

from increasing the utilization threshold could result in the unnecessary stranding of over 1.3 million individual telephone numbers in Pennsylvania's NPAs. Thus, we find that the Commission's numbering resources utilization threshold and its scheduled increases are necessary to ensure that carrier practices with regard to numbering resources are not unjust or unreasonable.

4. We also disagree with CTIA's suggestion that scheduled increases are rendered unnecessary by the Commission's already existing authority under sections 201 and 202 of the Act to address unjust or unreasonable carrier practices. While we agree that we have authority pursuant to these sections to address matters regarding carriers' access to numbering resources, the existence of such authority does not, by itself, negate the necessity of retaining scheduled increases to the utilization threshold. Targeted rules, such as the utilization threshold and its scheduled increases, provide an additional measure to ensure that carriers optimize the use of existing numbering resources on an ongoing basis to prevent premature NANP exhaust. As mentioned above, telephone numbers are a finite resource. Therefore, we must maintain proactive and predictable measures that preserve the NANP in addition to depending on our authority to initiate case-by-case enforcement investigations. We find that because of the concerns described above, we would not be justified in forbearing now, even if we were to "revisit the issue at a later date if necessary to preserve the NANP" as CTIA suggests.

#### Consumer Protection

5. We conclude that retaining the scheduled increases to the numbering resource utilization threshold is necessary for the protection of consumers, and we disagree with CTIA that forbearance in this instance would benefit consumers. One of the overarching goals of the Commission's numbering optimization orders is to protect consumers from the expense and inconvenience resulting from frequent area code changes, and to prevent what would be a costly premature expansion of the NANP. We agree with the Pennsylvania, California and Michigan commissions that freezing the utilization threshold could burden customers with premature area code changes as a result of earlier NANP exhaust. We find that by increasing the threshold, we are minimizing the opportunity for carriers to stockpile unused numbers when other carriers are

in need of such resources to serve their customers. Higher utilization levels will help to maximize the use of all available numbers which, in turn, will delay the exhaust of individual area codes.

6. Furthermore, we agree with the states that maintain that evolving technologies, as well as expanding services, could cause the demand for numbers to spike past the previous levels. For example, as voice over Internet protocol (VoIP) providers continue to penetrate the telecommunications market, the demand for numbers may increase. Such demand could burden existing numbering resources. Therefore, we find that requiring carriers to manage their numbering inventories at higher thresholds is a preventative measure that is necessary to ensure that consumers will not have to bear the burden of premature area code changes and NANP expansion.

7. We disagree with CTIA's claim that we should forbear from further increases because they will lead to increased carrier and consumer costs. CTIA has not presented any data or detailed cost-benefit analysis to support this assertion. In fact, CTIA readily concedes that it is "impossible to quantify the administrative costs carriers will incur from managing numbers at higher utilization levels." Moreover, the New York and California commissions have maintained utilization thresholds at 75% without any indication that there have been adverse effects on consumers. We are not convinced that increases to the utilization threshold would result in significantly more costs because the scheduled increases to the threshold are limited to 5% annually and are capped at 75%. We note that previously CTIA proposed and supported 5% annual increases to the utilization threshold. Moreover, in a recent *ex parte* filing, CTIA appears to depart from its position that the Commission should freeze the threshold at 65% by indicating that a 70% threshold would be an acceptable utilization level. Thus, it appears that CTIA now claims only that the difference between a 70% and 75% utilization threshold would be unnecessarily burdensome, in which case carriers would be required to use only 50 more numbers per thousands-block. We reject CTIA's claim that scheduled increases to the utilization threshold will raise costs while providing little benefit.

8. We also disagree with CTIA's claim that forbearance is warranted as a consumer benefit because it will allow carriers more time to "age" telephone numbers. We find that the numbering utilization threshold has little or no

affect on the aging process. Because carriers have the flexibility to age numbers up to 90 days regardless of the utilization threshold, carriers will be able to replenish their inventories of unused numbers with numbers that have been aged on an ongoing basis. Carriers, therefore, must make a business decision as to how long to age their numbering resources. In the *Numbering Resource Optimization First Report and Order*, the Commission stated that it believes that carriers can reuse numbers in significantly less than 90 days. Certain states have maintained utilization thresholds higher than the current threshold without any indication that there have been adverse effects on the aging process or on consumers. Therefore, we find that carriers' ability to age numbers within the Commission's prescribed limits will not be negatively affected by further increases in the numbering resources utilization threshold.

9. Moreover, we believe that CTIA's claim regarding the aging process is merely another attempt at arguing that increases to the utilization threshold are burdensome because they require carriers to use numbers more efficiently. Requiring carriers to use numbering resources more efficiently, however, is the goal that increases to the utilization threshold were designed to achieve. We find that freezing the utilization threshold at its current level would have a detrimental effect on numbering resource optimization and, in turn, on consumers because it would provide opportunity for carriers to stockpile unused numbers that could be assigned to other requesting customers.

#### Public Interest

10. We conclude that it is in the public interest to retain scheduled increases to the utilization threshold because it will continue to result in more efficient use of numbering resources, further extend the life of the NANP, and facilitate impartial numbering administration by encouraging all carriers to use numbers in their existing inventory before requesting new ones. In the *Numbering Resource Optimization Second Report and Order*, the Commission adopted 60% only as an "initial" utilization threshold. The Commission chose this initial threshold because it was demonstrably achievable and it would give carriers the opportunity to transition to the 75% ceiling without compromising their ability to obtain numbering resources to serve customers. The Commission found, as we do here, that a utilization threshold ceiling of 75% was appropriate because it