

Telecommunications

Overview

A legislative proposal and state and federal cases provided opportunities for the Office of the Ohio Consumers' Counsel (OCC) to advocate on behalf of Ohio's residential telephone consumers in 2012.

The Ohio General Assembly considered, but ultimately did not enact, legislation that would have further revised Ohio's landline telephone laws. The legislation would have allowed some telephone utilities to withdraw basic landline telephone service from customers in Ohio. OCC recommended against passage of the legislation and advocated for stronger consumer protections.

In late December, OCC worked to protect Frontier Communications' residential customers from the possibility of basic telephone service rate increases.

The Federal Communications Commission (FCC) issued orders that affected Ohio telephone consumers. OCC weighed in on some of these federal changes through its national association.

Legislation to reduce access to landline telephone service stalled

The Ohio General Assembly considered legislation that would have allowed some landline telephone utilities to withdraw basic local telephone service from their customers. OCC expressed several concerns to the General Assembly regarding Senate Bill 271 (SB 271) and its potential impact on Ohio's telephone consumers.

The Bill passed through the Senate in February 2012. The Bill was not taken up for a vote in the House of Representatives.

OCC appreciates the many legislators and other stakeholders who expressed their concerns about how the proposal could impact consumers. In the end, Ohioans' access to affordable and reliable telephone service was protected when the Bill did not become law.

Current law requires local telephone companies to provide consumers, at a minimum, with reliable basic local telephone service. SB 271 would have allowed telephone companies to withdraw from this commitment if they met a minimal showing of competitiveness (two or more competing services available somewhere, but not everywhere in an exchange).

Under the Bill, telephone companies could have withdrawn basic telephone service from customers who might not have competitive alternatives available.

OCC protects Frontier's residential customers from possible rate increase

In December, Frontier Communications applied to the PUCO for the ability to increase customers' monthly basic telephone rates by \$1.25 each year, based on its claims of the presence of other competitive telephone options. But under the terms of a prior settlement with OCC, Frontier cannot seek the opportunity to raise residential customers' basic local telephone service rates until it has deployed broadband in 85 percent of its Ohio service territory. Frontier has not yet indicated that it has met this broadband commitment.

After discussions with OCC, Frontier amended its original application to exclude residential consumers. In its own filing, OCC urged the PUCO to protect residential consumers by only considering Frontier's amended application, which would not impact residential consumers. Also, OCC stated that several of the competitors Frontier named in its application do not offer service that competes with residential basic telephone service.

The amended application was still under the PUCO's consideration at the end of 2012.

PUCO Case No. 12-3127-TP-BLS

National consumer association appeals FCC order; OCC advocates to protect consumers from added charges

In October, the National Association of State Utility Consumer Advocates (NASUCA), of which OCC is a member, filed a brief in its appeal of a wide-ranging FCC order that impacts Ohio telephone consumers.

The FCC order established a plan to reduce inter-carrier access charges to zero by 2018. Intercarrier access charges are fees telephone companies charge each other for calls that begin or end in different local calling areas. Some local telephone utilities may try to make up for reduced inter-carrier access charge revenues by raising other rates, including retail charges to consumers. The FCC oversees interstate access charges (for calls completed to a different state than their point of origin). The PUCO oversees intrastate access charges (for calls completed to a different local calling area within Ohio).

NASUCA opposed an intercarrier access charge system that is not cost-based. The access charge system adopted by the FCC is not cost-based. In its brief filed at the United States Court of Appeals for the 10th Circuit, NASUCA argued that the FCC lacks the jurisdiction to act on intrastate access charges and that the matter is best handled at the state level.

In a PUCO case pending since 2010, OCC continued its advocacy to protect local telephone consumers from paying unfair surcharges that might result from their telephone utility reducing or eliminating intercarrier access charges. OCC continued to oppose a plan that would require all Ohio consumers—even consumers of telephone companies that do not reduce their access charges—to pay higher charges to offset the access charge

reductions of some local telephone companies. In its comments, OCC urged the PUCO to refrain from acting on the intrastate access charge issue until the appeals of the FCC's order have been decided.

Rulings in both the federal and state cases were pending at the end of 2012.

FCC Order No. 11-161

PUCO Case No. 10-2387-TP-COI