

**MEMORANDUM**

**TO:** Angela Hawkins, Public Utilities Commission of Ohio

**FROM:** Travis Butchello, Regulatory Policy Advocate

**DATE:** May 23, 2017

**RE:** **CSI Review – Local Exchange Carrier-to-Carrier Rules (OAC 4901:1-7-01 through 22, and 4901:1-7-24 through 27)**

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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 rule package consists of 15 no change and 11 amended rules proposed by the Public Utilities Commission of Ohio (PUCO) under the statutory five-year rule review requirement. The rule package was submitted to the CSI Office on January 21, 2017 and the public comment period was held open through February 24, 2017. Eight comments were received during this time. A Finding and Order was issued by the PUCO on April 19, 2017 along with a revised BIA.

The amended rules are needed to ensure compliance with the Federal Communications Commission (FCC). The proposed changes include terminology, cross references to the United States Code and Code of Federal Regulations, and title alterations to specific PUCO departments. Further, Ohio Administrative Code (OAC) Chapter 4901:1-7 has been adopted to fulfill the PUCO's obligations under the Telecommunications Act of 1996. In their BIA, the PUCO outlines that the purpose of the rules is to mediate carrier relationships so that any conflicts between carriers do not negatively impact a customer's ability to receive telephone calls. In addition, these rules allow for the state to regulate carrier-to-carrier relationships instead of the federal

government because states are more familiar with local conditions and can respond to the needs of industry in a quicker and more efficient manner.

As part of the early stakeholder outreach process, the PUCO held a workshop to receive feedback from stakeholders and the general public. An entry provided notice and was served on the Ohio Telecommunications Association, the Ohio Consumers' Counsel and other telecommunication entities. No comments were received during this time. Thereafter, eight comments were received during the CSI public comment period. One commenter requested that a requirement be added to OAC 4901:1-7-03 that would mandate incumbent local exchange carriers inform customers of a listing of carriers authorized to provide toll service in Ohio. The PUCO responded that the current requirements are compliant with FCC rules and no justification has been given to deviate from them. Six other commenters requested term, reference, and definition changes, two of which were not accepted, while four were adopted to provide consistency between the OAC and relevant federal provisions. Lastly, a commenter requested that OAC 4901:1-7-22 be revised to require telephone companies to respond to a request for customer service records within 24 hours, instead of two business days. The PUCO replied that the request is considered reasonable and chose to adopt the amendment.

While the rules impact all telephone companies operating in Ohio, the PUCO contends that the interconnection of telephone networks is mandated by federal law and regulation and thereby does not have any adverse impact on the business community. However, the PUCO does concede that this rule package may have an impact evidenced by employer time associated with negotiation of interconnection arrangements and potentially, customer rates. The PUCO maintains that the rules justify any adverse impact on business because they will ensure efficient, cost effective, and timely connectivity of telephone company networks. In addition, efficient networks will cause an increase in value of the telephone companies.

### **Recommendation**

For the reasons explained above, this office does not have any recommendations regarding this rule package.

### **Conclusion**

Based on the above comments, the CSI Office concludes that the Public Utilities Commission of Ohio should proceed with the formal filing of this rule package with the Joint Committee on Agency Rule Review.