

State of California

Public Utilities Commission  
San Francisco

**M E M O R A N D U M**

**Date:** November 22, 2024

**To :** President Alice Reynolds  
Commissioner Darcie Houck  
Commissioner John Reynolds  
Commissioner Karen Douglas  
Commissioner Matt Baker  
(Meeting of December 5, 2024)

**From:** Robert Osborn, Communications Division  
Jonathan Koltz, Legal Division  
Lina Khoury, Communications Division  
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**Subject:** Ratification of Off-Agenda Approval to Join Comments in FCC WC  
Docket No. 19-99: Interconnected VoIP Numbering Authorization  
Application filed by NumberBarn, LLC

**RECOMMENDATION:** On October 29, 2024, the Litigation Subcommittee gave staff off-agenda approval to join the comments of the District of Columbia and six states in response to the Interconnected VoIP Numbering Authorization Application Filed by NumberBarn, LLC pursuant to Section 52.15(g)(3) of the Federal Communications Commission's rules. Staff now ask the Commission to ratify that approval.

**BACKGROUND:** On September 24, 2024, and October 4, 2024, the Federal Communications Commission (FCC) issued Public Notices regarding the Interconnected VoIP Numbering Authorization Application filed by NumberBarn, LLC.

On September 26, 2024, the National Association of Regulatory Utility Commissioners (NARUC), timely filed a motion requesting a 30-day extension of the deadline for filing comments in this proceeding and to remove the application from a streamlined pleading cycle. NARUC requested the extension to permit its member state public utility commissions an opportunity to comment on this application. The applicant, NumberBarn, LLC, timely filed an opposition to NARUC's motion on October 1, 2024, opposing both the extension of the comment period and the removal of the application from streamlined processing.

On October 4, 2024, the FCC removed NumberBarn's application from streamlined processing to allow the FCC to further analyze whether granting the application serves the public interest. In addition, the comment deadline was extended from October 9, 2024, to November 8, 2024, with reply comments due November 22, 2024.

On October 22, Communications Division received a draft version of comments from the Public Service Commission<sup>1</sup> of the District of Columbia. On October 29, staff asked for and received off-agenda approval to join the comments. The comments were filed on November 8, substantially unchanged from the draft version.

### **DISCUSSION:**

The North American Numbering Plan Administrator (NANPA) holds overall responsibility for the neutral administration of North America Numbering Plan resources, including coordinating area code overlays. NANPA's responsibilities are defined in FCC rules and in comprehensive technical requirements drafted by the telecommunications industry and approved by the FCC.

NANPA assigns blocks of numbers to companies approved by the FCC. Those companies, in turn, may "pool" their assigned blocks so other companies can use them. Number pooling involves distributing numbers in blocks of 1,000 consecutive numbers to telephone service providers. Instead of allocating blocks of ten thousand numbers to each carrier in each community, a block of ten thousand numbers is assigned to an individual geographic rate center. In either case, there is no ownership over numbers or number blocks. They are only assigned.

State commissions are given the authority to manage numbering resources within their territorial jurisdictions. The CPUC thus conducts area code relief and enforces number conservation in California in accordance with Public Utilities Code Sections 7930-7943. When the state legislature designated the CPUC as "coordinator for California area code relief" in 1990, the rationale was to manage the explosive demand for new area codes in California because of the advent of competition in the local telecommunications market. In recent years, this job has become harder: the frequency with which numbers are exhausted has increased, in part because of population growth and the increase in the number of devices with assigned numbers, but also in part because of the kind of unscrupulous business practices described below.

On June 22, 2015, the FCC released FCC 15-70, permitting interconnected voice over internet protocol (VoIP) providers to obtain numbering resources directly from NANPA and the Pooling Administrator (Numbering Administrators), rather than through

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<sup>1</sup> Lara H. Walt, Senior Attorney Advisor, Office of the General Counsel, E-mail message dated October 22, 2024.

intermediate carriers. A VoIP provider authorized by the FCC to request numbering resources from the Numbering Administrators must provide the relevant state commission a notice of intent to request numbers at least 30 days prior to making the request with the Numbering Administrators.

NumberBarn<sup>2</sup> sells and licenses numbers as a clearinghouse to telemarketers and robocallers as well as to the general public. It has been able to stockpile or have access to over 73 million local and toll-free numbers. NumberBarn also enables callers to make outgoing calls and display a different number from the one they are calling from. This is a form of spoofing because the call recipient is led to believe the call is coming from a different number – sometimes in another state.

All entities receiving telephone numbers from NANPA, the Pooling Administrator, or another telecommunications service providers must file Numbering Resource Utilization Forecast reports with NANPA. NumberBarn does not have direct access to numbers under FCC requirements (hence their application), so the State Commissions assume that NumberBarn is obtaining its inventory of telephone numbers available on its website from other telecommunications service providers. NumberBarn appears to confirm this by stating that approval of its application would allow it to obtain numbers directly rather than purchasing them from other service providers and VoIP providers.

NumberBarn appears to engage in practices that contribute to number exhaustion, which in turn contribute to area code overlays. These practices include:

- Offering number “parking”<sup>3</sup> and selling the same parked numbers on their websites for profit, which violates industry guidelines and increases number exhaustion.
- Stockpiling toll-free numbers, which may violate toll-free regulations by listing certain numbers for sale.
- “Warehousing” and “hoarding” number blocks resources, potentially disregarding rules outlined in 47 CFR § 52.105 and § 52.107.
- Selling “vanity” numbers in a block of 1,000.

The practice of selling certain vanity numbers in a block of 1,000 could ultimately strand and deplete available numbering resources in a rate center for the next service provider requiring additional telephone number resources than what would be needed otherwise.

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<sup>2</sup> NumberBarn and NumberGarage are owned by ClearHello, LLC.

<sup>3</sup> Phone number parking is a service that allows individuals or businesses to temporarily retain ownership of a phone number without using it for active communication. When a phone number is parked, it is disconnected from any active phone line or device, but it remains registered to the owner.

In recent years, the CPUC has approved multiple area code overlays due to the exhaustion of available numbers. They include:

- December 14, 2023 - the CPUC approved the new 357 area code to overlay the 559 area code.
- June 8, 2023 - the CPUC approved the new 837 area code to overlay the 530 area code.
- March 16, 2023 - the CPUC approved the new 738 area code to overlay the 213/323 area codes.
- February 1, 2023 - The new 369 area code was overlaid onto the 707 area code.
- November 28, 2022 - The new 350 area code was overlaid onto the 209 area code.

In addition, California Public Utilities Code Section 285 requires interconnected VoIP providers to collect and remit surcharges in support of California universal service programs. Interconnected VoIP providers are required to obtain an operating authority from the CPUC to offer voice services in California. NumberBarn is a registered Digital Voice Service provider in California (UCS 1639) but has not made any public purpose surcharge remittances since the access line methodology was implemented in April 2023. Since NumberBarn is a clearinghouse for numbers rather than a direct provider of services, it may be that their failure to remit falls within a gray area of the CPUC's definition of access line. NumberBarn's failure to remit surcharges is not the subject of these FCC comments, but Staff is investigating and may recommend that the CPUC bring enforcement or that the failure to remit be addressed in the reply round.

### **SUMMARY OF COMMENTS:**

The State Commissions make the following points:

1. The Application is incomplete and lacks proof that NumberBarn has filed FCC Forms 477 and 499.
2. NumberBarn is selling and licensing telephone over 73 million numbers from many jurisdictions on its website, which violates industry guidelines that prohibit profiting from numbering resources with prices ranging from \$5 to \$20 million.
3. Some numbers for sale on NumberBarn's website may not be in its inventory.
4. Some State Commission staff called numbers listed by NumberBarn, and the calls were answered by pre-recorded messages offering a free

gift card if certain information was provided. This is in violation of the FCC's rules.

5. NumberBarn is offering number parking services and selling the same parked numbers on its website for profit.
6. NumberBarn may not be filing its Number Resource Utilization and Forecast reports.
7. NumberBarn may be stockpiling toll-free numbers, which violates toll-free regulations by listing certain numbers for sale.
8. NumberBarn's business practices may be exacerbating number exhaust by selling blocks of 1,000 numbers for a customer to have a single vanity number.
9. NumberBarn may not be complying with state obligations in Maine or the District of Columbia.
10. Granting NumberBarn's application could inhibit number conservation efforts.
11. The FCC should audit NumberBarn for compliance with its numbering rules and industry guidelines. According to 47 C.F.R. § 52.45(g)(vii), the FCC can reject applications deemed not in the public interest.

Communications Division is collaborating with the State of Maine to determine how to investigate NumberBarn's practices in California. Staff believe that the practices of companies like NumberBarn may contribute to number exhaustion in California and believe that California should support the joint state comments. Staff have no additional comments to contribute at this stage but, depending on how the California investigation proceeds, may have more to contribute at the reply round.

### **CONCLUSION:**

Staff recommend ratifying the Litigation Subcommittee's off-agenda approval to join the joint state comments in this proceeding.

### **Assigned Staff:**

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