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STAND ENERGY CORP

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FAX

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Complaint of)

The Office of the Ohio Consumers'
Counsel, et al.,)

Complainants,)

v.)

Interstate Gas Supply d/b/a Columbia
Retail Energy,)

Respondent.)

Case No. 10-2395-GA-CSS

PRE-FILED TESTIMONY OF DAVID BURIG
ON BEHALF OF THE STAND ENERGY CORPORATION

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November 1, 2011

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1 1. What is your name and address?

2 Answer: My name is David M. Burig. My business address is Stand Energy Corporation, 1077
3 Celestial Street, Suite 110 Cincinnati, OH 45202-1629.

4 2. What is your educational background?

5 Answer: I graduated from Ohio University in 1989 with a Bachelors degree in Journalism/Public
6 Relations.

7 3. By whom are you employed and what is your current position?

8 Answer: I am employed by Stand Energy Corporation as Vice President of Sales.

9 4. Please describe your employment history.

10 Answer: I have more than 25 years of experience in sales and marketing. Most relevant to this
11 case are the years I have spent in the sales and marketing of natural gas, as follows:

12 Interstate Gas Supply (IGS) August, 1998 to August, 2004

13 During my time at IGS I was the Director of Customer Choice Programs. My
14 responsibilities were the direction, management and hands-on participation in all aspects of the
15 sales, marketing and promotion of IGS to customers eligible for participation in the Columbia
16 Gas of Ohio and other Customer Choice program, as well as the customer service department
17 that served this customer base. I also participated in the oversight of the development of the
18 Information Technology infrastructure and database used to maintain these customers. The
19 targets of these marketing campaigns were residential and small commercial customers,
20 including customers in municipal aggregations.

21 Methods used in marketing to these customers included, but were not limited to; direct
22 mail solicitation, outbound telemarketing, on-line marketing, event marketing, public speaking,

1 on-air publicity (radio and television), print publicity, paid advertising on television and radio,
2 and alliances with professional sports franchises.

3 In addition to the above responsibilities, I was also responsible for managing the IGS
4 brand, which included managing the development of company logos and ensuring their
5 appropriate use.

6 **Stand Energy Corporation January, 2008 to present**

7 I currently serve as Vice President of Sales for Stand Energy Corporation. I am
8 responsible for the growth of sales through our network of independent sales representatives,
9 whom we refer to as Affiliates.

10 Daily activities while serving in the above role may include, but are not limited to;
11 recruiting, training, and making sales calls with Stand Energy's Affiliates, attending trade shows
12 and creating marketing material and following market trends and researching the natural gas
13 marketplace for the purpose of finding new tariff classes or geographic regions in which to
14 conduct business.

15 **5. What is the purpose of your testimony?**

16 **Answer:** The purpose of my testimony is to state the reasons why, in my professional opinion,
17 the use of the name *Columbia Retail Energy* by Interstate Gas Supply is misleading and
18 deceptive, and gives IGS an unfair advantage in the marketing of natural gas to customers
19 eligible for the Columbia Gas of Ohio Customer Choice Program.

20 **6. Please explain why you find the solicitations to be misleading and deceptive?**

21 **Answer:** I find the Columbia Retail Energy solicitations misleading on several levels, but
22 primarily due to the use of the Columbia Retail Energy logo, which is identical in its key

1 elements to the Columbia Gas of Ohio and other NiSource subsidiary utilities. It is the use of this
2 "Branding Element" that makes that piece particularly confusing.

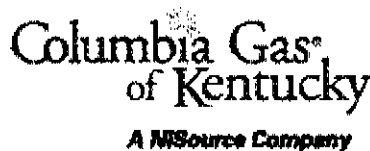
3 The term "Branding" goes back more than 2000 years to the Norse tribal practice of
4 burning a unique mark in the hide of cattle to identify the animal's owner. This "Brand" enabled
5 ranchers to quickly and positively identify the ownership of an animal, from a distance, even if
6 the individual identifying the animal was illiterate. Over time, "The Brand" began to take on
7 additional significance. At cattle markets in Chicago, livestock buyers would pay a premium for
8 cattle with a certain brand, knowing that the owners grazed them on superior grasslands or drove
9 them a shorter distance to market, thereby yielding higher quality meat. Therefore certain
10 "Brands" became an unspoken symbol of quality.

11 Branding creates an indelible image that transcends words to evoke an emotion in the
12 mind of the observer. I didn't need to read the 2010 study in which researchers at the University
13 of Michigan discovered that 93% of the 3 to 5 year-old children in their study could identify
14 McDonalds by the Golden Arches alone; I saw it in both of my children, long before they could
15 read.

16 One element of branding is a company's logo. A logo is a distinctive graphic element that
17 identifies an organization. Logos use distinctive graphic designs, (the Nike Swoosh) a stylized
18 name, (the Coca-Cola script) or a particular color, (IBM Blue) to reinforce the company's
19 identity. The "Columbia" logo uses all three of these elements: a red "Starburst" graphic
20 element dotting the "i" in Columbia, a uniquely stylized type face, and a specific color of blue
21 used in the typeface. All of these elements reinforce one another to confirm in the consumer's
22 mind that indeed, this is the company that they have long known as their utility company through
23 the use of these elements.

1 Shown below are 6 versions of the "Columbia" trademark. Five of these are utility
2 companies. One is not. It is my opinion that the vast majority of the general public would make
3 the assumption that these companies are owned by the same parent or are in some way in
4 business together.

5  Columbia Gas[®]
of Virginia
A NISource Company

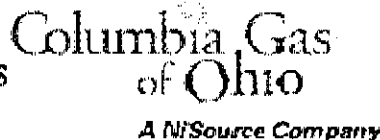
6  Columbia Gas[®]
of Kentucky
A NISource Company

7  Columbia
Retail
Energy

8  Columbia Gas[®]
of Pennsylvania
A NISource Company

9 Service is provided by KGS Energy under the trade name Columbia Retail Energy

10  Columbia Gas[®]
of Massachusetts
A NISource Company

11  Columbia Gas[®]
of Ohio
A NISource Company

12 As mentioned earlier, brand logos were originally designed to identify property, at a
13 glance, to people who could not read. This remains true today, as in the case of the 3 year-olds
14 who identified McDonalds by the Golden Arches. Unfortunately, according to a 2009 National
15 Center for Education Statistics (NCES) study (attached hereto and incorporated herein as if fully
16 set forth as Exhibit A) the illiteracy rate in Franklin County is 13%. The NCES is the primary
17 federal entity for collecting and analyzing data related to education. More telling is that 14.5%
18 of the adult population who, as a whole, lack "basic prose literacy skills", meaning that they may
19 be able to read a word, but they can't read a sentence. These people, who also tend to fall into the
20 lowest economic classes, are the least likely to be able to read or understand a disclaimer stating

1 that the logo that they have long associated with Columbia Gas of Ohio, is being used by a
2 different company altogether. Attached hereto and incorporated herein as if fully set forth as
3 Exhibit B is a January 9, 2009 *Columbus Dispatch* Article reporting similar figures.

4 A brand is a promise. It is verification that this is indeed the company you intended to do
5 business with. It is a validation of a product or a company's integrity *without having to read the*
6 *fine print*. For a company to license the brand of a longstanding pillar of the community for the
7 purpose of making themselves appear to either be that company, or to be in some way affiliated
8 with or endorsed by that company is clearly confusing, and deceptive at best.

9 **8. Do you believe that IGS using the trade name Columbia Retail Energy is**
10 **harming the reputation of all gas marketers?**

11 **Answer:** Yes; Because of the complexity in trying to figure out the various gas marketers'
12 offers, as well as the many benchmarks to which these offers are compared, there is a fair degree
13 of skepticism about the integrity of gas marketers already. (I say this based on conversations I
14 have with friends and relatives who solicit my advice nearly every time a new offer is mailed).
15 Gas deregulation is a fairly confusing topic to the lay person. This is apparent when you look at
16 the amount of material published to educate customers on the subject. By IGS using the name
17 and trademark so similar to one that has long been associated with Columbia Gas of Ohio, more
18 confusion is added to an already complex marketplace.

19 **9. Is Stand Energy concerned about a backlash against all gas marketers due to the**
20 **sales tactics of a few?**

21 **Answer:** It concerns me personally any time there is negative publicity regarding third party
22 suppliers in the utility marketplace because this is the business in which I have chosen to make a
23 living. At the residential level, apathy and skepticism are the main reasons that fewer than 50%

1 of customers eligible for the Customer Choice Program elect to purchase gas from a third party
2 supplier. Participation among very large customers, those eligible for General Transportation
3 Service, is much higher.

4 The Columbia customers who receive confusing or deceptive offers at home for their
5 residential accounts are the same people who are getting calls from gas marketers while at work,
6 for the purpose of supplying gas to their employers. In my opinion, the skepticism and mistrust
7 built by this practice at the residential level, if left unchecked, has the potential bleed over to the
8 industrial side of the business as well, which would negatively impact not just Stand Energy
9 Corporation, but the deregulated energy marketplace as a whole.

10 10. Are you aware that in 2002-2003 IGS received non-public information, not
11 available to other marketers, from a subsidiary of NiSource as documented by
12 FERC in Docket No. IN04-2-000 which resulted in \$2.5 million in fines paid by
13 Columbia Gas Transmission?

14 Answer: No.

15 11. Do you believe that a subsidiary of NiSource selling a licensing agreement to
16 IGS to use the name Columbia Retail Energy, to the exclusion of all other
17 marketers, is further evidence of an on-going and perhaps not fully-disclosed
18 business relationship between IGS and NiSource?

19 Answer: Not necessarily.

20 12. Does any NiSource subsidiary now have a financial incentive to favor IGS over
21 other competitors in competitive situations?

22 Answer: I would think that whether consciously or not, an employee of a NiSource subsidiary,
23 and especially one who works for a company that is part of the real "Columbia" brand, would

1 have the propensity to favor another "Columbia" branded company, if for no other reason than to
2 protect and fortify the brand which they have spent years and presumably millions of dollars
3 promoting.

4 Imagine you were to let another person wear a mask that made them indistinguishable
5 from you. You dress them in your clothes, and give them a nametag that has your name on it. If
6 you were to set that person loose in a competitive situation among people who know you,
7 wouldn't you want that person in the costume (that makes them look just like you) to win every
8 competitive situation that they entered, simply because their performance would be a reflection
9 on YOU, (even if they had the words, "I am not really the person you think I am" written in 12
10 point type at the bottom of their nametag?

11 **13. Do you believe that the IGS solicitation claims that, "had the SSO pricing**
12 **structure been in place over the last five years, the average price would have been**
13 **\$.088 which is 17% higher than this Columbia Retail Energy fixed rate plan" are**
14 **misleading and deceptive?**

15 **Answer:** Yes, I believe the comparison is deceptive on two levels. First, it is misleading because
16 it is made a comparison to a benchmark that didn't exist during the comparison period, and it
17 distracts from the fact that the fixed rate being offered was higher than the current SSO rate.
18 Second, I believe that most people reading this solicitation put more credence into the
19 comparison because they thought it was being made by the utility company, (or at the very least,
20 a company with an implied endorsement from the utility) in effect saying that, "Now is a better
21 time to buy from us than it has been for the past 5 years."

22 **14. Do you have any final comments in regard to Columbia's application?**

1 **Answer:** Yes I do. I have not yet heard a reasonable answer to the question, "Why would IGS
2 go to market behind a brand that they have licensed from NiSource that is obviously confusing to
3 the potential customers that they desire to serve, when they have done a very good job of
4 building a highly recognized and very successful brand of their own?"

5 The conclusion that I draw is as follows: IGS has served several of the largest municipal
6 aggregations in Ohio. There had been very little growth by any gas marketers in the Columbia
7 Gas of Ohio Customer Choice Program outside of municipal aggregations for several years. IGS
8 served approximately 20,000 customers in the COPEC (Central Ohio Public Energy Council)
9 municipal aggregation through December of 2010. During the time they were supplied by IGS,
10 customers in this aggregation paid significantly more than they would have if they had stayed
11 with Columbia Gas of Ohio. This fact was highly publicized in a series of newspaper articles in
12 the Columbus Dispatch. When the former COPEC customers returned to service by Columbia
13 Gas of Ohio, IGS lost approximately 20,000 customers. (This figure is easily obtained by
14 examining data made publicly available by Columbia Gas of Ohio).

15 I believe that IGS realized that customers would be reluctant to knowingly return to
16 purchasing gas from a company that had been charging them more than the utility's rate, so the
17 decision was made to put on a mask; that is, to market natural gas under a different name; that of
18 Columbia Retail Energy. I also conclude that because IGS knew exactly who these customers
19 were when they returned to the utility, (as they had supplied them for the previous year) they had
20 a perfect list from which to solicit in an attempt to re-obtain these customers under the guise of
21 *Columbia Retail Energy*.

22 I believe that within 2 months, IGS had re-acquired more than 50% of the customers they
23 had lost when the customers formerly in the COPEC aggregation returned to utility service - -

1 only this time they were enrolled by *Columbia Retail Energy*. Again, this belief is backed by the
2 same data made available by COH, and is supported by the appearance of a new gas marketer
3 which quickly gained more than 10,000 new customers within 2 months of COPEC's return to
4 utility service.

5 In conclusion, I believe that by using the name *Columbia Retail Energy*, IGS gained a
6 tremendous competitive advantage vs. their competitors, as they re-acquired approximately 50%
7 of the customers they had lost in just 2 months; a success rate far beyond any "organic" growth
8 seen by any marketer in years, outside of that through municipal aggregations.

9 15. Does this conclude your testimony?

10 Answer: Yes it does.

CERTIFICATE OF SERVICE

I hereby certify that a true copy of "*Pre-Filed Testimony of David Burig on Stand Energy Corporation*" was served this 1st day of November, 2011 by electronic mail upon the following:

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A. BRIAN MCINTOSH



Exhibit A

The National Center for Education Statistics (NCES) is the primary federal entity for collecting and analyzing data related to education.

Statistical Methods for Protecting Personally Identifiable Information in the Disclosure of Graduation Rates of First-Time, Full-Time Degree- or Certificate-Seeking Undergraduate Students by 2-Year Degree-Granting Institutions of Higher Education (Oct 25)
This Technical Brief provides guidance to Title IV 2-year degree-granting institutions in meeting the statutory disclosure requirement related to graduation rates while minimizing the risk of revealing the graduation status of individual students. [» more info](#)

Merit Aid for Undergraduates: Trends from 1995–96 to 2007–08 (Oct 18)

This Statistics in Brief uses nationally representative data from 1995–96, 1999–2000, 2003–04 and 2007–08 to examine trends in merit aid to undergraduates by student and institutional characteristics and in comparison to need-based grant aid. [» more info](#)

Trends in High School Dropout and Completion Rates in the United States: 1972–2009 (Oct 13)

The report includes national and regional population estimates for the percentage of students who dropped out of high school between 2008 and 2009, the percentage of young people who were dropouts in 2009, and the percentage of young people who were not in high school and had some form of high school credential in 2009. [» more info](#)

Comparative Indicators of Education in the United States and Other G-8 Countries: 2011 (Oct 12)

This report describes key education outcomes and contexts of education in the Group of Eight (G-8) countries—Canada, France, Germany, Italy, Japan, the Russian Federation, the United Kingdom, and the United States. [» more info](#)

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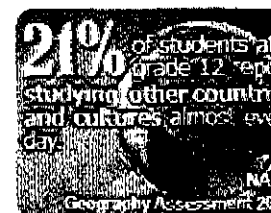
Did You Know?

In 2010, fourth graders scored higher than in any previous geography assessment. [» more info](#)

Data Snapshot

Twenty-one percent of students at grade 12 report studying other countries and cultures almost every day.

[» more info](#)



Most Viewed NCES Sites

National Center for Education Statistics - <http://nces.ed.gov>
U.S. Department of Education

DIGEST of EDUCATION STATISTICS

2010 Tables and Figures

All Years of Tables and Figures

Most Recent Full Issue of the Digest

Table 39a. Literacy skills of adults, by type of literacy, proficiency levels, and selected characteristics: 1992 and 2003

Selected characteristic	Print literacy ¹										Document literacy ²										Quantitative literacy ³											
	Average score					Percent of adults with proficiency at level, 2003					Average score					Percent of adults with proficiency at level, 2003					Average score					Percent of adults with proficiency at level, 2003						
	1992	2003	Below basic	Basic	Intermediate-late	Proficient	1992	2003	Below basic	Basic	Intermediate-late	Proficient	1992	2003	Below basic	Basic	Intermediate-late	Proficient	1992	2003	Below basic	Basic	Intermediate-late	Proficient	1992	2003	Below basic	Basic	Intermediate-late	Proficient		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	
Total	226 (4.1)	278 (4.1)	14 (6.4)	24 (6.6)	44 (7.7)	13 (0.7)	271 (4.1)	271 (4.1)	12 (0.3)	31 (0.8)	53 (0.7)	13 (0.6)	278 (4.1)	283 (4.1)	278 (4.1)	283 (4.1)	278 (4.1)	283 (4.1)	278 (4.1)	283 (4.1)	278 (4.1)	283 (4.1)	278 (4.1)	283 (4.1)	278 (4.1)	283 (4.1)	278 (4.1)	283 (4.1)	278 (4.1)	283 (4.1)		
Sex																																
Male	276 (4.2)	272 (4.1)	15 (0.8)	26 (0.7)	43 (0.7)	13 (0.6)	274 (4.2)	260 (4.1)	14 (0.6)	31 (0.5)	51 (0.8)	13 (0.6)	283 (4.1)	286 (4.1)	21 (0.5)	31 (0.5)	33 (0.7)	16 (0.6)														
Female	277 (4.1)	277 (4.1)	12 (0.6)	20 (0.6)	46 (0.8)	14 (0.6)	268 (4.1)	272 (4.1)	11 (0.6)	22 (0.6)	54 (0.8)	13 (0.6)	268 (4.1)	270 (4.1)																		
Age																																
16 to 18 years old	270 (2.3)	267 (2.8)	11 (1.7)	37 (2.3)	44 (2.7)	5 (1.4)	270 (2.2)	268 (2.9)	11 (2.4)	24 (1.8)	56 (7.4)	9 (1.7)	264 (2.5)	267 (3.1)																		
19 to 24 years old	280 (2.0)	276 (2.4)	11 (1.1)	29 (1.1)	48 (1.9)	32 (1.2)	282 (2.2)	277 (2.5)	9 (0.9)	20 (1.2)	50 (1.7)	13 (1.7)	277 (2.0)	279 (2.3)	21 (1.4)	36 (1.3)	32 (1.4)	10 (1.1)														
25 to 39 years old	288 (1.1)	293 (1.7)	12 (0.6)	25 (0.7)	48 (1.8)	18 (0.8)	286 (1.2)	282 (1.8)	8 (0.7)	19 (0.7)	56 (3.1)	15 (1.7)	284 (1.2)	292 (1.8)	17 (0.8)	31 (0.8)	32 (1.3)	10 (0.7)														
40 to 54 years old	294 (3.0)	287 (3.1)	11 (0.7)	27 (1.1)	47 (1.8)	15 (1.1)	284 (3.1)	277 (3.0)	10 (0.7)	20 (0.9)	54 (1.1)	18 (0.9)	292 (3.0)	289 (3.1)	19 (0.9)	32 (0.9)	34 (0.9)	16 (0.9)														
55 to 64 years old	269 (3.0)	278 (1.1)	13 (0.8)	27 (0.6)	44 (1.1)	15 (0.8)	258 (1.1)	270 (1.2)	17 (0.9)	23 (0.9)	54 (1.2)	17 (0.9)	272 (1.8)	280 (1.9)	19 (1.0)	30 (0.9)	34 (0.9)	17 (0.9)														
65 years old and older	235 (1.7)	248 (2.0)	23 (1.3)	38 (1.2)	34 (1.4)	4 (0.6)	271 (2.1)	235 (2.0)	27 (1.5)	31 (1.0)	38 (1.4)	7 (0.4)	235 (2.7)	257 (2.2)																		
Race/ethnicity																																
White	287 (1.2)	288 (1.5)	7 (0.5)	25 (0.8)	51 (0.9)	17 (0.9)	281 (1.2)	282 (1.5)	9 (0.5)	19 (0.7)	58 (1.0)	18 (1.0)	288 (1.4)	297 (1.5)	13 (0.7)	32 (0.7)	39 (0.8)	17 (0.8)														
Black	237 (2.4)	242 (3.4)	24 (1.4)	43 (1.2)	31 (1.4)	5 (0.4)	230 (1.4)	238 (2.1)	24 (1.7)	35 (1.4)	40 (1.9)	2 (0.5)	232 (1.6)	238 (2.1)	47 (1.8)	36 (1.3)	15 (1.1)	2 (0.5)														
Hispanic	234 (2.3)	216 (3.5)	44 (3.0)	1 (0.0)	23 (1.4)	4 (0.4)	236 (1.8)	224 (3.6)	36 (1.8)	26 (0.8)	33 (1.2)	8 (0.5)	233 (2.1)	233 (3.1)	50 (1.7)	29 (0.9)	17 (0.6)	4 (0.4)														
Asian/Pacific Islander	385 (6.1)	271 (4.6)	14 (2.0)	32 (3.2)	42 (3.5)	12 (1.8)	250 (5.1)	272 (5.0)	11 (2.2)	22 (2.1)	34 (3.0)	13 (2.5)	266 (7.6)	285 (5.1)	19 (3.0)	34 (2.9)	25 (2.8)	12 (2.5)														
Highest level of education																																
Sell in high school	268 (4.5)	262 (3.7)	14 (2.5)	37 (3.6)	45 (3.1)	4 (1.5)	270 (4.2)	265 (4.3)	15 (2.3)	24 (2.2)	54 (3.0)	9 (1.9)	263 (3.2)	261 (4.2)	31 (2.8)	38 (2.5)	25 (2.3)	5 (1.4)														
Less than high school completion	216 (4.4)	207 (2.4)	50 (3.1)	33 (1.0)	44 (3.9)	1 (0.2)	231 (1.5)	208 (2.8)	45 (1.4)	29 (0.7)	25 (1.0)	9 (0.3)	209 (2.1)	211 (2.2)	64 (1.3)	35 (0.8)	10 (0.7)	1 (0.2)														
Grad/high school equivalency	265 (2.2)	260 (2.1)	10 (1.8)	45 (3.9)	43 (3.0)	5 (1.1)	259 (2.2)	257 (2.5)	13 (1.5)	30 (2.3)	53 (2.8)	4 (0.4)	241 (2.3)	235 (3.1)	24 (3.1)	20 (2.9)	3 (2.7)	1 (0.2)														
High school graduate	268 (3.0)	264 (1.3)	13 (0.9)	39 (1.2)	44 (1.3)	4 (0.6)	261 (1.4)	258 (1.5)	11 (0.5)	26 (1.1)	52 (1.4)	5 (0.7)	267 (1.2)	269 (1.6)	24 (1.4)	42 (1.3)	20 (1.3)	5 (0.7)														
Vocational/technical/business	278 (1.1)	268 (2.7)	10 (1.8)	34 (2.6)	40 (2.7)	5 (1.5)	275 (2.0)	267 (2.5)	9 (1.5)	26 (2.3)	59 (3.4)	7 (1.9)	260 (1.3)	270 (2.2)	35 (2.1)	41 (2.3)	25 (3.4)	4 (0.4)														
Some college	204 (1.4)	267 (1.6)	5 (0.7)	25 (1.4)	59 (1.7)	12 (1.4)	288 (1.6)	270 (1.7)	5 (0.6)	19 (1.3)	65 (1.8)	10 (1.5)	296 (1.7)	294 (1.7)	30 (1.2)	36 (1.8)	45 (1.8)	11 (1.1)														
Associate's degree	306 (1.9)	260 (2.4)	4 (0.7)	20 (1.5)	58 (2.0)	19 (2.0)	301 (1.9)	261 (2.0)	3 (0.7)	15 (1.6)	65 (2.3)	16 (2.2)	305 (2.0)	305 (2.1)	7 (1.2)	30 (1.9)	45 (1.8)	11 (1.1)														
Bachelor's degree	325 (3.9)	314 (2.1)	3 (0.5)	14 (1.0)	53 (1.7)	31 (1.8)	317 (1.9)	303 (2.1)	2 (0.6)	14 (1.4)	62 (2.5)	25 (2.9)	324 (1.8)	323 (1.6)	4 (0.6)	22 (1.2)	43 (1.8)	31 (1.9)														
Graduate studies/dissertation	346 (2.0)	327 (2.8)	1 (0.4)	10 (1.2)	48 (2.3)	41 (2.6)	328 (1.9)	311 (2.2)	1 (0.4)	9 (1.1)	59 (2.6)	31 (2.8)	336 (2.1)	332 (2.1)	3 (0.6)	18 (1.5)	45 (2.1)	35 (2.8)														
Employment																																
Full-time	290 (1.3)	285 (1.5)	—	(1)	—	(1)	—	(1)	286	(1)	361	(1)	—	(1)	—	(1)	—	(1)	—	(1)	294 (1.3)	286 (1.4)	—	(1)	—	(1)	—	(1)	—	(1)	—	(1)
Part-time	285 (1.7)	281 (2.2)	—	(1)	—	(1)	—	(1)	319	(1)	277	(1)	—	(1)	—	(1)	—	(1)	—	(1)	281 (1.7)	287 (2.2)	—	(1)	—	(1)	—	(1)	—	(1)	—	(1)
Unemployed	293 (2.3)	269 (3.6)	—	(1)	—	(1)	—	(1)	261	(1)	285	(1)	—	(1)	—	(1)	—	(1)	—	(1)	261 (2.4)	270 (3.6)	—	(1)	—	(1)	—	(1)	—	(1)	—	(1)
Not in labor force	252 (3.4)	235 (3.7)	—	(1)	—	(1)	—	(1)	244	(1)	250	(1)	—	(1)	—	(1)	—	(1)	—	(1)	247 (3.4)	261 (3.6)	—	(1)	—	(1)	—	(1)	—	(1)	—	(1)
Languages spoken before starting school																																
English only	282 (1.2)	283 (1.4)	9 (0.5)	27 (0.9)	49 (0.8)	15 (0.7)	275 (1.2)	276 (1.3)	9 (0.5)	21 (0.6)	56 (0.8)	13 (0.7)	280 (1.3)	289 (1.2)	18 (0.6)	33 (0.6)	35 (0.6)	15 (0.6)														
English and Spanish	255 (2.4)	242 (3.1)	54 (2.1)	38 (2.2)	42 (3.4)	6 (1.1)	233 (2.6)	229 (3.1)	12 (2.5)	29 (3.0)	54 (3.5)	5 (1.5)	247 (4.6)	261 (3.8)	31 (3.3)	30 (3.6)	26 (2.8)	4 (1.5)														
English and other language	273 (4.0)	278 (1.2)	7 (1.3)	33 (2.6)	51 (3.1)	9 (1.1)	280 (4.3)	280 (3.2)	10 (2.0)	23 (3.1)	57 (3.9)	5 (2.0)	271 (5.8)	289 (4.1)	44 (2.5)	36 (2.7)	34 (2.6)	14 (2.5)														
Spanish	205 (2.8)	188 (3.8)	61 (1.9)	25 (1.1)	33 (2.9)	1 (0.3)	216 (2.8)	199 (4.8)	49 (2.0)	25 (2.3)	13 (1.3)	3 (0.4)	212 (3.3)	211 (2.0)	22 (2.3)	28 (1.2)	11 (1.1)	2 (0.5)														
Other languages	309 (3.4)	245 (4.6)	26 (2.2)	13 (1.0)	34 (2.9)	7 (1.3)	241 (3.7)	257 (4.2)	20 (1.8)	24 (1.3)	44 (2.0)	10 (1.2)	244 (4.7)	270 (4.9)	28 (2.3)	33 (1.7)	36 (1.9)	10 (1.5)														

not available

†Not applicable

2. *Prose literacy* refers to the knowledge and skills needed to search, comprehend, and use information from continuous texts. Adults at the *Below Basic* level, rated 0 to 200, range from being unable to find or understand information in short, continuous prose texts. At the *Basic* level, rated 201 to 284, adults are able to find and understand information in short, continuous prose texts. At the *Intermediate* level, rated 285 to 339, adults are able to read and understand moderately difficult, longer continuous prose texts as well as summarize, make simple inferences, determine cause and effect, and recognize author's purpose. At the *Proficient* level, rated 340 to 500, adults are able to read lengthy, complex, abstract prose texts as well as summarize information and make complex inferences.

2. Document literacy refers to the knowledge and skills needed to search, comprehend, and use information from nonprint/multiple texts in various formats. Adults at the Below Basic level, rated 0 to 240, range from being nonliterate in English to being able to locate easily accessible information and follow instructions in simple documents (e.g., check or form). At the Basic level, rated 250 to 290, adults are able to read and understand information in simple documents. At the Intermediate level, rated 300 to 350, adults are able to locate information in diverse, complex documents and make simple inferences about the information. At the Proficient level, rated 360 to 400, adults are able to integrate, synthesize, and analyze multiple pieces of information located in complex documents.

2 Quantitative literacy refers to the knowledge and skills required to identify and interpret quantitative information, either orally or numerically, using various representations in printed materials. Adults at the lowest level of literacy (level 143) are able to identify and use the information in quantitative information presented in a single quantitative operation (primarily addition) when the mathematical information is very concrete and familiar. At the basic level, rated 250 to 288, adults are able to locate a single quantitative information and use it to solve simple, one-step problems when the arithmetic operation is specified or easily inferred. At the intermediate level, rated 290 to 348, adults are able to locate more familiar quantitative information and use it to solve problems when the arithmetic operation is not specified or easily inferred. At the Proficient level, rated 350 to 400, adults are able to locate more abstract quantitative information and use it to solve mathematics problems when the arithmetic operations are not only

NOTES: Adults are defined as people aged 16 and older living in households in private. Athletes who could not be interviewed due to language spoken or cognitive or mental disabilities (3 percent in 2003 and 4 percent in 1993) are excluded from this table. Race categories exclude persons of Hispanic ethnicity. Totals include non-Hispanic groups not separately shown. Totals may not sum to totals because of rounding.

SOURCE: U.S. Department of Education, National Center for Education Statistics, 1992 National Adult Literacy Survey (NALS) and 2003 National Assessment of Adult Literacy (NAAL), *A First Look at the Literacy of America's Adults in the 21st Century*, and supplemental data received July 9, 2008, from http://nces.ed.gov/ipeds/data/naal/2003/079_Coverage.cfm. (This table was placed on July 2008.)

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¹ **Prose literacy** refers to the knowledge and skills needed to search, comprehend, and use information from continuous texts. Adults at the Below Basic level, rated 0 to 209, range from being nonliterate in English to being able to locate easily identifiable information in short, commonplace prose texts. At the Basic level, rated 210 to 264, adults are able to read and understand information in short, commonplace prose texts. At the Intermediate level, rated 265 to 339, adults are able to read and understand moderately dense, less commonplace prose texts as well as summarize, make simple inferences, determine cause and effect, and recognize author's purpose. At the Proficient level, rated 340 to 500, adults are able to read lengthy, complex, abstract prose texts as well as synthesize information and make complex inferences.

² **Document literacy** refers to the knowledge and skills needed to search, comprehend, and use information from noncontinuous texts in various formats. Adults at the Below Basic level, rated 0 to 204, range from being nonliterate in English to being able to locate easily identifiable information and follow instructions in simple documents (e.g., charts or forms). At the Basic level, rated 205 to 249, adults are able to read and understand information in simple documents. At the Intermediate level, rated 250 to 334, adults are able to locate information in dense, complex documents and make simple inferences about the information. At the Proficient level, rated 335 to 500, adults are able to integrate, synthesize, and analyze multiple pieces of information located in complex documents.

³ **Quantitative literacy** refers to the knowledge and skills required to identify and perform computations, either alone or sequentially, using numbers embedded in printed text. Adults at the Below Basic level, rated 0 to 234, range from being nonliterate in English to being able to locate numbers and use them to perform simple quantitative operations (primarily addition) when the mathematical information is very concrete and familiar. At the Basic level, rated 235 to 289, adults are able to locate easily identifiable quantitative information and use it to solve simple, one-step problems when the arithmetic operation is specified or easily inferred. At the Intermediate level, rated 290 to 349, adults are able to locate less familiar quantitative information and use it to solve problems when the arithmetic operation is not specified or easily inferred. At the Proficient level, rated 350 to 500, adults are able to locate more abstract quantitative information and use it to solve multistep problems when the arithmetic operations are not easily inferred and the problems are more complex.

NOTE: Adults are defined as people age 16 and older living in households or prisons. Adults who could not be interviewed due to language spoken or cognitive or physical disabilities (3 percent in 2003 and 4 percent in 1992) are excluded from this table. Race categories exclude persons of Hispanic ethnicity. Totals include racial/ethnic groups not separately shown. Detail may not sum to totals because of rounding. (emphasis added).

SOURCE: U.S. Department of Education, National Center for Education Statistics, 1992 National Adult Literacy Survey (NALS) and 2003 National Assessment of Adult Literacy (NAAL), A First Look at the Literacy of America's Adults in the 21st Century; and supplemental data retrieved July 6, 2006, from http://nces.ed.gov/naal/Excel/2006470_DataTable.xls. (This table was prepared July 2006.)

Selected characteristic	Document literacy ²									
	Average score				Percent of adults with proficiency at level, 2003					
	1992		2003		Below basic		Basic		Intermediate	
	8	9	10	11	12	13	14	15	16	17
1										
Total	271	(1.1)	271	(1.2)	12	(0.5)	22	(0.5)	53	(0.7)
Sex										
Male	274	(1.2)	269	(1.5)	14	(0.6)	23	(0.5)	51	(0.8)
Female	268	(1.2)	272	(1.2)	11	(0.6)	22	(0.6)	54	(0.8)
Age										
16 to 18 years old	270	(2.2)	268	(2.9)	11	(1.4)	24	(1.8)	56	(2.4)
19 to 24 years old	282	(2.2)	277	(2.5)	9	(1.1)	20	(1.2)	58	(1.7)
25 to 39 years old	286	(1.2)	282	(1.8)	8	(0.7)	19	(0.7)	56	(1.3)
40 to 54 years old	284	(1.9)	277	(1.8)	10	(0.7)	20	(0.8)	54	(1.1)
55 to 64 years old	258	(1.4)	270	(2.1)	12	(0.9)	23	(0.9)	54	(1.2)
65 years old and older	221	(2.2)	235	(2.0)	27	(1.5)	33	(1.0)	38	(1.4)
Race/ethnicity										
White	281.23	(1.2)	282	(1.5)	8	(0.5)	19	(0.7)	58	(1.0)
Black	230	(1.4)	238	(2.1)	24	(1.7)	35	(1.4)	40	(1.9)
Hispanic	238	(1.8)	224	(3.6)	36	(1.6)	26	(0.8)	33	(1.2)
Asian/Pacific Islander	259	(6.1)	272	(5.0)	11	(2.2)	22	(2.1)	54	(2.4)
Highest level of education										
Still in high school	270.21	(2.4)	265	(4.3)	13	(2.3)	24	(2.2)	54	(3.0)
Less than high school completion	211	(1.5)	208	(2.6)	45	(1.4)	29	(0.7)	25	(1.0)
GED/high school equivalency	259	(2.3)	257	(2.5)	13	(1.9)	30	(2.3)	53	(2.4)
High school graduate	261	(1.4)	258	(1.5)	13	(1.0)	29	(1.1)	52	(1.4)
Vocational/trade/business	273	(2.0)	267	(2.5)	9	(1.5)	26	(2.3)	59	(2.7)
Some college	288	(1.6)	280	(1.7)	5	(0.8)	19	(1.3)	65	(1.8)
Associate's degree	301	(1.9)	291	(2.0)	3	(0.7)	15	(1.5)	66	(2.3)
Bachelor's degree	317	(1.9)	303	(2.2)	2	(0.6)	11	(1.2)	62	(2.5)
Graduate studies/degree	328	(1.9)	311	(2.2)	1	(0.4)	9	(1.1)	59	(2.4)
Employment										
Full-time	286	(+)	281	(+)	---	(+)	---	(+)	---	(+)
Part-time	279	(+)	277	(+)	---	(+)	---	(+)	---	(+)
Unemployed	261	(+)	265	(+)	---	(+)	---	(+)	---	(+)
Not in labor force	244	(+)	250	(+)	---	(+)	---	(+)	---	(+)
Language spoken before starting school										
English only	275	(1.2)	276	(1.3)	9	(0.5)	21	(0.6)	56	(0.8)
English and Spanish	253	(3.6)	259	(3.4)	12	(2.5)	29	(3.0)	54	(3.8)
English and other language	260	(4.5)	268	(3.2)	10	(2.0)	25	(2.3)	57	(2.9)
Spanish	216	(2.8)	199	(4.6)	49	(2.0)	25	(1.0)	23	(1.3)
Other language	241	(3.7)	257	(4.2)	20	(1.9)	24	(1.3)	46	(2.0)

Reading rate dismal

Exhibit B

Friday January 9, 2009 10:44 AM

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Thirteen percent of Franklin County adults can't read a newspaper or a note from their child's school, new federal estimates show. That figure is up from 8 percent in 1992, but experts say it might not reflect the scope of the literacy problem here.

They say the swelling immigrant population is one reason Franklin County's illiteracy rate is the state's highest, a distinction shared with Adams and Vinton counties.



COURTNEY HERGESHEIMER

Students Halima Warsame of Somalia, left, and Xuyan Potter of China work with volunteer Karen Torvik on pronunciation and practice basic life skills at the Columbus Literacy Council, where English as a Second Language is the most-attended class.

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While the number of nonreading adults grew in Franklin County, it declined statewide and in other Ohio counties with big cities. The state's rate fell from 12 percent to 9 percent between 1992 and 2003, when the National Center on Education Statistics studied literacy in people 16 or older.

Nationwide, 35 states showed improvement during the same time period, according to estimates released yesterday.

The new report, which was based on national and state surveys and U.S. Census figures, says "14.5 percent of the population as a whole lacks basic prose literacy," said Sheida White, who works for the statistical arm of the U.S. Department of Education. "This number translates to something like 32 million adults."

People who lack "basic prose literacy skills" might be able to read a word or simple phrase, but they can't read a sentence. They likely can't read the labels on medicine bottles, make sense of report cards or adequately fill out job applications, either.

"These are people with no future, with low or no employability. They feel unsafe. They can't support their child's education," said Greg Tuck, the executive director of the Columbus Literacy Council.

The council, like most other adult-education centers in Ohio, teaches basic reading courses. While demand for those is still growing, nearly 85 percent of students enrolled in classes at the council last year were not native English speakers.

"We have a waiting list about a month long," Tuck said. Since July, the council has served about 1,100 people.

Pockets of immigrants who don't speak English could be a reason that researchers found such variance in literacy rates among states and counties, White said. North Dakota, New Hampshire and Minnesota had the best rate, with only 6 percent lacking basic literacy skills. California was on the other end of the scale, with a 23 percent rate.

Columbus has one of the fastest-growing, if not the fastest-growing, populations of refugees in the country, research has shown.

But to get jobs here, they need to be able to speak, read and write English.

"(I take the class) for development, for a job and communication," said Adiam Zegeye, who is enrolled in one of the council's twice-weekly English courses. She's from Eritrea, in eastern Africa, and has been here for five months.

In the Columbus schools' adult-education program, courses that teach English as a second language have been growing in popularity, too. In 2007, about 41 percent of the district's adult-education students were taking ESL courses.

"There's a considerable amount of demand in both areas," said Blain Waldron, supervisor of adult and community education for the district.

"We're full all of the time."

Reading rate dismal | The Columbus Dispatch

The federal government provides more than half of the \$29.8 million in funding for adult education in Ohio. The state contributes less than a third, and local sources generate about 14 percent.

Tuck's group estimates that 120,000 people in Franklin County can't read, equating to roughly 14 percent of the population. The council would be able to reach more of them if more money were available, he said.

"All of us are not coming near covering the need, and it's a funding issue," Tuck said.

In fiscal 2007, more than 47,000 students were enrolled in adult programs statewide, Ohio Department of Education figures show.

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