BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for Review of The Proposed Numbering Relief Plan for the 305/786 Area Code Dade County and Monroe County Keys Region	)	DOCKET NO. 990455-TL
In re: Request for Review of The Proposed Numbering Plan Plan Relief for the 561 Area Code	)	DOCKET NO. 990456-TL
In re: Request for the Review of The Proposed Numbering Relief Plan for the 954 Area Code	)	DOCKET NO. 990457-TL
	)	FILED: NOVEMBER 17, 1999

ORIGINAL

DIRECT TESTIMONY

OF

KELLY FAUL

ON BEHALF OF

MCI WORLDCOM, INC.

Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.

A. My name is Kelly Faul. I am a Senior Staff Member in MCI WorldCom Inc.'s NPA Resource Management group. My business address is 8521 Leesburg Pike, Vienna, VA, 22182.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND.

A. As a Senior Staff Member in NPA Resource Management, I represent MCI WorldCom with respect to NPA relief and various numbering issues. I regularly participate in state area-code-relief and number-conservation efforts, representing MCI WorldCom at industry meetings and in regulatory proceedings. I have been employed by MCI WorldCom for the past fifteen years. From 1994 to 1997, I was Tariff Manager in the Business Markets segment's Business Analysis department, responsible for federal and state tariff filings. From 1986 to 1994 I held various positions in the Legal and Information System Department in which I provided litigation support. From 1983 to 1986, I worked in the Litigation Support Department, in which I performed similar tasks. I have a Masters of Business Administration in Management from Virginia Tech, Falls Church, VA, and a Bachelor of Science in Business Administration from Wheeling Jesuit University, Wheeling, WV.

PURPOSE

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of this testimony is to discuss MCI WorldCom's position regarding the area code relief plans submitted by the North American Numbering Plan Administrator (NANPA) to the Florida local exchange carrier industry and to this Commission for the 305/786, 561, and 954 NPAs in Florida, and to identify the impact on consumers and the local exchange market. My testimony also recommends general dialing patterns for each of the area code relief alternatives and appropriate implementation schedules.

Q. WHAT TYPE OF AREA CODE RELIEF DOES MCI WORLDCOM GENERALLY RECOMMEND?

A. MCI WorldCom generally advocates geographic splits as the most pro-competitive method of area code relief. First, a geographic split is the most widely accepted method of NPA relief and is preferred by most residential and business consumers in part because it does not require mandatory 10-digit dialing for all local calls. Second, a geographic split is also competitively neutral in that it does not introduce infirmities to the development of an effectively competitive local telecommunications market.

There are, however, certain circumstances where a geographic split may not be an appropriate method of area code relief. Specifically, as I will explain, a geographic split is not appropriate relief for the 305/786 and 954 NPAs.

AREA CODE RELIEF ALTERNATIVES

Q. WHAT SHOULD THE COMMISSION CONSIDER WHEN DETERMINING WHICH NPA RELIEF ALTERNATIVE IS BEST FOR THE 305/786, 954, AND 561 NPAS?

A. In selecting which area code relief alternative is best for each of these NPAs, the Commission should consider the impact on the end user and on emerging local competition. Moreover, the Commission should also consider whether any negative impact, if any, can be mitigated.

Q. HOW ARE END USERS AFFECTED BY IMPLEMENTATION OF SPLIT AND OVERLAY RELIEF ALTERNATIVES?

A. Unfortunately, some end users will suffer some cost and disruption under either a split or an overlay alternative, although the degree to which end users are negatively affected differs based on the alternative selected.

The impact of an overlay on end users includes: 1) loss of all 7-digit local dialing; 2) loss of the ability to associate an area code with a unique geographic area; 3) confusion resulting from different area codes assigned in the same home, business or neighborhood; 4) cost to customers throughout

the overlay area that currently use their 7-digit number for advertising, stationery, etc., for new materials with their 10-digit number; and 5) cost to customers throughout the overlay area to reprogram or replace automatic dialing systems including home alarm and apartment security systems, elevator emergency phones, computer programs, call forwarding, call blocking, and priority call features that are currently programmed for 7-digits.

The impact of an area code split on end users includes: 1) the need for customers in a portion of the existing area code to change their area codes; 2) the need for some additional 10-digit dialing for calling between the old and new area codes; and 3) the cost to customers in the new area code to show the new area code on letterhead, stationery, etc.

Q. WHY DOES IMPLEMENTATION OF A GEOGRAPHIC SPLIT PLAN GENERALLY PRESENT FAR FEWER RISKS TO END USERS THAN AN OVERLAY PLAN?

A. Generally speaking, elevator telephones, burglar alarms, and building entry systems will continue to function as always after a geographic split is implemented. With a geographic split, NPAs are still area codes, in that the NPA still defines an area. Since with a NPA split, the NPA will retain the current geographic identity of an area, it will be easier to remember the NPA for a particular number. This is because with a geographic split each NPA will

still represent a distinct geographic area and each geographic area will become identified with the specific NPA used.

Q. HOW IS EMERGING LOCAL EXCHANGE COMPETITION AFFECTED BY OVERLAY AND SPLIT RELIEF ALTERNATIVES?

A. An overlay plan can significantly frustrate entry by competitors into the local exchange market, and provide the incumbent LEC ("ILEC") with a competitive advantage. An overlay plan creates two NPAs in the same area: 1) the "current" NPA, and 2) a "new" NPA covering the same geographic area. Customers are familiar with the current NPA and associate that NPA with a specific area. If an overlay is implemented, however, the new NPA will not be as desirable to customers because it is unfamiliar, particularly immediately following the creation of the new code.

Currently, the vast majority of the more desirable NXXs in the current area code have already been assigned to the ILECs. If an overlay plan is implemented, alternative local exchange companies (ALECs) would be left to draw NXXs primarily from the new, overlay NPA. This system of NXX "haves" and "have-nots" is extremely anticompetitive, since it disproportionately affects ALECs just as they are attempting to enter the local exchange market in Florida.

The disparity between the "current" and the "new" NPAs created under an overlay plan also extends to the market for new customers and existing

customers who want to add new lines. An individual or business ordering new service, when faced with a choice between a telephone number in the "current", familiar NPA, and a number in the "new", unfamiliar NPA, which is geographically associated with nowhere in the public psyche, will likely choose the number in the familiar area code.

Q. IS IMPLEMENTATION OF A GEOGRAPHIC SPLIT COMPETITIVELY NEUTRAL?

A. Yes. Geographic splits are competitively neutral because both carriers and customers will ubiquitously experience the change. A geographic split will still create a new code which both carriers and customers will need to become familiar. While an overlay plan exiles ALECs to the new, less desirable area code, a geographic split affects all carriers equally. Under a geographic split, there is no additional incentive to select the ILEC over a competing carrier, either for new service or for additional lines within the same business or residence because both ALECs and ILECs will have equal access to numbers in the appropriate area code.

<u>305/786 AREA CODE RELIEF</u>

Q. WHAT AREA CODE ALTERNATIVES ARE BEING CONSIDERED FOR THE 305/786 AREA CODE?

A. Five area code relief alternatives were considered for number exhaust relief in the 305/786 area code. The NANPA has presented to the Commission, based on industry consensus, that the 786 overlay NPA be expanded to include the entire 305 area code. The other alternatives involved combinations of splits and overlays, multiple overlay NPAs, and a split with a very unbalanced future life.

Q. DOES MCI WORLDCOM SUPPORT THE INDUSTRY RECOMMENDATION FOR RELIEF IN THE 305/786 AREA CODE?

A. Yes, MCI WorldCom supports the industry recommendation that the 786 overlay be expanded to include the entire 305 area code.

Q. WHY DOES MCI WORLDCOM SUPPORT THE INDUSTRY RECOMMENDATION FOR AN OVERLAY IN THE 305/786 AREA CODE RATHER THAN IMPLEMENTING A GEOGRAPHIC SPLIT AS MCI WORLDCOM GENERALLY ADVOCATES?

A. Although MCI WorldCom generally does not support implementation of an overlay, MCI WorldCom supports the industry proposal for extending the 786 overlay, because this solution provides for the least amount of customer confusion and the best use of NPA resources in this instance. The current 786 NPA overlay was initially implemented to provide additional numbering resources to the greater Miami portion of the 305 NPA. While this may have

appeared to solve the problem of depleted 305 numbering resources in the area of most growth, it is an inefficient solution for the entire 305 geographic area. Since the numbering resources provided by the 786 NPA overlay were limited to the greater Miami area, the "non-786" area was left with too few numbering resources to provide customers in this area with the benefits of local competition. The industry recommendation for alleviating this problem is to extend the 786 NPA to include the entire area covered by the 305 area. This proposal will distribute the available numbering resources from the 786 NPA in the most effective manner.

954 AREA CODE RELIEF

Q. WHAT AREA CODE ALTERNATIVES ARE BEING CONSIDERED FOR THE 954 AREA CODE?

A. Two area code relief alternatives were considered for number exhaust relief in the 954 area code. The NANPA has presented to the Commission, based on industry consensus, that an overlay be implemented for 954 area code relief.

Q. DOES MCI WORLDCOM SUPPORT THE INDUSTRY RECOMMENDATION FOR RELIEF IN THE 954 AREA CODE?

A. Yes, MCI WorldCom supports the industry recommendation that an overlay be implemented for 954 area code relief.

Q. WHY DOES MCI WORLDCOM SUPPORT THE INDUSTRY RECOMMENDATION FOR AN OVERLAY IN THE 954 AREA CODE RATHER THAN IMPLEMENTING A GEOGRAPHIC SPLIT AS MCI WORLDCOM GENERALLY ADVOCATES?

A. Although MCI WorldCom generally would not advocate implementation of an overlay, the circumstances in this instance make an overlay the appropriate solution. The NANPA attempted to identify appropriate splits lines in 954. One of the goals of determining the best area code relief method is to ensure that the estimated lives between the areas split by implementation of the new area code(s) are balanced. Unfortunately, the only split that produced balanced lives was with a split line that bisected the Ft. Lauderdale rate center.

Q. WHY IS IT INAPPROPRIATE TO SPLIT A RATE CENTER?

A. Bisecting a rate center creates an adverse impact on both consumers and carriers. Today, NPA-NXXs are assigned on a rate center basis. If a rate center is split with an NPA boundary, one of two things will occur. Customers on one side of the split line in the affected rate center will require new 10-digit telephone numbers or carriers will be required to procure duplicate NXXs for each side of the split line. This happens because the "old" NPA-NXXs will only be associated with the side of the rate center that retains the "old" NPA. Customers on the side of the "new" NPA will require a new telephone number. Duplicate NXX codes, assignment to a carrier of the same NXX code

in both NPAs, can resolve this situation; however, this is an inefficient use of numbering resources and will shorten the lives of both NPAs. Carriers will be required to determine the exact physical location of each customer to determine which side of the line the customer falls and then determine whether the customer requires a new number. This has an impact on customers with ported numbers as well as those without ported numbers.

561 AREA CODE RELIEF

Q. WHAT AREA CODE ALTERNATIVES ARE BEING CONSIDERED FOR THE 561 AREA CODE?

A. Three area code relief alternatives were considered for number exhaust relief in the 561 area code consisting of an overlay and two splits. The NANPA has presented to the Commission, based on industry consensus, that the overlay area code alternative be implemented.

Q. DOES MCI WORLDCOM SUPPORT THE INDUSTRY RECOMMENDATION FOR RELIEF IN THE 561 AREA CODE?

A. No. MCI WorldCom does not support the industry's recommendation.

Q. WHY IS AN OVERLAY INAPPROPRIATE RELIEF FOR THE 561 NPA?

A. For the reasons discussed previously in this testimony, MCI WorldCom advocates a split because it would preserve 7-digit dialing for customers within their home NPAs and would also best serve a competitive local exchange services market. Unlike the 305/786, and 954 NPAs, there are no special circumstances in the 561 NPA that warrant implementation of an overlay. Thus, a geographic split is the most appropriate, competitively neutral method of relief for the 561 NPA. MCI WorldCom does not, however, favor one split alternative over the other. This Commission is best suited to determine which split alternative best meets the needs of telecommunications customers in this area.

DIALING PATTERNS

Q. WHAT DIALING PATTERNS SHOULD BE IMPLEMENTED WITH THESE VARIOUS AREA CODE RELIEF ALTERNATIVES?

A. Dialing patterns for local, toll, EAS, and ECS calls generally should be the same today as they are after relief is implemented, with two exceptions. In the case of an overlay, all calls must be placed using the area code, even if the area codes of the originating and terminating calls are the same. In the case of a geographic split, the area code must also be dialed when calls are placed across NPA boundaries.

IMPLEMENTATION SCHEDULE

Q. WHAT IMPLEMENTATION SCHEDULE DOES MCI WORLDCOM RECOMMEND FOR THE NEW AREA CODES?

A. MCI WorldCom supports the industry's implementation schedule already submitted to this Commission by the NANPA and suggests that each area code relief implementation be staggered by three months. Staggering each of the implementation dates by three months will not place undue burdens on carriers' networks or work forces. These implementation schedules should be prioritized by exhaust dates. The 1999 COCUS shows the following exhaust dates for the affected area codes: 305 in the 1Q2000, 561 in the 4Q2001, 954 in the 4Q2001, and 904 in the 4Q2001. Implementation of the relief NPAs should be completed so that no NPA depletes its NXXs before the implementation is completed. The COCUS data should be used rather than the exhaust date based on jeopardy rationing. Rationing is an artificial process that extends the life of the NPA at the expense of carriers' ability to provide service to their customers. In a jeopardy situation carriers cannot receive NXX codes in a timely manner to satisfy customer demand, and must wait until they "win" an NXX in the lottery to procure numbers. Carriers can wait for many months to "win" an NXX and in the process may lose potential customers during that waiting period.

CONCLUSION

Q. DOES THIS CONCLUDE YOUR PREFILED DIRECT TESTIMONY?

A. Yes, it does.