



Testimony for the Senate Finance Workforce Subcommittee
Interested Party Testimony on Telecommunications Provisions of Budget Bill

Presented by: Rick Hindman, Assistant Director, Buckeye Hills-HVRDD • May 19, 2015

Good afternoon Chairman Beagle and Subcommittee members.

My name is Rick Hindman. I am the Assistant Executive Director for Buckeye Hills-Hocking Valley Regional Development District that includes the Area Agency on Aging Region 8 in Marietta. We serve eight counties in the rural, Appalachian southeastern portion of Ohio.

I am here as an interested party to speak on the telecommunications provisions in the budget bill (HB 64), which would allow AT&T and other major telephone companies to withdraw their basic local landline service, and to put the burden on customers to contest the abandonment of their landline service. We should carefully consider how these provisions impact Ohio consumers, especially low-income, rural and elderly Ohioans.

Current law requires a telephone company to justify its request to the PUCO to terminate its local service. These provisions shift the burden to the customer to file a petition with the PUCO and navigate the process to establish that reasonable and comparatively priced service is unavailable; and the customer must act within 30 days after the notice is provided. This is an unreasonable expectation to place upon the individual customer, who is unaccustomed to such a role. There will no longer be any burden on the company to show alternative service. The burden will be on the individual phone customer. The PUCO was established as a neutral arbiter to protect the interests of the consumer, and it should wholly retain that role and responsibility.

According to AARP, low-income households across Ohio continually face challenges in meeting rising utility costs, specifically in maintaining telephone service. Landline service is the only available service in some rural areas. Many rural residents cannot afford cell phones, and many areas do not have cell phone coverage.

In rural Ohio there are vast areas without reliable broadband or cell phone coverage. Due to the rugged Appalachian terrain and sparsely populated areas, these services have not been widely developed or made available beyond more urban and metro areas. As such, low-income and elderly Ohioans need the cost benefits and protections inherent in traditional telephone service, which include: access to flat rate unlimited local phone service; free 411 service; and more reliable 9-1-1 service.

As an Area Agency on Aging, we see the degree to which elderly and homebound residents rely upon landlines on a daily basis in administering our home and community based waiver programs. For example, in our PASSPORT program 98-99% of our clients utilize only landline service. In many instances, case managers, who are making home visits, must use the landline to call back to the home office because there is no cell phone coverage. Many of these clients utilize emergency response services that are dependent on the landline.

From an overall safety standpoint, landlines are crucial in our rural areas. For those without cell phone service and internet, landlines are lifelines. Because landlines are not dependent upon electricity, during extreme weather conditions and other emergency situations landlines have prevented residents of sparsely populated areas being cut off from needed resources and emergency services.

Low-income elderly Ohioans are disproportionately dependent on Lifeline landline service. The latest AARP Energy and Telephone Assistance State profile shows a telephone penetration rate of 93.6 percent with 36.5 percent of those receiving the Lifeline assistance for low-income households. Another 63.5 percent are eligible for Lifeline assistance, but not receiving the service.¹ The enactment of the telecom provisions in HB 64 will jeopardize the availability of discounted rate Lifeline service for low-income landline customers; the federal program requires companies to offer basic telephone service in order for customers to qualify for the discounts.

Landlines also provide more reliable 9-1-1 service. Unlike with cellular phones, when a person calls 9-1-1 from a landline phone, Caller ID displays the name associated with that number and the location from which the call originates. All landline phones have an assigned address for easier location in the event of an emergency or the inability of the caller to communicate the need. Landline phones also have direct connection to the nearest 9-1-1 center. Cell phones, depending on the location, can connect to a 9-1-1 center that serves a distant area.

An incident that occurred in our area about six months ago involved a woman who was a victim of domestic violence who called 9-1-1 and told the dispatcher that she wanted to place an order for pizza. When the dispatcher told her that she had the wrong number and had called 9-1-1 the woman responded "I know, I told my husband I would order him pizza. He is right here and wants a pizza."

The dispatcher then began to ask her if she was in trouble and the woman said “yes, that’s right.” She then proceeded to order the pizza while the dispatcher asked her if she is afraid and couldn’t talk. Again the response from her was “that’s right.” While the woman was on the phone, they were able to locate the address and the police arrived at the home. The woman had been badly beaten. The man was arrested. Law enforcement would not have been able to respond so quickly if she had called from a cell phone.

AT&T and the Ohio Telecom Association have testified that consumers have been shifting away from landline telephone service for years, and telecom companies should be focusing on expanding high-speed internet and wireless services instead of building and maintaining traditional copper line systems.

While the state’s network of regional development councils and Area Agencies on Aging support a more broad statewide deployment of reliable broadband or cell phone coverages, in reality that is happening more slowly than anticipated.

While Ohio consumers and businesses will benefit from investment in new technologies connected to the transition to Internet protocol networks, HB 64 could eliminate certain consumer protections. Therefore, we need to ensure that representatives of low income and senior citizens organizations are included as mandatory participants in any PUCO Collaborative process.

In the quest for progress, we cannot abandon or forget about the aged and impoverished consumers. Before enacting the telecommunications legislation, we simply ask that legislators take time to carefully consider the state’s most vulnerable populations and areas where the technology has not kept pace with other regions of the state.

Thank you for your time and consideration. I will take any questions.

ⁱ AARP Energy and Telephone Assistance in the State – Ohio State Profile pg. 193