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Decision 97-05-094 May 21, 1997

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.

**ORIGINAL**

R.95-04-043  
(Filed April 26, 1995)

Order Instituting Investigation on the Commission's  
Own Motion Into Competition for Local Exchange  
Service.

I.95-04-044  
(Filed April 26, 1995)

### OPINION

On March 13, 1997, the City of Costa Mesa (the City) filed a Petition for Modification of Decision (D.) 97-02-016 to change the 714/949 area-code boundary adopted therein.

The City claims that the adopted boundary line creates two numbering-plan areas (NPAs) which would be extremely unbalanced and offer only minimal relief for the territory remaining in the 714 area code. Also, the 714/949 area code boundary would split the City and isolate the northeast business sector from the rest of the City, including the South Coast Plaza and surrounding commercial centers. The City argues that this type of split is inconsistent with the strong community of interest among the City's residents and businesses, and is contrary to the intent of Public Utilities (PU) Code § 2887, which calls, first, for area-code boundaries to coincide with city limits and, if that is not feasible, for such boundaries to be drawn in a manner that considers, inter alia, communities of interests and other factors described in Elections Code § 21601.

The City attached to its petition a number of letters it received from key Costa Mesa businesses in the South Coast Metro area, which is the portion of the City that would remain within the 714 area code. As these letters explain, businesses in the South Coast Metro area compete primarily and directly with businesses in the Newport Beach/Irvine area located south of the City. Their operations, business plans, and

marketing strategies are all designed to reflect an affinity and community of interests with the Costa Mesa area, not inland toward Santa Ana.

The City argues that failing to include the South Coast Metro area in the 949 NPA would confuse local consumers, the tourism industry, and other clientele served by these businesses and would be inconsistent with the image they have worked hard to develop in the national and international marketplace. As a consequence, these businesses express concern about the potentially significant impacts that the adopted NPA boundary may have on their continuing ability to attract local, national, and international trade.

The City notes that while the adopted split was supported unanimously by the industry members that participated in this proceeding, the comments submitted by those industry members show their support was accompanied by a significant degree of trepidation and skepticism that the proposal would afford adequate relief. The City claims the primary justification for the industry members accepting the proposal was that it received a majority vote from the cities and other local governmental entities that were able to attend the November 12, 1996, local jurisdictional meeting. If industry members had elected to select an area code boundary based on their own expert judgment, the City believes most if not all would have chosen another, more balanced option.

The City further claims that the adopted plan also fails to truly minimize the impacts on other telephone subscribers who would remain in the 714 area code, and that substantial numbers of customers who would remain in the 714 area code after the adopted plan is implemented will soon be faced with the need for change, anyway. At the time of the next split, the City warns that range of acceptable split options will be even smaller.

For these reasons, the City asks the Commission to modify D.97-02-016 to direct the affected telephone companies, Pacific Bell and GTE California, Inc. (GTEC) to immediately take such steps as are required to redraw the 714/949 boundary to provide more balanced lives for the existing and new area codes and to properly recognize the importance of preserving the City's community of interest. Specifically, the City

requests that the boundary be modified to keep the City entirely within the 949 area, rather than being split between two area codes.

Comments were filed in opposition to the Petition to modify by Pacific Bell (Pacific), GTE California (GTEC), and the Office of Ratepayer Advocates (ORA). Cox filed comments expressing neutrality but asking for speedy resolution of the Petition to avoid NXX code exhaustion.

#### **Position of Parties In Opposition**

Pacific opposes the City's Petition to Modify. While agreeing that the adopted split plan has some undesirable aspects, Pacific argues that it is the best possible alternative and that there is no time left to develop a new plan given the severe shortage of numbers in the 714 area code. Even if an acceptable alternate plan could be devised, Pacific estimates the planning process for a different area code split would take at least six to nine months. Pacific warns that the City's request would also disrupt the implementation-and-notification process which has already taken place.

GTEC argues that the adopted split plan is justified for technical reasons, among other things. Since the central offices serving Costa Mesa do not have wire centers that match Costa Mesa's boundaries, it would require realignment of the cable distribution system if all Costa Mesa lines were assigned to the 949 area code. A realignment would give rise to other issues such as capitalized investment, re-routing of local distribution cables, and seven-digit number changes for the customers affected by the realignment.

ORA also opposes the Petition to Modify. ORA disputes the City's claim that the adopted plan reflects inadequate consideration of communities of interest, noting that both the public and local jurisdictions were afforded the opportunity to provide significant input into the planning process. Despite the fact that the adopted relief plan will split eight cities, it was supported as the best overall option by 11 of the 13 participating local jurisdictions. ORA also takes exception to the City's proposal to implement the 714 area code relief plan only as a "temporary stop-gap measure pending the design and implementation of changes..." (Petition, p. 7). ORA notes that

this proposal for a "temporary" implementation is unrealistic given the extensive scope of activities involved in the implementation of any area code.

Cox takes no position on the alternative proposed by the City, but asks that the Commission act expeditiously to resolve the City's Petition, whatever disposition is made. Cox is concerned that delay in resolving any disputes over the boundary line of the 714 area code split will worsen the already serious code shortage and jeopardize Cox's plan to roll out its local exchange service within Orange County in the near future.

#### **Discussion**

We find no basis to modify D.97-02-016. While we sympathize with the negative impacts resulting from placing a portion of Costa Mesa in a separate area code, we find no alternative which would produce a superior solution. The nature of the process of drawing a new area code boundary necessary entails compromise among the differing needs and interests of various local regions. All affected local interests, including the City, were provided a reasonable opportunity to be heard in expressing concerns regarding the drawing of the boundary line. The City was invited to attend the meeting at which the final plan was prepared, but chose not to send a representative.

While the City criticizes the adopted split plan, it fails to offer any specific alternative solution. If the South Coast Metro area were placed in the 949 area code with no other changes, it would create an unacceptable imbalance between the two area codes. The City fails to explain what other offsetting changes should be made to rebalance the two area codes without further splitting other communities which would resist such action. The City also fails to take into account the added time, cost, and disruption caused by the technical realignments which would be necessary to match the area-code boundary to that of the City.

The City is unpersuasive in arguing that Pacific and the other industry planning participants can simply return to the drawing boards and come up with a better relief solution this time. The industry planning process has already been concluded, and there is no reason to believe a better solution could be reached by repeating the process.

Moreover, we do not have the luxury of extra time to wait for a new round of meetings and planning before serious NXX code depletion occurs. The City fails to address how the problems of premature NXX code exhaustion could be reasonably managed given the inevitable delays that would be involved in attempting to redraw the boundary line. It is unrealistic for the City to expect that the adopted relief plan could be implemented as only a "stop-gap" measure while a more permanent plan is worked out. As noted by ORA, such an expectation is inconsistent with the realities of the extensive work involved in relief planning and implementation.

Given all of the above considerations, we conclude that the adopted 714/949 area code relief plan should proceed without change. The City's Petition for Modification is denied.

#### **Findings of Fact**

1. In D.97-02-016, the Commission adopted a relief plan calling a split of the 714 area code to create the new 949 area code.
2. The adopted boundary line for the 714/949 area codes splits the City of Costa Mesa, placing a portion of it in the 714 area code while the remainder of the City is to be assigned the 949 area code.
3. Business customers in the portion of the City subject to being split off into a separate area code may experience disruptive impacts on their ability to promote a community of interest within the City.
4. The City was given notice of the planning meeting at which the adopted relief plan was prepared, but chose not to send a representative.
5. The adopted relief plan was unanimously supported by industry participants at the planning meeting as the best overall option among alternatives considered.
6. None of the relief plans considered in the 714/949 planning process was free from at least some disruptive impacts.
7. The City has failed to offer an alternative relief-plan solution that would be superior to the adopted plan.

8. There is insufficient time to wait for a new industry relief plan to be adopted, assuming a better solution was feasible, given the impending NXX code exhaustion within the existing 714 NPA, and the resulting detriments to telecommunications competitors in need of NXX codes, and to customers.

**Conclusions of Law**

1. The adopted 714/949 relief plan was prepared in conformance with established industry guidelines for relief planning, including due notice to the affected public and local jurisdictional interests.

2. It is in the best interest of the public to proceed with implementation of the adopted 714/949 area-code-relief plan.

3. No basis has been shown that a superior area-code-relief plan could be developed by the industry assuming there was adequate time and resources to devote to such an undertaking.

4. The Petition for Modification of D.97-02-016 should be denied.

**O R D E R**

**IT IS ORDERED** that the Petition for Modification of Decision 97-02-016 is denied.

This order is effective today.

Dated May 21, 1997, at Sacramento, California.

P. GREGORY CONLON  
President  
JESSIE J. KNIGHT, JR.  
HENRY M. DUQUE  
JOSIAH L. NEEPER  
RICHARD A. BILAS  
Commissioners