

March 2011

1 **INTRODUCTIONS: (CPUC Moderator)**

2 Good afternoon / evening and welcome to the 408 area code local jurisdiction / public
3 meetings. I hope everyone received the hand-out at the table as you walked in as we will be
4 referring to the hand-out. I'd like to express our thanks to [] for the use of this meeting
5 room. My name is Katherine Morehouse, and I work for the California Public Utilities
6 Commission, which we will refer to as the CPUC. I am the analyst in the Communications
7 Division of the CPUC who works on number utilization. While the Federal Communications
8 Commission holds full responsibility over all numbering issues, it has delegated to the states the
9 area code relief responsibilities. The CPUC, on behalf of the State of California, is responsible for
10 proactively monitoring area code relief planning, and oversees the integrity and competitive
11 neutrality of the industry relief planning process.

12 I would like to introduce at this time my colleagues from the CPUC and from the North
13 American Numbering Plan Administration, which we call NANPA. Mary Evans and Seifu
14 Abebe with the CPUC's Public Advisor's Office are also with us from our San Francisco office.
15 Joe Cocke is the Senior Relief Planner of the western region with NANPA. A little later, he will
16 discuss the proposed area code relief options. There are two alternatives, including one split plan
17 and an overlay. Joe will share with you the details of the two plans and what measures should be
18 taken to prepare for implementation of a new area code. Also, would those members of the
19 telecommunications industry in the audience, please introduce yourselves.

20 (PAUSE)

21 Additionally, we would like to ask that you please hold your questions until after our
22 presentation, at which time we will have a question and answer session in order to respond to
23 any questions you may have and to take your comments.

24 (ONLY IF COMMISSIONER OR ADVISOR PRESENT) - I would now like to introduce
25 [] at this time.

26 After [] Speak(s),

27

28 CPUC MODERATOR RESUMES....

29 First, I would like to give you a brief history of the 408 area code and what the CPUC has
30 done to extend the life of the numbers within it. The 408 area code was created in 1959 when it

31 was geographically split from the 415 area code. In 1998 the 831 area code was split off from the
32 408 area code. The creation of the 831 code has allowed the 408 code to have enough numbering
33 resources to serve the public since that time.

34 The 408 was about to run out of prefixes in January 1999 when the CPUC ordered an
35 overlay of the 408 area code creating the 669 area code. Then, suspending its decision in
36 December 1999, the CPUC instituted number conservation instead of introducing the overlay.
37 The rationing of 408 numbering resources and pooling of numbering resources since 2001 has
38 allowed the 408 to remain unchanged since that time.

39 The introduction of one-thousand block number pooling subsequently moved the
40 forecasted date that 408 would run out of numbers farther into the future. Even though number
41 pooling extended the 408 life by at least ten years, we are now down to a limited number of
42 remaining prefixes and must introduce a new area code. The 408 prefixes are now forecasted to
43 be used up in 4th Qtr 2012.

44

45 The purpose of this meeting today/evening is to present the two proposed area code
46 relief alternatives, and at the end of this meeting, to solicit your opinions and comments. Joe
47 Cocke is here to tell you about these plans.

48

49 Joe Cocke is an area code relief planner from the North American Numbering Plan
50 Administration or NANPA, which as a neutral third party, coordinates the telecommunications
51 industry regarding area code relief planning. Joe is with Neustar, which is the public company
52 contracted to perform numbering administration.

53

54

55 **AREA CODE RELIEF PLANNING**

56 Thank you, Katherine. Neustar/NANPA administers the North American Numbering
57 Plan, which is the area code system shared by the United States, Canada, Bermuda and 18
58 Caribbean countries.

59 NANPA's primary responsibilities are to ensure numbering resources for the
60 telecommunications industry. We assign those resources in the form of area codes and prefixes;

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61 track their use to ensure effective and efficient utilization. NANPA also forecasts which area
62 codes will soon run out of numbers, which we call exhaust, and initiates and coordinates the
63 planning process, *known as Area Code Relief Planning*, to introduce a new area code. Relief
64 planning generally starts 36 months or three years before the forecasted exhaust. There are 792
65 usable prefixes in an area code. Each prefix contains 10,000 numbers.

66 When projecting that an area code will run out of prefixes, numbering plan
67 administration looks at a number of factors. The most important factors are

- 68 • The history of code assignments;
- 69 • The current growth rate within the industry; and
- 70 • The annual code growth, which is forecast for a period of five years.
- 71 • Each telecommunications service provider in the 408 area code submits a semi-annual growth
72 forecast to help us predict future demand. If thousand block number pooling is in place, this
73 forecast is by thousands blocks by those service providers capable of number pooling.

74 All of this information is used to project when an area code will run out of numbers, or
75 exhaust. This information is also used in calculating the life expectancy of the relief alternatives
76 we will present today.

77 The planning process begins with a telecommunications industry team meeting to
78 identify viable solutions. The industry team is required to follow regulations established by the
79 Federal Communications Commission, or FCC, the CPUC, as well as telecommunications
80 industry guidelines.

81 In planning area code relief, the industry is required to follow rate center boundaries, as
82 you will see in a few moments. Rate centers are the geographic divisions established to determine
83 when a call is local and when a call is long distance. The industry is also unable to consider
84 certain types of relief -- like service-specific area codes for cell phones, pagers or other services --
85 because of current federal regulations.

86 The industry considers communities of interest, city and county boundaries, and natural
87 dividing lines like mountains or rivers when they are present. These factors are then measured
88 against established industry criteria such as minimizing customer confusion, ensuring that relief
89 plans have adequate projected lives, and maintaining competitive neutrality among service
90 providers.

91 After feasible alternatives are developed the industry strives to reach consensus on the
92 best plan for the area as a whole. NANPA, as a neutral third party, takes no position on any relief
93 method or specific relief alternative.

94 In March 2001, the CPUC implemented thousand- block number pooling in the 408 area
95 code. Since that time, the CPUC has reviewed the industry's utilization data on telephone number
96 usage semi-annually. While the industry reaches consensus on alternatives when an area code is
97 running out of numbers, the CPUC makes the final decision on area code relief.

98

99 Once the final decision is made by the CPUC, a press release is issued with details of the
100 plan. Telephone companies notify their customers of the plan details.

101 By California law, the introduction of a new area code can have no effect on the rate you
102 pay for a call. What was a local call remains a local call, no matter how many digits are dialed.
103 This is true no matter what method is used to ensure adequate telephone numbers are available
104 in a specific locality.

105

106 Now, before we discuss the specific options before you, I would like to ask Katherine
107 Morehouse to provide the status of numbering resources in the 408 area code for us.

108

109 KSM Presentation: 408 Numbering Information

110

111

112 **ORIENTATION TO HANDOUT MATERIALS**

113 Each of you should have received a packet of handout materials when you signed in.
114 These materials include an explanation of the differences between a split and an overlay;
115 frequently asked questions; a glossary of terms; a set of maps of the alternatives and a prefix/rate
116 center chart. The relief alternatives will be described more fully in a few minutes.

117 We also have large poster sized maps of the rate centers showing the city boundaries and
118 the relief alternatives we're presenting today. While many of the rate centers have the same
119 names as nearby cities, rate center boundaries do not necessarily coincide with city or county

120 boundaries. Rate center boundaries are determined by which telephone company switch
121 provides dial tone to a specific address.

122

123 **PREFIX / RATE AREA CHART**

124 Because the maps are drawn to scale, the exact location of a split line may vary slightly
125 from the map. That's why we've provided another tool – the Prefix / Rate Area chart, which will
126 show you exactly how the relief alternative may affect you. By locating your telephone prefix on
127 the chart, you can identify which rate area you are served by and which area you will be in if the
128 split is implemented. Then locate the rate area on the map, and you will see which side of the
129 split line you are on. Again, split lines follow rate center boundaries, not municipal boundaries.

130

131 **STATUS OF THE 408 AREA CODE**

132 In the 408 area code, there are currently over 40 service providers which can be local phone
133 companies, mobile phone companies or paging companies, The 408 is divided into 11 rate areas
134 covering most of Santa Clara County and small portions of Alameda and Santa Cruz Counties.

135

136 Currently there are 43 useable prefixes remaining available

137

138 for assignment. Based on the current rate of demand, the

139

140 408 area code is projected to exhaust its supply of available

141

142 prefixes in the fourth quarter of 2012.

143

144 **RELIEF METHODS**

145 Generally, a new area code is introduced by one of two methods -- a geographic split or
146 an area code overlay or a combination of the two -- though there are also some other less
147 frequently used methods available.

148

149 Traditionally a geographic split provided area code relief where an existing area code is
150 divided, one side retains the old area code, and the other side receives a new area code.
151 Customers on both sides of the split line retain their existing 7-digit phone numbers and local
152 calls continue to be made by dialing 7-digits. Area code split boundaries must follow rate area
153 boundaries -- they do not follow municipal or county boundaries except by chance. This is to
154 preserve the existing rate structure, which determines how much you pay to make a call.
155

156 Another form of area code relief is an area code overlay. With an overlay, the existing
157 geographic area served by an area code is kept intact, and a new area code is added to the same
158 geographic area. New customers, or customers adding additional lines, could be assigned
159 numbers with the new overlay area code. When an overlay is implemented, the FCC requires
160 that ten digits are to be used to dial all calls using the area code and the 7-digit number -- even for
161 local calls. Ten digits are used for calls to the same area code and for calls to the new area code.
162 You, as a customer, will use ten digits to dial next door or from Los Gatos to San Jose. The
163 number of digits dialed will not affect how calls are billed. What is a local call now will remain a
164 local call and included in your monthly service charge if you subscribe to a flat rate service. The
165 ten digit dialing requirement eliminates a dialing disparity between customers in the old area
166 code and those in the new overlay area code.
167

168 During the planning process the industry considers potential relief options. The industry
169 recommended Alternative # 1 -- the overlay. The industry also reviewed Alternative # 2, a
170 geographic split, as a viable alternative. Today we will review both those alternatives.

171 =====
172 **ALTERNATIVE # 1 (Overlay)**

173 Alternative 1 is an overlay, as shown on the map in your handouts. In Alternative 1, a
174 new overlay area code would be added to serve the same geographic area as the current 408 area
175 code.

176 All current customers would retain their existing area code and telephone number. After
177 the overlay area code is introduced, new customers or new lines may be assigned from the
178 overlay area code. The projected life of the overlay area code is approximately 36 years before

179 additional relief would be required. Subsequent area code relief will most likely be another
180 overlay.

181 Both the FCC and the CPUC have mandated that the introduction of an overlay will
182 require 1+10-digit dialing throughout the overlay area, which means all calls must be placed by
183 dialing 1 + the area code + the prefix and line number, regardless of the area code you are calling
184 from or calling to. Once the mandatory dialing begins, 7-digit dialing within either area code
185 within the overlay area will be eliminated. Calls to 411 and 911 will not be affected. Those calls
186 will be dialed as they are dialed now.

187 Those existing customers in the 408 area code may need to change stationery, advertising,
188 signage on trucks, billboards, etc. to show the correct area code if only the 7-digit number is
189 shown. This includes business cards, invoices, letterheads, advertisements, numbers on checks,
190 and pet tags. Businesses with PBXs would need changes made in their systems to reflect the
191 dialing change and the introduction of the new area code. Burglar & Fire Alarm and security
192 systems might need to be updated for 1+10-digit dialing. Consumers may need to reprogram
193 their automatic dialing equipment and other types of equipment that are programmed with only
194 a 7-digit number to ensure the use of the 1+10-digit dialing procedure. Friends, relatives, business
195 associates would need to be notified of the change.

196 The overlay dialing plan change will be accompanied by a customer education
197 permissive dialing period where customers in the area served by the overlay will be able to make
198 calls using seven digits but will be encouraged to start using 1+10 digit dialing on all calls, in
199 preparation for the mandatory 1+10 digit dialing. Prior to the introduction of the new overlay
200 area code, all customers in the overlay area will be required to dial 1+10 digits on all calls. After
201 the customer education period, the overlay area code will be introduced.

202 If, as a result of the introduction of a new area code, a customer has to dial 1+10 digits
203 rather than 7 digits to make a call -- and that call was a local call before the area code change -- it
204 will still be a local call. It is important to understand that dialing '1+ an area code' does not
205 change what a call costs and does not mean that a call is a toll or long distance call.

206

207 **ALTERNATIVE # 2 (2-Way Geographic Split)**

208 Alternative # 2 is a two-way geographic split. Under this alternative, the current area
209 code is divided into two sections. One section retains the 408 area code, and the other section
210 receives a new area code, which would be assigned the 669 area code.

211 The map in your handout shows the split lines for Alternatives # 2.
212 A description of the split line is as follows: The proposed boundary line basically runs along the
213 eastern border of the Sunnyvale rate center then in a southerly direction along the western
214 borders of the San Jose North and San Jose South rate centers. Area A has 7 rate centers east of the
215 split line; Area B has 4 rate centers west of the split line. This alternative splits the City of San
216 Jose and small portions of the cities of Cupertino, Los Gatos, Santa Clara and Sunnyvale.

217
218 The projected life of area A is approximately 39 years before additional relief would be
219 required. The projected life of area B is approximately 32 years before additional relief would be
220 required. No decision has been made as to which area would change or keep the 408 area code.

221
222 Once the CPUC makes the final decision, those customers changing to the new 669 area
223 code would need to change stationery, advertising, signage on trucks, billboards, etc. to show the
224 correct area code. This includes business cards, invoices, letterheads, pay phone signage, phones
225 in hotel rooms, advertisements, numbers on checks, and pet tags. Businesses with PBXs would
226 need changes made in their systems to reflect the area code change. Alarm companies with
227 customers in the area that changes might need to update their equipment. Friends, relatives and
228 business associates would need to be notified of the change.

229
230 When introducing a new area code there is an adjustment period - we call it a permissive
231 dialing period --and also, if the method is a geographic split - there is a recorded announcement
232 period. During the permissive dialing period, customers may reach numbers in the area that is to
233 be changed by either dialing the old area code or the new area code, or using the 7-digits.
234 Customers are encouraged to make calls using the new area code during the permissive period
235 however if they forget to use the new number or their equipment hasn't been changed yet, their
236 call will be completed. The permissive period usually lasts several months. At the end of the
237 permissive period, all calls must be made using the correct area code. If the incorrect area code is

238 dialed, the customer will reach a recorded announcement stating the new area code and they
239 must hang up and redial the number using the correct area code. This recording will be available
240 for a few months.

241

242 Now I'll turn the program back to our moderator.

243

244 COMMENT FORM (CPUC)

245 Thank you, Joe. Each of you should have a "COMMENT" form. It is the last page of the
246 hand-out. This form asks you to provide any written comments you might have regarding the
247 presented alternatives. Your input is important. We read and consider all comments. Please fill
248 out a form before you leave. The "Comment" form is not a majority vote or popular election, but
249 simply a method to gather your input on what has been presented here today.

250 OPINIONS, QUESTIONS & COMMENTS

251 We're almost ready for your opinions, questions and comments. If you have a letter or
252 resolution to present, you may give it to a representative of the CPUC either while you are
253 speaking or afterward, or you may mail it to the address in your handouts. Although we will be
254 taking notes while you speak, we would appreciate it, even if you have spoken, if you would
255 please fill out a comment form. Everyone can also mail or e-mail your comments to the Public
256 Advisor or go to the CPUC website to submit your preference as shown on the projector (AV
257 person projects CPUC Web address on screen).

258 Now, when called upon, please step to the microphone, state your name and spell it for
259 the record.

260 CLOSE (CPUC)

261 Please remember to fill out the "Comment" form and hand it to any CPUC representative
262 or place it on the table at the front before you leave.

263 Thank you for taking the time to attend this meeting.

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