

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

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

AT&T OHIO'S REPLY COMMENTS

AT&T Ohio¹, by its attorneys, hereby files these reply comments in response to the Commission's Entry of July 31, 2008 (the "Entry"), which proposed and requested comments on revised Rule 4901:1-5-10 (the "Revised Termination Rule"). While AT&T Ohio concurs with the reply comments that are being filed this date by the Ohio Telephone Association, the Company takes this opportunity to provide some additional comments in response to the comments filed by the Ohio Consumers' Counsel and other consumer representatives ("Consumer Groups") for the Commission's consideration.

In their initial comments, the Consumer Groups ignore the competitive environment that exists in our state today and wrongly encourage the Commission to adopt disconnection requirements that undermine the policy of the state. In particular, both the existing rule and the Consumer Groups' proposed revisions violate the state policy to "[n]ot unduly favor or advantage any provider and not unduly disadvantage providers of competing and functionally equivalent services " R. C. § 4927.02(A)(7). Because the Revised Termination Rule, as proposed by the Staff, serves the public interest and fulfills the requirements of Section 4927.02, Revised Code, the Commission

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

should adopt the Revised Termination Rule and dismiss the Consumer Groups' misguided suggestions.

The Consumer Groups observe that the current disconnection policy of prohibiting the disconnection of local service for nonpayment of other than local service is rooted in a 1996 Order wherein the Commission was removing a competitive advantage that local exchange carriers maintained over other companies engaged in billing and collecting activity.² However, and without question, the competitive balance among providers of like services has significantly shifted since that Order was adopted twelve years ago.

In particular, the competition from wireless companies and CLECs that exists today has significantly reduced the once-dominant percentage of the telecommunications marketplace held by incumbent local exchange carriers (ILECs). ILEC access lines comprise only **one-third** of the overall telecommunications market when compared to the number of wireless customers and CLEC access lines.³ This ratio would be even smaller if VoIP lines (including those provided by cable providers) were included in the analysis. AT&T Ohio is certainly impacted by this inter and intramodal competition, having more than 96% of its access lines in exchanges that have already been declared competitive by the Commission.

² Case No. 95-790-TP-COI, Finding and Order (June 12, 1996) at p. 19.

³ Derived from data in Tables 10, 11, and 14, *Local Telephone Competition: Status as of June 30, 2007*, Industry Analysis and Technology Division, FCC Wireline Competition Bureau, March 2008. Report available at: http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-08-28A1.pdf.

Because the billing and collection operations of its competitors, namely, wireless and VoIP, are not subject to the existing rule, continuing Rule 10(B) in force would place AT&T Ohio at a competitive disadvantage, the consequences of which the Consumer Groups fail to grasp or intentionally ignore. Not only should AT&T Ohio have the same freedom and flexibility to terminate service that its non-regulated competitors do, but it should also not be financially penalized by incurring significant regulatory expenses that its non-regulated competitors do not.

In considering AT&T Ohio's waiver request of Rule 10(B), the Commission recognized the competitive parity for which AT&T Ohio was striving. In its Entry, the Commission stated that "AT&T has 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 at p. 5 (emphasis added). The Consumer Groups fail to recognize the resolution of the competitive parity issue that the Revised Termination Rule achieves. Consistent with the provisions of R. C. § 4927.02(A)(7), the Commission must not unduly disadvantage AT&T Ohio, as the Consumer Groups suggest.

Further, the Consumer Groups' argument that the revised rule would take away "the last vestige of consumer protections" is misleading. Customers have the ability to protect their best interests. When customers contact the Company regarding their billing issues, customers have many options: they may cancel their bundled service package, cancel all services except basic, establish payment arrangements, or even switch their service to another provider. This is simple, reasonable, and being done today - - even for

the Company's Lifeline customers - - not because of regulations, but because of the competitive marketplace. No regulation-imposed customer protection is warranted or appropriate in today's competitive marketplace.

AT&T Ohio strongly supports the Commission's adoption of the Revised Termination Rule. 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 costly burden the current rule would have placed on AT&T Ohio in revising its billing system. The Consumer Groups' advocacy of competitively unfair and extremely costly regulation for the purpose of addressing the interests of a very small group of customers should not be followed. The Consumer Groups' comments ignore the competitive changes in the industry, ignore the State's policy contained in R. C. § 4927.02, and simply are outdated.

Upon adoption of the Revised Termination Rule, 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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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served via first class mail, postage prepaid, on the parties listed below on this 5th day of September, 2008.

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Summary: Reply Comments electronically filed by Jon F Kelly on behalf of AT&T Ohio