

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION RESOLUTION T-14032
TELECOMMUNICATIONS BRANCH December 18, 1989

R E S O L U T I O N

RESOLUTION T-14032. PACIFIC BELL. REQUEST TO INTRODUCE
NUMBER RETENTION SERVICE AS A 24-MONTH PROVISIONAL
OFFERING.)

BY ADVICE LETTER NO. 15640, FILED ON NOVEMBER 17, 1989.

SUMMARY

This resolution authorizes Pacific Bell's request to introduce Number Retention Service as a 24-month provisional offering. Number Retention Service (NRS) will give Pacific Bell business customers a limited option to retain an existing listed telephone number when changing to certain grades of service which require a telephone number change. NRS is limited to changes between grades of service within the same exchange or district area and the same wire center.

During the 24-month provisional period, Pacific Bell will track monthly inservice volumes and recurring and nonrecurring revenues. Recurring and nonrecurring costs will be extrapolated using actual volumes and unit costs. Pacific Bell will report this data to the Commission Advisory and Compliance Division (CACD) semiannually during the provisional period. Additionally, at least three months before the end of the provisional period, Pacific will report to the CACD on the results of a customer survey regarding the ongoing need for NRS.

BACKGROUND

Presently, in order to change from Individual Business Access Line Service or Business Trunk Line Service to Centrex Service or DID Equipped Trunk Line Service, Pacific Bell's customers are required to change their telephone number. A telephone number change is required because telephone numbers for Centrex Service and DID Equipped Business Trunk Line Service are allocated in sequential blocks of numbers that are not assigned to other grades of service. This requirement for business customers expanding or modifying their telephone system imposes an added burden of advertising, printing and communications to mitigate the associated loss of business. Especially onerous is the loss of referrals from White and Yellow Page listings, and advertising and/or listing in published directories. An existing offering, Number Referral Service, addresses this problem by providing a recorded announcement of the new number to callers of the old number. However, many business customers

perceive this as inadequate for the long-term and not convenient enough for their clients.

Pacific Bell proposes to offer Number Retention Service (NRS) as a more responsive solution. Calls made to the "retained" (replaced) telephone number are forwarded and completed to the customer's new telephone number. All calls will terminate in the same switch or another switch within the same wire center serving the same exchange. This will be transparent to the calling party. NRS is available only when the customer's "retained" number and the new "terminating" number are in the same exchange or district area and wire center, where facilities and operating conditions permit. The "retained" number must be listed in the Pacific Bell Directory or Directory Assistance database. NRS is not provided with Foreign Exchange Service, Foreign District Area Service, Foreign Prefix Service or 800 Service. NRS is only offered in conjunction with changes from Individual Business Access Line Service or Business Trunk Line Service to Centrex Service or Direct-in-Dialing (DID) Equipped Business Trunk Line Service.

Pacific Bell filed Advice Letter No. 15640 on November 17, 1989, to introduce Number Retention Service as a 24-month provisional offering. On December 8, 1989, Pacific Bell filed an Advice Letter supplement (No. 15640A) to clarify language that this service is not applicable to changes between Centrex and Business Trunk Line Service - DID Equipped.

PROTESTS

The CACD has received no protests to this advice letter.

DISCUSSION

California has an estimated 1.4 million small businesses who are looking for ways to survive in the current business environment and expand their markets. One way they are seeking to remain competitive is by purchasing telecommunications systems that make it easier for their clients to contact them. Telecommunications growth is projected at 9-12% annually over the next four years. (Source: Pacific Bell Small Business Strategic Market Assessment.) Small to medium business customers may not consider certain Pacific Bell services, such as Centrex, because they would have to change their telephone number. The existing Number Referral Service has proven to be inadequate to resolve these customers' concerns about loss of business. Number Retention Service (NRS) would more fully address these concerns and provide these customers with the opportunity to consider all of the available services to best meet their telecommunications needs. Approved vendors in Pacific Bell's Sales Agency program will also be in a better position to position Centrex sales.

The means by which NRS will be provided, through intra-office switching, uses existing investment and minimally impacts the public network. The "retained" (replaced) telephone number will be inactive and exist solely for the purpose of NRS. There are

some concerns about the retained numbers being withheld from the pool of telephone numbers available for assignment within the exchange. However, the projected demand for NRS indicates that the volume of retained numbers will not be sufficient to impact number availability.

NRS is cross-elastic with Number Referral Service, since customers subscribing to NRS will not be required to migrate all their callers to a new telephone number. The projected NRS demand relative to demand for Number Referral Service is relatively small since it is a small subsection of the business subscriber market. The NRS customer is not precluded from subscribing to Number Referral Service if it also meets their needs.

Another Pacific Bell offering, Remote Call Forwarding, provides a service similar to NRS. However, NRS is a scaled-down version of Remote Call Forwarding which, unlike NRS, is provided with foreign exchange or district area service and 800 service. Remote Call Forwarding is more than potential NRS customers require and places a higher demand on the telephone network.

The CACD recommends that the offering of NRS be authorized on a provisional basis for 24 months, to evaluate the demand for this new service and its impact on related products. CACD further recommends that during the 24-month provisional period, Pacific Bell track monthly inservice volumes and recurring and nonrecurring revenues and costs. Recurring and nonrecurring costs will be extrapolated using actual volumes and unit costs. Pacific Bell should report this data to the Commission Advisory and Compliance Division (CACD) semiannually during the provisional period. Additionally, at least three months before the end of the provisional period, Pacific should report to the CACD on the results of a customer survey regarding the ongoing need for NRS. CACD should approve the survey methodology and form before it is implemented.

FINDINGS

1. In order to change from Individual Business Access Line Service or Business Trunk Line Service to Centrex Service or DID Equipped Trunk Line Service, Pacific Bell's customers are required to change their telephone number.
2. Small to medium business customers may not consider certain Pacific Bell Services, such as Centrex, because they would have to change their telephone number. The existing Number Referral Service has proven to be inadequate to resolve these customers' concerns about loss of business.
3. Number Retention Service (NRS) would more fully address these concerns and provide these customers with the opportunity to consider all of the available services to best meet their telecommunications needs.
4. The means by which NRS will be provided, through intra-office switching, uses existing investment and minimally impacts the

public network. The "retained" (replaced) telephone number will be inactive and exist solely for the purpose of NRS.

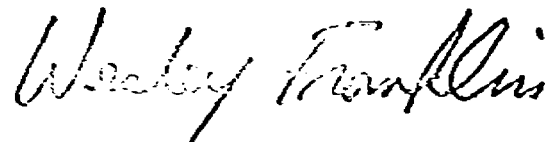
5. The CACD recommends that the offering of NRS be authorized on a provisional basis for 24 months, to evaluate the demand for this new service and its impact on related products. CACD further recommends that during the 24-month provisional period, Pacific Bell track monthly inservice volumes and recurring and nonrecurring revenues and costs. Recurring and nonrecurring costs will be extrapolated using actual volumes and unit costs. Pacific Bell should report this data to the Commission Advisory and Compliance Division (CACD) semiannually during the provisional period. Additionally, at least three months before the end of the provisional period, Pacific should report to the CACD on the results of a customer survey regarding the ongoing need for NRS. CACD should approve the survey methodology and form before it is implemented.

THEREFORE, IT IS ORDERED that:

1. Pacific Bell's request in Advice Letter No. 15640 and Supplement No. 15640A to introduce Number Retention Service as a 24-month provisional offering is authorized. The provisional period shall be January 1, 1990 to December 31, 1991.
2. Pacific Bell shall track monthly inservice volumes and recurring and nonrecurring revenues and costs. Recurring and nonrecurring costs will be extrapolated using actual volumes and unit costs. Pacific Bell shall report this data to the Commission Advisory and Compliance Division (CACD) semiannually during the provisional period; the first report shall be due by September 1, 1990. Additionally, by October 1, 1991, Pacific shall report to the CACD on the results of a customer survey regarding the ongoing need for NRS. CACD shall approve the survey methodology and form before it is implemented.
3. Advice Letter No. 15640, Supplement No. 15640A and the accompanying tariff sheets shall be marked to show this resolution's number and effective date.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on December 18, 1989. The following Commissioners approved it:

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. BULETT
JOHN B. CRANFAN
PATRICIA M. ECKERT
Commissioners



WESLEY FRANKLIN
Acting Executive Director