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Guest column:

Telephone legislation will harm residential consumers

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In 2010, the legislature will consider a bill that allows telephone companies to raise rates and significantly reduce or eliminate critical consumer protections. In today's tough economic times, the last thing Ohioans need is higher utility bills. The legislation is moving at a fast pace and it is important consumers take action by making their voices heard.

Lawmakers should strengthen Amended Substitute Senate Bill 162 and Amended House Bill 276 to protect their constituents from unnecessary rate increases and substantially less consumer protections. This legislation, which is pushed by Ohio's major telephone companies, would further deregulate basic telephone service rates.

With more than 50 other consumer, senior and low-income groups, the Office of the Ohio Consumers' Counsel (OCC) asked lawmakers to protect Ohioans from the rate increases that will likely result from the legislation. Both bills allow telephone companies to raise by \$1.25 their monthly rates for basic local telephone service once every year, indefinitely. In some areas of the state, there is no cell service or broadband, and only one provider of landline telephone service. Some Ohioans could face telephone rate increases of up to 20-40 percent over the next few years, in areas that lack real competition.

Lawmakers should not eliminate or weaken essential telephone consumer protections. The legislation removes the current Minimum Telephone Service Standards – a set of rules and consumer protections for all customers – and replaces them with weaker laws, leaving Ohioans with fewer safeguards.

While all customers today have the same consumer protections, the proposed law divides customers into two classes. Those with basic service will still receive some consumer protections although less than those currently in place. However, the majority of customers – those receiving service as part of a bundle or package of telecommunication services – will experience a radical reduction in consumer protections. They will be left with only minimal protections from unfair or deceptive telephone company practices.

In these modern times, telephone service is a necessity. Yet this bill would jeopardize the ability of consumers, including senior citizens, the disabled and those with serious medical conditions, to have needed access to the outside world and 9-1-1 emergency services. For example, under the proposed legislation, telephone companies would no longer be required to provide 9-1-1 access to Ohioans who purchased a bundle of telephone services, but were disconnected for non-payment.

Furthermore, telephone companies are currently required to fix outages within 24 hours. The legislation, however, would allow telephone companies to take up to 72 hours to restore an outage for customers with basic service. And for the majority of customers – those with bundles or packages of telephone services – a required time period by which service must be restored is eliminated altogether. These changes could put customers' health and safety at risk.

In addition, customers with packages or bundles of telephone services will lose:

- Protections on bill credits for service outages;
- Limitations on the amount of deposits that could be required for establishing or reconnecting telephone services; and
- Protections involving the disconnection and reconnection of service, among other consumer safeguards.

This legislation impacts hundreds of thousands of Ohio's most vulnerable, low-income consumers in a particularly negative way by reducing the effectiveness of the Lifeline benefit program. The proposed legislation allows Lifeline customers' rates to increase every year, indefinitely, significantly reducing

the overall benefit of the program, creating greater stress and difficulty for Ohio's most vulnerable citizens. The low-income Lifeline benefit program should be restored to its current operation.

If legislators are going to allow deregulation, the companies' customers – not just their shareholders – should be guaranteed a benefit. As telecommunication services are modernized, many Ohioans are getting left behind. Increased broadband access means economic development and job creation. An expanded high-speed broadband infrastructure in unserved areas of Ohio should be required.

Broadband access provides customers with opportunities, including the ability to receive telephone and Internet service over a high-speed connection. Access to broadband provides competition in places where currently none exists. The legislation should also require telephone companies to invest in community computer centers and provide voice mail for Ohioans in distress.

The OCC urges consumers to contact their legislators immediately and let them know the importance of keeping basic telephone rates affordable and maintaining consumer protections for telephone services.

For more information, consumers can contact the OCC at www.pickocc.org or 1-877-PICKOCC (1-877-742-5622).

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This guest column above is intended for publication. If confirmation is needed prior to printing, please contact Ryan Lippe at (614) 466-7269 or after business hours at (614) 226-3207. High-resolution photographs and a bio of Consumers' Counsel Janine Migden-Ostrander can be downloaded from the OCC Web site at www.pickocc.org/mediacenter/migden-ostrander.