

PROJECT NO. 24186

THOUSAND-BLOCK NUMBER § PUBLIC UTILITY COMMISSION
POOLING TRIALS IN TEXAS § OF TEXAS

ORDER INITIATING THOUSAND-BLOCK POOLING TRIALS IN THE HOUSTON, DALLAS AND FORT WORTH METROPOLITAN AREAS

I. INTRODUCTION

The Public Utility Commission of Texas (Commission) is firmly committed to taking all necessary and appropriate actions to conserve numbering resources in the state of Texas. The Commission is convinced that number pooling plays an important role in number conservation. Therefore, in this Order, the Commission orders the implementation of thousand-block pooling by all Local Number Portability (LNP)-capable codeholders in all rate centers in the following NPAs in the associated metropolitan areas: Houston, 713/281/832; Dallas, 214/972/469; and Fort Worth, 817/682.

II. BACKGROUND

On July 5, 1999, the Commission filed its Petition for Delegation of Additional Authority to Implement Number Conservation Measures (Petition) with the FCC.¹ In its Petition, the Commission requested authority to implement thousand-block number pooling trials; reclaim unused and reserved NXX codes and thousand number blocks within those codes; require the submission of utilization and forecast information to the Commission; require sequential number assignment; and implement unassigned number porting. On November 30, 1999, the FCC issued an Order granting all of the Commission's requests with the exception of unassigned number porting.² In its Order, the FCC acknowledged the area code situation in Texas is critical, with eleven new codes having been added since 1990.³

¹ *Petition of Public Utility Commission of Texas for Expedited Decision for Authority to Implement Number Conservation Measures*, CC Docket No. 96-98, NSD File No. L-99-55 (July 5, 1999) (Petition).

² *Petition of Public Utility Commission of Texas for Expedited Decision for Authority to Implement Number Conservation Measures*, CC Docket No. 96-98, Order, NSD File No. L-99-55 (Nov. 30, 1999) (Delegation Order).

³ *Id.* at para. 7.

In March of 2000, the Commission signed its Order Initiating Number Conservation Measures in the 512 NPA.⁴ Thousand-block pooling began in the 512 NPA on August 1, 2000. While pooling will not eliminate the need for area code relief, previous pooling trials in Texas and elsewhere have clearly demonstrated that number pooling can significantly extend the life of an NPA. Therefore, the Commission intends to utilize this tool more effectively throughout the state.

III. THOUSAND-BLOCK POOLING

A. Implementation Date of October 1, 2001

The Houston, Dallas and Fort Worth metropolitan statistical areas (MSA), three of the top 100 MSAs in the nation, are excellent candidates for thousand-block pooling. Because of the high degree of competition in these areas, there are a number of thousand-blocks available for pooling. The Commission believes initiating pooling in these MSAs as soon as possible will maximize the potential of pooling extending the life of the various NPAs.

As of May 8, 2001, there were 426 NXX codes in Houston, 596 NXX codes in Dallas, and 748 NXX codes in Fort Worth available for assignment.⁵ The projected exhaust dates according to the North American Numbering Plan Administration (NANPA), are fourth quarter 2002, second quarter 2004, and third quarter 2008, respectively.⁶

<u>NPA</u>	<u>Available NXXs</u>	<u>NANPA Projected Exhaust Date</u>
<u>Houston MSA</u>		
281	26	4Q 2002
713	17	
832	383	
<u>Dallas MSA</u>		
214	77	2Q 2004
469	516	
972	3	
<u>Fort Worth MSA</u>		
817	10	3Q 2008
682	738	

⁴ *Numbering Plan Area Relief Planning for the 512 Area Code*, Project No. 21772, Order Initiating Number Conservation Measures in the 512 Area Code (March 29, 2000) (512 Pooling Order).

⁵ 2001 NRUF Data, <http://www.nanpa.com>.

The Commission concludes that the lives of these NPAs can be extended by the timely implementation of number pooling. Therefore, the Commission concludes that all LNP-capable codeholders in the following NPAs shall participate in mandatory thousand-block pooling trials: 281, 713, 832, 214, 469, 972, 682, and 817. To maximize the effectiveness of thousand-block pooling, the Commission believes the trials should begin as soon as possible. Therefore, the Commission concludes that the thousand-block pooling trial in the Houston MSA shall begin November 1, 2001, in the Dallas MSA, December 1, 2001 and in the Fort Worth MSA, January 1, 2002.

The Commission further concludes that these start dates are a reasonable balancing of the codeholders' needs relating to modification of operation support systems (OSS) and the Commission's responsibility to protect the citizens of Texas from the cost and inconvenience associated with the implementation of area code relief. Moreover, the implementation timeframe is not significantly different from the timeframe adopted by the Commission for its pooling trial in the 512 NPA.

At this time, the Commission does not intend to adopt relief plans for the Houston, Dallas or Fort Worth MSAs. None of the NPAs in those MSAs have been declared to be in jeopardy by the NANPA. However, Commission Staff will continue to monitor code and thousand-block assignments and pursue relief planning if it determines relief planning becomes necessary.

B. Selection of a Pooling Administrator

To implement thousand-block pooling, a neutral third party administrator must be retained. At the time the Commission issued its *512 Pooling Order*, NeuStar, Inc. was the only known company providing pooling administrator services. Since then, Telcordia Technologies has emerged as pooling administrator for pooling trials in other states. The Commission is not aware of any other companies providing pooling administrator services.

The industry, as represented by the North American Portability Management, LLC (LLC), is instructed to (1) evaluate the services provided by NeuStar and Telcordia; (2) select one of these companies to be the Pooling Administrator for all three pooling trials; and (3) enter into a contract for pooling administration services for the NPAs in the Houston, Dallas and Fort Worth MSAs. The Commission encourages the LLC to evaluate the services provided by each

⁶ 2001 NRUF and NPA Exhaust Analysis, June 1, 2001 Update, <http://www.nanpa.com>

company based on experience and costs. The LLC is instructed to complete its evaluation and make its selection by July 2, 2001, so that the pooling trials can start as ordered, on November 1, 2001, December 1, 2001 and January 1, 2002.

C. Pooling Software

At the time the Commission issued its *512 Pooling Order*, NPAC Release 1.4 was the only pooling software available. Comments submitted by the industry in Project No. 21772 recommended that the Commission delay implementation of pooling in the 512 NPA Texas until NPAC Release 3.0 becomes available.⁷ In the last year, great strides have been made toward the availability of Release 3.0, however, uncertainty remains as to a firm date for availability of Release 3.0 in the Southwest Region.

The Commission believes delaying thousand-block pooling in the NPAs in the Houston, Dallas and Fort Worth MSAs would not be in the interest of the citizens of this State. Additionally, because codeholders that are not LNP-capable will continue to require assignment of full central office codes (NXXs) even after the implementation of thousand-block pooling, the longer pooling is delayed, the fewer full NXXs will be available for those codeholders and the shorter the timeframe for exhausting the various NPAs. Therefore, the Commission concludes that implementation of pooling in the following NPAs should proceed using the best technology available: 281, 713, 832, 214, 469, 972, 682, and 817. Currently, NPAC Release 1.4 is the only technology in use in Texas and in the Southwest Region. If the industry desires to use Release 3.0, and Release 3.0 becomes available, the industry must inform Commission Staff as soon as possible. However, the choice of Release 3.0 over Release 1.4 shall not delay the pooling start date.

D. Implementation Meeting

Pursuant to Section B of this Order, the LLC shall select a pooling administrator no later than July 2, 2001. As soon as practical thereafter, the Pooling Administrator shall coordinate with Commission Staff to conduct implementation meetings for each MSA. All codeholders operating in the NPAs within the relevant MSA, including non LNP-capable codeholders, are instructed to attend the implementation meeting. At the meeting, Commission Staff, codeholders, and the Pooling Administrator shall discuss the scope and breadth of the pooling

trial, identify the pooling participants, establish an implementation timeline, and discuss contract and other issues related to the implementation of number pooling in the relevant NPAs.

E. Guidelines and National Pooling Program

The pooling trial will be conducted in conformance with the Thousand-Block Pooling Guidelines drafted by the INC, as adopted by the FCC in its *NRO Order* for use in the national pooling program.⁸ Any revisions to the Guidelines made pursuant to FCC Orders shall be adopted for all pooling trials in the state of Texas.

The national pooling program is scheduled to begin nine months after the FCC selects a national pooling administrator. The national program will include the top 100 MSAs in the country at a rate of three per quarter, per region. Any state pooling trials in place will be absorbed into the national program.⁹ As the Houston, Dallas and Fort Worth MSAs are among the top 100 MSAs in the nation, the Commission recognizes that the pooling trials ordered herein will eventually become part of the national program.¹⁰

F. Cost Allocation

In its August 11, 2000 Order in Project No. 21772, the Commission set forth the method for allocation of costs for the 512 pooling trial.¹¹ The Commission continues to believe that the method of allocation detailed in the *512 Cost Allocation Order* is the most equitable method available. Therefore, the Commission hereby orders the same method of cost allocation for the Houston, Dallas and Fort Worth pooling trials. Based on this method, pooling costs are to be divided into two categories: (1) shared industry costs; and (2) carrier specific costs; and costs are attributed to codeholders based on this categorization.¹²

⁷ NPAC Release 3.0 is expected to provide a more efficient method for data storage as well requiring fewer manual processes.

⁸ *Numbering Resource Optimization*, CC Docket No. 99-200, Report and Order and Further Notice of Proposed Rule Making at para. 183 (rel. Mar. 31, 2000) (NRO Order).

⁹ *Id.* at paras. 156-71.

¹⁰ The Commission intends to exercise its authority over the order of NPAs in Texas to be included in the national pooling program, pursuant to the authority granted to State commissions by the FCC. *Id.* at paras. 163-65.

¹¹ *Numbering Plan Area Relief Planning for the 512 Area Code*, Project No. 21772, Order Adopting Allocation of Pooling Costs for the Thousand-Block Pooling Trial in the 512 Area Code (March 29, 2000) (512 Cost Allocation Order).

¹² The pooling costs included in the standard pooling administration agreement used by NeuStar, were categorized by the Commission as follows: (1) the shared industry costs are the Pooling Implementation and Establishment Fee and the Implementation Meeting Fee and, if necessary, the Pooling Transfer Fee and the Rate Area Fee are also shared industry costs; and (2) the carrier specific costs are the Application Fee and the Block Fee. *Id.* at 1-2.

The Commission believes that because thousand-block pooling benefits all codeholders in the NPA, the shared industry costs should be allocated among all codeholders, regardless of LNP capability. Because telephone numbers have become a scarce resource, the Commission believes that a codeholder should assume the costs of conserving this resource based on the amount of the resource that codeholder uses. It is reasonable and competitively neutral that all codeholders operating within the area code share the costs of pooling in that area code. The Commission believes this approach is in conformity with the requirements in §251 of the federal Telecommunications Act and the FCC's *NRO Order*. Therefore, as in the 512 pooling trial, the Commission orders shared industry costs be allocated on a percentage basis based on the number of assigned numbers each codeholder has in the relevant NPAs. For purposes of calculating the relative percentages of the total assigned numbers, the Central Office Code Assignments utilized code status file maintained by the NANPA shall be used. The Pooling Administrator selected pursuant to Section B above, shall calculate the percentages as of the pooling start date for each pooling trial. If after January 2, 2002, it becomes necessary to further assess shared costs, the Pooling Administrator shall recalculate the percentage of shared industry costs attributable to each codeholder and bill each codeholder accordingly. Such a recalculation shall be done by the Pooling Administrator on a quarterly basis beginning January 2, 2002.

The Commission believes carrier specific costs are dependent upon the amount of business and the amount of numbering resources of one particular codeholder. Therefore, carrier specific costs shall be borne solely by the codeholder incurring those costs.

G. Cost Recovery

In its *Delegation Order*, the FCC required the Commission to determine the method for calculating and recovering costs associated with the pooling trial and carrier specific costs associated with pooling administration.¹³ The Commission recognizes the importance of cost recovery issues to the industry and intends to schedule a cost recovery technical conference/workshop so that a cost recovery mechanism can be developed. However, due to the impending start-up of the national pooling program, the Commission intends to pursue cost recovery after the national program is underway so that the Texas cost recovery proceeding can take into account any and all pooling trials in place in Texas prior to the national program roll-

¹³ Delegation Order at para. 19.

out and prior to national cost recovery. If the national program is significantly delayed, the Commission may revisit this decision and may proceed with cost recovery prior to the start-up of the national pooling program.

III. CONSERVATION MEASURES APPLICABLE TO ALL CODEHOLDERS

For thousand-block pooling to be as effective as possible, the Commission must maximize the number of pooling-eligible blocks available in the pooling area. To conserve the scarce numbering resources in the various NPAs and to prepare for the implementation of pooling, the Commission orders all codeholders in the 281, 713, 832, 214, 469, 972, 682, and 817 NPAs to:

1. administer their codes in blocks of thousand numbers on a rate center basis;
2. set aside (i.e., restrict from assignment in their telephone administration systems by assuring that they are not accessible to sales, marketing or customer service personnel) all unopened thousand-blocks currently assigned to them, unless no other numbers are available;
3. refrain from assigning numbers from any thousands block in an NXX with 100 or fewer numbers currently in use, unless there are no other numbers available; and
4. continue the practice of sequential number assignment.

Non LNP-capable codeholders will not be eligible to participate in pooling and will continue to be allocated full 10,000 blocks of numbers.¹⁴ However, to ensure competitive neutrality, the Commission directs that the above measures (3) and (4) apply to all codeholders in the relevant NPAs, including non LNP-capable codeholders. Application of these measures to all codeholders in the relevant NPAs will preserve numbering resources throughout the NPA and in all segments of the telecommunications market. It will also promote competitive neutrality between codeholders required to pool and those who will not. By virtue of technical infeasibility, measures (1) and (2) will apply only to LNP-capable codeholders.

The Commission believes these conservation measures will provide all codeholders with continued access to numbering resources needed to meet actual customer demand while ensuring that resources are not unnecessarily squandered.

¹⁴ If a wireless carrier is LNP-capable, the Commission expects it will comply with this order and participate fully in the pooling trials.

IV. ORDERING PARAGRAPHS

In accordance with the above discussion, the Commission hereby orders the following:

1. All LNP-capable codeholders in the following NPAs shall participate in a mandatory thousand-block pooling trial: 281, 713, 832, 214, 469, 972, 682, and 817.
2. The LLC is instructed to begin discussions with NeuStar, Inc. and Telcordia Technologies. The LLC shall evaluate the companies and shall choose a pooling administrator for the three pooling trials no later than July 2, 2001.
3. All codeholders in the following NPAs shall attend an implementation meeting to be held by the Pooling Administrator: 281, 713, 832, 214, 469, 972, 682, and 817.
4. Thousand-block pooling in the Houston MSA, 713/281/832 NPAs, shall be implemented according to the timelines developed at the implementation meeting, with a mandated start date of November 1, 2001.
5. Thousand-block pooling in the Dallas MSA, 214/972/469 NPAs, shall be implemented according to the timelines developed at the implementation meeting, with a mandated start date of December 1, 2001.
6. Thousand-block pooling in the Fort Worth MSA, 817/682 NPAs, shall be implemented according to the timelines developed at the implementation meeting, with a mandated start date of January 1, 2002.
7. For the thousand-block pooling trials, codeholders in the relevant NPAs shall utilize the best technology available within a reasonable time prior to the pooling start date.
8. Pooling in the Houston, Dallas and Fort Worth MSAs will be conducted according to the INC Thousand-Block Pooling Guidelines, as adopted and hereafter modified by the FCC.
9. Pooling costs are to be allocated among codeholders based on the classification of the cost as a shared industry cost or a carrier specific cost.
10. All codeholders in the following NPAs are ordered to continue all other number conservation efforts included in this or any other order issued by this Commission: 281, 713, 832, 214, 469, 972, 682, and 817.

SIGNED AT AUSTIN, TEXAS the _____ day of June 2001.

PUBLIC UTILITY COMMISSION OF TEXAS

PAT WOOD, III, CHAIRMAN

BRETT A. PERLMAN, COMMISSIONER