

Decision 00-09-073 September 21, 2000

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking on the Commission's Own Motion into Competition for Local Exchange Service.	Rulemaking 95-04-043 (Filed April 26, 1995)
Order Instituting Investigation on the Commission's Own Motion into Competition for Local Exchange Service.	Investigation 95-04-044 (Filed April 26, 1995)

**O P I N I O N**

In Decision (D.) 99-09-067, we suspended the overlay relief plan for the 310 area code previously approved in D.98-05-021, and established a program to resolve number allocation problems through more efficient utilization of existing numbers, including number pooling and related measures. By this decision, we adopt a back-up contingency plan to provide for the possibility of a geographic split of the 310 Numbering Plan Area (NPA) should it become necessary, and as required by the Federal Communications Commission (FCC). We adopt Alternative 1A as the back-up plan. Alternative 1A is the geographic split originally proposed by the industry as described in D.98-05-021. We defer adopting a schedule to implement the back-up plan at this time. It is premature to adopt an implementation schedule until we confirm that carrier-reported utilization data is reliable. We order an independent audit to make such confirmation. Upon receipt of the audit report, we shall then be in a position to move forward with a mechanism to trigger implementation of the relief plan if the audit findings warrant such action.

## **Procedural Background**

On June 9, 1999, a Petition to Modify D.98-05-021 was filed by Assemblyman Wally Knox, Congressman Henry A. Waxman, and a number of civic organizations in the 310 NPA area requesting that the Commission halt the previously approved overlay relief plan. The Petition argued that: “[P]ublic concern about the rapidity of number exhaustion and disruption and hardship caused by the accelerating pace of creation of new area codes has caused all levels of government to reconsider numbering issues.”<sup>1</sup>

On June 24, 1999, the Commission issued D.99-06-091 granting a temporary suspension of the activation of the 424 area code to provide the Commission sufficient time to address the merits of the Petition. On September 16, 1999, the Commission adopted an Interim Opinion, D.99-09-067, granting the Petition to Modify, suspending the overlay and instituting more aggressive measures to conserve existing numbers.

On September 15, 1999, the FCC granted the Commission’s April 23, 1999 Petition for Additional Delegated Authority to implement various area code conservation and relief planning measures.

Paragraph 15 of the FCC Order required that in any NPA in jeopardy where the Commission implements a number pooling trial, steps must be taken to adopt an NPA relief plan that could be implemented if numbering resources were in imminent danger of being exhausted. Since the Commission in D.99-09-067 mandated a number pooling trial in the 310 NPA, and suspended

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<sup>1</sup> Petition, at 4.

the implementation of the 424 NPA overlay, it is necessary to adopt a back-up NPA relief plan.

An Administrative Law Judge (ALJ) ruling was issued on October 4, 1999, soliciting comments concerning the adoption of a back-up relief plan for the 310 NPA. The ALJ ruling sought comments concerning the adoption of the geographic split Alternative 1A that originally had been presented for consideration by the Commission, as described in D.98-05-021.

Opening comments were filed on November 1, 1999, and reply comments were filed on November 9, 1999. Parties commented on time constraints involved in implementing a back-up relief plan, including the lead time that would be required to implement switching and related technical steps in preparation for the new area code(s). Parties also commented on what windows of time would be available or feasible to institute permissive or mandatory dialing periods for the new area code.

Comments were filed by Pacific Bell (Pacific), GTE of California, Incorporated (GTE), the Cellular Carriers Association of California (CCAC), AirTouch Cellular Communications, Inc. (AirTouch), Sprint PCS and Sprint Communications Company L.P. (Sprint), the Office of Ratepayer Advocates (ORA), The Utility Reform Network (TURN); Assemblyman Wally Knox and Speaker Antonio Villaraigosa (Legislators) and Lockheed Martin IMS – NANPA. Joint comments were filed by AT&T Communications of California, Inc., Optel Telecom, Inc., MCI WorldCom, Inc., NEXTLINK of California, and Pac-West Telecom, Inc. (collectively, the Joint Commenters).

### **Parties' Positions**

Parties disagree on what back-up plan should be adopted for the 310 NPA and what the timing and conditions of implementation of any back-up plan

should be. Assemblyman Knox and Assembly Speaker Villaraigosa oppose any form of back-up plan for the 310 NPA that entails creating a new area code. They express concern that adopting a back-up plan to implement a new area code may unduly take precedence over the commitment to make the number conservation measures work. The other parties agree that the back-up plan must provide for the creation of a new area code in order to conform to FCC requirements, but disagree as to whether the back-up plan should be an overlay or a geographic split. Parties representing incumbent and wireless carriers advocate reinstatement of the previously suspended overlay as the back-up plan, with its implementation to begin immediately. Parties representing competitive local carriers generally support adoption of a geographic split as a back-up plan, and offer alternative views on when implementation should begin.

Pacific, AirTouch, and Sprint PCS favor the overlay as a back-up relief plan arguing that it is better for customers, and claim that a geographic split could not be fully implemented before complete code exhaustion in the 310 NPA. These parties argue that given the lead time needed to implement a back-up plan, only an overlay could be implemented in time to assure that code exhaustion is avoided.

The Joint Commenters and ORA/TURN support adoption of the geographic split previously proposed by the industry, Alternative 1A, as the only viable back-up plan that is consistent with Commission policy. ORA/TURN oppose Pacific's proposal for a seven-digit overlay, arguing such a plan would be anti-competitive, would create gross inequities in customer dialing patterns, and would violate FCC rules. These parties argue that a streamlined implementation schedule could be devised to provide for expedited implementation of a geographic split.

Several parties argue that implementation of the back-up plan should begin immediately in view of the time required for implementation. Parties differ as to how long implementation of the back-up plan would take and how far in advance the implementation would have to begin to avoid code exhaustion.

If the Commission were to defer the implementation of a back-up plan, most parties still generally agree on the need for some triggering mechanism that would automatically initiate immediate implementation of the back-up plan. CCAC proposes that a mechanism be established to trigger implementation of the back-up plan when the 310 NPA is projected to be six months from exhaustion. ORA and TURN support either a six-month or nine-month-to-exhaust standard as a trigger to initiate implementation of the back-up plan after number pooling is in place.

## **Discussion**

### **Adoption of Geographic Split Alternative 1A as a Back-up Plan**

In order to comply with FCC directives, we must adopt some form of an area code relief plan on a back-up basis for the 310 NPA. We share the concerns of Assemblyman Knox and Speaker Villaraigosa that the back-up plan not divert the focus from aggressively implementing number pooling and related conservation measures. Nonetheless, we recognize our obligation to adopt a back-up relief plan for a new area code while we move forward with all due diligence to implement number conservation measures.

At the time we adopted D.98-05-021, we concluded that an overlay would have less overall adverse impact than would a split of the 310 NPA. Since then, we have reevaluated the comparative merits of an overlay compared to a split, as

discussed in D.99-09-067 in which we suspended further implementation of the 310/424 NPA overlay. In view of the Commission's findings in D.99-09-067 concerning the public's opposition to the 310/424 NPA overlay, we now conclude that a split would have less overall adverse impact on the public than would an overlay of the 310 NPA. The problems with an overlay lead us to conclude that its adoption as a back-up relief plan would not be in the public interest. The difficulties involved with an overlay include mandatory 1+10-digit dialing for all calls and the prospects of dialing of a different area code simply to call a next-door neighbor. The overlay also disadvantages new customers who must take the new area code which is less familiar and may create confusion as to where the customer is located.

Pacific argues that an overlay with a seven-digit dialing requirement could provide for the longest deferral because such a plan could be implemented relatively quickly. Yet, to implement such a plan would require a waiver from the FCC of its mandatory 1+10-digit dialing requirement for overlays, as well as a modification to past Commission decisions adopting a similar overlay policy. The FCC would then have to grant the waiver before such a proposal could be implemented. It is uncertain when or if such a waiver by the FCC would be granted.

Although Pacific's proposal for an overlay would preserve seven-digit dialing, the other infirmities of an overlay would remain. Customers would still face the anomaly of being assigned different area codes within the same residence or business where multiple numbers were used. Even if seven-digit dialing were permitted as proposed, this advantage would mean little to those customers forced to take a number in the overlay NPA. Such customers would still have to dial 11 digits for the vast majority of their calls, since the new NPA

would be underpopulated. Calls to the 310 NPA would still require dialing 1+ the area code. Newer competitors that would only obtain numbers in the new NPA could be placed at a competitive disadvantage by being unable to offer numbers for lines in the more desirable 310 NPA.

For these reasons, we conclude that a seven-digit overlay as a back-up relief plan for the 310 NPA is not practical or desirable in this instance, and that a back-up plan needs to be considered via a geographic split.

Although an overlay may be quicker to implement on short notice than a geographic split, we remain unpersuaded that this outweighs the disadvantages of an overlay. We believe that a geographic split plan can be implemented on an expedited basis in sufficient time to avoid code exhaustion in the 310 NPA if it becomes necessary. We address the timing issues involved with implementing the back-up plan below.

As previously discussed in D.98-05-021, we are aware of the customer disruption that could be caused by another geographic split of the 310 NPA. As NPAs are progressively split, it becomes increasingly difficult to avoid dividing communities of interest. Also, the change of an area code is disruptive to those customers, particularly small businesses, that must inform incoming callers of the number change. We acknowledge the comments on the ALJ's draft decision filed by the California Small Business Association (CSBA) and California Small Business Roundtable (CSBR) reiterating the drawbacks of a geographic split and advocating reinstatement of the overlay as the backup plan. Yet, the CSBA/CSBR fail to provide any convincing rationale to reverse the course we initiated in D.99-09-067. We determined in D.99-09-067 that the public dissatisfaction with an overlay, including mandatory 1+10-digit dialing, is so overwhelming that we were led to suspend its implementation. The various

problems with an overlay and the reasons for suspending it were previously discussed in D.99-09-067. CSBA/CSBR fail to provide a solution to the mandatory 1+10-digit dialing problem with an overlay. CSBA/CSBR simply express their belief that the requirement should be rescinded, but provide no analysis of the consequences if the FCC refuses to rescind the requirement, or the potential discriminatory impacts on code access resulting from an overlay without mandatory 1+10-digit dialing. In fact, on October 21, 1999, the FCC issued an order (FCC 99-243) denying several parties' requests to grant an exemption from the mandatory 1+10-digit dialing requirement for an overlay in order to avoid anticompetitive consequences.

Thus, notwithstanding all of the drawbacks of a geographic split, we find the Alternative 1A geographic split to be the most viable alternative for a back-up area code relief plan for the 310 NPA. We conclude that while this plan will admittedly result in disruption to customers impacted by the area code change, it will minimize the resulting disruptions in comparison to an overlay.

The record previously developed as a basis for D.98-05-021 produced a number of relief plan options involving geographic splits of the 310 NPA that were presented at public and local jurisdiction meetings. Therefore, it is not necessary to conduct additional proceedings as a basis to adopt a back-up relief plan for the 310 NPA. We conclude that no additional public or local jurisdiction meetings are required.

Most of the geographic split options formulated by the industry were eliminated from further consideration due to their failure to satisfy the prescribed industry criteria used to evaluate relief plans. The geographic split option presented for Commission consideration by the industry planning team



that did meet the prescribed criteria was Alternative 1A, a two-way geographic split.

Alternative 1A would implement a two-way geographic split whereby the northern portion, including the majority of Inglewood; all of Culver City, Marina Del Rey, Mar Vista, Santa Monica, Beverly Hills, West Los Angeles, Malibu and a small portion of the City of Hawthorne and Ventura County would retain the 310 area code. The southern portion of the 310 area code would be split off into the new 424 area code.

The existing rate centers within the 310 NPA would be allocated as follows under the Alternative 1A geographic split. The originally projected lives of the NPAs after the split are shown in the right-hand column.

Relief Alternative #1A Two-way Split

NPA life range\*  
from 7/17/99

310 NPA

8¼ - 9½ years

Seven Rate Centers which include: Santa Monica, West Los Angeles, Beverly Hills, Mar Vista, Culver City, Inglewood and Malibu which also serves a small portion of Ventura County

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\* The NPA life ranges reflected the application of a  $\pm$  10% sensitivity factor to projected growth and the use of January 1, 1998 Local Exchange Routing Guide and the 1997 Central Office Code Utilization Survey NXX assignment quantities.

NEW NPA

13¼ - 15½ years

Nine Rate Centers which include: Avalon,  
 El Segundo, Hawthorne, Redondo, Compton  
 Compton, Compton Gardena, Torrance,  
 Lomita and San Pedro

As part of the ALJ ruling issued on October 4, 1999, the North American Numbering Plan Administration (NANPA) was directed to verify and update the projected NPA lives for the Alternative 1A split using October 1, 1999 as the assumed start date. The NANPA reports that based on the updated results of the 1999 Central Office Code Utilization Survey (COCUS), the originally estimated useful lives of the two NPAs after completion of the geographic split should be revised downward. The 1999 COCUS results indicate a demand of approximately 144 NXX codes per year. The original projections indicated a demand of only 100 NXX codes for the first year, 80 codes for the second year, and 70 codes per year thereafter. Based on the increased demand indicated by the 1999 COCUS, and given the remaining codes in the 310 NPA, the NANPA estimates revised useful lives of the two NPAs after a geographic split as follows:

<u>NPA</u>	<u>Projected Life</u>
310-(north of split line)	3.2 years
424-(south of split line)	9.2 years

The revised projections of useful lives suggests a significant imbalance between the two NPAs. It also suggests a short life for the 310 NPA before further relief would be needed. The projections, however, assume continued allocation of NXX codes in blocks of 10,000, and fail to take into account the expected results of our thousand-block number pooling trial and other code

conservation measures. We therefore question the reliability of the NANPA's projections.

**Contingency Schedule for Implementation of the Back-up Plan**

In order to comply with the FCC Order, the Commission must ensure that the back-up plan can be fully implemented in time to avoid code exhaustion in the 310 NPA. This means that implementation of the back-up plan would need to begin early enough so that it could be completed before all the codes in the 310 NPA are exhausted. We remain mindful of the concerns addressed in D.99-09-067 to spare customers the disruptions of yet another new area code in the 310 NPA if more efficient numbering practices can avoid or defer the need for another area code. If the back-up plan were ordered to go forward immediately, before giving the number conservation measures a chance to work, we would forfeit the advantages sought in D.99-09-067 of deferring another new area code in the 310 NPA through more efficient use of existing numbers. We therefore adopt a back-up plan with these countervailing considerations in mind.

The setting of a contingency schedule for the potential implementation of the Alternative 1A back-up plan is a function of (1) the lead time to implement a geographic split, versus (2) the remaining time before codes are exhausted. Safeguards need to be in place so that if we determine that code exhaustion in the 310 NPA is imminent, sufficient advance notice can be given to permit the back-up plan to take effect in time to prevent total code exhaustion.

We continue to believe that the number pooling trial will promote more efficient use of NXX codes in the 310 NPA by permitting assignment of numbers in blocks of 1,000 instead of 10,000. Nonetheless, since only LNP-capable carriers will be able to participate in the pooling trial, the efficiencies of 1,000-block

number assignments will not be realized by wireless carriers. Because wireless carriers will not become LNP-capable until 2002, their only recourse will be to obtain one of the remaining NXX codes that has not already been assigned.

Various measures, however, remain available to extend the life of the 310 NPA as necessary so that the back-up plan could be implemented prior to code exhaustion. At the same time, moreover, the number of carriers participating in the lottery was reduced beginning with the February 2000 lottery. Beginning in February, only non-LNP-capable carriers were authorized to draw NXX codes in the monthly 310 NPA lottery.

In addition, the Director of the Telecommunications Division issued a letter to lottery participants on January 28, 2000, advising them that the frequency of NXX code lottery for the 310 NPA is being reduced from being held each month to being held every other month. LNP-capable carriers are now authorized to draw new numbers only from the number pool in blocks of 1,000. Likewise, the eligibility criteria for a carrier to obtain numbers also have become more stringent. Before a carrier can qualify to obtain additional numbers in the 310 NPA lottery, the carrier must first meet the imminent exhaust criteria established in D.99-11-027. The use of these criteria should guard against assigning numbers to carriers that have not demonstrated a valid need for them.

We also expect additional NXX codes to become available to non-LNP-capable carriers through the return of unused codes to NANPA as prescribed in D.99-11-027 and through the return of codes that were previously earmarked for number pooling from 16 rate centers that are not being used for pooling at this time. All of these measures should help to extend the time before code exhaustion would occur in the 310 NPA.

In an additional effort to verify the actual utilization of numbering resources, we ordered a study to be conducted by the Telecommunications Division staff in D.99-09-067, regarding actual code utilization in the 310 NPA. Before determining whether any new area code is needed, we first sought to confirm whether existing number resources were being used efficiently.

On March 16, 2000, TD issued its "Report on the 310 NPA" (Report) in compliance with the directive of D. 99-09-067. Parties were permitted to file responses to the Report. As reported by TD, there were approximately three million unused numbers as of November 1999. We believe that the TD Report provided corroboration of our earlier caution in questioning whether prior carrier claims of number exhaustion were supportable. The number conservation measures that we have recently adopted, including requirements in D.99-11-027 for carriers to return unused codes, fill rate and sequential numbering rules in D.00-03-054, and thousand block number pooling for LNP-capable carriers, help insure that the unused numbers in the 310 NPA identified in the TD Report are allocated as efficiently as possible.

Nonetheless, even with the unused numbers identified by the TD Report, we recognize that there are various constraints on the ability of carriers to make use of these unassigned numbers in meeting current customer service needs. For example, a certain quantity of unused numbers must remain reserved for carriers' inventory needs. Also, in certain cases, carriers may need numbers in a particular rate center. Even if there are unused numbers in other rate centers, a carrier may be unable to use those numbers to serve customers in a rate center

where there is a shortage of NXX prefixes.<sup>2</sup> Moreover, of the three million unused numbers, only 466,000 were identified as belonging to wireless carriers. Since wireless carriers are not able to participate in the current 310 NPA number pool, they must continue to rely on the semi-monthly 310 NPA lottery of NXX codes to meet their numbering needs. Given the limited number of NXX codes remaining available for assignment to wireless carriers through the 310 NPA semi-monthly lottery process, we recognize that implementation of the 310 NPA back-up plan still may be necessary in the near future to meet our obligation to provide for adequate numbering resources.

While we appreciate the considerable effort that went into preparing the TD Report on number utilization the 310 NPA, we remain concerned that the reported results of the Report reflect only the representations of carriers. In order to rely on the findings underlying the TD Report, we must first independently confirm that representations made by carriers are valid and that reported number usage properly conforms with the state and federal rules that have been adopted for reporting purposes. Thus, prior to adopting a schedule to implement the 310 NPA back-up plan, we shall first order that an independent audit be conducted of the number utilization data underlying the TD Report on the 310 NPA that was issued in March 2000.

We shall direct the independent audit of 310 NPA number utilization data to be conducted by Commission staff. The staff shall present an audit report to be filed and served on parties of record by November 17, 2000. Parties shall have

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<sup>2</sup> In the case of wireless carriers, however, it may sometimes be possible to use numbers from an adjacent rate center to provide customers with numbers even if there is a shortage of NXX prefixes in the desired rate center.

10 days to file any responses to the findings of the audit report. The audit report shall present the findings of the audit, and shall provide a basis for determining the reliability of the data underlying the 310 NPA Report submitted by TD in March 2000. Upon receipt of the audit report and following parties' opportunity to comment thereon, we shall make an assessment of the reliability of the carriers' reported utilization data.

If we determine based on the auditors' findings, that implementation of this back-up plan is necessary, we shall be then be prepared to adopt a scheduling process for implementing the 310 NPA back-up plan adopted in this order. If, on the other hand, the auditors' findings reveal material questions concerning the accuracy or integrity of the reported data, we shall then consider what further steps may be necessary to obtain accurate and reliable data upon which a 310 NPA relief planning decision can be based.

It is premature to adopt a schedule for the 310 NPA back-up plan prior to completion of the audit that we have ordered above. Nonetheless, we do consider it useful at this time to set forth an adopted framework to scheduling that we expect to implement at such time that we determine to move forward with implementation of the 310 NPA back-up plan.

Any advance planning of a new area code must begin early enough to complete the required network conversions and to provide sufficient advance notice to customers. We recognize that carriers would need time to convert their switches to accommodate dialing of the new area code and to provide advance notice to customers. Some carriers may need more time than others to accomplish the conversion given the size of the networks and the complexity of the conversion. Pacific claims it would need nine months prior to the beginning

of permissive dialing to make the necessary conversions, assuming the new area code retains the previously assigned 424 NPA designation.

Since Pacific has the most switches and most complex network, its conversion time represents a critical overall constraint for scheduling the necessary time to prepare for permissive dialing. Pacific must also analyze how the network should be reconfigured to allow each E-911 call to be completed to the appropriate E-911 destination point. This requires Pacific to define the reconfiguration and simulate the reconfigured network using specialized computer tools that display the network with the new area code. The results of the simulation must then be interpreted and appropriate modifications made to the reconfiguration. Pacific performs these reconfiguration assessments not only for itself, but also for CLCs, independent telephone companies, and Public Safety Answering Points. Other carriers with fewer switches than Pacific should be able to complete their conversion within a shorter time. In the interests of due precaution, therefore, we direct carriers to begin immediately with any network conversions and E-911 reconfigurations necessary to prepare for the beginning of the permissive dialing period. By undertaking the conversion process now, the necessary conversion work should be completed in a timely manner. With this preliminary work completed, there will be flexibility to allow for an expeditious customer notice to implement the back-up plan, if deemed necessary, without undue delay.

We conclude that by starting the necessary network and E-911 reconfigurations now, carriers should therefore have sufficient time to complete these critical preparations prior to the permissive dialing period.

The permissive dialing period would be necessary to provide the public time to prepare for and to incorporate the change in area code from 310 to 424.



While expeditious implementation of the back-up plan will make available new numbering resources sooner, the implementation period must last long enough for the public to prepare for and to incorporate necessary changes reflecting the new area code. Section 7932 of the Public Utilities Code requires that a "transitional dialing period" be scheduled as part of the opening of a new area code to provide the public some period of time to adjust to the change in area code. This transitional period has traditionally been referred to as comprising (1) a permissive and (2) a mandatory dialing period.

For certain area code splits, the Commission has adopted a six-month permissive dialing period, during which a caller can reach a customer in the new area code by dialing either the called party's seven digit number or the old or new area code plus the called party's seven digit number. That permissive dialing has been followed by a mandatory dialing period of three months, during which a calling party must dial the called party's new area code and telephone number or receive a message instructing the calling party to dial the new area code. While these periods may have traditionally been allotted in some previous NPA decisions, the applicable provisions of the Public Utilities Code merely call for a permissive dialing period during which a number in the new area code can be reached by dialing either the seven-digit called number or the area code plus the seven-digit called number. There is no statutory restriction on how long the permissive dialing period must be. Likewise, there is no restriction as to how long the mandatory dialing period must last. Moreover, the statutory requirement for a mandatory dialing period is conditional on sufficient prefix codes being available. Thus, we have discretion to set a shortened period for transitional and mandatory dialing to accommodate the timeframes at issue with the 310 NPA.

We must weigh the advantages of shortening the permissive and mandatory dialing periods against the possible customer confusion that could result from providing insufficient time for transitional dialing periods. Customers need time to change stationery, business cards, etc., to reflect the new area code, and to acclimate themselves to dialing numbers in the new area code. We take these tradeoffs into account in determining the lead time necessary for the back-up plan. For purposes of developing a contingency schedule for the back-up plan, we thus shall provide for a three-month permissive dialing period and a two-month mandatory dialing period.

A three-month permissive dialing period will provide the necessary time for customers to become acquainted with the new area code while expediting the waiting period before new NXX codes can become available to carriers and their customers. At the end of the permissive dialing period, mandatory dialing of the 424 area code will take effect, requiring callers in the 310 NPA to dial the 424 area code to reach a number in that NPA. Carriers will not be able to actually issue new numbers from prefixes in the 424 NPA, however, until the end of the "mandatory dialing period." During this period, prefixes from NXX codes that were assigned in the 310 NPA prior to the split cannot be reassigned as new numbers to customers in the 424 NPA. The mandatory dialing period provides a further opportunity for the public to become accustomed to dialing the new area code. It also allows time for calling card and third-party type call billing records to be applied to the correct customer accounts before the NXXs assigned to the 424 NPA are reassigned in the 310 NPA.

We shall limit the mandatory dialing period to two months to minimize the time before carriers can begin to assign new numbers from the NXX codes created by the 310/424 NPA split. During this two months, carriers can still

draw upon any existing inventory of NXX codes they may hold as a source for providing their interim number needs. As prescribed in the Assigned Commissioner's Ruling dated November 15, 1999, setting up the number pooling trial, carriers were permitted to keep a six-month inventory of NXX codes in the 310 NPA. At the end of the two-month mandatory dialing period, carriers can begin making number assignments from new NXX prefixes made available by the 310/424 NPA split.

While a longer permissive and mandatory dialing period would be more ideal, the situation we face in terms of depleted number resources in the 310 NPA requires that we shorten the permissive and mandatory dialing periods in this manner. In order to mitigate adverse impacts on customers from the shortened notice period to prepare for the new area code, very careful attention needs to be paid to effective customer outreach and notice concerning the new area code. We are particularly concerned about the need for the new area code to be explained to the customers as clearly as possible, particularly in light of customers' previous experience with suspension of the overlay and mandatory 1+10-digit dialing. The notice needs to make customers aware that even if a new area code must be added, the Commission and carriers have not given up on the resolve to make carriers use number resources more efficiently and to minimize the growth of new area codes in the future.

In addition, extra measures may be needed to alert customers to the shorter-than-normal permissive and mandatory dialing periods, and the need for customers to make timely preparations for the change in area code in view of the shortened notice on implementation. In addition to any other regular notice by bill insert, we shall direct carriers to send separate customer notices of the schedule for the area code change by direct mail within 60 days of notification by

NANPA to proceed with implementation as set forth below. The separate mailings are necessary to help assure customers receive prominent notice of the new area code. We direct the Telecommunications Division and Consumer Services Division, in cooperation with the Public Advisor, to monitor the customer notification process concerning any new area code split that may be subsequently scheduled and to advise the assigned Commissioner in the event that further customer outreach efforts need to be implemented.

In preparation for the prospect that we may determine to put in place a scheduling mechanism for the 310 NPA back-up plan after receipt of the Commission staff audit report as outlined above, we hereby outline the framework that we intend to use for that purpose. We conclude that the backup plan for the 310 NPA should be initiated by a triggering mechanism. This triggering mechanism may only be initiated after we have authorized it to take effect. We shall authorize the triggering mechanism to take effect when or if we determine that the findings of the audit report warrant going forward with such authorization. The trigger mechanism shall incorporate the follow sequence of events.

The Telecommunications Division Director shall notify the assigned Commissioner, and the assigned ALJ by letter at any point thereafter where it is determined that code exhaustion is imminent in eight months.<sup>3</sup> The letter of the Telecommunications Division Director should concurrently be served on all parties to this proceeding. Upon confirmation of the forecast, the assigned

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<sup>3</sup> In making this determination, the frequency of the lottery for the 310 NPA shall be assumed to be every other month until further notice.

Commissioner, in consultation with the assigned ALJ and Telecommunications Division, will then authorize the NANPA by letter to provide carrier notification for the back-up plan to take effect. The Assigned Commissioner's authorization to the NANPA shall be made within 30 days of receipt of the notification letter of the Telecommunications Division. In such an event, the NANPA shall immediately notify carriers that implementation of the back-up plan must proceed indicating the specific dates for permissive and mandatory dialing to begin.

Permissive dialing shall begin no later than two months from the effective date of the notice from the NANPA and to continue for three months thereafter.

Thus, no less than seven months would elapse from the date of NANPA's notification to the industry to start implementation of the back-up plan until the end of the mandatory dialing period for the new area code. The resulting schedule for implementation of the back-up plan is summarized herewith:

- a. Within two months from the date of notification by NANPA, customers shall be notified by direct mailing about the boundaries and NXX prefixes to be covered by the new area code and the schedule for permissive and mandatory dialing;
- b. Two months after the NANPA's industry notification, permissive dialing of the new area code should begin, continuing for three months; and
- c. Five months after the NANPA's notification, a two-month mandatory dialing period shall begin.

Even if we ultimately implement the back-up relief plan, we still remain fully committed to following through with the number pooling trial and related code conservation measures already initiated in the 310 NPA. The

implementation of the 310/424 NPA geographic split shall in no way diminish the priority we have placed on implementing number pooling and the other related number conservation measures outlined in D.99-09-067. The importance of efficient number utilization in the 310 NPA remains a paramount concern independent of the implementation of a geographic split. The history of the 310 NPA since its formation in 1991 has involved recurring splits resulting in public disruption and a continually shrinking NPA. The NANPA has projected the expected life of the 310 NPA after completion of the 424 NPA split to be only 3.2 years. In order to extend the life of the 310 NPA after the 424 NPA split, it is imperative that number pooling and related conservation measures continue to be pursued aggressively. Thus, our previous mandates to institute the number pooling trial and related measures in the 310 NPA remain unaffected by any subsequent implementation of a 424 NPA geographic split.

Moreover, we intend to incorporate thousand-block number pooling as a basis for assigning numbers to carriers in the 424 area code from its inception. Based on past experience with the 310 NPA, the relief provided by the opening of the 424 NPA will likely be short lived, leading to yet a further relief plan filing within a few years, unless proactive measures are taken from the very beginning. As several parties have noted, the greatest efficiencies from number pooling are realized when implemented early in the life of the NPA while many NXX codes remain unassigned and uncontaminated. Therefore, we direct the assigned ALJ to take comments to develop a process for the implementation of thousand-block number pooling in the 424 NPA concurrently with its opening.

The benefits of more efficient number utilization will provide ongoing benefits in any case, and will be an essential tool toward curtailing the proliferation of new area codes in the future.

### **Comments on Draft Decision**

The draft decision of the ALJ in this matter was mailed to the parties in accordance with Pub. Util. Code § 311(g)(1) and Rule 77.1 of the Rules of Practice and Procedure on December 7, 1999. Comments were received on December 27, 1999 and reply comments were received on January 3, 2000. We have taken the comments into account, as appropriate, in finalizing this order.

### **Findings of Fact**

1. By D.99-09-067, the Commission suspended the previously authorized 310/424 area code overlay, and instituted a program of number pooling and related measures to address the need for number resources in the 310 NPA.
2. Under FCC requirements, a back-up area code relief plan must be adopted where the Commission has instituted a number pooling program to defer the need for a new area code, and the Commission must be prepared to implement the back-up plan prior to NXX exhaustion.
3. The record previously developed as a basis for D.98-05-021 produced an industry-proposed relief plan (Alternative 1A) which would provide for a two-way geographic split of the 310 NPA.
4. Even if an overlay could be implemented which avoided mandatory 1+10-digit dialing, the remaining infirmities of an overlay would still exist, such as the loss of unique geographic identification with an area code and anticompetitive dialing disparities.
5. Present Commission policy and FCC rules prohibit implementation of an overlay without a requirement for mandatory 1+10-digit dialing.
6. A seven-month advance notice to carriers would permit lead time for an expedited implementation of the Alternative 1A geographic split, providing for completion of events as set forth in OP 4 below.

7. Since Pacific has the most switches and most complex network, its conversion time represents a critical overall time constraint for switch conversion and E-911 reconfiguration to accommodate the 310/424 NPA geographic split.

8. Before the permissive dialing period for the 424 NPA can begin, switch conversions and E-911 reconfigurations need to be completed first.

9. A three-month permissive dialing period will provide the necessary time for customers to become acquainted with the new area code while expediting the waiting period before new NXX codes can become available to carriers and their customers.

10. A mandatory dialing period of two months is the shortest time that can be accommodated before carriers can begin to assign new numbers from the new NXX prefixes created as a result of the 310/424 NPA split.

11. In order to mitigate adverse impacts on customers from the shortened transitional period to prepare for the new area code, careful attention needs to be paid to effective customer outreach and notice concerning the new area code.

12. The greatest efficiencies from number pooling are realized when it is implemented early in the life of the NPA while many NXX codes remain unassigned and uncontaminated.

13. On March 16, 2000, TD issued its "Report on the 310 NPA" (Report) in compliance with the directive of D. 99-09-067.

14. As reported by TD, there were approximately three million unused numbers as of November 1999.

15. Of the three million unused numbers in the 310 NPA, only 466,000 were identified as belonging to wireless carriers.



16. Since wireless carriers are not able to participate in the current 310 NPA number pool, they must continue to rely on the semi-monthly 310 NPA lottery of NXX codes to meet their numbering needs.

17. The reported results of the Report reflect only the representations of carriers, and have not yet been verified by an independent audit.

### **Conclusions of Law**

1. A geographic split of the 310 NPA should be adopted as a back-up plan, using the boundaries and rate center designations for the new area code as previously identified as Alternative 1A in D.98-05-021.

2. In conformance with FCC requirements, the adopted backup relief plan must allow sufficient time for implementation to be completed before all NXX codes in the 310 NPA have been exhausted.

3. Prior to adopting any schedule to implement the 310 NPA back-up plan, an independent audit should be conducted of the number utilization data underlying the TD Report on the 310 NPA that was issued in March.

4. The trigger mechanism to initiate implementation of the 310 NPA back-up plan as outlined in this order should not be put into place until the Commission reviews the audit findings concerning 310 NPA number utilization, and determines that it is advisable to order the trigger mechanism to take effect.

5. The Commission has previously determined in D.99-09-067 that number pooling and related conservation measures offer a means of significantly extending the life of the 310 area code by making more efficient use of existing numbering resources while deferring opening a new area code.

6. An advance notice period of eight months prior to code exhaustion should provide sufficient lead time to implement Alternative 1A as a back-up plan, providing for customer notice as set forth in OP 4.

7. Carriers should begin immediately with any necessary network conversions and E-911 reconfigurations in order to be prepared for the beginning of permissive dialing when it is ordered.

8. To provide sufficient time to implement the back-up plan, we reserve the option of considering more stringent rationing, if necessary, to extend the 310 NPA life.

9. The implementation of the 310/424 NPA geographic split should in no way diminish the priority the Commission has placed on implementing number pooling and the other related number conservation measures outlined in D.99-09-067.

## **O R D E R**

### **IT IS ORDERED** that:

1. Alternative 1A, the two-way geographic split option for the 310 Number Plan Area (NPA) previously presented by the industry is adopted as a back-up relief plan pursuant to Federal Communications Commission requirements.

2. The implementation of a scheduling mechanism for the 310 NPA back-up plan shall be deferred pending receipt of an independent audit of the code utilization data reported by carriers underlying the "Report on 310 NPA" presented by the Telecommunications Division in March 2000. The Telecommunications Division Director shall notify the assigned Commissioner, and the assigned ALJ by letter at any point where it is determined that code exhaustion is imminent within eight months.

3. An independent audit of 310 NPA number utilization data underlying the "Report on 310 NPA" presented by the Telecommunications Division in March 2000 shall be conducted by Commission staff. The staff audit shall determine the

reliability and integrity of the underlying data and confirm that it properly conforms to state and federal reporting requirements.

4. The staff shall present an audit report on its findings to be filed and served on parties of record by November 17, 2000. Parties shall have 10 days to file any responses to the findings of the audit report.

5. The Commission shall be prepared to implement the following scheduling mechanism as set forth in the ordering paragraphs below in the event that the audit findings form a basis to conclude that such scheduling should proceed.

6. The Assigned Commissioner shall, by letter, authorize and direct the North American Numbering Plan Administration (NANPA), after confirmation from the Telecommunications Division (TD), to notify 310 NPA code holders to proceed with implementation of the Alternative 1A geographic split in the event that the 310 NPA is determined by TD to be eight months away from exhaustion.

7. When or if the NANPA's advance notice to implement the back-up plan is given to 310 code holders, the following schedule of events shall apply:

- a. No later than two months after the NANPA notification, carriers shall send a separate direct mailing to their customers notifying them of the adopted plan to split the 310 area code, and informing them about the boundaries and NXX prefixes to be covered by the new area code, and the dates for permissive and mandatory dialing;
- b. Two months after the NANPA's notification to code holders, the permissive dialing period for the new 424 area code shall officially begin, continuing for three months;
- c. A subsequent two-month mandatory dialing period shall thereafter follow.

5. Three months prior to the end of mandatory dialing, a subsequent customer notice shall be sent by bill insert to customers in the 310 NPA,

providing a reminder concerning the implementation schedule for the new 424 area code, and the areas covered by the new area code.

6. The Telecommunications Division, Public Advisor and Consumer Services Division shall monitor carriers' customer notification process concerning the new area code split and to advise the assigned Commissioner in the event that further customer outreach efforts need to be ordered.

7. Carriers shall begin immediately with any necessary network conversions and E-911 reconfigurations to be completed within nine months in order to be prepared for the beginning of permissive dialing when it is ordered.

8. The assigned ALJ shall issue a ruling to take comments on a process for the implementation of thousand-block number pooling in the 424 NPA concurrently with its opening.

This order is effective today.

Dated September 21, 2000, at San Francisco, California.

LORETTA M. LYNCH  
President  
HENRY M. DUQUE  
RICHARD A. BILAS  
CARL W. WOOD  
Commissioners

I dissent.

/s/ JOSIAH L. NEEPER  
Commissioner

I will file a concurrence and partial dissent.

/s/ HENRY M. DUQUE  
Commissioner

Commissioner Henry M. Duque, concurring:

For some time, proceedings concerning numbering issues have led me to file dissents. These dissents noted that our decisions failed to comply with federal law and the regulations of the Federal Communication Commission. My dissents further stated that our numbering policies would fail to provide numbers to consumers who need them. Today, however, I find that I can largely support this order.

First, today's order adopts a back-up plan to provide relief to the 310 area code. The back-up plan would split the 310 area code along Imperial Highway, with everyone to the south getting the new area code of 424. Although I would have preferred a 7-digit overlay with all residents keeping their current number, I am pleased to cast a vote that brings the Commission closer to the point of providing relief in this area code and closer to complying with Federal law.

Second, this order, as revised, ensures that Commission actions will not jeopardize the Emergency 911 service on the Westside. The proposed decision notes that there are important network changes required to prepare the E-911 network and the emergency call centers for an area code split. It is my understanding that the Los Angeles Fire Department, for example, has older 911 equipment whose functioning would be particularly threatened by a hasty split. This revised order now explicitly delays a split until the work to ensure the reliability of 911 service is complete.

Third, today's decision orders carriers to take all the technical actions needed to implement a split. Here, our order travels a new path. In the past, the Commission has ordered the implementation steps needed to split an area code only when we found that the time had arrived to order a split. By the steps we take today, the Commission can cut months off the time needed to proceed from Commission order to the actual split of this area code. In particular, after adopting today's decision, the 310 area code could be ready to commence the process leading to a split very soon. If the required audit is complete by November 17, and comments filed, then the Commission will be in a position to order the implementation of a split in late November or early December. There would then follow two months to the beginning of permissive dialing, three months of permissive dialing, and two months of mandatory dialing. Thus, by next summer, at the earliest, new numbers would be available for the 310 area code.

R95-04-043; I.95-04-044

D.00-09-073

Unfortunately, this timetable may have serious consequences for the wireless industry in Los Angeles. The Cellular Carriers Association has made an emergency filing in August testifying to their need for phone numbers. Only Sprint's good fortune in the August lottery enabled it to service to those in the Beverly Hills exchange that wish to have a cell phone with a local number. Thus, the current situation is already pretty grim. For this reason, I suspect that the Holiday Season will prove difficult for those wishing to sell or purchase cellular phone service in the 310 area code.

The situation with land-line carriers is sharply different. The pooling authority granted by the FCC in response to a petition that I spearheaded is working, as are other conservation measures. These steps have already delayed the split for almost a year. Moreover, the carriers are using numbers in the pool at rates far below those forecast.

Because of the disparity of the situation between land-line and cellular carriers, I dissent to note my objection to the reduction in the lottery to two codes every other month that this order endorses. It is not the best policy for California. My belief is that the success of the number pooling trial in 310 enables us to provide many more codes to cellular carriers who demonstrate a need for the numbers. Holding them in reserve no longer serves a purpose, for they are not needed to ensure the availability of numbers to those participating in the pool.

This, however, is a minor issue in an otherwise excellent order that takes constructive steps to address a critical situation. For these reasons, I remain glad to concur in this decision, but must respectfully note the one point to which I must object.

/s/ HENRY M. DUQUE .

Henry M. Duque  
Commissioner

September 21, 2000

San Francisco