

**DRAFT****PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA****Telecommunications Division****Carrier Branch****RESOLUTION T-16842****July 8, 2004****RESOLUTION**

**Resolution T-16842. Pinnacles Telephone Company (U-1013-C). Request For Authority To Implement A Customer Notification And Education Plan (CNEP).**

**By Advice Letter 202, Filed On April 28, 2004.**

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**Summary**

Pinnacles Telephone Company (Pinnacles) has installed equipment that would allow its customers' Calling Party Numbers (CPNs) to be transmitted on calls between states. In order to ensure that Pinnacles' customers fully understand the privacy implication of CPN and Calling Party Number Identification Service (Caller ID), Pinnacles requests Commission authority to implement a Customer Notification and Education Plan (CNEP).

This Resolution authorizes Pinnacles to implement a CNEP for the passage of CPN subject to the condition imposed in this Resolution. Pinnacles' CNEP will constitute a public education program which focuses on customer privacy and informed consent. The program is consistent with the policies and requirements adopted for Ducor Telephone Company (Ducor), and Verizon California Inc. (Verizon) (formerly GTE California) in T-16564 and T-15833. Subsequent to these resolutions, other small Local Exchange Companies have requested and received Commission approval to implement their respective CNEP proposals. With this approach, Pinnacles should be able to attain a 70% customer awareness level as specified in this Resolution.

**Background**

When a CPN is transmitted, a telephone number will be displayed if the called party subscribes to Caller ID service. The technology that allows the number to be transmitted cannot be controlled according to whether the call is within the state or outside the state; therefore, CPN will be transmitted on all calls regardless of destination. In order for the telephone number to be displayed, the party being called

DRAFT

must subscribe to Caller ID service and have a Caller ID display unit either attached to the telephone or integrated into the telephone unit.

The customer can decide whether or not the person or business they call receives the customer's telephone number. Commission Decision (D.) 92-06-065 requires FREE blocking services. The customer has the freedom to choose if, when, and how their telephone number will be shown to those they call. California local telephone carriers (LECs) must develop a comprehensive CNEP to ensure that their customers fully understand the privacy implication of both CPN and Caller ID and can make informed choices about their blocking options. Accordingly, Pinnacles has filed AL 202 to request authority to implement its CNEP. Presently, Pinnacles does not transmit its customers' telephone numbers on either interstate or intrastate calls.

In 1992, the Commission authorized Pacific and Verizon to offer Caller ID to their customers. In so doing, the Commission took steps to assure that the service would be offered consistent with constitutional and statutory rights of privacy of California citizens. The Commission authorized a choice of blocking options, free of charge, for all customers to prevent nonconsensual number disclosure. For customers dissatisfied with their initial assignment of a blocking option, the Commission granted customers one free change of this blocking option. It also outlined requirements for rigorous CNEPs to inform customers about the passage of CPN and the available blocking options.

Under the Commission's 1992 decisions, (D.92-06-065 and D.92-11-062) each respondent local exchange carrier is required to file its proposed CNEP with, and obtain approval of its CNEP, from the Commission before implementing its CNEP. After the approval and subsequent implementation of a CNEP the utility must provide a showing to the Commission indicating compliance with the adopted CNEP requirements and providing evidence that all customers have been informed of pending Caller ID service and available blocking options.

On February 14, 1996, the Telecommunications Division (formerly the Commission Advisory and Compliance Division, the forerunner of the current Telecommunications Division) sent a letter to small LECs filing ALs for authority to implement their proposed CNEPs. This letter described TD's recommended basic CNEP requirements with the goal being to (1) facilitate the prompt filing by the small LECs so that their CNEPs could be conducted at the same time as those of the large carriers in order to minimize customer confusion, and (2) to encourage the use of common CNEP elements.

The Telecommunication Division's recommended CNEP requirements included:

- Conduct a community outreach effort.

DRAFT

- Send a special notice to non-published/unlisted customers.
- Send two bill inserts or direct mail letters, along with ballot card.
- Train carriers' employees, have a 24-hour customer service number (an 800 or local number) or at least a voicemail service by which customers could receive information and leave their number for a callback by carrier representative. Customer assistance should also be available during some non-business hours.
- Place public service announcements in local newspapers and/or on local radio stations.
- Send confirmation letters to customers acknowledging their choice of blocking option or to notify them of their assigned default blocking.
- Achieve a 70% return of customer ballots indicating their choice of blocking options (complete or selective).
- Send a report to the Commission which includes the number of customers choosing one of the two blocking options as well as the number of non-responsive customers defaulting to selective blocking.
- Developing an ongoing education program which includes an information packet for new customers, and an annual bill insert or letter to existing customers.

Pinnacles' proposed CNEP includes the following components:

- Notification to Customers – Pinnacles will send out an initial letter to all its customers informing them that Caller ID will soon be implemented and detailing the steps its customers can take in ordering the Caller ID blocking option that is best suited to their needs. This initial mailing will also include a ballot on which customers can indicate their blocking option. Customers will return their completed ballots to Pinnacles.
- In addition to the initial notification and ballot, a special letter will be sent to non-published and unlisted customers. This notice will inform these customers about CPN as it specifically applies to their non-published and unlisted numbers. This notice will also inform them how to order the blocking option which best suits their needs.

DRAFT

- All returned ballots will be tabulated and each customer's blocking option will be recorded on their account. Each customer that returns a ballot will receive a confirmation letter and a telephone sticker that indicates their blocking option choice. Pinnacles has included draft letters as well as stickers for placement on telephones to inform users of the blocking status in its proposed CNEP.
- For customers who have unlisted or unpublished telephone numbers, and do not return their blocking selection ballot, Pinnacles proposes to send these customers a default confirmation letter informing them that Complete Blocking (maximum privacy protection) has been assigned to their account. (This blocking option means the customer's phone number will not be shown on all calls made to those who have Caller ID service, unless the customer presses \*82 [or dials 1182 on rotary phones] before the customer makes each call).
- Customers who have listed or published numbers and do not return their blocking selection ballot, will receive a default confirmation letter to inform them that Selective Blocking (minimum privacy protection) has been assigned to their account. (This blocking option means the customer's phone number will be shown on all calls made to those who have Caller ID service, unless the customer presses \*67 [or dials 1167 on rotary phones] before the customer makes each call).
- Customer Service Information – Pinnacles states that it will maintain a local number, with after business hours recorded message, where consumers can obtain information and leave their own message for a call back by a Pinnacles representative.
- Employee Training – Pinnacles states that it started to train its employees on April 27, 2004, regarding CNP and call blocking options.
- Media Coverage – Pinnacles will run an educational ad in a local newspaper on July 18, 2004. Pinnacles will submit a draft copy of the ad language to the CPUC for prior approval. Pinnacles states there is no local radio station in its territory.
- Community Outreach – Includes participation in community meetings, personal contact with agencies and businesses having a “need to know” status and personal customer contact by business office customer service representatives. Pinnacles states it will begin its community outreach efforts on August 9, 2004.

DRAFT

- Customer awareness levels – Pinnacles states it will strive to obtain a 70% return of ballots by its customers. Returned ballots will be tabulated and results reported to the Commission. The report will contain the number of customers choosing selective or complete blocking with a breakdown by non-published, non-listed, and/or published status and the number of customers provided with selective blocking by default. Pinnacles maintains that it will send this report to the Commission by September 10, 2004.
- Ongoing Education – Pinnacles states that its ongoing consumer education program will consist of: 1) After business hours recorded message, 2) New customer education brochure and stickers, 3) Telephone directory – Customer information pages, and 4) Annual customer notice and monthly billing statements.

**Notice/Protest**

AL No. 202 was filed on April 28, 2004, and appeared in the Commission Daily Calendar of April 30, 2004. Pinnacles states that copies of AL No. 202 has been sent to interested utilities and/or parties. TD has received no protest to AL No. 202.

**Discussion**

TD has reviewed Pinnacles' AL No. 202 and finds that Pinnacles has filed a thorough CNEP document, which adequately fulfills the Commission's guidelines to educate customers about the passing of their CPN. On or before September 10, 2004, Pinnacles should report to the Director of Telecommunications Division regarding the level of customer awareness of CPN and Caller ID achieved by its effort.

We agree with TD that Pinnacles has made a CNEP filing that is in conformance with our previous decisions. TD may authorize Pinnacles to begin passing CPN, if a minimum of 70% of Pinnacles customers has made a blocking option choice. Pinnacles will not be allowed to begin passing CPN until it has received a 70% return of blocking request option ballots from its customers.

Pursuant to D.92-06-065, Pinnacles has included in its CNEP provisions which addresses those customers who do not return their ballots and do not respond to Pinnacles' subsequent notices. From this group, those customers who have listed or published telephone numbers will have their blocking option defaulted to per-call Selective Blocking. Those customers who have non-listed or non-published telephone numbers, will have their blocking option defaulted to per-line Complete Blocking.

DRAFT

On June 1, 2004, the draft resolution of the Telecommunications Division in this matter was mailed to the parties in accordance with PU Code Section 311 (g). Since this time xx comments were filed on this resolution.

Commission approval is based on the specifics of the Advice Letter and does not establish a precedent for the contents of future filings or for Commission approval of similar requests.

**Findings**

Pinnacles filed its proposed Customer Notification and Education Plan (CNEP) on April 28, 2004 in Advice Letter No. 202.

Pinnacles has installed equipment that would allow customers' Calling Party Numbers (CPNs) to be transmitted on calls between states.

Presently, Pinnacles does not transmit its customers' telephone numbers on either interstate or intrastate calls.

The Telecommunications Division sent the small local exchange carriers a letter on February 14, 1996, outlining the minimum requirements for a CNEP by a small LEC.

Pinnacles' proposed CNEP meets the minimum requirement for a small LEC.

In lieu of conducting an awareness survey required of the larger utilities whose CNEPs have been authorized by the Commission, Pinnacles proposes to send out blocking selection ballots to customers and have a minimum of 70% of its customers return these ballots before Pinnacles will pass through CPNs.

After the 70% minimum ballot return is met, all customers who have not yet returned their ballots and who have not responded to any of Pinnacle's subsequent notices, will be defaulted to the following call blocking options depending on the published and/or listed status of the customer's telephone number.

- Non-published and/or non-listed numbers should be assigned the option of per-line "Complete Blocking."
- Published and/or listed numbers should be assigned the option of per-call "Selective Blocking."

Pinnacles should be required to file a report with the Director of the Telecommunications Division by September 10, 2004 stating the number of its

DRAFT

customers and percentage of its customers choosing a blocking option or being assigned the Selective Blocking option.

**THEREFORE, IT IS ORDERED that:**

1. Pinnacles Telephone Company (Pinnacles) Advice Letter No. 202 requesting authorization to implement its Customer Notification and Education Plan (CNEP) is granted subject to the following condition:
  - Pinnacles shall submit to the Director of Telecommunications Division its report on the percentage of customers choosing a blocking option or being assigned the Selective Blocking by September 10, 2004.
2. The Telecommunications Division may authorize Pinnacles to begin passing CPN once a minimum of 70% of Pinnacles customers has made a blocking option choice.
3. After the 70% minimum ballot return is met, all customers who do not return their ballots and have not responded to any of Pinnacle's subsequent notices, and have:
  - Non-published or non-listed numbers shall be assigned the option of per-line "Complete Blocking."
  - Published or listed numbers shall be assigned the option of per-call "Selective Blocking."

DRAFT

This Resolution is effective today.

I hereby certify that the Public Utilities Commission adopted this Resolution at its regular meeting on July 8, 2004. The following Commissioners approved it.

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William Ahern  
Executive Director

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STATE OF CALIFORNIA

ARNOLD SCHWARZENEGGER, *Governor*

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



June 7, 2004

TO: PARTIES IN RESOLUTION T-16842

Enclosed is draft resolution T-16842 of the Telecommunications Division. This will be on the agenda at the next regular Commission meeting, which is held at least 30 days after the above date. The Commission may then vote on these resolutions, or it may postpone a vote until later.

When the Commission votes on a draft resolution, it may adopt all or part of it as written, amend or modify it, or set it aside and prepare a different resolution. Only when the Commission acts does the resolution become binding on the parties.

Parties to the proceeding may submit comments on the draft resolution. An original and two copies of the comments, with a certificate of service, should be submitted to:

Richard C. Maniscalco, Regulatory Analyst  
California Public Utilities Commission  
Telecommunications Division  
505 Van Ness Avenue, Third Floor  
San Francisco, CA 94102

Parties may submit comments on the draft resolution within 14 days of its date of mailing. The date of submission is the date the comments are **received** by the Telecommunications Division. Parties must serve a copy of their comments on all persons on the service list attached to the draft resolution, on the same date that the comments are submitted to the Telecommunications Division.

Comments shall be limited to five pages in length, plus a subject index listing the recommended changes to the draft resolution, a table of authorities and an appendix setting forth proposed findings and ordering paragraphs.

Comments shall focus on factual, legal, or technical errors in the proposed resolution. Comments, which merely reargue positions taken in the advice letter or protests, will be accorded no weight and should not be submitted.

DRAFT

Late-submitted comments will ordinarily be rejected. However, in extraordinary circumstances, a request for leave to submit comments late may be filed together with the proposed comments. An accompanying declaration under penalty of perjury shall be submitted setting forth all the reasons for the late submission.

Replies to comments may be submitted five days after comments are submitted and shall be limited to identifying misrepresentations of law, fact, or condition of the record contained in the comments of other parties. Replies shall not exceed three pages in length and shall be submitted and served in the same manner as comments.

Sincerely,

/s/ RICHARD C. MANISCALCO  
Richard C. Maniscalco, Regulatory Analyst  
Telecommunications Division

Enclosures (Draft Resolution, Certificate of Service, Service List)

DRAFT

**CERTIFICATE OF SERVICE**

I certify that I have by mail this day served a true copy of Draft Resolution T-16842 on all parties in this filing or their attorneys as shown on the attached list.

June 7, 2004, at San Francisco, California.

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Richard C. Maniscalco

**NOTICE**

Parties should notify the Telecommunications Division, Third Floor, California Public Utilities Commission, 505 Van Ness Avenue, San Francisco, CA. 94102, of any change of address to insure that they continue to receive documents. You must indicate the Resolution number on the service list on which your name appears.

DRAFT

Service List, Resolution T-16842

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