

January 21, 2000

REPORT TO THE HONORABLE  
MAYOR AND CITY COUNCIL

REQUEST TO MODIFY CALIFORNIA PUBLIC UTILITIES COMMISSION DECISION 98-06-18 RE: AREA CODE SPLIT

### **BACKGROUND**

On June 4, 1998, the California Public Utilities Commission [CPUC] issued decision 98-06-018 dividing the San Diego County 619 area code [619 Decision]. There were two phases for implementing the division. Phase 1 added area code 858 in North County on a permissive basis June 12, 1999, with mandatory dialing as of December 11, 1999. The second phase would add area code 935 in East County on a permissive basis June 10, 2000, with mandatory dialing as of December 9, 2000.

Prior to issuing the 619 Decision, a survey of San Diego customers was conducted. The results of that survey showed an overwhelming preference for an area code split rather than an overlay. As a result, contrary to many other areas within California, the 619 area code was split.

On September 15, 1999, pursuant to a petition filed by the CPUC, the Federal Communication Commission [FCC] granted a waiver to allow phone numbers to be issued in 1,000-blocks, rather than 10,000-blocks [FCC Ruling]. This FCC Ruling makes number pooling possible and allows the CPUC to require carriers to return unused numbers. Such number conservation arguably eliminates the necessity of taking measures such as adding overlays or new area codes.

Shortly after the FCC Ruling, several cities and counties in northern California filed emergency motions to suspend implementation of the overlays proposed for those regions (rather than area code splits). On December 16, 1999, the Commission granted these petitions.

On August 27, 1999, a Petition for Modification of Decision 98-06-018 was filed by Robert M. Kuczewski [Petition], asking the CPUC to implement a seven-digit overlay and extend the permissive dialing period for area code 858. The Petition was denied on January 6, 2000 because of the logistical and legal impediments to a seven-digit overlay and the untimeliness of the request to delay implementation of the 858 area code. However, in this decision the Administrative Law Judge [ALJ] was directed to instigate an Order Instituting Rulemaking [OIR] proceeding to seek comments on the advisability of postponing Phase 2 of the area code split.

In addition, there are new statutory mandates pursuant to the recently enacted Consumer Area Code Relief Act of 1999 [Act] (CPUC sections 7934-7940). The Act requires that the CPUC: (1) obtain utilization data prior to adopting a relief plan, (2) request such data from each telephone corporation before March 1, 2000, and (3) submit a study of the usage rates to the legislature before July 1, 2001.

## **DISCUSSION**

As a result of the 1996 Telecommunications Act, technological advances, and competition in the telecommunications industry, there has been a dramatic increase in telephone numbers being used by residences and businesses. There are now numbers for wireless phones, computers, facsimile machines, more than one line to businesses and residences, and additional numbers issued each time the telecommunication provider is changed. As a result, the numbers available within any area code are rapidly diminishing.

This potential number shortage requires either the implementation of an overlay or the creation of new area codes within a particular geographic area. An overlay is a new area code which “overlays” an existing geographic area for all new numbers issued after a certain date. The disadvantage of overlays is that, because they are not assigned based on a geographic area or type of service, you have no idea when you need to dial an area code. Hence, new neighbors to an area could have a different area code than their next-door neighbors.

To avoid incumbent companies being given a competitive advantage, the FCC issued rules requiring that overlays be ten-digit so that all companies issuing new numbers would be impacted equally. It is possible to have service specific overlays, i.e., for certain types of service such as for wireless phones, computers, or facsimile machine, however, these types of overlays have thus far also been considered to unfairly disadvantage the new technologies.

After the September FCC Ruling which allowed the recapture of numerous unused phone numbers, several petitions were filed at the CPUC requesting a suspension of proposed overlays. Due to the great public outcry against the pending overlays, the CPUC granted the petitions.

However, the CPUC was not willing to delay the mandatory 858 area code in San Diego. The permissive area code had already been in effect for a number of months and many customers had incurred considerable expense relying upon that change. In addition, the CPUC was concerned with the projection that all 619 area code numbers would be exhausted within six months.

The Commission also rejected Mr. Kuczewski’s recommendation for a seven-digit overlay. The CPUC concluded that the seven-digit overlay would: (1) violate FCC rules requiring a ten-digit overlay, (2) give a competitive advantage to incumbent telecommunication providers, (3) create a completely different numbering system for San Diego than the rest of the state, and (4) require most citizens to dial a ten-digit number to reach the majority of the San Diego region.

When the City files comments in the proposed OIR to support elimination of Phase 2, it

could include any of the following as possible courses of action to recommend to the CPUC:

1. Require compliance with the requirements of the Consumer Area Code Relief Act of 1999 before any relief plan is considered in the San Diego region.
2. Ensure that the number allocations procedures are improved.
3. Complete an audit of the numbers utilized and available within the San Diego region.
4. Request that the CPUC implement service specific overlays as an alternative relief plan.
5. Implement seven or ten digit overlays uniformly throughout the region if a relief plan is required in the future.

Respectfully submitted,

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DLB:pev(043.1)  
RC-2000-1