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Ratesetting

TO PARTIES OF RECORD IN APPLICATION 16-12-005:

This is the proposed decision of Administrative Law Judge Robert W. Haga. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's April 27, 2017 Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties of record may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.

The Commission may hold a Ratesetting Deliberative Meeting to consider this item in closed session in advance of the Business Meeting at which the item will be heard. In such event, notice of the Ratesetting Deliberative Meeting will appear in the Daily Calendar, which is posted on the Commission's website. If a Ratesetting Deliberative Meeting is scheduled, ex parte communications are prohibited pursuant to Rule 8.3(c)(4)(B).

/s/ KAREN V. CLOPTONKaren V. Clopton, Chief
Administrative Law Judge

KVC:lil

Attachment

Decision **PROPOSED DECISION OF ALJ HAGA** (Mailed 3/28/2017)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of the North American
Numbering Plan Administrator, on behalf of
the California Telecommunications Industry,
for Relief of the 619 Numbering Plan Area.

Application 16-12-005
(Filed December 15, 2016)

**DECISION GRANTING REQUEST FOR THE
NUMBERING PLAN AREA BOUNDARY ELIMINATION
OVERLAY IN THE 858 AND 619 AREA CODES**

Table of Contents

| <u>Title</u> | <u>Page</u> |
|---|-------------|
| DECISION GRANTING REQUEST FOR THE NUMBERING PLAN AREA BOUNDARY ELIMINATION OVERLAY IN THE 858 AND 619 AREA CODES . 1 | |
| Summary | 2 |
| 1. Background..... | 4 |
| 2. Need for a New Area Code..... | 8 |
| 3. Merits of a Split Versus Overlay Versus Boundary Elimination Overlay..... | 8 |
| 4. Public Meeting and Comments | 10 |
| 5. Adopted Relief Plan | 13 |
| 6. Public Education Program (PEP)..... | 15 |
| 6.1. Background | 15 |
| 6.2. Discussion | 18 |
| 6.3. Public Notifications Requirements and Schedule..... | 21 |
| 6.4. Potential for Continuation of the PEP Beyond the Overlay Opening Date..... | 21 |
| 6.5. Shared Responsibility for PEP Funding | 21 |
| 7. Categorization and Need for Hearing | 22 |
| 8. Comments on Proposed Decision | 22 |
| 9. Assignment of Proceeding | 22 |
| 10. Findings of Fact..... | 23 |
| 11. Conclusions of Law | 24 |
| ORDER | 27 |
| ATTACHMENT A - 619/858 Public Education Plan | |
| ATTACHMENT B - Rate Center and Cities Map of NPA Boundary Elimination Overlay of CA 619 and 858 Area Codes | |

**DECISION GRANTING REQUEST FOR THE
NUMBERING PLAN AREA BOUNDARY ELIMINATION
OVERLAY IN THE 858 AND 619 AREA CODES**

Summary

By this decision we grant the Application, filed by the North American Numbering Plan Administrator (NANPA) on behalf of the California Telecommunications Industry (Industry), requesting approval of a numbering plan area (NPA) boundary elimination overlay for the 619/858 NPAs with a 13-month implementation schedule.¹ A boundary elimination overlay will provide additional numbering resources to meet the demand for telephone numbers. We adopt the recommended implementation time frame included in NANPA's Application. In addition, we adopt a public education program, as set forth in Attachment A herein, to facilitate public acceptance and understanding relating to implementation of the boundary elimination overlay area code relief.

After the 13-month implementation period, the boundary between the existing 619 and 858 NPAs will be eliminated and the 619 and 858 NPAs will be assigned within the same geographic areas occupied by the existing 619 and 858 NPAs. All 619 NPA and 858 NPA customers will retain their current telephone numbers; however, once the relief plan is implemented, customers must dial the numeral "1" plus the three-digit area code plus the seven-digit line number for all calls to and from telephone numbers with the 619 and 858 area codes. This

¹ As a neutral-third party administrator, NANPA has no independent view regarding the relief option proposed in the application made on behalf of the industry. The "industry" is composed of current and prospective telecommunications carriers operating in, or considering operations with the 619 and 858 area codes. The 858 NPA is the geographic area served by the 858 area code, and the 619 NPA is the geographic area served by the 619 area code. For convenience and because it is common practice, we refer to both the area code and the NPA in the same way as either the "858 area code," or "619 area code."

dialing procedure is referred to as “1+10-digit dialing.”² Customers may begin using this new dialing procedure beginning six months after the effective date of this decision, and may continue to do so for six months thereafter, i.e., during the “permissive dialing period.”³ In this manner, customers will have a six-month introductory period in which to get used to the 1+10-digit dialing procedure while retaining the option to continue using 7-digit dialing within their home NPA. However, customers must use the new dialing procedure, 1+10-digit dialing as described herein, at the start of the mandatory dialing period. Once the mandatory dialing period begins, if a caller attempts to use 7-digit dialing within the 619/858 NPA, the call cannot be completed.

No customers will be required to change their telephone number. New telephone numbers with the 858 area code will be issued to customers within the current 619 area code boundary, as required by demand, beginning in the month after the start of the mandatory dialing period.⁴ Central office codes from the 619 overlay NPA will be assigned upon request within the 858 NPA area upon the effective date of the boundary elimination, and conversely,

² In its *Second Report and Order and Memorandum Opinion and Order (Second R&O)*, FCC 96-333, the Federal Communications Commission (FCC) adopted a rule for overlays that required “mandatory 10-digit dialing by all customers between and within area codes in the area covered by the new area code.” (*Second R&O*, at ¶ 286; *see also*, 47 C.F.R. § 52.19(c)(3)(ii).) The California Public Utilities Commission adopted an identical requirement in Decision 96-12-086.

³ The industry proposed general time intervals for each implementation phase, but requested flexibility to select specific implementation start dates to avoid conflict with other overlay implementations occurring across the country.

⁴ Service providers that have been allocated blocks of 858 NXX numbers will continue to assign 858 area code sequentially, that is, on a first-come, first-served basis, to new customers until their blocks are exhausted as required by FCC regulation.

858 NPA central office codes may be assigned upon request in the 619 NPA area upon the effective date of the boundary elimination.

This proceeding is closed.

1. Background

The 619 numbering plan area (NPA) was created in 1982 from a geographic area code split off the original 714 NPA. In 1997, the 760 NPA was split off the 619 NPA. In 1999, the 858 NPA was split off the 619 NPA.

The 858 NPA serves the northern portion of the City of San Diego along with the adjacent cities of Del Mar, Poway, Solana Beach and a small portion of the City of Encinitas as well as an unincorporated area of San Diego County.

There are eleven rate centers in the 619 NPA of which six serve the City of San Diego. The 858 NPA has eight rate centers and all serve the City of San Diego. Also, a small portion of the City of San Diego and other cities in northern San Diego County are served by the 760/442 NPA overlay complex, which requires 1+10-digit dialing.

The October 26, 2015 NRUF (Number Resource Utilization Forecasts) indicated that the 619 NPA would be exhausted in the first quarter of 2019 and the 858 NPA projected life was beyond thirty years. The updated October 2016 NRUF indicated number exhaustion in the 619 NPA by the fourth quarter of 2018.

The area served by the 619 NPA is largely made up of the City of San Diego, the state's 2nd most populated city of over 1.3 million people, as well as neighboring cities and unincorporated portions of San Diego County. Today the 619 NPA principally serves the southern portion of the City of San Diego and the adjacent cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Santee and unincorporated areas of San Diego

County. This NPA has a mix of metropolitan city, suburban cities with residential, commercial and light industrial areas. The 619 NPA is bordered on the north by the 858 NPA, to the east by the 760/442 NPA overlay complex, to the west by the Pacific Ocean, and to the south by Mexico.

From 1947 to January 1997, the number of area codes in this state increased gradually from 3 to 13. During the following three years, however, the number of area codes in California nearly doubled. By the end of 1999, California had 25 area codes. As a result of the dramatic increase in the use of telephone numbers, the California Public Utilities Commission (CPUC or Commission) implemented several measures intended to ensure efficient use of telephone numbers. Without the implementation of major number conservation measures, the California Telecommunications Industry (Industry) had plans underway to add 22 more area codes in California by the end of 2003, resulting in a statewide total of 47 area codes. However, as a result of the number conservation measures instituted by the Commission, California has only added seven new area codes since 1999, and now has 32 active area codes in the state.

With the implementation of thousand-block number pooling⁵ and other conservation measures, the life of the 619 and 858 area codes have been extended, thus delaying for many years the need for a new area code or other Commission intervention in those area codes. Conservation measures implemented beginning in 1999 have now run their course, and the remaining

⁵ Originally, telephone numbers were assigned to service providers in 10,000 block groups. Thousand-block number pooling implemented a new resource allocation system to divide a prefix or central office code (NXX code), which is a group of 10,000 telephone numbers, into ten sequential blocks or groups of 1,000 telephone numbers allowing the allocation of telephone numbers in blocks of 1,000. This system allows multiple service providers operating in the same rate area to share the ten thousand-blocks in a prefix at the thousand-block level.

supply of telephone numbers (known as central office codes or prefixes) in the 619 area code have dwindled to the point that some relief is needed.

Based upon the projected exhaustion of the 619 NPA, NANPA began the relief planning process by announcing the need for relief and distributing initial relief planning documents to the Industry on December 16, 2015, and January 12, 2016. NANPA then facilitated a relief planning meeting on January 20, 2016. NANPA kept the Commission staff informed of the Industry's efforts throughout the process including sending a notification letter to the Commission on March 30, 2016.

NANPA distributed a planning document to the Industry which contained descriptions, maps, general facts and assumptions, and projected lives of two area code relief alternatives: an NPA boundary elimination overlay (i.e., Alternative 1) and an all-services distributed overlay (i.e., Alternative 2).

In Alternative 1, the boundary between the existing 619 and 858 NPA codes would be eliminated and the 619 and 858 NPAs would be assigned to the same geographic areas occupied by the existing 619 and 858 NPAs. Customers in those NPAs would retain their current telephone numbers; however, 1+10-digit dialing for all calls by all customers within and between the 619 and the 858 NPAs would be required. Central Office (CO) Codes in the 858 NPA will be assigned upon request in the 619 area upon the effective date of the new area code boundary and 619 NPA CO codes would be assigned upon request in the 858 NPA area. Currently, there are eight rate centers in the 858 NPA and the NPA has a forecasted exhaust beyond 30 years. Eliminating the boundary to include the 619 NPA would result in a projected life of approximately 17 years for Alternative 1.

In Alternative 2, the all services overlay, a new area code would be

assigned to the same geographic area occupied by the existing 619 NPA. The 619 NPA customers would retain their current telephone numbers; however, 1+10-digit dialing for all calls placed within and between the 619 NPA and the new NPA would be required. CO codes in the new overlay will be assigned upon request in the 619 NPA upon the effective date of the new area code. Upon exhaustion of the 619 NPA, all future CO code assignments will be made from the new overlay area code.

The boundary elimination overlay (Alternative 1), would provide a uniform dialing pattern for the entire San Diego County, as well as the City of San Diego, as there are currently other cities in the county and a portion of San Diego already using the 1+10-digit dialing pattern. Additionally, two 619 NPA CO codes are currently assigned within the 858 NPA rate centers due to grandfathering from the 619 split implemented in 1999. They would be considered candidates for thousand block pooling.

Alternative 1 would not require the opening of a new area code for relief of the 619 NPA, but requires customers in both the 619 and 858 NPAs to change to the 1+10-digit dialing pattern. Alternative 2 only requires customers in the 619 NPA to change to the 1+10-digit dialing pattern but leaves a portion of the City of San Diego and San Diego County in the 858 NPA with inconsistent dialing patterns from the rest of the city and county. Alternative 2 would also require opening a new area code.

The Industry members reached consensus to recommend Alternative 1, the NPA boundary elimination overlay, to the Commission as their choice of relief for the 619 NPA. The Industry also reached consensus to recommend a 13-month schedule for implementation.

2. Need for a New Area Code

Pursuant to Pub. Util. Code §§ 7936 and 7943(c), before approving any new area code, the Commission must obtain utilization data from NANPA for any area code for which a change is proposed. The Commission must then perform a telephone utilization study and implement all reasonable telephone number conservation measures. Where there is no reasonable alternative other than to create a new area code, the Commission must do so in a way that creates the least inconvenience for customers.⁶

As set out above, the Commission adopted number conservation measures that extended the life of the 619 area code. Despite these measures, NANPA now projects that absent NPA relief, the 619 area code will be exhausted during the fourth quarter of 2018. NANPA fully supported the projection for the 619 area code by providing utilization data and performing a utilization study on the 619 area code.⁷ The Commission's Communication Division (CD) reviewed the utilization data and study and agrees that the 619 area code will be exhausted in the fourth quarter of 2018. Thus, we conclude that the statutory requirements of §§ 7936 and 7943(c) have been satisfied, and relief plan implementation for the 619 and 858 NPAs is required.

3. Merits of a Split Versus New Area Code Overlay or a Boundary Elimination Overlay

A split allows some existing customers to retain their current area code, in addition to retaining their 7-digit line number, while others will not. Those

⁶ Cal. Pub. Util. Code § 7943(a).

⁷ The initial utilization data and study consists of NANPA's February 13, 2015 update to its October 2014 Number Resource and Utilization Forecast and NPA Exhaust Analysis, which form the basis for NANPA's exhaust forecast. Subsequent updates are available at https://www.nationalnanpa.com/reports/reports_nruf.html.

customers whose area code changes would incur the cost and inconvenience of having to notify family, friends, and those they do business with of the change. In the case of some businesses, they will also incur costs for new business cards, stationary, signage, advertising, etc., and may lose business because existing or potential customers are not made aware of the area code change. All customers will have to dial 1 plus the area code and the new phone number (1+10 digit dialing) to reach customers who are on the opposite side of the geographic demarcation between the existing area code and the new area code.

An overlay of a new area code requires no customers to change area codes or their current 7-digit line number. However, they will have to use 1+10-digit dialing for all calls, including those dialed within the same area code that currently only requires 7-digit dialing. When an area code splits, carriers can obtain additional numbers in either the new or the old area code, as the split doubled the quantity of numbers available, but “splits” them between two area codes separated by an invisible geographic boundary. In contrast, when an area code overlay is introduced, the new area code is introduced over the same geographic area as the old area code, but the new area code contains a full complement of new prefixes and line numbers. In an overlay, carriers assign numbers in the new, overlaid, area code, but also may continue to assign to customers unassigned numbers in the old area code if available. After all old area code numbers are assigned, a carrier can only obtain numbers in the new area code. Pursuant to Public Utilities Code Section 7933, creation of a new area code does not affect what is charged for the call. However, all customers with a 619 area code would have to use the 1+10-digit dialing for all calls.

Unlike a new area code overlay, a boundary elimination overlay does not introduce an additional area code. As with the introduction of a new area code

overlay, however, boundary elimination overlay does not require customers to change area codes or their current 7-digit line number. Customers will have to use 1+10-digit dialing for all calls, including those dialed within the same 619 or 858 area codes that currently only requires 7-digit dialing. A boundary elimination overlay effectively undoes a previous area code split to combine the areas previously served by two area codes into a single geographic area served by both area codes like a traditional overlay. When a boundary elimination overlay is introduced, both area codes are available to be used over the same geographic area that each individually served before the change. In a boundary elimination overlay, carriers may assign any unassigned number to customers from either area code if available. As one of the area codes in a boundary elimination overlay will be nearing exhaustion, carriers will eventually only obtain new numbers from the other area code. In this case, the boundary between the 619 and 858 area codes will be eliminated, thereby blending the two area codes together. The 619 area code would serve the 858 area code region in addition to the existing 619 area code region. The 858 area code would likewise serve both the current 619 and the current 858 area code regions. Pursuant to Pub. Util. Code § 7933, a boundary elimination overlay does not affect what is charged for the call. However, all customers with a 619 or 858 area code would have to use the 1+10-digit dialing for all calls.

4. Public Meeting and Comments

Section 7931(e)(2) of the Public Utilities Code requires NANPA and Commission staff to conduct at least one meeting for representatives of local jurisdictions and three public meetings within nine months from when NANPA informs the Commission of the need for an area code change. The purpose of the meetings is to inform the local representatives and the public about the area code

change options and provide a forum for them to voice their opinions concerning the proposed options.

With CD's participation, the NANPA held relief planning meetings with the Industry on October 4-5, 2016. The Commission's CD Staff requested that NANPA prepare an area code split option to present to the public as an example, even though a split cannot meet the "Relief Planning Guidelines," and was not recommended by the Industry.⁸ The CD staff presented the boundary elimination overlay, Alternative 1; an all services distributed overlay, Alternative 2; as well as a split alternative at the three local jurisdiction and public meetings held in San Diego, Solana Beach, and Pine Valley on October 4-5, 2016. On November 10, 2016, NANPA held another relief meeting to allow the Industry members to discuss the results of the local jurisdiction and public participation meetings and to finalize the Industry's recommendation to the Commission.

At the meetings, attendees were given the option to provide feedback about the area code change by commenting orally or in writing using comment forms. Attending the City of San Diego meeting on October 4, 2016, was a mix of the general public, local jurisdiction officials, telecommunication service provider representatives, and media representatives. Attendees largely appeared to accept the proposed boundary-elimination overlay plan. There were few inquiries and comments at the meeting. Several media reporters were present to cover the event.

⁸ In particular, implementing an area code split would result in a significant imbalance in the lives of the 619 and 858 NPAs. The Relief Planning Guidelines call for balancing the lives of the two NPAs in order to minimize the need for subsequent relief plans.

At the San Diego meeting, an official representing the San Diego Police Department inquired about the implementation timeline of the overlay plan. Also at the San Diego meeting, an attendee provided written comment supporting the boundary-elimination overlay.

A total of 14 verbal and written comments were received at the public meetings and/or via emails sent to the Public Advisor's Office. Of the comments received, two written comments, one submitted by an attendee at the San Diego meeting and the other by a commenter via email to the Public Advisor's Office, opposed the boundary-elimination overlay, asserting that: (1) the overlay negatively affect the elderly and disabled who have difficulty dialing 11 digits; and (2) the overlay is confusing, as Otay Mesa and San Ysidro are the only South Bay communities with the 858 area code, and the proposal should include geographical consistency.

The Public Advisor's Office received the following comments by e-mail:

- (1) Eight comments concern whether customers have to change their phone numbers and area codes;
- (2) One commenter stated that he could not attend the scheduled public meetings;
- (3) Another commenter, who currently has not 619 area code, misunderstood that her area code would change, and inquired if she would need to wait until the area code change to have better service quality; and
- (4) The remaining email comment indicated that the proposed plan is confusing and should include geographic consistency.

Telecommunications service provider representatives attended the Solana Beach meeting on October 4, 2016, and the Pine Valley meeting on October 5, 2016. However, the two meetings had no general public or local jurisdiction participants, likely because the Solana Beach meeting was conducted in the

evening at a community center hall where an adult computer class was occurring simultaneously. Also, the Pine Valley meeting was held in a sparsely populated unincorporated area of San Diego County.

5. Adopted Relief Plan

We approve the 619/858 NPA relief plan identified as Alternative 1, and direct that it be implemented. As requested by the Industry, while we adopt the general time intervals recommended for implementation, we allow the Industry to select the specific implementation start dates to avoid conflict with other overlay implementations occurring across the country. We thus approve the following implementation schedule:⁹

| Event | Time Interval |
|--|---------------|
| Start of customer education and network preparation | 6 months |
| Permissive 7-digit and 1+10-digit dialing period (calls within the 619 and 858 NPAs can be dialed using 7 or 1+10 digits) and continued customer | 6 months |
| End of permissive dialing and start of mandatory 1+10-digit dialing Period | |
| NPA Boundary Elimination Completed (effective date for CO codes to be assigned from the 858 and 619 NPAs in both areas) | 1 month |
| Total implementation period | 13 months |

By taking action today to implement the boundary elimination overlay for the 619 and 858 area codes we will delay the consumption of finite numbering

⁹ We address the schedule for a Public Education Program in Section 6 below.

resources. It is not in the public interest to use up a resource today that we may not need for a number of years.

In D.96-12-086, in response to public comments, we adopted a policy calling for the use of geographic splits for all area code relief plans in California through the year 2000. This policy favoring area code splits was adopted as overlays were initially met with resistance in California and across the nation.¹⁰ Eventually overlay plans were used much more widely in some areas than others. For example, the northern third of Ohio is covered by two large overlay complexes, as is northern Georgia. Connecticut, Illinois, Oregon, New Jersey, Massachusetts, Maryland, and Texas have also used many overlays. Similarly, California has implemented overlays in the last six area code exhaust situations such that now six of 27 areas have overlays. The first overlay in California was implemented in July 2006 (424 overlay of the 310). Nationally, there has been no area code splits since 2007 (with area code 575 splitting off 505 in New Mexico), and there are no splits currently proposed. As with the current case, customers in California have come to favor overlay plans as it causes the least inconvenience for consumers.

The use of the boundary elimination overlay means that all current telephone subscribers will be allowed to retain their current telephone numbers after the area code change is implemented.

At the public meetings, some members of the public expressed opposition to any change. While we are sympathetic to the concerns expressed, some level

¹⁰ For example, in the implementation of the 847 area code overlay of the 224 area code in northwestern Chicago and the 646 overlay of the 212 in New York City, an overlay was an additional disruption to a community which had already been subject to one or multiple code splits.

of inconvenience and change is inevitable to expand the supply of telephone numbers available in this region to avoid running out of numbers. Ceasing to issue new telephone numbers is not a viable option. Overall we conclude that Alternative 1 (i.e., the boundary elimination overlay) will cause the least inconvenience for consumers and is the preferred option.

Alternative 1 will provide a uniform dialing pattern for all San Diego County, as well as the City of San Diego. Other cities in the county already use 1+10-digit dialing (i.e., the 760/442 NPA overlay). Alternative 1 will require more customers to change to 1+10-digit dialing and require 858 NPA customers to change dialing. Alternative 1, however, will avoid opening up a new NPA for San Diego. Alternative 2 may be simpler for just the 619 NPA customers, but would leave a portion of the City and County of San Diego County in the 858 NPA with inconsistent dialing from the rest of the City and County. Alternative 2 would also require opening up a new area code for San Diego. Given these factors, we adopt Alternative 1.

6. Public Education Program (PEP)

6.1. Background

In Decision (D.) 96-12-086, in Rulemaking (R.) 95-04-043 and Investigation (I.) 95-04-044, we decided that an appropriate customer education program was necessary when instituting overlays to explain the concept of an overlay, the fact that the new dialing procedure will not affect the distinction between local and toll calls or the rates charged for the calls, and the mandatory 1+10-digit dialing procedure. We also required the Industry to correct signage for dialing instructions on payphones and in directories.

In D.98-05-021, in R.95-04-043 and I.95-04-044, we:

- Required service providers to institute an instructional announcement directing callers to dial 1+10-digits indefinitely after implementing the overlay;
- Required the PEP to communicate changes associated with the overlay to children, the elderly, the disabled community, and the various ethnic groups in the region;
- Prioritized the education of those entities that will need to reprogram equipment due to the new dialing procedure, such as alarm companies;
- Required the PEP to inform customers how to dial directory assistance to locate numbers applicable to different area codes within the overlay region;
- Required the use of press releases, television and radio announcements, billing inserts and the updating of telephone directories; and
- Extended the coverage of the PEP to include not only the region in which the overlay will be implemented, which should be the first priority, but also the adjacent area codes and, to a lesser extent, the whole state.

In D.98-12-081, in R.95-04-043 and I.95-04-044, we set four major objectives for the PEP:

- Public awareness of the change in dialing patterns and area code identification resulting from implementation of the overlay;
- Public understanding of how they will be affected by the change and the rationale behind the change;
- Public assurance that the cost and quality of service will not be adversely affected; and
- Promotion of positive acceptance by customers of the change.

In D.98-12-081, we required:

- The operation of a call center for consumers to obtain information regarding the overlay;

- Targeted paid advertising in the relevant zoned editions of major newspapers as well as newspapers targeted to ethnic communities;
- Bill insert notices to the adjacent area codes;
- Limited use of billboard and radio advertising; and
- Mailing of letters, brochures, and collateral materials to local government officials in the overlay and adjacent area codes.

In D.05-08-040, in R.95-04-043 and I.95-04-044, we required:

- The activities and standards previously required for the 310 and 408 overlay PEPs to achieve at least a 70 percent public awareness level;
- PEP outreach efforts to specifically target key governmental agencies, community leaders, chambers of commerce, major airports, hospitals, alarm providers, pay telephone providers and the state coordinator for E-911; and
- Special outreach to senior citizens, children, the disabled, and ethnic minorities including targeted newspaper, billboard, radio, and television advertising.

In D.08-04-059, we ordered a PEP to facilitate implementation of an overlay for the 818 area code. Specifically, we ordered the PEP to be implemented through the creation of an Industry task force responsible for funding the PEP and managing the PEP fund.¹¹

Similarly, in D.11-10-031 on October 20, 2011, we ordered a PEP for the 408 area code overlay, and in D.03-05-013 on December 19, 2013, we ordered a PEP for the 415 area code overlay. The PEP ordered in both of those decisions was consistent with the PEP in D.08-04-059 and D.08-10-038, which included

¹¹ D.08-04-079, Findings of Fact, 6 through 22 at 17-19.

removing the specific outreach to children as the prior awareness surveys showed that had not impacted consumer awareness.

NANPA's application included a consensus statement from the Industry asking the Commission to refrain from ordering the Industry to fund task-specific PEP elements, but instead to permit the Industry to work together voluntarily as a committee to develop customer education materials and methods.

The Industry argues that it has successfully implemented more than 30 other overlays within the United States over the last 10 years, including 6 overlays in California. Based on that experience and the customer education model developed in other states, the Industry argues that CPUC-mandated task-specific PEP funding is no longer necessary.

6.2. Discussion

We adopt a PEP for implementation of the 619/858 boundary elimination overlay in compliance with Pub. Util. Code § 7931. Specifically, we adopt a PEP implementation plan based on the minimum requirements authorized in previous decisions, the common Industry practices included in the PEPs ultimately implemented pursuant to those decisions. We have also considered the Industry consensus statement in developing the PEP implementation plan adopted in this decision and included as Attachment A. However, the Industry consensus statement is not persuasive in showing that the Industry's education model will ensure a successful relief implementation without the specific CPUC oversight and rigor of a funded PEP.

Previously, we have authorized our staff to oversee the finalization and implementation of the PEP for overlay relief plans.¹² Accordingly, we direct the CD Director to perform this function with respect to the PEP approved here. In doing so, the CD Director may designate CD staff to carry out these tasks.

In earlier decisions, we specified a budget for the PEP.¹³ In a more recent NPA relief decision, we did not specify a budget, concluding that the Industry has acquired sufficient experience with previous PEPs to determine the specifics of the budget.¹⁴ For similar reasons, we see no need to specify a specific PEP budget here. We require the Industry, however, to fund the PEP as necessary to achieve at least a 70 percent customer awareness and understanding of the change in dialing patterns and area code identification resulting from implementation of the overlay, how they will be affected by the change and the rationale behind the change. The 70 percent awareness requirement is consistent with our policy in prior PEP implementations dating back to D.05-08-040, and shall be applied here across all major customer groups.

In previous decisions, we have utilized an Industry task force to implement the PEP and manage the PEP fund. We do so here, and require this Task Force to include Commission staff and representatives from the service providers holding numbering resources in the 619 and 858 area codes as of the effective date of this decision. We require the Task Force to develop a reasonable means of delineating the division of responsibility for the PEP activities so that adequate tracking and compliance can be assured. The Task Force will be

¹² D.98-12-081, Ordering Paragraph 7.

¹³ D.98-12-081, Ordering Paragraph 1.

¹⁴ D.16-07-014 in A. 15-11-017. (Approving 323/213 NPA Boundary Elimination.)

responsible for developing the materials and content of the PEP, maximizing the use of prior PEP efforts, and conforming to the requirements of this decision.

We authorize the CD Director to require sufficient Industry contributions to the PEP budget fund to achieve the 70 percent customer awareness requirement. As the content of the PEP will contain similar activities as used in prior PEPs that have achieved the 70 percent customer awareness requirement, we will not require a statistically significant survey of customers to determine whether the 70 percent requirement has been met. As long as a similar level of effort and resources are put forth by the members of the Task Force, there is little chance that the 70 percent requirement will not be met, and the cost of designing and conducting a well-balanced and statistically significant survey of customers exceeds the benefits of that survey. The Task Force will ensure that their efforts target not only the general public, but specifically ensure that at least 70 percent of senior citizens, the disabled, and ethnic minorities are aware of the 619/858 boundary elimination overlay.¹⁵

If necessary to ensure the success of the PEP, the CD Director may require the Task Force to employ outside professional assistance in PEP implementation.

PEP educational, outreach, and advertising materials shall explain the type of area code change being implemented and the new dialing procedure, identify the region covered by the overlay, and explain that the cost and quality of telephone service will not be adversely affected by the change. The materials should also address the permissive dialing period, the mandatory dialing period, the tasks consumers should do in preparation of the overlay, and the reasons for

¹⁵ Senior citizens are defined as those 65 and older.

adding a new area code. The Task Force shall submit all PEP educational, outreach, and advertising materials to the CD Director for review and approval.

6.3. Public Notifications Requirements and Schedule

Sections 7931(f)(2) and (g) require written notices to be included with affected customer bills outlining the transition dates, the date the new area code is effective and descriptions of the geography and prefixes to be included in the new area code. This requirement does not adequately contemplate the introduction of a boundary elimination overlay area code where the geography and eventually, the prefixes, of the new area code will be identical to the old area code. We conclude, therefore that notices that discuss the impacted geography as the entire area code without discussion of the prefixes, and discuss transition and final dates will be sufficient to meet these statutory requirements.

6.4. Potential for Continuation of the PEP Beyond the Overlay Opening Date

In D.99-06-087, we determined that a second-phase PEP extending beyond the opening of the overlay area code might be necessary to promote necessary public awareness regarding the overlay. Therefore, the CD Director shall monitor the effectiveness of the PEP and, if sufficient actions have not been taken to achieve the 70 percent customer awareness requirement by the end of the 13-month implementation period, shall require the task force to continue the PEP to achieve the requirement.

6.5. Shared Responsibility for PEP Funding

Similar to the funding mechanism established in D.08-04-059 for the 818 area code PEP, we shall require PEP funds for tasks jointly assigned to all the service providers to come from those service providers holding thousand-blocks of telephone numbers in the 619 and 858 area codes as of the effective date of this

decision. The amount collected from each service provider shall be in proportion to the relative percentage of thousand-blocks that it holds as of the effective date of this decision. Any additional assessments or refunds shall be made on the same basis. Individual service provider costs for service provider-specific tasks shall be the responsibility of each service provider.

The Task Force shall arrange for adequate accounting of the PEP fund to ensure it is properly managed. The budget shall not include the labor costs of each service provider's representatives on the task force. The task force shall periodically report to the CD Director concerning the details of collections and disbursements.

7. Categorization and Need for Hearing

In Resolution ALJ 176-3391, dated January 19, 2017, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were not necessary. No protests have been received. There is no apparent reason why the application should not be granted. Given these developments, it is not necessary to disturb the preliminary determinations.

8. Comments on Proposed Decision

The proposed decision of ALJ Haga in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on ____, and reply comments were filed on ____ by ____.

9. Assignment of Proceeding

Liane M. Randolph is the assigned Commissioner and Robert W. Haga is the assigned Administrative Law Judge in this proceeding.

10. Findings of Fact

1. In June 1999, because the 619 area code was forecast to run out of prefixes, the Commission ordered a geographic split creating the 858 area code.

2. The introduction of one-thousand block number pooling of numbering resources since 2000 has extended the projected lives of the California area codes including the 619 and 858 area codes.

3. The conservation measures have run their course, and absent a new relief plan, the 619 area code is forecast to reach exhaustion in the fourth quarter of 2018.

4. Pursuant to California Pub. Util. Code §§ 7936 and 7943(c), before approving any new area code, the Commission must obtain utilization data from NANPA for any area code for which a change is proposed, perform a telephone utilization study and implement all reasonable telephone number conservation measures.

5. Pursuant to § 7943(a), where there is no reasonable alternative other than to create a new area code, the Commission must do so in a way that creates the least inconvenience to customers.

6. CD reviewed the utilization data and study provided by NANPA and agrees that the 619 area code will exhaust in the fourth quarter of 2018.

7. The meetings required by § 7931(e)(2) were conducted as discussed herein.

8. Although the boundary elimination overlay will require more customers to change to 1+10-digit dialing and require 858 NPA customers to change dialing, it will not require customers to change their numbers and it will avoid opening up a new NPA for San Diego.

9. The 619/858 NPA boundary elimination overlay as proposed by the NANPA will cause the least inconvenience for consumers in comparison to other possible alternative plans.

10. The application is not persuasive in claiming that Commission oversight and task-specific funding of PEPs in California are no longer necessary to provide an appropriate level of public acceptance and understanding of the overlay.

11. The Commission has determined that there is a need for a PEP as set forth in Attachment A is necessary to facilitate implementation of the boundary elimination overlay.

12. The Industry proposal to work together to educate the public about the boundary elimination overlay falls short of the minimum amount of specific verifiable actions that the Commission requires to implement an appropriate level of public acceptance and understanding of the area code relief plan.

13. In previous decisions, we have utilized an Industry task force to implement the PEP and manage the PEP fund.

14. In D.99-06-087, we determined that a second-phase PEP extending beyond the opening of an overlay area code might be necessary to promote necessary public awareness regarding an overlay.

15. A PEP is included herein as Attachment A based on PEPs used for previous overlay area code changes.

16. No protests to the application have been received.

11. Conclusions of Law

1. Since the regulatory requirements of §§ 7936 and 7943(c) have been satisfied, there most reasonable alternative is to implement a boundary elimination overlay.

2. The proposed boundary elimination overlay for the 619 and 858 area codes should be adopted.
3. The PEP included herein as Attachment A should be adopted.
4. The portions of Attachment A addressing customer notices meet the requirements of §§ 7931(f)(2) and (g).
5. The CD Director should be directed to oversee the finalization and implementation of the PEP.
6. The Industry should be required to fund the PEP as necessary to achieve at least a 70 percent customer awareness and understanding of the change in dialing patterns and area code identification resulting from implementation of the boundary elimination overlay, how they will be affected by the change and the rationale behind the change. The 70 percent awareness requirement should be across all major customer groups.
7. An Industry task force should be utilized to implement the PEP and manage the PEP fund.
8. The Task Force should include Commission staff and representatives from the service providers holding numbering resources in the 619 and 858 area codes as of the effective date of this decision.
9. The Task Force should develop a reasonable means of delineating the division of responsibility for the PEP activities so that adequate tracking and compliance can be assured.
10. The Task Force should be responsible for developing the materials and content of the PEP, maximizing the use of prior PEP efforts, and conforming to the requirements of this order.
11. The CD Director should be authorized to require sufficient Industry contributions to the PEP budget fund to achieve the 70 percent customer

awareness requirement.

12. As the content of the PEP will contain the same activities used in prior PEPs that have achieved the 70 percent customer awareness requirement, we will not require a statistically significant survey of customers to determine whether the 70 percent requirement has been met.

13. If necessary to ensure the success of the PEP, the Communications Division Director should be authorized to require the Task Force to employ outside professional assistance in the PEP implementation.

14. PEP educational, outreach, and advertising materials should explain the type or area code change being implemented and the new dialing procedure, identify the region covered by the boundary elimination overlay, and explain that the cost and quality of telephone service will not be adversely affected by the change. The materials should also address the permissive dialing period, the mandatory dialing period, the tasks consumers should do in preparation of the boundary elimination overlay, and the reasons for the area code change.

15. The Task Force should be required to submit all PEP educational, outreach, and advertising materials to the Communications Division Director for review and approval prior to their use.

16. The CD Director should monitor the effectiveness of the PEP and, if adequate actions have not been taken to achieve the 70 percent customer awareness requirement by the end of the 13-month implementation period, should require the Task Force to continue the PEP to achieve the requirement.

17. PEP funds for tasks jointly assigned to all the service providers should come from those service providers holding thousand-blocks of telephone numbers in the 858 and 619 area codes as of the effective date of this decision. The amount collected from each service provider should be in proportion to the

relative percentage of thousand-blocks that it holds as of the effective date of this decision. Any additional assessments or refunds should be made on the same basis.

18. Individual service provider costs for service provider-specific tasks should be the responsibility of each service provider.

19. The Task Force should arrange for adequate accounting of the PEP fund to ensure it is properly managed. The CD Director should be authorized to review the Task Force accounting for PEP funds.

20. The PEP budget should not include the labor costs of each service provider's representatives on the Task Force.

21. The Task Force should periodically report to the CD Director concerning the details of collections and disbursements.

22. A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. The proposed boundary elimination overlay relief plan for the 619 and 858 area codes is adopted, as filed by the North American Numbering Plan Administrator on behalf of the Telecommunications Industry. The adopted relief plan shall be implemented over a 13-month period, based on the following time intervals:

| Event | Time Interval |
|---|---------------|
| Start of customer education and network preparation | 6 months |
| Permissive 7-digit and 1+10-digit dialing period (calls within the 619 and 858 numbering plan areas (NPAs) can be dialed using 7 or 1+10 digits) and continued customer | 6 months |
| End of permissive dialing and start of mandatory 1+10-digit dialing Period | 6 months |
| NPA Boundary Elimination Completed (effective date for Central Office codes to be assigned from the 858 and 619 NPAs in both areas) | 1 month |
| Total implementation period | 13 months |

2. The Public Education Program included as Attachment A to the decision is adopted.

3. The Communications Division Director shall oversee the finalization and implementation of the Public Education Program.

4. The Industry shall fund the Public Education Program to achieve at least 70 percent customer awareness and understanding across all major customer groups of the change in dialing patterns and area code identification resulting from implementation of the boundary elimination overlay, how they will be affected by the change and the rationale behind the change.

5. A Task Force shall be utilized to implement the Public Education Program (PEP) and manage the PEP fund.

6. The Task Force shall include Commission staff and representatives from the service providers holding numbering resources in the 858 and 619 area codes as of the effective date of this decision.

7. The Task Force shall develop a reasonable means of delineating the division of responsibility for the Public Education Program activities so that adequate tracking and compliance can be assured.

8. The Task Force shall be responsible for developing the materials and content of the Public Education Program, maximizing the use of prior Public Education Program efforts, and conforming to the requirements of this decision.

9. The Communications Division Director shall monitor sufficient industry contributions to the Public Education Program budget fund to ensure they are sufficient to achieve the 70 percent customer awareness requirement.

10. The Communications Division Director shall monitor the activities of the Task Force to ensure that sufficient actions have occurred to achieve the 70 percent customer awareness requirement.

11. If necessary to ensure the success of the Public Education Program, the Communications Division Director shall require the Task Force to employ outside professional assistance for the Public Education Program implementation.

12. Public Education Program educational, outreach, and advertising materials shall explain the type of area code change being implemented and the new dialing procedure, identify the region covered by the boundary elimination overlay, and explain that cost and quality of telephone service will not be adversely affected by the change. The materials shall also address the permissive dialing period, the mandatory dialing period, the tasks consumers should do in preparation of the boundary elimination overlay and the reasons for the area code change.

13. The Task Force shall submit all Public Education Program educational, outreach, and advertising materials to the Communications Division Director for review and approval prior to their use.

14. The Communications Division Director shall monitor the effectiveness of the Public Education Program and, if the 70 percent customer awareness requirement is not met, shall direct the Task Force to continue the Public Education Program to achieve the requirement.

15. Public Education Program funds for tasks jointly assigned to all the service providers shall come from those service providers holding thousand blocks of telephone numbers in the 858 and 619 area codes as of the effective date of this decision. The amount collected from each service provider shall be in proportion to the relative percentage of thousand-blocks that it holds as of the effective date of this decision. Any additional assessments or refunds shall be made on the same basis.

16. Individual service provider costs for service provider specific tasks shall be the responsibility of each service provider.

17. The Task Force shall arrange for adequate accounting of the Public Education Program fun to ensure it is properly managed. The Communications Division Director is authorized to review the Task Force accounting of Public Education Program funds, including the collection and disbursement of those funds.

18. The Public Education Program budget shall not include the labor costs of each service provider's representatives on the Task Force.

19. The Task Force shall periodically report to the Communications Division Director concerning the details of Public Education Program fund collections and disbursements.

20. Application 16-12-005 is closed.

This order is effective today.

Dated _____, at San Francisco, California.

ATTACHMENT A
619/858 Public Education Plan (PEP)

ATTACHMENT A
619/858 Public Education Plan

| Activity | Description | Audience | Shared or Individual Service Provider Effort | Start Date | Completed Date |
|-----------------|---|----------------------------------|---|-------------------|------------------------|
| 1 | Effective date of decision approving 619 and 858 area code boundary elimination overlay | NA | NA | | Date of Decision (DOD) |
| 2 | NANPA 619 and 858 implementation meeting | CPUC Staff and Industry | Shared | | 2 weeks after DOD |
| 3 | Email to industry asking for participation on task force and subcommittees | Industry | Shared | | 2 weeks after DOD |
| 4 | Boundary elimination overlay information distributed internally as job aid for customer service representatives to answer customer questions. Representatives should not need to refer questions to the CPUC. | Customer service representatives | Individual | | 1 month after DOD |
| 5 | 619 and 858 boundary elimination overlay update to industry websites | All customers | Individual | | 3 months after DOD |
| 6 | News release describing 619 and 858 area code relief plan for distribution within the 619 and 858 area codes including chambers of commerce and local governments | All customers | Shared | | 4 months after DOD |
| 7 | Notify California Relay Services to send messages alerting customers to 1 + 10 digit dialing requirement in 619 and 858 area codes | Hearing impaired customers | Shared | | 5 months after DOD |
| 8 | Customer Notification No. 1: Announce the new area code plan. Include information about 1 + 10-digit dialing and indicate affected areas | All customers | Individual | | 3 months after DOD |

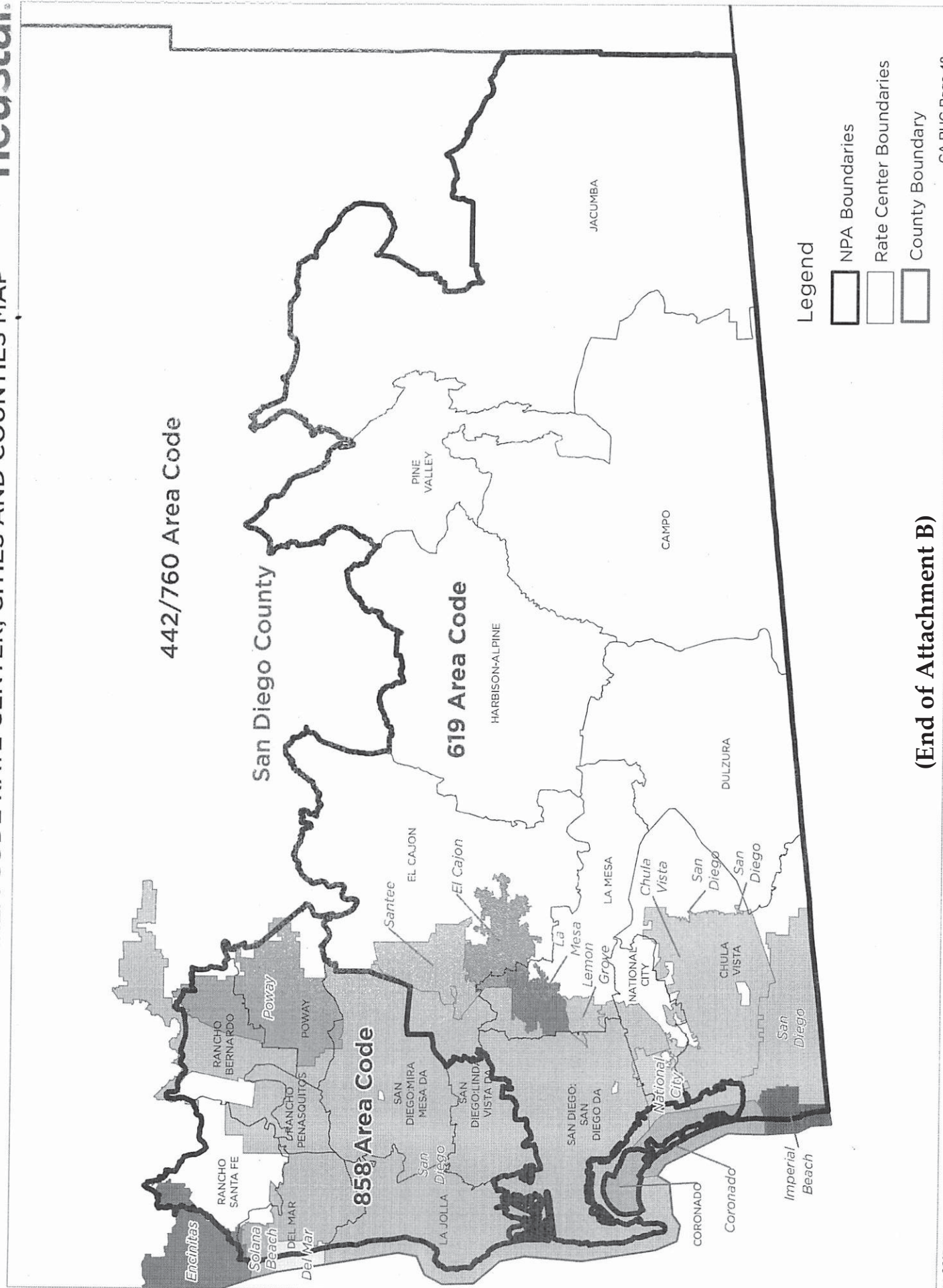
| | | | | | |
|----|--|---|------------|---|---------------------|
| 9 | Provide letters with the information in Customer Notification No. 1, as well as PEP Task Force contact information and an offer to provide industry speakers, to senior, consumer and other advocacy/activist organizations, chambers of commerce, city councils and other key government agencies, alarm service providers and public safety organizations throughout the 619 and 858 area codes. | Senior, consumer and other advocacy/activist organizations, chambers of commerce, city councils and other key government agencies, San Diego airport, alarm service providers and public safety organizations | Shared | | 3 months after DOD |
| 10 | Begin Permissive Dialing | | | (6 months before mandatory dialing) on a Saturday | |
| 11 | Published Directories: Add information on cover to alert customers in 619 and 858 area codes | All customers | Individual | | 6 months after DOD |
| 12 | Offer industry appearances on local radio or TV talk shows with focus on start of Permissive Dialing | All customers | Shared | 3 ½ months after DOD | 6 months after DOD |
| 13 | Correct payphone signage to include updated dialing instructions | All customers | Individual | | 9 months after DOD |
| 14 | News releases to media serving 619 and 858 area codes and adjacent area codes and statewide regarding start of mandatory dialing | Statewide | Shared | | 11 months after DOD |
| 15 | Disseminate information in relevant zoned editions of major newspapers, ethnic media, radio and television through paid advertising. (Note: The bulk of the information should be disseminated in the three weeks preceding the beginning of mandatory 1+10 digit dialing.) | All customers | Shared | 6 months after DOD | 12 months after DOD |
| 16 | Offer industry appearances on local radio or TV talk shows with focus on start of Mandatory Dialing | All customers | Shared | 10 months after DOD | 12 months after DOD |

| | | | | | |
|----|--|---|------------|--|---------------------|
| 17 | Customer Notification #2. Announce the new area code plan. Include information about mandatory 1 + 10 digit dialing and indicate affected areas. | All customers | Individual | | 9 months after DOD |
| 18 | Provide letters with the information in Customer Notification No. 2, as well as PEP Task Force contact information and an offer to provide industry speakers, to senior, consumer and other advocacy/activist organizations, chambers of commerce, city councils and other key government agencies, alarm service providers and public safety organizations throughout the 619 and 858 area codes. | Senior, consumer and other advocacy/activist organizations, chambers of commerce, city councils and other key government agencies, San Diego airport, alarm service providers and public safety organizations | Shared | | 9 months after DOD |
| 19 | Complete implementation of recorded message announcing mandatory dialing | All customers | Individual | | 9 months after DOD |
| 20 | Begin Mandatory Dialing | | | (1 month before 619/858 boundary elimination overlay effective date) | 12 months after DOD |
| 21 | 619/858 Boundary elimination overlay effective date. 619 and 858 numbers are available for assignment anywhere within the newly combined 619/858 area and implementation is complete. | | | | 13 months after DOD |

(END OF ATTACHMENT A)

ATTACHMENT B
Rate Center and Cities Map of
NPA Boundary Elimination
Overlay of CA 619 and 858 Area Codes

CALIFORNIA 619 AND 858 AREA CODE RATE CENTER, CITIES AND COUNTIES MAP **neustar**



(End of Attachment B)