

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

November 9, 2023

Agenda ID #22059
Ratesetting

TO PARTIES OF RECORD IN APPLICATION 23-01-012:

This is the proposed decision of Administrative Law Judge Suman Mathews. 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 December 14, 2023 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 8.2(c)(4).

/s/ MICHELLE COOKE
Michelle Cooke
Acting Chief Administrative Law Judge

MLC:smt

Attachment

ALJ/SRM/smt
(Rev.1)

PROPOSED DECISION

Agenda ID #22059

Ratesetting
12/14/2023 Item #17

Decision **PROPOSED DECISION OF ALJ MATHEWS** (Mailed 11/9/2023)

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 559 Numbering Plan
Area.

Application 23-01-012

**DECISION GRANTING REQUEST FOR AN ALL-SERVICES
AREA CODE OVERLAY IN THE 559
NUMBERING PLAN AREA**

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Attachment A - Public Education Program for 559 Area Code Relief

**DECISION GRANTING REQUEST FOR AN ALL-SERVICES
AREA CODE OVERLAY IN THE 559
NUMBERING PLAN AREA**

Summary

By this decision, we approve the request of the North American Numbering Plan Administrator to adopt an all-services distributed overlay (overlay) to resolve the forecasted exhaustion of numbering resources in the 559 Numbering Plan Area, with a thirteen-month implementation schedule that will be completed at least six months prior to the projected exhaustion of numbering in the 559 NPA. The overlay will provide additional numbering resources to meet the demand for telephone numbers while minimizing customer inconvenience.

We approve the request, but implementation need not commence until exhaustion requires it. We order a public education program, within the timeframes provided by this decision, to facilitate implementation of the overlay. We also find that paid advertising is necessary for the overlay requested in this application.

No existing customers will be required to change their area code or specific telephone number. After the implementation period, the new overlay area code will be available for new telephone number assignments in the same region as the 559 area code. Consequently, customers must dial the three-digit area code for all calls to and from telephone numbers with the 559 and new area codes.

Customers may start using the new dialing procedure during the permissive dialing period, beginning six months after the start of the 13-month implementation schedule. However, customers must use the new 1+10-digit dialing as described herein, during the mandatory dialing period, beginning 12 months after the start of the implementation schedule. New telephone numbers with the new area code may be issued to customers beginning one month after the start of the mandatory dialing period.

Application 23-01-012 is closed.

1. Background

The North American Numbering Plan Administrator (NANPA),¹ on behalf of the California Telecommunications Industry (Industry),² filed Application (A.) 23-01-012, requesting relief in the 559 Numbering Plan Area (NPA).³ NANPA alleges that the 559 NPA is projected to exhaust its Central Office codes (often referred to as CO or NXX codes) during the third quarter of 2025, and needs relief. NANPA argues that absent relief, the supply of CO codes in the 559 NPA is projected to run out during the projected exhaust quarter.

No protests were filed in response to the application.

On April 5, 2023, the assigned Administrative Law Judge (ALJ) held a telephonic prehearing conference in this matter to discuss and establish the service list for this proceeding, and to determine the scope of the proceeding. The assigned Commissioner issued the Scoping Memo and Ruling on May 3, 2023.

Effective January 1, 2019, the Federal Communications Commission (FCC) appointed Somos, Inc. (Somos) to replace Neustar, Inc. as the NANPA.⁴

¹ As a neutral third-party administrator, NANPA has no independent view regarding the relief option proposed by the Industry in this application.

² The Industry is composed of current and prospective telecommunications carriers operating in, or considering operations within, the 559 Numbering Plan Area (NPA or area code).

³ An NPA, also known as an area code, normally represents a geographic area within a state. In the current case, the NPA is 559. Throughout this decision, NPA and area code are used interchangeably.

⁴ Available as of the date of this decision at:
<https://docs.fcc.gov/public/attachments/DOC-368493A1.pdf>

Somos' mailing address and counsel are:

Kimberly Miller, Esq.

All rulings issued by the assigned Commissioner and ALJ are affirmed herein.

2. Jurisdiction

The FCC holds full responsibility over all numbering issues but has delegated to the states area code relief responsibilities.⁵ On behalf of the State of California, the California Public Utilities Commission (Commission) is responsible for proactively monitoring area code relief planning and overseeing the integrity and competitive neutrality of the telecommunications industry⁶ relief planning process.⁷

3. Process for Determining Need for a New Area Code

NANPA's primary responsibility is to ensure numbering resources are available to the telecommunications industry in the United States and Canada.⁸

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⁵ Available as of the date of this decision at: http://transition.fcc.gov/Bureaus/Common_Carrier/Reports/FCC-State_Link/IAD/utilizationdec2000.pdf.

⁶ Within this decision, the "telecommunications industry" identifies service providers in general throughout the United States and Canada.

⁷ Public Utilities (Pub. Util.) Code Section 7936 states, "The commission shall direct the NANPA to obtain utilization data for any area code for which a relief plan is proposed, prior to adopting a plan for, or setting a date for, relief."

Pub. Util. Code Section 7943(a) states: "It is the intent of the Legislature that when the commission has no reasonable alternative other than to create a new area code, that the commission do so in a way that creates the least inconvenience for customers." Pub. Util. Code Section 7943(c) states: "Before approving any new area code, the commission shall first perform a telephone utilization study and implement all reasonable telephone number conservation measures."

⁸ When projecting that an area code will run out of prefixes, NANPA looks at several factors, including but not limited to: (1) the history of code assignments in the area code; (2) the

NANPA assigns those resources in the form of area codes and prefixes; tracks their use to ensure effective and efficient utilization; and, on a semi-annual basis, forecasts which area codes will soon run out of prefixes.⁹ When it determines that an area code is near exhaustion, NANPA, as a neutral third party, initiates and coordinates the planning process for resolving the utilization of available prefixes, which is known as Area Code Relief Planning (relief planning). Such relief planning, which includes the introduction of a new area code within the existing area code in which the exhaust is forecasted to occur, normally begins three years prior to the forecasted exhaust.¹⁰

After informing the Commission of the forecasted exhaust in an area code, NANPA begins the relief planning process by calling a meeting with the Industry to identify viable solutions to the forecasted exhaust. NANPA and the Industry are required to follow regulations established by the FCC and the Commission, as well as telecommunications industry guidelines.¹¹ After the

current growth rate within the telecommunications industry in the NPA; (3) five years of annual code growth in that area code; and (4) each telecommunications service provider's semi-annual growth forecast in the area code in question to determine future demand for new prefixes. NANPA considers all this information to forecast when an area code will run out of, or "exhaust," all available prefixes. This information is also considered in NANPA's determination of the life expectancy for the relief alternatives being considered. (As of this writing, available at <https://www.nationalnanpa.com/index.html>.)

⁹ A prefix, also known as a central office code (CO code) is the second set of three digits of a telephone number. Prefixes are assigned to rate centers within an area code. Each prefix consists of 10,000 line numbers.

¹⁰ Pub. Util. Code Section 7931(d).

¹¹ In planning area code relief, the Industry: (1) is required to follow rate center boundaries; (2) may not consider certain types of relief, such as service-specific area codes for cell phones, pagers, or other services, due to current federal regulation; and (3) may consider communities of interest, city and county boundaries, and natural dividing lines like mountains or rivers. The Industry then measures these items against established Industry criteria such as minimizing customer confusion, ensuring that relief plans have adequate projected lives, and maintaining competitive neutrality among service providers. ATIS-0300061–NPA Code Relief Planning and Notification Guidelines at Section 2.4, Section 6.1, Section 6.3.4, and Section 6.4, Alliance for Telecommunications Industry Solutions. (FCC 00-104 at 3.)

Industry develops feasible alternatives, such as an all-services distributed overlay or a geographic split,¹² the Industry then strives to reach consensus on the best plan to resolve the forecasted exhaust in the area code in question.

NANPA then submits its application to the Commission seeking relief for the exhausting area code recommending the Industry's consensus solution. After the Commission has made its decision on a relief plan, telecommunications service providers are required to implement the relief plan within a specified period adopted in the decision.

Prior to 2017, Pub. Util. Code Section 7931(e)(2) required Commission staff to conduct at least one public meeting for the local jurisdictions and the public affected by the area code relief activities. Pub. Util. Code Section 7931(e)(2) was subsequently revised to no longer require public meetings for area code relief.¹³ Public meetings may be conducted at the discretion of the Commission but are not required. For the 559 area code relief proceedings, the public meetings that have been held in the past are replaced with a webcast posted on the Commission website.

NANPA alleges that absent NPA relief, the supply of CO codes in the 559 NPA is projected to run out during the projected exhaust quarter. In this Application, the Industry reached consensus to recommend to the Commission

¹² An all-services overlay is a plan in which the original and new area codes apply to the same geographic area. A geographic split divides an area code into two area codes, each assigned to a specific geographic area, with one area retaining the original area code and the other area changing to a new area code.

¹³ In 2017, Senate Bill 385 (2017-2018) revised Pub. Util. Code Section 7931(e)(2) to require commission staff to notify representatives of local jurisdictions and the public in affected areas, but, instead of requiring them, would authorize them, at the discretion of the commission, to conduct one or more meetings both for representatives of local jurisdictions and for members of the public in affected geographic areas for those same purposes. The purpose of the revision is to "repeal obsolete auditing, reporting, and other similar requirements on the commission."

an additional all-services distributed overlay plan as its choice of relief for the 559-area code.

3.1. Basics of the Telephone Numbering System

In each area code in the United States, telephone numbers are made up of an area code, a three-digit prefix, and a four-digit line number (for *example*, 559-555-1234).¹⁴ Specific geographic areas are assigned an area code, while each individual phone line is assigned a line number. Each area code is divided up into local serving areas called exchanges; within each exchange is a rate center. The 559-area code is located in central California in the San Joaquin Valley. It includes all or portions of Fresno, Madera, Mariposa, Merced, Tulare, and Kings counties and serves communities including, but not limited to, Clovis, Coalinga, Fresno, Madera, Porterville, Reedley, Selma, and Visalia. The 559 NPA is bordered to the north by the 209/350 NPA, to the east by the 760/442 NPA, to the south by the 661 NPA, and to the west by the 831 and 805/820 NPAs.

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 or CO code), which is a group of 10,000 telephone numbers, into 10 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 center to share the 10,000 numbers in a prefix at the thousand-block level.

¹⁴ A line number, which is the last four digits of a customer's phone number, is the number assigned to the phone line that an individual customer uses.

Every prefix, which is assigned to a specific rate center, includes 10,000 line numbers. The FCC has set aside certain prefixes such as 958, 959, and 555, as abbreviated dialing patterns dedicated to special uses. As of December 20, 2022, the 559-area code has 59 available prefixes remaining.¹⁵

Once all the available prefixes are used, a new area code is necessary. NANPA initially projected that the 559 NPA was expected to run out of prefixes in the fourth quarter of 2025.¹⁶ However, based on its most recent data, NANPA projects the 559 NPA to run out of prefixes in the third quarter of 2025.¹⁷

3.2. The 559 Area Code

The Commission approved a geographic split of the 209 NPA in 1997 and subsequently introduced the 559 NPA in November 1998. As previously noted, the 559 NPA is located in central California in the San Joaquin Valley. It includes all or portions of Fresno, Madera, Mariposa, Merced, Tulare, and Kings counties and serves communities including but not limited to Clovis, Coalinga, Fresno, Madera, Porterville, Reedley, Selma, and Visalia.

4. Current Request for a New Area Code

As required by the FCC, NANPA collects CO code assignment, utilization, and forecasted demand data to determine the projected need for numbering resources. NANPA uses this data to project the exhaust date of each area code and publishes the results twice a year. The NPA Code Relief Planning and Notification Guidelines (NPA Relief Guidelines) direct NANPA to prepare relief options for an NPA prior to the Industry meeting, generally 36 months in

¹⁵ A.23-01-012, Exhibit B, Attachment 2.

¹⁶ A.23-01-012 at 4.

¹⁷ *Id.*

advance of the projected exhaust date.¹⁸ In April 2022, the projected exhaust period for the 559 NPA was determined to be in the fourth quarter of 2025. However, in October 2022, NANPA published its semi-annual Numbering Resource Utilization Forecast (NRUF) and NPA Exhaust Analysis (collectively, the October 2022 NRUF Report) which indicated that the 559 NPA would exhaust during the third quarter of 2025.¹⁹

NANPA distributed a notice to the Industry on November 23, 2022, containing an Initial Planning Document (IPD).²⁰ The IPD included two alternatives for relief, an all services distributed overlay and a geographic split, for review prior to the relief planning meeting. The Industry met via web conference on December 21, 2022, and, after a thorough review of the presented relief alternatives, reached consensus to recommend the all-services distributed overlay of the 559 NPA as the preferred relief alternative to meet the NPA Relief Guidelines.

The Industry supported the all-services distributed overlay because it believes it is the most equitable and consumer-friendly alternative.²¹ The Industry also believes that the overlay is preferable because: customers will retain their existing NPA and telephone number; customer education, and technical implementation, will be simple and straightforward; and it will take significantly less time to implement the overlay than a geographic split.²² All

¹⁸ NPA Relief Guidelines, § 5.12.

¹⁹ A.23-01-012 at 4.

²⁰ *Id.*, Exhibit A.

²¹ *Id.* at 5.

²² *Ibid.*

customers within and between NPAs would be required to dial 1+10-digits for local calls and toll calls.

5. Description of Relief Plan

Pub. Util. Code Section 7943(a) directs the Commission to provide area code relief using the option that is most convenient for customers. To approve a new area code under Pub. Util. Code Section 7936 and Section 7943(c), the Commission must get utilization data from NANPA for the area code for which relief is proposed, perform a telephone utilization study, and implement all reasonable telephone number conservation measures. Implementing a new area code poses challenges, however. Pub. Util. Code Section 7934(b) acknowledges that new area codes cause unnecessary hardship to people in California, as they lose their existing area codes and longtime telephone numbers. Pub. Util. Code Sections 7934(c) and (d) state that new area codes increase costs to businesses and individuals, as business cards and letterhead stationery must be replaced to show the new area codes. In addition, Pub. Util. Code Section 7931(c) directs that rate area boundaries, municipal boundaries, communities of interest, and other appropriate criteria should be considered when evaluating the boundaries of a new area code. When there is no reasonable alternative to creating a new area code, the Commission must do so in a way that is the most convenient for customers.

In this case, the preferred alternative to implementing a new area code is an all-services distributed overlay. The all-services distributed overlay would superimpose a new NPA over the same geographic area covered by the existing 559 NPA. All existing customers would retain the 559 area code and would not have to change their area code or telephone number. The overlay alternative requires customers to dial 1 + area code + seven-digit telephone number for all

calls, including local calls (calls within and between the 559 area code and the new area code).²³ The all-services overlay is projected to last approximately 36 years.²⁴

CO code assignments will not be made from the new overlay NPA until all remaining available CO codes in the 559 NPA are allocated.²⁵ All existing customers would retain their current telephone numbers; however, 10-digit or 1+10-digit local dialing by all customers within and between NPAs in the affected area would be required.²⁶

NANPA projected that 559 area code would exhaust in the third quarter of 2025.²⁷ The study and the data therein satisfy the statutory requirements of Pub. Util. Code Section 7936 and Section 7943(c), and persuade us that the preferred relief alternative for the 559 NPA is the all-services distributed overlay.

To allow sufficient time for completion of the selected relief plan prior to exhaust of CO codes in the 559-area code, NANPA, and the Industry proposed a public education program (PEP) for customers in the current 559-area code and request that the Commission approve the thirteen-month implementation schedule and PEP program outlined in its application.

6. Discussion

²³ 47 Code of Federal Regulations (C.F.R.) § 5219(c)(3)(ii): “No area code overlay may be implemented unless there exists, at the time of implementation, mandatory ten-digit dialing for every telephone call within and between all area codes in the geographic area covered by the overlay area code.”

²⁴ A.23-01-012 at 5.

²⁵ *Ibid.*

²⁶ A.23-01-012 at 5.

²⁷ A.23-01-012 at 4.

The 559-area code is projected to exhaust in the third quarter of 2025, requiring the Commission and NANPA to act before exhaustion occurs. NANPA utilized data in the NRUF in forecasting the 559-area code exhaustion in accordance with Pub. Util. Code Section 7936.²⁸ There is no indication that conservation measures will adequately address this exhaustion as outlined in Pub. Util. Code Section 7943(c). In this application, NANPA provided two relief options, concluding that the best relief alternative which will meet NPA Relief Guidelines is an overlay.

An overlay is less confusing and less costly for existing customers because all customers retain the same area code and telephone number. An overlay would not require existing residential or business customers to incur the time and expense to inform family, friends, customers, and business associates of a new area code, or incur the cost of reprinting stationery and other materials. The overlay option is the least inconvenient and most equitable for customers and has the least impact on local services, including emergency and government services.

Therefore, we adopt an overlay to resolve the forecasted exhaust in the 559-area code. Therefore, we adopt an overlay to resolve the forecasted exhaust in the 559-area code. NANPA has requested a 13-month schedule to implement the overlay option. This implementation length is consistent with the authority granted in recent decisions, including Decision (D.) 16-07-014, D.17-02-010, D.17-05-019, and D.19-06-012. Accordingly, we adopt the requested 13-month

²⁸ NANPA is required to collect, store, and maintain NRUF data. In accordance with FCC rules, assignees holding geographic and/or certain non-geographic (NPA 5XX and 900) telephone numbers must report on their holdings on February 1 and August 1 of each year.

schedule. Implementation of the overlay shall be completed by the forecasted exhaust date of the 559-area code in the third quarter of 2025.

7. Public Education Program

7.1. Historical Overview

In D.96-12-086, as well as in Rulemaking (R.) 95-04-043 and Investigation (I.) 95-04-044, the Commission decided that an appropriate customer education program was necessary when instituting overlays to explain 1) the concept of an overlay; 2) 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 3) the mandatory 1+10-digit dialing instructions on payphones and in directories.

In D.98-05-021, also in the R.95-04-043 and I.95-04-044 proceedings, the Commission:

- 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 and in the R.95-04-043 and I.95-04-044 proceedings, the Commission set four major objectives for the PEP:

- Public awareness of the change in dialing patterns and area code identification resulting from the 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.

To achieve those goals, the Commission 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 letters, brochures, and collateral materials to local government officials in the overlay and adjacent area codes.

In D.05-08-040, and also in the R.95-04-043 and I.95-04-044 proceedings, the Commission required:

- The activities and standards previously required for the 310-area code and 408-area code overlay PEPs to achieve at least 70 percent public awareness level;
- Outreach 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.16-07-014 and subsequent area code relief decisions, the Commission did not require the Industry to conduct a public awareness survey.²⁹ The Commission reasoned that because the content of the adopted program would contain the same activities used in prior PEPs that have met the 70 percent minimum customer awareness requirement established in D.05-08-040, there would be little possibility that the 70 percent threshold would not be met with the same amount of effort put forth by the Industry. However, the Commission continued to require the Industry to achieve the previously-established 70 percent minimum customer awareness requirement.³⁰

In D.98-12-081, the Commission required “[t]argeted paid advertising in the relevant zoned editions of major newspapers as well as newspapers targeted to ethnic communities.” In D.05-08-040³¹, the Commission mandated outreach efforts specifically aimed at key agencies and special groups. These groups included alarm providers, pay telephone providers, public safety responders, and state E-911 coordinators. Additionally, outreach was required to be conducted towards senior citizens, children, the disabled, and ethnic minorities through targeted newspaper, billboard, radio, and television advertising. A PEP

²⁹ The Commission’s Communications Division analyzed the results of the public awareness survey conducted by the Industry in prior area code proceedings for overlays requiring a change in dialing procedure (D.05-08-040, D.07-11-030, D.08-04-058, D.08-04-059, D.11-10-031, and D.13-12-055) and found that all achieved an overall awareness level of over 70 percent.

³⁰ See D.16-07-014, approving boundary elimination overlay of 213/323 area codes; D.17-02-010, approving an overlay for the 916 area code; D.17-05-019, approving an overlay for the 805 area code; and D.17-04-027, approving boundary elimination overlay of 619/858 area codes.

³¹ See D.05-08-040, adopting an overlay for the 310 area code.

that does not include paid advertising activities deviates from previous PEPs for overlays requiring a change in dialing procedure. These previous PEPs successfully met the requirement of achieving a 70 percent customer awareness requirement. Furthermore, without the inclusion of a public awareness survey, it becomes impossible to quantifiably assess whether a PEP lacking paid advertisements can reach the minimum customer awareness level of 70 percent.

7.2. Discussion

NANPA asserts more than once that paid advertising is not necessary for the 559 overlay requested in the application. “Attachment 1” to the application contains an industry statement requesting that the Commission approve a PEP that does not include paid advertising. Specifically, the Industry argues that no paid advertising to educate customers is necessary for a successful implementation of an overlay to relieve the 559 area code.³² Exhibit B to the application, which includes the final minutes of the December 21, 2022 initial relief planning meeting for the 559 NPA³³, again documents the Industry consensus that the requested implementation of the 559 overlay, and approval of the proposed PEP, should not require paid advertising.

The Industry also argues in A.23-01-012 that paid advertising is not necessary for the following reasons:

1. Californians are already very familiar with multiple area codes and mandatory 1+10-digit dialing;
 - a. Mandatory 1+10-digit dialing is the predominant dialing plan in California, required in 35 of 38 area

³² A.23-01-012 at 5, fn. 10; See *also* A.23-01-012, Attachment 1, “California 559 Area Code Relief Industry Statement for the Record and Recommended Public Education Plan for the California 559 Overlay Implementation”.

³³ A.23-01-012, Exhibit B.

codes once the 707/369 overlay was implemented on February 1, 2023;

2. The Industry is quite experienced in educating customers about mandatory 10-digit dialing (or 1+10-digit dialing where required), having implemented 35 overlays in 25 other states (including the District of Columbia) across the country over the last 10 years. No paid advertising was used in those 35 overlays;
3. The use of news releases, particularly when issued by the CPUC, has been effective in educating the public about the overlay and supplementing individual service provider customer education notices;
4. Paid advertising requirements in PEPs create the need for a funding mechanism, and past PEPs demonstrate that the funding mechanism is a burdensome, inefficient, and unnecessarily complex process shouldered unfairly by a few industry volunteers; and
5. Educating 559 customers about mandatory 1+10-digit dialing is a familiar exercise for the Industry. For routine customer education messaging about mandatory 1+10-digit dialing, paid advertising, and a funded PEP doesn't make fiscal sense.

The Commission disagrees with the Industry's arguments that paid advertising is not necessary. We find that paid advertising is necessary for the overlay requested in this application, as further explained below.

Paid advertising is important for customer notification and education. Paid advertising is also necessary because equivalent results cannot necessarily be obtained through customer notices, website postings, and social media. These other methods of customer education target the general public but may not provide special outreach to key organizations, minority groups, and underrepresented populations as required by D.98-12-081 and D.05-08-040. Television and radio media reach a broader and more diverse audience,

including people who are illiterate or have a low literacy level. Simply relying on customer notices, website postings, and social media alone is of little to no benefit to customers who may be illiterate, lack familiarity with computers, or lack access to the internet or a computer. As the Commission explained in D.17-05-019, the burdensome process that a PEP with paid advertising creates is outweighed by the broader responsibility of oversight and accountability provided to the people of California.³⁴

Therefore, as in D.17-05-019, D.18-06-013, and D.19-06-012, the Commission will require the PEP to include paid advertising to inform the affected customers of the new area code addition and change to the 1+10-digit dialing procedure. The Commission recognizes that paid advertising is important for customer notification and education.

The Commission will also require a Task Force³⁵ to implement the PEP. The Task Force shall consist of representatives from the service providers holding numbering resources in the 559-area code as of the effective date of this decision, as well as Commission staff to oversee the implementation. All service provider representatives on the Task Force should contribute to the implementation effort and those unwilling to participate shall be reported to the Commission. The Commission requires the Task Force to develop a reasonable means of delineating the division of responsibility for public education activities to ensure adequate tracking and compliance.

The Task Force will be responsible for developing the materials and content of the PEP, maximizing the use of prior education efforts, and

³⁴ See D.17-05-019, at 26-27; D.18-06-013, at 21-22; and D.19-06-012, at 17-18.

³⁵ The Task Force is a separate group from the Industry.

conforming to the requirements of this order. The PEP should contain the same activities used in prior programs with paid advertising that have achieved the 70 percent customer awareness requirement to ensure customer awareness, prior to the anticipated exhaustion of the 559 area code to occur during the third quarter of 2025. There is no requirement for either the Industry or the Task Force to formally report the 70 percent customer awareness to the Commission.

Educational, outreach, and advertising materials should explain the type of new area code addition implemented and the new 1+10-digit dialing procedure and explain that the cost and quality of telephone service will not be adversely affected by the change. The materials should emphasize that all existing 559 area code customers will keep the same phone number, including the 7-digit phone number and the 559 area code. The materials should also address the permissive dialing period, the mandatory dialing period, the tasks consumers should do in preparation for the overlay, and the reasons for the area code change. The Task Force shall submit all public education outreach materials to the Communications Division (CD) Director for review and approval. Telecommunications service providers must develop a detailed PEP that is consistent with those adopted in D.17-05-019. (See Attachment A to this decision.) The CD Director is authorized to oversee the finalization and implementation of the PEP and authorized to take all actions necessary to achieve a 70 percent awareness level of the overlay in all major customer and telephone user groups. Such actions may include additional educational efforts, obtaining outside professional services, reviewing, and approving all educational materials, and overseeing the customer awareness assessment process.

In addition to the news release issued by the Commission after the decision herein is issued (which is not considered a PEP news release), the

following notifications regarding the 559 overlay shall be issued as follows: (1) one customer notice will run for two billing cycles; (2) one special outreach notice will be issued; and (3) three news releases will be issued, at the two-month mark, at the five-and-a-half month mark, and at the eleven-and-a-half-month mark of the thirteen-month implementation period. As noted previously, the customer notifications, including the press release, should explain the type of new area code addition being implemented and the new 1+10-digit dialing procedure, 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 for the overlay, and the reasons for the new area code addition and the change in dialing procedure.

All the news releases will reach various media sources such as television stations, which in turn may announce the 559-area code overlay on their respective media platforms.

To further ensure customer awareness of the overlay, the Commission requires the Industry to provide to the Commission staff confirmation indicating that the above referenced announcements of the overlay are made on the local major broadcast television stations within the 559 area code. The confirmation shall be either in an e-mail or other written communication from the Industry, confirming that local major television stations have carried the announcement of the overlay. This confirmation shall be provided to the CD Director.

The Industry does not believe special outreach notices, originally required pursuant to D.05-08-040, are necessary to groups including community-based organizations such as senior, consumer and other advocacy/activist organization; chambers of commerce, city councils, and other key government

agencies; and alarm service providers.³⁶ Out of an abundance of caution and to ensure the groups listed above are informed of the overlay and change in dialing procedure, the Commission adds this previously authorized requirement for special outreach notices to the Industry's proposed PEP plan in Exhibit B to A.23-01-012. The PEP plan adopted herein is attached to this decision as Appendix A.

7.3. Conclusion

The Commission finds that the PEP plan attached as Attachment 1 to the Application must be modified to add 1) the issuance of special outreach notices and 2) paid advertising, as discussed above. The modified PEP plan that shall be adopted is attached as Attachment A to this decision. The completion dates for the activities listed in this plan shall be determined during the NANPA implementation meeting and adjusted as needed to accommodate the actual exhaust date. The Task Force shall ensure that the overlay is implemented over a thirteen-month period.

The notifications discussed above comply with the requirements of a NPA overlay, given the reasons detailed above.

8. Comments on Proposed Decision

Rule 14.6(c)(2) of the Commission's Rules of Practice and Procedure (Rules) provides that, in a proceeding in which the Proposed Decision grants the relief requested in the application, and there are no protests to the application, the Commission may waive public review or comment. Although public review is not required for this application, the Commission is mailing this decision for

³⁶ A.23-01-012, Attachment 1.

comments by the NANPA, or other interested persons, in accordance with Pub. Util. Code Section 311 and Rule 14.3.

Opening Comments were filed and served jointly by AT&T, Cal Broadband and Video Association (Cal Broadband), T-Mobile, and Verizon Wireless (Joint Carriers) on November 29, 2023.³⁷ The Joint Carriers raised concerns with the paid advertising requirement in the PEP for the 559 overlay and argued that recent Commission decisions did not require paid advertising.

Recent Commission decisions did not require paid advertising because there was no change to the dialing procedure from what was already in place. In recent decisions such as D.23-06-007, D.23-03-006, and D.22-06-031, mandatory 1+10-digit dialing was already in place and/or underway because of the FCC Order approving the designation of 988 as the three-digit abbreviated dialing code for the national suicide prevention and mental health crisis hotline.³⁸ Thus, paid advertising was deemed unnecessary in D.23-06-007, D.23-03-006, and D.22-06-031 because customers were already familiar with the 1+10-digit dialing procedure.

In contrast, however, the 559 NPA overlay in the instant application does involve a change in dialing procedure because the 1+10-digit dialing is not already in place and/or underway in this NPA. Customers are not already familiar with the 1+10 digit dialing procedure in the 559 NPA. Therefore, the Commission requires that the PEP for the instant application includes paid advertising to be consistent with prior programs for overlays requiring a change in dialing procedure.

³⁷ The Joint Carriers did not file any Reply Comments.

³⁸ Implementation of the National Suicide Hotline Improvement Act of 2018, Report and Order, FCC 20-100 Irel. July 17, 2020).

Finally, the Commission is not bound by recent decisions and their PEP requirements. As aptly noted in D.23-03-006:

“[t]he PEP requirements, adopted for the 213/323-overlay implementation do not set a precedent for future area code relief implementations. The Commission may adopt different PEP requirements for future overlays.”³⁹
The Joint Parties’ Opening Comments do not raise any legal or factual errors. Accordingly, no changes were made in response to their comments.

9. Assignment of Proceeding

Darcie L. Houck is the assigned Commissioner and Suman Mathews is the assigned ALJ in this proceeding.

Findings of Fact

1. The FCC holds full responsibility over all numbering issues but has delegated responsibilities surrounding area codes to the states. The Commission is responsible for proactively monitoring area code relief planning and oversees the integrity and competitive neutrality of the Industry relief planning process in California.

2. Effective January 1, 2019, the FCC appointed Somos to replace Neustar, Inc. as the NANPA.

3. The Commission approved a geographic split of the 209 NPA in 1997, introducing the 559 NPA in November 1998.

4. In April 2022, NANPA determined the projected exhaust period for the 559 NPA to be in the fourth quarter of 2025. However, NANPA’s October 2022 NRUF Report indicated that the 559 NPA would exhaust during the third quarter of 2025.

³⁹ [D.23-03-006 at 18.](#)

5. As of December 20, 2022, the 559-area code has 59 available prefixes remaining.
6. Pub. Util. Code Section 7936 requires the Commission to direct NANPA to obtain utilization data for any area code for which a change is proposed before approving any new area code.
7. NANPA utilized data from its October 2022 NRUF Report to project that the 559-area code would exhaust during the third quarter of 2025.
8. Pub. Util. Code Section 7943(c) requires the Commission to perform a telephone utilization study and implement all reasonable telephone number conservation measures.
9. NANPA convened a relief planning meeting with the Industry on December 21, 2022, to identify viable solutions to the forecast exhaust.
10. The additional all-services distributed area code overlay option is the most equitable and consumer-friendly alternative.
11. A public education program (PEP) is needed to implement the 559-area code overlay.
12. D.05-08-040, the Commission mandated outreach efforts specifically aimed at key agencies and special groups.
13. A PEP that lacks paid advertising is inconsistent with prior programs for overlays requiring a change in dialing procedure.
14. The PEP in the current application is required to include paid advertising to be consistent with prior programs for overlays requiring a change in dialing procedure.
15. The PEP in the current application is required to use paid advertising because methods of public education other than paid advertising target the general public but may not provide special outreach to key organizations,

minority groups, and underrepresented populations as required by D.98-12-081 and D.05-08-040.

16. Television and radio media reach a broader and more diverse audience, including people who are illiterate or have a low literacy level.

17. The burdens that a PEP with paid advertising may impose are outweighed by the broader responsibility of oversight and accountability provided to the people of California.

18. The PEP adopted herein as Attachment A is a modification of the PEP proposed in this application and includes special outreach notices and paid advertising.

Conclusions of Law

1. NANPA and the Industry complied with Pub. Util. Code Section 7936 and considered utilization data from the October 2022 NRUF Report in forecasting the 559-area code exhaustion and determining a consensus alternative to resolve the forecasted exhaust of the 559-area code.

2. The all-services distributed overlay in the 559-area code should be completed by the forecasted exhaust of the 559-area code in the third quarter of 2025. However, implementation need not commence until exhaustion requires it.

3. In accordance with Pub. Util. Code Section 7943(c), NANPA, the Industry, and Commission staff considered all reasonable telephone number conservation and rationing measures in the 559-area code.

4. Since the statutory requirements of Pub. Util. Code Section 7936 and Section 7943(c) have been satisfied, the Commission should adopt the overlay option to resolve the forecasted exhaust for the 559-area code.

5. The PEP plan as modified by this decision is consistent with the program requirements adopted in D.17-05-019, D.18-06-013 and D.19-06-012.

6. Paid advertising should be required as part of Applicant's PEP.
7. The PEP attached as Attachment A to this decision should be adopted.
8. The CD Director should be authorized to oversee the finalization and implementation of the PEP and authorized to take all actions necessary, including requiring the Industry to achieve a 70 percent awareness level of the overlay in all major customer and telephone user groups.
9. The implementation schedule for the all-services distributed overlay in the 559-area code should take place over thirteen months, and the schedule should be completed at least six months prior to the projected exhaust of the 559 NPA.
10. An evidentiary hearing is not necessary.
11. This proceeding should be closed.

O R D E R

IT IS ORDERED that:

1. The proposed all-services distributed area code overlay in the 559-area code is adopted.
2. The public education program (PEP), attached herein as Attachment A, is adopted for the all-services distributed area code overlay for the 559-area code.
3. The Task Force, comprised of California Public Utilities Commission (Commission) staff and representatives from the service providers holding numbering resources in the 559-area code as of the effective date of this decision, shall implement the public education program (PEP), which is attached herein as Attachment A.
4. The Task Force shall implement a thirteen-month schedule for the all-services distributed overlay in the 559-area code consistent with the public

education program (PEP), attached herein as Attachment A, and the schedule shall be completed at least six months prior to the projected exhaust of the 559 NPA.

5. The Task Force shall determine a start date for implementation of the public education program (PEP), attached herein as Attachment A, and implementation shall be completed within thirteen months from this start date.

6. The carriers shall complete any network preparation necessary to implement the all-services distributed area code overlay in the 559-area code by the forecasted exhaust of the 559 area code in the third quarter of 2025.

7. The Task Force shall submit all public education outreach materials to the California Public Utilities Commission's Communications Division (CD) Director for review and approval. The CD Director shall be authorized to oversee the finalization and implementation of the public education program (PEP) and authorized to take all actions necessary to achieve a 70 percent awareness level of the overlay in all major customer and telephone user groups.

8. Application 23-01-012 is closed.

This order is effective today.

Dated _____, at San Francisco, California.

ATTACHMENT A

**Public Education Program (PEP) for 559 Area Code Overlay
Thirteen-Month Implementation Plan
(Recommended Due Dates and Completion Dates
to be determined during the NANPA Implementation Meeting)**

Activity	Description	Target Audience	Shared or Individual Service Provider Effort	Completion Date	Recommended Due Date
1	Effective date of decision approving an overlay area code for relief of the existing 559 area code.	N/A	N/A	Date of Decision (DOD)	
2	Post-Commission meeting news release announcing the 559 area code overlay relief plan, and the new overlay area code. Post CPUC news release to CPUC website and social media platforms.	All customers	CPUC	DOD	
3	NANPA 559 area code overlay implementation meeting, and request for industry participation on Public Education Plan (PEP) task force. Industry forms Task Force Subcommittee. Determination of Implementation Start Date (CPUC staff and industry	Industry and CPUC staff		

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4	Implementation Start Date (ISD) - Start Implementation	industry	industry		
5	Task Force Finance Subcommittee to send emails to service providers requesting invoicing information and confirmation of 559 numbering resources in inventory as of DOD.				
6	Respond to Task Force Finance Subcommittee with billing information and confirmation of 559 numbering resources				
7	Task Force Finance Subcommittee issue invoices for PEP fund payments to service providers holding blocks in 559 as of DOD.				
8	First news release announcing the 559 area code relief plan, the 559 area code geographic boundaries, and the new overlay area code for issue within the 559 area code and adjacent area codes, to media and key entities, including chambers of commerce and local governments. Post news release to CPUC website and social media platforms.	All affected customers	Industry and CPUC staff	2 months after ISD	
9	Provide to CPUC Communications Division email or written confirmation from the California Telecommunications Industry identifying media coverage (including major local broadcast television stations) of the 559 area code overlay.	CPUC staff	Industry	3 months after ISD	
10	559 area code overlay information distributed internally as a job aid for customer service representatives to answer customer questions. Representatives should not need to refer questions to the CPUC.	Customer service representatives	Individual service provider		
11	Provide by email targeted letters with the information in the Customer Notification, along with PEP Task Force contact information, to (1) community based organizations and key government agencies, including senior, consumer and other advocacy/activist organizations, chambers of commerce, city councils, and other key government agencies, (2) alarm service providers, (3) public safety organizations and PSAPs,	Senior, consumer and other advocacy/activist organizations, chambers of commerce, city councils and other key government agencies, alarm service	Industry		

	providers, (4) telephone directory publishers, and (5) California Relay Services throughout the 559 area code. Request that these organizations distribute the information to their members.	providers, public safety organizations and PSAPs, telephone directory publishers, and California Relay Services			
12	559 area code overlay update to industry websites.	All affected customers	Individual service provider	760	82%
13	Second news release reminding the public of the 559 area code relief plan, the 559 area code geographic boundaries, and the new overlay area code for issue within the 559 area code and adjacent area codes. Post CPUC news release to CPUC website and social media platforms.	All customers	Industry	5.5 months after ISD	
14	Provide to CPUC Communications Division email or written confirmation from the California Telecommunications Industry identifying media coverage (including major local broadcast television stations) of the 559 area code overlay.	Industry	Industry	6.5 months after ISD	
15	Single customer notification runs for two bill cycles: Announce the 559 area code overlay, indicate the affected areas, and the new area code effective date.	All affected customers	Individual service provider		
16	Begin Permissive Dialing			6 months after ISD	
17	Third news release reminding the public of the 559 area code relief plan, the 559 area code geographic boundaries, and the new overlay area code for issue within the 559 area code and adjacent area codes. Post CPUC news release to CPUC website and social media platforms.	All affected customers	Industry and CPUC staff	11.5 months after ISD	
18	Provide to CPUC Communications Division third email or written confirmation from the California Telecommunications Industry identifying media coverage (including local broadcast television stations) of the 559 area code overlay.	Industry	Industry	12.5 months after ISD	

19	Published Directories: Add information on cover to alert 559 area code customers about the new overlay area code	All affected customers	Individual service provider	9 months after ISD	
20	Remit full payment for PEP fund contribution	industry	industry		
21	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 affected customers	industry		
22	Complete implementation of recorded message announcing mandatory dialing	Industry	industry		
23	Begin Mandatory Dialing			12 months after ISD	
24	New Area Code assigned and implementation completed			13 months after ISD, 1 month after mandatory dialing	

(END OF ATTACHMENT A)

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