

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission’s own motion,)
to consider implementation of an 810 area code)
relief plan.)
_____)

Case No. U-12588

At the December 11, 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

The 1999 Central Office Code Utilization Survey’s projected demand for new central office codes (frequently referred to as NXX codes) indicated that the still-available NXX codes in the 810 area code could be exhausted by the second quarter of 2000. Based upon the projected exhaustion date and an unanticipated increase in the demand for NXX codes within the 810 area code, the North American Numbering Plan (NANP) Administrator, which is currently NeuStar, Inc.,¹ formally declared the 810 area code’s numbering plan to be in jeopardy and, on April 2, 1999, notified the Commission and the telecommunications industry of that fact. Following discussions both among its members and with NeuStar, the industry adopted procedures intended to delay the exhaustion of NXX codes within the 810 area code until the second quarter of 2001.

¹In late 1999, all NANP and other numbering functions were transferred from Lockheed Martin IMS, Inc., to NeuStar.

On May 18, 1999, members of the industry met again with NeuStar, this time to discuss long-term relief alternatives for the 810 area code. In the course of that meeting, the relative benefits and pitfalls of several alternative relief plans were discussed. Those alternatives included proposals to implement various geographic splits or overlays.² As a result of that meeting, an all-services distributed overlay was recommended as the preferred means of relief. According to NeuStar and the industry, they reached this conclusion because customers located within the 810 area code have already been subject to a geographic split, and implementing the all-services distributed overlay would allow them to retain their existing 810 area code and not require them to change their seven-digit phone numbers. Because the statutes then in effect did not allow the Commission to assert jurisdiction over the proposed area code relief plan when it was initially presented, NeuStar and the industry submitted a petition to the Federal Communications Commission (FCC) for review and approval of their proposal.

On July 17, 2000, Governor John Engler signed into law Public Act 295 of 2000, which amended the Michigan Telecommunications Act, 1991 PA 179, as previously amended, MCL 484.2101 et seq.; MSA 22.1469(101) et seq. (the Act). Among other things, the Act's recent amendments grant the Commission authority to address proposed area code changes in Michigan. Specifically, Section 303(4) of the Act, which was added by Public Act 295, states that:

The commission has the authority to approve or deny a proposed addition, elimination, or modification of an area code in this state. The commission shall give public notice and shall conduct a public hearing in the affected geographic area before an addition, elimination, or modification of an area code is made in this state.

²A geographic split refers to situations in which the geographic area served by an area code in which there are few or no NXX codes left for assignment is split into two or more geographic parts, each with a separate area code. In contrast, an overlay provides relief by opening up another area code within the same geographic area as the area code requiring relief.

MCL 484.2303(4); MSA 22.1469(303)(4). In light of this recent extension of the Commission's authority, the FCC returned the issue of the 810 area code relief plan to the Commission for its consideration by letter dated July 28, 2000. On August 31, 2000, the Commission issued an order setting public hearings on the 810 area code relief plan for November 9, 2000 in Flint and November 20, 2000 in Mount Clemens. The Commission also provided an opportunity for interested persons to file written comments on or before November 21, 2000 and replies on or before December 5, 2000.

At the hearings, Frank Colaco, a representative of NeuStar, explained that the industry examined six alternatives for area code relief. The first alternative involved a geographic split of the existing 810 area code that would be accomplished by dividing it into eastern and western segments with a boundary line running from north to south that bisected Lapeer County down its center.

The second and third alternatives also involved geographic splits. In each case, Macomb County would be divided from the remainder of the 810 area code. Under the second alternative, Macomb County would retain the 810 area code designation and the remainder would be assigned the 586 area code designation. Under the third alternative, Macomb County would be assigned 586 area code designation, with the remainder retaining the 810 area code designation.

The fourth alternative involves an all-systems overlay. Existing customers would retain their current ten digit telephone numbers. Upon implementation of the overlay, new numbers would be assigned an 810 or 586 area code until all 810 numbers are exhausted. Following exhaustion of numbers associated with the 810 area code, all code assignments would involve the 586 area code. Implementation of the overlay approach would necessitate all customers dialing an area code in order to complete a local call.

The fifth alternative involved a proposal to simultaneously overlay four existing area codes in Michigan with the 586 area code. Finally, the sixth alternative proposes that a new area code apply only to wireless customers.

At the conclusion of his remarks, Mr. Colaco recommended that the Commission adopt the fourth alternative—the area-wide overlay proposal. In so doing, he stated that his recommendation was based upon a consensus of the industry representatives that was reached after much debate and consideration of the six alternatives.

The two public hearings were attended by over 30 persons. In addition, almost 100 written comments were submitted for the Commission’s consideration. The overwhelming majority of the comments indicated substantial opposition to the area-wide overlay proposal. For the most part, the overlay alternative was viewed as having the potential for mass confusion. Many people expressed the belief that the general public would be greatly inconvenienced by any system that abandons the traditional link between area codes and geographic territories.

Support for the proposal came from a handful of citizens and the four telecommunications providers that submitted written comments, Ameritech Michigan, Verizon North Inc. and Verizon North Systems (collectively, Verizon), Verizon Wireless, and AT&T Wireless PCS, LLC (AT&T Wireless). The opinion of the citizens who supported the overlay proposal was that such an approach was inevitable and would prove to be the best long-term solution. The providers argued that adoption of the overlay proposal would be in the public interest because it would encourage flexibility in the assignment of resources, standardize dialing patterns, and facilitate future area code relief. They also contended that the overlay approach would be fairer to wireless customers and would take less time to implement.

Although supportive of the overlay alternative, the providers were well aware of the substantial opposition to that proposal by the general public. Accordingly, their comments reflect various concerns that could arise if the Commission were to order implementation of a geographic split. In their comments, Ameritech Michigan and Verizon argue that Section 303(5) of the Act, MCL 484.2303(5); MSA 22.1469(303)(5), does not require that the new area code boundaries conform to county lines because it is not “technically and economically feasible” to split the area code in that matter. Verizon Wireless and AT&T Wireless contend that adoption of a geographic split should be accompanied with wireless grandfathering, which would permit wireless customers throughout the existing 810 area code to retain the 810 area code designation. According to Verizon Wireless and AT&T Wireless, wireless grandfathering will spare them from the necessity of reprogramming the wireless telephones of many of their customers.

Finally, it was generally agreed that the Commission should provide a minimum of seven months between the Commission’s order and the implementation of permissive dialing, with an additional four months between the start of permissive dialing and the start of mandatory dialing if the overlay option is approved. For a geographic split, it was agreed that there should be a minimum of nine months between the Commission’s order and implementation of permissive dialing, with an additional six months between the start of permissive and mandatory dialing.

The Commission finds that the 810 area code relief plan recommended by NeuStar and the telecommunications providers should not be approved. The Commission is persuaded that implementation of an overlay remedy is not in the public interest. Given the overwhelming opposition to implementation of an overlay plan, coupled with the fact that the proposed overlay plan would not significantly delay the necessity of further area code relief in the affected region, the Commission concludes that implementation of a geographic split of the 810 area code constitutes a more

reasonable approach. Moreover, the Commission is persuaded that the third alternative, which calls for Macomb County to be assigned the new 586 area code designation and the remainder of the existing area code to retain the 810 area code designation, is preferable to the other two geographic split proposals.³ The Commission recognizes that not all customers will be satisfied with approval of this alternative, but any other option will dissatisfy as many or more customers. The first alternative, which involves an east/west split of the existing 810 area code would be inequitable because the new area code to be formed out of the eastern portion of the existing area code is projected to require further area code relief in less than two years, whereas the western portion would not require further area code relief for more than seven years. The second alternative involves a split of the area code into the same geographical areas as called for under the third alternative. The only difference between the second and third alternatives is which customers will retain the 810 area code designation. Because the geographic split proposed in the second and third alternatives essentially separates Macomb County from the remainder of the 810 area code, the Commission finds that assigning Macomb County the new 586 area code designation constitutes the most reasonable solution.

The Commission also finds, as Ameritech Michigan and Verizon argue, that it is neither technically nor economically feasible to split the area code precisely along county lines and, therefore, the plan approved herein complies with Section 303(5) of the Act. To conform to county lines, providers along the boundary would have to reconstruct their networks and reconfigure their exchange boundaries. The required changes would likely be expensive and time-

³The Commission's approval of the third alternative includes approval of "wireless grandfathering," as proposed by AT&T Wireless and Verizon Wireless.

consuming, as well as disruptive to customers. However, the new 586 area code adopted today by the Commission does follow Macomb County lines as nearly as practicable.

The Commission is aware of the arguments presented by some, most notably the Oakland County Executive, that it should reject all the alternatives until all avenues for reclaiming and conserving numbers have been exhausted. The Commission has already opened a docket⁴ on these issues and agrees that these measures may be helpful in the long-run. The Commission will actively pursue these options. However, the Commission believes that the projected exhaustion date necessitates immediate Commission action on the area code split.

Some persons urged the Commission to order a technology-specific overlay. In most cases, such suggestions called for assignment of the new 586 area code exclusively to cellular telephones and other wireless devices. At the public hearings, the Commission indicated that the FCC's current policies do not allow technology-specific overlays. However, on December 7, 2000, the FCC approved its Second Report and Order and Further Notice on numbering issues (FCC No. 00-429). The FCC, at the urging of Michigan and other states, has opened a comment period on modifying the current prohibition on service-specific and technology-specific overlays, which could result in permitting states to implement service-specific and technology-specific overlays subject to certain conditions. The Commission intends to file comments in that proceeding and encourages those persons who raised this issue at the hearings to do likewise.

The Commission directs that the industry implement permissive dialing by September 22, 2001 and mandatory dialing by March 23, 2002. This schedule allows the time recommended for

⁴Case No. U-12703 is dedicated to the reclaiming of NXX codes.

the implementation process. The industry should file monthly progress reports with the Commission, beginning January 1, 2001, until the area code relief plan is fully implemented.

Finally, to facilitate implementation of the plan, the Commission directs the industry to file, within 30 days, a plan for customer education. The plan should include training for company personnel in dealing with customer inquiries related to the area code relief plan as well as examples of training materials that will be used to educate company personnel involved in customer relations. The plan should address such items as billing insert schedules, press kits, public service announcements, and other resources that will be used to respond to customer education needs and inquiries. The plan should also identify primary contacts within each company to address area code questions.

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 AACCS, R 460.17101 et seq.
- b. The third alternative 810 area code relief plan filed by NeuStar on behalf of the telecommunications industry, which is depicted on the map attached to this order as Exhibit A, should be approved.
- c. Permissive dialing should commence by September 22, 2001 and mandatory dialing should commence by March 23, 2002.
- d. The industry should file monthly progress reports until the area code relief plan is fully implemented.

e. The industry should file, within 30 days, a plan for customer education.

THEREFORE, IT IS ORDERED that:

A. The third alternative 810 area code relief plan filed by NeuStar, Inc., on behalf of the industry as shown on Exhibit A attached to this order should be approved.

B. Permissive dialing shall commence by September 22, 2001 and mandatory dialing shall commence by March 23, 2002.

C. Beginning January 1, 2001, the industry shall file monthly progress reports until the area code relief plan is fully implemented.

D. The industry shall file, within 30 days, a plan for customer education consistent with this order.

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 December 11, 2000.

/s/ David A. Svanda
Commissioner

/s/ Dorothy Wideman
Its Executive Secretary

/s/ Robert B. Nelson
Commissioner

e. The industry should file, within 30 days, a plan for customer education.

THEREFORE, IT IS ORDERED that:

A. The third alternative 810 area code relief plan filed by NeuStar, Inc., on behalf of the industry as shown on Exhibit A attached to this order should be approved.

B. Permissive dialing shall commence by September 22, 2001 and mandatory dialing shall commence by March 23, 2002.

C. Beginning January 1, 2001, the industry shall file monthly progress reports until the area code relief plan is fully implemented.

D. The industry shall file, within 30 days, a plan for customer education consistent with this order.

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

Chairman

By its action of December 11, 2000.

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Suggested Minute:

“Adopt and issue order dated December 11, 2000 approving one alternative of the 810 area code relief plan filed by NeuStar, Inc., on behalf of the telecommunications industry and requiring that permissive dialing for the new area code commence by September 22, 2001, as set forth in the order.”