIC SERVICE COMMISSION

(S E A L)

/s/ John G. Strand

Chairman

By its action of November 8, 2000.

/s/ David A. Svanda

Commissioner

/s/ Dorothy Wideman
Its Executive Secretary

/s/ Robert B. Nelson
Commissioner

THEREFORE, IT IS ORDERED that:

A. Ameritech Michigan's request for revision of the implementation dates for permissive and required dialing for the 517 area code relief plan is granted.

B. Permissive dialing shall commence on April 7, 2001, and required dialing shall commence on October 6, 2001.

C. The industry shall continue to file monthly progress reports until the area code relief plan is fully implemented.

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Suggested Minute:

“Adopt and issue order dated November 8, 2000 granting the request by Ameritech Michigan to revise the implementation dates for permissive and required dialing for the 517 area code relief plan, as set forth in the order.”