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Federal Communications Commission  
Chief, Wireline Competition Bureau  
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Ms. Gillett,

The purpose of this letter is request that the FCC implement a fair rationing method for the release of the upcoming 855 area code in order to prevent hoarding by vanity number resporgs, to help the actual end users looking to get these numbers, and to ensure the public image of the 855 area code is not tarnished. Releasing the 855 area code, now scheduled for October 2<sup>nd</sup>, without any restraint as the SMS/800 seems to be preparing to do, will cause irreparable harm to toll free subscribers, hurt the end user's choice and the opportunities within the industry.

I've been in the toll free industry since there was only "1-800" and I really love it. But the toll free world today is very different than it was a decade ago when the last new area code was added. That was before most of the current vanity number resporgs came along, and vanity number resporgs don't follow the same rules that traditional phone companies do. (See Appendix A) And if left unchecked they will almost certainly steal the bulk of the best numbers and prevent traditional phone companies and their customers from getting the numbers their customers are requesting.

### **Vanity number resporgs have major advantages**

Traditional phone companies try to help their customers get toll free numbers, but they don't get to keep the value of the numbers so they simply don't have that much incentive compared to the vanity number resporgs that get to keep the value of the numbers for themselves. This means that vanity number resporgs can afford far more connections and capacity than a regular phone company can possibly afford or justify.

Vanity number resporgs also don't have to wait for customer requests, but can simply crunch the numbers and go after everything of any value. Regular phone companies have to wait for customers to request numbers, which gives them another major advantage. (See all 6 advantages explained more in Appendix A) Over the past decade the competition among vanity number resporgs to get new numbers when they come out, has also developed to the point that even the largest regular phone companies can't beat the big vanity number resporgs.

### **Evidence of number sucking**

The best evidence of this aside from the overall industry growth areas, was the release last year of the 22 new '800' number exchanges converted from RCC numbers. Over 10,000 of the new numbers were taken by just one resporg within just over one minute. Further evidence of this is how your own schedule for releasing 855 numbers was affected by a massive number grab in May by the same company. This one organization took over 400,000 numbers, dramatically affecting the exhaustion estimates.

That's why the SMS's June 6<sup>th</sup> estimate (right before you announced the 855 schedule) suggested there was only a 25 week supply left. Yet on July 10<sup>th</sup>, just five weeks later, after that spike in numbers passed, the SMS reported a 100 week supply remained. (See Appendix B) This along with the COO's comments illustrates how some vanity number resporgs feel perfectly justified in taking almost half a million toll free numbers at once, even though several months later 98% of them are still unused by customers. (See Appendix C for more about this)

## **Irreparable harm**

Releasing the 855 area code without any restraint will cause irreparable harm because most of these numbers taken by vanity number resporgs will be out of circulation and unable to be used or acquired by the general public or end users. Once these 855 numbers are taken by these number sucking resporgs, even those that remain available from that organization, will be much more expensive and there won't be any competition. There simply won't be any practical way to undo the damage and unassign them.

## **The solution is rationing**

The simplest solution, is to just slow down the release and ration the initial 855 reservations. Slowing down the release a little would only harm someone trying to grab a huge amount of 855 numbers. It would allow traditional resporgs without any exceptional high capacity a chance to get some numbers for their customers. There is a precedence for doing this to prevent hoarding, but this would be for a much shorter time period than ever before.

## **Slowing the release will benefit the SMS/800**

The SMS/800 seems to be testing and preparing for a high volume of activity, but they don't have any incentive or desire to insure that they are released equitably or that they actually get into the hands of the public. The SMS is really only concerned with insuring that their system will sustain the onslaught of activity at the release. Rationing the 855 reservations will only help the release process, minimizing the land rush at the release. The only organization charged with insuring fairness and that the real end users have an opportunity to get them is the FCC.

## **End users will benefit**

It's important to realize that **most of the customers looking for new toll free numbers are small or startup businesses who want to grow and help their business through creative advertising.** A good toll free number can make a significant difference to their small business for the life of their business. Vanity number resporgs are the fastest growing area in the toll free industry and they hardly ever release numbers because they claim to be the owner of the number as well. *So allowing vanity number businesses to walk away with the lions share of the best 855 numbers will cause irreparable damage to the little guy that needs help the most but has nobody on his side.* It'll also cause irreparable damage to the overall market competitiveness, since these companies claim ownership and almost never release numbers.

## **Daily rationing is necessary**

Monthly rationing would still allow vanity number resporgs to suck up a large amount (their monthly ration) before regular phone companies had much chance to get anything. Monthly rationing would also hurt the regular phone companies more than the vanity number brokers, because regular phone companies wouldn't want to use up their entire ration on the first day (or first few minutes) like vanity number resporgs would. The best solution would be daily rationing. Making the ration increment smaller only makes everyone take smaller plate fulls.

Imagine if the "all you can eat" buffet in your favorite restaurant had stacks of giant turkey sized platters, instead of regular sized plates. The people in the back of the line wouldn't get much to eat. But if everyone gets a small plate every day, the people at the front of the line still get first choice, but the numbers would get allocated and shared much more evenly. This insures that customers have choice and all phone companies have an opportunity to help their customers. Not just the ones that pay hundreds of thousands of dollars per month for 100+ times the connection capacity of regular phone companies. Rationing doesn't hurt anyone except potential hoarders. Rationing also costs absolutely nothing, especially compared to expensive legal action to prevent or enforce hoarding regulations after the fact. Can we afford not to?

## **Rationing should be by Resporg Administrator not by Resporg**

Vanity number resporgs have developed some very clever ways of hiding their activity not the least of which is setting up multiple resporgs under different names. Some organizations have as many as six different resporgs all with the same

administrator. One of the reasons they do this is to insure that they get multiple shares of numbers in case of rationing. These are technically separate resporgs, yet they are run essentially as one large organization.

The best solution is to apply a limit per resporg administrator, not per resporg. If multiple resporgs are controlled by one person they are really just one organization. In the buffet analogy I'm simply suggesting that nobody should be allowed to take six plate fulls at a time.

### **What should the daily limit be?**

Very few resporgs ever activate 100,000 numbers in a single month. The average monthly new number acquisition for Sprint, for instance over the past two years has been 9,872 numbers and they've never activated more than 28,837 toll free numbers in a single month, in all toll free area codes. The most toll free numbers AT&T has ever activated in a single month in the past two years is 53,042, and the average is 28,249. That's why I would suggest that that you KISs, Keep It Simple.

### **Each resporg administrator should be limited to one thousand 855 numbers per day for the first month.**

That is more per day than even AT&T typically activates in all four area codes combined. So that's clearly not a very restrictive limit. Another way to look at that is that if just 250 out of the 348 current resporg administrators each activated their limit of 855 numbers we would run out of 855 numbers in just 30 days. So this limitation can hardly be too much of a restriction. This limitation would only be for the first month and Resporgs could still activate as many of the other toll free area codes per day as they want.

### **“Temporary Anti-Hoarding Limit”**

I would call this the “Temporary Anti Hoarding Limit”, because that reinforces both the temporary nature of the limit and the fact that taking a huge amount of 855 instantly would at least look like potential hoarding. It also shows that you do care about the end user and your own regulations against hoarding. Calling it the Anti-Hoarding limit would make it hard to argue with, since no resporg is going to want to argue that they should be allowed to hoard.

This is a simple enough, short term limitation and would allow 855 numbers to be distributed more evenly and reach more of the actual end users. Nobody else in this process is trying to protect the end users. The SMS isn't, the vanity number resporgs certainly aren't, and even the traditional phone companies aren't. That responsibility ultimately falls solely to the FCC, and this is an easy way to show whether you're on the side of the consumer or not.

### **Even if there's just a small chance...**

Even if there's just a small chance that a substantial amount of numbers will be taken by a handful of vanity number resporgs, and not be available to the end users that need them, can we afford to take that chance? If something as simple as putting a temporary cap on the volume of numbers, per organization, might help insure more of these numbers get into the hands of real end users that need them the most, how can we justify not doing this? If the limitation I'm suggesting seems too much, then compromise and do it for just the first two weeks instead of a month.

Toll free numbers are a valuable public resource, and all phone companies don't have equal access to it. Some companies pay for hundreds of times the capacity of other companies and they shouldn't be allowed to monopolize the public resource or suck it up and resell it for huge premiums. Just because some companies have the capacity to reserve 10,000 or more, numbers per minute doesn't mean they should be allowed to. This would dramatically reduce choice, opportunity and fairness and clearly hurt the entire toll free industry. Therefore I respectfully request that the FCC immediately direct the DSML and in turn the SMS/800 to temporarily limit the amount of 855 numbers each resporg administrator can take each day, for the first month.

Very truly yours,

Bill Quimby  
President of TollFreeNumbers.com