MEMORANDUM

TO: Angela Hawkins, Public Utilities Commission of Ohio

FROM: Emily Kaylor, Director of Regulatory Policy

DATE: February 26, 2018

RE: **CSI Review – Telephone Company Procedures and Standards (OAC 4901:1-6-01 through 4901:1-6-37)**

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 18 no-change and 19 amended rules submitted by the Public Utilities Commission of Ohio (PUCO) for their statutorily-required five-year rule review. The rule package was submitted to the CSI Office on May 18, 2015. In the Commission's original order, comments were due February 6, 2015 with reply comments due March 6, 2015. Five comments were received along with three reply comments, and a Finding and Order was issued by the PUCO on November 30, 2016. Four applications for rehearing were received to which the Commission granted on January 25, 2017. Four more applications for rehearing were filed and the Commission granted in part and denied in part on April 5, 2017. A final application for rehearing was submitted which the Commission denied on October 4, 2017.

The rules establish the procedures and standards for telephone companies in Ohio. The BIA explains that the rules impact regulated telephone companies and their customers. While PUCO notes that no new impacts are expected from these rules, it indicates adverse impacts are associated with certain applications and notice requirements.

As part of the early stakeholder outreach process, the PUCO conducted a workshop to receive feedback. One rule was modified to stay consistent with federal provisions based on concerns raised by stakeholders. During the PUCO formal review, five comments and three reply comments were submitted by stakeholders. The Commission issued a Finding and Order on November 20, 2016. In the Finding and Order, PUCO detailed amendments made based on stakeholder feedback and provided justifications and responses to all comments. As described above, multiple applications for rehearing were filed. In response, the Commission made further changes and provided justifications when they did not agree with the applications.

Based on these Commission documents and conversations between CSI and stakeholders, the primary remaining issue is Ohio Administrative Code 4901:1-6-21 which pertains to the Commission's intervening when a carrier seeks to abandon a service area. The Commission cites the statutory authority in ORC 4927.10 which grants the Commission the power to identify a willing provider of reasonable and comparatively priced voice service or to order a withdrawing carrier to provide voice service. This is necessary, they contend, to fulfill their obligation to promote the protection, welfare, and safety of the public by ensuring all Ohio residential customers have access to 9-1-1 and emergency services. Stakeholders are concerned that this could mean that PUCO can force a provider to stay in a service area and is an over-reach of its statutory authority. However, the section of rule at issue will only apply if the Commission determines that a residential customer would lose this emergency services access, as described in its Second Entry on Rehearing dated April 5, 2017. Additionally, the PUCO cites ORC 4927.10 and 4927.03 as both allowing for this rule and requiring it for the public protection of access to emergency services. CSI recognizes the adverse impact of a provider that has to stay in a service area, but has determined the public purpose and statute allows PUCO to implement the rule as proposed as it is vitally important to ensure all Ohioans have access to emergency services.

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.