

ALJ/SMW/gd2

DRAFT

Agenda ID #10657 (Rev. 1)

Ratesetting

10/20/2011

Item 11

Decision **PROPOSED DECISION OF ALJ WILSON** (Mailed 9/2/2011)

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 408 Numbering
Plan Area.

Application 11-06-008
(Filed June 1, 2011)

**DECISION GRANTING RELIEF OF THE 408 NUMBERING
PLAN AREA IN THE FORM OF AN ALL-SERVICES OVERLAY**

TABLE OF CONTENTS

Title	Page
DECISION GRANTING RELIEF OF THE 408 NUMBERING PLAN AREA IN THE FORM OF AN ALL-SERVICES OVERLAY	1
1. Summary.....	2
2. Background.....	2
2.1. Process for Determining Recommended Relief.....	3
2.2. Basics of the Telephone Numbering System	5
2.3. Description of 408 Area Code	6
2.4. Past 408 Area Code Requests for Relief.....	7
3. Current Request for a New Area Code	8
3.1. Alternative Methods of Relief - Overlay versus Split	10
3.2. Public Meetings and Comments.....	11
4. Discussion.....	13
5. Comments on Proposed Decision	15
6. Categorization and Need for Hearings	15
7. Assignment of Proceeding	16
Findings of Fact	16
Conclusions of Law.....	20
ORDER	22
 ATTACHMENT A – Matrix of Public Education Program Authorized in Decision 08-04-059	

DECISION GRANTING RELIEF OF THE 408 NUMBERING PLAN AREA IN THE FORM OF AN ALL-SERVICES OVERLAY

1. Summary

By this decision, we adopt an all-services overlay (overlay) to resolve the forecasted exhaust in the 408 numbering plan area,¹ including a 13-month implementation schedule. The overlay will provide additional numbering resources to meet the demand for telephone numbers. Implementation shall commence immediately. To facilitate implementation of the overlay, we also adopted a public education program.

No customers will be required to change their area code or specific telephone number. New telephone numbers with the 669 area code may be issued to customers beginning one month after the start of the mandatory dialing period. This proceeding is closed.

2. Background

The North American Numbering Plan Administrator (NANPA),² on behalf of the California Telecommunications Industry (industry),³ filed Application (A.) 11-06-008, in which it requests relief in the 408 numbering plan area (NPA or area code). No protests were filed. The Joint Telecommunications Carriers (Carriers) filed comments on July 11, 2011.

¹ Also known as an “area code”, this number normally represents a geographic area within a state. In the current case, the numbering plan area is 408. Throughout this decision, numbering plan area and area code will be used interchangeably.

² As a neutral third-party administrator, the NANPA has no independent view regarding the relief option proposed by the industry in this application.

³ The “industry” is composed of current and prospective telecommunications carriers operating in, or considering operations, within the 408 area code.

2.1. Process for Determining Recommended Relief

While the FCC holds full responsibility over all numbering issues, it has delegated to the states area code relief responsibilities.⁴ On behalf of the State of California, the California Public Utilities Commission (Commission) is responsible for proactively monitoring area code relief planning, and oversees the integrity and competitive neutrality of the industry relief planning process.⁵

The NANPA's primary responsibilities are to ensure numbering resources are available to the telecommunications industry in the United States of America (United States) and Canada.⁶ The NANPA assigns those resources in the form of area codes and prefixes; tracks their use to ensure effective and efficient

⁴ http://transition.fcc.gov/Bureaus/Common_Carrier/Reports/FCC-State_Link/IAD/utilizationdec2000.pdf

⁵ Public Utilities (Pub. Util.) Code § 7936 states "The commission shall direct the North American Numbering Plan Administrator 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 § 7943 (a) "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 § 7943(c) "Before approving any new area code, the commission shall first perform a telephone utilization study and implement all reasonable telephone number conservation measures."

⁶ When projecting that an area code will run out of prefixes, the NANPA looks at a number of factors, including but not limited to: 1) the history of code assignments in the area code; 2) 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 providers semi-annual growth forecast in the area code in question to determine future demand for new prefixes. The NANPA considers all this information to determine 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.

utilization; and, on a semi-annual basis, forecasts which area codes will soon run out of prefixes,⁷ which is called “exhaust.” When it determines that an area code is near exhaust, the 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 in the existing area code in which the exhaust is forecast to occur, normally begins three years prior to the forecasted exhaust.

After informing the Commission of the forecasted exhaust in an area code, the NANPA begins the relief planning process by calling a meeting with the industry in order to identify viable solutions to the forecasted exhaust. The industry is required to follow regulations established by the FCC and the Commission, as well as industry guidelines.⁸ After the industry develops feasible alternatives, such as an all-services overlay (overlay) or a geographic

⁷ 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.

⁸ 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 measure these items against established industry criteria such as minimizing customer confusion, ensuring that relief plans have adequate projected lives, and maintain competitive neutrality among service providers.

split (split),⁹ this group then strives to reach consensus on the best plan to resolve the forecasted exhaust in the area code in question.

The staff of the Commission's Communications Division (CD staff) then schedules Public Participation Meetings to inform the public and to receive public comment about the new area code alternatives.¹⁰ Representatives of the CD staff and the NANPA are present at these meetings in order to provide information to the public. After the Public Participation Meetings, the NANPA submits its application to the Commission for the new area code recommending the industry consensus solution. After the Commission has made its decision, telecommunications service providers are required to implement the new area code within a specified period.

2.2. Basics of the Telephone Numbering System

In each area code in the United States, telephone numbers are made up of an area code, a prefix, and a line number¹¹ (for example, 408-555-1000). Specific geographic areas are assigned an area code, while each individual phone line is

⁹ An all-services overlay 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 is required to change to a new area code.

¹⁰ Public Utilities (Pub. Util.) Code § 7931, (e) (2) states, that "within nine months the coordinator and the commission staff shall conduct at least one meeting for representatives of local jurisdictions to inform them of the proposed area code relief options, and to afford them the opportunity to discuss the potential impact of the proposed options.

¹¹ 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.

assigned a line number. Each area code is divided up into local serving areas called rate centers. The 408 area code has 11 rate centers.

Every prefix, which is assigned to a specific rate center, includes 10,000 line numbers.¹² A prefix cannot begin with the numbers 0 or 1, due to network switching protocols. The FCC has set aside certain prefixes such as 211, 411, and 911, as abbreviated dialing patterns dedicated to special uses. Consequently, only 784 usable prefixes exist in a given area code. Once these 784 available prefixes are used, a new area code is necessary. As of November 4, 2010, there were only 47 remaining prefixes available in the 408 area code. One plus ten (1+10) digit dialing is required in California. For landline calls in California, a caller must use the 1+10 digit dialing to indicate to the phone system that the call will be routed to another area code.

2.3. Description of 408 Area Code

In 1947, when area codes were introduced to California, the locality now served by the 408 area code was part of the 415 area code, one of the first three area codes in the state. In June 1959, the 408 area code was created by splitting the 415 area code. In 1999, San Benito County and most of Monterey County and Santa Cruz County were split from the 408 area code and assigned the 831 area code.

The 408 area code is located predominantly in Santa Clara County, as well as neighboring cities and small unincorporated portions of Alameda and Santa Cruz Counties. The 408 area code consists primarily of the City of San Jose, the

¹² Line numbers are assigned to telecommunications service providers in blocks of 1,000 - there are ten blocks in each prefix.

state's third largest city,¹³ as well as the cities of Campbell, Cupertino, Gilroy, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Santa Clara, Saratoga, Sunnyvale, and a small portion of the City of Palo Alto.

The 408 area code consists of urban, suburban, rural/agricultural communities, and commercial and industrial areas. This area code is also the home to an international airport, museums, over a dozen colleges and universities, approximately two dozen hospitals, and numerous high tech corporations such as Adobe, Apple Computer, Applied Materials, Cisco, Intel, eBay, and Netflix.

2.4. Past 408 Area Code Requests for Relief

Due to the high demand for diminishing numbering resources, the NANPA originally completed a relief planning process for the 408 area code in 1997.¹⁴ During that time, the NANPA also implemented a rationing plan for distributing the numbering resources to requesting telecommunications service providers. The 408 area code was declared to be in jeopardy¹⁵ in May of 1998

¹³ A.11-06-008 at 57, which is a copy of a California Department of Finance report dated April 29, 2010. This report addresses the level and growth of the population of California in the years 2009 and 2010.

¹⁴ 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, 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.

¹⁵ Jeopardy exists when the forecasted and/or actual demand for prefix resources will exceed the known supply during the planning/implementation interval for relief (per ATIS 9.3.1).

and has been subject to prefix rationing of two prefixes per month for non-pooling carriers, since that time.

The Commission received comments from the telecommunications industry, local government agencies and citizens regarding the proposed relief plans and ultimately approved an overlay for the 408 NPA on November 19, 1998.¹⁶ On December 16, 1999, the Commission indefinitely suspended the overlay plan in Decision (D.) 99-12-051. Since 2001, rationing, in the form of thousand-block-number pooling¹⁷ has been in force in the 408 area code. This number pooling delayed exhaust in the current 408 area code until now.

3. Current Request for a New Area Code

As discussed above, the Commission's adopted number conservation measures extended the life of the 408 area code by over 10 years. Despite these measures, the NANPA now forecasts the 408 area code will exhaust in the first quarter of 2013.¹⁸

¹⁶ See D.98-11-065.

¹⁷ Thousand-block-number-pooling is a number conservation system that allows numbering resources to be distributed in blocks of one thousand instead of blocks of ten thousand. By doing this, multiple telecommunications service providers are able to share the ten-thousand number blocks. Prior to number pooling, all 10,000 numbers were assigned to service providers, whether they needed one or 10,000 numbers for their customers.

¹⁸ The October 2010 Number Resource Utilization Forecast (NRUF) and NPA Exhaust Analysis (2010 NRUF Report) indicates that the 408 NPA will exhaust during the fourth quarter of 2012. The April 2011 NRUF and NPA Exhaust Analysis (2011 NRUF Report) forecasts that exhaust will occur in the first quarter of 2013. The NRUF system compiles required semi-annual reports submitted by service providers to whom numbering resources have been assigned.

Based upon the forecasted exhaust of the 408 NPA and the belief that the previous relief plan approved in D.98-11-065 was out of date, the CD staff requested that the NANPA convene a meeting with the industry, as discussed above. The industry reached consensus at its December 2, 2010 meeting to recommend an overlay to resolve the forecasted exhaust in the 408 area code. The Commission held Public Participation Meetings in March 2011 in the 408 area code.¹⁹ Comments received from the public are discussed in Section 4 of this decision. After the Public Participation Meetings were held, one more industry meeting was convened on April 25, 2011, in order to discuss the Public Participation Meetings, and confirm consensus (which it did) regarding the industry recommendation to implement an overlay in the 408 area code.

The industry also reached consensus regarding a 13-month schedule for implementing the area code overlay, as follows:

Event	Time
Start of Customer Education and Network Preparation Period	6 months
Start of Permissive 1+10 Digit Dialing and Continued Customer Education Period (i.e., calls within the 408 NPA can be dialed using 7 or 1+10 digits) Mandatory Dialing begins at the end of the Permissive Dialing Period	6 months
First Code Activation (i.e., effective date for CO codes from the new overlay NPA)	1 month

¹⁹ Public Participation Meetings were held in San Jose, Los Gatos, and Morgan Hill.

Total Implementation Interval	13 months
-------------------------------	-----------

As part of its proposed schedule, the NANPA and the industry included provision of a public education program (PEP) for customers in the current 408 NPA. The NANPA then filed the current application, in which it presented both alternatives, with the industry's consensus solution of an overlay.

3.1. Alternative Methods of Relief - Overlay versus Split

Alternative 1 is an overlay, which reflects the industry's consensus recommendation. It would superimpose a new area code over the same geographic area covered by the existing 408 area code. All existing customers would retain the 408 area code and would not have to change their area code or telephone number. The overlay alternative has a projected life of 36 years.

Alternative 2 is a split, which would geographically divide the 408 area code into two area codes. Area A²⁰ has a projected area code life of 39 years to exhaust and Area B²¹ has a projected area code life of 32 years to exhaust. All customers in the new area code would need to change their area code. Those customers whose numbers change would need to notify family, friends and those they do business with of the change. Some businesses would likely also incur costs for new business cards and stationary. The industry noted that if the Commission adopts the split alternative, the Commission would have to

²⁰ Area A would consist of San Jose:North Da, San Jose:South Da, San Antonio, Morgan Hill, San Martin, and Gilroy.

²¹ Area B would consist of Sunnyvale, San Jose:West Da, Campbell, Saratoga, and Los Gatos.

determine which part of the current 408 area code, Area A or Area B, would be assigned the new area code.

The overlay alternative requires 1+10 digit dialing for all calls within and between the 408 area code and the new area code.²² The split alternative would require 1+10 digit dialing for calls made to another area code, and allow seven-digit dialing for calls made within the area code.

3.2. Public Meetings and Comments

Section 7931(e)(2)²³ requires that within nine months from when the NANPA informs the Commission of the need for an area code change, the CD staff and the NANPA to conduct at least one meeting for representatives of local

²² Federal Authority: Code of Federal Regulations - Title 47: Telecommunications: 47 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."

California state Authority: D.96-08-028, Ordering Paragraph 4 "For any NPA, relief plan either pending or yet to be proposed, parties shall not propose an overlay as a relief option until or unless mandatory 1+10-digit dialing is in place at the time the overlay is implemented" and D.96-12-086, Ordering Paragraph 4 - "Mandatory 1+10-digit dialing shall be implemented as a condition of approving any overlay, but only in the NPA regions covered by the overlay."

²³ Pub. Util. Code § 7931(e) (2) "Within nine months the coordinator and the commission staff shall conduct at least one meeting for representatives of local jurisdictions to inform them of the proposed area code relief options, and to afford them the opportunity to discuss the potential impact of the proposed options. Following the local jurisdiction meeting, the coordinator and the commission staff shall conduct at least three public meetings in the affected geographical area. The public meetings are to inform members of the public about the proposed area code relief options, and to afford affected customers an opportunity to discuss the potential impact of the proposed area code relief options and measures that may be taken to mitigate any potential disruptions. The commission may order additional public meetings to be held at any time."

jurisdictions and three public meetings. 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 the NANPA's assistance, the CD staff and the Commissions Public Advisors Office held one local jurisdictional and four public meetings over the course of four days (March 15-18), two in San Jose (one of which was local jurisdictional to which the public was invited),²⁴ two in Los Gatos, and one in Morgan Hill. Of the total 137 attendees at these meetings, 49 people spoke, with 26 of those speakers favoring an overlay and 13 favoring a split.

The Commission also established and publicized a weblink enabling customers in the 408 area code to comment on the alternative plans. As of April 7, 2011, a total of 165 responses had been received, of which 142 responses favored an overlay and 23 favored a split. By July 13, 2011, the total responses received had increased to 247, of which 204 responses favored an overlay, 41 favored a split, and two favored something other than an overlay or a split. The Commission also received comments from both local and state government, with three supporting the overlay option and two supporting the split option.²⁵

The Carriers strongly agree with NANPA that the overlay is the appropriate option for resolving the forecast exhaust in the 408 area code, stating that this is the least disruptive approach from the consumer's standpoint, and

²⁴ The first of which was designated as the local jurisdiction meeting.

²⁵ The overlay option is supported by California Assemblymember Campos for the 23rd District, the City of Santa Clara, and the City of San Jose. The split option is supported by the City of Monte Sereno and the Town of Los Gatos.

avoids certain technical implementation issues associated with Local Number Portability (LNP).²⁶ The Carriers reiterate NANPA's position that a split would inconvenience customers in the new area code because they would have to inform family, friends, and business associates of their new phone number, an activity which would also create a financial burden for businesses. Carriers' also offer that since January 1, 2005, the majority of exhausts that have occurred under NANPA's jurisdiction have been resolved by overlay.

4. Discussion

As discussed above, the 408 area code has been in jeopardy for over ten years, during which time the Commission has imposed conservation measures and member rationing in order to delay the need for relief, satisfying the requirements of Pub. Util. Code § 7943(c).

The 2011 NRUF report shows that the 408 area code will exhaust in the first quarter of 2013, thus requiring both the Commission and the NANPA to act before exhaust occurs. In compliance with Pub. Util. Code § 7936, the NANPA utilizes data in the NRUF in forecasting where the 408 area code will exhaust.

Both the NANPA and the industry recommend an overlay to resolve the forecasted exhaust of the 408 area code. As of July 13, 2011, almost five times as

²⁶ Carriers state that during implementation of an area code split, personnel of the Number Portability Administration Center (NPAC) must update the NPAC database to include both the old and the new area codes. On the same night, all telecommunications service provider in the area code must update their operational support systems with the new and old area codes so that port requests will complete within the designated porting intervals. If such coordination of these efforts by NPAC and the telecommunications service providers fails, calls could be misrouted or denied. We do not need to address this contention because we are approving the overlay proposal in the current application.

many responding customers support an overlay as support a split. The majority of governmental entities commenting on the alternatives also support an overlay. In particular, the overlay is less confusing for existing customers since they retain the same area code and telephone number, and would not require existing customers, whether they are residential or business customers, to incur the time and expense of having to inform family, friends, customers, and business associates of a new area code. As discussed by the City of San Jose in its letter to the Commission, the overlay option would have the least impact upon City services, in particular its emergency services. We therefore adopt an overlay to resolve the forecast exhaust in the 408 area code.

The NANPA has also requested a 13-month schedule to implement the overlay option. This length of time is consistent with the authority we recently granted in D.08-04-059 regarding the 818 area code; therefore we adopt the requested 13-month schedule.²⁷

The NANPA provided no detail regarding the PEP it proposes to implement for customers in the 408 area code. We therefore require the industry to implement a PEP consistent with the PEPs we authorized in D.08-04-059²⁸ and D.08-10-038.²⁹ Subject to the approval of the Director of the Communications Division (CD), telecommunications service providers must develop a detailed public education plan generally consistent with those we adopted in D.08-04-059 and D.08-10-038. (See Attachment A to this decision.) The CD Director is

²⁷ See D.08-04-059 at 1.

²⁸ See D.08-04-059 at 6-11, Ordering Paragraphs (OP) 2-22, and Attachment A.

²⁹ See D.08-10-038 at 4-5 and OP 5 and 6.

authorized to oversee the design and implementation of the PEP and must require all actions necessary to achieve a 70% 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, overseeing the customer awareness assessment process, and requiring any needed additional funding from the carriers. The final public education plan, approved by the CD Director, must be filed and served as a compliance filing in the current proceeding, no later than 30 days after the effective date of this decision. The filing of this compliance filing does not reopen the record of this proceeding.

5. Comments on Proposed Decision

The proposed decision of the Administrative Law Judge (ALJ) 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. Opening comments were filed on September 21, 2011, by The Joint Carriers,³⁰ in which they support the proposed decision.

6. Categorization and Need for Hearings

In Resolution ALJ 176-3276, dated June 23, 2011, the Commission preliminarily categorized this application as ratesetting and preliminarily

³⁰ The Joint Carriers consist of Verizon Wireless; Verizon California, Inc.; Pacific Bell Telephone Company d/b/a AT&T California; New Cingular Wireless PCS, LLC; Sprint Communications Company, L.P.; Sprint Spectrum L.P. as agent for WirelessCo, L/P.; Sprint Telephony PCS, L.P. d/b/a Sprint PCS; Nextel of California; and T-Mobile West Corporation d/b/a T-Mobile.

determined that hearings were not necessary. No protests have been received. Given these developments, a public hearing is not necessary, and it is not necessary to disturb the preliminary determinations.

7. Assignment of Proceeding

Mark J. Ferron is the assigned Commissioner and Seaneen M. Wilson is the assigned ALJ in this proceeding.

Findings of Fact

1. The NANPA, on behalf of the industry, filed A.11-06-008, in which it requests relief for the 408 area code.

2. While the FCC holds full responsibility over all numbering issues, it has delegated area code relief responsibilities to the states. On behalf of the State of California, the Commission is responsible for proactively monitoring area code relief planning, and oversees the integrity and competitive neutrality of the industry relief planning process.

3. The NANPA's primary responsibilities are to ensure numbering resources are available to the telecommunications industry in the United States and Canada. 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 the life of each area code. When an area code runs out of prefixes available for assignment, this is identified as "exhaust."

4. When the NANPA determines that an area code is near the point of exhaust, it, as a neutral third party, initiates and coordinates the planning process for resolving the forecasted exhaust of available prefixes, which is known as relief planning. Such relief planning, which includes the introduction of a new area code in the area code facing a forecast exhaust, normally begins three years prior to the forecasted exhaust is due to occur.

5. After informing the Commission of the forecasted exhaust in an area code, the NANPA convenes a meeting with the industry in order to identify viable solutions to the forecast exhaust. The industry is required to follow regulations established by the FCC and the Commission, and follow industry guidelines.

6. After feasible alternatives, such as overlay or split, are developed by the industry, the industry group then strives to reach consensus on the best plan to resolve the forecast exhaust in the area code in question.

7. CD staff then schedules Public Participation Meetings to inform local jurisdictions as well as the public and to receive public comment about the new area code alternatives. Representatives of the CD staff, the NANPA, and the telecommunications industry are present at these meetings in order to provide information to the public.

8. After the Public Participation Meetings, the NANPA submits an application to the Commission, on behalf of the industry, requesting authority to implement the industry's consensus solution. After the Commission has made its decision, telecommunications service providers are required to implement the new area code within a specified period.

9. An NPA, also known as an area code, is the first set of three digits of a telephone number. An area code normally represents a geographic area within a country.

10. A prefix, also known as a 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.

11. An area code is divided into rate centers. Since a prefix cannot begin with the numbers 0 and 1, and there are special prefixes such as 211, 411, and 911, each area code has 784 prefixes available for public use. As of November 4, 2010, there were 47 prefixes remaining in the 408 area code.

12. 1+10 digit dialing is required in California, and requires a customer to dial the number one as well as all ten digits of the phone number, including the area code, prefix, and line number, when dialing to a different area code.

13. In June 1959, the 408 area code was created by splitting the 415 area code. The 408 area code is located predominantly in Santa Clara County, as well as neighboring cities and small unincorporated portions of Alameda and Santa Cruz Counties.

14. In 1999 San Benito County and most of Monterey County and Santa Cruz County were split from the 408 and assigned the 831 area code.

15. In D.98-11-065, we approved an overlay in the 408 area code, which was subsequently suspended by D.99-12-051.

16. For over 10 years, the 408 area code has been held in jeopardy and rationing has been in force.

17. Thousand-block number pooling and other conservation measures have extended the life of the 408 area code and delayed the need for relief in the 408 area code.

18. The conservation measures in use in the 408 area code have run their course, and the 408 area code is forecast to exhaust in the first quarter of 2013.

19. An all-services overlay would superimpose a new area code over the same geographic area covered by the existing area code. Existing customers would not have to change their area code or phone number.

20. The all-services overlay option for resolving a forecast exhaust in the 408 area code has a projected life of 36 years.

21. The split option would geographically divide the 408 area code into two area codes. Area A would include San Jose:North Da, San Jose:South Da, San Antonio, Morgan Hill, San Martin, and Gilroy; and Area B would include Sunnyvale, San Jose:West Da, Campbell, Saratoga, and Los Gatos. All customers in the new area code would need to change their area code.

22. Area A of the split option has a projected life of 39 years and Area B has a projected life of 32 years.

23. Pursuant to Pub. Util. Code § 7931(e)(2), the Commission staff must conduct Public Participation Meetings in order to inform the representatives of the local jurisdictions and the public about the proposed area code relief options and the potential impact of the se options.

24. These Public Participation Meetings were held on March 15-18 in San Jose, Los Gatos, and Morgan Hill. CD staff also provided the public with a weblink, enabling customers to also comment on line as well as in person at the meetings.

25. As of April 7, 2011, the Commission had received a total of 165 responses, of which 142 are in favor of the overlay option and 13 are in favor of the split. The Commission also received five responses from local and state government, of which three are in favor of the overlay option, and two in favor of the split option.

26. By July 13, 2011, the Commission had received a total of 247 responses, which consisted of 204 responses in favor of the overlay option, 41 in favor of the split option, and two in favor of an alternative other than an overly or a split.

27. Pursuant to Pub. Util. Code § 7936, before approving any new area code, the Commission shall direct NANPA to obtain utilization data for any area code for which a change is proposed.

28. 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 for customers.

29. Pursuant to Pub. Util. Code § 7943(c), the Commission shall perform a telephone utilization study and implement all reasonable telephone number conservation measures.

30. The application proposes to conduct a PEP, but includes no information about how it should be designed or implemented.

31. PEP's were authorized in D.08-04-059 and D.08-10-038.

32. No protests have been received.

Conclusions of Law

1. In compliance with Pub. Util. Code § 7931(e)(2), CD staff and the NANPA conducted meetings for both representatives of local jurisdictions as well as the public in order to inform them of the area code change options and provide an opportunity to voice their opinions.

2. In compliance with Pub. Util. Code § 7936, the NANPA and the industry considered the 2010 and 2011 NRUFs in determining a consensus recommendation to resolve the forecast exhaust in the 408 area code.

3. In compliance with to Pub. Util. Code § 7943(c), the Commission has, for over ten years, implemented all reasonable telephone number conservation and rationing measures in the 408 area code.

4. The all services overlay option should cause the least inconvenience for consumers and is the option preferred by the industry and the majority of responding customers and local and state government in the 408 area code.

5. In compliance with to Pub. Util. Code § 7943(a), the Commission should adopt the overlay option to resolve the exhaust forecast for the 408 area code.

6. The implementation schedule requested by the NANPA will provide enough time for implementation of the overlay to occur prior to the exhaust, which is forecast to occur in the 408 area code. This schedule should be adopted.

Event	Time
Start of Customer Education and Network Preparation Period	6 months
Start of Permissive 1+10 Digit Dialing and Continued Customer Education Period (i.e., calls within the 408 NPA can be dialed using 7 or 1+10 digits) Mandatory Dialing begins at the end of the Permissive Dialing Period	6 months
First Code Activation (i.e., effective date for CO codes from the new overlay NPA)	1 month
Total Implementation Interval	13 months

7. A PEP that is generally consistent with that adopted in D.08-04-059 and D.08-10-038 (see Attachment A to this decision) should be adopted herein.

8. Subject to the approval of the Director of CD, the telecommunications service providers operating in the current 408 area code should develop a detailed PEP that is generally consistent with the plan adopted in D.08-04-059 and D.08-10-038 (see Attachment A to this decision).

9. The CD Director should be authorized to oversee the implementation of the PEP and should require all actions necessary to achieve a 70% 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, overseeing the customer awareness assessment process, and requiring any needed additional funding from the carriers.

10. The final PEP, approved by the CD Director, should be filed and served as a compliance filing in the current proceeding, no later than 30 days after the effective date of this decision. The filing of this compliance filing should not reopen the record of this proceeding.

11. A public hearing is not necessary.

12. This proceeding should be closed.

O R D E R

IT IS ORDERED that:

1. The proposed all-services overlay of the 669 area code in the 408 area code is adopted.

2. The following schedule for implementing the overlay of the 669 area code in the 408 area code, requested by the North American Numbering Plan Administrator, is adopted.

Event	Time
Start of Customer Education and Network Preparation Period	6 months
Start of Permissive 1+10 Digit Dialing and Continued Customer Education Period (i.e., calls within the 408 numbering plan area can be dialed using 7 or 1+10 digits) Mandatory Dialing begins at the end of the Permissive Dialing Period	6 months
First Code Activation (i.e., effective date for central office codes from the new overlay numbering plan area)	1 month
Total Implementation Interval	13 months

3. A public education program that is generally consistent with the plans adopted in Decision (D.) 08-04-059 and D.08-10-038 is adopted for the all-services overlay for the 408 area code (see Attachment A to this decision).

4. Subject to the approval of the Director of the Commission's Communications Division, the telecommunications service providers operating in the current 408 area code must develop a detailed public education program that is generally consistent with the plan adopted herein. The Director of the Commission's Communications Division is authorized to oversee the implementation of the public education program and must require all actions necessary to achieve a 70% 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, overseeing the customer awareness assessment process, and requiring any needed additional funding from the carriers.

5. The final public education program approved by the Director of the Communications Division must be filed and served as a compliance filing in the current proceeding, no later than 30 days after the effective date of this decision. That filing does not reopen the record of this proceeding.

6. Application 11-06-008 is closed.

This order is effective today.

Dated _____, at San Francisco, California.

ATTACHMENT A

Matrix of Public Education

Program Authorized in Decision 08-04-059

Activity	Description	Audience	Shared or Individual Service Provider Effort	Start Date	Completed Date
1	Effective date of decision approving 408 area code overlay	NA	NA		Decision date (DOD)
2	NANPA 408 implementation meeting	CPUC Staff and Industry	Shared		2nd Tuesday after DOD
3	Email to industry asking for participation on task force & subcommittees	Industry	Shared		3 weeks after DOD
4	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	408 overlay update to industry websites	All customers	Individual		4 months after DOD
6	News release describing 408 area code relief plan for distribution within the 408 area code 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 408/669 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		5 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, airports, alarm service providers and public safety organizations through the 408 area code.	Senior, consumer and other advocacy/activist organizations, chambers of commerce, city councils and other key government agencies, Burbank airport, alarm service providers and public safety organizations	Shared		5 months after DOD
10	Provide targeted information to schools by letter, sticker and worksheet. Timing may be modified to accommodate the school year.	Schools	Shared	5 months after DOD	7 months after DOD
11	Begin Permissive Dialing			6 months after DOD on Saturday	12 months after DOD
12	Published Directories: Add information on cover to alert customers in 408 area code	All customers	Individual		9 months after DOD
13	Offer industry appearances on local radio and TV talk shows	All customers	Shared	3 1/2 months after DOD	9 months after DOD
14	Correct payphone signage to include updated dialing instructions	All customers	Individual		11 months after DOD
15	News releases to media serving 408 area code and adjacent area codes and statewide regarding start of mandatory dialing	Statewide	Shared		11 months after DOD

16	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	9 months after DOD	11 months after DOD
17	Offer industry appearances on local radio or TV talk shows	All customers	Shared	9 months after DOD	11 months after DOD
18	Customer Notification #2. Announce the new area code plan. Include information about mandatory 1 + 10 digit dialing and indicate affected areas.	All customers	Individual		11 months after DOD
19	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, airports, alarm service providers and public safety organizations through the 408 area code.	Senior, consumer and other advocacy/activist organizations, chambers of commerce, city councils and other key government agencies, Burbank airport, alarm service providers and public safety organizations	Shared		11 months after DOD
20	Complete implementation of recorded message announcing mandatory dialing	All customers	Individual		11 months after DOD
21	Conduct a balanced and statistically significant survey of customers in 408 area code, including elderly, disabled and non-English speakers, to determine level of awareness of overlay and dialing change and submit the results to the Director of the Telecommunications Division. The proposed survey methodology shall be submitted to the Director of the Telecommunications Division for approval prior to implementation.	All customers including the elderly, disabled, non-English speakers	Shared		11 months after DOD
22	Begin Mandatory Dialing			12 months after DOD on Saturday	
23	669 numbers assigned and implementation completed			13 months after DOD, 1 month after mandatory dialing	

(END OF ATTACHMENT A)