

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Communications Division
Policy Branch**

**RESOLUTION T-17302
March 10, 2011**

R E S O L U T I O N

Resolution T-17302 Approving Verizon California Inc. Advice Letter No. 12535

SUMMARY

This Resolution approves, with conditions, Verizon California Inc. (Verizon) Advice Letter No. 12535 (Advice Letter), filed October 22, 2010, proposing to change the way Verizon provides residential white pages directory listings to customers. Verizon proposes to end automatic delivery of white page directories containing residential listings and instead offer customers the option of a printed white pages directory or electronic white pages listings on a CD-ROM, as well as online white pages listings. Verizon will continue automatic delivery of directories containing white page business listings, government listings, yellow pages and consumer guides.

BACKGROUND

On October 22, 2010, Verizon filed a Tier 3 Advice Letter seeking to change the way it provides residential telephone listings to customers. The Communications Division determined that the Advice Letter was a matter appropriate to an advice letter but not subject to review and disposition under Tier 1 or Tier 2 and therefore the Advice Letter was properly classified as a Tier 3 Advice Letter, requiring a resolution, public comments and Commission approval.¹

On November 12, 2010, the Communications Division requested additional information from Verizon about how it intended to implement the proposed change. Verizon's answers, filed November 22, 2010, are included in the discussion below.

¹ GO 96B, Telecommunications Industry Rule 7.3 (1) and General Rule 5.1.

On November 22, 2010, due to the need for additional time to prepare a Resolution for Commission consideration, the Communications Division suspended the Advice Letter until March 22, 2011.

Currently, Verizon automatically delivers annually to each customer a printed white pages directory. The directories list all residential customers with published numbers and include business and government white pages and consumer guide pages, and may include yellow pages. The directories are published and delivered for Verizon by SuperMedia LLC (SuperMedia).²

Upon approval of the Advice Letter, Verizon would cease to provide residential white pages listings in most of its directories in California.³ Instead, Verizon would offer customers the option to request a printed or CD-ROM directory of residential listings to be sent by mail. In addition, all white pages listings will be accessible via an online directory at www.verizon.com/whitepages. All of the three options would be offered free. Verizon will continue to automatically deliver to customers printed directories containing white page business listings, government listings, yellow pages and required information and consumer guides, such as information pages with local calling areas.

In order to continue to receive a printed white page directory of residential listings, a customer would have to “opt-in” by calling SuperMedia via 1-800-888-8448, a toll free number, and request continued delivery of a printed directory of white page residential listings. Verizon states that customer would only have to “opt in” once. Once a customer has requested continued delivery of a printed directory of the residential white page listings, the customer will be placed on standing order to receive a printed copy every year.

The SuperMedia 800 number will be answered by an automated system, but customers can also “zero out” to an operator.⁴ Verizon states that the automated directory ordering system will be available 24 hours per day, seven days per week, and live operators will be available Monday through Friday, 8:00 a.m. to 6:30 p.m. Eastern Standard Time. Upon a customer’s initial request for delivery of a printed residential white page directory, SuperMedia will mail the requested printed directory (or CD-ROM, if requested) to the customer. The customer would receive the printed directory or CD-ROM within 14-21 days of requesting it. A customer who requests directory

² SuperMedia is an online advertising, direct mail, and yellow pages publishing company spun off from Verizon in 2006, the successor to Idearc Media LLC, formerly known as Verizon New Media Services Inc.

³ Where Verizon distributes white and yellow pages directories as separate volumes, it would cease automatic distribution of the white pages volume.

⁴ See Attachment F for directory number script.

delivery would be placed on standing order to receive it every year at that customer address; the customer would not have to renew the request every year.

The Communications Division asked Verizon how SuperMedia would assist customers who request residential white pages directories if there are no printed directories left. Verizon responded that SuperMedia is planning to print quantities in excess of what is expected to be required. If quantities run out, SuperMedia will print more in most circumstances. If they run out shortly before the next book will be published, the customer may be asked to wait for that next directory.

Verizon states that SuperMedia does not sell voice, Internet access or video services, and a customer calling to request delivery of a printed residential white pages directory would not be subject to any statements or questions about other Verizon services.

It has been standard industry practice to automatically deliver printed white pages directories to customers; in 2009, California carriers delivered more than 26,372,000 white pages, and Verizon delivered more than 6,160,000 white pages, to customers. According to Verizon, SuperMedia does not have accurate residential/business customer breakdowns in their directory distribution database, but they expect approximately 48 directories, with an estimated printing of 5.3 million copies, to be affected by this change in 2011.

There is currently an opt-out provision for directory delivery; Verizon reports that at the end of 2010, SuperMedia had listed 4,447 opt-out requests from customers in California.

Upon approval of the Advice Letter, Verizon states it will update its Product Guide to notify customers that residential white page directory listings will be provided free of charge upon request in either printed form or on CD-ROM, as well as online. Verizon will continue delivery of printed directories that include the business and government white pages and the consumer guide. In addition, Verizon will issue the following communications in order to maximize customer notice:

- Verizon press release – one time (Example draft copy provided in Attachment A);
- Verizon quarterly bill message in first year (Example draft copy provided in Attachment B);
- Permanent notice on cover and table of contents page of the yellow pages directories (Example draft copy provided in Attachment C and Attachment D);

- SuperMedia notice and explanation of program to be placed in the front pages of the first affected yellow page directories (Example draft copy provided in Attachment E); and
- SuperMedia webpage notice – to remain indefinitely.

In order to notify competitive local exchange carriers (CLECs) in their area of the change, Verizon states it will issue an Industry Letter to all CLECs operating within the Verizon California region. Competitive local exchange carrier customers will be able to request delivery of a printed residential white pages directory or CD-ROM by calling 1-800-888-8448, the same way Verizon customers can request a directory. Verizon affirms that the proposed change will not increase any rate or charge, cause the withdrawal of service, or conflict with other schedules or rules.

In support of its proposal, Verizon states that residential customers now use printed white page directories far less than in the past, due primarily to the availability of alternative ways of obtaining telephone numbers. It states that customers have been relying less on printed residential white page directories and more on online directories, the directories in wireless and wireline devices, and specialized directories provided by employers, schools, places of worship and other organizations. Verizon cites a SuperMedia-sponsored Gallup survey that reported that the overall percentage of households using stand-alone residential white pages dropped from 25% to 11% from 2005 to 2008. It also claims that in one state (Florida) that has allowed AT&T to provide residential white pages only upon customer request, only approximately 2% of customers subsequently requested a copy of the directory.

Verizon also avers that the proposed change “would have a material, positive effect” on the environment. Verizon estimates that this change will eliminate approximately 1,870 tons of paper per year from California’s waste and recycling streams and that the estimated CO₂ reduction from adopting this white page directory distribution practice is 7,293 tons of CO₂ or 3.74 million pounds of 100% post-consumer recycled paper. Verizon further states that:

[T]he State of California has already recognized the negative impact printed directories have on the environment, as evidenced by a memorandum issued December 15, 2007 by the California Department of General Services (DGS) to all of its employees in Sacramento.⁵ In its

⁵ “The Department of General Services Is Working Green Maximizing The Use Of Online Phone Directories, issued December 15, 2007 by DCS Director Ron Joseph, <http://www.workinggreen.dgs.ca.gov/Reuse/OnlinePhoneBook.htm>

memorandum, DGS notes that up to 80 percent of the department's old phone books went into a landfill. More than one-fifth of the waste sent to California municipal landfills is paper which, when decomposed, breaks down and produces methane, a powerful climate-changing gas. DGS determined that it would give high priority to reducing their use of paper and will, where possible, maximize the use of online, electronic versions of phone books.

PROTESTS

Cox Communications/CALTEL Protest

On November 11, 2010, Cox California Telcom, LLC, dba Cox Communications (Cox) and the California Association of Competitive Telecommunications Companies (CALTEL) filed a protest to the Advice Letter on the grounds that it contained material errors or omissions. Cox and CALTEL protested that the Advice Letter did not address how Verizon would comply with requirements to provide white pages directories to customers of competitive carriers under Decision (D.) 96-02-072 and under their interconnection agreements. Verizon responded on November 22, 2010, explaining that it fully intended to comply with all requirements under current regulatory and contractual obligations, that CLEC customers would be given the same three options for access to the residential white pages listings as Verizon customers and that no operations support system (OSS) changes would be required. Verizon also said it would be sending an industry letter with an outline of the residential white pages change to all CLECs in the Verizon California region. On December 10, 2010, Cox and CALTEL subsequently withdrew the protest.

TURN Protest

On December 22, 2010, The Utility Reform Network (TURN) protested the Advice Letter on several grounds. TURN asserts that Verizon's proposed change represents a major change to the definition of basic service and therefore should not be approved through the Advice Letter process. It then argues that Verizon failed to provide evidence that its California customers no longer want automatic directory delivery and cites its March 2008 survey of 900 registered California voters, which found that landlines are the primary phone number for most Californians.⁶ TURN notes that many customers in Verizon's territory would not have access to an online directory at home and that Verizon's planned notices are inadequate. It recommends that, if the Commission approves the proposal, it also impose conditions similar to those imposed by the New Jersey and Pennsylvania state commissions. Verizon filed a Reply to TURN's protest on January 5, 2011, in which it stated that the Commission

⁶ <http://turn.org/article.php?id=711>

should disregard TURN's protest because it was filed 40 days late and TURN failed to provide a valid reason justifying the late filing.

General Order (G.O.) 96-B General Rule 7.4.4. grants the reviewing Industry Division the right to accept and consider a late-filed protest or response. When TURN filed its late protest on December 22, 2010, the Communications Division staff had already suspended the Advice Letter until March 22, 2011. Therefore, Verizon and other parties had adequate time to respond to the protest. In light of the fact that the Advice Letter proposal concerns an element of basic service and, if implemented, would require action on the part of all Verizon's customers, we find that staff consideration of the late protest was justified and proper.

TURN's Protest is discussed below.

DISCUSSION

TURN protests this Advice Letter on the grounds "that it raises significant issues concerning the continued provision of a key element of basic telephone service, as defined in D. 96-10-066, to customers" and an advice letter is not the proper vehicle in which to address this change. TURN first argues that the advice letter process is used to delegate "ministerial" powers to staff and that the Commission needs significant input from interested stakeholders to make changes to long-standing policies or rules. TURN states that "it would not oppose the provision of white pages directories along the lines of what Verizon is proposing." However, TURN states that "the Commission should consider this proposal as an application or through another procedural vehicle requiring a full Commission decision." TURN asserts that Verizon is proposing "a major change for customers," noting that "automatic delivery of white and yellow pages directories has been a staple of American life for decades." TURN states that "the requirement to provide a free white pages directory is an element of basic telephone service, pursuant to D.96-10-066. Verizon is proposing to radically change how this aspect of basic telephone service is provided. Thus, the proposal amounts to a change in the provision of basic service. ...A major change to the definition of basic service, such that Verizon is proposing, should not be relegated to an Advice Letter and resolution process."

Verizon replies that TURN errs in asserting that Commission approval by formal application is required before Verizon may implement demand-based delivery of residential white pages listings. Verizon states that "TURN also ignores the criteria delineated in General Order 96-B describing the types of matters requiring review in a formal proceeding—none of which apply here. Specifically, Verizon does not seek to modify a prior Commission decision since ... D.96-10-066 requires only that basic service include a free white pages directory. This change does not require an

evidentiary hearing, and TURN does not seek one. Nor does Verizon seek to challenge a prior Commission resolution on the matter. On the contrary, the purpose of the advice letter is merely to confirm Verizon's preexisting authority to implement demand-based white pages delivery upon due notice to customers; and the Telecom Industry Rules expressly permit URF carriers to change its terms and conditions of service by advice letter."

In any event, Verizon states that the issue is moot "as Verizon filed a Tier 3 advice letter requesting approval of this change, for which staff must prepare a 'recommended disposition' that is subsequently approved or rejected as a resolution by the full Commission.... Accordingly, Verizon's Tier 3 advice letter request is valid and should be approved."

In 1996, this Commission adopted rules implementing The Moore Universal Telephone Service Act of 1987.⁷ As part of that proceeding, we held that carriers providing local exchange residential telephone service must provide a free white pages directory to their customers as part of basic telephone service, stating: "Telephone customers have become accustomed to receiving a free white pages directory and yellow pages directory every year. Free directories minimize the number of calls made to directory assistance, and promote the wide distribution of yellow pages advertising. We shall add the free white pages directory to the definition of basic service."⁸ We also require ILECs to include in their white pages directories, upon a CLEC's request, the telephone listing of subscribers of CLECs operating in the area, and to provide free white pages directories to CLEC customers.⁹

The Advice Letter process allows the Communications Division to determine whether an Advice Letter requires Commission approval through the classification of the Advice Letter into the appropriate Tier. Communications Division staff determined that Verizon's Advice Letter proposes a change to the historical way that Verizon and other incumbent local exchange carriers have provided to customers a required element of basic local exchange service. No longer would Verizon automatically deliver white page directories of residential listings to subscribers. Instead a subscriber would have to take the pro-active step of making a one-time election to continue to receive automatic annual delivery of these printed white pages. In discussions with Verizon prior to the filing of its Advice Letter, Communications Division staff determined that

⁷ D.96-10-066, Appendix B.

⁸ *Id.* at p. 13.

⁹ D. 96-10-072.

Verizon's proposal required a Tier 3 advice letter pursuant to G.O. 96-B Telecommunications Industry Rule 7.3 (1) requiring a formal Resolution and Commission approval, as it was "A matter appropriate to an advice letter but not subject to review and disposition under Tier 1 or Tier 2. "

The approval process for this Resolution requires public notice and allows for public comment, thus providing a platform for significant input from any interested parties. Although Verizon believes that Commission approval of its proposed change is not required, Verizon agreed to file a Tier 3 Advice Letter.

We disagree with TURN that the Verizon proposal is "radically" changing how an aspect of basic service is provided and therefore requires a formal proceeding per G.O. 96-B Telecommunications Industry Rule 7.4.(4).¹⁰ Under Verizon's proposal, after making a one-time election to continue to receive a printed directory of white pages residential listings, SuperMedia, on behalf of Verizon, will thereafter automatically deliver annually a printed copy of a directory of white page residential listings to the customer.

The language in D. 96-10-066, our Decision adopting the elements of basic telephone service, did not specify that carriers are required to provide a paper copy of the directory nor did it limit the directory to a paper copy. Our purpose in establishing a white pages directory requirement was to ensure that customers would receive a free paper copy every year. Verizon's proposal would fulfill that purpose. It would, however, mark a change to a more restrictive term or condition of basic telephone service because directory delivery would not be automatic; Verizon customers would have to make a one-time specific request in order to receive the paper copy.

It is reasonable to assume that in 1996, this Commission intended for carriers to deliver a paper copy of white pages directories to customers annually at no charge, in conformance with the industry practice at the time. However, since 1996 there have been dramatic technical and market changes in the telecommunications industry. Today, telephone customers are able to access residential telephone numbers through other means, including cell phones and other mobile devices, online directories, and landline caller ID systems, which can store frequently used numbers. Accordingly, we note that neither statute nor Commission precedent mandates delivery

¹⁰ See 7.4 (4) Matters Requiring Review in a Formal Proceeding. Staff will reject without prejudice an advice letter that requests relief or raises issues requiring an evidentiary hearing or otherwise requiring review in an application, petition for modification, or other formal proceeding. (See General Rules 5.2.) Matters requiring such review include, but are not limited to: ... (4) A request by an URF Carrier to modify or cancel a provision, condition, or requirement imposed by the Commission in an enforcement, complaint, or merger proceeding.

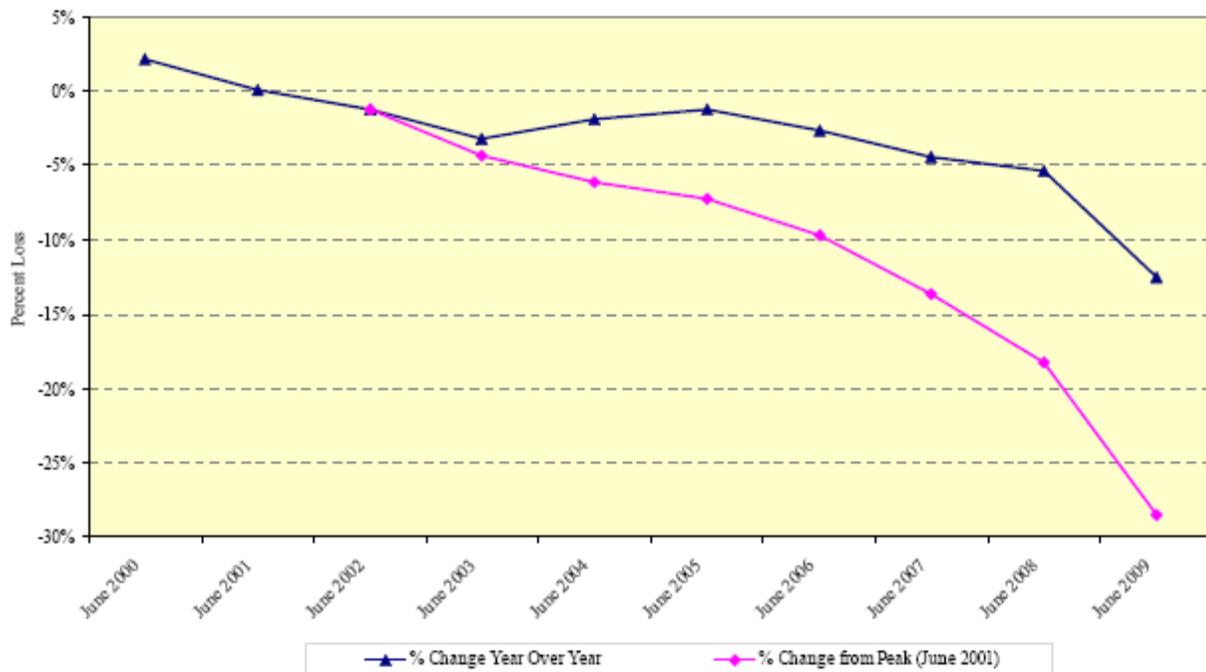
specifically of a free hard copy directory, and, further, that the statutory and decisional language is susceptible to the type of delivery change Verizon has proposed here.

The Communications Division staff recently reported that, since peaking in 2001, the total number of wireline end-user access lines has steadily decreased in California from 24.77 million in 2001 to 17.7 million in 2009, mirroring national trends.¹¹ The staff found that:

The number of circuit-switched access lines in California and across the the nation is declining. This is largely due to the new technologies, especially mobile wireless but also VoIP, which are competing directly with wireline voice service.... Although the introduction of local exchange competition did spur a small increase in wireline subscribers in the mid-1990s, this temporary gain quickly gave way to an accelerating loss of wireline subscribers.¹²

The chart below illustrates the trend in wireline subscribership:

Chart 6. California Percentage Change in End User LEC Wireline Subscribers



Source: FCC: *Telephone Subscribership in the United States*, August 2010¹⁷

¹¹ Residential Telephone Subscribership and Universal Service, CPUC Report to the California Legislature, December 2010, p. iii. This report is submitted to comply with the Moore Universal Telephone Service Act.

¹² Id. p.5.

Today, there are far more wireless subscribers than circuit-switched access line subscribers in California. In December 1999, the Federal Communications Commission (FCC) reported 8.54 million wireless subscribers in California. By June 2009, that number had grown to 32.25 million. This is a 10-year increase of 277%, faster than the national rate of mobile wireless adoption during the same period. (233%).¹³

Verizon reports that, due to privacy concerns, particularly in California, approximately 40% of residential telephone numbers are unpublished or unlisted, thus reducing the scope and usefulness of residential white page listings. In addition, they state that the rapidly growing number of wireless-only customers and the lack of a ready available database of wireless numbers has led to an increasingly large percentage of the population whose telephone number is not automatically listed anywhere.¹⁴

Due to the increase in wireless mobile phone usage and increases in Internet subscriptions since 1996,¹⁵ customer reliance on printed telephone directories has been reduced. In light of these dramatic changes in telecommunications technologies and the resulting changes in customer needs and expectations, we find that it is reasonable to reinterpret the directory delivery rule for today's circumstances.

TURN further argues that the Commission should not approve Verizon's proposal to eliminate automatic delivery of white page directories of residential listings without considering evidence showing how Verizon's California customers use white page listings. TURN asserts that Verizon provided no evidence demonstrating changes in California customers' use of white pages listings. TURN states that [i]n contrast [to the Gallup survey referenced in Verizon's Advice Letter filing], a survey of Californians' use of basic telephone service conducted (at TURN's request) by Lake Research found that 75% view receiving the free white pages phone book as "important." TURN states that its survey showed "29% of California telephone customers use the white pages directory to find residential listings."¹⁶ In its reply to the protest, Verizon refers to a Centers for Disease Control study that found that more than one fourth of households nationwide (26.6%) are wireless-only,¹⁷ and cites their own experience of "declining usage of DA" [directory assistance], although it provides no numbers showing declining usage.

¹³ Id. p.10.

¹⁴ Telecommunications Industry Association 2010 Policy Playbook, at http://www.tiaonline.org/gov_affairs/docs/2010_playbook.pdf

¹⁵ See Federal Communications Commission, National Broadband Plan (March 16, 2010)

¹⁶ Lake Research Partners, "Basic Phone Service Survey Findings," March 2008. Survey commissioned by The Utility Reform Network (TURN), p. 7, 11. <http://turn.org/article.php?id=711>

¹⁷ <http://www.cdc.gov/nchs/data/nhis/earlyrelease/wireless201012.pdf>

We note that Verizon did not provide to the Commission a copy of the Gallup survey report it relies on, showing the survey methodology, nor did it provide information as to where the survey report could be found. Nor are the Gallup survey or the Center for Disease Control study cited by Verizon specific to California. Furthermore, we note that both the Gallup survey and the Lake Research survey that TURN relies on to demonstrate a continuing need for automatic directory delivery, were conducted in 2008. Given that the telecommunications industry and marketplace have changed so dramatically so fast, we do not find any of these surveys to be persuasive as to the situation in California today. Although the Commission does not have information before it to adequately assess the level of use of white page directory residential listings by subscribers in Verizon's California service areas, we do not find this lack of information to be critical to our decision today. As noted above, Verizon will continue to automatically deliver annually printed copies of these listings to any subscriber who makes a one-time election to continue such delivery. Verizon will also provide two new ways its customers can access this information - via a compact disc delivered annually or via an Internet website. With conditions in place to gauge the effect on customers of the change, the Commission can ensure that any necessary adjustments to Verizon's delivery of this basic service element are subsequently considered by this Commission.

TURN also protests that many Verizon customers do not have Internet connections and that the level of Internet adoption varies by age, income, and ethnic group. We agree with TURN that, "If Verizon's notice and outreach efforts are insufficient, these customers would be without updated directory information."

We find that Verizon's proposed notices are inadequate to properly inform customers of the change and of how to request a printed directory. We believe additional conditions must be met in order to find that Verizon's proposal to update how these listings are provided to customers in light of technological changes in the telecommunications industry would be just and reasonable. We therefore impose customer notice and reporting requirements in addition to the standard notices Verizon promised in the Advice Letter and shown in Attachments A-E. We discuss these conditions and requirements below.

CONDITIONS

TURN points out that in other states that have approved similar proposals "such approvals were granted subject to important conditions, many of which are notably absent from Verizon's California proposal. States such as Pennsylvania, New Jersey, Florida, Georgia, Oklahoma, Texas, Ohio and Delaware have imposed such conditions." TURN also notes that when the New Jersey Board of Public Utilities (NJBPU) permitted Verizon to proceed with its plan, it did so with the following observations:

“While the Board agrees with the Company that technological advances have dramatically changed how printed media is delivered and consumed, nevertheless, it is noted that not every home has access to a computer and the internet. The Board is also concerned that the Company's proposal to allow customers to opt-in, as opposed to opt-out, may initially create some confusion among consumers.¹⁸

Accordingly, the NJ Board required Verizon to provide extensive public outreach and enhanced notification requirements, and, in addition, the Board took the prudent step of requiring Verizon to compile data to provide the regulators with information about customer use of the white pages and the impact of the change on the volume of directory assistance calls.

We note that other state commissions have approved automatic directory delivery waiver requests from AT&T and Verizon, and have imposed additional conditions and reporting requirements as well.¹⁹ To our knowledge, at least fifteen state commissions have granted or are considering granting waivers of mandatory distribution of telephone directories.²⁰ However, we are not bound by their actions and will tailor our orders to the needs and expectations of California customers.

Customer Notice Requirements

Advocates of discontinuing automatic directory delivery of white page residential listings have noted that such a change could achieve important environmental benefits for the people of California. Expected benefits might include a reduced financial burden on local government budgets for tons of unwanted directory waste removal and disposal; a reduction in the volume of directories filling up landfills; reduced environmental costs of directory manufacture, distribution, and delivery; and lessening the inconvenience and expense required to dispose of unwanted directories.²¹

At the same time, Verizon's proposal would represent a change in the longstanding method of providing an element of basic telephone service to a more

¹⁸ In the Matter of Verizon New Jersey's Petition for Waiver of New Jersey Administrative Code (N.J.A.C.) Regulations 14:10-1A.5 Subsections (a) and (b) Pertaining to the Publishing and Distribution of Telephone Directories, Docket No. TO 10040255, Order of Approval (dated September 22, 2010), p. 2. <http://www.state.nj.us/bpu/pdf/boardorders/2010/9-16-10-4A.pdf>

¹⁹ Florida, New Jersey, New York State PSC

²⁰ Alabama, Arkansas, Delaware, Florida, Georgia, Illinois, Maryland, Missouri, New Jersey, New York, Ohio, Oklahoma, Pennsylvania, Texas, Virginia.

²¹ See Sen. Leland Yee press release, “Yee Announces Green Legislation for White Pages,” at http://dist08.casen.govoffice.com/index.asp?Type=B_PR&SEC={EFA496BC-EDC8-4E38-9CC7-68D37AC03DFF}&DE={70516137-06AF-44DC-89BF-A52BA0A344D2}

restrictive method, since it would now require a customer to take specific action to request and receive a directory. As such, Verizon is obligated to provide adequate customer notice of that change and of the options available to receive printed white pages delivery. Customers must have sufficient notice of the change in order to ensure that they have continuous and uninterrupted ready access to directory information.

While many customers now rely on web-based services or electronic devices to obtain directory information, not all customers want or have access to alternative methods of accessing the directory. Discontinuing delivery of white pages residential listings has the potential to cause initial confusion or inconvenience to some customers, especially those customers who do not have Internet access. The change also has the potential to cause some confusion among CLEC subscribers who depend on Verizon's white pages directories.

Therefore, in order to ensure that customers receive adequate notice of and information about the change, and to ensure that the change does not result in widespread customer confusion and inconvenience, we place certain conditions on our approval of Verizon's request.

Adequate Notice

First, Verizon recommends that all notices of the change provided to customers should come from Verizon, not SuperMedia. We agree. Customers could be confused by notices from and references to SuperMedia. Also, such notices could be easily overlooked as junk mail. Therefore, any notices to customers should be under Verizon's name. This requirement also should apply to website notices and the online directories – the information should be readily accessible via Verizon's website.

Verizon has stated that as soon as the Advice Letter is approved, it will update its Product Guide to notify customers that residential white page directories will be provided free of charge upon request, in either printed form or on CD-ROM, as well as online. We agree that Verizon should update the Product Guide upon approval of the Advice Letter, but no later than one month before discontinuing automatic delivery. The language in the Product Guide should clearly state that a customer only needs make the election to receive a printed copy of the white page residential listings directory once and that once this election is made the customer will continue to annually receive such printed directory to that address unless the customer changes his/her request, or discontinues local service from Verizon or the relevant CLEC. Verizon should also place a permanent notice explaining the change on general website.

Further, advance notice should be provided directly to Verizon's customers and CLEC customers who receive Verizon's directories. Verizon must provide at least 30

days in advance of the issuance of its first white page directories under this proposed change. Verizon must provide customers with a separate mailing explaining the change²² and the separate mailing must include directions on how customers can make their selection, either by calling the free 800 number or online. It should also include a number to call a Verizon representative to respond to any customer questions about the change. At least 30 days before discontinuing automatic delivery in a service area, Verizon should also issue a press release explaining the change similar to the press release in Attachment A.

Also, Verizon must include a separate sheet with notice of the change and instructions to customers, in all directories automatically delivered to customers during the first year after discontinuing automatic delivery.

Verizon states that it will include a bill message on its monthly billings four times throughout the first year of implementation explaining the change and instructing customers how to order the residential listings directories (See Attachment B). We support inclusion of a bill message on the monthly billings. However, we believe a permanent message should be added to the monthly billings. Upon implementation and thereafter, Verizon should include on its monthly billing statements to customers, language notifying customers of the change and where the customer can order a printed directory or CD-ROM and access the residential listings online. We find that the language Verizon proposes in Attachment B, if amended to include the statement that an election to receive a printed or CD-ROM directory need only be made once, is adequate.

Furthermore, we will order Verizon to place notices on the cover and on the table of contents pages of all printed and CD-ROM directories delivered to subscribers. The language examples in Attachment C and D are adequate.

To avoid customer confusion and any discrimination against CLEC customers, Verizon must provide one telephone number for all customers who want to request free delivery of the white pages directory of residential listings.

TURN also urges the Commission to require Verizon to continue to provide Spanish-language listings under the same terms and conditions as English white pages listings. In its response, Verizon states that it will provide information describing the change to demand-based delivery of residential white pages listings in the same language in which the printed directories are currently provided; and the bill message will be provided in Spanish, as well. However, Verizon does not provide separate listings in Spanish versus English; a listing is a listing.

²² Verizon may include additional notices in bill messages or bill inserts, but it may not substitute either of those forms for a separate notice mailed to each customer.

The Commission has not imposed a requirement that Verizon directories be provided in languages other than English. We decline to impose such a requirement in this proceeding.

Customer Election and Delivery Requirements

In response to questions from Communications Division staff as to what days and hours the live operator will be available at the 800 number to take requests, Verizon responded that although the automated directory ordering system will be available 24/7, live operators will be available only Monday to Friday, 8:00 a.m. to 6:30 p.m. Eastern. We find it reasonable that a live operator not be available 24/7. However, we are concerned that the hours Verizon states that a live operator will be available are not adequate or reasonable for its California customers. We therefore will require that Verizon make available an adequate number of live operators from 8:00 a.m. to 6:30 p.m. Pacific Time to serve its California customers.

Verizon has stated that upon request for delivery of a printed directory or CD-ROM, Verizon will deliver, by mail, the requested material within 14 to 21 days. We find this proposal to be reasonable. To ensure that this standard is implemented, we will require Verizon to deliver the requested directory or CD-ROM to the customer within 21 calendar days of receiving the request.

Treatment of CLEC Customers

In response to Communications Division questions and in discussions with CLECs, Verizon has stated that it will treat CLEC customers the same as Verizon customers and provide CLEC customers the same directory options as its own customers. CLEC customers will only need to order once a printed white page directory of residential listings at which time they will be placed on a standing order to receive it every year. Verizon has also stated that upon approval, it will issue an Industry Letter to all CLECs operating with the Verizon California region explaining the change and what directories will be affected. Verizon has stated that it will continue to honor its interconnection agreements with other carriers who depend on their directory service, and fully comply with Commission Decision (D.) 96-02-072. As stated in Verizon's reply to the protest of Cox/CALTEL, "Verizon will continue to accept and maintain CLEC listings, interfile them with Verizon customer listings, and display them in the white pages, in all media offered, as well as make them available to directory assistance. Verizon will continue to distribute a directory containing the customer guide section, business and government white pages and yellow pages. CLEC business and government listing information will continue to be included in this directory with Verizon customer information as is the case today." "No OSS changes are required"

and “any requirements for submitting listings via a local service request (LSR) are unchanged.” We will make these commitments part of this resolution.

Directory Assistance

TURN requests the Commission to order Verizon to provide five free directory assistance calls after the change is implemented stating that it “fully expects that some customers will not read the bill inserts provided by Verizon in advance of the change. The changes proposed by Verizon will like result in customers in making increased use of directory assistance calls. “ TURN also urges the Commission to require Verizon to track and report on the number of directory assistance calls on a quarterly basis for the first year of implementation. Verizon responds that “ TURN’s proposal to require Verizon to provide any number of free Directory Assistance (DA) calls as a condition of approving demand-based delivery of residential white pages lacks any factual or legal basis. In fact, this proposal contradicts the Commission’s Uniform Regulatory Framework (URF) decision, D.06-08-030, which established market-based pricing for the service. “ Verizon also points out that Verizon will provide notice to customers via other avenues in addition to the bill inserts and that customers “very likely will be informed by the many other means of notification that Verizon has planned”. Verizon states that TURNs proposal for 5 free DA calls is arbitrary.” Verizon currently does not provide free Directory Assistance. Verizon however stated in its reply to TURN’s protest that it will agree to two tracking and reporting conditions, provided, however, that they sunset one year after implementation of the proposed change:

- Verizon will track and report the number of households ordering white page listings for one year after implementation ; and
- Verizon will track and report total number of DA calls for one year after implementation.

TURN has provided no factual information to inform us on this DA matter. Two other state commissions have required AT&T to provide quarterly reports on the number of requests and the number of DA calls it receives after a similar change; however, these changes were scheduled to begin in November 2010 and January 2011, and reports are not yet available.²³ Further, TURN has provided no data to support the need to impose such a requirement. Without factual information and in light of our policies adopted in the URF decision, we decline to require Verizon to provide free DA upon approval of the Advice Letter. We note again that under Verizon’s proposal all customers, upon request, can continue to receive delivery of a free printed directory of white page listings.

²³ New Jersey and New York

However, we agree with TURN that we should monitor this matter to see if DA calls increase substantially after implementation of the Advice Letter proposal. We will therefore order Verizon to track and report to the Director of the Communications Division, on a quarterly basis, the number of DA calls for one year after implementation of the change and report the results, distinguishing between business and residential listing DA requests. Verizon should also report the same information for the corresponding quarter in the year preceding the year of implementation for comparison purposes.

We also support and applaud Verizon's agreement to track and report the number of households ordering white pages listings for one year after implementation. We will adopt this requirement which will help the Commission evaluate the impact of this change on customers.

FINDINGS

1. The Verizon California Advice Letter 12535 was properly filed as a Tier 3 advice letter pursuant to G.O. 96-B Telecommunications Industry Rule 7.3 (1) requiring a formal Resolution and Commission approval.
2. The Moore Universal Telephone Service Act is silent as to whether telephone corporations must deliver a printed, paper white pages directory to customers' homes.
3. Although it was the intent of the Commission when it adopted the elements of basic telephone service in D. 96-10-066 that incumbent local exchange carriers would automatically deliver paper copies of white pages directories to customers, the language of the order did not specifically require that carriers automatically provide a paper copy of such directory.
4. Our purpose in establishing a white pages directory requirement was to ensure that customers would receive a free paper copy every year. Verizon's proposal would fulfill that purpose.
5. The telecommunications industry has experienced dramatic changes in technologies, market, and customer needs and expectations since 1996.
6. Telephone customers have more sources of directory information available to them today than they did when D. 96-10-066 was adopted.
7. It is reasonable to reinterpret the telephone directory delivery rule in light of changed circumstances.
8. Customers must receive adequate notice of the change so that they do not experience any disruption to ready access to directory information.
9. The Commission should monitor the implementation results of the proposed change to ensure that the change does not result in hardship to customers.

THEREFORE, IT IS ORDERED that:

1. Pursuant to General Order 96-B, we approve, with modifications, Verizon California Inc.'s proposal in Advice Letter 12535 to end automatic delivery of printed white page directories containing residential listings and instead offer customers the option of a printed white pages directory or electronic white pages listings on a CD-ROM, as well as online white pages listings.
2. All notices provided to customers of the change in delivery of white pages directory listings must be under Verizon's name and website notices of the change and online directories should be readily accessible via Verizon's website.
3. Verizon must update its Product Guide to notify customers that residential white page directories will be provided free of charge upon request, in either printed form or on CD-ROM, as well as online, upon approval of the Advice Letter but no later than one month before discontinuing automatic delivery. The language in the Product Guide should clearly state that a customer need only make the election to receive a printed copy of the white page residential listings directory once and that once this election is made the customer will continue to annually receive such printed directory to that address unless the customer changes his/her request or discontinues local service from Verizon.
4. Verizon must place a permanent notice on its website explaining the change and how to order delivery of a printed white pages directory of residential listings.
5. At least 30 days in advance of the issuance of its first white page directories under this proposed change, Verizon must provide customers with a separate mailing explaining the change. The separate mailing must include directions on how customers can make their selection by calling the free 800 number or online. The mailing must also include a number to call a Verizon representative to respond to any customer questions about the change.
6. At least 30 days before discontinuing automatic delivery in a service area, Verizon should also issue a press release explaining the change similar to the press release in Attachment A.
7. During the first year after discontinuing automatic delivery, Verizon must include a separate sheet with notice of the change and instructions to customers in all white and yellow page directories automatically delivered to customers.
8. Upon implementation of the change and thereafter, Verizon must include on its monthly billing statements to customers language notifying customers of the change and where the customer can order a printed directory or CD-ROM and access the residential listings online. The notice on the bill must include the statement that an election to receive a printed or CD-ROM directory need only be made once.
9. For directories delivered to customers after adoption of the Advice Letter, Verizon must permanently place notices of the change and instructions on how to order a printed copy of the white pages directory of the residential listings or a

CD-ROM on the cover and on the table of contents pages of all printed and CD-ROM directories delivered to subscribers, as described in Verizon's Advice Letter filing.

10. Verizon must provide one toll-free telephone number for all customers who want to request free delivery of a white pages directory of residential listings.
11. A live operator must be available from 8:00 a.m. to 6:30 p.m. Pacific Time, Monday through Friday, to respond to such requests.
12. Verizon must provide and deliver a requested printed copy of the white pages directory of residential listings free of charge to requesting customers in the Verizon service area covered by the directory.
13. Verizon must deliver a printed copy or CD-ROM of the white pages directory of residential listings to the customer within 21 calendar days of receiving the request.
14. Verizon must continue to honor a customer's request for a printed copy of the white pages directory of residential listings until the customer opts out or discontinues telephone service from Verizon or the relevant CLEC.
15. Verizon must continue to provide consumer rights information and all of the other information and notices required by statute and by regulation in the yellow pages or combined directories automatically delivered to customers.
16. Verizon must make available to CLEC customers the new white pages directory distribution options - print, DC-ROM, or online, just as they are available to Verizon customers, on a non-discriminatory basis.
17. Verizon must continue to honor its interconnection agreements with CLECs relating to directory publication and access to directory listing information, and fully comply with Commission Decision (D.) 96-02-072.
18. Upon approval of the Advice Letter, Verizon will send an industry letter with an outline of the residential white pages change to all CLECs in the Verizon California region.
19. Verizon must track and report to the Director of the Communications Division , on a quarterly basis, the number of directory assistance calls for one year after implementation of the change and report the results, distinguishing between business and residential listing directory assistance requests. Verizon must also report the same information for the corresponding quarter in the year preceding the year of implementation for comparison purposes.
20. Verizon must track and report the number of households ordering a printed copy of a white pages directory of residential listings for one year after implementation.

This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on _____, the following Commissioners voting favorably thereon:

PAUL CLANON
Executive Director

**Attachment A:
Verizon press release**

California Public Utilities Commission Approves Verizon's Request to Stop Automatic Delivery of Printed Residential White Pages

Sacramento – The California Public Utilities Commission on (DATE) granted Verizon's request to provide customers with an online, electronic version of Verizon White Pages directory listings as the primary means to access residential telephone directory information. Beginning in January, most Verizon directories delivered in California will not include residential white pages listings. At that time, customers can request a free printed or CD-ROM directory of residential listings be sent by mail by calling 1-800-888-8448.

Print directories – containing business and government white pages, information pages and the yellow pages – will continue to be delivered. All white pages listings are accessible at www.verizon.com/whitepages, and the residential print and CD-ROM versions will be available free, upon request.

To improve efficiency and reduce the environmental impacts associated with printed directories, Verizon in October requested the California Public Utility Commission to waive the existing requirement to deliver residential white pages. The company noted that significant resources are expended annually to print and automatically distribute directories to customers who may not want or use them.

Residential white pages usage has decreased considerably due to the Internet and mobile search. Gallup estimates the usage for residential white page directories had dropped to about 11 percent in 2008. In addition, the discontinuation of the residential white pages directories is expected to keep approximately 1,900 tons of paper out of the California waste stream.

Reducing the use of paper is a significant part of Verizon's comprehensive sustainability efforts. Last year alone, Verizon and its customers saved over 573 million pages of paper by switching to paperless billing. Verizon's aggressive energy reduction and recycling measures reduced the company's CO2 emissions by more than 793 million pounds in 2009, which is approximately the amount of CO2 emitted by 46,700 homes in a year.

SuperMedia LLC is the publisher of the Verizon directories.

**Attachment B:
Verizon bill message**

**White Pages Proposal
Draft Verizon Bill Message for California:
California White Pages Change**

Beginning in January 2011, some directories delivered in California will not include residence White Pages listings. All White Pages listings can be accessed at www.verizon.com/whitepages. To order a free print or CD ROM copy of your local residential White Pages, please call 1-800-888-8448.

Attachment D

Attachment D



**EMERGENCY CALLS ONLY
LLAMADAS DE
EMERGENCIA SOLAMENTE**

911

**FIRE POLICE SHERIFF
HIGHWAY PATROL
PARAMEDICS
MEDICAL EMERGENCIAS
BOMBEROS POLICÍA SHERIFF
PATRULLA DE CARRETERAS
PARAMÉDICOS
EMERGENCIAS MÉDICAS**

**NONEMERGENCY NUMBERS/
NÚMEROS QUE NO SON DE EMERGENCIA**

Fire/Bomberos Crestline	338-3311
Lake Arrowhead	*337-8586
Police/Policia/Sheriff Crestline	*336-0600
Lake Arrowhead	*336-0600
*San Bernardino County	

OTHER IMPORTANT NUMBERS

California Missing Children Hotline	1-800-222-FIND (1-800-222-3463)
Coast Guard/Search and Rescue Emergency Only	1-510-437-3700 1-510-437-3701
Emergency Mental Health Hospital Services	580-1800
Federal Bureau of Investigation (FBI) Riverside	686-0335
If no answer	Los Angeles 1-310-477-6565

TABLE OF CONTENTS

CUSTOMER INFO GUIDE

GOVERNMENT PAGES

RESIDENTIAL LISTINGS
Residential white pages listings are not included in this directory. The residential white pages listings are now online at www.verizon.com/whitepages. To order a free print or CD ROM copy of your residential white pages call 1-800-888-8448.

BUSINESS LISTINGS

SUPERGUARANTEESM

YELLOW PAGES

911 EMERGENCY & TABLE OF CONTENTS

OTHER IMPORTANT NUMBERS (continued)

National Center for Missing and Exploited Children Text Telephone (TTY)	1-800-843-5678 1-800-826-7653
National Hopeline Network Suicide Prevention Hotline	1-800-SUICIDE (1-800-784-2433)
National Response Center Report Chemical/Oil Spills and Chemical/Biological Terrorism	(Voice/TTY) 1-800-424-8802
National Suicide Prevention Lifeline	1-800-273-TALK (1-800-273-8255)
Poison Control Center	(Voice/TTY) 1-800-222-1222
Secret Service Los Angeles Riverside	1-213-894-4830 276-6781
US Postal Inspection Service Criminal Investigations	1-877-876-2455
Vanished Children's Alliance 24-Hour Sighting Hotline	1-800-VANISHED (1-800-826-4743)

For your convenience, please find the White Pages for this directory online at www.Verizon.com/whitepages. To order directories, stop delivery of this directory, or obtain a free copy of the residential white pages call 1-800-888-8448.

Attachment E

Attachment E
Customer Info Guide



Friend:

My name is Scott Klein, CEO of SuperMedia. We are the official publisher of the Verizon Print Directories, including this SuperYellowPages. I wanted to share with you some positive changes you will see in your SuperYellowPages.

Based on our research and feedback, we've taken out the residential white pages. To receive a free copy of the complete residential white pages - in CD-ROM or printed versions - call 1-800-888-8448. An electronic version is available for free at www.verizon.com/whitepages.

If you want to adjust the number of directories you receive or remove yourself from directory distribution, call 1-800-888-8448 and select option two or go to <http://my.supermedia.com/directoryoptout/>. For a complete list of phone numbers of the directory publishers in your area, visit www.yellowpagesoptout.com.

With this improvement to the SuperYellowPages, we've made it easier to spot the good guys. You know - contractors, painters, auto mechanics and other businesses you rely on to get the job done right. Our good guys are part of a super program designed to save you time and ease your mind. It is what we call the SuperGuarantee.

Just look for businesses backed by the SuperGuarantee shield in this SuperYellowPages and you can count on them to do the job right, or we will step in and make it right. Best part is the SuperGuarantee is absolutely free. Complete details can be found at the beginning of our yellow pages section containing our eligible businesses.

In these SuperYellowPages you will see white pages business listings, local emergency numbers, local government pages, special sections like Dining Your Way and money-saving coupons.

Sincerely,

Scott W. Klein

**Attachment F:
Directory number script**

VRU: Welcome to the speech activated ordering system, a fast way to order directories. Please speak your answers to the questions that follow:

VRU: What is your 10 digit telephone number?

Consumer response: xxx-xxx-xx

VRU: Let me verify. I heard...xxx-xxx-xxxx. Is that correct?

Consumer response: Yes

VRU: What is your 5 digit postal code?

Consumer response: xxxxx

VRU: Let me verify. I heard xxxxx. Is that correct?

Consumer response: Yes

VRU: Is that TN for a residential account?

Consumer response: yes

VRU: A confirmation number will be spoken at the end of this call signifying your order has been placed. If at anytime during this call you wish to speak with a customer service representative, just say "operator". There are two books available for your area. The books available are ... and ... Would you like to order (name of book)? (NOTE: This is where the option for the residence WP is offered.)

Consumer response: Yes

VRU: How many copies would you like?

Consumer response: 1

VRU: Let me verify. I heard (name of book). It that correct?

Consumer response: yes

VRU: Would you like to change the number of books received annually?

Consumer response: No (If yes, how many would you like to receive?)

VRU: Would you like to continue ordering books?

Consumer response: No (If yes, would you like to order name of books)

VRU: Would you like to order any non-local books?

Consumer response: No (if yes, the following info will help us find the telephone book you want to request. In what state is the book you seek...)

VRU: You have requested one copy of (name of book). Would you like to place the order now?

Consumer response: Yes.

VRU: You'll receive your order within 14-21 days. Your confirmation number is (xxxxxxx). Thank you for calling...

If the consumer requests an "operator" vs. use of the VRU, the process is as follows:

Rep will ask consumer for following information: Telephone, Name, Address, Confirm title of local directory, Confirm # of copies needed

Scripting: We will be happy to place your order to be shipped to (reconfirm address). Would you like to receive the (reconfirm title) this year only or would you prefer to receive your local directory automatically? Thank you for your order. You should receive your order in the mail in approximately 14-21 business days.