BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Review of the Commission's Minimum Telephone Service Standards Found in Chapter 4901:1-5 of the Ohio Administrative Code.	))))	Case No. 00-1265-TP-ORD Case No. 05-1102-TP-ORD

INITIAL COMMENTS OF AT&T OHIO

AT&T Ohio[1], by its attorneys, hereby submits its initial comments in response to the Commission's Entry dated July 31, 2008, in the above captioned cases, in which the Commission requested comments on the staff's proposed changes to Rule 4901:1-5-10 and placed AT&T Ohio's request for waiver of Rule 10(B) in abeyance pending final resolution of the Service Termination Rule issue. While AT&T Ohio supports the comments filed by the Ohio Telecom Association on this date, the Company takes this opportunity to provide some additional thoughts and insight on this issue, as it directly impacts AT&T Ohio.

AT&T Ohio appreciates the time and effort that the Commission and its staff have expended in resolving this issue. AT&T Ohio strongly supports the proposed change to Rule 10. It resolves most of the concerns raised by the Company throughout the various stages in this proceeding. It addresses the issues of competitive neutrality and the extreme burden the current rule would have placed on AT&T Ohio's billing system. In

[1] The Ohio Bell Telephone Company uses the name AT&T Ohio.

particular, the Company appreciates the Commission's acknowledgement of the merits of the arguments raised by AT&T Ohio: "AT&T Ohio raised legitimate issues regarding competitive parity, given extensive and costly programming changes that would apply uniquely to it, and not to some of its competitors." Entry, p. 5.

In further considering the resolution of the issues, the Commission appropriately recognized the policy of the state set forth in Section 4927.02, Revised Code, which requires the Commission to rely on market forces to support a healthy and sustainable, competitive telecommunications market; to recognize the continuing emergence of a competitive environment through flexible regulatory treatment; to consider the regulatory treatment of competing and functionally equivalent services in determining the scope of regulation; and to not unduly disadvantage providers of competing services. Id.

Consistent with the preface that AT&T Ohio should no longer be subject to any greater regulation than its non-regulated competitors (such as wireless and VoIP providers), the proposed rule change would allow AT&T Ohio to operate on equal footing with its competitors. The proposed rule change reflects the competitive marketplace structure and embraces the Governor's Executive Order, which directs, among other things, the Commission to amend or rescind rules that are "needlessly burdensome" and that "impede economic growth."[2] However, as AT&T Ohio earlier argued in its comments in these cases and its request for waiver, carriers should be able to develop their own individual disconnection practices. Therefore, to ultimately achieve parity between incumbent carriers and their unregulated competitors, the Commission

[2] Executive Order 2008-04S, "Implementing Common Sense Business Regulation."

should take the next step and completely eliminate the Service Termination rule.

AT&T Ohio demonstrated through the affidavit of its Senior Business Manager, Cathy Pleines, that the existing version of Rule 10 would be extremely burdensome and costly to implement. The existing rule would require a significant and very costly overhaul of AT&T Ohio's billing system. As Ms. Pleines explained, AT&T's information technology systems are extremely complex and unique. She summarized the lengthy, detailed analysis that was completed for the purpose of considering the technical feasibility of implementing the rule. After all of the time and expense that the Company has invested in trying to resolve these serious billing system issues, AT&T Ohio cannot offer any alternative solutions that would insure that approximately two million bills would be issued with the degree of accuracy demanded by its customers. The staff's proposed change to the rule is the most appropriate solution.

As set forth in its request for a waiver of the rule, filed on May 28, 2008, the Company explained that a relatively low number of AT&T Ohio customers are disconnected for nonpayment in the current environment. AT&T Ohio estimates that less than 1% of its residential and business customers are disconnected in a given month. This small number of customers does not justify a huge expenditure of time and resources to adopt changes that are of questionable public policy benefit. The staff's proposed rule advances, and does not impede, the public policy goals.

AT&T Ohio strives to work with its customers to avoid disconnection.

Disconnection policies are best left to the demands of the marketplace. Nevertheless, the staff's proposed change to Rule 10 that could result in the disconnection of all services, including services purchased in a package for the non-payment of past due charges, is a satisfactory resolution and addresses AT&T Ohio's billing system concerns raised in its motion for waiver and the supplemental affidavit. The Commission should adopt the staff's proposed rule. Upon adoption, AT&T Ohio would withdraw its waiver request. In the alternative, if the Commission does not adopt the staff's proposed changes to Rule 10, then AT&T Ohio urges the Commission to grant the Company's request for waiver of Rule 10(B).

Respectfully submitted,

AT&T Ohio

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Summary: Comments AT&T Ohio's Initial Comments electronically filed by Ms. Mary K. Fenlon on behalf of AT&T Ohio