



# HB 276

## Overview of Proposed Legislation

Ronda Hartman Fergus, Commissioner  
Public Utilities Commission of Ohio  
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## Historical Alternative Regulation Telephone Timeline

- 1985: PUCO's first "alternative regulation" order
- 1988: Legislature passes HB 563, establishing Chapter 4927
- 2001: Legislature updates 4927 to broaden telecommunications services subject to alternative regulation or exemption
- 2005: Legislature updates 4927 again to extend alternative regulation or exemption to basic local service
- 2009: Legislature proposes replacing current 4927 enabling framework with new telecommunications regulatory framework





## Proposed Legislation A Mix of Regulation and Competition



Keeps regulation of Basic Local Service

- Provides a “safety net” for customers who may not have as much choice or just want basic local service (dial tone)
- Maintains important consumer protections



Gives telephone companies more freedom to compete on a more level playing field with unregulated providers for non-basic services

- “Mother may I?” vs. “Wait until your father gets home” regulation
- Market governs telephone company behavior similar to Consumer Sales Practices
- PUCO has authority to step in if phone company misbehaves





## What is and is not regulated under the bill?



- Information services and broadband service:  
Not subject to PUCO jurisdiction - **same as today**
- Internet protocol enabled services, including VoIP:  
PUCO shall not exercise any jurisdiction prohibited by or inconsistent with what is allowed under federal law - **same as today**
- Wireless services:  
Limited PUCO jurisdiction (registration, 9-1-1, TRS, assessments, carrier issues) - **same as today**





## What is and is not regulated under the bill?



Of the telecommunications services the PUCO regulates today, the bill divides those services into four categories:



1. Carrier access and usage of telephone company facilities
2. Basic local exchange service (BLES)
3. Telecommunications services – all other non-basic services offered by telephone companies today
4. Telecommunications service not commercially available on the effective date of the bill





## Carrier Access and Usage of Telephone Company Facilities



### PUCO authority remains the same for:



- Wholesale services: existing carrier to carrier rules and competition protections, including interconnection provisions, mediation and arbitration of disputes
- Inter-carrier compensation
- Access services and mechanisms for carrier access reform
- Pole attachments
- Rights of Way
- Payphone access lines
- Carrier to carrier complaints





## Basic Local Exchange Services (BLES)

BLES: a single, primary line for residential or small business and not part of a package of services that consists of:

- Dial tone
- Flat rate service, including all EAS
- Touch tone
- Access and usage of 9-1-1
- Access to operator services, DA, per call caller ID blocking, TRS, and toll networks
- Free telephone directory in any reasonable format and listing





## Basic Local Exchange Services (BLES)



BLES rate regulation:

- Rates, terms and conditions of BLES
- Fees for installation and reconnection for BLES tariffed for all phone companies
- BLES rates of incumbent local phone companies may increase, but by no more than \$1.25 above existing approved rates in any 12-month period – no “banking” of increases permitted





## Basic Local Exchange Services (BLES)

BLES service quality requirements for all telephone companies:

- Service must be available, adequate and reliable
- Installation within 5 business days
- Service outage or service-affecting problem repaired within 72 hours
- Companies may require deposit – up to 3 months estimated service
- No disconnection for nonpayment earlier than 14 days after bill due date, and then no earlier than 7 days after a disconnect notice is provided





## Basic Local Exchange Services (BLES)



BLES service quality requirements for all telephone companies:

- Reconnection within 5 business days if customer pays past due amount
- If a customer has been disconnected for non-payment - company required to maintain “warm line” (access to 9-1-1) for 14 days
- If a customer has been disconnected for non-payment and enters into a company-approved payment arrangement, they can receive BLES only services without having to pay entire amount due
- No PUCO authority to establish any other service requirements
- No PUCO authority to order customer credits except in response to complaint





## Carrier of Last Resort (COLR) for BLES

- Incumbent local phone companies (ILECs) are required to provide basic local service to all persons or entities in their service areas on a reasonable and nondiscriminatory basis
- ILECs may request PUCO to waive COLR requirement





## Carrier of Last Resort (COLR) for BLES



- ILECs are not required to construct facilities and provide basic or any other services to multi-tenant real estate if the developer does any of the following:
  - Permits only one provider to install facilities during construction
  - Accepts or agrees to accept incentives or rewards in exchange for exclusive provision of service
  - Collects from occupants charges for provision of service
- If the above occurs, ILEC must notify PUCO within 120 days
- ILEC must inform requesting customer of PUCO review/complaint process
- PUCO's review limited to confirmation of above requirements
- PUCO will establish by rule a process for determining a successor if provider abandons multi-tenant real estate





## Lifeline Service for BLES



Enhanced lifeline program expanded to all Ohio Eligible Telecommunication Carriers (ETCs):



- Monthly state discount to maximize federal assistance
- Waiver of all non-recurring service installation charges
- Special payment arrangements for customers with past due bills (\$25 plus 1/6 payment plan)
- Free blocking of toll and 900 services
- Eligibility based on 150% of poverty level or participation in low-income assistance programs





## Lifeline Service for BLES

Changes from current alternative regulation Lifeline Program:

- Company may offer lifeline customers other services/bundles/packages at prevailing prices
- No longer required to maintain a Lifeline Advisory Board or the annual promotion budget of \$.10 per residential line
- Company may recover discounts and any other lifeline expense approved by PUCO in the form of a customer surcharge





## Telecommunications Services



Telecommunications service not commercially available on the effective date of the bill:



- No Commission authority over the service
- Commission may exercise jurisdiction if it adopts a rule that jurisdiction is necessary for the protection, welfare and safety of the public





## Telecommunications Services

Telecommunications services available today - PUCO oversight includes:

- No retail price regulation but 15-day advance customer notice required for any material change in rates, terms and conditions of service and any change in company's operations not transparent to customers
- Prohibition against unfair or deceptive acts or practices
- Requirement that language used in all forms of communications is truthful, clear, conspicuous and accurate in disclosing any material terms and conditions
- Requirement that any written service solicitation/complaint response must disclose company name and contact information.
- New requirements only after rule-making and providing companies adequate time to implement





## Telecommunications Services

Telecommunications services available today - PUCO oversight includes:

- Truth in Billing protections
- End users may file complaints
- PUCO may initiate investigations
- Company still required to inform customers of rights and responsibilities with respect to inside wire, repair and maintenance of customer-owned equipment, use of NID and any charges imposed for diagnostic visits
- Slamming/cramming authority unchanged
- 30-day advanced customer notice required to withdraw services or abandon operations





## Unchanged Regulatory Authority

PUCO authority remains unchanged over:

- Provision and funding of Telecommunications Relay Service (TRS) for the communicatively impaired
- Provision and rates for N-1-1 services
- Provision and funding of wireline and wireless 9-1-1
- Number administration, area code exhaust, and local number portability
- Universal service fund certification
- Customer proprietary network information
- Emergency outage reporting
- Oversight/rate protection for Inmate Operator Services
- Toll discounts for persons with communication disabilities
- Toll presubscription rates





## Unchanged Regulatory Authority

PUCO authority remains unchanged over:

- Certification and revocation of new telephone companies and registration of wireless carriers
- Fining authority up to \$10,000 per day for violation of law or rules
- Review and prior approval of merger and change of control of telephone companies, but bill establishes 60-day clock

Ohio Consumers' Counsel may continue to assist residential phone customers with complaints regarding BLES and telecommunications services





## Miscellaneous Changes

- Removes all references to telegraph companies
- Limits provisions on accounting and depreciation rules and approval of securities for incumbent local telephone companies
- Prohibits PUCO from establishing an expiration date for protection of public utility confidential information – burden is on party seeking disclosure
- Streamlines annual reports to limit information to only that needed to determine assessments

