ACTION: No Change

DATE: 11/19/2012 2:20 PM

MEMORANDUM

TO: Jeff Jones, Chief, Telecommunications and Water Sections, Public Utilities Commission of Ohio

FROM: Meredith Rockwell, Regulatory Policy Analyst

DATE: October 16, 2012

RE: **CSI Review of Local Exchange Carrier-to-Carrier Rules – OAC Chapter 4901:1-7**

On behalf of Lt. Governor Mary Taylor, and pursuant to the authority granted to the Common Sense Initiative (CSI) Office under Ohio Revised Code (ORC) section 107.54, the CSI Office has reviewed the abovementioned administrative rule package and associated Business Impact Analysis (BIA). This memo represents the CSI Office's comments to the Agency as provided for in ORC 107.54.

Analysis

This package consists of 2 rescinded rules, 17 amended rules, and 10 no-change rules. The rules, together, form OAC Chapter 4901:1-7, which establishes the standards by which telephone companies interconnect their networks to provide telephone service to end-user customers. The rules contained in this package have been adopted to fulfill the Public Utilities Commission of Ohio's (PUCO) obligations under the federal Telecommunications Act of 1996.

Initially, the BIA submitted by the PUCO did not describe the stakeholder involvement in the development of these rules in any detail. Subsequently, the PUCO submitted a revised BIA and comment summary and extended the public comment period to accommodate stakeholders. The comments received during the stakeholder process were often technical and discussed the interaction between the proposed rules and the federal law. Overall, the PUCO staff accepted a large number of the revisions suggested by commenters. Where comments are rejected, the PUCO has explained the rationale behind those decisions adequately.

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The PUCO claims that there is no adverse impact to business created by this package, yet, it goes on to explain that the package "…does impact the business community by requiring employer time associated with negotiation and implementation of interconnection arrangements including compensation for handing off traffic among telephone companies." The PUCO primarily justifies the impact to business by stating that the requirements in the rules are necessary to comply with federal law. In addition, the PUCO further justifies the impacts created by these rules by stating that the rules ensure timely and economically efficient connectivity of telephone company networks. Finally, the PUCO states that no additional adverse impact is created by these rules beyond the impact created by the federal law.

As the adverse impact is reasonably explained and justified in the BIA, and since the PUCO has adequately addressed the comments received during the stakeholder comment period, the CSI Office has no recommendations for this package.

Recommendations

For the reasons described above, the CSI Office has no recommendations on this rule package.

Conclusion

Based on its review of the proposed rule package, the CSI Office recommends the Commission should proceed in filing the proposed rules with the Joint Committee on Agency Rule Review.

cc: Elizabeth Stevens, Legal Director, Public Utilities Commission of Ohio