



**Before
The Ohio Senate**

**Testimony on Substitute House Bill 110 – State Budget
(House Provision Allowing End of Printed Phone Directories)**

By

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May 5, 2021

Hello Chair Schaffer, Vice Chair Wilson, Ranking Member Craig and Members of the Committee. We hope you and your colleagues are well. Thank you for the opportunity to testify.

We ask that the Senate remove from Sub. House Bill 110 certain anti-consumer language inserted (apparently with AT&T and/or phone industry support) at the end of the process in the House of Representatives. Unfortunately, the language overturns a PUCO decision that, in a compromise of competing interests, last year protected basic landline telephone consumers from a similar proposal by AT&T to end printed phone directories. AT&T apparently does not like the PUCO's decision which adopted some of our and others' recommendations.

The House provision would allow telephone companies to deny basic telephone consumers a printed telephone directory. The language is on lines 50880 - 50887 in the House-passed bill. LSC describes this purpose on pages 333-334 of its Bill Analysis dated April 23, 2021.

Attached is an LSC amendment (SC2251). Respectfully, we ask that you use the amendment to remove the language from the House-passed bill and to protect consumers.

This phone issue has no connection to the state budget. Further, we are not aware of House testimony by phone companies to support or justify it in the public domain. Given its late addition to the House bill, there was not time for us to learn of it and testify against it in the House.

For context, we are: the *Office of the Ohio Consumers' Counsel*, the statutory representative of millions of Ohio residential utility consumers; the *Ohio Poverty Law Center*, which works to reduce poverty and increase justice by protecting the legal rights of Ohioans living in poverty; and *Pro Seniors, Inc.*, which is a non-profit legal service provider in Cincinnati that works to expand economic opportunities and improve the quality of life for senior residents of Ohio.

The printed telephone directory is an important resource to make available to basic landline phone service consumers. It includes residential and commercial customers' telephone numbers. And it also provides consumers with emergency numbers including 9-1-1, the local police and fire departments, the county sheriff, the Ohio relay service, operator service and directory assistance.

In its ruling in Case 20-1139,¹ the PUCO reached a compromise decision that generally agreed with the advocacy of the consumer groups. The ruling is attached. The PUCO concluded that AT&T failed to demonstrate that customers have a reasonable alternative source for directory information. The PUCO found that online alternatives are not viable substitutes for the printed physical directory.² The PUCO also noted that AT&T's proposal for use of the toll-free number (1- 800-FREE411) for directory assistance is not a comparable alternative to the residential directory (White Pages) due to the additional time required to listen to advertising prior to receiving the desired listing.³ We note that many Ohio consumers, including consumers in rural areas, may lack broadband service to use for online directory service.

The PUCO ordered that, for AT&T to be granted the waiver, AT&T would have to provide basic telephone customers with local directory assistance that does not contain advertising and that consumers can access from their landline phone at no charge. Notably, AT&T apparently declined to offer that option to consumers. And thus AT&T's obligation to provide consumers with printed directories will continue at no cost for consumers.

But the House provision now would allow AT&T an end-run around the PUCO's compromise decision. And that would be bad for the consumers that the PUCO protected.

We note that, in December 2018, AT&T and the phone companies benefited from legislation when they obtained broad authority in House Bill 402 for raising consumers' phone bills. AT&T partly defended that legislation (in its December 6, 2018 Senate testimony) by noting that service quality standards would be preserved for consumers. AT&T (Jon Kelly) testified (on page 4 of their Senate testimony) that: "In an important concession made by the industry in the House, the language that would have repealed the service quality standards for BLES was removed."

In fact, service quality for consumers is served by the availability of printed phone directories. AT&T, having obtained its desired price-increase discretion over consumer opposition in H.B. 402, should not now be allowed to follow up with legislation that also impairs service quality by denying phone directories for basic service consumers.

Respectfully, the Senate should reject any effort by AT&T (and by other telephone companies) to use the unrelated budget bill to overturn the PUCO's compromise ruling on this consumer issue. The issue was vetted at the PUCO in a process that included AT&T and consumer advocates from around Ohio. We urge the Committee to remove this anti-consumer provision from the budget bill where the issue does not even belong.

That concludes our testimony. Thank you for your consideration.

¹ PUCO Case 20-1139-TP-WVR, Entry (October 7, 2020).

² Entry at 5-6.

³ Id.

_____ moved to amend as follows:

1 In line 83 of the title, delete "4927.01,"

2 In line 264, delete "4927.01,"

3 Delete lines 50860 through 50991

4 In line 66963, delete "4927.01,"

5 The motion was _____ agreed to.

6 SYNOPSIS

7 **Telephone directory requirement**

8 **R.C. 4927.01**

9 Removes from the bill the basic local exchange service
10 (BLES) changes that do the following:

11 --Permit the required telephone directory to be an
12 internet-accessible database of directory listings, at the
13 telephone company's option;

14 --Require a telephone company that no longer offers a
15 printed telephone directory to provide reasonable customer
16 notice of the available options to obtain directory information.

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF
AT&T OHIO FOR A WAIVER OF DIVISION
(B) OF SECTION 4901:1-6-15, OHIO
ADMINISTRATIVE CODE.

CASE NO. 20-1139-TP-WVR

ENTRY

Entered in the Journal on October 7, 2020

I. SUMMARY

{¶ 1} The Commission grants in part and denies in part a waiver of Ohio Adm.Code 4901:1-6-15(B) concerning the issuance of a printed telephone directory at no additional charge.

II. DISCUSSION

A. *Procedural Background*

{¶ 2} Pursuant to Ohio Adm.Code 4901:1-6-15(B), upon a customer request, a local exchange carrier providing basic local exchange service (BLES) shall make available to BLES customers the option to have a printed telephone directory at no additional charge.

{¶ 3} Pursuant to Ohio Adm.Code 4901:1-6-02(E), upon application or upon a motion filed by a party, the Commission may waive any requirement of this chapter, for good cause shown, other than a requirement mandated by statute from which no waiver is permitted.

{¶ 4} On June 8, 2020, AT&T Ohio, AT&T Corp., and Teleport Communications America, LLC (collectively, AT&T) filed an application for waiver of Ohio Adm.Code 4901:1-6-15(B) so that they can provide telephone directories to their BLES customers in an electronic format. AT&T proposes to provide its BLES customers with at least 60 days advanced notice of the discontinuance of the ability to request printed directories. AT&T requests that the waiver be effective no later than January 1, 2021, so that AT&T can apply the waiver beginning with the May 2021 directories. The proposed time frame will allow AT&T to provide two rounds of customer notice via monthly bill inserts and to coordinate

the wind down of printed directories with the directory publisher.

{¶ 5} In support of its request, AT&T submits that the demand for printed directories has dwindled; that better directory information is available online; that limited demand for printed directories no longer justifies the cost and administrative burden of providing them; and that legislatures and regulators in many states, including Ohio, have recognized these developments by removing requirements for printed directories. Further, AT&T references the 2010 amendment to R.C. 4927.01 allowing for the provision of telephone directories to BLES customers in any reasonable format with no express requirement to provide a printed directory.

{¶ 6} According to AT&T, of the roughly 16,000,000 subscriber lines in Ohio, less than 0.6 percent, or 96,000, are BLES customers that can request a printed directory from AT&T Ohio. Additionally, it represents that in 2015, it received and processed requests for printed directories from 13,829 customers and that in 2019 that number declined to 3,240 requests. Further, AT&T represents that for 2020, it is projecting a demand of just 1,836 directories. AT&T submits that the requirement to provide printed directories creates unnecessary expense since it must retain the services of a third-party publisher to create and distribute directories and must also maintain a process to receive and fulfill requests. AT&T asserts that these expenses place it at a competitive disadvantage in the marketplace. Finally, AT&T believes that there is environmental benefit to granting its waiver since the directories are discarded each year and take up space in landfills.

{¶ 7} On June 29, 2020, the Ohio Consumers' Counsel (OCC) filed a motion to intervene in this proceeding. In support of its motion, OCC submits that its motion is consistent with R.C. 4903.221 inasmuch as the interests of Ohio's residential customers may be adversely affected by this case due to the fact that access to directory information would be limited as a result of the requested waiver. OCC asserts that its interest is representing the residential customers and that its interest is different than that of any other party. Additionally, OCC submits that its intervention will not unduly prolong or delay the

proceedings and that its intervention will significantly contribute to the full development and equitable resolution of the factual issues in this case.

{¶ 8} Upon review, the Commission finds that the motion to intervene is reasonable and should be granted.

B. Consideration of Comments

{¶ 9} Pursuant to its Entry of June 11, 2020, the Commission requested comments regarding AT&T's proposed waiver request.

{¶ 10} In its comments supporting its waiver request, AT&T represents that most of the states across its 21-state footprint allow for online directory access rather than the provision of printed directories. Specifically, AT&T notes that only California, Michigan, Nevada, and Ohio still have some type of a printed directory requirement. AT&T contends that the value of the printed directory has diminished since it does not contain most wireless numbers, which represent 60-80 percent of total lines. According to AT&T, customers in Ohio now almost exclusively use online directories for accessing listing information due to the benefits of this option and the easy accessibility.

{¶ 11} In support of its position regarding electronic directories, AT&T contends that many low-income customers qualify for free or heavily discounted mobile phones that include Internet access. AT&T also points out that there is significant federal, state, and private investment in unserved or underserved broadband service areas, including wireless broadband access.

{¶ 12} AT&T notes that the Yellow Pages printed directory and business White Pages directories will continue to provide customer guide information and emergency and other governmental information in the front of the directory. AT&T submits that these directories are available by mail, direct delivery, or for pickup at various locations. Additionally, AT&T recognizes the availability 1-800-FREE411 as a free unaffiliated source of directory assistance.

{¶ 13} AT&T highlights that, pursuant to R.C. 4927.01(A)(1)(b)(vi), BLES service now only requires the provision of a telephone directory in any reasonable format at no additional charge and a listing in that directory with reasonable accommodations made for private listings. Therefore, similar to its position in Case No. 10-1010-TP-ORD, *In re the Adoption of Rules to Implement Substitute Senate Bill 162*, AT&T asserts that the Commission exceeded its statutory authority by allowing for the provision of a printed directory upon request.

{¶ 14} According to AT&T, the requirement to provide a printed directory creates unnecessary expense for the company due to the need to retain a third-party publisher to print and distribute the directories. AT&T also notes that, unlike its competitors, it must allocate staff to receive and fulfill the directory requests. AT&T also points out that there is an environmental benefit to eliminating the need to publish directories. Finally, AT&T believes that good cause can be demonstrated for its waiver request, even in the absence of a cost showing.

{¶ 15} According to the Ohio Telecomm Association (OTA) and the Ohio Rural Broadband Association (ORBA), although R.C. 4927.01(A)(1) requires the provision of a directory as part of BLES, it does not mandate the form of the directory. Therefore, OTA believes that the requirements of Ohio Adm.Code 4901:1-6-15(B) can be waived. Similar to AT&T, OTA submits that due to decreasing demand, the costs to provide a printed directory upon request are no longer justified. OTA also recognizes that there are other means available for securing directory information.

{¶ 16} CenturyTel of Ohio, Inc., dba CenturyLink; United Telephone Company of Indiana, Inc., dba CenturyLink; and United Telephone Company of Ohio dba CenturyLink (jointly, CenturyLink) support AT&T's requested waiver of Ohio Adm.Code 4901:1-6-15(B). CenturyLink reports a similar experience to AT&T regarding a steady decline in customer demand for printed telephone directories. CenturyLink notes that several state commissions have eliminated the requirement to provide printed directories due to the existence of other alternative sources for directory information that are timelier and more

convenient. Consistent with Substitute Senate Bill 162 (2010) requirement for the provision of a directory in “any reasonable format,” CenturyLink believes that the Commission should grant the requested waiver and require AT&T’s BLES customers to rely upon electronic directories, which are eco-friendly and regularly updated.

{¶ 17} OCC; the Citizens Coalition; COHIO; Pro Seniors Inc.; Southeastern Ohio Legal Services; and the Legal Aid Society of Cleveland (jointly, “Consumer Groups”) submit that AT&T’s request would add inconvenience and risk for senior citizens, low-income, and minority customers, which comprise the most vulnerable at risk customers.

{¶ 18} Consumer Groups contend that AT&T does not require a waiver to be able to provide an electronic directory to its BLES customers. Consumer Groups point out that AT&T fails to provide any information as to the cost to provide a physical directory upon request. Additionally, Consumer Groups dispute AT&T’s claim that the White Pages directory no longer provides significant value to the public.

{¶ 19} In response to AT&T’s claim that the requests for physical directories are dropping, Consumer Groups contend that very few BLES customers are aware of their right to request such a a directory. According to Consumer Groups, even based on AT&T’s own statistics, one-third of BLES customers make such a request. Additionally, Consumer Groups submit that BLES customers are less likely to have access to the Internet in order to use online directories. Further, Consumer Groups identify that the printed directories provide telephone numbers for emergency service providers, the Ohio Relay Service, as well as operator and directory service. Consumer Groups believe that access to this information is especially important during these times of crisis.

C. *Conclusion*

{¶ 20} Upon consideration of the record as a whole, including the submitted comments, the Commission finds that the requested waiver of Ohio Adm.Code 4901:1-6-15(B) should be granted in part and denied in part. While the Commission recognizes that AT&T has continued to experience a decline in the number of requests from BLES customers

for a printed directory, AT&T has failed to demonstrate that BLES landline customers have a reasonable alternative source for directory information. Additionally, the Commission focuses on the fact that although AT&T emphasized that the offering of a printed White Pages residential directory is no longer cost justified, it failed to provide any cost information to support its claim.

{¶ 21} Specifically, the Commission focuses on the fact that AT&T, in support of its motion, relies primarily upon the existence of online directory assistance options. As noted by Consumer Groups, BLES customers are less likely to have access to the Internet in order to use online directories. As a result, online alternatives are not viable substitutes for the printed physical directory. Additionally, although 1-800-FREE411 may be available for use, it is not a comparable alternative to the White Pages residential directory due to the fact that it requires additional time to listen to the required advertising prior to receiving the desired listing.

{¶ 22} Based on the above analysis, the Commission finds that in order for AT&T to be granted a waiver of Ohio Adm.Code 4901:1-6-15(B), it must provide requesting BLES customers with advertising-free local directory assistance that can be accessed from their landline phone at no charge. To the extent that AT&T is interested in availing itself of this option, it must file a statement in this docket within 30 days of this Entry indicating its intent and explaining the manner in which advertising-free local directory assistance at no charge will be provided to BLES customers and the manner in which it will convey the availability of this offering.

III. ORDER

{¶ 23} It is, therefore,

{¶ 24} ORDERED, That OCC's motion to intervene be granted in accordance with Paragraph 8. It is, further,

{¶ 25} ORDERED, That AT&T's waiver request is granted in part and denied in part in accordance with Paragraphs 20 and 22. It is, further,

{¶ 26} ORDERED, That AT&T comply with Paragraph 22 if it is interested in pursuing the waiver of Ohio Adm.Code 4901:1-6-15(B). It is, further,

{¶ 27} ORDERED, That a notice of this Entry be sent to AT&T, all commenters in this matter, and to the telephone industry list-serve.

COMMISSIONERS:

Approving:

Sam Randazzo, Chairman
M. Beth Trombold
Lawrence K. Friedeman
Daniel R. Conway
Dennis P. Deters

JSA/kck

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Case No(s). 20-1139-TP-WVR

Summary: Entry granting in part and denying in part a waiver of Ohio Adm.Code 4901:1-6-15 (B) concerning the issuance of a printed telephone directory at no additional charge. electronically filed by Ms. Mary E Fischer on behalf of Public Utilities Commission of Ohio