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April 1, 1997

ORIG - Files
96-C-1158
Copies:
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mr J. Starrs
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The Honorable Joel Linsider
Administrative Law Judge
State of New York
Department of Public Service
Three Empire State Plaza
Albany, New York 12223-1350

VIA FACSIMILE AND BY HAND

Re: **Case 96-C-1158 (Proceeding on Motion of the Commission to Investigate the Options for Making Additional Central Office Codes Available in the 212 and 917 Area Codes in New York City)**

Dear Judge Linsider:

The purpose of this letter is to provide the information requested by Your Honor at the Administrative Conference held in the above matter on March 25, 1997.

(1) Cost Issues: On February 28, 1997, New York Telephone Company ("NYT" or the "Company") filed a Report to the Commission analyzing alternative solutions to the Manhattan area code exhaust and recommending an overlay rather than a split or a boundary re-alignment. Certain splits — such as along 42nd Street or along Fifth Avenue — would result in incremental costs to NYT of several million dollars, because of the quantity of outside plant work and number changes that would be required. Accordingly, NYT reserves the right to raise cost issues in this proceeding.

(2) Implementation Feasibility: On page 12 of its February 1997 Report to the Commission, NYT explained why implementation of an area code split cannot proceed as expeditiously as an overlay. NYT reserves the right to raise this issue in the course of the proceeding.

While NYT reserves the right to raise both cost and implementation feasibility issues in this proceeding, the Company continues to believe that the most significant issue in the case will be a policy judgment concerning the relief that will best serve the needs of the public. What is more, there will be a full opportunity to explore cost and implementation feasibility issues, to the extent that they are relevant, in the task force process. Finally, the Company

believes that excessive focus on these issues should not be permitted to slow down the decisionmaking process in this case. Therefore, we do not believe that extensive formal discovery as to these issues is either necessary or appropriate.

(3) Grandfathered Cellular Numbers: At the Administrative Conference, the question was raised whether any cellular numbers are "grandfathered" in the 212 area code.[1] At the present time, there are no NNXs in the 212 NPA assigned to cellular numbers.

Finally, because the full service list in this matter has only recently been assembled,[2] we provide all parties with copies of (i) NYT's February 28, 1997 Report to the Commission and (ii) NYT's March 14, 1997 letter to Secretary Crary on procedural matters. In keeping with Your Honor's direction to the parties at the Administrative Conference,[3] we hereby request that parties that have made filings with Your Honor or Secretary Crary now provide NYT with copies of those filings.

Respectfully submitted,

Jerome M. Balsam (ns)

Enclosures

cc: Hon. John C. Crary (five copies) (by hand)
Service List (via overnight delivery)

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1 Tr. 26.

2 *See* Case 96-C-1158, Ruling Establishing Active Parties List (Mar. 27, 1997).

3 *See* Tr. 59.

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Proceeding on Motion of the Commission to Investigate the Options for Making Additional Central Office Codes Available in the 212 and 917 Area Codes in New York City.	:	Case 96-C-1158

NEW YORK TELEPHONE COMPANY REPORT TO THE NEW YORK PUBLIC SERVICE COMMISSION REGARDING NEW YORK CITY AREA CODES

NEW YORK TELEPHONE COMPANY

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Dated: New York, New York
February 28, 1997

New York Telephone Company
Report to the Public Service Commission
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NEW YORK TELEPHONE COMPANY REPORT TO THE NEW YORK PUBLIC SERVICE COMMISSION REGARDING NEW YORK CITY AREA CODES

This report has been prepared in response to the Order Instituting Proceeding issued on December 31, 1996 by the State of New York Public Service Commission in Case 96-C-1158 (Proceeding on the Motion of the Commission to Investigate the Options for Making additional Central Office Codes Available in the 212 and 917 Area Codes in New York City).

Section 1. Introduction and Background Information

On December 31, 1996, the New York State Public Service Commission issued an order initiating a proceeding to determine the best way to provide additional central office and area codes in New York City.

Currently, three area codes serve telecommunications users in New York City. The 212 area code serves Manhattan; the 718 area code serves Brooklyn, Queens, Staten Island and the Bronx; and the 917 area code is an overlay area code that serves the entire City. (The introduction of the 917 area code as an overlay in 1992 is discussed in greater detail in Section 4 below.) NYNEX has reserved the 646 NPA with the North American Numbering Plan Administrator (NANPA) for use as the next Manhattan area code.

New York Telephone Company (NYT) is the central office code administrator for the area codes in New York State. Central Office codes, the first three digits of the ten digit telephone number (also called NXX codes) each contains 10,000 telephone numbers. They are used for routing and rating of telephone calls. In performing the central office code administration function, New York Telephone follows the *Central Office Code (NXX) Assignment Guidelines* issued by the Industry Numbering Committee (INC), an industry committee that creates numbering guidelines through industry consensus under the auspices of the Alliance for Telecommunications Industry Solutions (ATIS). The latest version of these guidelines is dated September 1996. In its capacity as central office code administrator, NYT processes NXX codes requests for use in New York NPAs for itself and for companies offering cellular, pager services and Competitive Local Exchange Carriers (CLECs) who provide service in competition with each other and NYT.

The life of an area code is inversely proportionate to the rate of demand for the component central office codes. Area code exhaust situations are not uncommon. In recent years, neighboring states have introduced new area codes. A list of some of the new and pending area code activation is included below:

New Jersey	908 augments 201
Connecticut	860 augments 203
Boston, Mass.	781 augments 617
Eastern Mass.	978 augments 508
Pittsburgh, Penn.	724 augments 412

The introduction of a new area code in New York City will affect telephone calls made by millions of New Yorkers and the businesses that operate in the City as well as calls placed to the City by telephone users outside the City. All potential solutions need to be weighed for their impact on these telephone users. Due to the complexity of issues caused by the introduction of an area code, any plan that is adopted must consider a number of factors including which plan provides the longest relief possible and minimizes potential disruption to customers. As discussed below, NYT recommends that the Commission approve an overlay approach as the most effective alternative to provide area code relief in the 212/917 NPAs.

Section 2. Current Status of the 212 and the 917 Area Codes

Each area code contains 800 possible number combinations called central office codes or NXXs. (N is a number from 2 to 9, X is number from 0 to 9.) Of these 800 NXX codes, 44 are currently unavailable for assignment within Manhattan. These "unassignable" codes are used for other purposes, such as the dialing of emergency calls using 911. A list of the 212 unassignable codes is provided in Appendix 1. As of December 31, 1996, 666 codes were assigned in the 212 area code, leaving a spare supply of 90 codes. The quantities of assigned codes to each of NYTs central office as well as the number of codes assigned to other carriers as of January 20, 1997, are listed in Appendix 2.

As can be seen from Table 1 below, assignment of 212 central office codes has accelerated in the last five years. Increased demand is attributable to the increased uses of telephone numbers for faxes and computers, as well as growth in the economy. In addition, competition from new entrants to the New York market area (e.g., alternate telephone service providers) has spurred demand for central office codes.

Since only code holders are required to submit an NXX forecast projected demand, co-carriers who are not yet code holders are not included in the projections.

TABLE 1: ANNUAL NXX CODE ASSIGNMENT RATE

	1992	1993	1994	1995	1996	Projection
212 NPA	14	20	30	29	51	60
917 NPA	82	61	89	80	93	95
917 NPA (Manh. rate)				53	55	55
917 NPA (BQBSI* rate)				27	38	40

* Bronx, Queens, Brooklyn and Staten Island

Based on the code assignment rate projected in Table 1, NYT estimates that 60 codes will be assigned per year. Therefore, the 212 Area Code is projected to exhaust its supply of central office codes in 1998. For this reason, NYT has declared to the industry

that a "Jeopardy" situation exists for the 212 NPA. (A jeopardy condition exists when the forecasted and/or actual demand for area code resources will exceed the known supply during the planning and implementation interval for relief.) Since the demand for central office codes has accelerated at a high rate, it is possible that demand for NXX codes in the 212 NPA will run out before a relief plan can be determined and implemented. In the event that this occurs, NYNEX will begin assigning 917 area codes to relieve 212 until such time as a relief plan is adopted.

The 917 area code has 53 unassignable NXX codes, 432 codes in service, and an assignment rate of 95 codes per year. Upon the exhaust of the 212 NPA, additional demand will be placed on the 917 area code, which is projected to exhaust in 1999. At that time, the large demand from the Manhattan portion of the pager, cellular, and PCS carriers, projected at about 55 codes per year, will be added to the demand from the 212 NPA growth. This indicates a combined Manhattan 212/917 NXX demand of 115 codes per year.

Section 3. Conservation Procedures for the 212 and 917 NPA's

A fundamental concern of central office NXX Code administration is the efficient and effective management of NPA/NXX numbering resources through conservation procedures. The INC document (INC - 94-0407-008) Central Office Code (NXX) Assignment Guidelines describe several examples of potential conservation measures as a suggested starting point when developing extraordinary NPA specific conservation procedures. Sections 8.0 through 8.6, address both normal jeopardy and extraordinary NPA specific conservation procedures.

The following NXX Code conservation measures and actions have been taken for the 212 and 917 NYC area codes:

- Annual Central Office Code Utilization Studies (COCUS) have been undertaken to identify NPA's nearing exhaust. COCUS studies for 212 and 917 NPA's were submitted to the NANPA in January 1996 and January 1997

- Code applicants, the telecommunications industry and the PSC Staff have been made aware of the potential NYC NPA exhausts. A 212 NPA Jeopardy letter was issued by NANPA on October 30, 1996

- Code applicants are now required to certify that their existing central office codes are projected to exhaust within 6 months, rather than the normal 12 month period, of their application for the 212 NPA

- NXX codes currently unassignable (see Appendix 1) are being re-examined for reclamation

- New NXX codes that are issued are being monitored for service activation within 6 months of code issuance. Codes not activated are subject to return per the guidelines

- Existing utilization of NXX codes assigned to New York Telephone's Manhattan's switches will continued to be subject to the same assignment procedures and code conservation measures as all other code holders

- Monthly code activities (e.g., any new activation and code reclamation) are being tracked and monitored for any significant changes in NXX demand

- A code rationing, allocation and lottery system has been developed and is ready to be implemented if necessary. This is an attempt to insure that a consistent supply of NXX codes is available until a relief NPA strategy can be implemented.

Section 4. The NPA Code Relief Alternatives

There are three generally recognized alternatives for area code relief. These are the NPA split method, boundary realignment, and overlay. This report examines these alternatives and others to identify the method of area code relief that will be the longest lasting and least disruptive to telephone subscribers.

The central office code demand for the Manhattan part of the 917 NPA and that of the 212 NPA indicates a requirement of 115 NXX codes per year. This level of demand quickly exhausts all of the relief provided by either the split or the boundary realignment alternatives. For this reason, as well as to avoid number changes and customer confusion, NYT recommends that the Commission approve the overlay approach. This report also analyzes alternative means to relieve the coming number shortage, both for the 212 NPA separately and for the 212/917 NPAs combined.

Section 4.1 Geographic Split Options

The geographic split option involves defining a physical boundary line and changing all of the telephone numbers on one side of the boundary to a new area code.

Geographic split relief plans divide the existing area code into two separate and distinct area codes. Under this alternative, customers in one of the areas keep their existing area code and telephone number, while the customers in the other area code get a new area code while keeping their existing seven-digit telephone numbers. This alternative works best when there are easily definable and recognizable geographic or political boundaries so that callers can determine which area code includes the called number. This approach was used for New York City area code relief in 1985 when Brooklyn, Queens, and Staten Island were assigned to the then new 718 area code. The East River served as a natural physical boundary between the 212 and 718 NPAs. Also, the boroughs of Brooklyn, Queens, and Staten Island were easily identified as being served by the new area

code. (The subsequent transfer of the Bronx to the 718 NPA is discussed below in Section 4.2.)

Development of a geographic split plan for Manhattan is difficult because the clear geographic and/or political boundaries do not exist anywhere on the island.

NYT has considered a number of geographic split alternatives to provide relief in Manhattan. They attempt to use a variety of dividing lines such as east-west and north-south divisions. Even so, these alternatives do not correspond to existing New York Telephone Company central office boundaries. The alternatives need to be adjusted to align with these boundaries. Alternatively, there will be thousands of number changes that will be costly and disruptive to customers. Such an adjustment would further complicate the recognition of these boundaries. The following is an analysis of five geographic split alternatives studied by NYT.

Section 4.1.1 Northern Manhattan Geographic Split Alternative

This alternative would split Manhattan into two geographic area codes — north and south. The northern NPA serving area would get a new area code that would extend from the northernmost tip of Manhattan to a southern boundary line that roughly corresponds to 59th Street. The southern area would extend from 59th Street to the southern tip of the island.

The Northern Manhattan area contains seven NYT central office serving areas. They are West 73rd Street, East 79th Street, East 97th Street, Manhattan Avenue, Convent Avenue, West 176th Street, and Thayer Street. Based on the information in Appendix 2, there are a total of 107 NYT NXX codes in these central offices. The number of currently assigned CLEC NXXs that generally corresponds with this geography is 8. The NXX consumption rate for this area is approximately 5 codes per year. If this area were to be served by the new area code, then 115 codes would be added to the supply of 212 NXX codes. The rate of 212 code assignments would approximate 55 (from Table 1) codes per year. Thus, splitting Northern Manhattan into a new wire area code would extend the life of 212 area code alone for just over 2 years.

The total demand from Manhattan 917 NXX codes of 55 per year when added to the 55 212 NXX codes per year indicates a combined requirement of 110 codes per year. Thus, this alternative would provide only one year of relief for the combined codes.

Section 4.1.2 Midtown Geographic Split Alternative

This alternative moves the boundary of the north-south divider south to 42nd Street. This would increase the number of central office codes that are changed from 212 to the new area, thereby increasing the length of the relief. This plan would add the NYT central office serving areas of West 50th Street and East 56th Street to the northern Manhattan area described in the previous alternative.

Again as shown in Appendix 2, in the affected central offices there are a total of 242 NYT NXX codes. The number of affected CLEC codes are approximately 80

percent (based on 1996 212 area code assignments, 80% of the CLEC codes that were in the 37th St. tandem were north of 42nd St.) of those served by the East 37th Street tandem, which according to Appendix 2 is 35, thus indicating that the number of CLEC NXX codes in this geography is 28 NXX codes (80% multiplied by 35). The NXX consumption rate for this area is about 20 codes per year. If this area were to be served by the new area code, then 270 codes would be added to the supply of 212 NXX codes. The rate of 212 NXX code assignments would approximate 40 codes per year. Thus, splitting midtown Manhattan by assigning the area north of 42nd Street to a new area code would extend the life of 212 alone for less than seven years.

Adding the demand from one half of the Manhattan 917 rate of 55 codes per year indicates a total NXX assignment rate of 67 codes per year. Thus, the 270 newly available NXX codes would provide spare codes for projected 212 and 917 demand for about 4 years.

The effect of a midtown split would be profound. 42nd Street bisects NYT's West 42nd Street and East 37th Street central office s and divides significant sections of the West 36th Street central office. Over 50,000 seven-digit number changes would be required to comply with the dividing line. Major businesses, e.g.,. banks, brokerages, and legal firms would receive number changes. Major telecommunications carriers located at West 45th Street and at West 54th Street would also be changed to the new NPA by this alternative.

This alternative extends the life of the 212 NPA by less than 7 years and the combined 212 and 917 NPAs by about 4 years.

Section 4.1.3 Southern Manhattan Geographic Split Alternative

This alternative would also split Manhattan into north and south geographic area codes. The southern NPA serving area that would get a new area code would extend from the southern tip of Manhattan at the Battery north to Canal Street. The northern area would extend from Canal Street to the northern tip of the island. This alternative would provide the southern Manhattan financial community and government with a different area code from the rest of Manhattan.

The southern Manhattan area is composed of three NYT central offices: Broad Street, West Street (including Pearl Street), the World Trade Center, and parts of Varick Street. As shown in Appendix 2, for these wire centers there are a total of 149 NYT NXX codes. Approximating the number of affected CLEC codes to be those served by the Broadway 21 tandem indicates the number of CLEC codes in this geography is 36 NXX codes. The activation rate for this area is about 20 NXX codes per year. If this area were to become the new area code, then 185 codes would be added to the supply of 212 NXX codes. The rate of 212 central office codes assigned per year would approximate 40 codes per year. Thus, splitting Manhattan into two area codes divided by Canal Street would extend the life of 212 for only to 4 to 5 years.

Adding the demand from one half of the Manhattan 917 rate of 55 NXX codes per year indicates a 917 assignment rate of 27 NXX codes per year and a total assignment rate

of 67 NXX codes per year. Thus, the 185 newly available NXX codes would provide spare codes for projected 212 and 917 demand for less than 3 years.

This alternative would bisect the Varick Street central office area and significantly affect major portions of the West Street central office on the Lower East Side. About 25,000 seven-digit number changes would be required to align the central office NPA boundaries with Canal Street. Major residential communities such as Chinatown and Tribeca would be divided into two area codes. Important political and financial communities, including the stock exchanges, the commodity exchanges, and the Federal Reserve Bank, would be affected. This alternative would also affect major telecommunications centers on Hudson Street, which would be changed to the new NPA.

This alternative would result in significant customer cost and disruption and it extends the life of the 212 NPA by only 4 years and the combined 212/917 NPA by less than 3 years.

Section 4.1.4 East-West Geographic Split Alternative

This alternative would divide Manhattan into an East Side and West Side using the north-south lines provided by Central Park and Fifth Avenue. The split line would start at the northernmost tip of Manhattan and run south along Fifth Avenue to Central Park. It would continue along Fifth Avenue until it ends at Washington Square. At that point, it would follow West Broadway south to Canal Street. At Canal Street, the split line would head west to the Hudson River.

This alternative would align the central office serving areas of Thayer Street, W. 176th Street, most of Convent Avenue, Manhattan Avenue, parts of East 97th Street, all of West 73rd Street, West 50th Street, West 42nd Street, West 36th Street, West 18th Street, and parts of the Varick Street and Second Avenue central offices.

Again as shown in Appendix 2, for the affected central offices there are a total of 222 NYT NXX codes. Approximating the number of affected CLEC NXX codes as 80 percent of those served by the East 37th Street tandem indicates the number of CLEC codes in this geography is 28 NXX codes. The activation rate for this area is about 15 codes per year. If this area were to be served by the new area code, then 250 codes would be added to the supply of 212 NXX codes. The rate of 212 NXX code assignments would be approximately 45 codes per year. Thus, splitting Manhattan by assigning the area west of Fifth Avenue to a new area code would extend the life of 212 for about 5 to 6 years.

Adding the demand from one half of the Manhattan 917 rate of 55 codes per year indicates a 917 assignment rate of 27 codes per year and a total NXX assignment rate of 72 codes per year. The 250 NXX codes made available would provide relief for the projected 212 and 917 demand for about 3 and one half years.

Approximately 20,000 number changes would be required in Northern Manhattan in the East 97th Street central office serving area and in southern Manhattan in the Second Avenue and Varick Street central office serving area if this alternative is used.

This alternative would align all of the communications users south of Canal Street with the East Side of Manhattan. This alternative keeps residential communities such as Chinatown intact, but it divides Northern Manhattan residential communities and important commercial interests along Fifth Avenue in midtown and along Canal Street on the West Side of Manhattan. It assigns major Manhattan business centers, including transportation hubs and media centers on the West Side, to the new area code.

This option would cause significant cost and disruption to customers and it extends the life of the 212 area code for less than six years. It extends the combined life of the 212 and 917 area codes for approximately three and a half years.

Section 4.1.5 Manhattan L Geographic Split Alternative

This alternative would establish an L-shaped split for Manhattan. It would use a boundary line running from the Hudson River east along Columbus Avenue to the northeast corner of Central Park. The boundary would turn and continue south along Fifth Avenue to 23rd Street, where it would turn east toward the East River. The new area code would serve the residential areas on the East Side of Manhattan and those in Northern Manhattan.

The NYT central office serving areas of Thayer Street, West 176th Street, Convent Avenue, East 97th Street East 79th Street, East 56th Street, East 37th Street, East 30th Street, and parts of Manhattan Avenue would also serve this new area code. As shown in Appendix 2, 224 central office codes would be established in the new area code and thus made available to the 212 area code supply of NXX codes; CLEC codes would be approximately 50 percent of the codes served by East 37th Street Tandem at 17. The rate of code growth per year for this area is about 15 NXX codes per year. Therefore, the rate of 212 area code assignments in the remaining area would be about 45 codes per year. Thus, the life of the 212 area code under this alternative is extended by 5 years.

Adding the demand from one half of the Manhattan 917 rate of 55 codes per year indicates a 917 assignment rate of 27 codes per year and a total projected NXX assignment rate of 72 codes per year. Thus, the 241 newly available NXX codes would provide spare codes for projected 212 area code and 917 area code for a little more than 3 years.

This approach aligns major banking, brokerage, and legal firms in the new area code. Since Columbus Avenue divides the Manhattan Avenue central office, over 40,000 number changes would be required. Other number changes would be required along East 23rd Street in the area of Baruch College.

This alternative extends the life of the 212 NPA by only five years and the combined 212/917 NPA by a little over 3 years.

Section 4.2 Boundary Realignment Alternative

Boundary realignments occur when telephone numbers in a given part of an area code are transferred to an adjacent area code. All of the transferred numbers retain their

existing seven-digit telephone numbers and are assigned the existing area code of the adjacent area. This approach is infrequently used, since it requires a very large amount of spare NXX codes are available for assignment in the neighboring area code. Further, it could cause the neighboring area code to exhaust prematurely.

In 1993, this method was used to transfer the Bronx to the 718 area code. This transfer was successful in that all of the necessary central office NXX codes in the 718 area code were available to accommodate the transfer.

Adopting this approach as a relief vehicle at this time would be impractical because the 718 area code does not have sufficient spare central office codes to accommodate a transfer. Of the 107 NXX codes in the NYT northern Manhattan 212 central office s, 56 currently exist in the 718 area code. In addition to changing the area code of subscribers in 51 non-conflicting central office codes, it would be necessary to completely change the telephone numbers of all 212 subscribers in the 56 conflicting central office codes to accommodate a boundary realignment with the 718 NPA. Even so, there would be only 2 years of relief supplied to the 212 area code.

The total demand from Manhattan 917 codes of 55 per year, when added to the demand of 55 212 codes per year, indicates a combined requirement of 110 codes per year. Thus, this alternative would provide one year of relief.

Section 4.3 NPA Overlay Alternative

An area code overlay is defined as a new area code being superimposed over a geographic area served by an existing area code. In an area code overlay, none of the existing telephone customers would be required to change their telephone numbers. The first area code overlay was introduced in New York City in 1992, when the 917 area code was introduced to avoid imposing an area code split on the island of Manhattan. The 917 area code was first introduced to serve wireless carriers. Since then, it has been extended to include wireline customers. On May 1, 1997, NYT expects to make 917 area code telephone numbers available to Manhattan wireline customers on a voluntary basis.

An overlay assigns new customers to the new area code and is the least disruptive to existing customers. For many years, new central office (NXX) codes have been overlaid onto an area when telephone numbers were no longer available. When the 800 toll free numbers were exhausted in 1996, a new 888 Code was overlaid nationally to support toll free dialing. In the same way, a new area code would be superimposed over the island of Manhattan.

The use of an overlay NPA would introduce 750 new NXXs for use in Manhattan. Considering the 212 area code projected demand of 60 central office codes per year, the overlay would last 12 years. Based on the projected combined 212 NXX demand and the Manhattan portion of the 917 demand at 55 NXX codes per year, an overlay would provide relief for 6.5 years.

This method allows all of the existing customers to keep their telephone numbers and there are no aging periods before reassigning a new NXX code in the new NPA.

Section 4.4 Eight-Digit Dialing Alternative

This alternative would expand the telephone number to eight local digits -- that is, eleven digits including the area code. Expanding seven-digit telephone numbers to eight digits could expand the supply of telephone numbers by using the extra digits to expand the number of central office NXX codes in area code by a factor of ten.

Present dialing plans within North America are composed of ten digits. Telephone calls between customers are either seven or ten digits. Other countries throughout the world have moved to expand the length of their telephone numbers. However, changes to the dialing plan to eight digits within Manhattan would make it unique in North America. Manhattan telephone customers would need to inform the rest of the country that dialing eleven digits (composed of the area code and eight-digit telephone number) would be needed to call them. Further, all central office switches in North America would need to be reprogrammed to allow calls based on an eight digit telephone number. For these and similar reasons, it would be impractical for Manhattan to unilaterally adopt eight-digit telephone numbers. If this approach were to be pursued, it would need to be coordinated with a change in the telephone dialing plan in North America. At this time, the present North American Numbering Plan is projected to last until the year 2025.

This plan would require coordinated national changes that are not anticipated for many years.

Section 5. Recommendation

NYT recommends that additional telephone numbers be supplied for Manhattan through the deployment of an overlay. This method is easily understood, does not require any number changes, and, therefore, has the least impact on existing subscribers. Since an overlay does not divide the island into slow-growth and high-growth sectors, it removes the risk of subsequent short term 212 area code and 917 area code NPA exhaust. The overlay provides the greatest room for long term numbering growth. Table 2 below compares the alternatives and shows that the life of the overlay is about twice as long as any other alternative. With the pending deployment of Number Portability in New York City, this alternative would not competitively disadvantage other carriers, since all would have access to existing and new telephone numbers.

Table 2: Summary of Alternatives to Relieve the 212 & 917 NPAs

Alternative	Codes Supplied	Effect on Code Assign. Rate	New Code Assign. Rate	Years to Next Exhaust
Existing 212/917	405	0	155	2.5
Existing 212/917	405	0	115 *	<3.5
No. Manh. Split	115	5	110	1
Midtown Split	270	48	67	4
So. Manh. Split	185	48	67	<3
East-West Split	250	43	72	3.5
Manhattan L Split	241	43	72	>3
Boundary Realignment	107	5	110	1
NPA Overlay	750	0	117	6.5

* Manhattan 917 demand only

NYT is familiar with the changes required to implement an overlay area code. The 917 area code was introduced as an overlay in 1992. Since then, NYT has gained significant experience dealing with an overlay NPA in its systems and operations. If NYT were required to align the boundaries of its central office s with any of the split alternative reviewed above, there would be many thousands of number changes that would lead to customer dissatisfaction, complaints, and disruption.

NYT advocates the use of seven-digit dialing within an NPA. However, the FCC has ordered that the deployment of ten-digit dialing should be used when introducing a new area code as an overlay. Both NYT and the New York State Public Service Commission have filed a Petition for Reconsideration. If it is decided that ten-digit dialing is to be required with the deployment of a new area code for Manhattan, NYT still advocates the deployment of an overlay plan. The alternative to an overlay, such as one of the geographic split alternatives reviewed above, would, in addition to the tremendous impact on existing customers, also substantially increase the quantity of ten-digit dialing within Manhattan. In any event, all customers in the 212 area code would have to dial the new area code plus seven digits to reach all other Manhattan customers. Manhattan telephone users dial ten digits to reach city residents in the other boroughs, in the suburbs and for long distance, so there is already a substantial amount of ten-digit dialing. With the ongoing deployment of area codes, most people refer to their telephone number in terms of ten digits. An overlay that required ten-digit dialing would also be in line with the long term direction of the country's dialing patterns.

Section 6. Schedule

Establishing a new area code includes several key phases. The first phase is the "decision" phase. During this period, the industry and the regulatory agencies decide the best possible alternatives that have the least impact on the public. This phase extends from the date of the first industry meeting until the decision by the Commission on the plan.

The second phase begins when the order for the new area code is issued. This second "getting ready" phase involves modifying all systems and customer records for the change to the new area code. This phase generally takes about one year.

The third phase is the permissive dialing phase. During this phase, the public is allowed to dial affected telephone numbers in either the new or the old format.

The fourth phase includes the mandatory or announcement phase. During this phase, the public must dial the telephone numbers correctly. Misdialed calls are routed to announcements. In an overlay plan, new Central Office codes can be established at the end of the permissive period since the numbers never existed before. If a split plan was implemented, no central office codes are established in the new area code during the announcement period in order to minimize wrong numbers. At the end of this phase, new codes can be placed in service in the new and old NPAs.

Based on the dates in Case 96-C-1158, the decision phase will end when the Commission issues its order on September 30, 1997. At that time, NYT and the other carriers can begin modifying their systems to accommodate the new area code. Although some planning can be done in advance of this period, no actual work can begin, because the way in which systems and customer records are changed depends on the Commission's ruling.

At the end of the second phase, permissive dialing begins. Because customers are allowed to dial both ways, it is a learning period for them. With the overlay approach, new telephone numbers can begin to be assigned immediately. In the event of a split, existing customers use this time to adjust their telecommunications systems. Alarm companies and other users of automatic dialers must make changes. Often, these changes require visits to customer premise that must be scheduled. PBX customers make changes in their systems for the new area code. During this time, customers change their speed calling and call forwarding capabilities for the new area code. In a split plan, this period should be six months or more because of the tremendous volume of changes required on the telecommunications-intensive island of Manhattan. In a split plan, the announcement phase should be at least three months, to ensure against confusion caused by early introduction of reused NXXs in the existing 212 NPA.

Section 7. Consumer Education

Consumer education for the new area code in Manhattan will be in two phases. Consumer and industry input activities will be conducted in advance of the PSC's decision on the methods to introduce a new area code in Manhattan. When the Commission renders its decision on September 30, 1997, the Company will conduct additional focused consumer education and communication.

Prior to the Commission's decision the Company plans to:

- Initiate focus groups with residence and small business customers to present the area code options for Manhattan and solicit consumer points of view which will be

conducted by a third-party research consultant; final report to be shared with PSC staff

- Form a special advisory panel of residence and business customers to provide ongoing counsel

- Conduct several community forums in Manhattan to solicit and gain consumer input

- Establish an 800 telephone number to provide information related to the new area code introduction, including public forums and Public Statement Hearings

- Seek counsel of the NYNEX statewide Consumer Advisory Council and the Manhattan Consumer Advisory Panel

- Support PSC Public Statement Hearings and Educational Forums

- Provide NYNEX employees, particularly business office representatives and other customer contact staff, with information about the need for a new area code

Upon PSC approval of the method to introduce a new area code in Manhattan, the company will develop a comprehensive consumer communication plan with customized educational messages, activities and timetable. The final communication plan will reflect consumer, industry, and PSC Staff input. Additionally, it will include such internal and external activities as:

- Conduct an ongoing media campaign to promote customer understanding of the new area code (e.g., press releases, interviews, briefings, broadcast opportunities)

- Conduct comprehensive customer education in the community (e.g., face-to-face briefings with key community leaders and Consumer Advisory Panels; informational material directed to consumer groups, special needs advocates and/or agencies, tenant associations and small business organizations

- Conduct consumer forums (i.e., Consumer Advisory Panels) to gain input on the clarity and understanding of the educational messages and best channels of communication

- Target periodic informational notices (English/Spanish) in bill inserts and FYI's to Manhattan customers as well as to all customers via the NYNEX *EXTRA* bill brochure

- Establish and promote a toll-free 800 consumer information line for new area code information and dialing instructions and provide area code information and dialing instructions on the NYNEX web site

- Outreach to non-English/Spanish speaking audiences (e.g., Chinese, Russian, Korean)

- Inform large business customers through NYNEX Account Executives about the possible impact of the new area code introduction (e.g., stationery, programmed faxes, pagers, etc.)

- Provide area code information to appropriate NYNEX Companies -- PubCom, NYNEX Information Resources (White/Yellow Pages directories)

- Distribute area code information and dialing instructions to Manhattan businesses with dynamic customer and tourist traffic (e.g., hotels, motels, hospitals, universities, United Nations, etc.)

- Prepare specialized communications (e.g., letters, instructional handouts) for customers that may be uniquely affected by the new area code -- alarm companies, private users of special telecommunications equipment, FX service, remote call forwarding customers, emergency services, cellular/pager companies

- Disseminate employee communications material through the NYNEX newsletter, company TV and company electronic bulletin boards

- Help develop clear and simple intercept messages to redirect misdialed calls and measure customer awareness levels of the new area code and dialing patterns

Section 8. Conclusion

The Company has carefully evaluated all of the options and believes that the overlay option is the best choice because it treats all customers fairly. It is the least disruptive and the least confusing to customers, and it allows all existing customers to keep their telephone numbers. While the overlay option may require calls to be dialed using the FCC ordered 10 digit dialing option, we do not believe this is to be a significant enough issue to change our conclusion. Whichever plan is chosen will cause a greater number of calls to be dialed this way. Many customers in New York City make many calls this way today, i.e., to other boroughs and suburbs, cellular telephones, pagers, and for long distance.

NYT agrees with the Commission that prompt and timely action must be taken in order to insure the continued availability of telephone numbers in New York City. The Commission should reach a decision by September 30, 1997, as scheduled, in order to provide adequate time for the implementation of a plan. Regardless of which plan is adopted, there is a considerable amount of work that cannot begin until a conclusion is reached.

The Company also agrees that the plan that is adopted should provide the longest relief and cause the least disruption possible to customers. Our primary concern throughout the process is our customers. The Company will devise and implement a

comprehensive customer education program to help our customers adapt to the change. In light of the success we have enjoyed in previous efforts of this nature, we are confident that the change process will be accomplished successfully.

The Company soon will announce industry forums that will be held to gain insight from other industry representatives of telecommunications companies that operate in New York. We will use research and other means of soliciting customer input from representative customer groups to aid in the final decision. On February 20, 1997, Company representatives met with members of the Commission's Consumer Services Division to begin what we expect to be an ongoing consultative process.

Respectfully Submitted

Jerome Balsam
Counsel for

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New York, New York 10036
212-395-6507

Appendix 1 Unassignable NXXs

Unassignable 212 NXX's		
Nxx	Npa	Remarks
200	212	N00 SAC code, 30 SEC. CN DIALING;
201	212	N.J. NPA
203	212	CONN. NPA
211	212	SVC CDE-CENT CREDIT;NON-DIALABLE
212	212	N.Y. NPA
300	212	N00 SAC CODE
311	212	EMERGENCY DIALING ON RELAY SVCS.
347	212	LAB:AXE10;WEST ST/INPA FOR 917
394	212	AUDIOTEX/INPS;HOMED NYCKNYWM15T (WS)
400	212	N00 SAC CODE
411	212	SVC CDE-DIR ASSTCE;561 WKG-12/24/89
470	212	PROPOSED NPA;140 WEST ST. LAB. TESTING
500	212	N00 SAC CODE
511	212	N11 CODE:PREVENT DOUBLEWAITING TIME
516	212	N/S NPA:30 SEC. CN CALL TIMING
540	212	IMAS;
550	212	GRP BRIDG SVC; PHONE-A-FRIEND;E. 56 ST
555	212	UNIV CDE-DIR ASSTCE
600	212	N00 SAC CODE
611	212	N11 CDE-REPAIR SVC;TEST LINES;OUTWATS
646	212	RSVD AS MANH NPA
660	212	PLANT TEST: TRK SEL TST
700	212	N00 SAC Code
710	212	GETS - NPA US GOVT
711	212	N11 Code
718	212	BKLYN./QNS NPA
800	212	N00 SAC CODE
810	212	UNIQUE APPL:ADULT ENTERTAINMENT
811	212	E-911 TESTING PSEUDO CODE
890	212	UNIQUE APPL:CORP. COMM. NTWK.;BSC&RSC'S
900	212	N00 SAC CODE
908	212	NJ NPA;BARBER STEAMSHIP;CTX III;EMBARGO
910	212	UNIQUE APPL:CST-CIRCUIT 9
911	212	SVCE CDE- POLICE EMER
914	212	WCHR. NPA: BILLING FOR DDD CALLS
917	212	RSVD TO AVOID OVERLAY CONFLICTS;NPA
936	212	UNIV CDE-PSUEDO FX, W.36TH ST.
950	212	UNIV CDE-ENFIA
955	212	UNIV CDE-CHOKE NETWORK,37TH
958	212	PLANT TEST
959	212	PLANT TEST
970	212	UNIV CDE-MASS ANN(RS0/NYCMNY56)
976	212	UNIV CDE-MASS ANN
985	212	UNIV CDE-TELETHON; 37TH ST

Appendix 2 Assignment of 212 central office codes by wire center

Central Office Building	212 NXX Code Assigned as of 1/20/97
Broad St.	45
WTC	13
West St.	69
Pearl St.	22
Varick St.	10
Second Ave.	30
W. 18th St.	27
E. 30th St.	30
W. 36th St.	33
E. 37th St.	52
W. 42nd St.	37
W. 50th St.	64
E. 56th St.	71
W. 73rd St.	16
E. 79th St.	28
E. 97th St.	18
Manhattan Ave.	20
Convent Ave.	10
W. 176th St.	10
Thayer St.	5
Total	**610**

Tandem	CLEC Codes
BW21T	36
3706T	35
ZR05T	1
Total	**72**
Total all carriers	682

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Jerome M Balsam
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Room 3737

March 14, 1997

The Honorable John C. Crary
Secretary
State of New York Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

VIA OVERNIGHT DELIVERY

Re: **Case 96-C-1158 (Proceeding on Motion of the Commission Pursuant to Section 97(2) of the Public Service Law, to Evaluate the Options for Making Additional Central Office and/or Area Codes Available in the 212 and 917 Area Codes of New York City)**

Dear Secretary Crary:

New York Telephone Company ("NYT") submits an original and ten (10) copies of this letter in response to the Notice of Administrative Conference issued in the above proceeding on March 5, 1997 and in preparation for that Conference, which will be held on March 25, 1997.

In light of the Commission's experience with issues like those raised in this proceeding[1] and the absence of seriously disputed factual questions, NYT believes that there is no need for formal discovery or evidentiary hearings in this case. Instead, this proceeding can and should be decided after legislative-type hearings and the filing of position papers on policy questions.

The relevant facts — e.g., the availability of NXXs and numbers, the rate at which they are being exhausted, and the length of time for which various methods of relief would suffice — can all be established from NYT's February 28, 1997 Report in this proceeding. To the extent that subsidiary facts need to be developed, NYT is prepared to work with Staff and the other parties through the task force process.

The Commission's decision in this proceeding, as in any of the prior cases involving area code exhaustion, will reflect the Commission's choice of the best answer to a policy problem. The Commission's decisionmaking will not be enhanced by extensive discovery or by taking the testimony of live witnesses. Indeed, those time-consuming procedures will detract from the Commission's ability to reach a timely

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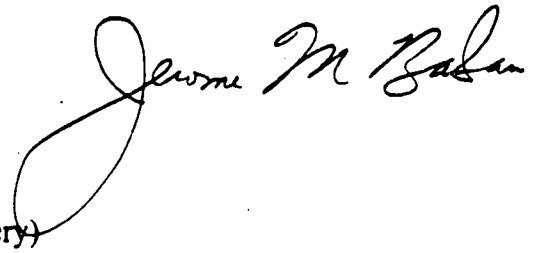
1 E.g., Case 28482 and Case 90-C-0347. As discussed in NYT's February 28, 1997 Report in this proceeding, the 718 area code was established in 1985, Report at 4, there was a re-alignment in that area code in 1993, *id.* at 9, and the 917 area code was added as an overlay in 1992, *id.*

decision, which in turn is essential in order that there be adequate time for the transition to whatever solution the Commission ultimately endorses. Finally, because of the importance of an expeditious decision, NYT recommends that briefs be submitted directly to the Commission rather than to the Administrative Law Judge, thereby saving the time that would otherwise be devoted to a recommended decision, briefs on exceptions, and briefs opposing exceptions.

The Commission has stated its intention to complete this proceeding by the end of the third quarter of 1997.[2] In order to meet that goal, NYT suggests the following schedule for further proceedings:

Public statement hearings (legislative type)	First half of June
Position papers filed by other parties in response to NYT's Report	Early July
Task force meetings (as needed)	Mid-July to Mid-Aug.
Initial briefs to Commission	Aug. 15
Reply briefs to Commission	Sept. 5
Commission decision	Sept. 30

Respectfully submitted,



cc: Service List (via overnight delivery)
Hon. Joel A. Linsider (via overnight delivery)

[2] Case 96-C-1158, Order Instituting Proceeding at 2 (Dec. 31, 1996).