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**Case Number: 96-899-TP-ALT**

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**Testimony of Elizabeth Krieger. (29 pgs)**

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CINCINNATI BELL TELEPHONE COMPANY  
CASE NO. 96-899-TP-ALT  
NON-PUBLIC VERSION TESTIMONY  
OF ELIZABETH KRUEGER  
FILED UNDER SEAL

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**THE PUBLIC UTILITIES COMMISSION OF OHIO**

In The Matter Of The Application Of )  
Cincinnati Bell Telephone Company )  
For Approval Of A Retail Pricing Plan )  
Which May Result In Future Rate )  
Increases And For A New Alternative )  
Regulation Plan )

Case No. 96-899-TP-ALT

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TESTIMONY  
of  
ELIZABETH KRIEGER

ON BEHALF OF  
THE OHIO CONSUMERS' COUNSEL  
77 South High Street, 15th Floor  
Columbus, Ohio 43266-0550  
(614) 466-8574

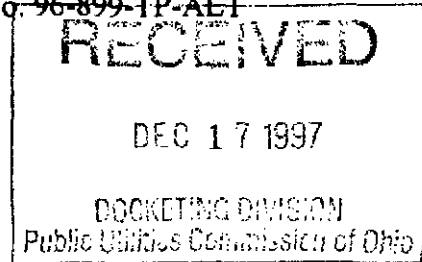
Dated: December 17, 1997

**(CONTAINS ALLEGEDLY CONFIDENTIAL INFORMATION)**

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1    **I.     INTRODUCTION**

2

3    **Q1.   PLEASE STATE YOUR NAME, ADDRESS, AND POSITION.**

4    **A1.**   My name is Elizabeth Krieger. My business address is 77 South High Street, 15<sup>th</sup>  
5           Floor, Columbus, Ohio 43266-0550. I am employed by the Ohio Consumers'  
6           Counsel (OCC) as a Compliance Specialist, a position I have held since January  
7           of 1996.

8

9    **Q2.   WOULD YOU PLEASE BRIEFLY SUMMARIZE YOUR EDUCATION AND**  
10   **PROFESSIONAL EXPERIENCE?**

11   **A2.**   I am a June 1989 graduate of the Ohio State University with a Bachelor of Arts  
12           degree in Political Science and Criminal Justice. I obtained a Master of Public  
13           Administration from the Ohio State University in December of 1995.

14

15           During 1989 to 1991, I was a member of the Ohio Governor's Office as a Legal  
16           Inquiries Officer responding to constituent, community group, and inter-agency  
17           legal inquiries concerning the inmates and policies of Ohio's correctional  
18           facilities. I was responsible for designing and supervising research projects  
19           concerning family violence issues. From 1993 to 1994, I served as a Community  
20           Specialist with the Alliance for Cooperative Justice. I was responsible for  
21           managing and evaluating neighborhood crime prevention organizations, grant  
22           review procedures and bi-annual outcome evaluation of neighborhood program  
23           goals. Finally, from 1994 to 1996, I served as an Environmental Background

1 Investigator with the Ohio Attorney General's Office, Bureau of Criminal  
2 Identification and Investigation.

3  
4 Throughout my professional career, I have had direct experience in consensus  
5 work with community groups concerning various issues from state institutional  
6 policy, crime prevention issues to environmental safety for families in and around  
7 landfill facilities.

8  
9 **Q3. WHAT ARE YOUR RESPONSIBILITIES AS A COMPLIANCE SPECIALIST?**

10 **A3.** My responsibilities as a compliance specialist include investigating and  
11 monitoring Ohio regulated utilities' compliance with the statutes and rules as set  
12 forth in the Ohio Revised Code, Ohio Administrative Code, PUCO Orders and  
13 Company tariffs. My responsibilities also include identifying and analyzing  
14 consumer service issues associated with proposed tariff changes during rate cases,  
15 and evaluating proposed changes in companies' plans and procedures that may  
16 impact residential consumers.

17  
18 **Q4. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE THIS**  
19 **COMMISSION?**

20 **A4.** No.

1   **Q5.   WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**  
2       **PROCEEDING?**

3   **A5.**   I am addressing certain proposals of Cincinnati Bell Telephone Company (CBT  
4       or Company) and the Staff's recommendations in this proceeding regarding the  
5       Consumer Lifeline Board.

6  
7   **Q6.   WHAT DOCUMENTS HAVE YOU REVIEWED IN THE PREPARATION OF**  
8       **YOUR TESTIMONY?**

9   **A6.**   I have reviewed pertinent portions of the Cincinnati Bell Telephone Company  
10       application, testimony, standard filing requirements, and responses to OCC and  
11       other Intervenor's data requests. I have also reviewed responses to Staff data  
12       requests, the Staff Report, and the Commission Opinion and Order and Staff  
13       Report from the Company's last alternative regulation case (Case No. 93-432-TP-  
14       ALT). I have reviewed the transcripts of Consumer Lifeline Board meetings  
15       (1995-1997), Company Annual Monitoring Reports, the 1996 Consumer Lifeline  
16       Board Report, the 1996 Aragon Lifeline Study, the Commission's Report to the  
17       Ohio General Assembly: Telephone Service Assistance Lifeline Program  
18       (December 31, 1994), the Commission Investigation into the Intrastate Universal  
19       Service Discounts (Case No. 97-632-TP-COI), and the Commission Finding and  
20       Order in Case No. 89-45-TP-COI.

21  
22  
23



1 **Q7. WHAT IS CBT'S COMMITMENT ON THE CONSUMER LIFELINE**  
2 **PROGRAM AND WHAT IS STAFF'S POSITION ON THIS**  
3 **COMMITMENT?**

4 **A7.** CBT's commitment is to continue working jointly with the Consumer Lifeline  
5 Board. CBT will support the Board in the amount of \$300,000 over the initial  
6 three-year term of the proposed alternative regulation plan to develop and finance  
7 programs beneficial to low-income groups.

8  
9 Staff recommended that while the inclusion of the Consumer Lifeline program is  
10 in the public interest, CBT failed to provide long-term strategies, targets or goals  
11 for the program's measurement and success. Since CBT failed to specify the  
12 substance of the activities, goals and use of funds, Staff could not make a  
13 meaningful assessment of the Consumer Lifeline program. Staff recommended  
14 that CBT submit performance measurements and goals so that the success of the  
15 program can be evaluated and monitored. Further, Staff recommended that CBT  
16 quantify what resources it plans on dedicating to fulfill this commitment. Finally,  
17 Staff recommended that the proposed \$300,000 may or may not be acceptable to  
18 achieving the needs and recommendations of the Consumer Lifeline Board.

19  
20 **Q8. DO YOU HAVE ANY CONCERNS ABOUT THE STAFF'S**  
21 **RECOMMENDATION OF THE CONSUMER LIFELINE PROGRAM?**

22 **A8.** Yes. I do not believe the Staff's recommendation is specific enough. Staff failed  
23 to recommend that CBT address administrative and record-tracking concerns of

1 the 'trial' Consumer Lifeline program. Additionally, I do not agree with Staff's  
2 recommendation that CBT establish performance measurements and goals to  
3 assess and evaluate this commitment. Rather, the Consumer Lifeline Board  
4 members should develop the measurements and goals and submit this information  
5 to CBT. CBT should provide the necessary resources to fund the Board's  
6 recommendations.

7  
8 **II. DESCRIPTION OF PROGRAMS**

9  
10 **Q9. HOW DOES CBT'S CONSUMER LIFELINE PROGRAM DIFFER FROM**  
11 **OHIO'S LIFELINE PROGRAMS?**

12 **A9.** The 'trial' Consumer Lifeline program was a company commitment established to  
13 ensure the availability of basic telecommunications service in CBT's service  
14 territory and provide additional targeted universal service efforts. The need for  
15 increased lifeline efforts was identified by the Commission in the report,  
16 "Telephone Service Assistance Lifeline Programs," issued December 31, 1994.  
17 The purpose of this report was to address the effectiveness of Telephone Service  
18 Assistance (TSA).

19  
20 CBT committed in Case No. 93-432-TP-ALT to develop the 'trial' Consumer  
21 Lifeline program to enhance lifeline efforts. The Consumer Lifeline Board is  
22 composed of representatives from CBT, the Commission, the Ohio Consumers'  
23 Counsel (OCC), social service agencies, and consumer and disability advocacy

1 groups. The purpose of the 'trial' program was to develop an expanded  
2 Consumer Lifeline program implemented by CBT through monthly credits. The  
3 CBT 'trial' Consumer Lifeline program enhances the established lifeline  
4 programs and meets the need for increased lifeline efforts through expanded  
5 eligibility criteria and monthly credits. The Consumer Lifeline program has an  
6 established education and outreach component where eligible participants meet  
7 one-on-one with Board members to fill out an enrollment form and review  
8 information contained in the Board's "How-to-Booklet."

9  
10 TSA is a state lifeline program established in August of 1991 pursuant to House  
11 Bill (HB) 254 that offers eligible elderly and disabled individuals a waiver of up-  
12 front costs of obtaining basic telephone service. TSA also provides a monthly  
13 discount of seven dollars. TSA is, in part, funded by state tax revenue. The  
14 program has strict eligibility requirements and limits participants to usage-  
15 sensitive (measured) service. TSA customers may not subscribe to optional  
16 services other than touchtone unless the Commission has found the service  
17 beneficial to customers with handicaps or medical conditions, or in life-  
18 threatening situations. TSA had a sunset provision as of January 1, 1998.  
19 Legislation has been passed by the Ohio General Assembly (SB 5) to extend TSA  
20 through December 31, 1999. The Governor signed SB 5 on November 5, 1997.

21  
22 The Commission established Service Connection Assistance (SCA) in Case No.  
23 89-45-TP-COI. SCA is targeted to help defray the non-recurring (i.e., deposit and

1 partial connection charges) up-front costs of obtaining local telephone service for  
2 low-income individuals. SCA also provides a monthly waiver of the federal  
3 subscriber line charge (\$3.50) for a limited number of months (dependent on the  
4 amount of waived deposit and service connection charges).

5  
6 ***Q10. HOW DOES THE CONSUMER LIFELINE PROGRAM ENHANCE OHIO'S***  
7 ***EXISTING UNIVERSAL SERVICE PROGRAMS?***

8 ***A10.*** The Consumer Lifeline program was distinct from TSA and SCA at the time of its  
9 creation in that it assisted a broader base of economically disadvantaged  
10 customers through expanded eligibility criteria. First, the Consumer Lifeline  
11 Program expanded participant eligibility to include Social Security Disability  
12 Income (SSDI) and Aid for Dependent Children (AFDC-ADC). The expanded  
13 criteria allowed a larger number of low-income, disabled or elderly individuals  
14 (who need assistance to establish and maintain basic telephone service) the  
15 opportunity to qualify for assistance.

16  
17 A second distinguishing feature concerns the amount of credits offered by the  
18 Consumer Lifeline program. A feature of the Consumer Lifeline program similar  
19 to TSA and SCA is that both the deposit and applicable service connection  
20 charges for new participants and the FCC subscriber line charge are waived. The  
21 following credits are provided to Consumer Lifeline participants:

- 22 • Touch-tone connection [initial (\$6) and monthly (\$0.72)]
- 23 • Basic access line credit [\$5.07 for flat-rate; \$4.44 for measured-rate]

1 In addition, if the Consumer Lifeline participant has an outstanding balance or  
2 final bill comprised of toll and/or local usage charges, the Board requires toll  
3 restriction. The toll block charge of \$11.80 (initial) and \$4.10 (monthly) is also  
4 waived. In total, a Consumer Lifeline participant is credited \$13.39 for flat-rate  
5 service (\$12.76 for measured-rate).

6  
7 A third distinguishing feature of the Consumer Lifeline program is the  
8 emancipated minor program. This allows consumers under the age of 18 years of  
9 age to obtain basic phone service. The Board implemented strict minor  
10 participant criteria including flat-rate service only, restricted from custom calling  
11 features, and toll restriction. The program allows minors to establish basic phone  
12 service so they can communicate with family and potential employers.

13  
14 A final distinguishing and enhancing feature is the Consumer Lifeline program's  
15 established outreach/education component. Two primary objectives of the Board  
16 (established during the last alternative regulation case) were to help customers  
17 become self-reliant and establish and maintain basic telephone service. An  
18 important component to fulfill these objectives was the development of an  
19 educational program. The educational program is comprised of two elements: the  
20 "How-to-Booklet" and outreach meetings.

21  
22 The Board created a "How-to-Booklet" to inform participants about most aspects  
23 of telephone service. The booklet includes information on how to read a

1 telephone bill, company services and prices, outages and repairs. The booklet is  
2 used in conjunction with outreach meetings. The booklet is currently printed in  
3 Braille and large print and is available on audiocassettes to accommodate  
4 physically challenged participants. The booklet is available at CBT and social  
5 service and community action agencies that are represented by Board members.  
6

7 The outreach meetings consist of an introduction of the program and a review of  
8 the Booklet presented by Board members to various community groups such as  
9 senior citizens, low-income and physically challenged individuals. Board  
10 members conducted over 15 education/outreach meetings in 1996. Since  
11 attendance at an outreach meeting prior to participating in the Consumer Lifeline  
12 program is mandatory, the meeting allows potential participants to ask questions  
13 about all aspects of telephone service "face-to-face" with Board members. This  
14 "value added" component helps to ensure that customers are knowledgeable about  
15 telephone service and the attendant responsibilities such as making payment  
16 arrangements and fulfilling financial obligations to the company. The personal  
17 interaction helps customers to become informed and better educated.  
18  
19  
20  
21  
22  
23

1    **III.    ISSUES SURROUNDING THE CONSUMER LIFELINE PROGRAM**

2  
3    **Q11.   WHAT HAS THE TRIAL CONSUMER LIFELINE PROGRAM**  
4    **ACCOMPLISHED?**

5    **A11.**   The 'trial' program has had many accomplishments. As of November of 1997,  
6    556 customers were participating in the Consumer Lifeline program. The  
7    following 1996 Objectives (from the 1996 Consumer Board Report) were  
8    accomplished:

- 9            • Expanded and filled Board member vacancies;
- 10           • Increased and completed education of all CBT customer service  
11           representatives on the Lifeline program;
- 12           • Expanded outreach activities/meetings. In 1996, over 15 meetings  
13           were held which resulted in a 160 percent increase in program  
14           participation;
- 15           • Surveyed Lifeline participants in 1996 to evaluate the program's  
16           effectiveness.

17    Additionally, Board members held strategic planning sessions (in July and August  
18    of 1996) to develop forward-looking recommendations. Key strategic issues  
19    identified from the planning process include the following: addressing special  
20    needs; program expansion; increase outreach; mechanization; and, program  
21    permanency.

1 First, special needs were addressed with the purchase of 50 TTY  
2 machines/equipment for use by the hearing-impaired at outreach meetings and in  
3 their homes. The Board believed hearing-impaired individuals were isolated from  
4 program participation due to communication barriers. The Board recognized the  
5 need to develop enrollment targets so that these individuals can become program  
6 participants.

7  
8 A second strategic issue, program expansion, was addressed through a trial phase  
9 at the Clermont County Community Action Agency. During this phase, a CBT  
10 representative enrolled over 125 E-HEAP applicants in the Lifeline program.  
11 The Board has recommended that expansion efforts continue by targeting  
12 customers during the HEAP application process.

13  
14 A third strategic issue, increased outreach activities, stemmed from the Board's  
15 belief that personal interaction with potential participants is the least threatening  
16 and most helpful way to educate. The Board recognized that continuing and  
17 expanding outreach activities should include an updated version of the "How-to-  
18 Booklet" so that participants will be informed of new company rates and services  
19 as a result of the proposed alternative regulation case.

20  
21 A fourth issue, mechanization, was addressed in 1996. Mechanization was the  
22 process to automate the billing system of Consumer Lifeline participants. CBT  
23 Consumer Lifeline personnel no longer have to manually type monthly billing



1 statements reflecting the various credits offered by the program. This system has  
2 limited billing capabilities, however, such that the Consumer Lifeline accounts  
3 must be manually credited as payment is received.  
4

5 A final issue, program permanency, was determined to be a substantial weakness  
6 of the program. Board members agreed there should be a greater commitment  
7 from CBT management to be flexible in providing adequate funding in order to  
8 expand outreach activities and ultimately, program enrollment.  
9

10 The administration of an evaluative Lifeline survey was another major  
11 accomplishment in 1996. Aragon Consulting Group conducted telephone  
12 interviews with 212 trial consumer lifeline participants from March 27 to April 1,  
13 1996. The target audience for the study was a list of 288 current consumer  
14 lifeline participants provided by CBT. The results of the 1996 Lifeline survey  
15 indicate that the program is a success with over two-thirds of program  
16 respondents rating their satisfaction as "extremely high". However, this survey  
17 revealed several aspects of the program that need improvement. The survey  
18 results indicate, first, that CBT should communicate with its entire customer base  
19 about the Lifeline program. Second, that outreach meetings should be increased  
20 with an effort to improve communication efforts through newsprint and social  
21 service organizations.  
22

1 Recognizing these recommendations as areas for building and improving, the  
2 Board formed a sub-committee in March 1997 to analyze and implement forward-  
3 looking directive goals for the Consumer Lifeline program. These goals would be  
4 formulated from the elements identified from the key strategic issue areas  
5 including special needs, program expansion, increased outreach meetings, and  
6 program permanency. The sub-committee's purpose is to enhance and increase  
7 outreach/education activities so the program can go beyond the 'trial' status,  
8 allowing for expansion to all eligible customers in CBT's service territory.  
9 To date, the sub-committee has formulated, or is in the process of formulating,  
10 policies in the following areas:

- 11 • Program participant limitations;
  - 12 • Enrollment targets;
  - 13 • Payment defaults.
- 14

15 *The sub-committee and the Board have identified several areas of concern from*  
16 *the 'trial' Consumer Lifeline program. The problems identified include:*

- 17 1) Inadequate personnel to answer on-going questions from program  
18 participants and performing collection or 'treatment' for participants who  
19 are not paying on a timely basis;
- 20 2) A lack of data and/or technical resources so that the Board can effectively  
21 evaluate the program;

1           3)     A need to develop goals and objectives so the 'trial' program can be  
2                   expanded to include all eligible customers in CBT's service territory.

3  
4           The Board's discussion of strategies to help rectify these problems will occur at  
5                   the 1998 February and March Board meetings.

6  
7           However, due to the problems identified by the Board concerning the 'trial'  
8                   Consumer Lifeline program, eligible participants enrolled through  
9                   education/outreach activities since October, 1997 are currently on a waiting list.  
10           The Board will not add new participants until the identified problems have been  
11                   resolved. CBT committing personnel and financial resources to address the  
12                   inadequate staffing and lack of automation of the 'trial' program can resolve the  
13                   identified problems.

14  
15    ***Q12.   WHAT OTHER INFORMATION IS RELEVANT TO AN ASSESSMENT OF***  
16           ***CBT'S COMMITMENT?***

17    ***A12.***   One component of what has been learned from the 'trial' Consumer Lifeline  
18                   program concerns the results from the 1996 Lifeline survey conducted by Aragon  
19                   Consultants. The results found that:

- 20                   1. Almost 70% of survey respondents were extremely satisfied with the  
21                           program;  
22                   2. Over 83% believed their participation in the program gave them the  
23                           ability to pay the monthly discounted and final bill on a regular basis;

1                   3. 89% and 75%, respectively, believed outreach meetings are helpful  
2                   and necessary.

3  
4                   Based upon the survey results, Aragon concluded: the Lifeline program is very  
5                   successful and beneficial to participants; outreach meetings are beneficial and  
6                   positive sources of education; and, CBT should communicate with its entire  
7                   customer base about the Lifeline program.

8  
9    ***Q13. HAVE THERE BEEN ANY CHANGES TO OHIO'S LIFELINE***  
10   ***PROGRAMS?***

11   ***A13.*** Yes. On May 8, 1997 the FCC issued its Universal Service Order in CC Docket  
12                   No. 96-45. The Order required all eligible telecommunications carriers to provide  
13                   a new Lifeline service. The Ohio Commission authorized the program on the  
14                   state level, and CBT filed tariffs to enact it. Under the new Lifeline plan, low-  
15                   income customers are eligible to receive:

- 16                   • \$5.25 federal funded discount off of the basic local charge;
- 17                   • Free toll restriction;
- 18                   • Waiver of deposit requirements if customer elects to receive toll  
19                   restriction.

20  
21                   The new Federal Lifeline program is an opportunity for the Board to further  
22                   enhance the Consumer Lifeline program since the Federal program is new and has

1 the potential to reach a larger number of customers than current state statutory  
2 lifeline programs based upon the following:

- 3 • Eligibility is broader than for TSA;
- 4 • There is no requirement of subscribing to measured or message  
5 service;
- 6 • Customers may subscribe to optional services.

7  
8 Under the Commission's investigation into Intrastate Universal Service  
9 Discounts, Case No. 97-1649-TP-ATA, boilerplate tariff amendments were filed  
10 by CBT on December 8, 1997. These tariffs were required by the Commission to  
11 ensure that SCA and TSA continued to be in compliance with FCC rules, and  
12 incorporate the new Lifeline program into CBT's tariffs.

13  
14 The CBT tariff amendments enact the following benefits for SCA:

- 15 • Waiver of applicable deposit requirements;
- 16 • Full or partial waiver of applicable service connection charges;
- 17 • Expands eligibility to a broader group of individuals to include Food  
18 Stamps and Federal public housing assistance (Section 8);
- 19 • Available for all grades of service;
- 20 • No restrictions on optional services.

21  
22 The CBT tariff amendments enact the following benefits for TSA:

- Waiver of deposit requirements to establish service;
- Waiver of the monthly federal subscriber line charge (\$3.50);
- A \$3.50 monthly federal discount off the basic line charge;
- A \$3.50 monthly state discount off the basic line charge;
- Waiver of applicable service conversion charges for customers changing to or from TSA.

**IV. RECOMMENDATIONS**

**Q14. WHAT ARE YOUR RECOMMENDATIONS FOR THE CONSUMER  
LIFELINE PROGRAM?**

**A14.** I have several recommendations for the Consumer Lifeline program. First, I recommend that CBT address the inadequate personnel staffing of the 'trial' Consumer Lifeline program by hiring an independent consultant to determine steps or systems CBT could implement as solution(s). Second, CBT should address the record-tracking capabilities of the program by hiring the same consultant to determine steps or systems CBT could implement as solution(s). Third, the Board should develop objectives, goals and performance measurements so the Consumer Lifeline program can move beyond the 'trial' status, allowing for expansion to all eligible customers in CBT's service territory. Last, I recommend that CBT adequately fund the Consumer Lifeline program at a level to have a viable program.

1           a)     **Staffing/Management and Operation Systems Consultant**

2  
3     **Q15. WHAT DO YOU RECOMMEND WITH RESPECT TO STAFFING AND**  
4     **MANAGEMENT AND OPERATION SYSTEMS CONSULTANT?**

5     **A15.** My recommendation concerns the inadequate staffing of the 'trial' Consumer  
6     Lifeline program. During an October 1997 meeting, the Board acknowledged an  
7     increasing difficulty in providing 'treatment' to program participants. The  
8     'treatment' or collection aspect focuses on CBT's inability to monitor the  
9     payment arrangements and defaults of program participants. In 1995, the  
10    program had a manageable number of participants in which CBT representatives  
11    could conduct phone calls and/or send correspondence to those participants who  
12    did not pay current or previously agreed upon final bill arrangement amounts. As  
13    the Board aggressively increased education and outreach activities in 1996,  
14    participant numbers increased to a level in which 'treatment' could not effectively  
15    be implemented with only two CBT personnel working the 'trial' lifeline  
16    accounts. Since July 1997 to October 1997, 39 participants have been  
17    disconnected from the Consumer Lifeline program due to non-payment (balances  
18    outstanding for over three months) of both current and final balances. It has been  
19    estimated that 61% of program participants may not be paying current charges or  
20    keeping payment arrangements on final bills.

21  
22    During a November 1997 Board meeting, CBT representatives stated that the  
23    company has taken the first step to rectify this administrative problem by

1 committing up to eight representatives to work and monitor Lifeline accounts.  
2 CBT has not committed to the exact number of personnel or the time period in  
3 which the personnel will continue to monitor the accounts. The addition of CBT  
4 personnel may help to ensure timely payments by performing phone calls and/or  
5 sending correspondence to remind participants of payment amounts and due dates  
6 so disconnection from the lifeline program can be avoided. However, the staffing  
7 of the Consumer Lifeline program has to be more than collection activities. As  
8 education and outreach activities increase, it is imperative that adequate personnel  
9 resources be unequivocally dedicated to the Consumer Lifeline program.  
10 Personnel should be responsible for educating potential enrollees by performing  
11 education and outreach activities with the assistance from Board members.

12  
13 I recommend that CBT hire a management and operation systems consultant to  
14 determine how CBT can best staff the Consumer Lifeline program. The  
15 consultant should be selected by CBT with consultation from the Consumer  
16 Lifeline Board. The consultant should perform the following duties:

- 17 1) Determine how CBT can best staff the program (both short and  
18 long-term) so that the lifeline accounts can be monitored for  
19 necessary collection activity, calls can be effectively handled, and  
20 education and outreach activities are performed by CBT personnel;
- 21 2) Propose additional steps or systems CBT could implement to  
22 achieve adequate staffing;
- 23 3) Identify any impediment(s) in the existing system.



1           ***b)     Record-Tracking Capabilities/Management and Operation Systems***  
2           ***Consultant***  
3

4   ***Q16.   WHAT DO YOU RECOMMEND WITH RESPECT TO THE RECORD-***  
5           ***TRACKING CAPABILITIES AND MANAGEMENT AND OPERATION***  
6           ***SYSTEMS CONSULTANT?***

7   ***A16.*** My recommendation involves inadequate record-tracking capabilities of the 'trial'  
8           Consumer Lifeline program. In 1995, CBT dedicated resources to establish an  
9           automated billing database for Consumer Lifeline accounts so that CBT  
10          representatives would not have to manually type billing statements. However,  
11          this system only applies the various monthly credits. The automation does not  
12          allow CBT representatives to retrieve account payment history information such  
13          as how many payments have been made, how many payments are past due for  
14          current charges or past due balances (final bills), the dollar amount(s) past due  
15          and the reasons why participants are not fulfilling agreed-upon financial  
16          arrangements. This information must be manually extracted from each Consumer  
17          Lifeline account. The billing automation system does not have the capability to  
18          generate monthly reminder correspondences or past due notices for program  
19          participants. These notices must be manually generated.

20  
21          The Board has also recognized the need to further automate Consumer Lifeline  
22          information so that activities and outcomes can be effectively and efficiently  
23          monitored. Currently, CBT representatives must manually pull Consumer  
24          Lifeline accounts from all other CBT residential telephone accounts to obtain any

1 level of account detail. Some examples of information that has to be extracted  
2 manually include demographics, the length of time a participant has been  
3 enrolled, and the number of customers enrolled each month from a community  
4 action agency outreach meeting. To effectively evaluate the success of the  
5 program, statistical data should be available to Board members.

6  
7 I recommend that CBT use the same management and operation systems  
8 consultant for staffing concerns to also determine a cost-effective means to  
9 automate record-tracking for the Consumer Lifeline program. The consultant  
10 should perform the following duties:

- 11 1) Determine how CBT can effectively and efficiently automate the  
12 Consumer Lifeline program;
- 13 2) Determine if CBT's current automated billing system for  
14 Consumer Lifeline participants has maximum billing information  
15 capabilities;
- 16 3) Propose steps or systems CBT could implement;
- 17 4) Identify all impediments in the existing system.

18  
19 **Q17. DO YOU HAVE ADDITIONAL RECOMMENDATIONS ON THE**  
20 **MANAGEMENT AND OPERATION SYSTEMS CONSULTANT?**

21 **A17.** Yes. CBT should pay all costs associated with the management and operation  
22 systems consultant. No financial resources should be taken from the proposed  
23 program funding of \$300,000 to pay for the consultant. The consultant should be

1 viewed as a short-term solution and, as such, the retained consultant should begin  
2 work within two months after the Commission issues its Opinion and Order on  
3 CBT's alternative regulation plan. The consultant's recommendations and report  
4 should be issued to CBT, the Consumer Lifeline Board and the Commission  
5 within eight weeks from the date the consultant begins work.

6  
7 CBT, with consultation and approval from the Board, should implement the  
8 consultant's recommendations within four months from the date in which the  
9 consultant's report is issued.

10  
11 ***c) Goals and Performance Measurements***

12  
13 ***Q18. WHAT DO YOU RECOMMEND WITH RESPECT TO GOALS AND***  
14 ***PERFORMANCE MEASUREMENTS?***

15 ***A18.*** My recommendation is for the Board to develop objectives, goals and  
16 performance measurements for a Consumer Lifeline program which is no longer a  
17 'trial' but one that could be rolled-out to all eligible customers in CBT's service  
18 territory. The expansion of the program should occur once CBT has implemented  
19 the recommendations of the management and operation systems consultant.  
20 However, the development of these objectives/goals should occur simultaneously  
21 with the consultant's study of the program. This recommendation is similar to a  
22 recommendation identified in the 1996 Board Report that stated, "The Board will  
23 identify criteria and goals, give the proposal to CBT and ask them to fund it."

1       The Board should strongly focus on education and outreach target goals to  
2       correlate with program expansion. CBT should be responsible for ensuring that  
3       outreach and education activities keep pace with increased enrollment numbers.  
4       The Board should submit expansion objectives/goals and performance measures  
5       to CBT management by July 1998. These objectives/goals should also address  
6       effective management of the new standalone Lifeline program and the expanded  
7       TSA program.

8  
9       Upon submission of the Board's recommendations, CBT should approve and  
10      provide adequate funding to support expansion recommendations within two  
11      months after the submission of the Board's report. Expansion activities should  
12      take place simultaneously with rectifying the previously identified staffing and  
13      record-tracking problems. My recommendations here are consistent with the  
14      testimony of Raymond R. Clark, a CBT witness in Case No. 93-432-TP-ALT who  
15      stated "CBT will match identified needs with company resources and consider  
16      implementation of programs to assist the broadest base of truly needy people  
17      through education or funding." (Clark pre-filed testimony at page 6, May 18,  
18      1993)

1           d)     **Funding**

2  
3     **Q19. WHAT LEVEL OF FUNDING DO YOU RECOMMEND FOR THE**  
4     **CONSUMER LIFELINE PROGRAM?**


5     **A19.** I cannot recommend a specific dollar amount at this time. However, I  
6     recommend that the level of funding be an adequate amount to have a viable  
7     Consumer Lifeline program. CBT's proposed funding of \$300,000 is clearly  
8     insufficient to build upon the lessons learned from the trial Consumer Lifeline  
9     program. The necessary elements that are required to sustain program viability  
10    include the hiring of a management and operations systems consultant to  
11    recommend and implement solutions to the inadequate staffing and record-  
12    tracking concerns of the program. Also, funding should be provided to support  
13    the Board's recommended goals and objectives of an expanded Consumer  
14    Lifeline program. The exact amount needed to accomplish these elements should  
15    be determined by CBT with input and consultation by the Board.

16  
17    **Q20. DOES THIS CONCLUDE YOUR TESTIMONY?**

18    **A20.** Yes. However, I reserve the right to modify, amend, or add to this testimony  
19    based on additional information that may become available.

**CERTIFICATE OF SERVICE**

I hereby certify that copies of the Non-Public Version Testimony of Elizabeth Krieger, on behalf of the Ohio Consumers' Counsel, have been served by first class mail, postage prepaid, or hand-delivered to the following parties of record this 17th day of December 1997.

  
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