



# CUBFacts<sup>Telephone</sup>

## Fighting New Area Codes in Illinois

### ***Is Illinois running out of telephone numbers?***

No. There are about 94 million available phone numbers in Illinois—about seven for every man, woman, and child. Still, the phone industry has successfully pushed for new codes in Illinois, claiming the state is running out of numbers. The latest is the 872 area code, an alternative to the 312 and 773 regions that will be implemented on Nov. 7.

New area codes are a headache for consumers, but it could have been even worse. For years state regulators have held off the creation of new codes by implementing a number-conservation plan developed by CUB and adopted by the Federal Communications Commission (FCC) as a national blueprint for saving area codes.

### ***How does number conservation work?***

CUB's plan revamped the way the phone industry manages the supply of numbers. For technical reasons, the FCC doles out phone numbers in blocks of 10,000. Until the conservation plan was put in place, these blocks were not broken up.

CUB's plan requires phone companies to return unused numbers in blocks of 1,000 to a "pool," so they can be put back into circulation for use by the public when needed. Also, phone companies must assign at least 75 percent of their current supply of numbers to customers before requesting more.

### ***Why does the industry still say Illinois needs new area codes?***

One reason is the explosion of wireless phones. However, phone companies also like to stockpile blocks of numbers in familiar area codes because they believe this gives them a competitive advan-

tage over newer phone companies that can't get these numbers.

Unfortunately, these stockpiled numbers may never get used. Also, a portion of numbers will get "stranded" in rural areas when a 10,000 block of numbers is assigned to a small "rate center" (town), because those numbers can't be used in other towns.

Although "number pooling" has helped to reduce this problem, it can't eliminate it. Some towns with smaller populations have a larger supply of extra, wasted—or "stranded"—numbers.

CUB's number-conservation rules have delayed new area codes for years, and could do so indefinitely—if followed.

Although Illinois regulators have encouraged companies to follow the conservation plan, no formal study has been done to see how well the phone companies are complying with the rules. CUB no longer has access to the data necessary to do this study.

### ***What's wrong with new area codes?***

New area codes are created in one of two ways—through an "overlay" or a "geographic split." Both options mean headaches for consumers. In a "geographic split," part of the existing area code becomes a new code. For example, in the 1990s, chunks of Chicago's 312 area code were used to create the 773, 630, 708, and 847 codes. All the new area codes created recently have been "overlays." That means the new area code has the same boundary as the existing one.

A split creates dialing confusion, and people who have to change their area code are forced to make inconvenient and sometimes costly updates of direct-dial features, security systems, business cards and letterhead. An overlay area code is troublesome because the FCC mandates 11-digit dialing in the region where it

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is imposed. For example, in 2001 suburban Chicago's 847 area code was the first in the state to get an overlay code (224). That means everyone living in 847 is forced to dial 11 numbers—one, plus the area code, plus the seven-digit number—for all phone calls, local or long distance.

### **Why does the FCC mandate 11-digit dialing?**

There is no technical reason for 11-digit dialing. It's a policy decision by the FCC to remove competitive barriers in the phone market. In the 847 region, for example, the FCC believes that a new phone company giving out numbers with the 224 overlay code would be at a competitive disadvantage if their customers had to dial 11 digits to call 847 numbers—while people with 847 numbers would only have to dial seven digits to make those same calls. So, FCC policy requires all consumers in 847 to be equally, and needlessly, inconvenienced, whether they're calling across the street or across the country.

### **What's the status of Illinois area codes?**

While CUB's number-conservation plan has so far stymied the creation of new area codes in the 217, 309, and 618 regions. All of Metro Chicago's area codes already have established overlay codes that the industry either has implemented or will implement when the FCC gives out the last block of numbers in those regions. The 224 overlay was created in north suburban Chicago's 847 region in 2001, and in 2007 the 630 (west suburban Chicago) and 815 (Rockford region) area codes got the 331 and 779 overlays, respectively. Now, in 2009, 312 and 773 are getting the 872 overlay. Neither 217 or 618 are expected to implement overlays until 2012, at the earliest, and 309's "number-exhaust" date is even later than that.

### **What has CUB done to stop new area codes?**

CUB's number-conservation plan, adopted by the ICC and the FCC, delayed the need for a new code in the 847 region for more than four years. However, the phone industry refused to comply voluntarily with the plan, leading to a so-called shortage of phone numbers—despite a CUB analysis that showed phone companies were using fewer than half of the eight million numbers available there.

The plan also has helped hold off new area codes elsewhere, but the ICC has yet to conduct formal investigations into whether conservation rules are fully being followed. CUB once was allowed to review confidential number-usage data and present its own analysis to the ICC. However, in 2001, the phone industry complained to the ICC and successfully blocked CUB's access to this information. Without that data, CUB has no way of challenging new area codes.

### **What is CUB?**

CUB is a nonprofit, nonpartisan, statewide utility watchdog organization that represents your interests before the ICC, in the courts and in the state legislature. Since its inception, CUB has saved Illinois consumers more than \$10 billion by blocking rate hikes and winning customer refunds. Help us continue the fight against the big natural gas, electric and telephone utilities by joining CUB today.