

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION RESOLUTION T-15931  
Telecommunications Branch July 3, 1996

R E S O L U T I O N

RESOLUTION T-15931, KERMAN TELEPHONE CO. (KERMAN). (U-1012C). 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 KERMAN CAN PASS CALLING PARTY NUMBERS (CPN) TO INTERCONNECTING CARRIERS.

BY ADVICE LETTER NO. 229, FILED ON MAY 8, 1996, AND  
ADVICE LETTER NO. 229A FILED ON JUNE 17, 1996.

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SUMMARY

This Resolution authorizes Kerman to implement a Customer Notification and Education Program (CNEP) for the passage of CPN subject to the conditions imposed in this Resolution. As implemented, Kerman'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 the CNEPs already implemented throughout the state. With this approach, Kerman 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 used throughout the state by the other LECs, awareness by Kerman's customers of passage of Calling Party Number (CPN) will be increased by repetition of these messages used in statewide media. Kerman is completing its installation of equipment which will allow it to begin passing CPN on September 2, 1996.

BACKGROUND

In 1992 the Commission authorized Pacific, GTEC and Contel of California, Inc. (Contel) 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

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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 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. 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 having call set up capability 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. Although the large companies requested a 6 month extension, to June 1, 1996, many small companies requested a waiver of the requirement to pass CPN for 6 months from the date Pacific and GTEC begin to pass CPN. On December 1, 1995,

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the FCC granted a 6 month extension, until June 1, 1996, for all California carriers; the request for an additional 6 months by the small carriers was denied.

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 carriers who were capable of passing CPN and 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

Kerman filed Advice Letter No. 229 on May 8, 1996, supplemented by Advice Letter 229A on June 17, 1996. Kerman's proposed CNEP includes the following components:

- o Community Outreach - Kerman's Supplemental Advice Letter revises the list of agencies and organizations which will be contacted by Kerman. They will receive copies of Kerman's CNEP and be requested to provide feedback to Kerman on whether the CNEP will adequately address their clients. Kerman will also volunteer to speak at meetings of these organizations.
- o Letter to non-published/unlisted customers - A draft copy of Kerman's letter is included in its proposed CNEP. Kerman's timeline indicates it will be sent after the first direct mailing to all customers.
- o Bill inserts/direct mail - Kerman proposes sending two direct mail notifications with a postage paid return envelope to return the customer's blocking selection ballot. Draft of letter provided.
- o 800 or local number - Kerman will install a 24 hour voice mail telephone number which will provide information,

instructions and the opportunity to leave a message for a customer service representative to contact the caller.

- o Public service announcements - Kerman will run ads in the local newspaper. There is no local radio station.
- o Confirmation Letters - CNEP includes draft letters and stickers, to be sent as blocking choice ballots are received. Kerman will send its default confirmation letter on August 26, 1996.
- o Customer awareness levels - Kerman's draft CNEP commits the utility to reach a reach a 70% blocking choice ballot return by its customers. If the 70% level is not attained after the letters have been sent, Kerman will conduct a telephone calling campaign to increase ballot returns and take verbal instructions about blocking choices. Kerman will send a report to the Commission by September 2, 1996, describing the percentage of customers choosing a blocking option or being assigned the default.
- o Ongoing education - Kerman will continue its 24 hour voice mail system indefinitely. Additionally Kerman will send new customers notices and ballots concerning CPN passage and will send them confirmation letters with stickers for blocking choice. The telephone directory will include information about CPN passage and blocking options. Monthly billing statements will include a line item that indicates the blocking option assigned to the customer's telephone number. Finally, Kerman's annual notice on telephone services will include information about passing CPN and blocking options.

#### NOTICE/PROTESTS

Notice of Advice Letter No. 229 was published in the Commission's Daily Calendar on May 10, 1996. Kerman's supplemental Advice Letter No. 229A was published in the Commission's Daily Calendar on June 19, 1996. No protests or comments have been filed in conjunction with this advice letter.

#### DISCUSSION

Kerman's proposed CNEP adopts the CNEP elements developed and used throughout the state. Its filing meets all of the basic requirements. Kerman's supplemental Advice Letter provided a complete list of community outreach agencies and stated Kerman's intent to mail copies of the CNEP to these agencies.

As with the other utilities, we are requiring CACD to review the final drafts of messages and to coordinate them with the Public Advisor's review and approval of the direct mail letter before Kerman issues them.

In general we commend Kerman for its thorough attention to the CNEP adopted and implemented throughout the state. We believe that Kerman's plan, if implemented as proposed, should result in

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more than adequate customer awareness. We are concerned, however, that Kerman plans to file its customer awareness report with CACD on the same day that it plans to begin passing CPN.

We believe that Kerman should be required to send a preliminary report on August 26, 1996, to CACD, stating the number of customers who have indicated a blocking choice. This is the day when Kerman plans to send its selective blocking default assignment letter to those customers who have not indicated a blocking choice to Kerman. If Kerman has not achieved its 70% customer awareness goal by the date of the letter, Kerman should be required to include in this letter a plan of action for meeting the 70% goal, including a date by which it will be met. Kerman should also file with CACD a report on September 2, 1996, which updates the number of customers choosing a blocking option and the plan, if needed, to accomplish the 70% awareness goal.

#### FINDINGS

1. Kerman filed its proposed CNEP in Advice Letter No. 229 on May 8, 1996 which was supplemented in Advice Letter No. 229A on June 17, 1996.
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. CACD sent the small LECs a letter on February 14, 1996 outlining the minimum requirements for a CNEP by a small LEC.
4. Kerman's proposed CNEP exceeds the minimum requirements for a small LEC.
5. Kerman commits to achieve a 70% level of blocking requests by Kerman's customers.
6. Kerman should be required to submit a preliminary report with CACD by August 26, 1996, which states the number of customers choosing a blocking option.
7. In the unlikely event that the report indicates that Kerman has not yet achieved the 70% level of customer choice of a blocking option, Kerman should be required to include in this report a plan of action for meeting the level, including a date by which it will be met.
8. Kerman shall also file a report on September 2, 1996, with CACD, which updates the results filed on August 26, 1996 and Kerman's plan, if necessary, to reach the 70% goal.

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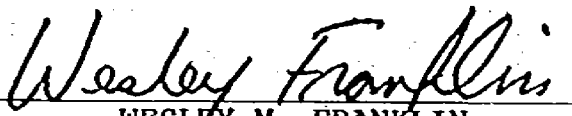
THEREFORE, IT IS ORDERED that:

1. Kerman Telephone Company's (Kerman) Advice Letter No. 229 supplemented by Advice Letter No. 229A requesting authorization to implement its Customer Notification and Education Plan (CNEP) is granted subject to the following conditions:

- a. Kerman shall submit to the Commission Advisory and Compliance Division (CACD) by August 26, 1996, a preliminary report on the percentage of customers choosing a blocking option.
- b. In the unlikely event that the report indicates that over 30% of Kerman's customers have not chosen a blocking option, Kerman shall include in this report a plan of action for meeting the goal of 70% of its customers choosing a blocking option, including a date by which it will meet this goal.
- b. Kerman shall also file a report on September 2, 1996, with CACD, which updates the number of customers who have chosen a blocking option and the plan, if needed, to meet the 70% goal.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on July 3, 1996. The following Commissioners approved it:

  
WESLEY M. FRANKLIN  
Executive Director

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