

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Amendment of the)	
Minimum Telephone Service Standards)	Case No. 00-1265-TP-ORD
As Set Forth in Chapter 4901:1-5 of the)	Case No. 05-1102-TP-ORD
Ohio Administrative Code)	

COMMENTS OF CINCINNATI BELL TELEPHONE COMPANY LLC
IN RESPONSE TO THE COMMISSION'S JULY 31, 2008 ENTRY

In conformance with the Commission's July 31, 2008 Entry in this matter, Cincinnati Bell Telephone Company LLC ("CBT") hereby submits its comments on the Commission's proposed changes to Ohio Admin. Code § 4901:1-5-10 ("Rule 10").

CBT fully supports the elimination of Rule 10(B) for all of the reasons stated in the Entry. Only ILECs are required to provide stand alone basic local exchange service ("BLES"), so the rule only applies to them. The rule as originally written made compliance with federal truth in billing rules extremely difficult and expensive. Those rules require carriers to distinguish those charges that may result in disconnection from those that may not. With the variety of rates for BLES and service packages, complex and expensive changes to billing systems would have been necessary for CBT to determine whether a partial payment by a customer with a package of services that includes BLES was sufficient to cover the cost of standalone BLES.¹ It was inappropriate in a heavily competitive market for ILECs alone to bear this burden and the cost of such changes. The cost of these changes also exceeded the consumer benefit and, thus, are not in the public interest.

None of CBT's competitors, particularly cable, VoIP and wireless companies, whose services generally are not regulated by the Commission, are required to offer BLES outside of a

¹ These systems issues and expenses were addressed in detail in CBT's June 23, 2008 Memorandum in Opposition in this proceeding.

service package, let alone accept partial payments of packaged services without the right to terminate service. Elimination of this rule is in the public interest because it is a further step towards true competitive parity and elimination of unnecessary regulation and the attendant costs imposed on ILECs and the market.

While CBT is pleased with this rule change, the new rule raises the issue of what constitutes a “package price” for two or more services offered together. First, the Commission should clarify that a package may consist of regulated and/or unregulated services. This was explicitly stated in the former version of Rule 10, but with the deletion of part (B), this is no longer apparent. Even though Rule 10(A) does not address this issue, CBT believes it was still the Commission’s intent that a package could be any combination of services, regulated or unregulated and seeks such confirmation.

Second, the rule does not address situations where the rates charged for a combination of services are dependent upon subscribing to all of the components, but the prices are separately stated on the bill. For example, a provider may offer the combination of telephone and video services at a packaged discount, but separately show the price of the telephone and video services. This should not be treated any differently from a package where the price is stated as a single amount because the rates charged were only available to the customer if they subscribed to both services.

Third, the rule does not address customers who purchase *a la carte* features (*e.g.*, call waiting) in combination with other services that include BLES, or who use services on a per usage basis (*e.g.*, directory assistance) in combination with other services that include BLES. There is no logical reason to treat these customers differently than customers who subscribe to a group of services at a single flat rate price. The additional features or per use services are only available because the customer also had BLES service, so the entire array of services should be

considered a “package.” To clarify these points, CBT would suggest modifying Rule 10(A) to eliminate the reference to a “package price.” CBT would suggest that the new sentence in Rule 10(A) be changed to read as follows:

~~Subject to the provisions of this rule, w~~Where two or more services are offered together ~~on a bill under a package price,~~ a failure to timely pay the entire ~~package price bill~~ may render as past due the charges for all of the services included in the ~~package bill~~ and, as such may result in disconnection of all services included in the ~~package bill~~.

As a practical matter, ILECs are the only telecommunications providers that are subject to regulation under Rule 10. To maintain competitive parity, ILECs should have the same rights to terminate service as their non-regulated competitors, who can terminate any or all services for non-payment of part of a bill.

CBT further supports the Commission’s decision to defer enforcement of current Rule 10(B). In order to avoid incurring the significant time and expense that would be involved in modifying billing systems to accommodate the rule, which would be deleted under the present proposal, ILECs should be allowed to defer those activities until the rules are finally established. It would be wasteful to continue with the modification of systems if the rule is vacated. If the Commission makes further changes to Rule 10(A) or (B) as a result of this comment proceeding, depending upon the changes, that may cause other modifications of billing systems to comply with the final rule and require additional time to comply. If the Commission goes forward with the deletion of Rule 10(B), ILECs will not need additional time, as current systems are in conformance with the rule as it is now proposed (even with CBT’s proposed changes to Rule 10(A)). If, however, the Commission makes new changes to Rule 10, CBT requests that the Commission allow at least six months after it becomes final in which to comply. Otherwise, in order to be prepared to meet a January 1, 2009 compliance date, ILECs could be required to go

forward with unnecessary and very costly systems changes now, which would defeat the purpose of the stay of enforcement of Rule 10.

CBT requests that the Commission accept these comments and make clarifications and changes to the rule as suggested above.

Respectfully submitted,

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Summary: Comments of Cincinnati Bell Telephone Company LLC in Response to the Commission's July 31, 2008 Entry electronically filed by Mr. Douglas E. Hart on behalf of CINCINNATI BELL TELEPHONE COMPANY