

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION RESOLUTION T-15947
Telecommunications Branch July 17, 1996

R E S O L U T I O N

RESOLUTION T-15947. VOLCANO TELEPHONE COMPANY, (VOLCANO). (U-1019C). 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 VOLCANO CAN PASS CALLING PARTY NUMBERS (CPN) TO INTERCONNECTING CARRIERS.

BY ADVICE LETTER NO. 209, FILED ON JUNE 17, 1996 AND SUPPLEMENTAL ADVICE LETTER NO. 209A FILED ON JUNE 28, 1996.

SUMMARY

This Resolution authorizes Volcano to implement a Customer Notification and Education Program (CNEP) for the passage of CPN subject to the conditions imposed in this Resolution. As implemented, Volcano'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, awareness by Volcano's customers of passage of Calling Party Number (CPN) will be increased by repetition of these messages. Volcano is completing its installation of equipment which will allow it to begin passing CPN on November 1, 1996. As requested by Volcano, Advice Letter No. 209, supplemented by Advice Letter No. 209A, is effective on less than 40 days notice to allow for expeditious implementation of its CNEP.

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

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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 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 service a letter to clarify filing requirements to request authority either to offer Caller ID service 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

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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, 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 to customers
- 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

Volcano filed Advice Letter No. 209 on June 17, 1996, supplemented by Advice Letter 209A on June 28, 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 November 1, 1996. Volcano is in the process of deploying equipment in its system which will allow it to pass CPN.

Volcano's proposed CNEP includes the following components:

- o Community Outreach - Volcano's Advice Letter lists the agencies and organizations which will receive a copy of Volcano's CNEP and Volcano's request for feedback. Additionally Volcano will offer to meet with the agency and to make presentations about CPN passage at the organization's meetings.
- o Letter to non-published/unlisted customers - A draft copy of Volcano's letter is included in its proposed CNEP.

Volcano's CNEP timeline indicates it will be sent subsequent to the mailing to all customers.

- o Bill inserts/direct mail - Volcano proposes sending two direct mail notifications with a postage paid envelope to return the customer's blocking selection ballot. Volcano has included a draft of the letter.
- o 800 or local number - Volcano will install a 24 hour voice mail telephone number which will provide information, instructions and the opportunity for customers to leave a message for a customer service representative to contact the caller.
- o Public service announcements - Volcano will run ads in the local newspaper. An announcement to encourage customers to read their direct mailer will appear on KNGT. An announcement will also be placed on Channel 36 of CATV.
- o Confirmation Letters - Volcano's filing includes draft letters and stickers, to be sent as blocking choice ballots are received. Volcano will send its default confirmation letter on August 15, 1996.
- o Customer awareness levels - Volcano's draft CNEP commits the utility to reach a 70% blocking choice ballot return by its customers. If the 70% level is not attained after the letters have been sent, Volcano will conduct a telephone calling campaign to increase ballot returns and take verbal instructions about blocking choices. Volcano will file a report to CACD by October 11, 1996 stating the percentage of customers choosing a blocking option or being assigned the default by the time of the filing.
- o Ongoing education - Volcano will continue its 24 hour voice mail system indefinitely. Additionally Volcano 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, Volcano's annual notice on telephone services will include information about passing CPN and blocking options.

NOTICE/PROTESTS

Notice of Advice Letter No. 209 was published in the Commission's Daily Calendar on June 19, 1996. Volcano's supplemental Advice Letter No. 209A was published in the Commission's Daily Calendar on July 1, 1996. No protests or comments have been filed in conjunction with this advice letter.

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DISCUSSION

Volcano's proposed CNEP adopts the CNEP elements developed and used throughout the state. Its filing includes all of the required elements.

As with the other utilities, we are requiring CACD to coordinate final drafts of messages with the Public Advisor who will review and approve Volcano's direct mail letter.

In general we commend Volcano for its thorough attention to the CNEP adopted and implemented throughout the state. Additionally, we believe that Volcano's plan to implement its CNEP in July, well in advance of its passing CPN on November 1, 1996, will result in very high customer awareness. It is reasonable to approve Volcano's Advice Letter No. 209, supplemented by Advice Letter No. 209A, on less than 40 days notice, to allow it to implement its CNEP as scheduled.

FINDINGS

1. Volcano filed its proposed CNEP in Advice Letter No. 209 on June 17, 1996 which was supplemented by Advice Letter No. 209A on June 28, 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. Volcano's proposed CNEP meets the minimum requirements for a small LEC.
5. Volcano should submit its draft direct mail letter to the Public Advisor for review and approval.
6. Volcano commits to achieve a 70% level of blocking requests by Volcano's customers.
7. Volcano should be required to file a report with CACD by July 11, 1996 which states the number of customers choosing a blocking option and the number being assigned the default option.

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THEREFORE, IT IS ORDERED that:

1. Volcano Telephone Company's (Volcano) Advice Letter No. 209 supplemented by Advice Letter No. 209A 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. Volcano shall submit its draft direct mail letter to the Public Advisor for review and approval.
- b. Volcano shall submit to CACD by October 11, 1996, its report on the percentage of customers choosing a blocking option and the number being assigned the blocking default.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on July 17, 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