PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION
Telecommunications Branch

RESOLUTION T-15878
April 10, 1996

R E S O L U T I O N

RESOLUTION T-15878. CITIZENS TELECOMMUNICATIONS COMPANY OF THE GOLDEN STATE (CTC-GOLDEN STATE). (U-1025C). REQUEST FOR APPROVAL OF CUSTOMER NOTIFICATION AND EDUCATION PLAN (CNEP) IN COMPLIANCE WITH PUBLIC UTILITIES CODE SECTION 2893 AND FEDERAL COMMUNICATIONS COMMISSION (FCC) RECONSIDERATION ORDER 95-187 WHICH MUST BE IMPLEMENTED AND MUST THEREAFTER BE SHOWN TO BE EFFECTIVE TO THE COMMISSION'S SATISFACTION BEFORE CTC-GOLDEN STATE CAN PASS CALLING PARTY NUMBERS (CPN) TO INTERCONNECTING CARRIERS.

BY ADVICE LETTER NO. 6, FILED ON MARCH 14, 1996.

SUMMARY

This Resolution authorizes CTC-Golden State to implement a CNEP for the passage of CPN subject to the conditions imposed in this Resolution. As modified and implemented, CTC-Golden State's CNEP will constitute a public education program which focuses on customer privacy and informed consent. This is consistent with the policies and requirements adopted for other utilities. With this approach, CTC-Golden State should initially attain the customer awareness level indicated in this Resolution, with a target of 100% customer awareness for ongoing education efforts. Additionally, by adopting a program using the same terms, definitions and similar messages which are being used by other utilities throughout the state, customer awareness of the passing of CPN will be increased through recognition and reinforcement by repetition of these messages. As requested by CTC-Golden State, Advice Letter No. 6 is effective on less than 40 days notice to allow for expeditious implementation of its CNEP.

BACKGROUND

In 1992 the Commission authorized Pacific Bell, GTE California and Contel of California, Inc. to offer Caller ID service to their customers. In so doing, the Commission took steps to assure that the service, which allows the calling party's telephone number to be displayed to the called party, would be offered consistent with constitutional and statutory rights of privacy of California citizens. The Commission authorized a choice of blocking options, free of charge, for all customers to prevent nonconsensual number disclosure. For customers

dissatisfied with their initial assignment of a blocking option, it granted one free change of this blocking option. It also outlined requirements for rigorous CNEPs to inform customers about the passage of CPN and the available blocking options.

Under the Commission's 1992 decisions, each respondent local exchange carrier is required to file its proposed CNEP with and obtain approval of its CNEP from the Commission before implementing a CNEP. After the approval and subsequent implementation of a CNEP the utility must provide a showing to the Commission, subject to approval by the Commission, indicating compliance with the adopted CNEP requirements and providing evidence that all customers have been informed of pending Caller ID service and available blocking options.

Until recently California utilities have declined to offer Caller ID service, pursuing instead Federal preemption of certain aspects of the Commission's conditions for offering Caller ID service. On June 5, 1995 the FCC issued its interstate Caller ID rules in Common Carrier Docket No. 91-281. The FCC substantially deferred to California and all other states, stating that individual state blocking regimes should apply to interstate calls so long as minimum federal privacy standards are met. However, the FCC preempted California's per line (complete) blocking default safety net. This preemption is under appeal by the Commission. Regarding customer education, the FCC adopted the Commission's informed consent standard and deferred to states to determine, in light of special circumstances applicable to a particular state, appropriate requirements for achieving effective education.

The FCC's order required all local exchange carriers to begin passing CPN to interconnecting carriers on December 1, 1995. On June 22, 1995, the Commission Advisory and Compliance Division (CACD) wrote local exchange carriers alerting them to the pending FCC requirement to pass CPN and to CACD's determination of utility requirements to develop and conduct effective CNEPs to satisfy the informed consent standard for the passing of CPN. CACD requested all local carriers to inform it of their ability to comply with the FCC rules, their intent to offer Caller ID service and their plans to file a proposed CNEP with the Commission.

On August 16, 1995, CACD sent local carriers who had not been authorized to offer Caller ID a letter to clarify filing requirements to request authority either to offer Caller ID and pass CPN or just to pass CPN. Utilities planning to offer Caller ID service were instructed to file an application and include a proposed CNEP for review and approval. Utilities not planning to offer Caller ID concurrently with beginning to pass CPN were instructed to file for approval of their proposed CNEPs by advice letter. As it became evident that there was insufficient time for California utilities to implement CNEPs by December 1, 1995, they sought waivers to the FCC of the December

1, 1995 deadline. On December 1, 1995 the FCC granted a 6 month extension, until June 1, 1996, for all California carriers.

In order to explore the possibility of a statewide CNEP plan, the California Telephone Association met on January 22, 1996 for the purpose of being briefed on the CNEP elements developed for Pacific by its consultant, with the thought of these elements being used by all carriers. On February 14, 1996, CACD sent a letter to the carriers that had not filed proposed CNEPs. This letter described CACD's recommended basic CNEP requirements for small local exchange carriers (LECs). The goal of the letter was to (1) facilitate the prompt filing by the small LECs so that their CNEPs could be conducted at the same time as those of the large carriers in order to minimize customer confusion and (2) to encourage the use of common CNEP elements.

Briefly CACD's recommended CNEP includes:

- o Conducting a community outreach effort
- o Sending two bill inserts or direct mail letters
- o Sending a special notice to non-published/unlisted customers
- o Sending confirmation letters to customers for choice of blocking option or for assigned default blocking
- o Advertising in local newspaper(s) and radio
- o Conducting an awareness survey or achieving a 70% level of blocking choice by customers
- o Establishing an 800 or local number for customer assistance, available during some non-business hours
- o Developing an ongoing education program

CTC-Golden State filed Advice Letter No. 6 on March 14, 1996, requesting adoption of its proposed CNEP on less than the 40 day notice period required by General Order 96A (GO 96A) in order to expeditiously implement its program before passing CPN on June 1, 1996.

CTC-Golden State's proposed CNEP includes the following components:

- o Community Outreach - A list of community agencies and organizations representing a broad range of special groups including schools, senior centers, law enforcement groups and homeless and battered women shelters. A copy of the adopted CNEP will be sent to these groups along with a letter offering to meet with the group. All written materials sent to customers will be translated into Vietnamese and Spanish.

- o Bill Inserts/Direct mailings - All customers will receive a direct mailing consisting of the Caller ID blocking brochure, a question-and-answer piece and a blocking option request form accompanied by a special envelope. Two bill inserts will follow the direct mail letter.

- Letter to Non-published/unlisted customers - A special mailing will be sent including similar information to the bill insert and direct mail letters, tailored to emphasize privacy issues for non-published/unlisted customers.

- 800 or local number - A 24 hour toll-free number will be made available as soon as the CNEP is approved. Additionally, Spanish speaking customer representatives will be available to answer questions from customers in Spanish.

- Public service announcements - CTC-Golden State will utilize all mass media serving its territory. Its public relations department will distribute press releases, provide interviews and take follow-up actions to get coverage of the effect CPN passage will have on privacy. An advertising agency will develop paid newspaper ads, which incorporate bill insert and brochure information.

- Confirmation Letters - Will be sent to customers upon receipt of the request for complete blocking. Letters for those choosing selective blocking will be sent at the same time when customers are assigned selective blocking by default. The proposed CNEP doesn't state this date.

- Default Letter - The timeline doesn't include a date when customers will be assigned the default and the letter will be sent; however, the draft letter indicates that this will be sent sometime after May 7, 1996.

- Customer awareness levels - CTC-Golden State plans to conduct a survey of its customers and present the results to the Commission. CTC-Golden State believes the Commission requires a demonstrated customer awareness level of 70% for the large and mid-sized LECs and has offered the small LECs the option of demonstrating awareness through the request of a blocking option by 70% of their customers. CTC-Golden State states it may be able to demonstrate awareness through return of selection forms, not mentioning at what percentage level.

- Ongoing education - CTC-Golden State will tailor its ongoing customer education to increase awareness levels. As CTC-Golden State routinely surveys its customers on service quality and other issues, questions to determine awareness of the passing of CPN and privacy issues will be included in these surveys. Alternatively such questions may be asked in a separate survey to be conducted at regular intervals. If awareness levels are not met initially, CTC-Golden State will tailor its ongoing education to increase awareness levels. Continued awareness will be achieved by including the 24-hour hotline, white pages information and a statement in the annual customer notice.

- Timeline to Complete CNEP - As CTC-Golden State will have insufficient time to adequately educate its customers about the passing of CPN and related privacy issues by June 1, 1996, it intends to file a waiver with the FCC for an extension of time before it must pass CPN interstate.

NOTICE/PROTESTS

Notice of Advice Letter No. 6 was published in the Commission's Daily Calendar on March 16, 1996. No protests or comments have been filed in conjunction with this advice letter.

DISCUSSION

CTC-Golden State's proposed plan is very thorough and in many respects exceeds the required CNEP components, shown both in the number of messages it will send its customers as well as its plan to survey customers on an ongoing basis to determine awareness of the passing of CPN and related privacy issues.

In one area, however, CTC-Golden State's CNEP plan needs to be clarified. This concerns the awareness levels it will commit itself to achieving. It misstates the Commission's requirements for the large and mid-sized utilities as being 70% rather than 70% aided awareness, 60% understanding of the passing of CPN and blocking options and 30% action demonstrated by choosing a blocking option. Regarding the approach of reaching 70% choice by customers of a blocking option, CTC-Golden State states it may be able to demonstrate awareness through return of selection forms, but doesn't specifically provide the percentage level it would intend to attain. Citizens should be required to file with CACD by April 30, 1996 its goal for awareness.

In addition, on January 31, 1996, the United States Court of Appeals for the Ninth Circuit denied our appeal of the FCC decision (U.S. Court of Appeals opinion in California v. FCC, 95h Circuit No. 94-70197, et al.). On March 18, 1996 the Commission filed a petition in the Supreme Court to appeal the circuit court opinion. Should the FCC's preemption of the Commission's complete (per line blocking) blocking default be stayed or should the Commission prevail, CTC-Golden State should contact subscribers to nonpublished service who have not chosen a blocking option to inform each one of the change in default blocking option. CTC-Golden State should submit to CACD for approval the proposed notice to customers on the change in the blocking option default.

CTC-Golden State should provide CACD with copies of its draft radio and newspaper ads; the notices and letters have already been approved by CACD and/or the public advisor. A complete set of all the CNEP materials should be provided with CACD by May 15, 1996.

Due to the fact that the CNEP must be implemented and awareness demonstrated to the Commission before June 1, 1996, or by July 1, 1996 if the FCC grants CTC-Golden State an extension of time to begin passing CPN on interstate calls, it is reasonable to approve CTC-Golden State's Advice Letter No. 6 on less than 40 days notice.

FINDINGS

1. Citizens Telecommunications Company of the Golden State (CTC-Golden State) filed its proposed Customer Notification and Education Plan (CNEP) on March 14, 1996 in Advice Letter No. 6.

2. The Federal Communications Commission (FCC) in its reconsideration order of Rules governing interstate Caller ID (Docket 91-281) granted states discretion to adopt customer notification and education plans prior to the passage of CPN.

3. The Commission Advisory and Compliance Division (CACD) sent the small local exchange carriers (LECs) a letter on February 14, 1996 outlining the minimum requirements for a CNEP by a small LEC.

4. CTC-Golden State's proposed CNEP satisfies the minimum requirements for a small LEC in all but one respect.

5. CTC-Golden State may not be able to complete its CNEP by June 1, 1996 and intends to file a waiver at the FCC for an extension of time of the requirement to pass CPN to interstate carriers.

6. CTC-Golden State should be required to file with CACD by April 30, 1996 a clarification of the awareness level standard it intends to use as well as the goals in terms of percentage levels it plans to achieve.

THEREFORE, IT IS ORDERED that:

1. Citizens Telecommunications Company of the Golden State (CTC-Golden State) Advice Letter No. 6, requesting authorization to implement its Customer Notification and Education Plan (CNEP) on less than 40 days notice is granted subject to the following conditions:

   a. CTC-Golden State shall provide to the Commission Advisory and Compliance Division (CACD) by April 30, 1996 a clarification of the awareness standard it intends to use as well as the goals in terms of percentage levels it plans to achieve.

b. CTC-Golden State shall submit to CACD by May 15, 1996, or on June 15, 1996 if CTC-Golden State obtains an extension of time from the Federal Communications Commission of passing CPN beginning on June 1, 1996, its report on the awareness level achieved by its CNEP. This report will show the percentage of customer choice of blocking option or the results of a survey undertaken to determine the achieved level of aided awareness, understanding and action as described in this resolution and required for the large and medium sized LECs.

c. In the event that the Commission obtains a stay of the FCC premeption of the per line (complete) blocking default or prevails in the Supreme Court, CTC-Golden State shall contact subscribers to non-published or unlisted service who have not chosen a blocking option of the change in the default blocking option. CTC-Golden State shall send a copy of this letter for approval to CACD.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on April 10, 1996. The following Commissioners approved it:

Wesley Franklin

WESLEY M. FRANKLIN
Executive Director

DANIEL Wm. FESSLER
President
P. GREGORY CONLON
JESSIE J. KNIGHT, Jr.
HENRY M. DUQUE
JOSIAH L. NEEPER
Commissioners