



Office of the
Ohio Consumers' Counsel
Residential Utility Consumer Advocate

**TESTIMONY BEFORE
THE HOUSE PUBLIC UTILITIES COMMITTEE**

SB 162

Submitted by:
Janine L. Migden-Ostrander
Consumers' Counsel

June 2, 2010

INTRODUCTION

Good morning, Chairman Szollosi, Vice Chairwoman Williams, Ranking Minority Member Snitchler and members of the committee. My name is Janine Migden-Ostrander and I am the Ohio Consumers' Counsel.

The Office of the Ohio Consumers' Counsel (OCC) represents more than 4.5 million residential households with respect to utility issues, including telephone service – all of which are necessities. Thank you for the opportunity to testify before you regarding Amended Substitute Senate Bill 162 (SB 162).

Many Ohioans across the state still rely exclusively on landline telephone service to connect to family and friends as well as essential health and safety services. While many Ohioans now rely on cell phones or a broadband telephone service provider, more than 4 million Ohioans still rely on traditional landline telephone service.

These consumers deserve affordable and reliable telephone service, especially in areas where no comparable competitive service is available. Since last fall, Ohioans Protecting Telephone Consumers, a group representing more than 40 senior, low-income and other consumer organizations, has been advocating for stronger consumer protections in the proposed telephone deregulation legislation. We are concerned that the legislation will eliminate necessary consumer protections for the majority of customers – those with bundles and packages of telephone services – and allow telephone companies to raise their rates for basic telephone service. In addition, for the first time, low-income Ohioans with Lifeline service will be exposed to these annual rate increases. Attached to this testimony are letters that the Ohioans Protecting Telephone Consumers have sent to Speaker Budish and Senate President Harris describing our concerns regarding this legislation.

While the OCC appreciates the amendments that were made to SB 162, as the advocate for Ohio's residential telephone customers, those amendments fall short in basic customer protections and we nevertheless remain opposed to this legislation. We strongly encourage this committee to incorporate the additional improvements that were made to HB 276 as passed in the House into SB 162. In addition, we suggest that this committee add two other amendments that would extend consumer protections to all landline telephone customers and extend the protections against Lifeline rate increases for 5 years.

INCORPORATE THE AMENDMENTS MADE IN HB 276 INTO SB 162

We appreciate the key improvements that were included in HB 276 by this committee, and strongly encourage you to incorporate these important amendments into SB 162:

1. Providing protection to all customers from unfair and deceptive practices by removing a major loophole that would have allowed telephone companies to engage in such practices. This loophole would allow utilities to be exempt from not engaging in unfair and deceptive practices when it is “not practicable”;¹⁰
2. Ensuring that all telephone customers have access to a 9-1-1 warm line for at least 14 days after a disconnection for non-payment;¹¹
3. Creating a statewide free voice mail service for Ohioans in crisis;¹²
4. Freezing rate increases to low-income Lifeline customers until Jan. 1, 2012, strengthening automatic enrollment into the program, and creating a statewide Lifeline advisory board with funding to promote education of and enrollment in the program;¹³
5. Providing a more deliberative process when a telephone company requests a waiver of its carrier of last resort obligations by including a public hearing and extending the review process to 120 days; and¹⁴
6. Providing consumer protections for those customers who purchase basic local telephone service (not a bundle or package) including:
 - A. Encouraging telephone companies to repair basic service outages within 24 hours and requiring them to provide monetary credits for customers without service for 72 hours;¹⁵
 - B. Reconnecting customers who have been disconnected for non-payment within one business day after full payment or the first payment in a payment arrangement has been made;¹⁶
 - C. Requiring telephone companies to give customers a minimum of 14 days to pay monthly bills;¹⁷ and
 - D. Limiting the deposit amount for restoring or initiating service to 230 percent of monthly charges.¹⁸

Note that with respect to Community Voicemail, it is our view that this service should be paid for by the telecom industry and not by consumers. The cost of community voicemail statewide is minimal – perhaps \$1 million in start-up costs and another \$1 million annually in operating costs, equivalent to pennies on an average telephone bill. Given that the major reason cited by the telecom industry for repealing many decades of minimal regulation is to free up their dollars for economic development, one can only surmise that the savings are significant, even though the utilities have consistently failed to provide hard data on the savings. Thus, a small contribution to a public service such as free voicemail is a modest exchange for the tremendous loss of minimal and necessary consumer protections.

STRENGTHEN SB 162 WITH TWO ADDITIONAL AMENDMENTS

Today, consumer protections apply to ALL traditional landline customers. Ohio consumers have come to expect and deserve no less. If the proposed legislation is passed in the current form, this will not be the case. ONLY the customers with basic local service will have the necessary consumer safeguards.

As Ohio's policy makers, you have within your power to protect all residential telephone consumers – your constituents. Today we urge you to consider two additional amendments. With the adoption of these amendments along with the improvements made to HB 276, the OCC would not oppose the legislation. They are:

- The restoration of consumer protections for ALL customers, including those with bundled or packaged services; and
- Extension of the freeze on basic exchange rates for Lifeline customers from one year to five years.

A. The Same Consumer Protections Should Apply to ALL Consumers

As I mentioned earlier, the proposed legislation creates a two-tiered system of consumer protections. It is incorrect to state that this bill restores consumer protections to customers, for it does so in part, and ONLY for a minority subset of customers.

For example, both HB 276 and SB 162 require telephone companies to allow customers with basic telephone service 14 days to pay their telephone bills. However, the

companies could send customers with a bundle or package of telecommunications services a bill and require it to be paid in 10 days, or 5 days, or even the next day! There is no safeguard. This is an example of a simple consumer safeguard that cannot possibly be any burden to the telephone companies to implement, or burden them with any additional cost. At a time when Congress has passed legislation requiring credit card companies to give consumers at least 21 days for bill payment, Ohio's legislature is contemplating eliminating this protection for the majority of telephone customers.

Additionally, the repair and billing standards that are applicable only to basic service customers in the bill need to be extended to customers with bundled service. The telephone industry says that alternatives are available to customers. In some cases, consumers are able to choose among several providers for service. However, the sad reality is that – 14 years after Congress passed legislation intended to jumpstart telephone competition – many consumers in rural, and even some urban areas of Ohio, still cannot “vote with their feet.” There is no alternative provider in many areas of Ohio offering a service that is comparable in price or quality to the Incumbent Local Exchange Carrier's (ILEC's) service.

Customers with bundled services need the same protections for service repairs, billing and reconnection as customers with basic service. Bundled service customers who cannot call 9-1-1 because of a service outage face the same potentially tragic consequences to life and property as basic service customers. SB 162 and HB 276 should not eliminate these consumer protections for bundled service customers. I refer you to my prior testimony before this Committee that goes into greater depth about the loss of consumer protections for consumers taking bundles and packages. The bottom line is that there is no good policy reason to create a system where “some will have little vs. others who have nothing” when it comes to protections for telephone customers – the protections are a necessity for ALL Ohioans.

B. Lifeline

We appreciate the Lifeline amendment in HB 276 which would freeze increases in basic rates to Lifeline customers until January 1, 2012. We strongly encourage the House to incorporate this into SB 162, however, we are still concerned with the potential

rate increases that could face Lifeline customers in 2012 and beyond. Their rates would increase in tandem with increases to basic local service rates. This means that, unlike the current situation, low income customers could see \$1.25 per month added to their phone charges every year (\$15 per year). Such increases are burdensome on those who can least afford it. For consumers who are at or below 150 percent of the poverty guideline and struggling to survive amid increased costs for many basic services, increasing the cost for essential telephone service just compounds their financial burden. These consumers should be able to communicate with family, health care providers, potential employers, etc. Think about how many times a day you use a phone and the variety of reasons that you do and then imagine not having access to a phone at all because you cannot afford it. Think of others who may be elderly, alone, have a disability or who may be isolated in a rural part of the state. The telephone is their lifeline and we should preserve that necessity for our most vulnerable populations. Lifeline customers should be shielded from such increases for at least five years after the effective date of the legislation.

One aspect of the Senate bill that we urge the House to retain is the establishment of a Select Committee on Telecommunications Regulatory Reform as included in Am Sub SB 162 to study the impacts of the legislation. In addition to the participation of the Office of the Ohio Consumers' Counsel, low-income groups should also receive a position on this Committee.¹⁹

DISCUSSION OF OTHER CONCERNS

A. Deregulation of Basic Service with Insufficient Demonstration of Competition

The provision for raising basic service rates, which mostly affects elderly and low-income consumers, remains troublesome. SB 162 allows telephone companies to raise basic service rates in a telephone exchange with a showing of only two alternative providers serving some portion of the telephone exchange area, even if the alternative provider has only one customer in the exchange. The current standard for demonstrating

competition, which was adopted by the Public Utilities Commission of Ohio (PUCO) and upheld by the Supreme Court of Ohio, requires a showing of at least five alternative providers in the same exchange.

The OCC believes the PUCO standard should be kept intact. Although there is no guarantee that consumers will be able to switch to a provider that offers service comparable to the ILEC's basic service, having five providers as the standard importantly increases the likelihood that customers will have **some** choice for their telephone service.

In addition, the legislation still allows annual rate increases of \$1.25 indefinitely. Despite an amendment that merely removed the words "\$1.25 per month allowed increase" from the legislation – they were replaced with a reference to a to-be-repealed PUCO rule that allows exactly that amount of increase. This is NOT an improvement to the bill. If \$1.25 monthly increases are what the House intends to be allowed, the legislation should say so. In years to come, anyone looking at the statute will have a hard time figuring out exactly what the allowable increase is. This does not uphold transparency or aid public understanding of what this General Assembly has decided to enact. If the intention was to protect consumers from annual rate increases, this legislation does not do it.

B. Economic development

Much of the discussion about SB 162 and HB 276 has been about Ohio's need to attract and expand economic development. The proponents of this legislation have made economic development a focal point of their arguments in support of the complete deregulation of the telecommunications industry in our state. While we understand the desire for economic development, we continue to ask, *what economic development?* We have yet to see specific economic development plans or even goals included in this legislation. All of the examples given about recent job creation developments have nothing to do with basic landline telephone service. They have to do with the entities, such as wireless companies, that are at one moment the ILEC's affiliate and at the next, their competitor. The telephone companies complain about losing landline customers to wireless providers, and then tout their new wireless call centers as job creators. Economic development plans by ILEC affiliates are implemented to compete with the ILEC and are funded by the competitive affiliate and not the ILEC. Where are the ILEC

economic development plans that are of such a beneficial nature that they are so worthy of attainment as to make it a fair trade for permanently eradicating decades of consumer protections?

CONCLUSION

On behalf of Ohio's residential telephone consumers, I urge the Committee to, at minimum, amend SB 162 to incorporate the improvements that were made to the HB 276. I strongly urge the committee to consider the OCC's two additional amendments: 1) consumer protections for all telephone customers; and 2) extending the protected Lifeline rates.

Without the adoption of these key amendments to SB 162 the citizens of this state will suffer as a result of weakened consumer protections. In addition, we urge you to require the telephone companies to provide a real, concrete economic development plan for Ohio.

Thank you for this opportunity to present the residential consumer viewpoint. And thank you again for the improvements you made in SB 162. At this time, I am available to answer questions.

¹⁰¹⁰ Sub HB 276 - 4927.06(A)(1) and (2), line 3077, 3082.

² Sub HB 276 - 4927.09 – lines 3185-3189.

³ Sub HB 276 - 4927.10 – lines 3190-3251.

⁴ Sub HB 276 - 4927.12(C)(4) – lines 3407-3410, HB 4927.13(C)(1)(b) – lines 3487-3500, HB 4927.13(A)(3)(a) – lines 3450-3469.

⁵ Sub HB 276 - 4927.11(C) – lines 3305-3332.

⁶ Sub HB 276 - 4927.08(B)(2), [HB adds (B)(3) on credits] – lines 3144-3155.

⁷ Sub HB 276 - 4927.08 (B)(7) – lines 3172-3181.

⁸ Sub HB 276 - 4927.08(B)(4) and (5) – lines 3158-3160 and 3160-3166.

⁹ Sub HB 276 - 4927.08(B)(6) – lines 3167-3171.

¹⁰ Am Sub SB 162 - Section 5 – lines 3601-3646.



Ohioans Protecting Telephone Consumers

10 West Broad Street, Suite 1800 | Columbus, Ohio 43215-3485

June 2, 2010

Dear Speaker Budish,

Many Ohioans across the state still rely exclusively on landline telephone service to connect to family and friends as well as essential health and safety services. While millions of Ohioans have shifted to cell phones or a broadband telephone service provider, more than 4 million Ohioans still rely on traditional landline telephone service.

These consumers deserve affordable and reliable telephone service, especially in areas where no comparable competitive service is available. Since last fall, Ohioans Protecting Telephone Consumers, a group representing more than 30 senior, low-income and other consumer organizations, has been advocating for stronger consumer protections in the proposed telephone deregulation legislation. We are concerned that the legislation will eliminate necessary consumer protections for the majority of customers – those with bundles and packages of telephone services – and allow telephone companies to raise their rates for basic telephone service. In addition, for the first time, low-income Ohioans with Lifeline service will be exposed to these annual rate increases.

We appreciate that the House of Representatives recently amended HB 276 to include several important consumer protections (mostly for just basic service customers, however), and are writing to encourage you to ensure that these protections and others are included in any subsequent versions of this legislation.

Among the specific measures included in Substitute HB 276 that are important for consumers:

1. Providing protection to all customers from unfair and deceptive practices by removing a major loophole that would have allowed telephone companies to engage in such practices;¹
2. Ensuring that all telephone customers have access to a 9-1-1 warm line for at least 14 days after a disconnection for non-payment;²
3. Creating a statewide free voice mail service for Ohioans in distress;³
4. Freezing rate increases to low-income Lifeline customers until Jan. 1, 2012, strengthening automatic enrollment into the program, and creating a statewide Lifeline marketing board to promote education of and enrollment in the program;⁴
5. Providing a more deliberative process when a telephone company requests a waiver of its carrier of last resort obligations by including a public hearing and extending the review process to 120 days; and⁵
6. Providing consumer protections, but only for those customers who purchase basic local telephone service (not a bundle or package) including:
 - A. Encouraging telephone companies to repair basic service outages within 24 hours and requiring them to provide monetary credits for customers without service for 72 hours;⁶

- B. Reconnecting customers who have been disconnected for non-payment within one business day after full payment or the first payment in a payment arrangement has been made;⁷
- C. Requiring telephone companies to give customers a minimum of 14 days to pay monthly bills;⁸ and
- D. Limiting the deposit amount for restoring or initiating service to 230 percent of monthly charges.⁹

Although it includes some important consumer protections, as stated above, we are still deeply concerned about the negative impact that Sub. HB 276 could have on Ohio's landline telephone consumers. The bill still lacks consumer protections for customers with bundles and packages of telephone services; will allow telephone rates to increase by \$15 per year for customers with basic service; and subjects low-income Lifeline customers to potential annual rate increases for the first time starting in 2012. We strongly encourage the legislature to maintain the protections included in Sub. HB 276 and improve the bill by amending it to ensure:

1. Service quality protections listed in bullet points under No. 6 above apply to **all** telephone customers, not just those with basic local telephone service. This would preserve equal treatment for all telephone consumers.
2. An extension of the Lifeline rate freeze for a minimum of five years, and stronger language to ensure that the automatic Lifeline enrollment process becomes a reality.
3. The establishment of a Select Committee on Telecommunications Regulatory Reform as included in Am Sub SB 162 to study the impacts of the legislation. In addition to the participation of the Office of the Ohio Consumers' Counsel, low-income groups should also receive a position on this Committee.¹⁰

Thank you for your consideration of these issues. We hope we can count on your leadership to protect residential consumers who need reliable and affordable telephone service.

¹ Sub HB 276 - 4927.06(A)(1) and (2), line 3077, 3082.

² Sub HB 276 - 4927.09 – lines 3185-3189.

³ Sub HB 276 - 4927.10 – lines 3190-3251.

⁴ Sub HB 276 - 4927.12(C)(4) – lines 3407-3410, HB 4927.13(C)(1)(b) – lines 3487-3500, HB 4927.13(A)(3)(a) – lines 3450-3469.

⁵ Sub HB 276 - 4927.11(C) – lines 3305-3332.

⁶ Sub HB 276 - 4927.08(B)(2), [HB adds (B)(3) on credits] – lines 3144-3155.

⁷ Sub HB 276 - 4927.08 (B)(7) – lines 3172-3181.

⁸ Sub HB 276 - 4927.08(B)(4) and (5) – lines 3158-3160 and 3160-3166.

⁹ Sub HB 276 - 4927.08(B)(6) – lines 3167-3171.

¹⁰ Am Sub SB 162 - Section 5 – lines 3601-3646.

Sincerely,

Office of the Ohio Consumers' Counsel
Janine L. Migden-Ostrander
Consumers' Counsel
10 West Broad Street, Suite 1800
Columbus, OH 43215-3485
(614) 466-7239 Direct
migden@occ.state.oh.us

AARP Ohio
Jane Taylor
Sr. State Director
17 South High Street, Suite #800
Columbus, OH, 43215
(614) 222-1503
JLTAYLOR@aarp.org

Pro Seniors, Inc.
Michael Walters
Legal Hotline Managing Attorney
7162 Reading Road, Suite 1150
Cincinnati, OH 45237
(513) 458-5532
<http://www.proseniors.org>

Ohio Poverty Law Center
Joseph V. Maskovyak
555 Buttles Ave.
Columbus, OH 43215
<http://www.ohiopovertylawcenter.org/>
(614) 221-7201

Attorney for Citizens Coalition
Joseph Meissner, Attorney
(216) 687-1900 ext. 0538
JPMeissn@lasclv.org

The Empowerment Center of Greater
Cleveland
Tom A.F. Mendelsohn
Executive Director
3030 Euclid Ave. Suite 100
Cleveland, OH 44115
(216) 432-4770 ext. 12
tmendelsohn@ecgccleveland.org

Ohio Association of Senior Centers
Mike Turner
President
3757 Indianola Ave.
Columbus, OH 43214
1-800-796-6272
usac@frognet.net

Advocates for Basic Legal Equality
Ellis Jacobs
333 W. First St.
Dayton, Ohio
(937) 535-4419

Appalachian Peace and Justice Network
Michael Smalz, Attorney
(614) 221-7201

ONYX Community Corporation, Inc.
WilliAnn Moore
525 Hamilton St. Suite 302-B
Toledo, OH 43604
(419) 324-3619

Society for Equal Action, ILC.
Ruthanne Donalson
Independent Living Skills Specialist
1458 5th St. NW
New Philadelphia, OH 44663
(330) 343-9292 ext. 215
rdonalson@seailc.org

SOURCES Community Network Services
Mike Bottoms
Emergency Services Coordinator
420 N. Brandon Ave., Suite A
Celina, OH 45822
(419) 584-1550
mbottoms@bright.net

Jackson-Vinton Community Action, Inc.
Cheryl Thiessen, Executive Director
118 S. New York Ave.
Wellston, Ohio 45692
Phone (740) 384-3722 Ext 11
c Thiessen@jvcai.org

HARCATUS Tri-County CAO
Action Organization
Michele Lucas
Community Services Director
140 W. High Ave. Suite B
New Philadelphia, OH 44663
(330) 343-8770 ext. 218
mlucas@harcatuscao.org

Guernsey County Senior Citizens Center,
Inc.
Shon E. Gress
Executive Director
1022 Carlisle Ave.
Cambridge, Ohio 43725
sgress@guernseysenior.org

Paulding County Senior Center
Marsha Yeutter
Coordinator
401 E. Jackson
Paulding, OH 45879
(419) 399-3650
myeutter@nocac.org

Deardoff Senior Center
Mildred J. Brown
Director
605 S. River St.
Franklin, Ohio 45005
(937) 743-8100
Deardoff60@sbcglobal.net

Wyandot County Council on Aging
Connie Geissinger
127 S. Sandusky
Upper Sandusky, OH 43351
(419) 294-5733
CGeissinger@wyandotseniors.com

Communities United for Action
Noel Morgan
1814 Dreman Ave.
Cincinnati, OH 45223
(513) 362-2837

Hancock Hardin Wyandot Putnam
Community Action Commission
Dennis LaRocco
Executive Director
122 Jefferson St. P.O. Box 179
Findlay, OH 45839
(419) 423-3755
HHWPCAC@bright.net

Ohio Heartland Community Action
Hazel E. Blankenship
Center Director
1183 Bellefontaine Ave.
Marion, Ohio 43302
hazelb@ohcac.org
(740) 740-383-2154

Northwestern Ohio Community Action
Commission
Deborah A. Gerken
Executive Director
1933 E. Second Street
Defiance, OH 43512
419-784-5136, ext. 1101
dgerken@nocac.org

Guernsey, Monroe, Noble Tri-County
Community Action
Michele Hollins
Senior Services Director
300 Cumberland St.
Caldwell, OH 43724
(740) 732-5129
seniorservices@gmncac.org

Coalition on Homelessness and Housing in
Ohio
Bill Faith
Executive Director
175 S. Third St. Ste 250
Columbus, OH 43215
(614) 280-1984

Columbus NAACP
Noel Williams
President
233 South High St. Ste 207
Columbus, OH 43215
(614) 464-1108
Columbusnaacp1@juno.com

Fairfield Metropolitan Housing Authority
Bruce Burns
Director
315 N. Columbus St.
Lancaster, OH 43130
(740) 653-6618 ext. 23
www.fairfieldmha.org

Ottawa County Transitional Housing
Sandy Frandrich
1854 E. Perry St. Suite 43452
Port Clinton, OH 43452
(419) 734-9494
sfrandrich@octhi.org

Findlay Hope House for the Homeless, Inc.
Sammie Rhoades
1800 N. Blanchard St., Suite 106
Findlay, OH 45840
(419) 427-2848
Srhoades@findlayhopehouse.org

United Way of Van Wert County
Deb Russell
1151 Westwood Dr.
Van Wert, OH 45891
(419) 238-6689
Unitedway109@embarqmail.com

Martin Luther King Center Kitchen for the
Poor, Inc.
Juanita Person
Executive Director
650 Vance St. Toledo, OH 43604
(419) 241-2596

NAACP, Toledo Branch
WilliAnn Moore
525 Hamilton St. Suite 302-A
Toledo, OH 43604
(419) 350-1200

Allen Metropolitan Housing Authority
Cindi Ring
Executive Director
600 S. Main St.
Lima, OH 45804
(419) 228-6065
cindi_ring@allenmha.com

Neighborhood Housing Services of Toledo,
Inc.
Dora Tharp
704 Second St., P.O. Box 8125
Toledo, OH 43605
(419) 691-2900
dtharp@nhstoledo.org

Ottawa Residential Services, Inc
Stephanie Lowe.
Executive Director
400 W. 3rd St.
Port Clinton, OH 43452
(419) 734-7622
slowe@orsinc.org

Ohio Association of Second
Harvest Food Banks
Lisa Hamler-Fugitt
Executive Director
51 North High St. Suite 761
Columbus, OH 43215
(614) 221-4336 ext. 222
lisa@oashf.org

Samaritan Works, Inc.
Mike Martin
House Director
305 S. Ohio
Sidney, OH 45365
(937) 489-1739
Mrm19692000@yahoo.com

American Council of the Blind of Ohio
Mary Hiland
Executive Director
P.O. Box 307128
Gahanna, OH 43230
(614) 221-6688
Mary.hiland@sbcglobal.net

Toledo Area Ministries (TAM)
Jim Brenizer
Director
444 Floyd St.
Toledo, OH 43620
(419) 242-7401
jbrenizer@tamohio

Ohio Farmers Union
Roger Wise
President
P.O. Box 363, 1011 N. Defiance St.
Ottawa, OH 45375
(419) 680-8190
r-wise@ohfarmersunion.org

Long Term Care Ombudsman Program
Mary Deavers
Columbus, Ohio
614-456-6423

The Link
Ann Haynes
P.O. Box 29
Bowling Green, OH 43402
(419) 352-1545
ahaynes@bc.wcnet.org

LTC OMBUDSMAN
Lisa Marks
780 Park Ave. W.
Mansfield, OH 44906
(419) 522-5612
lmarks@aaa5ohio.org

Reverend Judi Parker
9 East Sugar Street
Leipsic, Ohio 45856
(419) 943-2549

Behavioral Connections of Wood Co.
Molly Whelan
P.O. Box 29, 280 S. Main St.
Bowling Green, OH 43402
(419) 352-5387
mwhelan@bc.wcnet.org



Ohioans Protecting Telephone Consumers

10 West Broad Street, Suite 1800 | Columbus, Ohio 43215-3485

June 2, 2010

Dear Senate President Bill Harris,

Many Ohioans across the state still rely exclusively on landline telephone service to connect to family and friends as well as for essential health and safety services. While millions of Ohioans have shifted to cell phones or a broadband telephone service provider, more than 4 million Ohioans still rely on traditional landline telephone service.

These consumers deserve affordable and reliable telephone service, especially in areas where no comparable competitive service is available. Since last fall, Ohioans Protecting Telephone Consumers, a group representing more than 30 senior, low-income and other consumer organizations, has been advocating for stronger consumer protections in the proposed telephone deregulation legislation. We are concerned that the legislation will eliminate necessary consumer protections for the majority of customers – those with bundles and packages of telephone services – and allow telephone companies to raise their rates for basic telephone service. In addition, for the first time, low income Ohioans with Lifeline service will be exposed to these annual rate increases.

We appreciate that the Senate amended Senate Bill 162 to restore some of the existing consumer protections. However, we encourage you to incorporate several other necessary consumer safeguards in any future versions of this legislation (Am. Sub. SB 162 or Sub. HB 276) that are considered by the Senate.

Specifically, we encourage you to protect the specific measures included in Sub. SB 162 that are important for consumers:

1. Providing consumer protections for customers who purchase **basic local telephone service** which includes:
 - Providing customers a minimum of 14 days to pay monthly bills;¹
 - Limiting the deposit amount for restoring or initiating service to 230 percent of monthly charges;²
 - Restoring service outages for customers with basic service in not more than 72 hours;³ and
 - Providing monetary credits to customers with basic local telephone service who report a telephone outage and are still without service after 72 hours.⁴
2. Establishing a Select Committee on Telecommunications Regulatory Reform as included in Am. Sub. SB 162 to study the impact of the legislation. In addition to the participation of the Office of the Ohio Consumers' Counsel, low-income groups should also receive a position on this Committee.⁵

The House of Representatives strengthened a number of the consumer protections that the Senate included when the House passed Sub. HB 276. We encourage you to incorporate the following additions to the Senate Bill, and support them in the House bill:

1. Providing additional consumer protections for customers who purchase **basic local telephone service** which includes:
 - Encouraging telephone companies to repair basic service outages within 24 hours, in addition to requiring them to do so within 72 hours;⁶
 - Providing monetary credits for customers who are without service for 72 hours, regardless of whether they were the individual to call the telephone company to report the outage;⁷ and
 - Reconnecting customers who have been disconnected for non-payment within one business day (rather than three) after the full payment or the first payment in a payment arrangement has been made.⁸
2. Ensuring that all telephone customers, those with basic service and those with bundles and packages of services, have access to a 9-1-1 warm line for at least 14 days after a disconnection for non-payment;⁹
3. Providing protection to all customers from unfair and deceptive practices by removing a major loophole that would have allowed telephone companies to engage in such practices;¹⁰
4. Creating a statewide free voice mail service for Ohioans in distress;¹¹
5. Freezing rate increases to low-income Lifeline customers until Jan. 1, 2012, strengthening automatic enrollment into the program, and creating a statewide Lifeline marketing board to promote education of and enrollment in the program;¹² and
6. Providing a more deliberative process when a telephone company requests a waiver of its carrier of last resort obligations by including a public hearing and extending the review process to 120 days;¹³

Although Am. Sub. SB 162 and Sub. HB 276 include some important consumer protections, as stated above, we are still deeply concerned about the negative impact that the legislation could have on Ohio's landline telephone consumers. The bills still lack consumer protections for customers with bundles and packages of telephone services; will allow telephone rates to increase by \$15 per year for customers with basic service; and subjects low-income Lifeline customers to potential annual rate increases for the first time. We strongly encourage the legislature to maintain the protections included in Am. Sub. 162 and Sub. HB 276 and improve these bills by amending them to ensure:

1. The service quality protections highlighted above apply to **all** telephone customers, not just those with basic local telephone service. This would preserve equal treatment for all landline telephone consumers.
2. Extension of the Lifeline rate freeze to a minimum of five years, and stronger language to ensure that the automatic Lifeline enrollment process becomes a reality.

Thank you for your consideration of these issues.

¹ Am. Sub SB 162 - Section 4927.08 (B)(3) Lines 2732 - 2740 and Sub HB 276 - 4927.08(B)(4) and (5) - lines 3158-3166.

² Am. Sub SB 162 - Section 4927.08 (B)(6) Lines 2745 - 2749 & Sub HB 276 - 4927.08(B)(6) - lines 3167-3171.

³ Am. Sub SB 162 - Section 4927.08 (B)(2) Lines 2724-2726

⁴ Am. Sub SB 162 - Section 4927.08 (B)(2) Lines 2726-2731

⁵ Am Sub SB 162 - Section 5 - lines 3601-3646.

⁶ Sub HB 276 - 4927.08(B)(2),

⁷ Sub HB 276 - 4927.08(B)(3) - lines 3144-3155.

⁸ Sub HB 276 - 4927.08 (B)(7) - lines 3172-3181.

⁹ Sub HB 276 - 4927.09 - lines 3185-3189.

¹⁰ Sub HB 276 - 4927.06(A)(1) and (2), line 3077, 3082.

¹¹ Sub HB 276 - 4927.10 - lines 3190-3251.

¹² Sub HB 276 - 4927.12(C)(4) - lines 3407-3410, HB 4927.13(C)(1)(b) - lines 3487-3500, HB 4927.13(A)(3)(a) - lines 3450-3469.

¹³ Sub HB 276 - 4927.11(C) - lines 3305-3332.

Sincerely,

Office of the Ohio Consumers' Counsel
Janine L. Migden-Ostrander
Consumers' Counsel
10 West Broad Street, Suite 1800
Columbus, OH 43215-3485
(614) 466-7239 Direct
migden@occ.state.oh.us

AARP Ohio
Jane Taylor
Sr. State Director
17 South High Street, Suite #800
Columbus, OH, 43215
(614) 222-1503
JLTAYLOR@aarp.org

Pro Seniors, Inc.
Michael Walters
Legal Hotline Managing Attorney
7162 Reading Road, Suite 1150
Cincinnati, OH 45237
(513) 458-5532
<http://www.proseniors.org>

Ohio Poverty Law Center
Joseph V. Maskovyak
555 Buttles Ave.
Columbus, OH 43215
<http://www.ohiopovertylawcenter.org/>
(614) 221-7201

Attorney for Citizens Coalition
Joseph Meissner, Attorney
(216) 687-1900 ext. 0538
JPMeissn@lasclev.org

Ohio Association of Senior Centers
Mike Turner
President
3757 Indianola Ave.
Columbus, OH 43214
1-800-796-6272
usac@frognet.net

Coalition on Homelessness and Housing in Ohio
Bill Faith
Executive Director
175 S. Third St. Ste 250
Columbus, OH 43215
(614) 280-1984

Advocates for Basic Legal Equality
Ellis Jacobs
333 W. First St.
Dayton, Ohio
(937) 535-4419

Appalachian Peace and Justice Network
Michael Smalz, Attorney
(614) 221-7201

Jackson-Vinton Community Action, Inc.
Cheryl Thiessen, Executive Director
118 S. New York Ave.
Wellston, Ohio 45692
Phone (740) 384-3722 Ext 11
c Thiessen@jvcai.org

Communities United for Action
Noel Morgan
1814 Dreman Ave.
Cincinnati, OH 45223
(513) 362-2837

HARCATUS Tri-County CAO
Action Organization
Michele Lucas
Community Services Director
140 W. High Ave. Suite B
New Philadelphia, OH 44663
(330) 343-8770 ext. 218
mlucas@harcatuscao.org

Hancock Hardin Wyandot Putnam
Community Action Commission
Dennis LaRocco
Executive Director
122 Jefferson St. P.O. Box 179
Findlay, OH 45839
(419) 423-3755
HHWPCAC@bright.net

The Empowerment Center of Greater
Cleveland
Tom A.F. Mendelsohn
Executive Director
3030 Euclid Ave. Suite 100
Cleveland, OH 44115
(216) 432-4770 ext. 12
tmendelsohn@ecgccleveland.org

Ohio Association of Second
Harvest Food Banks
Lisa Hamler-Fugitt
Executive Director
51 North High St. Suite 761
Columbus, OH 43215
(614) 221-4336 ext. 222
lisa@oashf.org

Ohio Heartland Community Action
Hazel E. Blankenship
Center Director
1183 Bellefontaine Ave.
Marion, Ohio 43302
hazelb@ohcac.org
(740) 740-383-2154

Northwestern Ohio Community Action
Commission
Deborah A. Gerken
Executive Director
1933 E. Second Street
Defiance, OH 43512
419-784-5136, ext. 1101
dgerken@nocac.org

Guernsey, Monroe, Noble Tri-County
Community Action
Michele Hollins
Senior Services Director
300 Cumberland St.
Caldwell, OH 43724
(740) 732-5129
seniorservices@gmncac.org

Society for Equal Action, ILC.
Ruthanne Donalson
Independent Living Skills Specialist
1458 5th St. NW
New Philadelphia, OH 44663
(330) 343-9292 ext. 215
rdonalson@seailc.org

SOURCES Community Network Services
Mike Bottoms
Emergency Services Coordinator
420 N. Brandon Ave., Suite A
Celina, OH 45822
(419) 584-1550
mbottoms@bright.net

ONYX Community Corporation, Inc.
WilliAnn Moore
525 Hamilton St. Suite 302-B
Toledo, OH 43604
(419) 324-3619

Guernsey County Senior Citizens Center,
Inc.

Shon E. Gress
Executive Director
1022 Carlisle Ave.
Cambridge, Ohio 43725
(740) 439-6681
sgress@guernseysenior.org

Columbus NAACP
Noel Williams
President
233 South High St. Ste 207
Columbus, OH 43215
(614) 464-1108
Columbusnaacp1@juno.com

Deardoff Senior Center

Mildred J. Brown
Director
605 S. River St.
Franklin, Ohio 45005
(937) 743-8100
Deardoff60@sbcglobal.net

NAACP, Toledo Branch
WilliAnn Moore
525 Hamilton St. Suite 302-A
Toledo, OH 43604
(419) 350-1200

Neighborhood Housing Services of Toledo,
Inc.

Dora Tharp
704 Second St., P.O. Box 8125
Toledo, OH 43605
(419) 691-2900
dtharp@nhstoledo.org

Paulding County Senior Center
Marsha Yeutter
Coordinator
401 E. Jackson
Paulding, OH 45879
(419) 399-3650
myeutter@nocac.org

Wyandot County Council on Aging

Connie Geissinger
127 S. Sandusky
Upper Sandusky, OH 43351
(419) 294-5733
CGeissinger@wyandotseniors.com

Allen Metropolitan Housing Authority
Cindi Ring
Executive Director
600 S. Main St.
Lima, OH 45804
(419) 228-6065
cindi_ring@allenmha.com

Findlay Hope House for the Homeless, Inc.

Sammie Rhoades
1800 N. Blanchard St., Suite 106
Findlay, OH 45840
(419) 427-2848
Srhoades@findlayhopehouse.org

Behavioral Connections of Wood Co.
Molly Whelan
P.O. Box 29, 280 S. Main St.
Bowling Green, OH 43402
(419) 352-5387
mwhelan@bc.wcnet.org

Ottawa County Transitional Housing
Sandy Frandrich
1854 E. Perry St. Suite 43452
Port Clinton, OH 43452
(419) 734-9494
sfrandrich@octhi.org

Ottawa Residential Services, Inc.
Stephanie Lowe
Executive Director
400 W. 3rd St.
Port Clinton, OH 43452
(419) 734-7622
slowe@orsinc.org

United Way of Van Wert County
Deb Russell
1151 Westwood Dr.
Van Wert, OH 45891
(419) 238-6689
Unitedway109@embarqmail.com

Martin Luther King Center Kitchen for the
Poor, Inc.
Juanita Person
Executive Director
650 Vance St. Toledo, OH 43604
(419) 241-2596

Toledo Area Ministries (TAM)
Jim Brenizer
Director
444 Floyd St.
Toledo, OH 43620
(419) 242-7401
jbrenizer@tamohio

The Link
Ann Haynes
P.O. Box 29
Bowling Green, OH 43402
(419) 352-1545
ahaynes@bc.wcnet.org

Fairfield Metropolitan Housing Authority
Bruce Burns
Director
315 N. Columbus St.
Lancaster, OH 43130
(740) 653-6618 ext. 23
www.fairfieldmha.org

American Council of the Blind of Ohio
Mary Hiland
Executive Director
P.O. Box 307128
Gahanna, OH 43230
(614) 221-6688
Mary.hiland@sbcglobal.net

Ohio Farmers Union
Roger Wise
President
P.O. Box 363, 1011 N. Defiance St.
Ottawa, OH 45375
(419) 680-8190
r-wise@ohfarmersunion.org

Samaritan Works, Inc.
Mike Martin
House Director
305 S. Ohio
Sidney, OH 45365
(937) 489-1739
Mrm19692000@yahoo.com

LTC OMBUDSMAN
Lisa Marks
780 Park Ave. W.
Mansfield, OH 44906
(419) 522-5612
lmarks@aaa5ohio.org

Long Term Care Ombudsman Program
Mary Deavers
Columbus, Ohio
614-456-6423

Reverend Judi Parker
9 East Sugar Street
Leipsic, Ohio 45856
(419) 943-2549
