

Decision 99-02-074 February 18, 1999

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)

OPINION

By this decision, we approve the final budget authorization for the Public Education Plan (PEP) for the 310/424 numbering plan area (NPA) overlay, pursuant to the directives in Decision (D.) 98-12-081. The introduction of a new area code in the 310 NPA through an overlay plan, including mandatory 1+10-digit dialing for all calls within the overlay region, will be a novel innovation. The PEP is necessary to familiarize the public with the new plan and to facilitate the transition to use of the new dialing pattern.

In D.98-12-081, we approved a budget for the 310/424 NPA overlay PEP, incorporating the prescribed scope of activities and programs identified in the Level 3 option developed by the Industry Task Force. As part of the Level 3 funding authorization, we approved a budget of \$187,715 in reimbursable funds. In Ordering Paragraph (OP) 2 of that decision, however, we required that the PEP funding be augmented to include certain additional items. In particular, we required the PEP be augmented to cover paid advertising about the overlay plan in the zoned editions of newspaper media, including newspapers targeting communities not reached by mass-market appeals, and the potential use of radio

advertising within the 310/424 area code region and adjacent regions which were sent bill insert notices of the overlay plan.

In OP 4 of the decision, we stated:

"The PEP budget funding shall be augmented to incorporate the addition of the above-referenced newspaper, radio, and billboard advertising, as well as the distribution of collateral materials and letters. The Director of Consumer Services Division (CSD) and the Task Force shall confer to revise the industry costs for the PEP to incorporate this additional requirement, and the CSD Director shall report to the Commission by January 8, 1999, the amount of the required increase in the PEP budget to fund these measures."

By memo to the Commission dated January 11, 1999, the CSD Director reported on the results of Task Force meetings held to comply with OP 4.

On January 5, 1999, parties met to discuss implementation of the adopted plan and to develop costs to comply with the OP 4 augmented requirements for the media plan and material distribution. The Industry Task force had previously convened a subcommittee of media relations experts within the industry to develop a proposed plan. The Industry Task force proposes that the \$187,715 base budget, included in funding Level 3, be augmented by \$120,000 to cover the enhanced media plan and \$10,000 to cover distribution of additional collateral materials to all of the surrounding areas.

Based on the incremental budget amount developed by the Task Force, the following final reimbursable budget authorization is adopted:

Reimbursable Base Budget (approved in D. 98-12-081)	\$187,715
Add:	
Media Plan	120,000
Collateral Materials	5,000
Distribution	<u>5,000</u>
<u>Total Revised Budget</u>	<u>\$317,715</u>

The assumptions made by the Task Force for spending the additional funds is set forth in the proposal. Approximately \$50,000 is estimated for the radio and television advertising. An additional \$25,000 is estimated for the costs of a one-half-page black-and-white advertisement in the zoned edition of the Los Angeles Times Newspaper. The remaining \$50,000 is estimated to cover the cost of local community newspaper and billboard advertising. The Task Force proposes to allocate the budget for media advertising equally between general and ethnic media outlets. We shall approve the Task Force proposed plan for the augmented activities. We find it to be a reasonable means to maximize the media outreach to the broadest possible audience within the allotted budget.

The CSD Director and the Task Force shall promptly proceed to implement the augmented PEP measures approved herein.

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Public Utilities Code Section 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

Findings of Fact

1. D.98-12-081 authorized a budget for the 310/424 NPA overlay PEP, incorporating the prescribed scope of activities and programs identified in the Level 3 option developed by the Industry Task Force.

2. OP 2 of that decision required that the PEP be augmented to include paid advertising about the overlay plan in the zoned editions of newspaper media, including newspapers targeting communities not reached by mass-market appeals, and the potential use of radio advertising within the 310/424 area code region and adjacent regions which were sent bill insert notices of the overlay plan.

3. OP 4 of the decision required that the PEP budget funding be augmented to incorporate the addition of the above-referenced newspaper, radio, and billboard advertising, as well as the distribution of collateral materials and letters.

4. The Director of CSD and the Task Force conferred to revise the industry costs for the PEP to incorporate this additional requirement.

5. The CSD Director reported to the Commission on January 11, 1999, as to the amount of the required increase in the PEP budget to fund these measures to comply with OP 4.

6. The total amount of augmented funds reported by the CSD Director were \$120,000 for the media plan, \$5,000 for preparing additional collateral materials, and \$5,000 for additional distribution of such materials.

Conclusions of Law

1. The augmented budgeted amounts set forth in the order below reasonably relate the prescribed activities ordered to be accomplished in D.98-12-081.

2. Consistent with the intent of D.98-12-081, the budget augmentations and related program plans should be approved.

O R D E R

IT IS ORDERED that:

1. The reimbursable budget authorization for the 310/424 area code overlay public education plan (PEP) in the amount of \$187,715 previously approved in Decision (D.) 98-12-081 is hereby increased by an additional \$130,000, resulting in a total approved reimbursable budget of \$317,715.

2. The increased budget augmentation shall include \$120,000 for additional media coverage, to be applied as follows: \$50,000 for the radio and television advertising; \$25,000 for a one-half-page black-and-white advertisement in the zoned edition of the Los Angeles Times Newspaper; and \$50,000 (estimated) to

cover the cost of local community newspaper and billboard advertising, all to comply with Ordering Paragraph 2 of D.98-12-081.

3. The increased budget augmentation shall include \$10,000 to be applied equally between the costs for additional collateral materials and the distribution of those materials to comply with OP 3 of D.98-12-081.

4. The Consumer Services Division Director and the Task Force shall promptly proceed to implement the augmented PEP measures approved herein.

This order is effective today.

Dated February 18, 1999, at San Francisco, California.

RICHARD A. BILAS
President
HENRY M. DUQUE
JOSIAH L. NEEPER
Commissioners