

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Communications Division
Licensing, Tariffs, Rural Carrier &
Cost Support Branch**

**RESOLUTION T-17130
January 31, 2008**

R E S O L U T I O N

Resolution T-17130. Hornitos Telephone Company (U-1011-C). Request for Authority to Implement A Customer Notification And Education Plan (CNEP).

By Advice Letter No. 270 Filed November 9, 2007.

Summary

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

This Resolution authorizes Hornitos to implement a CNEP for the passage of CPN subject to the conditions imposed in this Resolution. Hornitos' CNEP will institute a public education program which focuses on customer privacy and informed consent. The program is consistent with the policies and requirements adopted for Ducor Telephone Company (Ducor) and Verizon California Inc. (Verizon) (formerly GTE California) in T-16564 and T-15833. Subsequent to these resolutions, other small Local Exchange Companies have requested and received Commission approval to implement their respective CNEP proposals.

By defaulting to complete blocking, all of Hornitos' customers received the maximum amount of privacy.

Background

When a CPN is transmitted, a telephone number will be displayed if the called party subscribes to Caller ID service. The technology that allows the number to be

transmitted cannot be controlled according to whether the call terminates within the state or outside the state; therefore, CPN will be transmitted on all calls regardless of destination. In order for the telephone number to be displayed, the party being called must subscribe to Caller ID service and have a Caller ID display unit either attached to the telephone or integrated into the telephone unit. The calling party can decide whether or not the person or business they call receives the caller's telephone number. Commission Decision (D.) 92-06-065 requires free blocking services. The customer has freedom to choose if, when, and how their telephone numbers will be shown to those they call. California local exchange carriers (LECs) must develop a comprehensive CNEP to ensure that their customers fully understand the privacy implication of both CPN and Caller ID and can make informed choices about their blocking options. Accordingly, Hornitos has filed Advice Letter (AL) 270 to request authority to implement its CNEP.

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

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

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

The TD's recommended CNEP requirements included:

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

Hornitos' proposed CNEP includes the following components:

- Notification of Customers - On November 9, 2007, Hornitos sent out a direct mail piece explaining Caller ID, Blocking Options and Anonymous Call Rejection in addition to a clear explanation that all lines had been assigned to Complete Blocking with the instructions how to unblock lines. Also included was a pre-addressed return postcard for the customers to complete and return if they wanted to change from Complete Blocking to Selective Blocking.¹
- In addition to the notification letter and ballot, a letter was sent to the customers confirming the changes they requested from Complete Blocking to Selective

¹ The above notification specifically stated in several places that all customers had been assigned Complete Blocking (Maximum Privacy Protection) and would not be changed to Selective Blocking unless they either returned the postcard or called the business office requesting such a change. No special notifications to non-published and non-listed customers because they automatically received the maximum privacy protection.

Blocking with a sticker for their telephone explaining how to use Selective Blocking.²

- Employee Training - Hornitos states that their employees have been trained on Caller ID procedures for many years. The company is committed to train its employees and to ensure that their customers fully understand the importance of educating the public about Caller ID and blocking options. Caller ID training is provided in their Advanced Calling Services, Computer-Based Training. Call Blocking and Caller ID Blocking Training is provided in their TDS Basic Product and Services - Residential e-learning. In addition to the training sessions, information is also available on the company's intranet.
- Media Coverage - There is no local radio station. Newspaper notice announcing the switch replacement and Caller ID Blocking will be published in the local paper on February 29, 2008.
- Community Outreach - Includes community meetings, personal contact with agencies or businesses that have an important "need to know" status and personal customer contacts by business office customer service representatives. Hornitos employees will meet with vulnerable customers to CPN passage such as Quechan Indian Nation organization to present instruction and information and to identify customers who require special education.
- Customer awareness level - Hornitos will track those customers changing from Complete Blocking to Selective Blocking. Hornitos anticipates achieving the necessary conversion rate by May 19, 2008.
- Ongoing Education - Hornitos states that its ongoing consumer education program will consist of:
 - 1) After Business Hours - will utilize a Virtual Business Office that allows customers to speak directly to Customer Service Representatives (CSR) and provides expanded telephone coverage hours. Customers calling the business office number listed on the notice and ballot will be able to speak to a live representative 24 hours a day, 7 days a week.
 - 2) New Customer Education - when customers sign up for service, the CSR will explain the two blocking options and will ask the customer to make a

² Due to special circumstance encountered with Hornitos' switch-cut requiring automatic assignment of Complete Blocking to all lines, the customer notification and blocking selection is well underway. Additional notification is not necessary since the customers have been provided the Maximum Privacy Protection

blocking selection. New customers will also receive a copy of the Caller ID blocking notice as a part of their welcome package.

- 3) Confirmations and Telephone Stickers - On an ongoing basis, as customers make their blocking choice when placing an order or change their blocking preference; Hornitos will provide them a confirmation letter and telephone stickers.
- 4) Information regarding customer blocking options is included in AT&T's directory provided to the customers.³
- 5) Hornitos will send an annual notice regarding the CPN and blocking options.
- 6) Its monthly billing statements will include a line item that indicates the blocking option assigned to the customer's telephone number.

Notice/Protests

AL 270 was filed on November 9, 2007, and appeared in the Commission Daily Calendar on November 14, 2007. Hornitos states that a copy of the Advice Letter 270 was mailed to the interested utilities and/or parties. CD received no protest to AL 270.

Discussion

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

Communications Division (CD) has reviewed Hornitos' AL No. 270 and finds that Hornitos has filed a thorough CNEP document, which adequately fulfills the Commission's guidelines to educate customers about the passing of their CPN. Hornitos should report to the Director of Communications Division on or before May 19, 2008, the level of customer's awareness levels achieved by its effort.

We agree with CD that Hornitos has made a CNEP filing that is in conformance with our previous decisions. CD may authorize Hornitos to begin passing CPN, if a

³ Hornitos uses AT&T telephone directory.

minimum of 70% of Hornitos customers have made a blocking option choice. Hornitos will not be allowed to begin passing CPN until it has received a 70% return of blocking request option ballot from its customers. We find CD's recommendation to be reasonable.

In accordance with P.U. Code Section 311 (g)(1), CD mailed copies of the original draft Resolution on December 21, 2007, to Hornitos and other interested parties. No comments were filed on this resolution.

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

Findings

1. Hornitos filed its proposed Customer Notification Education Plan (CNEP) on November 9, 2007 in Advice Letter No. 270.
2. Hornitos has installed the equipment that would allow customer's Calling Party Numbers (CPNs) to be transmitted on calls between states.
3. The Telecommunications Division sent the small Local Exchange Carriers (LEC) a letter on February 14, 1996, outlining the minimum requirements for a small LEC.
4. Hornitos' proposed CNEP meets the minimum requirement for a small LEC.
5. Hornitos will furnish the Director of the Communications Division, on or before May 19, 2008, a report stating on a month to month basis, the number of its customers choosing a blocking option, or being assigned to Selective Blocking.
6. This draft resolution was mailed to the parties in accordance with PU Code Section 311 (g) (1).

THEREFORE, IT IS ORDERED that:

1. Hornitos Telephone Company, dba TDS Telecom (Hornitos) Advice Letter No. 270 requesting authorization to implement its Customer Notification and Education Plan (CNEP) is granted.
2. Hornitos Telephone Company shall file a report, no later than May 19, 2008 to the Director of the Communications Division showing the number of customers choosing a blocking option, from Complete Blocking to Selective Blocking, on a month to month basis.
3. The Communications Division may authorize Hornitos to begin passing CPN once a minimum of 70% of Hornitos customers have made a blocking option choice.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on January 31, 2008. The following Commissioners approved it:

/s/ PAUL CLANON

PAUL CLANON
Executive Director

MICHAEL R. PEEVEY
President
DIAN M. GRUENEICH
JOHN A. BOHN
RACHELLE B. CHONG
TIMOTHY ALAN SIMON
Commissioners