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Decision 99-03-059 March 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)

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OPINION

I. Introduction

By this decision, we formally approve the proposed Alternative 18A for a two-phase geographic split and subsequent overlay relief plan for the 909 Numbering Plan Area (NPA) based upon review of the alternatives as presented to the Commission by the North American Numbering Plan Administrator (NANPA) by transmittal letter dated December 7, 1998.

The 909 NPA was created in 1992 to relieve code exhaustion in the 714 NPA. The 909 NPA includes cities and communities in parts of the counties of Los Angeles, Riverside, and San Bernardino, as illustrated on the Appendix A map. The 909 NPA currently serves a portion of Local Access and Transport Area (LATA) 730. One or more new area codes are now needed again to relieve the impending exhaustion of NXX codes in the current 909 NPA. The NANPA projects exhaustion of NXX codes in the 909 NPA to occur during the fourth quarter of 1999. The demand for numbering resources in the 909 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.

In March 1998, the NANPA declared a jeopardy situation in the 909 area code. Since April 1998, NXX codes in the 909 NPA have been rationed. The 909 NPA code applicants are participating in the California lottery for NXX resources which will continue in the lottery until the fourth quarter of 2000 under the current proposal (i.e., the end of the mandatory dialing period).

The process for implementing new area codes in California is covered both by state statute, applicable Commission decisions, and industry guidelines. California state statutes prescribe 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 Decision (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

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.

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 decision, we concluded that, at least for the near term, customers were better served with the geographic split option. We directed that splits should continue to be used for relief plans which would take effect at least through the year 2000. However, particularly in light of the consumer preference survey which reflected a greater receptiveness among certain classes of customers to the overlay proposal in the 310 NPA compared to other NPAs, we left open the possibility of adopting an overlay for the next round of relief in the 310 NPA to take effect prior to 2000. In the case of the proposed 909 NPA relief plan now before us, the proposed implementation date for the overlay phase of that plan would occur after the year 2000. Therefore, the previous policy limiting relief options to geographic splits does not preclude our adoption of the overlay option. The Commission has opened R.98-12-014 to develop a NPA relief planning policy on a prospective basis. For purposes of the present 909 NPA proposal, we shall evaluate it based on its own merits. In D.97-08-065, we required that an overlay be evaluated in reference to the same criteria applicable to a geographic split.

In D.96-12-086, we further developed the necessary conditions which would have to 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. The FCC also required mandatory 1+10-digit dialing for an overlay. The FCC also in a separate order, prohibited overlays from being applied only to specific telecommunications services such as cellular, but required that overlays must apply to all services. (Declaratory Ruling and Order, FCC Docket 95-19, IAD File No. 94-102, adopted January 12, 1995.) Based upon these policies, we

now consider the proposed options submitted by the NANPA for relief in the 909 NPA.

II. Industry Relief Planning Process

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 were concluded to develop alternatives for exhaustion relief in the 909 NPA, based on criteria adopted by the industry for previous relief plans.² The 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.

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

The Area Code Relief Coordinator convened five meetings attended by members of the telecommunications Industry Planning Team to discuss and develop relief alternatives for the 909 NPA. This team is composed of the NANPA, California Public Utilities Commission (CPUC Staff³ also participate and current code holders: local exchange carriers, interexchange carriers, wireless carriers and competitive local carriers.

These NPA relief plans were developed by representatives of the California telecommunications industry in meetings facilitated by NANPA using a consensus decision-making process and following industry approved NPA relief planning guidelines. Important input to the relief plans was provided at public meetings required by Public Utilities (Pub. Util.) Code Section 7930(b), which were conducted on August 26 and 27, 1998, and at a local jurisdiction meeting, which was held with city and county government representatives on August 4, 1998.

During its October 2, 1998 meeting, the industry agreed to forward Alternatives 9A and 17 to the Commission for a final decision. The industry could not reach consensus on one plan but was able to reach consensus on two exhaust relief plans: a three-way geographic split and a two-way geographic split with a subsequent overlay.

By letter to the assigned Administrative Law Judge dated December 7, 1998, Lockheed Martin IMS, in its role as the NANPA, presented these two alternative NPA relief plans for the 909 area code. NANPA requests, on behalf of the industry, the Commission to approve one of these plans.

³ The Commission staff participants do not vote on relief plan options.

III. 909 NPA Public Notification and Meetings

Public meetings were required to occur within six months of the March 1998 customer notification, i.e., by August 1998. The industry team held four public meetings, one more than required by Pub. Util. Code § 7930 to ensure adequate coverage of the area served by the 909 NPA. The industry conducted two meetings on August 26, 1998 and two meetings on August 27, 1998. At these meetings, one three-way geographic split plan (Alternative 9A/B/C), and two versions of two-way geographic split plans with a subsequent overlay (Alternatives 17, 18A & 18B) were presented.

The industry, NANPA and the CPUC jointly conducted a meeting with local jurisdictions in the City of Norco on August 4, 1998. The industry believes this kind of meeting assists in the relief planning process by obtaining another layer of public input to help the industry in either reducing the number of alternatives or identifying the best plan to present to the general public. The industry presented two versions of two-way splits, a three-way split, and two versions of two-way splits - each accompanied with a subsequent overlay.

The grand total Show-of-Interest selections from both the local jurisdiction and public meetings resulted in ten selecting Alternative 18B, nine for Alternative 9B, five each for Alternatives 9A and 9C, and one for 18A. No selections were made for Alternative 17. There is a dominant interest in Alternative 18B, a secondary interest in Alternative 9B, and an equal but less interest in Alternatives 9A and 9C.

IV. Industry Proposals

The industry could not reach consensus on one plan, but reached consensus on forwarding two relief plans, Alternatives 9A and 17, to the Commission for a decision. The industry directed the NANPA on October 2, 1998, to forward these findings to the Commission for final decision.

A. Alternative 9A - Three-Way Geographic Split

Alternative 9A is a three-way geographic split to be completed in two phases. The first phase splits off the southern section to a new area code, which includes most of the 909 area code cities and communities in Riverside County. The second phase splits off the northern section to another new area code, which includes most of the 909 area code cities and communities in San Bernardino County. The remaining western section, which includes all the 909 area code communities in Los Angeles County as well communities in the western portions of Riverside and San Bernardino Counties, retains the 909 area code. All three sections retain seven-digit dialing within their respective area codes.

It is expected the 909 NPA will remain in an extraordinary conservation state until relief is implemented. Therefore, the industry recommends shortening the mandatory dialing period to three months. Pub. Util. Code § 7932, which became effective January 1, 1999, provides discretion to the Commission to determine the duration of any transitional dialing period. The industry recommends the following relief implementation dates for the split plan:

Phase 1 (southern section split)	Relief Dates:
Start of Permissive Dialing	2/12/2000
Start of Mandatory Dialing and Recorded Announcement	9/9/2000
End of Mandatory Dialing and Recorded Announcement	12/16/2000

Phase 2 (northern section split)	Relief Dates:
Start of Permissive Dialing	3/17/2001
Start of Mandatory Dialing and Recorded Announcement	9/15/2001
End of Mandatory Dialing and Recorded Announcement	12/15/2001

B. Alternative 17 - Geographic Split with a Subsequent Overlay

Alternative 17 is a two-phase plan. The first phase entails a geographic split to create a new area code. The first phase allows the 909 area code cities and communities in Los Angeles County and western portions of Riverside and San Bernardino Counties to retain the 909 area code.⁴ The eastern section containing the current 909 area code cities and communities of San Bernardino and Riverside Counties will receive the new area code.⁵ A map illustrating the boundaries of the proposed NPA split is presented in Appendix B. Then later, Phase Two assigns a second new area code as an overlay of the remaining region assigned the 909 area code.

⁴ Area Retaining the 909 NPA (western section)

Rate areas that will remain in the 909 NPA: Claremont, Diamond Bar, Upland, Ontario, Pomona, Chino, Etiwanda, Fontana, Rialto, Mira Loma, Riverside, Arlington, Woodcrest, and Tesmesca Canyon. The 909 NXXs at the tandems will also remain in the 909 NPA.

⁵ Area receiving the new NPA (eastern section)

Rate areas that will receive the new NPA: Crestline, Marshall, Arrowhead, Running Springs, Big Bear Lake, Big Bear City, Highland, San Bernardino, Colton, Redlands, Mentone, Calimesa, Moreno, Banning, Hemet, Perris, Lakeview, Homeland, San Jacinto, Elsinore, Sun City, Sage, Idyllwild, Murrieta, Temecula, and Anza.

The industry recommends the following relief dates for Alternative 17:

Phase 1 (Split -eastern section)	Relief Dates:
Start of Permissive Dialing	2/12/2000
Start of Mandatory Dialing and Recorded Announcement	9/9/2000
End of Mandatory Dialing and Recorded Announcement	12/16/2000

Phase 2 (Overlay - western section)	Relief Dates:
Start of Permissive 1+10-Digit Dialing in 909 NPA	2/12/2000
Start of Mandatory 1+10-Digit Dialing in 909 NPA	11/4/2000
Implementation of Overlay NPA	2/10/2001

Alternative 17 allows more people to keep the 909 area code in the western section and more people in the eastern section (rural areas) to keep seven-digit dialing. One plus ten-digit dialing will be required for both area codes in the western section. The industry recommends a 12-month customer education period to adjust to a dialing change from seven digits to 1+10 digits in preparation for the overlay if Alternative 17 is adopted.

V. Positions of Parties

Although the Industry reached consensus on submitting two relief plan alternatives for the Commission's consideration, individual carriers were permitted to submit a "position paper" representing their individual views on area code relief, as part of the NANPA's submission of NPA relief alternatives.

A. ICG Telecom/California Cable Television Association

One industry "position paper" was submitted, jointly sponsored by ICG Telecom (ICG) and the California Cable Television Association (CCTA) (the parties), supporting adoption of Alternative 9A. The parties favor Alternative 9A

because it permits customers to retain seven-digit dialing for local calls, and maximizes the longevity of area code relief related to Alternative 17.

The two new area codes created under Alternative 9A provide projected lives of 18 to 21 years and 25 to 30 years, respectively. The remaining 909 area code provides a projected life of 12 to 14 years. The two new area codes resulting from the 909 split thus would last longer than the 909 area code (for customers who were allowed to keep their number as a result of the split). Thus, customers who receive a new area code would not face additional area code relief until after customers who were allowed to retain the 909 area code faced relief.

By contrast, Alternative 17 creates a single new area code that provides a projected life of only 13 to 15 years. The remaining 909 area code would receive an overlay area code, approximately one year after the split. The life of the "combined" 909/overlay area code has a projected life of 18 to 22 years. Parties argue that the "combined" area code thus enjoys a disproportionately long life which is inequitable to customers who get the new area code in the Phase I geographic split.

ICG and CCTA also express concern with the anti-competitive element of the overlay phase of Alternative 17 to the extent that 909 readily identifies the geographic region from which a call is made to or from. The majority of those recognizable area code numbers would remain under the control of incumbent providers, while new entrants would likely trade in the less recognizable area code numbers.

B. City of Moreno Valley

On February 21, 1999, the City of Moreno Valley (the City) filed a petition to intervene in this proceeding.⁶ The City concurrently filed comments on the 909 NPA draft decision of the assigned ALJ issued on February 2, 1999. The City advocates adoption of Alternate 18B (or, as a second choice, Alternative 18A). Alternative 18A/B is similar to Alternative 17 in that it involves Phase I geographic split followed by a Phase II overlay. Unlike Alternative 17, however, which draws the NPA boundary splitting east and west, Alternative 18A/B splits the NPA boundary north and south (see Appendix B map).

In its comments filed February 21, 1999, the City objects to Alternative 17 as proposed by the Industry, because the proposed Alternative 17 Phase I geographic split would divide the City of Moreno Valley between two different area codes and would give it an area code which is different from that of its immediate neighbor, the City of Riverside. The majority of the City of Moreno Valley's developed commercial and residential property is on the western end of the City directly adjacent to the City of Riverside, March Air Reserve Base and the City of Perris. Yet, Alternative 17 would separate Moreno Valley from Riverside and instead place Moreno Valley in the same area code as San Bernardino, a city which Moreno Valley has little or no economic, social or political community of interest.

⁶ The City of Moreno Valley is a municipal corporation with jurisdiction over some 50 square miles of Riverside County, California lying generally east of and in large part immediately adjacent to the City of Riverside. Moreno's population of over 138,000 makes it the second largest city in Riverside County. Moreno asserts that it has an interest in the outcome of this proceeding that cannot be adequately represented by any other party. The Petition to Intervene was granted by ALJ ruling dated March 3, 1999.

The City argues that this split will cause confusion and frustration regarding the dialing of phone numbers within the same city since two different area codes and different numbers of digits would have to be used.

The City argues that it should be in the same area code as the City of Riverside because of the strong community of interests involved. The City claims that the boundary line between the two cities is so indistinct that most residents of Moreno Valley are unaware that certain local businesses are not in the City of Moreno Valley, but rather are in Riverside. Residents of Moreno Valley and Riverside shop together in commercial establishments on both sides of the city line. Moreno Valley's largest commercial development, the Moreno Valley Regional Mall, is built on the site of what was once known as the Riverside International Raceway.

Moreno believes that Alternative 18 would keep Western Riverside County under the same area code, keep Moreno Valley together with Riverside and keep the entire City of Moreno Valley in the same area code. It would also keep Western San Bernardino County cities together in the same area code. Alternative 18B⁷ is the alternative most favored by the Mayor and City Council of the City of Moreno Valley. Alternative 18A⁸ would be Moreno's second choice. The City of Moreno Valley sees no virtue nor rationality for its residents in Alternative 17, especially in light of the negligible difference in life expectancy of the two alternatives.

⁷ Alternative 18B would assign a new area code to the northern region through a geographic split in Phase I and would assign a second new area code to the northern region through an overlay in Phase II.

⁸ Alternative 18A would assign a new area code to the southern region through a geographic split in Phase I and would assign a second new area code to the northern region through an overlay in Phase II.

No party responded to the arguments made by the City.

C. Office of Ratepayer Advocates

Comments were also filed by the Commission's Office of Ratepayer Advocates (ORA) in response to the draft decision of the assigned ALJ. ORA supports adoption of Alternative 9A since it would provide the greatest longevity in each resulting NPA and would retain the advantages of seven-digit dialing. ORA believes that this alternative is the more consistent with the public's wishes than Alternative 17 based upon input from the local jurisdiction and public meetings held within the 909 NPA. ORA argues that the Commission should reconcile its decision on NPA relief with the preferences expressed at the local jurisdiction and public meetings.

D. California Small Business Association

Separate comments were filed by the California Small Business Association (CSBA) and California Small Business Roundtable (CSBR). CSBA/CSBR oppose Alternative 9A, arguing that it would be extremely disruptive to consumers who would be required to change their number in two out of every three prefixes within the 909 NPA. CSBA/CSBR argue that Alternative 9A would be particularly onerous for small businesses subject to the new area codes which would incur significant expense to change their advertising, stationery, business cards, and other printed materials. CSBA/CSBR favors adoption of an overlay for the entire 909 NPA, although the industry did not present a comprehensive overlay proposal at the public or local jurisdiction meetings since it would have to be implemented prior to January 1, 2001. D.96-12-086 set a policy in favor of geographic splits for NPA relief implemented prior to January 1, 2001. If the Commission limits its consideration to Alternatives 9A and 17, then CSBA/CSBR supports Alternative 17 since fewer customers will be forced to change their phone number.

VI. Discussion

A. Impacts on Customers of Splits Versus Overlay

We have before us two broad alternative proposals for 909 area code relief as presented by the Industry at the Local Jurisdiction and Public Meetings:

(1) either a combination split-and-overlay or (2) a three-way geographic split.

Within the first option of a combination split-and-overlay, parties differ between two different variations (Alternative 17 and Alternative 18) in terms of preference.

The Industry Planning Group formulated two alternatives which involved a combination split-and-overlay plan for the 909 NPA, each of which would establish an overlay one year after a geographic split had been implemented. Alternative 17 assigns the overlay to the west side of the NPA. Alternatives 18A and 18B each would assign the overlay on the north side of the NPA. The two versions of Alternative 18 differ only with respect to which side of the Phase I split keeps the 909 NPA. Of the overlay options, the Industry reached consensus on Alternative 17 as the preferred overlay plan to submit for Commission consideration. The City of Moreno Valley, however, advocates adoption of Alternative 18B.

Alternative 17 assigns the overlay area code to the western region which is adjacent to the metro-calling areas of Los Angeles County where customers are more likely to adapt to mandatory 1+10-digit dialing. Customers in the larger rural areas in the southeastern and northeastern regions of the NPA would thereby retain the advantage of seven-digit dialing by being subject to a geographic split in Phase I of the relief plan. Since the overlay area code is not opened until February 2001, Alternative 17 is consistent with D.96-12-086 calling for the use of geographic splits generally, for relief implemented prior to January 1, 2001.

Although the Industry Group has highlighted advantages of Alternative 17, they have not addressed the problems which are raised by the City of Moreno Valley. The City of Moreno Valley has pointed out that communities of interest within western Riverside County would be divided in an undesirable manner under Alternative 17. Although the Industry Team favors Alternative 17 in comparison to Alternative 18A/B, no party disputed the criticisms of Alternative 17 made by the City.

Alternative 17 would separate Moreno Valley from Riverside and place it in the same area code as San Bernardino, even though there is little or no economic, social, or political communities of interest between the two cities. Moreno Valley residents would have to dial a different area code to reach their neighbors in Riverside. On balance, we conclude that any advantages of Alternative 17 are outweighed by the disruptive effects on splitting local communities. We conclude that in view of the adverse effects of Alternative 17 on western Riverside County, Alternative 18A is the better of the split-and-overlay options.

Alternative 18A creates a Phase I geographic split, assigning a new area code in the southern region, covering Riverside County, and in a second phase, assigns a second new area code as an overlay of the remaining 909 NPA comprising the northern region. The affected boundaries and rate centers are depicted in Appendix B. Alternative 18 A retains the communities of western Riverside County within a single area code in the Phase I split, and assigns the residents of the southern NPA region, including the City of Moreno Valley the same area code as their neighbors in the City of Riverside. We decline to adopt Alternative 18B, (as proposed by the City of Moreno Valley) since it would entail assigning both a geographic split and a subsequent overlay to the north side of the 909 NPA. Such a plan would place an undue burden on residents of the

north, and force them to endure both an area code change and the subsequent loss of seven-digit dialing. The selection of Alternative 18A, however, permits a more balanced outcome. Those customers in the south subject to the Phase I geographic split retain seven-digit dialing after the overlay phase is completed in the north. Customers in the north get to keep their 909 area code, but must also accept mandatory 1+10-digit dialing.

We select Alternative 18A rather than Alternative 17 (or Alternative 18B) in recognition of the preferences expressed at the local jurisdiction and public meetings. The "show-of-interest" forms submitted at public and local jurisdiction meetings do not represent a statistically significant sampling of public opinion regarding NPA relief options and do not dictate which relief plan is the most appropriate. Nonetheless, the input received at such meetings can provide useful input regarding the impacts of various relief options. In the 909 NPA public and local jurisdiction meetings, we note that there were 10 "show-of-interest" selections for Alternative 18B while no selections were made for Alternative 17 and one for Alternative 18A. Notwithstanding the preferences for Alternative 18B, we still conclude the Alternative 18A represents a more fair outcome for all affected customers overall.

The industry also initially formulated three variations of a three-way geographic split (Alternatives 9A, B, and C) which it presented to the public. Of the three variations of the three-way geographic split, we agree with the industry consensus that Alternative 9A is the preferred option among the three variations. This option would preserve the existing 909 area code for customers in the western region which is the closest to the Los Angeles metropolitan area and balances the impacts among the three NPAs which would result from the plan.

Our final choice, then, is between Alternative 18A and Alternative 9A. To evaluate these two alternatives, we consider and weigh the differing effects on

each of the regions subject to a three-way split compared with the two-way-split-and-overlay option. Under either alternative, at least a portion of the existing 909 NPA customer base must change its area code. Likewise, under either alternative, a core group of customers in the western region retain the existing 909 area code. Under Alternative 18A, however, the number of customers retaining the 909 area code increases. As a tradeoff, however, all customers who keep their 909 area code become subject to an overlay, must submit to mandatory 1+10-digit dialing, and lose the unique geographic identity presently provided by the 909 area code. Under Alternative 9A, all customers within the existing 909 NPA retain seven-digit dialing, and retain a unique geographic area code identity, but more customers must take a new area code.

Alternative 9A better optimizes NPA longevity than does either Alternative 17 or 18A. The two new area codes created under Alternative 9A have expected lives of 18-to-21 years and 25-to-30 years, respectively. The remaining 909 NPA would have a remaining life of 12-to-14 years. By contrast, Alternative 18A would result in a projected life of only 13.75-to-16.25 years for the new area code created in the Phase I split, and a projected life of 17.5-to-22 years for the combined 909/overlay NPAs. In this respect, customers subject to the Phase I geographic split would be placed at a disadvantage since they would be subject to yet another round of area code relief before customers in the 909/overlay NPA.

Under either Alternative 9A or 18A, all customers within the existing 909 NPA would have to keep track of two new area codes for calls made within the existing NPA region. The difference is whether the third area code would apply as an overlay to the 909 NPA or as a geographically unique area code in the northeast.

As we have noted in previous decisions, neither an overlay nor a geographic split is free of problems, and no plan can avoid disruptions to customers. On balance, however, we conclude that Alternative 18A provide less overall disruption to customers. The overlay feature of Alternative 18B permits more customers to avoid the need to change their area code than does Alternative 9A.

Alternative 18A also permits customers in the southern region to retain seven-digit dialing through a traditional geographic split. Although the projected NPA lives under Alternative 18A work to the relative disadvantage of customers in the northern region who would face the need for subsequent NPA relief sooner, this disadvantage must be weighed against the counterbalancing advantages to customers of Alternative 18A. For example, more customers get to keep their 909 area code under Alternative 18A. Moreover, even under Alternative 9A eastern-region customers would still be disadvantaged to the extent they would all have to change area code while the western region 909 NPA customers would not. On balance, we conclude that customers as a whole benefit more from Alternative 18A than Alternative 9A.

We conclude that, in addition to satisfying the criteria for competitive neutrality, Alternative 18A, the split-and-overlay would also best satisfy the remaining criteria for evaluation of relief plans as identified by the Industry Team. These criteria focus on minimizing the adverse impacts on customers. For the reasons discussed below, we conclude that Alternative 18A would, in fact, provide the best overall remedy for 909 NPA relief when compared against the three-way geographic split offered as an alternative. We accordingly adopt Alternative 18A and direct that it be implemented to relieve 909 NPA code exhaust.

The potential merits of an overlay were reflected in the results of the consumer surveys reviewed in D.96-12-086 in which respondents expressed preferences for splits or overlays. Although respondents in the survey expressed a greater preference for splits compared with overlays, at the time the survey was taken, the 909 NPA had not yet entered into the current phase of code exhaustion, for which yet another round of NPA relief is required. The results of the previous consumer-preference poll must be evaluated in light of the increasing hardship of cumulative changes in area code, and the difficulty in fairly devising successive splits of the same NPA over time.

As the geographic area covered by the 909 NPA faces the prospect of even further shrinkage in the current proposal before us, it becomes increasingly difficult to draw boundaries that minimize splitting local communities, consistent with Pub. Util. Code § 2887(a). The drawing of boundaries becomes ever more contentious with each subsequent split. The continual splitting of the 909 NPA also makes it increasingly difficult to balance the projected lives of the old and new NPAs. The shorter the NPA life resulting from a geographic split, the more frequently customers must be subjected to the disruptions and hardships that come with changing area codes yet again. The relative consumer support for a split in comparison to an overlay can only be expected to decrease as the cumulative burdens of shrinking NPAs continue.

The overlay avoids the problems involved with the continual geographic splitting of local communities, by leaving existing boundaries intact. The overlay also avoids the need for existing customers to change their area code. At the public meetings for the 909 NPA, concern was expressed, particularly by business customers, about the economic hardships resulting from having to notify customers of area code changes, and to change business cards, letterheads, etc.

While the overlay avoids these problems, the overlay is not without its own issues. For example, while the NPA boundary would not change, the defining feature of the boundaries would itself, change. In other words, the geographic boundaries would no longer define a single NPA, but two (or more) NPAs. Thus, one of the advantages of having geographically-defined NPA boundaries (i.e, as a means of common identification) will over time become less meaningful as multiple NPAs within a single geographic region proliferate. The area code in an overlay signifies *when* the customer was assigned the number rather than *where* geographically the number is located. Thus, for example, a business may consider an assignment of the overlay NPA less desirable than the original NPA which is assigned to a neighboring business, particularly when the NPA is first introduced. Customers may perceive the business with the new NPA to be newer or less established than the neighboring business that retains the more recognized original NPA. Therefore, the advantage of the overlay in avoiding new geographic splits must be weighed against the drawback that it also tends to obscure the traditional use of NPAs as a common geographic bond of local communities of interest.

Another drawback of an overlay is customers' loss of seven-digit dialing for calls within the same NPA. In the consumer preference surveys reviewed in D.96-12-086, customers generally placed significant value on the ability to dial only seven digits for calls within the NPA. Yet, we must weigh the preference for seven-digit dialing against the other problems involved in yet another split of the 909 NPA. Because of the shrinking of the 909 NPA, an increasing number of customers' calls originated within the 909 NPA terminate outside of the 909 NPA boundaries. Yet, even though 909 NPA customers are already becoming more accustomed to dialing 1+10 digits for at least some portion of their calls, the overlay will still require customers to learn a new 1+10-digit dialing procedure

for all calls, including those within the same NPA. Customers will also lose the ability to uniquely identify a given geographic region by a single area code. We recognize that customers will need a transition period to acclimate themselves to the changes resulting from an overlay. We believe, however, that this new procedure can be learned and accepted over time through the customer education plan as authorized below.

B. Competitive Neutrality

Since the overlay NPA will not take effect until February 10, 2001, we conclude that all necessary prerequisites for competitive neutrality should be in place by the time the first overlay telephone numbers are issued to customers. As previously stated, one of the prerequisites of competitive neutrality is full implementation of permanent LNP. Under the schedule adopted by the FCC, full implementation of permanent LNP was to be concluded by December 31, 1998, in the 100 largest metropolitan service areas (MSAs) nationwide. No party has raised a concern that permanent LNP will not be available within the remaining portion of the 909 NPA subject to the overlay by February 2001. As a cautionary measure, however, we shall require Pacific and GTC to each file a report on July 7, 1999, reporting as to whether full LNP has been implemented in the 909 NPA including identification and rectification of any LNP-related call completion problems.

Another potential problem with the overlay is that customers who seek to add additional lines at the same location after the overlay takes effect may only be able obtain the additional lines under the new area code and thus be left with two area codes for multiple lines at the same location. The only alternative, if they wish for all their lines to be in one NPA, would be to change the original numbers' area code, thereby losing one of the presumed advantages of the overlay. If the customer's local service provider has a remaining inventory of

NXX codes within the 909 NPA, the provider presumably could offer the customer an additional line within the same NPA. We are concerned, however, with the potential for certain carriers, particularly the ILECs, to gain a competitive advantage by being able to assign new numbers using the 909 NPA while new entrants with limited NXX codes in the 909 NPA may have to rely on the new NPA for making number assignments. We shall not resolve this issue in this decision, but will solicit further comments concerning what measures may be appropriate with respect to the assignment of numbers from NXX codes in the 909 NPA after the overlay NPA is initiated in order to promote competitive neutrality among carriers.

We also place a high priority on promoting the development of measures to ensure the efficient utilization of NXX codes so that CLCs are not competitively disadvantaged by limited access to numbering resources. Number pooling is one essential tool to make more efficient use of NXX codes in the 909 NPA. Parties to this proceeding previously addressed the prospects for developing number pooling, as well as other code conservation measures, in comments filed in this docket on February 25, 1998 with replies on March 13, 1998, in response to an ALJ ruling dated January 13, 1998.

Number pooling can promote more competitively neutral access to numbering resources for all participating carriers by enabling multiple carriers to share a single NXX code through the technology associated with permanent LNP. There are numerous and substantial technical, administrative, and cost issues related to number pooling, however, that must be addressed. In particular, more intensive tracking of number allocation will be required. An audit of code utilization within the industry will be required to determine the maximum number of NXXs or blocks of 1,000 numbers that can be recovered from pooling participants for sharing. Some degree of NXX code utilization does not

automatically disqualify an NXX from being shared. The Industry Numbering Committee (INC) has recommended that the degree of "contamination" (i.e., prior usage) that should be allowed for a block of 1,000 numbers to be considered for the pool is 0% to 10%. Yet, some providers have urged a much higher level of contamination be allowed in order to achieve a greater degree of number efficiency.

As a step toward the establishment of number pooling, we shall direct the assigned ALJ to solicit comments concerning what sorts of NXX code utilization reporting requirements or other measures may be appropriate to protect existing 1,000-number blocks from undue "contamination" pending the implementation of number pooling. We shall place a high priority on the expedited implementation of number pooling in the 909 NPA.

In D.98-08-037, we directed that workshops be convened to begin the implementation of number pooling and rate center consolidation. Workshops have been held to work toward instituting number pooling. We directed that the industry submit a schedule for implementation by March 31, 1999. On March 24, 1998, the NANC created a Numbering Resource Optimization Working Group (NRO-WG) to address issues of number availability and conservation. The Common Carrier Bureau (Bureau) of the FCC has requested that NANC report on national number pooling standards, in sufficient detail to support, both technically and operationally, a uniform, nationwide system for pooling by December 1999. The adoption of an overlay of the 909 NPA by February 10, 2001 would thus take place after the scheduled date for a nationwide number pooling system to be in place.

C. Availability of NXX Codes to Meet FCC Requirement

The FCC has required Code Administration to make "at least one" NXX code in the existing NPA available to every existing telecommunications carrier in the affected area code 90 days before the introduction of a new overlay area code as set forth in FCC Docket 96-333. The NANPA has offered to set aside codes just prior to the beginning of mandatory 1+10-digit dialing, which would be in the fourth Quarter of 2000. The industry recommends that service providers new to the 909 NPA contact the NANPA in writing if they want a code within 30 days of the Commission's decision or 30 days after receiving their CPCN to allow the NANPA to reserve sufficient NXX codes to comply with the FCC order.

In view of the contingency measures we adopt herein, we conclude that sufficient NXX codes will be available to permit the NANPA to assign at least one code in the 909 NPA to each certified carrier within the service area that does not presently have one, as required by the FCC. As of the date comments were filed, there were 237 NXX codes available for assignment in the 909 NPA.

As we noted in D.98-05-021, it takes 66 days for the NANPA to complete the code opening process. A schedule thus is needed for carriers to notify the NANPA of their code orders sufficiently in advance to allow the codes to be opened on a timely basis. We shall therefore direct that any presently certificated facilities-based CLC which has not previously been assigned a 909 NPA NXX code to file a "Statement of Intent" with the NANPA if it seeks to be assigned such a code. These statements shall be filed by September 30, 1999. Likewise, any new facilities-based CLCs becoming certificated between September 30, 1999, and the activation of the overlay NPA in February 2001 shall be required to notify the NANPA within 30 days of certification if they intend to request a 909 NPA NXX code prior to February 2001. We shall direct the NANPA to reserve the

requisite codes to satisfy the FCC code assignment requirement as of the effective date of this order. Any CLC that is awarded a code in the 909 NPA through the lottery shall be removed from the list of carriers eligible for a 909 NXX code assignment under the FCC requirement. We shall also direct the NANPA to impose a freeze on lottery code assignments during the 90 days preceding the overlay opening. The Commission on its own motion or at the request of the NANPA may reevaluate this freeze as the implementation date of the overlay approaches and the availability of NXX codes thus becomes more predictable. The remaining codes shall be reserved during the final 90 days for assignment to new entrants in the 909 NPA region which have not previously received an NXX code in the 909 NPA. Therefore, with these measures in place, we conclude that there will be sufficient codes to permit each carrier to receive at least one code in the 909 NPA during the 90 days prior to the overlay taking effect.

D. Customer Education Program Regarding Mandatory 1+10-Digit Dialing and the Overlay

In D.96-12-086, we recognized that the introduction of an overlay together with mandatory 1+10-digit dialing will be a novel innovation and require a transitional period for customers to become accustomed to the change. Customers within the boundaries of the overlay will have to adjust to dialing 1+10-digits when calling numbers even within their own NPA.

In order to address the need for customer familiarity with the new dialing pattern for the overlay NPA, we ruled in D.96-12-086 that a customer education program begin no later than 12 months prior to the implementation date for the overlay.

We recently approved a public education plan (PEP) for the 310/424 NPA overlay in D.98-12-081. We shall direct that the industry implement a similar PEP for the 909 NPA overlay, drawing upon the experience acquired from the

310/424 PEP. The formulation of the PEP for the 909 NPA overlay should also be done on a consolidated basis with any other overlays planned for southern California scheduled to be implemented in a similar timeframe.

We identified in D.96-12-086 certain minimum elements that should be included in any PEP in conjunction with an overlay. For example, the plan must explain why mandatory 1+10-digit dialing is a necessary feature of an overlay relief plan. Customers must be informed that the change in their dialing patterns resulting from an overlay will not affect the distinction between local and toll calls, nor the rates charged for the different types of calls. For the 310 overlay PEP, we required the particular attention be focused on the education of children as well as the elderly and disabled, in addition to non-English speaking groups. The PEP for the 909 NPA overlay should provide a similar focus.

The PEP should also give priority to notifying those entities which will need to reprogram equipment to change to mandatory 1+10-digit dialing. For example, electronic security alarm companies and those with PBXs need to be contacted as soon as possible to allow them maximum lead time to reprogram equipment to accommodate mandatory 1+10-digit dialing.

The education program must also permit callers to easily locate the correct area code for a given number and to know that the 1+ the area code must be dialed preceding any number within the region subject to the overlay. Under the current dialing plan, customers dial 411 for directory assistance to locate numbers within the same NPA, and 555-1212 preceded by the area code if the number is within a different NPA. The PEP must inform customers how to dial directory assistance to locate numbers applicable to different area codes within the same overlay region. In addition to billing inserts and public service announcements, changes will also be necessary in published telephone directories covering the 909 NPA overlay region to identify the area code in

addition to the seven-digit number for each directory listing. Payphone signage must also be updated to reflect the 1+10-digit pattern within the 909 and new overlay NPAs.

The education program must be conducted not merely within the service territory covered by the 909 NPA, but must also focus on customers in adjacent NPAs which have frequent interaction with customers in the 909 NPA.

Particularly because the 1+10-digit dialing requirement will only apply in the region subject to the overlay, customers will need to be informed that the revised rules will not apply outside of the geographic boundaries of the 909 NPA.

Although customers outside of the 909 NPA will not be required to dial 1+10-digits for calls within their own NPAs, they will still be impacted by the 909 NPA overlay dialing requirements to the extent they visit the 909 NPA region and make calls within that region. To a lesser extent, some level of public education regarding the overlay needs to be conducted on a statewide basis, recognizing that California is a highly mobile state, and residents from northern California may travel into the 909 NPA calling area. Likewise, a statewide public education program will facilitate public acceptance of any future overlays which may be approved for other NPAs within California.

We concluded in D.98-05-021 that the requirement for a permissive and mandatory dialing period was only intended to apply where existing area codes are changed as part of a geographic split relief plan under the terms of Section 7931. The permissive and mandatory dialing periods provide an opportunity for customers to become accustomed to the change in dialing requirements as a result of an area code change. Since existing numbers do not change in an overlay, the requirement for permissive and mandatory dialing in the context of an area code change for existing numbers, does not apply. Moreover, the statutory provisions that previously prescribed permissive and mandatory

dialing periods as the result of an area code change has been revised effective January 1, 1999. Pursuant to the revised provisions of Section 7931 and 7932, the terms "mandatory" and "permissive" dialing are replaced with the term "transitional" dialing. Section 7932 specifically calls for a "transitional" dialing period in those cases where the new area code requires 1+10-digit dialing, but provides the Commission discretion to set the duration for such a transitional dialing period. Customers still need a transitional adjustment period, with the implementation of an overlay to become acquainted with mandatory 1+10-digit dialing and the notion of two area codes within a single geographic area.

We shall use the term "permissive" dialing period in connection with an overlay to refer to the period during which customers can reach the same party by dialing either seven digits or 1+10-digits. Customers are permitted, but not required, to use 1+10-digit dialing during this period.

As part of the customer education program for the 909 NPA overlay as discussed below, we shall require that a formal "permissive" dialing period be instituted beginning no later than February 2000 to coincide with the customer education program. To the extent that any carriers providing local service within the 909 NPA do not presently offer their customers the capability to dial 1+10-digits within the same NPA, we shall require them to make permissive 1+10-digit dialing available to their customers by February 2000. The permissive dialing period shall continue for nine months, until November 4, 2000. During the permissive 1+10-digit dialing period, customers should be encouraged to voluntarily dial 1+10-digits for calls within their NPA as part of the education program for the overlay.

In D.96-12-086, we directed that, upon activation of mandatory 1+10-digit dialing, customers who attempt to dial seven digits will hear an instructional recording informing them of the 1+10-digit dialing requirement. In the interests

of minimizing customer confusion, mandatory 1+10-digit dialing should take effect prior to initiation of the new overlay area code. In this way, customers will already have become somewhat accustomed to dialing 1+10-digits before they have to make the further adjustment of distinguishing between two different area codes within the same geographic calling area. We shall therefore require that mandatory 1+10-digit dialing take effect in the 909 NPA. We shall require that all telecommunications carriers institute an instructional announcement directing callers to dial 1+10-digits effective beginning November 4, 2000, to be continued indefinitely after the date overlay is implemented in the 909 NPA. With this measure in place, customer confusion should be minimized, even for visitors from other areas that are subject to different dialing patterns. With repeated usage over time, public familiarity and acceptance of 1+10-digit dialing should increase.

We shall direct the NANPA to convene an industry meeting within 60 days following the effective date of this decision for the purpose of addressing the implementation details of the public education program for the overlay to include, at a minimum, the elements discussed above. The program should give first priority to the 909 NPA and surrounding areas, and should provide for a combination of press releases, television and radio announcements, and billing inserts discussing the effects of the overlay. The Industry Team shall submit a draft of the proposed public education program to the Commission's Consumer Services and Telecommunications Divisions and Public Advisor's Office for Commission review and approval, to be scheduled by ALJ ruling. The Public Advisor will work in cooperation with the Consumer Services and Telecommunications Divisions, the assigned ALJ, the Coordinating Commissioner for telecommunications and the Assigned Commissioner in reviewing the proposed plan.

VII. Conclusion

On balance, we conclude that, while both the overlay and geographic split will have certain adverse impacts to the extent they disrupt the status quo, the relief alternative that includes two-way geographic split with a subsequent overlay will have less overall adverse impacts than the three-way geographic split alternative proposed for the 909 NPA. We believe the problems with an overlay largely relate to its novelty and the need for a transition period for customers to grow accustomed to the change in dialing procedures. These problems should be adequately resolved through customer education and the practical experience of making calls within regions subject to the 909 NPA overlay. Accordingly, we approve the option that includes an overlay (Alternative 18A) for the 909 NPA, and direct the Industry Team to move expeditiously to implement it to relieve exhaustion of the 909 NPA pursuant to the schedule adopted in the order below.

VIII. 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) and Rule 77.1 of the Rules of Practice and Procedure. Comments were filed on February 22, 1999, and reply comments were filed on March 1, 1999. We have reviewed all parties' filed comments and taken them into account, as appropriate in finalizing the decision.

Findings of Fact

1. Area code relief is needed due to the impending exhaustion of NXX codes in the 909 NPA projected to occur during the Fourth quarter of 1999.
2. The Area Code Relief Coordinator convened a series of meetings with the telecommunications Industry Planning Team to discuss and develop relief alternatives for the 909 NPA.

3. The Industry Team eliminated alternative plans which failed to meet the designated criteria, but was unable to reach consensus on a *single* relief plan.

4. The Industry Team narrowed the alternatives to two options: (1) a two-phase split-and-subsequent overlay; and (2) a three-way split.

5. Communities of interest within western Riverside County would be divided into two separate area codes an undesirable manner under Alternative 17.

6. Alternative 17 would separate Moreno Valley from Riverside and place it in the same area code as San Bernardino, even though there is little or no economic, social, or political communities of interest between Moreno Valley and San Bernardino.

7. Alternative 18A is superior to Alternative 17 since Alternative 18A retains the communities of western Riverside County within a single area code, including the City of Moreno Valley.

8. Alternative 18A permits customers in the Southern region to retain seven-digit dialing for calls within the same NPA.

9. The Commission has stated in D.96-08-028 that before an overlay could be approved, there must be reasonable assurance that permanent LNP would be fully implemented before the overlay became operational.

10. Without permanent LNP, an overlay in the 909 NPA would not be competitively neutral.

11. In order to approve an overlay for the 909 NPA, permanent LNP must be in place by the date the overlay would take effect, scheduled for February 2001.

12. Absent the availability of LNP, customers subject to an overlay might have to change area code merely as a result of changing service providers, placing CLCs at a competitive disadvantage.

13. FCC Order 96-286 established that all carriers, both incumbents and new entrants, must provide LNP in the 100 largest MSAs to all requesting telecommunications carriers, by December 31, 1998.

14. By any reasonable measure, there is an ample cushion of time to allow for any debugging of the LNP implementation and still have LNP fully operational within the 909 NPA before the opening of the overlay scheduled for February 10, 2001.

15. FCC Order 96-333 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 any overlay which may be approved.

16. In view of the contingency measures adopted in this decision, sufficient NXX codes will be available to permit the NANPA to assign at least one code in the 909 NPA to each certified carrier within the service area who does not presently have one during the last 90 days preceding the opening of the overlay, as required by the FCC.

17. The overlay will likely free up additional codes since it does not require the reservation of codes during the permissive and mandatory dialing periods required under the split.

18. Since it takes 66 days for the NANPA to complete the code opening process, a schedule is needed for carriers to notify the NANPA of their code orders sufficiently in advance to allow the codes to be opened on a timely basis.

19. Pub. Util. Code Section 7931 requirement for a permissive and mandatory dialing period only applies where existing area codes are changed as part of a relief plan to acquaint customers with the area code change.

20. Since the area code for existing telephone numbers does not change in an overlay, the permissive or mandatory dialing as required in Pub. Util. Code Section 7931 does not apply, and a transitional period is still needed to educate customers before a new area code overlay is established.

21. D.96-12-086 required mandatory 1+10-digit dialing within the region subject to an overlay to prevent an anticompetitive dialing disparity between customers of competing carriers who lacked equivalent access to NXX codes in the old NPA.

22. D.96-12-086 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.

23. D.96-12-086 directed that, upon activation of the overlay area code, customers who dial seven digits will hear an instructional recording informing them of the 1+10-digit dialing requirement.

24. D.96-12-086 identified certain minimum elements to be included in the customer education plan, including an explanation why mandatory 1+10-digit dialing is necessary, and assurance that the change in their dialing patterns will not affect the rates charged for calls.

25. The results of the consumer preference poll reviewed in D.96-12-086 must be evaluated in light of the increasing hardship of cumulative changes in area code, and the difficulty in fairly devising successive splits of the same NPA over time.

26. As the 909 NPA faces further shrinkage in the current proposal for code relief, the drawing of boundaries that minimize the splitting of local communities becomes increasingly difficult.

27. The shorter the NPA life, the more frequently customers must be subjected to the disruptions and hardships that come with changing area codes yet again.

28. While the three-way split would provide longer lasting relief than would a two-way split, it would require more number changes for customers.

29. The overlay avoids the contentiousness of drawing new NPA boundaries by leaving existing boundaries intact, and avoids the need for existing customers to change their existing telephone number area code.

30. Over the long-term, overlays tend to divide communities inasmuch as communities will not be identifiable by a single area code. Over the long term, this effect may be more pronounced than the community rifts that are introduced by area code splits.

31. A geographic split creates economic hardships particularly on affected businesses which must notify customers of area code changes, and change business cards, letterheads, advertisements, etc.

32. With an overlay, geographic boundaries no longer define a single NPA, thereby eliminating the advantage of having geographically-defined NPA boundaries as a means of identifying and unifying communities of interest.

33. A business may consider an assignment of the overlay NPA less desirable than the original NPA, since customers may perceive the business with the new NPA to be newer or less established than the neighboring business that retains the more recognized original NPA.

34. The ILECs possess the majority of NXX codes in the 909 NPA, and may seek to offer numbers to customers from NXX codes in the 909 NPA after the overlay as a marketing tool.

35. Number pooling can promote more competitively neutral access to numbering resources for all participating carriers by enabling multiple carriers to share a single NXX code through the technology associated with permanent LNP.

36. An audit of code utilization within the industry will be required to determine the maximum number of NXXs or blocks of 1,000 numbers that can be recovered from pooling participants for sharing.

37. With an overlay, customers will experience the loss of seven-digit dialing for calls within the same NPA.

38. In the consumer preference surveys reviewed in D.96-12-086, customers placed significant value on the ability to dial only seven digits for calls within the NPA.

39. Although customers in the 909 NPA may already be accustomed to dialing 1+10 digits for a portion of their calls, the overlay will still require them to learn that calls within the same area code also require 1+10-digit dialing.

40. With the overlay, customers with multiple lines at the same location seeking to add additional lines may only be able obtain the additional lines under the new area code, resulting in two area codes at the same location.

41. While both the overlay and geographic split have certain adverse impacts, the overlay will have less overall adverse impacts than the geographic split alternative proposed for the 909 NPA.

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. In order to qualify for approval, the overlay plan must meet the minimum criteria established by this Commission and by the FCC for competitive neutrality at the date by which the overlay would take effect.
3. The adoption of the proposed Alternative 18A split-and-overlay for the 909 NPA best satisfies the prescribed criteria for competitive neutrality, and provides the best overall solution based upon the relief planning criteria applied by the Industry Team.
4. The proposed Alternative 18A plan should be approved in accordance with the terms and conditions adopted in the order below.
5. The customer education program to acquaint customers with mandatory 1+10-digit dialing and the overlay, as ordered in D.96-12-086, should incorporate the features set forth below.
6. Since permissive 1+10-digit dialing already is in place for some telecommunications carriers, customers should be encouraged to voluntarily dial 1+10-digits for calls, where permissive 1+10-dialing is available within their NPA as part of the education program during the year leading up to the overlay. Telecommunications carriers shall notify their customers as to whether or when permissive 1+10 is available in their area.
7. The recorded instructional announcement alerting customers who dial seven digits to dial 1+10-digits should be continued indefinitely by all

telecommunications carriers following the date of the 909 NPA overlay area code is opened.

8. The public education plan should focus attention on the education of all classes of customers including children, the elderly, the disabled, as well as to the non-English speaking groups in the current 909 NPA.

9. The education program should cover customers in adjacent NPAs, since customers therein will still be impacted by the 909 NPA dialing requirements to the extent they temporarily visit and make calls within the 909 NPA region.

10. To a lesser extent, some public education regarding this overlay plan needs to be conducted on a statewide basis, recognizing that California is a highly mobile state, and residents from northern California may have occasion to travel into the 909 NPA calling area.

11. The industry should give priority to notifying security alarm companies, customers with PBXs, and other entities which will need to reprogram equipment as a result of the change to mandatory 1+10-digit dialing.

12. The Commission should place a high priority on promoting the development of measures to promote the efficient utilization of NXX codes so that carriers are not competitively disadvantaged by limited access to numbering resources after the overlay is established.

O R D E R

IT IS ORDERED that:

1. The proposed combined split-and-overlay plan for the 909 Numbering Plan Area (NPA), identified as Alternative 18A, as presented by the North American Numbering Plan Administrator (NANPA) is hereby approved. The rate centers to be assigned to the new area codes are as designated in Appendix B-page 2.

2. The NANPA and the telephone corporations, including paging companies and resellers, are hereby ordered to proceed with all due diligence to expeditiously implement the approved 909 NPA Alternative 18A relief plan, with the new area codes to take effect under the following schedule:

Phase 1 (Split –first new area code in southern section)	Dates:
Start of Permissive Dialing	2/12/2000
Start of Mandatory Dialing and Recorded Announcement	9/9/2000
End of Mandatory Dialing and Recorded Announcement	12/16/2000

Phase 2 (Overlay – second new area code in northern section)	Dates:
Start of Permissive 1+10-Digit Dialing in 909 NPA	2/12/2000
Start of Mandatory 1+10-Digit Dialing in 909 NPA	11/4/2000
Implementation of Overlay NPA	2/10/2001

3. All telephone corporations shall implement mandatory 1+10-digit dialing on November 4, 2000 in the remaining 909 NPA which is subject to the overlay.

4. No later than June 1999, the NANPA shall notify the general public regarding the new area codes to be assigned, one as a geographic split and the second new area code to be assigned an overlay covering the same geographic area as the existing 909 area code. The notice shall set forth the schedule for permissive and mandatory dialing periods as associated with the geographic split portion of the adopted relief plan. The notice shall also set forth the schedule for mandatory 1+10-digit dialing effective November 4, 2000 and for the new overlay area code to be activated effective February 10, 2001.

5. Each telephone corporation, including paging companies and resellers, serving the geographic area covered by the existing 909 NPA shall give written notice to its affected customers of the adopted 909 NPA overlay relief plan without delay and no later than June 1999. The notice shall advise customers whether that telephone corporation offers permissive 1+10-digit dialing to reach numbers within their own area code in preparation for the pending overlay, and that 1+10-digit dialing will become mandatory within the boundaries of the 909 area code as a result of the new overlay area code and that such dialing will be effective on November 4, 2000. Pursuant to Code Section 7931(g), each provider serving the existing 909 NPA shall also provide a separate customer notice of the geographic boundaries of the Phase I area code split within three months of the area code opening.

6. The NANPA shall provide nationwide notification of the adopted 909 NPA relief plan by no later than September 1999.

7. The NANPA shall convene an industry meeting within 60 days following the effective date of this decision for the purpose of developing consensus on the implementation of the public education program for the overlay to include, at a minimum, the elements discussed in Decision 96-12-086, and in the conclusions of law above, and the schedule for mandatory 1+10 digit dialing.

8. All customer-owned pay telephone providers within the 909 NPA shall update their signage to reflect mandatory 1+10-digit dialing instructions.

9. The public education program shall give first priority to focusing on the 909 NPA and surrounding areas, and provide for a combination of press releases, television and radio announcements, and billing inserts explaining the effects of the overlay.

10. The Industry Team shall submit a draft proposal of the public education program, including a proposed budget and funding proposal, to the Commission's Consumer Services and Telecommunications Divisions and Public Advisor's Office for review and approval as scheduled by the assigned Administrative Law Judge (ALJ). The review and approval shall be coordinated among the Public Advisor, the Consumer Services and Telecommunications Divisions, the assigned ALJ, the Coordinating Commissioner for telecommunications, and the Assigned Commissioner.

11. Any existing certificated facilities-based competitive local carrier (CLC) which has not previously been assigned a 909 NPA NXX code, shall file a "Statement of Intent" with the NANPA if it seeks to be assigned such a code in the 90 days prior to the implementation of the overlay, to be filed by September 30, 1999.

12. Any new facilities-based CLCs becoming certificated or intending to become certified between September 30, 1999, and the activation of the overlay NPA in February 2001 shall be required to notify the NANPA within 30 days of certification if they intend to request a 909 NPA NXX code prior to February 2001.

13. The NANPA shall reserve the requisite NXX codes to satisfy the FCC code assignment requirement within the 909 NPA.

14. To the extent additional NXX codes are needed to meet the FCC requirement, additional codes shall be reserved by the NANPA from the lottery to be made available to new entrants without any codes in the 909 NPA who require one.

15. Within the final 90 days preceding the opening of the overlay NPA, the NANPA shall declare a freeze on further assignments of 909 NPA codes, with the exception of new entrants who require one code to satisfy FCC requirements.

The Commission, on its own motion or at the request of the NANPA, reserves the option to reevaluate this freeze as the availability of NXX codes through February 2001.

16. The Commission shall further consider appropriate measures regarding the assignment of telephone numbers from NXX codes in the 909 NPA after the overlay NPA is activated in order to promote competitive neutrality.

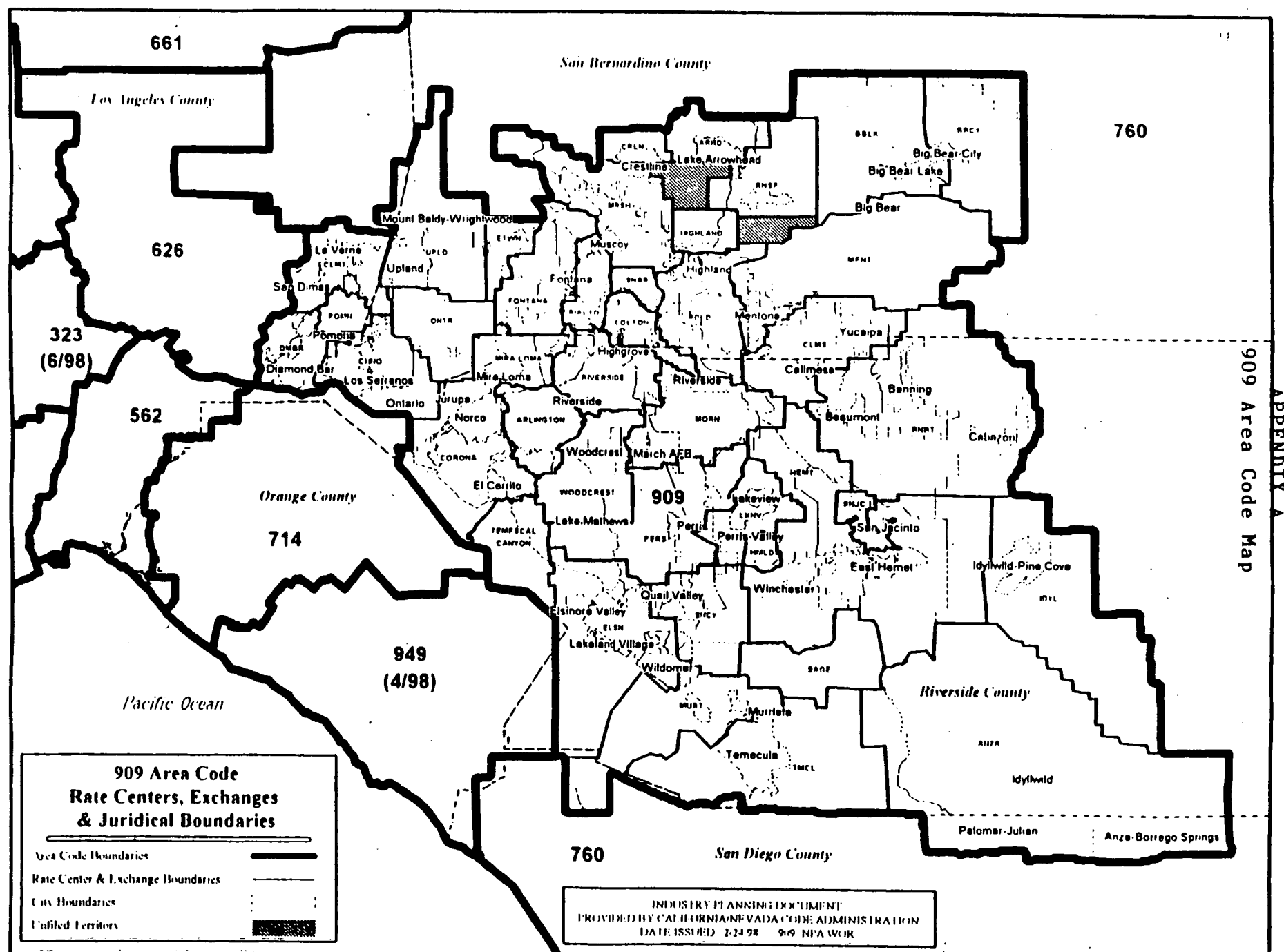
17. Pacific and GTEC shall each file a report on July 7, 1999, reporting as to whether full LNP has been implemented in the 909 NPA including identification and rectification of any LNP-related call completion problems. The report shall be served on parties of record.

This order is effective today.

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

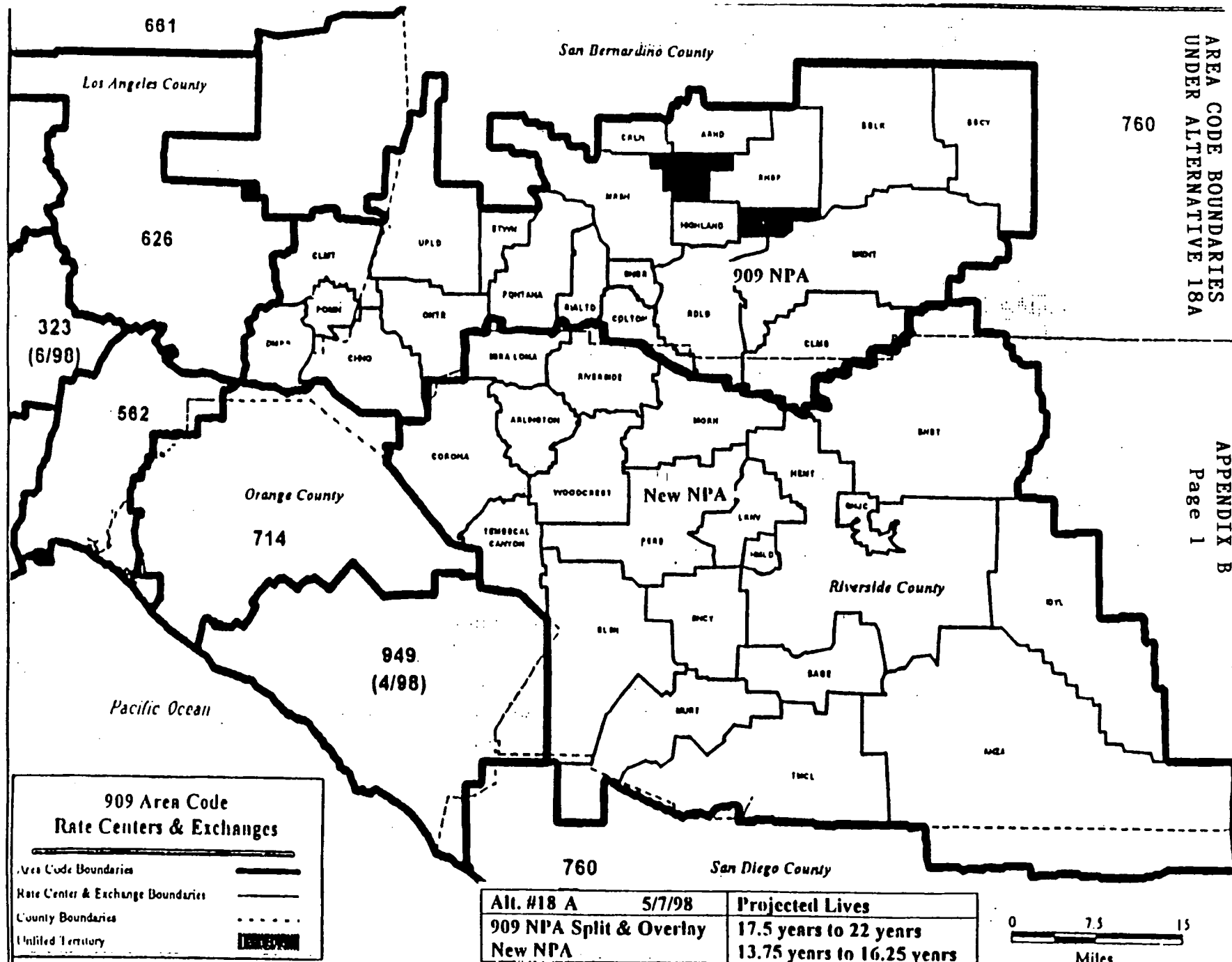
RICHARD A. BILAS
President
HENRY M. DUQUE
JOSIAH L. NEEPER
Commissioners

(END OF APPENDIX A)



AREA CODE BOUNDARIES
UNDER ALTERNATIVE 18A

APPENDIX B
Page 1



SUMMARY OF ALTERNATIVES CONSIDERED

909 NPA Exhaust Relief Plan

Alternative # 18A	NPA Alternative Status / Dates:
(Two phased, 2-way split with an overlay on north side one year later)	
Rate Centers Keeping Existing NPA: Diamond Bar, Chino, Pomona, Ontario, Claremont, Upland, Fontana, Etiwanda, Rialto, Colton, San Bernardino, Marshall, Crestline, Arrowhead, Running Springs, Big Bear Lake, Big Bear City, Highland, Redlands, Mentone, Calimesa	[X] Proposed to Local Jurisdictions 8/4/98
Rate Centers To Be Assigned 1 st New NPA: Corona, Mira Loma, Arlington, Riverside, Moreno, Banning, Hemet, Lakeview, Perris, Woodcrest, Temescal Canyon, Elsinore, Sun City, Homeland, San Jacinto, Idyllwild, Sage, Murrieta, Temecula, Anza	[X] Proposed to the Public 8/26-27/98
Rate Centers To Be Assigned 2 nd New NPA: Overlay on rate centers keeping 909 NPA	[] Eliminated from Consideration
	[] Industry-Recommended Plan

Criteria for Evaluating Exhaust Relief Alternatives	Meets Criteria	Doesn't Meet	Explanation of Why / How Criteria Isn't Met
1. Minimizes end users' confusion	X		
2. Balances the cost of implementation for all affected parties	X		
3. Customers who undergo number change won't have to change again for 8-10 years	X		
4. Doesn't favor a particular interest group	X		
5. Covers a period of at least 5 years beyond predicted exhaust	X		
6. All codes in a given area exhaust about the same time in the case of splits	X		
7. Complies with State and Federal statutes, rulings and orders	X		

General Notes: Tandem assigned NXXs stay with 909 NPA

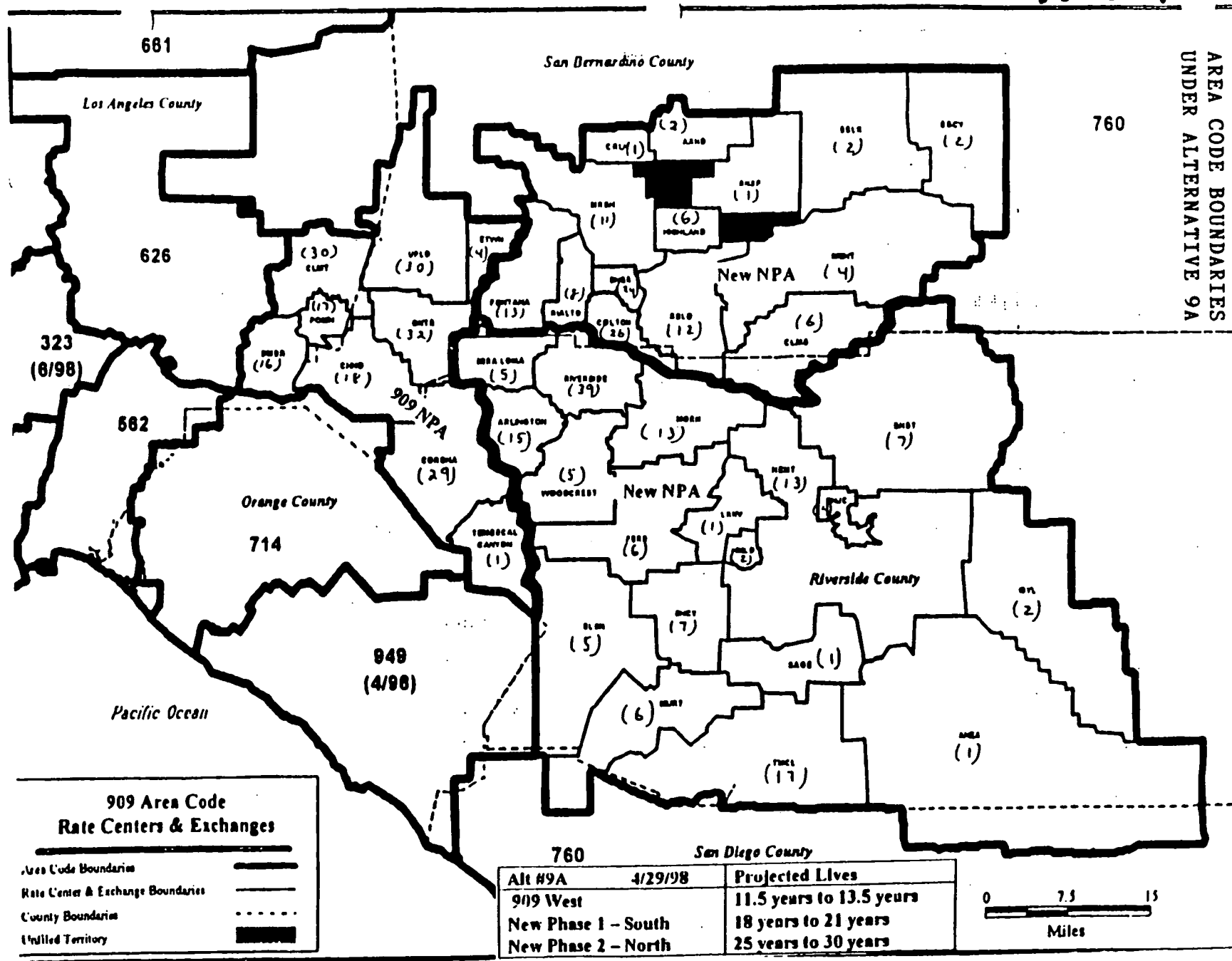
(END OF APPENDIX B)

The map displays the 909 area code region, including parts of San Bernardino, Los Angeles, Orange, San Diego, and Riverside counties. Rate centers and exchanges are labeled with their respective populations in parentheses. The map also shows the Pacific Ocean to the west and south. A legend in the bottom left corner defines the symbols used: Area Code Boundaries (thick solid line), Rate Center & Exchange Boundaries (thin solid line), County Boundaries (dashed line), and Unfilled Territory (white area). A table in the bottom right corner provides projected lives for the area code split and overlay. A scale bar indicates distances in miles (0, 7.5, 15).

Alt. #17	5/7/98	Projected Lives
909 NPA Split & Overlay		18 years to 22.5 years
New NPA		13.25 years to 15.75 years

APPENDIX C
Area Code Boundaries Under Alternative 17

AREA CODE BOUNDARIES
UNDER ALTERNATIVE 9A



(END OF APPENDIX D)