

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Application of the North American Numbering
Plan Administrator, on behalf of the California
Telecommunications Industry, for Relief of the
714 Numbering Plan Area

Application 07-03-010
(Filed March 13, 2007)

**COMMENTS OF VERIZON WIRELESS AND VERIZON CALIFORNIA INC.
ON THE PROPOSED DECISION OF ALJ BUSHEY**

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Date: September 10, 2007

Pursuant to Rule 14.3 of the CPUC's Rules of Practice and Procedure, Verizon Wireless and Verizon California Inc. (hereafter referred to collectively as "Verizon") hereby comments on the Proposed Decision of ALJ Bushey Granting Request for an Area Code Overlay in the 714 Area Code ("Proposed Decision" or "PD").

I. INTRODUCTION

In a separate filing made by the Joint Telecommunications Carriers, Verizon joined with other telecommunications carriers in their strong support of the PD's choice of an overlay to provide critical numbering resources in the 714 area code.¹ The PD authorizes an area code overlay to add a new area code, 657, to the same geographic region as the 714 area code. The overlay will provide critical numbering resources to this geographic area and will help ensure that consumers continue to have the ability to select the telecommunications service provider of their choice. Verizon advocates overlays as the preferred method for numbering relief in the 714 area code because overlays represent the most equitable approach to providing additional numbering resources and are least disruptive to our customers.

Verizon supplements the Comments of the Joint Telecommunications Carriers to address two issues related to the Public Education Plan (PEP) mandated in the PD:

1. Verizon proposes that instead of focusing on the use of the prescribed dollar amount budgeted for the PEP as a measurement of its potential scope and success in achieving 70% customer awareness, the PD grants the PEP Task Force the flexibility to view the established figure as a "target." Past experience suggests that the PEP Task Force can use their 310/424 experiences, as well as the materials developed for that recent PEP, to create a more efficient and less expensive PEP, while providing the same or better results. If no such savings can

¹ The Joint Telecommunications Carriers Comments are only 5 pages long. These comments are 7 pages long. The combined total is 12 pages, less than the 15 pages provided in Rule 14.3

reasonably be achieved without compromising the 70% customer awareness target, the full budgeted amount can be used as provided by the PD.

2. Verizon proposes to modify the PD to reduce the additional level of oversight by the Director of the Communications Division in favor of the collaborative, consensus-based approach employed by the highly successful 310 PEP. By using the 310 PEP as a model, the PD can and should continue to foster a highly successful outcome by equally empowering all participants to make decisions regarding the disposition of the PEP's budget and the most effective modes of communications. Additional oversight, which was not included in the 310/424 PEP, appears to be a "solution in search of a problem" and is not justified in the PD. It is unclear how additional oversight would enhance efficiencies or improve customer awareness. Ironically, the added layer of bureaucracy may have an unintended adverse impact on the smooth and efficient operation of the PEP Task Force. Given that the 714 area code is currently projected to exhaust in less than a year, delays cannot be tolerated. It is critical that the 714/657 PEP run as smoothly and efficiently as possible under the current time constraints. It is in the best interest of consumers that the Commission employ the most efficient and streamlined approach to the PEP approval process to provide for timely delivery of PEP communications and outreach to the public.

These points are discussed below and specific proposed language changes to the PD are attached hereto as Appendix A. Verizon encourages the Commission to adopt these minor modifications as part of the Final Decision to be voted on at the September 20, 2007 Commission meeting.

II. COMMENTS

A. The PD Should Provide Adequate Flexibility to the PEP Task Force to Implement the Most Cost-Effective and Successful PEP Program Possible

The PD increases the budget for the 714/657 PEP over that authorized and actually required for the 310/424 PEP.² Verizon, along with the Commission Staff and other telecommunications carriers, was directly involved in the PEP recently concluded for the 310/424 overlay.³ By all accounts, the 310/424 overlay was extremely successful.⁴ In fact, the 310/424 PEP surpassed the 70% public awareness threshold anticipated by the Commission.⁵ For example, the independent survey commissioned by the PEP found that 81% of residential customers were aware of the overlay. The survey results further demonstrated that awareness was even higher among those who actually live (87%) or work (86%) in the 310 area code and that the 310 PEP successfully informed 92% of telecom decision makers for business customers.⁶ In fact, the 70% threshold was surpassed for all measured demographic groups: low income, seniors, Hispanic, African-American, and Asian.⁷

In addition, the 310/424 PEP allowed the carriers and the Commission staff to develop invaluable experience and materials that can – and should – now be used to facilitate the implementation of the 714/657 overlay and to educate the public in the most efficient manner. By simply taking the old budget amount from the 310/424 PEP and adding an inflation factor,

² PD at 21-22, 27 (Conclusion of Law 9), 31(Ordering Paragraph 14).

³ Verizon Wireless has also implemented overlays in numerous other area codes outside of California.

⁴ The success of the 310/424 overlay is attributable in particular to the diligent efforts (and cooperative work) of the PEP task force, which included carrier and Commission staff representatives.

⁵ D.05-08-040, p. 57 (Ordering Paragraph 10).

⁶ Harris Interactive, “310 Area Code Overlay Awareness Study,” Prepared for the Public Education Program Committee, p. 8 (July 2006).

⁷ *Id.*

the PD provides disincentives to improve the 714/657 PEP using the experience gained in the 310/424 overlay implementation.

Verizon is confident that many of the procedures and much of the design of the educational material used in the 310/424 PEP can be used for the 714/657 PEP with relatively minor modification. Similarly, an assumption that the 714/657 PEP must include all features of the 310/424 PEP and cost the same -- plus inflation -- reduces the flexibility needed to modify a PEP based on the lessons learned from the 310/424 overlay implementation. For example, the 310/424 PEP Task Force learned from its experience there that bus shelters signs were not an effective means to communicate information regarding the dialing plan change.⁸ There is no logical reason for the 714/657 PEP to replicate the less-than-successful items from the 310/424 PEP.

For these reasons, Verizon recommends that the 714/657 PEP Task Force, as in the 310/424 PEP Task Force, view the prescribed budget as a target and retain flexibility to modify spending based on the PEP's proven success in achieving the 70% public awareness of the overlay as required by the PD.

B. The Proposed Decision Should Be Modified to Adopt the Collaborative, Consensus-Based Approach for Program Approval Employed by the 310/424 PEP Task Force

At various points during the discussion of the 714/657 PEP, the Proposed Decision deviates from the successful approach adopted by the 310/424 PEP Task Force. Specifically, without explanation of the perceived need for additional process to the streamlined and efficient

⁸ In Ordering Paragraph 10 of the PD (at p. 30), the Task Force is directed to use "billboard advertising" in the PEP. Because billboard advertising was not part of the 310/424 PEP, Verizon assumes that this references the bus shelter signs. Bus shelter posters were shown to have only a 2% effectiveness rate for residents but cost \$20,400 to produce. See page 17 of the *310 Area Code Overlay Awareness Study* from Harris Interactive, dated July 2006, and page 3 of the *310/424 NPA Overlay Campaign Final Media Analysis* from Advantage Media Inc. dated September 26, 2006.

PEP Task Force operations of the 310 overlay, the Proposed Decision appears to add a new layer of oversight by the Director of the CPUC Communications Division.⁹ It is unclear what problem the new requirement is designed to solve.

The CPUC staff was invited to be an active participant in the 310 PEP Task Force and made significant contributions to its success. Given that Commission staff will participate throughout the entire development cycle for public communications and outreach as they have in the past, contributing to program improvement for all sub-committee and Task Force activities, it is unclear how this additional requirement would achieve improved results.

During the development of the 310 PEP, all PEP Task Force participants enjoyed equal footing regarding the design of the PEP and execution of its objectives – which worked very well. The 310/424 PEP clearly demonstrated that a collaborative, consensus-based approach to designing the communications programs was successful and essential to achieving the 70% public awareness goal. The 714/657 PEP should build on this successful model and employ the same approach.¹⁰

In fact, the additional layer of evaluation specified in the Proposed Decision could complicate the approval process and create obstacles for the timely delivery of communications and education critical to the success of achieving 714/657 PEP initiatives. The additional approvals needed in coordination with several different Commission offices could cause delays

⁹ See *e.g.*, PD, p. 19 requiring the Task Force to submit all outreach, educational and paid advertising materials to the CPUC's Communications Division's Director or its designee(s) "for review and approval" in cooperation with the Public Advisor Office, News and Public Information Office, and Legal Division before public dissemination. See *also*, PD, p. 30, Ordering Paragraph 11. In contrast, D.05-08-040, issued August 2, 2007, ordering the 310/424 overlay and PEP, did not include this veto power over all materials. D.05-08-040, p. 57, Ordering Paragraph 13 provided only general oversight.

¹⁰ The consensus-based approach, as explained by NANPA in the Application, is established when substantial agreement has been reached among those participating in the issue being considered. Substantial agreement means more than a simple majority but not necessarily unanimous agreement. All views and objections must be considered, and a concerted effort must be made for their resolution.

in the process, especially if approval is withheld on individual aspects of the Task Force plans. Considering the severe lack of numbering resources for the 714 area code today,¹¹ currently projected to exhaust within approximately 9 months, it is of paramount importance that the communication and approval process for the implementation of the 714/657 PEP run smoothly and efficiently.

To this end, Verizon recommends that the 714/657 PEP Task Force employ the same successful organization and workflow format employed by the 310/424 Task Force operations. To streamline and expedite the approval process, the 310/424 Task Force was broken up into several sub-committees, each prioritizing a different aspect of the PEP. Details for all communications and consumer outreach efforts were thoroughly vetted in sub-committees. Final approval was sought by sub-committee chairs who presented recommendations to the overarching Task Force committee where all carriers and the Commission Staff were represented.

¹¹ As of September 6, 2007, only 21 NXX codes in the 714 area code remain available for assignment, and the 714 area code is projected to exhaust in 2Q2008. See www.nanpa.com.

III. **CONCLUSION**

Verizon supports the prompt adoption of the Proposed Decision with the modifications discussed in these Comments. Such modifications will allow the 714/657 Task Force participants to implement the PEP in a meaningful, efficient, and cost-effective manner.

Respectfully submitted.

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Dated: September 10, 2007

ATTACHMENT A

Proposed Modifications to Findings of Fact and Conclusions of Law

Consistent with Rule 14.3 (c), Verizon proposes the following specific changes to the Findings of Fact, Conclusions of Law, and Ordering Paragraphs:

Findings of Fact:

No proposed changes to Findings of Fact.

Conclusions of Law:

At the end of Conclusion of Law 5, the following two sentences should be added:

The 714/657 Task Force and the Public Advisor's Office should utilize the materials and processes developed in the 310/424 PEP, and otherwise take advantage of the experience gained in implementing relief for the 310 area code. The Task Force should not repeat elements of the 310/424 PEP which proved to be ineffective in increasing awareness within the public and should use its best efforts to produce a cost-effective and efficient program.

Conclusion of Law 9 should be revised to read:

9. In D.05-08-040, a preliminary budget was designated for the 310/424 PEP of \$401,000. The 714/657 budget should be kept at this same level to account for the experience gained in the 310/424 overlay. Success of the 714/657 program should be evaluated on the awareness levels reached in the public rather than the amount of money spent.

Ordering Paragraphs:

Ordering Paragraph 7 should have the following sentence added at the end of the paragraph: "The 714/657 Task Force and the Public Advisor's Office shall utilize the materials and processes developed in the 310/424 PEP, and otherwise take advantage of the experience gained in implementing relief for the 310 area code and shall not repeat elements of the 310/424 PEP which proved to be ineffective in increasing awareness within the public in order to produce a cost-effective and efficient program.

Ordering Paragraph 10 should be revised by deleting the words "billboard advertising," from the penultimate line of such paragraph.

Ordering Paragraph 11 should be revised by the deletion of the last sentence which now reads "The Task Force shall submit all educational, outreach, and paid advertising materials to the Director of the Communications Division or its designee(s) for review and approval in

cooperation with the Public Advisor's Office, News and Public Information Office, and Legal Division before public dissemination.”

The first sentence of Ordering Paragraph 14 should be modified to read “We authorized a preliminary budget of \$401,000 for the 714/657 PEP as previously authorized in D.05-08-040 and will maintain such level in light of the experience gained from the 310/424 PEP.”

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing **COMMENTS OF VERIZON WIRELESS AND VERIZON CALIFORNIA INC. ON THE PROPOSED DECISION OF ALJ BUSHEY**, by using the following service:

E-mail service: sending the entire document as an attachment to an e-mail message to all known parties of record to this proceeding who provided electronic mail addresses (see attached **Service List**).

U.S. Mail service: mailing by first-class mail with postage prepaid to all known parties of record who did not provide electronic mail addresses.

Hand Delivery service: delivering by messenger and/or courier to: Assigned Commissioner Michael Peevey and Assigned Administrative Law Judge Bushey

Executed this 10th day of September, 2007, at San Francisco, California.

/s/ Barbara a. Murphy
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