

Decision 98-06-018 June 4, 1998

ORIGINAL

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)

Table of Contents

OPINION..... 2
I. Introduction..... 2
II. Industry Relief Planning Process..... 5
III. Parties' Positions..... 11
IV. Discussion..... 17
Findings of Fact..... 21
Conclusions of Law 22
ORDER..... 23

APPENDIX A

O P I N I O N

I. Introduction

By this decision, we formally approve the relief plan for a three-way geographic split of the 619 Numbering Plan Area (NPA) based upon review of the alternatives as presented to the Commission by the California-Nevada Code Administrator (CNCA) by transmittal letter dated February 18, 1998. Under the adopted policy (identified as Alternative 10A), the existing 619 NPA will be split into three separate regions, designated as North, Central, and East, as depicted on the map in Appendix A. The Central Region, which includes downtown San Diego, will retain the existing 619 area code. The newly created North and East areas will each receive a new area code. This relief plan will be the first three-way split implemented within California.

The process for implementing new area codes in California is covered both by state statute, applicable Commission decisions, and industry guidelines. California state statute prescribes requirements for customer notification, establishment of new NPA boundaries and transitional dialing periods. "Affected subscribers" must have written notice at least 24 months prior to the introduction of a new area code.

We have formulated statewide policies regarding area code relief through a series of decisions since 1995. Area code relief plans have become increasingly controversial in recent years as the demand for numbering resources has risen dramatically due to new technological advances in telecommunications and to the advent of local competition. We acknowledged the need for a comprehensive statewide policy on area code relief in connection with the proposed 310 NPA relief plan filed in 1995. We considered at that time the adoption of an overlay for the 310 NPA as an alternative to the traditional use of geographic splits. In D.95-08-052, we rejected the overlay option for the 310 NPA on the basis that

among other things, it was not at that time a competitively neutral relief remedy. We left open the prospect of considering an overlay as an option in future NPA relief plans once the anticompetitive aspects of the overlay could be overcome. We further directed that the Local Competition Docket be used to develop a comprehensive statewide policy regarding NPA relief.

On August 2, 1996, we issued D.96-08-028, adopting certain initial measures as part of a statewide policy on area code relief. We concluded in D.96-08-028 that as a condition for consideration of the overlay as a relief option, the overlay must be competitively neutral. We also established two prerequisites at a minimum for competitive neutrality. These were: (1) mandatory 1+10-digit dialing for all calls within the service areas subject to the overlay;¹ and (2) the full implementation of permanent local number portability (LNP) within the service area subject to the overlay. We determined that a further record needed to be developed regarding the relative merits of overlays versus splits once anticompetitive impediments could be overcome.

On December 20, 1996, the Commission released D.96-12-086, further expanding on the policy regarding the use of overlays once the competitive impediments could be resolved. In D.96-12-086, we evaluated the relative merits of splits versus overlays in terms of how consumers would be impacted differently with an overlay versus a geographic split. In particular, we reviewed consumer surveys conducted by various parties concerning preferences for overlays and geographic splits as a means of creating new area codes. In that

¹ In D.96-12-086, we ruled not to adopt statewide mandatory 1+10-digit dialing concurrently with the first overlay. We concluded that the advantages of preserving seven-digit dialing, for as many customers and for as long as possible, outweigh any potential customer confusion resulting from instituting mandatory 1+10-digit dialing only in those regions subject to overlays.

decision, we concluded that, at least for the near term, customers were better served with the geographic split option.

In D.96-12-086, we also further developed the necessary conditions which must be met in order to justify approval of an overlay. We required that a customer education program be instituted at least 12 months before an overlay would take effect explaining the new mandatory 1+10-digit dialing requirements and the overlay plan to the public. We also required that upon approval of any overlay, the code administrator and telecommunications industry members were to:

- a. Notify the nationwide industry, the national code administrator, and customers of the proposed dialing plan change.
- b. Educate customers, industry, and internal employees on the dialing plan change.
- c. Correct signage for dialing instructions on payphones and in directories.
- d. Perform switch translation work for implementing mandatory dialing (12 weeks prior to cutover).
- e. Simultaneously with the cutover, institute customer instructional announcement for misdialed seven-digit calls.

In addition to the requirements imposed by the Commission, the Federal Communications Commission (FCC) issued its own requirements in FCC Order 96-333 with respect to overlays. In particular, the FCC required that every carrier was to be assured of at least one NXX code in the existing area code during the 90-day period preceding the introduction of the overlay. Based upon these policies, we now consider the proposed options submitted by the CNCA for relief in the 619 NPA.

II. Industry Relief Planning Process

One or more new area codes are needed to relieve the impending exhaustion of NXX codes in the 619 NPA. The CCA projects exhaustion of NXX codes in the 619 NPA to occur during the third quarter of 1999. The demand for numbering resources in the 619 NPA is being stimulated by the introduction of competition in the local exchange market and accelerated demand for new services and rapid changes in technology.

On April 9, 1997, the CNCA declared a jeopardy situation in the 619 area code. On April 23, 1997, the industry agreed to invoke extraordinary, NPA-specific conservation procedures for the 619 area code, as identified in Section 8.5 of the Industry Numbering Committee (INC) 95-0407-008 "Central Office Code (NXX) Assignment Guidelines." The 619 NPA code applicants are participating in the California lottery for NXX resources and will continue in the lottery until April 2000 under the current proposal.

The planning process for NPA Relief is established in the industry-approved document INC 97-0404-016 "NPA Code Relief Planning and Notification Guidelines," to be used by NPA Relief Coordinators. The document lists the assumptions, constraints, and planning principles used in NPA Code relief planning efforts. It also lists the steps of the NPA Code relief planning process and describes the alternative methods of providing NPA Code relief and their characteristics. Industry meetings began in May 1997 to develop alternatives for exhaustion relief in the 619 NPA. On May 5, 1997, a revised set of criteria was adopted by the industry to compare the 619 NPA alternatives,

intended to clarify criteria which had been used by the industry in previous relief plans.² The revised criteria are:

1. Minimize end users' confusion.
2. Balance the cost of implementation for all affected parties.
3. Provide that customers who undergo number changes shall not be required to change again for a period of eight to ten years.
4. Not favor a particular interest group.
5. Cover a period of at least five years beyond the predicted date of exhaustion.
6. Provide that all of the codes in a given area shall exhaust about the same time in the case of splits. In practice, this may not be possible, but severe imbalances, for example, a difference in NPA lifetimes of more than 15 years, should be avoided.
7. Comply with state and federal statutes, rulings and orders.

The NPA Relief Coordinator convened eight meetings with the telecommunications Industry Planning Team to discuss and develop relief alternatives for the 619 NPA. The team is composed of the NPA Relief Coordinator, CNCA staff, Commission representatives, and current code holders: local exchange carriers, interexchange carriers, wireless carriers and competitive local carriers. The Industry Team developed a variety of potential alternatives for relieving the 619 NPA and presented these alternatives during a series of meetings with local jurisdictions and with members of the public.

² The criteria are based on the INC 97-0404-016 "NPA Code Relief Planning and Notification Guidelines."

Public notification of the impending exhaustion of the 619 NPA was started by telephone corporations in May 1997. This established the two-year customer notification required in Public Utilities (PU) Code § 7930(a). Public meetings were required within six months of the May 1997, customer notification. First, a local-jurisdiction meeting for city and county government representatives was held on September 9, 1997. The Industry Team then held four public meetings, two on November 11 and two on November 12, 1997, one more than the minimum required by PU Code § 7930(b) at the request of the Commission's Telecommunications Division (TD) staff to insure adequate coverage of the geographic area currently served by the 619 area code.

Ten basic relief alternatives were formulated during the course of conducting the local-jurisdiction and public meetings. These alternatives included several variations of geographic splits and an overlay. The Industry Team subsequently eliminated the overlay option (Alternative 5) from consideration on the basis that it did not meet the criteria for overlays as adopted in D.96-12-086. Four additional alternatives were determined not to meet Industry Guidelines Nos. 2, 3, 4, and 6, and thus were also eliminated from further consideration. At the public meetings, Alternatives 2, 3, 4 and 10 were presented, all involving geographic splits.

Alternative 10, which called for a phased three-way split, had the most support among members of the public submitting "Show of Interest" forms. Alternative 10 had 63% of all first and second choices. Alternative 10 was the first choice on 81% of all Show-of-Interest forms submitted and second choice on 36% of all Show-of-Interest forms. The most commonly identified reason cited on the Show of Interest forms in support of Alternative 10 was that it provided long-term relief and it kept the south, east and north county communities of interest together.

Alternative 2, a two-way split, had the second most support with 21% of all first and second choices. Alternative 3A, another two-way split, had the third most support with 10% of all first and second choices. Alternative 4-A, yet a third two-way split, had the least support.

After incorporating the input from the public and local-jurisdiction meetings, the Industry Team narrowed the options down to two alternative variations of Alternative 10, identified as Alternative 10A and 10C. Each alternative involves a three-way geographic split whereby the existing 619 area code is split into three regions, northern, central and eastern. The Industry Team was unable to reach consensus on a single version of Alternative 10 to recommend for implementation. The CNCA thus forwarded both of these two versions for Commission consideration.

With Alternative 10A, a portion of the City of San Diego, including the downtown area, a small portion of Lemon Grove, and National City would retain the 619 area code. The northern and eastern areas would each receive a new area code in separate phases, with the northern area in Phase 1 and the eastern area in Phase 2.

With Alternative 10C, the eastern area would retain the 619 area code covering a portion of the City of San Diego, the majority of Lemon Grove and National City, and all of Coronado, Imperial Beach, Chula Vista, La Mesa, El Cajon, Santee, Spring Valley and other communities in East San Diego County. The northern and central areas would each receive a new area code. As with Alternative 10A, there would be a two-phased implementation schedule, with the northern area in Phase 1 and the central area in Phase 2.

The following implementation schedule would apply to either Alternative 10A or 10C:

	Relief Schedule Phase 1	Relief Schedule Phase 2
Start of Permissive Dialing	6/12/99	6/10/00
Start of Mandatory Dialing	12/11/99	12/09/00
End of Mandatory Dialing	3/11/00	3/10/01

During an industry meeting held December 4, 1997, the industry participants formally voted on what plan or plans should be forwarded to the Commission. Alternative 10A and 10C each received an industry vote of six, in favor; six against; and one abstention. During the meeting, an additional new alternative was proposed by formal motion for the first time, Alternative 11. The CNCA, on behalf of the industry group, subsequently forwarded Alternatives 10A and 10C to the Commission as industry-sponsored choices for consideration. The CNCA did not offer Alternative 11 as one of the industry-sponsored alternatives for Commission consideration, but did include the position paper of parties arguing for adoption of this alternative.

Alternative 11 would involve the introduction of two new area codes through a two-phased combination geographic split and subsequent overlay. In Phase One, the geographic split would first be implemented using the same boundaries as would apply under Alternative 10 for the "East" region, which would receive the first new area code. In Phase Two, a second new area code would be introduced as an overlay for the remaining 619 NPA effective on January 1, 2001, covering the same "Central" and "North" regions as defined by Alternative 10. The customer education effort for mandatory 1+10-digit dialing and the nature of an overlay would begin January 1, 2000.

The sponsoring parties claim the reason that Alternative 11 was not presented during the initial series of local jurisdictional or public meetings as a possible solution because the Industry Planning Team was under the impression that a representative from the TD Commission staff portrayed to them that the industry could not consider or plan an Overlay until the year 2001.

Subsequently, these parties state that a TD representative clarified that an overlay could be planned before 2001 if it had an implementation date of the year 2001 or beyond.

Since the overlay phase of the Alternative 11 relief plan would be implemented on January 1, 2001, proponents ultimately concluded that the overlay would be permissible under D.96-12-086 after all. By the time proponents had reached this conclusion, however, the public and local jurisdiction meetings had already concluded.

Because Alternative 11 was introduced so late in the process, the public and the local jurisdictions were not initially apprised of Alternative 11 and had no opportunity to provide input concerning it. In order to further develop the record with respect to Alternative 11, the ALJ issued a ruling on April 6, 1998, soliciting additional comments from parties regarding the substantive merits of this option. The ALJ also directed that additional public and local jurisdiction meetings be convened to provide an opportunity for further public input regarding Alternative 11.

In compliance with the ALJ ruling, the CNCA filed a supplemental report on May 6, 1998, verifying that four combined local jurisdiction and public meetings were convened during April 28 and 29, 1998. One meeting each was held in La Mesa, Chula Vista, Poway, and San Diego. At the meetings, Alternative 11 was presented, along with Alternatives 10A and 10C, which were previously offered by the Industry Team to the Commission for consideration.

Since the ALJ directed that further public meetings be held, and additional comments taken to address Alternative 11, we now conclude that a proper foundation has been laid for the consideration of Alternative 11 for relief in the 619 NPA.

III. Parties' Positions

The CNCA relief plan submitted to the Commission included three "position papers" each of which was sponsored by the following parties:

Position Paper No.	Sponsoring Parties
1	AT&T Communications of California, MCI Communications and ICG Telecom, Inc.
2	California Cable Television Association (CCTA) and Time Warner
3	AirTouch Cellular, Cook Telecom, GTB, MobileMedia/MobileComm, Pacific Bell, PageNet, PBMS, Preferred Networks, Inc., Southwest Paging, The Telephone Connection and WinStar Telecommunications, Inc.

The first two position papers each represent the views of competitive local carriers, and reflect essentially identical positions. Parties sponsoring these position papers support Commission adoption of either Alternative 10A or 10C and believe either alternative satisfies all of the criteria used to evaluate relief plans. Further, these parties oppose Alternative 11 because they contend it does not comport with D.96-12-086 regarding restrictions on the use of overlays.

While both Alternative 10A and 10C meet all seven criteria identified above for evaluating exhaustion relief alternatives, Alternative 10A scores better under Criterion 1 and Alternative 10C scores better under Criterion 6. Both alternatives meet Criteria 2 through 5 and 7 equally well.

Under Criterion 1, a relief plan is evaluated based on its potential to minimize confusion among end-user customers. The most objective measure of end-user confusion is the number of prefixes that will have an area code change. Both Alternative 10A and 10C will change 140 prefixes in Phase 1 (northern area). However, Alternative 10A will change only 94 prefixes in Phase 2 (eastern area), while Alternative 10C will change 105 prefixes in Phase 2 (central area). Thus, Alternative 10A will change 11 fewer prefixes, and therefore will minimize overall end-user confusion better than Alternative 10C.

Under Criterion 6, a relief plan is evaluated based on its potential for balancing the project lives of the NPAs so that each area code will reach exhaustion at about the same time. Alternative 10C provides for a better balance in projected lives between the central and the eastern regions compared with Alternative 10A. Under Alternative 10A, the central region would require subsequent relief three to four years sooner than under Alternative 10C.

The table below sets forth a comparison of projected NPA lives under either Alternative 10A or 10C:

Industry Relief Alternative #10A

NPA life range³
(from 6/12/99)

619 NPA (Central Portion):
One Rate Center in LATA
732 San Diego San Diego

13-1/2 - 16 years

New NPA 1 (Northern Portion):
Eight Rate Centers all in LATA 732;
Del Mar, La Jolla, Poway, Rancho
Bernardo, Rancho Penasquitos,
Rancho Santa Fe, San Diego Linda
Vista, San Diego Mira Mesa

11-1/2 - 13-1/2 years

New NPA 2 (Eastern Portion):

21 - 25 years

10 Rate Centers all in LATA 732;
Campo, Chula Vista, Coronado,
Dulzura, El Cajon, Harbison Alpine,
Jacumba, La Mesa, National City,
Pine Valley

Industry Relief Alternative #10C

NPA life range⁴
(from 6/12/99)

619 NPA (Eastern Portion):

16-3/4 - 20 years

New NPA 1 (Northern Portion):

11-1/2 - 13-1/2 years

New NPA 2 (Central Portion):

17- 20-1/4 years

³ The NPA life range reflects the application of a \pm 10% sensitivity factor to projected growth and the use of current (January 1, 1998 LERG and the 1997 COCUS) NXX assignment quantities.

⁴ The NPA life range reflects the application of a \pm 10% sensitivity factor to projected growth and the use of current (January 1, 1998 LERG and the 1997 COCUS) NXX assignment quantities.

The third position paper represents the views predominantly of incumbent local exchange carriers and wireless carriers. The parties sponsoring the third position paper favor Commission adoption of Alternative 11. Proponents of the Alternative 11 argue it is superior to either Alternative 10 option since it changes fewer prefixes and thus affects fewer customers than either of Alternatives 10A or 10C. The latter plans require that approximately two-thirds of 619 NPA customers (or 3.5 million) endure an area code change. Alternative 11 will change the area code of approximately 2.4 million customers. This is about one million fewer customers that would have to undergo an area code change compared with Alternative 10 or 10C. Proponents further argue that implementation of the Phase Two overlay can be accomplished in a shorter time frame than a subsequent split, since the delays associated with a six-month permissive dialing period and the further period of mandatory dialing required for a split are avoided. Proponents claim any customer confusion regarding 1+10-digit dialing associated with an overlay could be alleviated with customer education prior to the assignment of new overlay numbers in the 619 NPA. Proponents further argue that Alternative 11 will be competitively neutral, since LNP will be in place when the overlay is implemented.

In response to the ALJ ruling dated April 6, 1998, parties filed further comments on May 6, 1998, addressing Alternative 11. Comments in support were filed by the Overlay Coalition and the California Small Business Association (SBA).⁵ In the supplemental public and local jurisdiction meetings which were held to introduce Alternative 11, a majority of 54% of those submitting show-of-interest forms selected Alternative 11 in preference over the three-way split

⁵ SBA filed a petition to become a party to this proceeding. There is no opposition to SBA's petition, and it is accordingly granted.

options. The Overlay Coalition argues that support for an overlay of the entire 619 NPA was "overwhelming" among attendees at the second round of public meetings. The Coalition states moreover that, to the extent the Commission is willing to consider a single overlay for the entire 619 NPA, the Coalition supports such an alternative as preferable to Alternative 11.⁴ The only reason the Coalition did not initially recommend adoption of an overlay was due to the Commission's presumption against overlays prior to the year 2001 as adopted in D.96-12-086.

The Coalition states that an overlay will be competitively neutral, and that LNP will be implemented in the San Diego MSA in the second phase of the FCC's mandated schedule, immediately after implementation in the Los Angeles MSA. The 619 NPA lies within the San Diego MSA. Under the schedule proposed in the Pacific's waiver request before the FCC, Pacific would have LNP fully operational in its switches in the 619 NPA area by August 18, 1998. Under this schedule proposed the overlay would be implemented more than two years after Pacific had implemented permanent LNP in the 619 NPA. The Coalition also states that sufficient codes would be available to satisfy the FCC requirement for

⁴ On May 14, 1998, the ALJ issued a ruling calling for comments on whether the Commission should amend D.96-12-086 to make a limited exception in the case of the 619 NPA to the Commission's general policy that overlays may not be considered for relief plans scheduled to be implemented prior to January 1, 2001. The ruling also called for comment on the effects of implementing an overlay for the entire 619 NPA prior to January 1, 2001. Comments in response to the ruling were filed by the Overlay Coalition, by Pacific, and jointly by AT&T Communications and Teleport Communications Group. We have reviewed parties comments in response to the ALJ ruling, but conclude that it would be premature to consider the single overlay option for the 619 NPA at this time. While this option surfaced informally as yet another iteration during the latest round of public meetings, it was not formally presented to the public as a proposal before the Commission, and the full record addressing all of its ramifications has not been fully developed. Therefore, in the interests of adopting a 619 NPA relief plan on a timely basis, we shall limit our consideration to those relief plans which have been formally brought before us by the Industry Team.

at least one NXX code in the 619 NPA to be assigned to each carrier within the six months preceding the opening of the overlay NPA.

The SBA also supports the Alternative 11 overlay option. SBA argues that small businesses are particularly disadvantaged by forced number changes which are required with a geographic split. A change in telephone number of a small business can result in the loss of current and new customers who erroneously dial the old number. A telephone number change also involves the expense of changing advertising, stationary, and other printed materials to reflect an area code change. SBA proposes that if an overlay option is adopted, the Commission should require local carriers to accommodate customers' requests for additional lines in the same area code as their existing numbers.

Comments in opposition to Alternative 11 were filed by CCTA, AT&T, Time Warner AXS of California, and Utility Consumer Action Network (UCAN). CCTA argues that Alternative 11 will run risk of confusing customers caused by the combined introduction of two different relief plans with separate attributes. CCTA also objects to Alternative 11 as disadvantaging new entrants which will lack inventories of NXX codes in the 619 NPA on a scale comparable to Pacific which will retain the majority of NXX codes in the 619 NPA. AT&T raises a similar concern, noting that a remedy to the disparity of NXX code availability would be number pooling at the telephone-line level, permitting number distribution to carriers in smaller denominations. AT&T also points to rate center consolidation as another means of helping to solve the number shortage problem. AT&T urges the Commission to expedite action on implementing these measures.

CCTA also argues that proponents of an overlay have failed to show how the CNCA could comply with the FCC requirement that at least one NXX code in the 619 NPA be assigned to each carrier during the 90 days preceding the

opening of the new overlay NPA. CCTA notes that permanent LNP has not yet been implemented for the 619 NPA and questions whether Pacific will remain motivated to expedite LNP implementation if an overlay is approved.

Time Warner likewise argues that an overlay will competitively disadvantage CLCs, but proposes that, if the Commission approves an overlay for a portion of the 619 NPA, it should target the overlay in a region where the anticompetitive effects and consumer confusion are minimized. Yet, Alternative 11 would implement an overlay in the north, the region where Time Warner argues that competition is most likely to occur. Time Warner proposes as an alternative that the central and eastern regions be split from the north in phase one, and that an overlay for those same regions implemented in phase two.

UCAN also believes that Alternative 11 would have significant anticompetitive impacts because of Pacific's advantage in being able to offer customers new numbers from the 619 NPA while competitors could not. UCAN would support an overlay, however, if the overlay NPA was limited only to Pacific, at least until Pacific implements full LNP. UCAN believes that such a restriction would give Pacific an incentive to expedite LNP implementation.

IV. Discussion

We have before us three alternative plans which have been sponsored by industry representatives and which have been presented in local jurisdiction and public meetings. We conclude that, on balance, among the three plans, Alternative 10A, 10C, and 11, the one that best meets the designated criteria for evaluating NPA relief plans is Alternative 10A.

We are not persuaded that the proposed split-and-overlay combination would be a superior option to the three-way geographic split contemplated under Alternatives 10A and 10C. While the proponents point to benefits from an overlay, they omit reference to the potential drawbacks of an overlay. For

example, the proponents fail to address negative impacts such as the loss of seven-digit dialing if an overlay were implemented within the 619 NPA. With an overlay, all customers in the remaining 619 NPA would be required to dial 1+10 digits for all calls within the same NPA. With a split, all customers would retain seven-digit dialing within their own NPA, but approximately one-half of all customers would have to change their NPA.

In D.96-12-086, we reviewed the results of consumer surveys conducted by various parties regarding preferences for geographic splits compared with overlays. In these surveys, respondents were presented with information concerning both the advantages and disadvantages of splits and overlays. Pacific and GTEC compiled separate survey results specifically for customers within the 619 NPA. In both surveys, respondents representing both residential and business customers expressed a marked preference for splits in comparison to overlays under every scenario posed in the surveys. To the extent these surveys provide evidence of the relative customer impacts of a split versus an overlay for a portion of the 619 NPA, the evidence indicates adoption of a split would have less adverse impacts on customers than would an overlay. At any rate, survey respondents in the current 619 NPA expressed a strong preference for retaining the ability to dial seven digits for calls within their NPA.

We note that the consumer surveys reviewed in D.96-12-086 contrasted the longer NPA life provided by an overlay as one of its advantages relative to a two-way split. However, the alternative before us in this proposed relief plan is a three-way geographic split. The three-way split provides an alternative means of extending the lives of the NPAs without the need for an overlay, and further narrows the potential advantages offered by an overlay.

Proponents of Alternative 11 provide no convincing arguments to refute the evidence of strong preference for geographic splits within the 619 NPA as

reflected in the survey results. We realize that, as new NPAs continue to proliferate, the cumulative impacts of ever-shrinking geographic NPAs may dilute the advantages of splits, and tip the scales in favor of overlays at least for some future relief plans. Based on the specific facts before us for this relief plan, however, we conclude that a three-way geographic split is preferable to the Alternative 11 overlay.

We have received customer input in several ways on the topic of area code relief for the 619 area code. The methods used include customer surveys of the residents and businesses in the 619 area code, public hearings including the recent round of hearings to discuss an overlay option, and numerous letters.

The Commission continues to encourage the public to inform us of their opinions in each of the above forms.

However, of the three forms of customer input, the only one that has statistical significance is the customer surveys. As previously noted, the surveys showed a definite support for a geographic overlay by the customers in the 619 area code. We believe the surveys to have been performed professionally. In fact, assuming for the moment that the surveys were biased, then we would expect the results to show even more support for a geographic split in the 619 area code due to the fact that both Pacific and GTEC are supportive of overlays. We would like to erase any doubt that we may have created about our confidence in the customer surveys. We believe that both surveys were performed professionally. This belief is supported by the fact that a third survey (sponsored by CLCs) corroborates the results of the LECs' surveys. The Commission considers the opinion of the affected customers a strong factor in determining the form of area code relief.

Worthy of note is the fact that many difficult issues are avoided entirely by providing relief with a geographic split. If relief were to have been provided

with an overlay, issues such as the availability and effectiveness of permanent Local Number Portability, assurance of an adequate supply of NXX codes for CLCs as required by the FCC, and nondiscriminatory access to 619 telephone numbers. These issues are particularly critical in the San Diego area where facilities-based competitors are new entrants with significant infrastructure investments. Because this decision provides area code relief in the form of a geographic split, these issues need not be discussed for the 619 area code relief at this time.

We will now consider the two variations of a three-way geographic split, which adequately satisfy the seven criteria for evaluation and were subject to the public and local jurisdiction meeting process. While both Alternative 10A and 10C meet all seven criteria identified above for evaluating exhaustion relief alternatives, as previously noted Alternative 10A scores better under Criterion 1 and Alternative 10C scores better under Criterion 6. Both alternatives meet Criteria 2 through 5 and 7 equally well.

On balance, we conclude that the near-term advantages of Alternative 10A in minimizing end-user confusion outweigh the more deferred advantages of Alternative 10C in providing a better balance in projected NPA lives. We place more weight on minimizing end-user confusion because the resulting benefits are more definitely measurable since they will materialize in the near-term, just as the relief plan is initiated. On the other hand, any potential benefits from a better balance in projected NPA lives would not be realized until the next round of NPA relief was needed in the central region. Under Alternative 10A, a subsequent NPA relief plan in the central region would not be needed for at least 13 years. By that time, the current numbering shortage may be cured. Further, there will be time to develop new solutions such as overlays, local number portability, number pooling, or other innovative measures which may mitigate or

delay the adverse effects of a subsequent area code change in the Central region. In any event, it is more difficult to evaluate what potential value may accrue from an impact more than a decade away. By contrast, the near-term benefits of minimizing end-user confusion will be realized by today's customers during a time when numbering resources are in greater shortage in California than ever before. We, therefore, adopt Alternative 10A, and direct the CNCA to proceed with implementation.

Findings of Fact

1. The CCA has presented the assigned Administrative Law Judge with a status report as to the projected code exhaustion of, and proposed relief planning measures for the 619 NPA.
2. In D.96-12-086, we adopted a policy calling for the use of geographic splits for all NPA relief plans in California through the year 2000, with the possible exception of the relief plan for the 310 NPA.
3. After incorporating the input from the public and local jurisdiction meetings, the Industry Team narrowed the options down to two alternative variations to submit for Commission consideration identified as Alternatives 10A and 10C.
4. Alternatives 10A and 10C each involves a three-way geographic split whereby the existing 619 area code is split into three portions, northern, central and eastern.
5. While both Alternative 10A and 10C meet all seven criteria identified by the Industry Team for evaluating exhaust relief alternatives, Alternative 10A scores better under Criterion 1 and Alternative 10C scores better under Criterion 6.

6. Alternative 10A will change 11 fewer prefixes than Alternative 10C, and thus will minimize overall end-user confusion associated with the new NPAs better than Alternative 10C.

7. Alternative 10C provides for a better balance in projected lives between the central and the eastern regions than does Alternative 10A.

8. Alternative 11, which was first proposed at an Industry Team meeting on December 4, 1997, would introduce two new area codes through a combination of a geographic split of the eastern 619 NPA region and a subsequent overlay of the western and northern 619 NPA regions.

9. Because Alternative 11 was introduced so late in the planning process, it was not included in the initially scheduled series of public and local-jurisdiction meetings.

10. With an overlay, all customers in the remaining 619 NPA would be required to dial 1+10 digits for calls within the same NPA.

11. With a split, all customers would retain seven-digits dialing within their own NPA and approximately one-half of all customers would have to change their NPA.

12. In consumer preference surveys referenced in D.96-12-086, respondents representing both residential and business customers, including those in currently served by the 619 NPA, expressed a marked preference for splits in comparison to overlays under every scenario posed in the surveys.

Conclusions of Law

1. The adopted relief plan should be the alternative which best satisfies the criteria applied by the Industry Team in their selection of relief alternatives, namely:

- a. Minimize end users' confusion.
- b. Balance the cost of implementation for all affected parties.

- c. Provide that customers who undergo number changes shall not be required to change again for a period of eight to 10 years.
 - d. Not favor a particular interest group.
 - e. Cover a period of at least five years beyond the predicted date of exhaustion.
 - f. Provide that all of the codes in a given area shall exhaust about the same time in the case of splits. In practice, this may not be possible, but severe imbalances, for example, a difference in NPA lifetimes of more than 15 years, should be avoided.
 - g. Comply with state and federal statutes, rulings and orders.
2. Adoption of three-way split would have less overall adverse impacts on customers than would an overlay as proposed under Alternative 11.
 3. Each of the proposed three-way geographic split (identified as Alternatives 10A and 10C) satisfies the applicable industry criteria.
 4. On balance, the advantages of Alternative 10A in minimizing end-user confusion outweigh the advantages of Alternative 10C in providing a better balance in projected NPA lives.
 5. Alternative 10A should be adopted for the 619 NPA relief plan.

O R D E R

IT IS ORDERED that:

1. The proposed three-way geographic split plan (Alternative 10A) for the 619 Numbering Plan Area (NPA) which has been presented to the Commission by the California-Nevada Code Administrator (CNCA) is hereby approved.
2. Given the need for timely NPA relief to prevent code exhaustion, the CNCA is hereby ordered to proceed with all due diligence to expeditiously implement the approved 619 NPA relief plan.

3. The following schedule for 619 NPA relief implementation schedule is adopted:

	Relief Schedule Phase 1	Relief Schedule Phase 2
Start of Permissive Dialing	6/12/99	6/10/00
Start of Mandatory Dialing	12/11/99	12/09/00
End of Mandatory Dialing	3/11/00	3/10/01

4. No later than June 1998, the CNCA shall notify the general public of the specific geographic area to be included in both the old and new area codes of the adopted 619 NPA relief plan. The notice shall include the schedule for traditional dialing periods as referenced in Ordering Paragraph 3.

5. Each telephone corporation, including paging companies and resellers, serving the specific geographic area covered by the existing 619 NPA shall give written notice to its affected customers of the adopted 619 NPA relief plan without delay and no later than June 1998. The notice shall include the schedule for the traditional dialing periods per Ordering Paragraph 3 and the NXX codes that will be contained in each new area code.

6. The CNCA shall provide nationwide notification of the adopted 619 relief plan by no later than June 1998.

7. The motion of the California Small Business Association to become a party is granted.

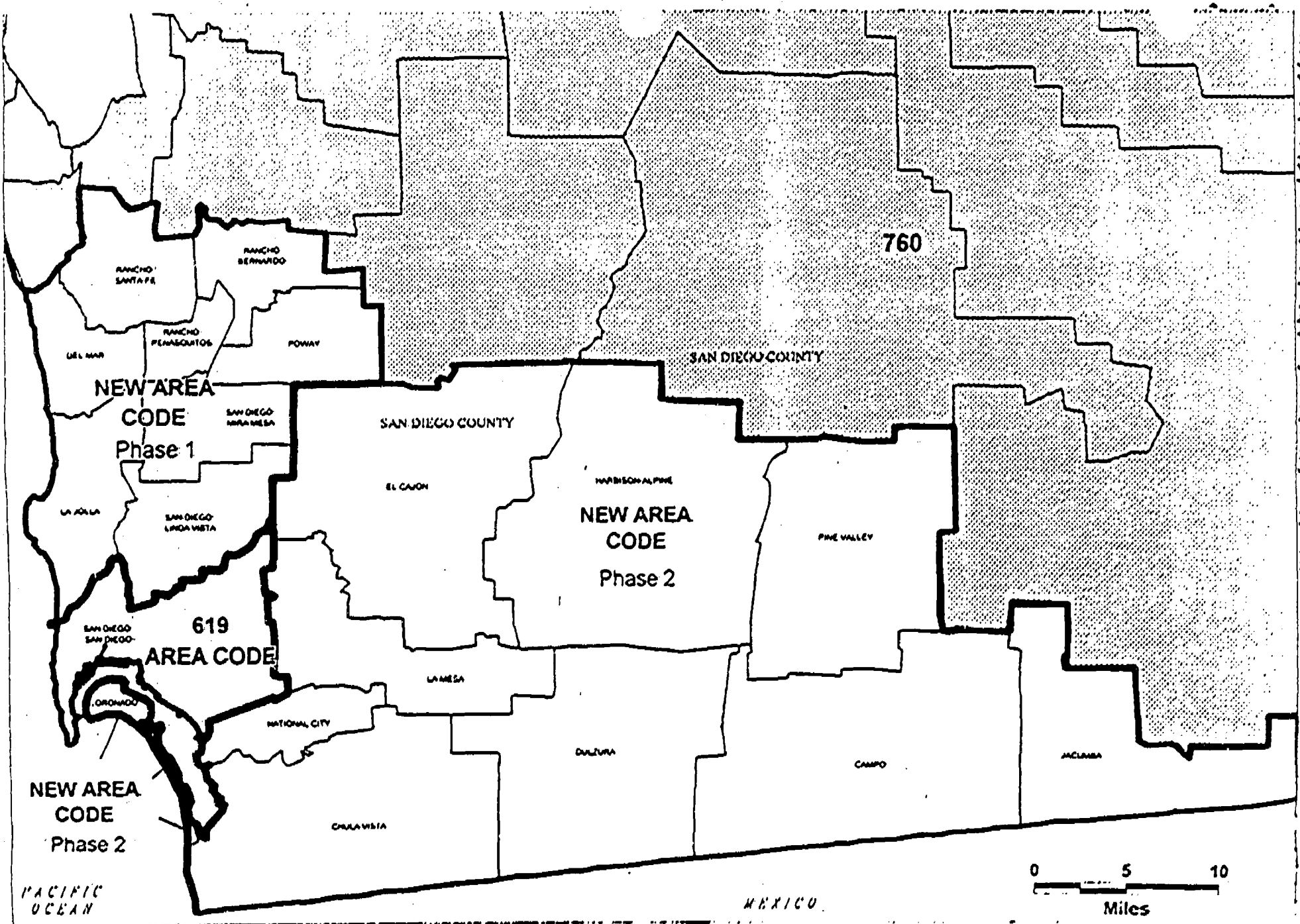
This order is effective today.




Dated June 4, 1998, at San Francisco, California.

RICHARD A. BILAS
Président
P. GREGORY CONLON
JESSIE J. KNIGHT, JR.
HENRY M. DUQUE
Commissioners

I dissent.

/s/ JOSIAH L. NEEPER
Commissioner



NEW AREA CODE SPLIT 
 AREA CODE BOUNDARIES 
 RATE & EXCHANGE BOUNDARIES 

619 AREA CODE
 PROPOSED RELIEF PLAN
 OVERVIEW OF ALTERNATIVE #10A

Provided by California/Nevada
 Code Administration
 Issued Date: 10/27/97 619_NPA WOR