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# STATE OF NEW HAMPSHIRE

## Inter-Department Communication

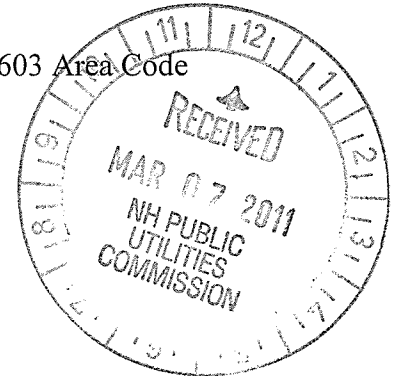
**DATE:** March 4, 2011

**AT (OFFICE):** NHPUC

**FROM:** Kate Bailey

**SUBJECT:** DT 10-211 Staff Recommendation on Extending the 603 Area Code

**TO:** Commission  
Executive Director



### Executive Summary

At the prehearing conference on area code relief held on October 27, 2010, the Commission directed the parties and Staff to consider whether there were efforts that could be taken to further prolong the life of the 603 area code. Staff has considered numerous alternatives and concluded that reclaiming the 44 NXX codes assigned to and abandoned by Global NAPs may significantly extend the life of the area code and is the best initiative the Commission can undertake to ensure efficient use of numbering resources within the 603 area code.

### Background

At the technical session following the prehearing conference, the parties agreed to submit written suggestions by November 30, 2010. On November 30, 2010, FairPoint and a group of wireless carriers each filed suggestions that could be pursued. FairPoint proposed increasing the acceptable contamination level for blocks eligible to be donated to the thousands block pool from 10 to 20 percent. (Blocks with contamination above the acceptable level cannot be donated to the pool for use by another carrier.) The joint wireless carriers offered no suggestions for extending the life of the existing area code, but urged the Commission to order an all-services overlay with a 17 month implementation schedule, postponing implementation until there were 30 NXX codes remaining in the pool. The joint wireless carriers also provided an explanation of why they believed mandatory thousands block pooling in all rate centers would not materially extend the life of the 603 area code.

### Alternatives Considered by Staff

Staff researched and considered several possibilities including rate center consolidation, mandatory pooling in all rate centers, increasing the acceptable contamination level for donated blocks, implementing a special services overlay, reviewing blocks with zero percent utilization reported, and reclamation of the NXX

codes assigned to and abandoned by Global NAPs. Neustar, the North American Numbering Plan Administrator (NANPA) and the Pooling Administrator (PA) met with Staff to discuss number administration, pooling administration and number conservation options<sup>1</sup>.

Rate center consolidation allows two or more rate centers to be merged so that blocks available only to a single exchange prior to the consolidation can be assigned to any of the combined exchanges after they are consolidated. Combining rate centers has an impact on local calling areas and access and long distance revenue. Combining the entire state into one rate center would eliminate the geographic relevance of an NXX code producing the most efficient use of numbering resources possible. Creating one state-wide rate center would have a material impact on the life of the area code but the impact on rates for ILEC customers makes it prohibitive. Staff and FairPoint looked at combining a small number of rate centers in which there has been high demand for numbers, with adjacent rate centers with low demand for numbers and excess blocks. Staff concluded that the benefit of consolidating a small number of rate centers could not be quantified and the effort was unlikely to significantly impact the area code exhaust date.

Staff considered mandatory pooling in all rate centers and concluded it would not materially forestall the exhaust of the area code. Thousands block pooling is already mandatory in the FairPoint exchanges. All carriers, including wireless carriers, participate in pooling in the FairPoint rate centers. There are 30 independent telephone company rate centers where pooling is not mandatory. Comcast opened NXX codes in 12 of those rate centers in 2009 and voluntarily donated 9 blocks back to each of the rate centers. Staff does not believe there will be significant demand for numbers in those rate centers and therefore, making pooling mandatory in the independent exchanges will not have a significant impact on area code exhaust. The Commission could seek authority to require mandatory pooling in all rate centers to ensure efficient number utilization.

Increasing the acceptable contamination level for block donations from 10 to 20 percent was also considered. In order to make this change the Commission would need FCC approval, which in other instances has only been granted as an interim measure until a new area code is implemented. In addition, a higher contamination level is more cumbersome for carriers who need numbers and the benefit is difficult to quantify. Staff concluded that the number of additional thousands blocks donated in some rate centers, with 20 percent contamination, was not sufficient to materially extend the life of the area code.

Staff contemplated requesting authority from the FCC to implement a special services overlay with a waiver request for implementing 10 digit dialing. After FCC approval, a new area code could be assigned to New Hampshire for use by certain types of services like VoIP or wireless. However, the FCC has only approved this idea with

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<sup>1</sup> Neustar, NANPA and the PA explained their processes to Staff, and shared knowledge about proceedings in other states and the FCC, but remained a neutral third party and made no recommendations on how the Commission should proceed or what the Staff should recommend.

conditions that it be temporary until the need for an all services overlay arises, and that 10 digit dialing be implemented within a brief period. This option would not conserve an area code and would not forestall the requirement to implement 10 digit dialing. No state has implemented a special services overlay with the conditions required by the FCC.

Staff analyzed utilization data reported to the NANPA to determine whether blocks reported by carriers with zero utilization could be reclaimed. Initially this idea looked like it could provide some relief as many blocks were reported with no utilization. Upon further review, however, Staff determined that those blocks were reported with utilization by other carriers and could not be reclaimed.

### **Recommendation**

None of the options summarized above, primarily focused on conservation at the thousands block level, had a quantifiable or meaningful impact on extending the life of the area code. The best alternative for prolonging the area code exhaust date is to make sure full NXX codes are conserved and only used when there are no blocks available. Conservation at the thousands block level ensures efficient number utilization and that full codes are not used prematurely. However, the overall impact of efficient thousands block utilization on area code exhaust is not substantial if full codes are not available for assignment.

Global NAPs was assigned 44 full codes (or 440,000 telephone numbers) before thousands block pooling was implemented. At the time pooling was implemented, Global NAPs claimed that all of the blocks assigned were contaminated by more than 10 percent and were therefore ineligible for donation to the pool. Global NAPs had also been reporting 100 percent utilization of its codes in its Numbering Resource Utilization Forecast (NRUF) since 2004.

FairPoint terminated interconnection with Global NAPs on August 16, 2010, pursuant to its interconnection agreement with Global NAPs. Prior to the termination, Global NAPs informed its customers it would no longer carry traffic in New Hampshire and Global NAPs customers with working telephone numbers ported their telephone numbers to other providers. Subsequently, Global NAPs forfeited its authority to operate in New Hampshire as indicated in a memo from Staff dated November 17, 2010, in Docket No. DT 08-028. Global NAPs is no longer operating in New Hampshire and cannot use the numbers assigned to it. Accordingly, Global NAPs has abandoned the 44 NXX codes assigned to it in New Hampshire.

Staff sent a letter to each of the seven carriers to which numbers had been ported from the Global NAPs NXX codes and asked the carriers to identify the number of working telephone numbers assigned to end-users in each of the codes. Staff received responses from each of the carriers and determined that, in total, only 2,423 telephone numbers are actually in use of the 440,000 once assigned to Global NAPs. Thus, rather than the 100 percent utilization reported by Global NAPs, in fact, only about one-half of one percent of the numbers are in use. The majority of these ported numbers are being

used by customers of an e-fax business. Staff was unable to ascertain whether any of the e-fax customers were located in New Hampshire.

Four of the seven carriers each have one customer; another has two numbers, possibly assigned to the same customer; and two other carriers have the remaining numbers ported to them. Staff contacted each of the carriers with numbers ported from the Global NAPs codes and informed them that Staff would recommend the Commission reclaim the codes.

In 2010, 4 NXX codes were required to serve the existing demand for telephone numbers. Assuming a need for 4 new NXX codes each year, the 44 Global NAPs codes would extend the life of the 603 area code for an additional 11 years. Telephone numbers are a public resource. If these codes are not reclaimed for use where they are needed, many of the telephone numbers within the codes may never be used because they are assigned to remote rate centers where there may never be an additional demand for numbers. While reclaiming the codes will require a very small number of New Hampshire customers to change their phone numbers, extending the life of the area code for another 10 years could prevent the need to ever add a new area code<sup>2</sup>. Preserving the area code would not only benefit the majority of New Hampshire citizens, but would also benefit the entire North American Numbering Plan. Reclaiming these 44 NXX codes will ensure the numbers are used efficiently, where and when they are needed. Staff believes it is in the public interest to reclaim the codes and return them to the numbering plan administrator for assignment to rate centers where they are necessary.

## **Conclusion**

According to a report released by the FCC in January 2011<sup>3</sup>, 52 percent of the telephone numbers in the 603 area code are not in use. However, there are only 50 full NXX codes (about 6 percent of 603 telephone numbers) remaining. Currently, the projection for assignment of the available NXX codes and consequently, exhaust of the 603 area code, is the second quarter of 2013. Based on the limited number of NXX codes assigned in 2010, Staff expects the area code exhaust date to be extended once again by NANPA in its April report. Staff believes the Commission has well over 17 months before the area code is actually exhausted and recommends the Commission focus efforts on reclaiming the Global NAPs codes rather than on efforts to begin the process of adding a new area code. Reclaiming the Global NAPs codes will nearly double the inventory of available NXX codes and continued careful oversight of utilization of thousands blocks will assure a new area code will not be created before more of the telephone numbers in the existing area code are actually used.

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<sup>2</sup> While it is impossible to predict the future of telecommunications, if the FCC accomplishes uniform intercarrier compensation, eliminating the distinction between local and long distance calls, the state could ultimately become one rate center and numbers could be used most efficiently without division by rate center boundaries.

<sup>3</sup> Numbering Resource Utilization in the United States as of December 31, 2009, *see Telephone Numbering Facts: [www.fcc.gov/wcb/stats](http://www.fcc.gov/wcb/stats)*