

**PUBLIC UTILITIES COMMISSION**505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298**FILED**11-14-06  
01:58 PM

November 14, 2006

Agenda ID #6170  
Rulemaking

TO: PARTIES OF RECORD IN R.95-04-043, I.95-04-044

This is the proposed decision of Administrative Law Judge (ALJ) Pulsifer. It will not appear on the Commission's agenda for at least 30 days after the date it is mailed. The Commission may act then, or it may postpone action until later.

When the Commission acts on the proposed decision, it may adopt all or part of it as written, amend or modify it, or set it aside and prepare its own decision. Only when the Commission acts does the decision become binding on the parties.

Parties to the proceeding may file comments on the proposed decision as provided in Article 14 of the Commission's "Rules of Practice and Procedure," accessible on the Commission's website at [www.cpuc.ca.gov](http://www.cpuc.ca.gov). Pursuant to Rule 14.3 opening comments shall not exceed 15 pages.

Comments must be filed either electronically pursuant to Resolution ALJ-188 or with the Commission's Docket Office. Comments should be served on parties to this proceeding in accordance with Rules 1.9 and 1.10. Electronic copies of comments should be sent to ALJ Pulsifer at [trp@cpuc.ca.gov](mailto:trp@cpuc.ca.gov). All parties must serve hard copies on the ALJ and the Assigned Commissioner, and for that purpose I suggest hand delivery, overnight mail or other expeditious method of service. The current service list for this proceeding is available on the Commission's website, [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

/s/ ANGELA K. MINKINAngela K. Minkin, Chief  
Administrative Law Judge

ANG:jt2

Attachment

Decision **PROPOSED DECISION OF ALJ PULSIFER (Mailed 11/14/2006)**

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

Order Instituting Rulemaking on the  
Commission's Own Motion into Competition  
for Local Exchange Service.

Rulemaking 95-04-043  
(Filed April 26, 1995)

Order Instituting Investigation on the  
Commission's Own Motion into Competition  
for Local Exchange Service.

Investigation 95-04-044  
(Filed April 26, 1995)

**OPINION DENYING PETITION TO MODIFY DECISION 96-12-086  
REGARDING 1+10 DIGIT DIALING RULES**

**Table of Contents**

<b>Title</b>	<b>Page</b>
OPINION DENYING PETITION TO MODIFY DECISION 96-12-086 REGARDING 1+10 DIGIT DIALING RULES .....	1
I. Background.....	2
II. Procedural Background.....	3
III. Adequacy of the Record .....	4
IV. Substantive Merits of Revising the 1+10-Digit Dialing Requirement .....	6
A. Technical Network Implementation Issues .....	6
1. Parties' Positions.....	6
2. Discussion.....	9
B. Effects on End-Use Customers of Changing to 10-Digit Dialing.....	12
1. Parties' Positions.....	12
2. Discussion.....	13
C. Consistency in Dialing Requirements Among Carriers.....	18
1. Parties' Positions.....	18
2. Discussion.....	19
Assignment of Proceeding .....	20
Comments on Proposed Decision .....	20
Findings of Fact.....	20
Conclusions of Law .....	23
ORDER .....	23

**OPINION DENYING PETITION TO MODIFY DECISION 96-12-086  
REGARDING 1+10 DIGIT DIALING RULES**

## **I. Background**

We hereby deny the Petition filed on August 3, 2005, by Douglas F. Carlson (Petitioner) to Modify Decision (D.) 96-12-086 relating to statewide telephone dialing requirements applicable to area code overlays. In particular, we deny the request to modify existing Commission rules concerning the applicability of “1+10-digit dialing” for calls within an area code overlay, as explained below.

Dialing rules applicable to area code overlays are governed nationally by provisions of the North American Numbering Plan (NANP). Telephone numbers, pursuant to the NANP, consist of a three-digit area code, a three-digit central office prefix, and a four-digit line number. For area codes created by geographic splits, calls to the same area code require dialing only seven digits (i.e. the central office prefix and line number). For area codes created by an overlay, however, calls to the same area code require dialing 10 digits (i.e. the three-digit area code, in addition to the central office prefix and line number). Both state and federal rules require 10-digit dialing for overlays. Within California, as an additional requirement for calls originated from a wireline telephone, the digit “1” must also be dialed preceding any 10-digit number (referred to as “1+10-digit dialing.”)<sup>1</sup> In D.96-12-086, 1+10-digit dialing was incorporated as one of the requirements of an overlay.

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<sup>1</sup> The “1+” dialing was instituted as area codes began to be issued without a “0” or “1” as the middle digit. Previously the “0” or “1” middle digit had been used to distinguish an area code from a central office code. Because area codes may now bear the same digits as a central office prefix, the “1+” preceding the telephone number signals to the network that the three digits identify an area code rather

In his Petition, Carlson seeks modification of D.96-12-086 to eliminate mandatory dialing of the “1” preceding the 10-digit number for area code overlays. Carlson characterizes his proposed modification as “10-digit dialing” (as opposed to 1+10-digit dialing). Carlson proposes that customers making calls within the same area code merely be given the option to dial “1” preceding the 10-digit phone number, but not be required to do so. Carlson does not seek to change the requirement that 10 digits be dialed for all calls within an overlay, however, nor to change the 1+10-digit dialing requirement for calls to other area codes beyond overlay boundaries.

As discussed below, we deny the Petition, and conclude that the proposal to modify the existing dialing rules has not been shown to be justified.

## **II. Procedural Background**

On August 3, 2005, Carlson’s Petition to Modify Decision 96-12-086 was filed, seeking to eliminate the prefix “1” when making calls within a geographic area served by an overlay. The Commission addressed the Petition on a limited basis in D.05-12-047, with respect to its applicability to the 310/424 area code overlay. We declined to adopt Carlson’s modification for the 310/424 area code overlay, particularly due to concerns that consideration of new dialing rules could unduly delay implementation of the overlay and risk exhaust of telephone numbers. We deferred determination, however, as to whether to grant Carlson’s Petition with respect to dialing rules for future overlays yet to be implemented in California.

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than a central office prefix. Although the “1” is not mandated by the Federal Communications Commission, it reflects the industry protocol within California.

On January 17, 2005, parties filed concurrent comments, pursuant to D.05-12-047, regarding whether to modify statewide policy to require only 10-digit dialing (and to eliminate the requirement to dial "1" preceding the 10-digits) for calls within an area code overlay region.

Pursuant to ALJ ruling dated January 20, 2006, parties filed reply comments on February 10, 2006.

Comments in support of Carlson's Petition were filed by the California Association of Competitive Telephone Companies (CALTEL), The Telephone Connection of Los Angeles, Inc., and The Telephone Connection Local Services (TCLA), a paging services company. Comments in opposition to the Petition were filed by Pacific Bell Telephone Company d/b/a SBC California (SBC)<sup>2</sup> and Verizon California, Inc., the incumbent local exchange companies (ILECs). Gilbert J. Yablon, representing the "SMART Dialing Systems" Company, also filed reply comments.

### **III. Adequacy of the Record**

Parties disagree concerning whether the record is adequate as a basis for a decision on Carlson's Petition, or whether further record development is required. Parties opposed to the Petition argue that the Commission has a sufficient record. Parties in favor of the Petition, however, argue that a further

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<sup>2</sup> At the time that comments were filed, Pacific Bell Telephone Company did business as "SBC California". Subsequent to its filing of comments, on November 18, 2005, SBC Communications, Inc. (the parent of Pacific Bell Telephone Company) merged with AT&T Corp. to form AT&T, Inc. Pacific Bell Telephone Company now does business as AT&T California. For purposes of this decision, the name "SBC" is used to identify the entity now known as AT&T California.

record is required. Carlson filed comments seeking more time and suggests convening a technical conference.

TCLA argues that for a full record, parties must provide additional evidence to support their claims. TCLA also argues that parties should have the opportunity to serve testimony and cross-examine witnesses in evidentiary hearings, “if necessary” and recommends that the Commission establish an appropriate schedule.

TCLA also proposes that the Commission convene public meetings throughout the state to obtain information regarding public opinion on the proposed change to 10-digit dialing. TCLA argues that public meetings are warranted just as they were when the Commission originally contemplated the 310/424 area code overlay in 1997.

We have considered parties’ claims that the Commission should conduct further inquiry into customer preferences for the proposed change in dialing procedures and require additional showings concerning the costs of implementing the proposed change. We are not persuaded that additional inquiry is necessary. It would not be a productive use of parties’ or the Commission’s resources to hold public meetings or to conduct additional public opinion surveys on the popularity of 10-digit dialing. We conclude that the existing record provides a sufficient basis to render a decision on Carlson’s Petition as to whether to modify 1+10-digit dialing rules within an area code overlay. The information in the record convinces us that the proposed change should not be adopted.

#### **IV. Substantive Merits of Revising the 1+10-Digit Dialing Requirement**

##### **A. Technical Network Implementation Issues**

###### **1. Parties' Positions**

Carlson claims that no technical or legal barriers preclude implementation of 10-digit dialing (with no "1+" requirement) for calls within the overlay area. Opponents argue, however, that Carlson's proposed revision should not be adopted, in part, because of the resulting network implementation difficulties. In particular, opponents point to difficulties in connection with "conflict codes." A "conflict code" refers to a telephone number utilizing a combination of area code and central office prefix code that bears the same three-digit number.

If Carlson's proposed modification was adopted, the resulting elimination of the 1+ prompt could pose difficulties during the "permissive dialing period" in area codes where conflict codes exist. During the permissive dialing period, callers in an overlay can dial either the seven-digit line number or 10 digits (i.e., area code + line number) for calls to numbers within the same area code. Therefore, for such calls, the network must be able to discern the correct number irrespective of whether the area code is dialed first. With mandatory 1+10-digit dialing, conflict codes pose no problem because the affected switches are programmed to recognize numbers immediately following the 1+ as an area code. The switches therefore recognize that where dialing is preceded by a "1", a full 10 digits will be subsequently dialed and the switch will not complete the call until all subsequent 10 digits are dialed.<sup>3</sup> If the "1+" were eliminated as a

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<sup>3</sup> Chavez Declaration Paragraph 7, supporting Verizon Comments.

requirement, however, the switch would lose the ability to distinguish whether the first three digits were an area code or a central office prefix.<sup>4</sup>

Consequently, to avoid the potential for such calls made during the permissive dialing period to be misdirected, a carrier would have to program delays of four-to-eight seconds into its switches. With this delay and a counting of the digits dialed, the switch would have the proper information to determine what number was being dialed and to route the call accordingly. If a timing delay was not programmed into the switch during the permissive dialing period, the network would discern only the first seven digits of a 10-digit call. For calls to numbers involving conflict codes, the resulting connection could be made to a wrong number.

Verizon indicates that, as a general practice, it does not introduce post-dialing delay for calls originated within its territory. Verizon argues that customers are accustomed to immediate call completion, and the introduction of such new timing delays may cause customer confusion and perhaps even service quality complaints.

Carlson argues that even assuming that a call timing delay were determined to be technically feasible, it is speculative to believe that a four-to-eight second delay would cause customer confusion. Carlson argues that telephone calls that are currently routed under a variety of systems take a different number of seconds to process the call. Carlson suggests that the Public Education Plan could also provide notice concerning any call delay relating to

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<sup>4</sup> For example, if a customer in the 310/424 overlay region attempted to dial the number 818-999-7722 without the preceding "1", the network would read only the first

*Footnote continued on next page*

conflict codes, and encourage customers immediately to start dialing calls using just the 10-digit. TCLA also argues that while area code relief plans in California generally incorporate lengthy permissive dialing periods, the Commission has discretion in determining whether and for how long to order a permissive dialing period.

SBC claims that programming post-dialing delays in its switches to accommodate conflict codes, as described above, would be financially burdensome.<sup>5</sup> TCLA questions this claim given the limited number of area codes currently subject to conflict codes. TCLA also argues that SBC would be relieved of any post-dialing delay implementation costs if the Commission insured that numbers were not assigned in other California conflict codes besides the 213 NPA-213 NXX (the only conflict code with numbers currently assigned to customers).

SBC further claims that even in the absence of conflict codes, it would have to incur additional costs to perform switch translations in the event that the current 1+10-digit dialing requirement was changed. Switch translations refer to the programming of the switch as to how to route calls. TCLA and CALTEL claim, however, that at least some carriers would be able to implement 10-digit dialing without significant technical implementation issues.

SBC and Verizon claim that the conversion to 10-digit dialing would pose additional technical issues for them during the overlay implementation. Based on the Declaration of George Guerra attached to its comments, SBC claims that

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seven digits of the number, and mistakenly route the call to 818-9997 within the 310 area code.

<sup>5</sup> See SBC Comments at p. 5 and Declaration at paras. 8-9.

the costs associated with programming switches to allow customers to make calls by dialing 10-digit dialing are “extensive”.<sup>6</sup> TCLA responds that SBC will be forced to incur costs in implementing any overlay, regardless of whether the overlay is implemented using 10 digits or 1+10 digits. TCLA argues that SBC should substantiate its claim by producing evidence on the costs of implementing an overlay under both a 10-digit dialing and a 1+10-digit dialing plan scenario. If SBC does not produce the information, TCLA argues that the Declaration should be stricken, since no other party has access to the information, and SBC has the burden of properly supporting its claims.

Verizon attached the Declaration of Roger Chavez, Manager in its Voice Network Creation and Provisioning Department to provide information about technical and other issues involved if the dialing rules were modified as proposed. Chavez provided estimates of the time and costs that would be involved for Verizon to implement, create and install switch translations associated with the 310/424 area code overlay. Chavez indicated that the time and cost to implement needed switch translations associated with changing the 1+10-digit dialing rules could vary depending on the particular area code involved.

## **2. Discussion**

Parties agree that where conflict codes exist within an overlay region, there would be a need to program a post-dialing delay into the switches to avoid misdirection of calls during the permissive dialing period. They disagree, however, as to whether such delays would pose any significant impediment to

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<sup>6</sup> Id, at p. 5 and Declaration. at paras. 10-12.

the elimination of mandatory 1+10-digit dialing. The potential impediments come in the form of increased costs for carriers and increased confusion and/or frustration on the part of customers as a result of post-dialing delays.

We conclude Carlson's proposal would result in some additional costs of implementation for certain carriers as indicated by SBC and Verizon. Although parties may question the precise level of costs claimed by SBC and Verizon, there is reasonable certainty that some additional costs would be incurred. It is not necessary, however, to reach a finding on the precise level of cost involved for the limited purpose of resolving the Petition. We recognize that costs associated with conflict codes would be limited only to those areas where conflict codes actually exist. At present, conflict codes exist only in the 213, 626 and 818 area codes (i.e. 213-213-xxxx, 626-626-xxxx and 818-818-xxxx). No line numbers have been assigned to date, however, involving conflict codes in either the 626 or 818 area codes,<sup>7</sup> and few numbers have been assigned involving conflict codes in the 213 area code.<sup>8</sup> In addition, the NANP decided in late January 2006 not to assign numbers involving conflict codes in the 310 or 424 area codes<sup>9</sup>. Thus, the only conflict code with numbers currently assigned to customers in California is the 213 area code.<sup>10</sup>

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<sup>7</sup> This information is available to carriers subscribing to the Local Exchange Routing Guide (LERG).

<sup>8</sup> This information is also available from the LERG.

<sup>9</sup> Id. at p. 4.

<sup>10</sup> This information is also available from the LERG.

We recognize, as noted by TCLA, that the need to program a post-dialing delay in switches could be mitigated to some extent by: (a) confirming that carriers holding 626-626 and 818-818 number blocks have not assigned numbers to customers from these blocks<sup>11</sup>; (b) asking NANPA to reclaim the 626 and 818 conflict codes and assign replacement codes to the carriers; and (c) considering alternatives to the standard permissive dialing period for the 213 area code should area code relief become necessary. Public Utilities Code Section 7932 provides the Commission with discretion to determine for how long to implement a permissive dialing period<sup>12</sup>. On the other hand, an unreasonably short permissive dialing period would run the risk of depriving customers of an adequate transition period to adjust to new overlay dialing patterns. Therefore, problems associated with dialing delays could not be eliminated by unreasonably shortening the permissive dialing period to the detriment of the public.

Moreover, additional area codes could require the use of conflict codes in the future if deemed necessary to deal with exhaust of numbering resources without prematurely opening a new area code. Thus, in evaluating the long term effects of the change proposed by Carlson, we take into account that there could be additional future costs associated with new conflict codes in implementing an overlay.

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<sup>11</sup> Per the LERG, the 626NPA-626 NXX block is held by U.S. Telepacific. The 818 NPA-818 NXX block is held by SBC.

<sup>12</sup> See Pub. Util. Code 7932(a)(3) the telephone carriers shall “provide for any transitional dialing period or recorded announcements the commission may order.” (Emphasis added.)

In any event, we conclude that the potential level of implementation costs involved with the change to 10-digit dialing is not, of itself, a sufficient reason to deny the requested modification. Carriers already would have to incur expenditures necessary to implement an overlay. The fact that some level of additional expenditures would be incurred to accommodate conflict codes or switch translations does not, of itself, provide justification to deny the requested modification. On the other hand, there is no basis to impose additional costs on carriers (or their customers) where there is no showing that such costs promote more efficient or reliable retail service or otherwise benefit customers. Accordingly, we consider below whether the proposed modification is expected to provide more efficient or improved quality of service to customers.

## **B. Effects on End-Use Customers of Changing to 10-Digit Dialing**

### **1. Parties' Positions**

Another issue in dispute is whether a change to 10-digit dialing would, on balance, be more beneficial or preferable to end-use customers relative to the status quo. Proponents of the proposed modification argue that customers would generally benefit by being spared the requirement to dial an extra "1" preceding 10-digit calls within the overlay. Carlson argues that customers would prefer to have the option of dialing 1+10-digits for calls within the overlay region on a permissive basis, but not be required to do so.

Carlson claims that given a choice, the public generally would prefer 10-digit dialing over 1+10-digit dialing as part of an overlay dialing plan. In support of this claim, Carlson provided the results of a public opinion survey that he personally conducted.

Opponents of the Petition argue that the elimination of the “1+” mandatory dialing requirement would not have a significant effect on customers’ attitudes concerning overlays, and could actually result in additional customer confusion or dissatisfaction. Accordingly, opponents argue that there is no basis to modify the “1+” dialing requirements based on any perceived negative effects on customers.

## **2. Discussion**

On balance, we are not persuaded that eliminating the “1” dialing requirement for future overlays would serve the best interests of customers. Any advantages that certain customers may perceive from no longer dialing the “1” for calls within an overlay must be weighed against the additional disadvantages that other customers would perceive resulting either from increases in misdialed numbers or post-dialing delays. Although such a modification would mean one less digit to dial for certain calls, the modification could also lead to additional confusion by changing established dialing patterns to which customers have become accustomed.

We are not persuaded that the requirement to dial a “1+” constitutes a major source of dissatisfaction for customers generally. While certain customers may express a preference for dialing a 10-digit number without the 1+ requirement, other characteristics of an overlay have an equal or greater impact on customers’ attitude toward an overlay. Based on the Declaration of Marc O’Krent, TCLA argues that the “1+” mandatory dialing is the primary reason that customers object to overlays. As previously stated in D.05-12-047, however, O’Krent merely shows that customers expressed concerns about the overall 1+10-digit dialing requirement during the previous attempt of an 310/424 area code overlay in 1999. Yet, the overlay meant the loss of seven-digit dialing

irrespective of whether an additional “1+” had to be dialed. The additional burden of dialing an area code before every number was also a reason for customers to object to an overlay, irrespective of the “1+” dialing requirement.

The area code, central office prefix, and line number must all be dialed between and within area codes in the region subject to an overlay irrespective of whether the “1+” is also required. With a geographic split, however, dialing the area code is not required for calls within the same area code region. The public therefore gives up seven-digit dialing with an overlay irrespective of whether an extra “1” is dialed along with the area code. Also, with an overlay, the public cannot readily identify the affected geographic region with a unique area code. Customers may also find it less desirable to be assigned an overlay area code because it is less recognizable or associated with a less desirable geographic region than would be true with the original area code. Given the extent to which such factors contribute to the public’s objections to overlays, there is no basis to single out the dialing of an extra “1+” as the primary factor.

O’Krent also claims that customers perceive that dialing a “1+” indicates that the call is being delivered outside the local geographic area. Yet, it is not just the dialing of the “1,” but also the dialing of a different area code that traditionally signaled that the call is to a number outside the originating local area.<sup>13</sup> With an overlay, therefore, customers need to learn new dialing rules irrespective of whether the “1+” is required, just as do customers located on the boundary of a new area code split.

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<sup>13</sup> Of course, customers who live near an existing area code boundary have learned through experience that dialing into another area code does not necessarily equate to dialing outside the customer’s local calling area.

For this reason, the Commission implemented a Public Education Program to make sure that the public understands how an overlay changes the way that telephone numbers are dialed. For example, the dialing of a different area code within an overlay does not mean that the called party resides within a different geographic area. The Public Education Program is intended to provide instruction that calls within the overlay area, preceded by a "1," still remain within a single geographic region, even if the call is made to a different area code. Thus, given the fact that an overlay already requires customers to learn new dialing rules, we find no basis to conclude that "1+10-digit" dialing (as opposed to 10-digit dialing) is a primary reason for customer objections to overlays. We are not persuaded that the elimination of the prefix "1," would measurably affect customer opposition to overlays or reduce potential confusion about the dialing pattern in a significant way.

Moreover, we do not find the customer survey conducted by Carlson to provide statistically valid results as to public opinion on "1+" dialing. Carlson conducted a survey among a sample of 200 residents within the 310 area code. From that sample, he obtained 44 responses, of which 88.6% expressed a preference for mandatory 10-digit dialing with permissive 1+10-digit dialing. Only 5% of the respondents expressed a preference for mandatory 1+10-digit dialing. Carlson claims that based on this survey, customers prefer a revision to the current overlay rules to eliminate the 1+dialing requirement.

We do not find the survey conducted by Carlson to form a reliable basis to extrapolate findings concerning the preferences of customers on a statewide basis. The sample size of Carlson's survey was too small to be statistically significant, and likewise, it is not clear that the survey questions were posed in a neutral manner. Although Carlson's survey is unpersuasive, we do not believe

that additional surveys or public meetings regarding preferences for “1+” dialing would be a wise use of resources. The record before us provides an adequate basis to decide the merits of Carlson’s Petition without the need for additional surveys.

In any event, a Public Education Program would still be necessary to facilitate understanding and acceptance of the overlay whether or not the 1+ prefix dialing was required.

Carlson’s proposal, if adopted, would require customers to learn additional new dialing rules when an overlay is implemented. Under the current rules, all calls originated within California that require dialing the area code plus the seven-digit line number also require dialing a “1” preceding the area code. Under Carlson’s proposal, the “1” would no longer be required for calls made within or between area codes in the overlay region. For all such calls within the overlay region, the caller would dial only the called party’s area code and the line number. Dialing the “1” would still be required, however, for all calls made to area codes outside of the overlay region.

Carlson’s proposed modification would thus introduce an added complexity into customers’ adjustment to a new area code overlay. The added complexity could actually contribute toward increasing customer confusion, with the potential for misdialed calls. Customers would have to figure out whether dialing the “1” is required depending on the location of the area code being called. If “the called area code” is within the geographic region of the overlay, then the “1” does not have to be dialed. However, if the “called area code” was beyond the overlay region, then it does. Therefore, Carlson’s proposed modification would require customers to sort out alternative rules for dialing area codes depending on the “called area code’s” geographic location.

Customers accustomed to dialing the overlay area code without the preceding “1” might also become more likely to forget to dial the “1+” for calls to an area code located outside of the overlay. If they were to attempt to do so for any area code besides the ones within the overlay, the network would assume that a 7-digit number is being dialed and would route it erroneously to the assumed 7-digit number.

In the discussion above, we examined how eliminating mandatory 1+10-digit dialing could lead to the potential for misdialed calls where conflict codes were in use during the permissive dialing period. In addition to the customer confusion and frustration that could result either from misdialed calls or post-dialing delays, customers would also have to deal with the potential for improper routing of calls after the permissive dialing period. For example, if a customer in the 310/424 area code region attempted to dial the 818-999-7722 number after the end of the permissive dialing period, the appropriate intercept message would inform the caller to “hang up and dial using 1+ the 3-digit area code + the 7 digit line number.” Yet, if “1+” dialing becomes optional for some 10-digit calls, the network cannot readily determine if the customer intended to dial a 7-digit number to one of the overlay codes or intended to dial a 10-digit number to an area code outside of the overlay region.

Carlson further claims that 10-digit dialing is more logical and intuitive than 1+10-digit dialing because 10-digit dialing only necessitates the customer to dial the actual telephone number. Carlson argues that dialing the extra digit “1” preceding the actual telephone number, by contrast, may be associated in customers’ minds with calls to other area codes and long distance calls. To the extent that this assertion has validity, callers with telephone numbers in the 310 area code dialing a 424 area code number would expect to dial a “1.” Yet, under

Carlson's proposed modification, customers with a 310 area code dialing a 424 area code number would not dial a "1." Therefore, eliminating the "1" would be counterintuitive and contradictory to the familiar dialing pattern. The claim that customers associate dialing the prefix "1" with long distance calls does not apply to California. Dialing the prefix "1" coincides with dialing into other area codes, not making toll calls.

Carlson also argues that customers may object to a "1+" dialing requirement because it would be perceived merely as an unnecessary "regulatory requirement." The implication of this argument appears to be that customers would view the "1+" requirement as an arbitrary regulation without an intrinsically useful purpose. To the extent that customers may have negative perceptions about dialing patterns associated with the overlay, the proper vehicle to address this concern is through the Public Education Plan that was authorized in D.05-08-040.

### **C. Consistency in Dialing Requirements Among Carriers**

#### **1. Parties' Positions**

As an additional argument in support of his Petition, Carlson claims that his 10-digit dialing proposal will promote consistency in dialing patterns between calls made using a landline versus wireless telephone connection. CALTEL states that the technical constraints underlying the "1+" dialing requirements only affect wireline carriers, but not wireless carriers. Landline providers determine on a digit-by-digit basis what number the customer is trying to dial, utilizing programming logic to discern whether digits represent a central office prefix or an area code. For landline providers, the 1+ thus provides a logical indicator to decipher dialed digits. By contrast, wireless providers receive

the entire dialed number in one string that is transmitted by a customer's cell phone simultaneously. Therefore, wireless providers do not need the 1+ as a logical indicator to discern what number is being dialed. As a result, CALTEL argues, mandatory "1+" dialing is not technologically neutral, and no longer appears to provide the dialing parity benefits that it was originally designed to ensure.

## **2. Discussion**

We find no basis to modify mandatory 1+10-digit dialing rules based on claims of technological neutrality. We do not find that mandatory 1+10-digit dialing creates any unfair treatment of wireline relative to wireless carriers.

Although it might appear that wireless customers enjoy a dialing advantage by avoiding the need to dial the "1+", in reality, wireless customers have a dialing disadvantage since they must press the "send" key after dialing a telephone number. By contrast, there is no "send" key requirement for wireline phone users. The summary below compares the dialing requirements of landline versus wireless calls:

<u>Type of Call</u>	<u>Landline Customers Dial</u>	<u>Wireless Customers Dial</u>
7-digit	7 key presses	8 key presses (including "send" key)
10-digit	10 key presses	11 key presses (including "send" key)
1+10-digit	11 key presses	12 key presses (including "send" key)

Moreover, such differences in dialing requirements represent just one of the differences in the technology and marketing features between landline and wireless systems. Given the variety of differences, we find no reason to conclude that wireless carriers are necessarily at a competitive disadvantage merely because of a one-digit variation in dialing patterns as compared with landline carriers. Accordingly, we find no basis to grant the Petition to modify 1+10-digit

dialing requirements based on the claim the existing requirements constitute an unfair anticompetitive disparity between wireline and wireless carriers' systems.

### **Assignment of Proceeding**

Michael R. Peevey is the Assigned Commissioner and Thomas R. Pulsifer is the assigned Administrative Law Judge in this proceeding.

### **Comments on Proposed Decision**

The proposed decision of the ALJ in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and Rule 14.2(a) of the Commission's Rules of Practice and Procedure. Comments were filed on ^ and reply comments were filed on ^ by ^.

### **Findings of Fact**

1. Pursuant to D.96-12-086, callers dial the digit "1" followed by the area code and line number for all calls within an overlay region, referred to as 1+10-digit dialing.
2. Douglas Carlson's Petition for Modification of D.96-12-086 seeks to eliminate the requirement to dial a "1" before the area code and line number for calls within an overlay region (referred to as 10-digit dialing).
3. Because such area codes may bear the same digits as a central office prefix, the "1+" preceding the telephone number signals to the network that the three digits identify an area code rather than a central office prefix.
4. If the "1+" dialing requirement were eliminated, certain carriers would incur expenses associated with "conflict codes" (i.e., area codes and prefix codes assigned the same digits).
5. In situations involving conflict codes with the elimination of mandatory 1+dialing, a call timing delay of four to eight seconds would have to be

programmed into affected switches to allow the completion of dialing during the “Permissive Dialing Period” of overlay implementation.

6. A post-dialing delay during “Permissive Dialing Period” could cause additional customer confusion or frustration.

7. Even after the end of permissive dialing, if “1+” dialing becomes optional for some 10-digit calls, the network would not be able to readily determine if the customer intended to dial a 7-digit number to one of the overlay codes or intended to dial a 10-digit number to an area code outside of the overlay region.

8. Additional switch reprogramming required to implement 10-digit dialing may increase system busy times for calls to affected numbers, thus creating additional cost and potential customer confusion.

9. Even where conflict codes are not an issue, carriers would incur additional costs to perform switch translations if the “1+” dialing requirements were eliminated.

10. Although the additional implementation expenses incurred by carriers is not, of itself, justification to deny the requested modification in 1+10-digit dialing requirements, there is no basis to impose such costs if there is no demonstrable benefit to customers as a result.

11. Although customers expressed concerns about the overall changes in dialing requirement during the previous attempt to implement a 310/424 area code overlay in 1999, there is no reason to conclude that customers’ concerns were primarily motivated merely by the dialing of an additional “1+”.

12. Since the overlay meant the loss of seven-digit dialing irrespective of whether an additional “1+” had to be dialed, the additional burden of dialing an area code before every number was also a reason for customers to object to the 310/424 area code overlay.

13. The elimination of mandatory “1+” dialing would introduce an added complexity into customers’ adjustment to a new area code overlay since customers would have to figure out whether “1+” dialing is needed depending on where the called area code is located.

14. Carlson’s survey of consumer preferences for 10-digit dialing did not utilize a statistically significant sample as a basis for extrapolating findings relating to customer preferences on a statewide basis.

15. Taking into account the additional potential for confusion and disruption to customers that would result, the elimination of mandatory 1+10-digit dialing would not be in the overall best interests of customers.

16. Landline providers determine on a digit-by-digit basis what number the customer is trying to dial, utilizing programming logic to discern whether digits represent a central office prefix or an area code. For landline providers, “1+ ” dialing thus provides a logical indicator to decipher dialed digits.

17. Wireless providers receive the entire dialed number in one string that is transmitted by a customer’s cell phone simultaneously, and therefore do not need the “1+” dialing as programming logic to discern what number is being dialed.

18. Although wireless customers might appear to enjoy a dialing advantage by avoiding the need to dial the “1+”, in reality, wireless customers have an offsetting disadvantage since they must press the “send” key after dialing a telephone number. There is no “send” key requirement for wireline phone users.

19. Given the variety of differences between service provided by wireline and wireless networks, there is no basis necessarily to conclude that a one-digit difference in dialing patterns would lead to an unfair competitive disparity.

20. The disadvantages of eliminating mandatory 1+10-digit dialing in terms of additional cost burdens and potential for customer confusion or disruption outweigh any potential advantages in terms of avoiding the dialing of a “1+” for 10-digit calls within an area code overlay region.

**Conclusions of Law**

1. The existing record provides an adequate basis to render an opinion on whether to modify statewide mandatory 1+10-digit dialing rules.

2. It would be an inefficient use of resources to conduct further customer opinion surveys or public participation meetings as to the relative popularity of 1+10-digit dialing versus 10-digit dialing.

3. The Petition of Douglas Carlson to modify the 1+10-digit dialing requirements has not been shown to be justified.

4. The proposal to eliminate 1+10-digit dialing as a statewide policy for future area code overlays in California should be denied.

**O R D E R**

**IT IS ORDERED** that the Petition for Modification of Decision (D).96-12-086 is hereby denied.

This order is effective ^.

Dated \_\_\_\_\_, at San Francisco, California.

