

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

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

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**AT&T OHIO'S MEMORANDUM CONTRA CONSUMER GROUPS'  
APPLICATION FOR REHEARING**

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AT&T Ohio<sup>1</sup> hereby submits its Memorandum Contra the Application for Rehearing filed by the Office of the Ohio Consumers' Counsel and other consumer groups ("Consumer Groups") on December 5, 2008. The Consumer Groups seek rehearing of the Commission's November 5, 2008 Finding and Order in this docket, which adopted and approved revisions to Rule 4901:1-5-10 ("the Revised Termination Rule"). AT&T Ohio concurs with the Ohio Telecom Association ("OTA") which is filing a memorandum contra on this date, but takes this opportunity to submit some additional comments for the Commission's consideration.

There is nothing unlawful or unreasonable in the Commission's November 5, 2008 Finding and Order. The Consumer Groups' arguments for rehearing are repetitive and have been previously rejected by the Commission. The Revised Termination Rule serves the public interest and fulfills the requirements of Section 4927.02(A)(7), Revised Code, to "[n]ot unduly favor or advantage any provider and not unduly disadvantage

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<sup>1</sup> AT&T Ohio uses the name of The Ohio Bell Telephone Company.

providers of competing and functionally equivalent services.” As the Consumer Groups’ application for rehearing arguments add nothing additional, the Commission should adopt the Revised Termination Rule and dismiss the Consumer Groups’ continued misguided arguments.

In their November 5<sup>th</sup> Finding and Order, the Commission appropriately recognized the competitive market and the need to rely on market forces to support a healthy and sustainable telecommunications market. Specifically, in making the service termination rule modification, the Commission rightly considered the regulatory treatment of competing and functionally equivalent services. Justifiably, the Commission recognized the need to modify the service termination rule, the rule that uniquely applies to ILECs and not other competitive providers. Recall that AT&T Ohio filed an affidavit attesting to the cost of complying with the original version of the rule to be approximately \$2 million. These were costs that would have been avoided by the wireless, VoIPs, and CLECs that do not provide stand-alone basic local exchange service.

The Consumer Groups continue to 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. Their continued advocacy of competitively unfair and extremely costly regulations runs contrary to the public interest as defined in the requirements of Section 4927.02(A)(7), Revised Code, and should be dismissed.

The Consumer Groups argue for a continuation of the onerous, costly, and myopic regulations related to customer's payment allocations, while incorrectly asserting that customers face a greater risk of having to deal with deposits should their service be disconnected. They attempt to support their baseless assertions by suggesting that the Commission's elimination of marketing disclosures exacerbates the plight of customers who are attempting to maintain service and avoid disconnection. The distorted vision of the Consumer Groups simply fails to accept the balance the Commission struck in its Finding and Order. Telecommunications carriers face competitive challenges which require customer friendly options while still ensuring the financial soundness of the company. The rule now adopted by the Commission will not stifle a customer's ability to reach favorable solutions with the company.

Further, the Consumer Groups' argument on Lifeline is unsupported and misguided. Lifeline requirements are a part of the Alternative Regulation rules which do not change as a result of the modifications to the service termination rule. AT&T Ohio's Lifeline customers will maintain the same protections they enjoy today despite the most recent modification to the rule.

In adopting the most recent modification to the MTSS Rule 10, the Commission properly balanced the concerns of ILECs regarding the regulation for termination of services. However, any rule regulating the termination of service that applies only to ILECs highlights the lack of parity that exists today in that our competitors--wireless, VoIP and other unregulated providers--are not subject to them. The Commission

appropriately recognized this in its November 5, 2008 Finding and Order. The additional restrictions advocated by the Consumer Groups would only widen the gap and cause further disparity among providers. The Commission in adopting the Revised Termination Rule attempted to lessen the void eliminating burdensome and unnecessary rules that are contrary to the Governor's directive to reduce unnecessary and costly regulation.

Finally, customers have the ability to protect their best interests. When customers contact AT&T Ohio regarding their billing issues, nothing precludes them from cancelling their bundled service package, asking for basic service only and setting up payment arrangements, or even migrating to another provider of service, e.g. wireless or VoIP. It is simple and reasonable--even for the Company's Lifeline customers. No further customer protection is needed in today's competitive marketplace. AT&T Ohio is acutely aware of and sensitive to its customer concerns and needs and responds to them in a timely and efficient manner. AT&T Ohio aspires to assist its customers in understanding what is needed to keep their services whether it be a bundle of services or something else.

Conclusion

Parity in regulation is critical in this current competitive environment. Accordingly, AT&T Ohio urges the Commission to dismiss the Consumer Groups' December 5, 2008 Application for Rehearing.

Respectfully submitted,

AT&T Ohio

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Summary: Memorandum Contra Consumer Groups' Application for Rehearing electronically filed by Ms. Mary K. Fenlon on behalf of AT&T Ohio