

to measure the extent to which competition is advancing throughout the state. In

Telecommunications Performance Measurement Database, Case No. 91-52-TP-UNC

(January 17, 1991), we established that the TPM includes market information, network

data, and service quality data. Contrary to Ameritech's position, nothing within the

1996 Act prohibits this Commission from requiring the submission of TPM data to

monitor the competitive marketplace in Ohio. In fact, we have noted that the purpose

of the TPM data is to monitor market information, network data, and service quality.

To the extent these filing requirements are imposed on all providers in a competitively

neutral fashion, we find that submission of TPM data is necessary to preserve and

advance universal service, protect the public safety and welfare, ensure the continued

quality of telecommunications services, and safeguard the rights of consumers all in

accordance with the authority reserved to the state's through Section 253(b) of the 1996

Act. Such information is also necessary since the states have been given an advisory

role under the 1996 act concerning BOC entry into long distance.

The Commission does not find any justification for broadening the staff's

proposal regarding CPNI. The proposal as written is sufficiently broad to encompass a

variety of situations. By attempting to list every potential act which may constitute a

violation of this guideline we run the risk of misleading

carriers into believing that a

nonlisted action does not constitute an unreasonable practice.
Should any local

provider be the subject of an act which they deem discriminatory,
the recourse is to file a

complaint under Section 4905.26, Revised Code. Finally, we
determine that staff's

installation, maintenance, and repair proposal should be adopted
as proposed.

Ameritech's revision could be interpreted such that a provider
would be in compliance

even if it offered a lesser installation, maintenance, and repair
interval than it provides

itself as long as it treated all other LECs in a similar fashion.
Staff's proposal, on the

other hand, requires all carriers to provide the same service to
others as it provides to

itself. This standard is superior to Ameritech's standard.

XII. RIGHT-OF-WAY

Staff's proposal set forth standards to guide all local
service providers regarding

the issue of public and private right-of-way. Those commenters
representing the

interests of municipalities express concern that staff's proposal
affects their ability to

regulate the public right-of-way within their jurisdictions.
United/Sprint maintains

that the Commission is without jurisdiction to promulgate
guidelines which attempt to

regulate these arrangements (United/Sprint initial comments at
37). Several ILECs state

that the proposed provision regarding private building, riser,
and conduit space

amounts to an impermissible finding of fact and conclusion of law. MFS submits that

the Commission should seek legislation to prevent building owners from denying

NECs access to their buildings or charging exorbitant fees for such access (MFS initial

comments at 42). The next section of staff's proposal set forth the terms and condition

under which carriers could obtain access to and the rates to be charged for access to poles,

ducts, conduits, and right-of-way. The ILECs commenting on this section express

concern regarding the ability of poles and conduit to hold more capacity. The ILECs also

generally claim that the FCC pole attachment formula is not the appropriate

compensation mechanism to charge competitive providers for pole attachments. MFS

asserts that the Commission should maintain the FCC pole attachment formula and

should require rates for conduit space and access to right-of-way to not exceed LRSIC

(MFS reply comments at 28).

The 1996 Act places a duty on all local exchange carriers to provide access to the

poles, ducts, conduits, and right-of-way to competing providers of telecommunications

services on rates, terms, and conditions consistent with 47 U.S.C. 224. The 1996 Act also

provides that both the terms and conditions of access to poles, ducts, conduits, and right-

of-way of a telecommunications carrier shall be resolved through negotiation. Further,

the FCC, pursuant to Section 703(e) (1) of the 1996 Act, is directed to prescribe regulations

to resolve compensation matters when the parties fail to resolve a dispute on their own.

Based upon the comments submitted on this proposal, the Commission finds

that some clarification is warranted. We do not read staff's proposal as affecting any of

the constitutional or statutory rights presently possessed by municipalities in governing

the public right-of-way within their jurisdictions. Neither are we attempting, by

adoption of these standards, to extend our jurisdiction into areas where we have no

legislative authority. It is indisputable that NECs must have nondiscriminatory access

to right-of-way. The General Assembly has afforded the Commission jurisdiction over

a number of right-of-way issues. Given the importance of this issue to the provision of

competition for local services, we find that it is appropriate to promulgate guidelines

outlining the rights and responsibilities of public utilities on this issue. Thus, we find

that it is appropriate to adopt staff's proposal in this regard with a minor revision. We

will revise the language dealing with building riser space to clarify that any

arrangements entered into between a telephone company and a private building owner

should not exclude the use of riser space, conduit, and closet space by other telephone

companies. We find that, with these minor textual revisions, the staff's proposal

provides a framework informing local service providers of their rights and

responsibilities under both Ohio and federal law. Finally, in

light of the fact that the

FCC will not promulgate rules to govern the compensation of local carriers for

providing access to poles, ducts, conduits, and right-of-way for up to two years, staff's

recommended compensation method is a reasonable proposal.³⁶

XIII. UNIVERSAL SERVICE

Like compensation, the staff's proposed guidelines concerning universal service

have undergone significant revision due to the enactment of the 1996 Act. Therefore,

in lieu of setting forth the staff proposal, we will set forth the revised proposal and then

address only those comments which are applicable to the revised proposal. The

Definitions Section sets forth a list of services that, at a minimum, must be made

available at affordable rates to all who desire such services. In the revised guidelines,

the reference to a 400-minute usage package has been replaced by a requirement to make

available flat-rate service. The list of services comprising universal service will be

reviewed periodically by the Commission as telecommunications and information

technologies and services advance and as societal needs dictate. We note that the ability

to transmit data at a minimum base rate of 9600 offered as a part of universal service

will facilitate use of and access to the internet. Also reflected in the revised guidelines

are separate and distinct components for universal service funding (USF) assistance,

determinations and calculations for USF contributions, targeted and specific high cost

and low income support programs and withdrawal criteria, and a selection procedure

for a USF administrator subject to Commission oversight.

Several commenters claim that inclusion of a usage package as part of the basic

telecommunications service is problematic. Consumer interests maintain that these

commenters have provided no support or rationale for their position. The Ashtabula

Coalition notes that there will be consumer revolt should the Commission fail to

include some level of flat-rate service under universal service (Ashtabula Coalition

initial comments at 7). Other commenters seek to eliminate, add, or modify various

services to the universal service list. ALLTEL and GTE recommend restructuring the

proposal to eliminate the second tier of universal service (ALLTEL initial comments,

Attachment 2 at 28; GTE initial comments, Appendix B at 35). Ameritech and GTE seek

to broaden the funding sources of the USF (Ameritech initial comments, Attachment 3

at 43; GTE initial comments, Appendix B at 37-38). New Par, on the other hand, argues

that the Commission lacks the requisite authority to require cellular providers to

contribute to a universal service fund (New Par initial comments at 6-7). Consumer

interests urge the creation of a Telecommunications Literacy and Access Fund with all

carriers being assessed to offset the costs of this program.³⁷ In addition, OCC maintains

that a portion of low income assistance should include funding to provide equipment

to allow the communicatively impaired access to the telecommunications network

(OCC reply comments at 114).

A number of commenters, currently engaged in the provision of interexchange

services, sought a dollar-for-dollar access charge or other targeted funding requirement

(i.e., carrier common line charge and residual interconnection charge) reduction based

upon the revenues paid into the USF for each ILEC and SLEC. According to MCI, such a

dollar-for-dollar reduction is necessary in order to ensure against a double recovery

from interexchange carriers (MCI initial comments at 49). Several ILEC commenters

assert that only incumbent carriers should be able to obtain USF monies because only

ILECs have carrier of last resort (COLR) obligations. Other ILEC commenters propound

that only facilities-based carriers should have access to universal service funds. OCC

rebutts the ILECs' assertion by stating that the costs to serve high cost areas do not arise

primarily from the COLR obligation (OCC reply comments at 113). Similarly, OTA

recommends that the ILECs should only bear the carrier of last resort obligations for

three years by which time the Commission will have concluded a proceeding to

establish the appropriate standards for COLRs (OTA initial comments at 30).

Regarding low income assistance, OTA posits that adoption of an expanded

telephone assistance program beyond what is currently in place would be clearly

contrary to the General Assembly's intent. Moreover, if the proposal is to allow

recovery of the costs of expanding the current telephone assistance programs through

the current universal service funds, such an event would necessitate an amendment to

the statutes relating to the current tax credit. Since the Commission is without

authority to amend programs enacted by the General Assembly, OTA argues the

Commission should revise the proposal accordingly (OTA initial comments at 31). OCC

argues that the current statutes only speak to the parameters of the program to be

supported by tax revenues; it did not forbid any other program funded by

telecommunication users (OCC reply comments at 116).

Numerous commenters responded to the questions appended to the staff

proposal concerning the appropriate manner in which to design a high cost proxy

model that is representative of high cost subscribers generally, and that could be used in

place of detailed company-specific cost studies. Cincinnati Bell claims that there is

substantial variability between individual ILECs; thus, it is impractical to establish a

statewide average cost to identify low versus high cost areas (Cincinnati Bell initial

comments, Appendix D at 4-5). Cincinnati Bell also argues that due to the unique

characteristics of each ILEC, all LECs would need to perform their own cost studies (Id.).

OCC submits that the variability between individual ILECs may have more to do with

management decisions and little to do with actual local cost characteristics (OCC reply

comments at 120). OCC also notes that Cincinnati Bell fails to acknowledge that, unless

the LEC performs a cost study for each subscriber, any combined cost study is necessarily

a proxy for true costs. Therefore, according to OCC, unless individual cost studies are to

be performed, a statewide proxy makes more sense than individual company-specific

studies (Id.).

OTA and United/Sprint aver that the administrative expenses associated with

the development of company-specific studies are quite large and, consequently, could

prove to be burdensome to the ILECs (OTA initial comments at 41; United/Sprint initial

comments at 53). For this reason, United/Sprint recommends that the Commission use

the Benchmark Cost Model (BCM) as a proxy for individual telephone company

developed costs.³⁸ Ameritech maintains that the BCM may be an appropriate

mechanism to distribute funds from the USF but it is not an appropriate vehicle for

sizing the universal service fund (Ameritech reply comments at 60). Ameritech further

avers that, until all parties are comfortable that the BCM is a reasonable proxy for actual

cost, actual cost should be used to determine the need for high cost funding (Id.). OCTA

submits that the use of company-specific or proxy-costing studies is not likely to produce

any useful information due to the variables and inputs used to develop such studies

(OCTA initial comments, Appendix C at 12).

Having thoroughly reviewed the voluminous comments submitted on

universal service, the Commission makes the following determinations. The

arguments concerning adoption of a particular usage package are no longer relevant in

that the revised guidelines require that NECs desiring to receive USF funds must only

make a flat-rate service option available. Those commenters seeking to eliminate, add,

or modify various services included on the list of universal services have failed to

justify their positions; therefore, those positions need not be further addressed. The

Commission does, however, agree with those commenters seeking to eliminate the

second tier of universal service.

On the issue of which carriers should contribute to Ohio's USF, we note that all

Commission-registered telephone companies having intrastate regulated revenues

shall pay into the intrastate fund. Moreover, contrary to the argument raised by New

Par, Section 254(f) of the 1996 Act specifically provides that "(e)very telecommunications

carrier that provides intrastate telecommunications services shall contribute, on an

equitable and nondiscriminatory basis, in a manner determined by

the State to the

preservation and advancement of universal service in that State." New Par also

submits that the proposed revenue tax funding mechanism is anti-competitive and

discriminatory against wireless providers. New Par's assertions regarding the

lawfulness of a revenue tax funding mechanism are premature at this time. As noted

above, the Commission is proposing to base Ohio's USF upon the TOTAL intrastate

revenues of all certified providers. By this order, the Commission is not calculating any

certified carriers' specific USF obligation. To the extent New Par desires to raise this

issue in a future USF proceeding, the company is not prohibited from doing so.

Regarding the dollar-for-dollar decrease argument raised by the IXCs, we agree

with the arguments raised by OCC that this proposal incorrectly assumes that all support

for universal service comes from access charges. Moreover, we note that, with the

exception of the recent stipulation reached in the Ameritech alternative regulation

proceeding, there has been no corresponding commitment made on behalf of the IXCs

to pass the savings from access charge reduction on to consumers in the form of lower

toll rates. In addition, the IXCs presented no proposal to ensure that those monies are

returned to consumers proportionally to how they were collected. Other commenters

have argued that only ILECs should have the ability to withdraw funds from the USF

due to the requirement that the incumbent providers continue as the carrier of last

resort at the present time. We determine that the most appropriate manner in which to

encourage facilities-based providers to serve all high-cost subscribers is by allowing all

such providers to withdraw from the state USF at least during this interim period until

and unless a bidding process, or some other mechanism to assign carrier of last resort

obligations, is finalized and an award has been made. Otherwise, there would be little if

any incentive for NECs to seek to serve areas determined to be high cost. Contrary to

the concern raised by OTA that the ILECs will be forced to continue as the COLR, we are

committed to evaluating whether to implement a bidding process or some other

mechanism for the COLR obligation within 12 months of issuance of these guidelines.

Obligating ILECs to continue, for such a short time frame, the responsibilities they

already are performing does not appear overly burdensome.

Concerning OTA's argument on the expansion of low income assistance, we

agree with OCC that the current statutes only affect the parameters of the program to be

supported by tax revenues. We have required NECs to immediately offer telephone

service assistance and service connection assistance to eligible customers. Moreover, we

have indicated our intent to establish an incentive for the offering of expanded lifeline

programs, such as those offered in the Ameritech alternative regulation case, through a

crediting to USF obligations for those ILECs and NECs who offer such programs outside

of alternative regulation commitments. We have also, through the revised guidelines,

adopted a proxy model based upon the BCM to identify high cost support benchmark

costs. In so doing, we are acknowledging the concerns expressed that the administrative

costs associated with performing company-specific cost studies are quite burdensome for

all LECs. In adopting this approach, we also recognize that there are alternative

methods of calculating benchmark costs. Therefore, any LEC may petition the

Commission to adopt alternative benchmark costs based on a company-specific analysis.

The burden of proving to the Commission that the alternative method more accurately

reflects true LRSIC costs within a given high-cost study area is on the applicant.

The final issue which needs to be addressed on this subject involves establishing

a procedure to implement the universal service guidelines adopted by this order.

Contrary to the position expressed by Cincinnati Bell, we determine that it is not

necessary to have a universal fund mechanism in place prior to promulgating these

guidelines governing local competition. To adopt Cincinnati Bell's position would

indefinitely delay the commencement of competition in this state and would shore up

the ILECs' monopoly position within their service territories. Cincinnati Bell's position

also could be deemed a barrier to entry generally prohibited by

adoption of the 1996 Act.

We have, however, in response to Cincinnati Bell's comments, set forth a specific

framework which details obligations of NECs and a model for cost recovery by the ILECs

so that there will be little doubt of our policy intentions in this area.

XIV. NUMBER PORTABILITY

Staff's principles concerning number portability recommended that end users

should have the ability to retain the same telephone number when changing from one

local provider to another as long as the end user remains within the same NXX code.

To accomplish that end, staff proposed that, where facilities permit and upon a bona fide

request for interconnection by a certified local service provider, a providing carrier

would have an obligation to provide true service provider number portability. Where

facilities do not permit, staff maintains that interim service provider portability be

provided on a DID or RCF basis. Staff also proposed Ohio-specific number portability

guidelines which any number portability solution must support.

One commenter, Cincinnati Bell, questions whether number portability is really

necessary for local exchange competition (Cincinnati Bell initial comments, Appendix B

at 28-29). Cincinnati Bell further opines that the costs associated with any form of

number portability will be significant and, therefore, the Commission must conduct an

analysis to determine whether the costs outweigh the benefits of number portability

received by customers. Several ILECs also maintain that requiring a permanent number

portability solution within 12 months of a bona fide request for interconnection is an

impossible implementation schedule. The NECs commenting on this issue primarily

argue that a permanent number portability solution is one of the most significant

factors necessary to establish local exchange competition. Without a numbering

solution, the NECs claim that local competition will never happen due to customer

inertia and because, without a permanent solution, many sophisticated feature package

functions (such as CLASS services) cannot be offered or can only be offered in an

inferior manner thus rendering NECs' service less than adequate as compared to the

ILECs' service. On the timing issue, the NECs assert that there are a number of ongoing

number portability trials and that the Commission should merely adopt one of those

and make any minor adjustments necessary to provide an Ohio-specific solution.

There was no debate among commenters in this matter that, to the extent

technically feasible, number portability is required of all LECs under Section 251(b)(2) of

the 1996 Act. Further, the 1996 Act instructs the FCC to adopt guidelines on this matter

within six months of the date of enactment. In addition, the

parties agree that the 1996

Act mandates that the costs of a number portability solution shall be borne by all

telecommunications carriers on a competitively neutral basis. New Par asserts that the

1996 Act does not impose number portability obligations on wireless providers or other

non-LEC telecommunication service providers and neither should this Commission.

The primary area of disagreement over the 1996 Act pertains to the appropriate cost

recovery mechanism for interim number portability solutions. Ameritech claims that

the 1996 Act does not set forth rate standards governing interim number portability and,

as a result, this service is subject to the just, reasonable, and compensatory rate standard

under Ohio law (Ameritech supp. comments at 15). OCC opines that, since interim

number portability falls under the definition of a network element as used in the 1996

Act, the Commission can require its provision at LRSIC and need not include a

reasonable profit in the price. MFS maintains that Section 251(e)(2) of the 1996 Act

precludes the Commission from assigning the costs of interim number portability

exclusively to consumers whose numbers are forwarded or to the carriers from which

they have elected to take service (MFS supp. comments at 15).

The Commission is of the opinion that a permanent true number portability

solution has significant benefits for establishing effective competition in this state in

addition to providing greater choice benefits to end users.
During the comment cycle

established in the proceeding, Illinois adopted location routing
number (LRN) true

service provider number portability. LRN refers to a database
system which does not

rely on an absolute need to transport ported calls through the
ILEC's network. In

addition, unlike RCF and DID, LRN allows enhanced calling
services relying on

number identification to function as designed. We find that the
benefits promised by

adoption of LRN true service provider number portability far
outweigh any unspecified

problems. Therefore, we find it appropriate for Ohio to adopt
LRN true service

provider number portability as the appropriate permanent number
portability solution

for Ohio. The Commission shall schedule a state-wide LRN number
portability

workshop within 120 days of the issuance of these guidelines.
The workshop will seek

to establish the time frame and manner of the implementation of
LRN number

portability in the state of Ohio. The costs of implementing this
permanent number

portability solution shall be borne by all telecommunication
carriers in accordance with

Section 251(e)(2) of the 1996 Act.

Where facilities do not permit the introduction of LRN true
service provider

number portability upon a bona fide request, we find that number
portability is

sufficiently important to warrant the imposition of interim
number portability on an

RCF or DID basis. The rates which are established to provide an interim number

portability solution will be an appropriate issue for inclusion in an interconnection

agreement. This determination is consistent with the statement of the congressional

Committee of Conference which found that the method of providing interim number

portability and the amount of compensation, if any, for providing such service is subject

to the negotiated interconnection agreement pursuant to Section 251 of the 1996 Act.

As a final matter, we agree with New Par that, to the extent an entity is engaged

solely in the provision of commercial mobile service pursuant to 47 U.S.C. 332(c),

neither interim nor permanent number portability must be offered at this time.

However, we would note that the 1996 Act places a general duty on all

telecommunications carriers, including commercial mobile service providers, not to

install network features, functions, or capabilities that do not comply with the

guidelines and standards to be established by the FCC concerning access by persons with

disabilities and coordination for interconnectivity. We expect all commercial mobile

service providers to abide by this standard in engineering and installation of their

systems.

XV. NUMBERING ASSIGNMENT AND ADMINISTRATION

Staff proposed that, prior to a resolution of number assignment and

administration responsibilities on a national or industry level, there should be no state-

specific requirement for Cincinnati Bell and Ameritech to transfer these responsibilities.

Several commenters suggested that the Commission insert a nondiscrimination

requirement in the proposed rule while other commenters opine that the Commission

should establish a numbering administration oversight committee or transfer the

responsibilities to a neutral third party. The 1996 Acts directs the FCC, as the entity with

jurisdiction over the North American Numbering Plan pertaining to the United States,

to create or designate one or more impartial entities to administer telecommunications

numbering and to make numbers available on an equitable basis. The 1996 Act permits

the FCC to delegate to the state commissions all or any portions of its jurisdiction.

In light of the fact that the FCC has pending an investigation on number

administration issues (CC Docket 92-237) and because the 1996 Act requires the FCC to

take action in this area, the Commission can find no reason, at this time, to establish a

mechanism to address number assignment and administration responsibilities.

XVI. DIRECTORY LISTINGS

Staff's proposal reiterates the customer listing

requirements placed on LECs by the

MTSS. The proposal also clarifies that LECs may purchase the provisioning of

published directories and directory assistance from other providers. The proposal

makes clear, however, that it is the carrier's responsibility to comply with the MTSS in

provisioning service to end users. Finally, the staff's proposal touches on competitor

listings and updates to published directory and directory assistance listings. Those ILECs

commenting on staff's proposal suggest that all LECs should be responsible for

providing directories covering their own local calling areas and that such a proposal

may satisfy customer needs at greater convenience and less cost. The NECs essentially

assert that the ILECs should be obligated to provide directories and directory assistance at

no charge to the NECs. The Ashtabula Coalition posits that, without a requirement that

a carrier's local calling area encompass the end user's entire county of residence, the

directory issue will just further confuse end users (Ashtabula Coalition's initial

comments at 8-9).

Having fully considered the comments filed concerning the proposed guidelines,

we determine no changes are warranted. Staff's proposal correctly recognized that the

obligation to provide directories, directory listings, and directory assistance is one most

appropriately placed on the serving LEC. Staff's proposal also affords the NECs

flexibility in that it recognizes that there are different methods by which a NEC can

fulfill its regulatory obligations to consumers. The NEC may provide this service itself

or the NEC may obtain these services from other parties, including ILECS which have

the duty to negotiate such matters in good faith. Further, we fully expect that, with the

advent of local competition, there will be an increase in the number and services

provided by alternative providers of directories and directory assistance. Adopting

staff's proposal regarding directory listings will maintain accountability for directory

provisioning, creates no unequal burdens, allows market forces to benefit carriers and

end users, and keeps a check on end users' need to utilize the ever-increasing numbers

of directories to access local numbers. Placing the obligation of providing directories on

NECs' will benefit end users by providing them with a single directory which

encompasses all local listings in the service area. Placing this obligation upon the ILECs

may be unreasonable because the ILEC may not have all necessary customers in its

database to produce a directory since NECs have the ability to self-define their service

and local calling areas. As a final matter, we acknowledge the concern raised by the

Ashtabula Coalition and pledge to monitor and take corrective action as necessary to

address situations involving end user confusion.

Staff's proposal on this issue touches on a number of areas including disclosure

requirements, network modifications, facilities, minimum compliance, technical

requirements and changes in technical standards, service quality, federal requirements,

and support functions. Consumer groups, new entrants, and the FEAs concur with

these provisions of staff's proposal. NENA asserts that prompt access to 9-1-1 and E9-1-1

should not depend on the success of free-ranging negotiations and, therefore, this

commenter suggests adoption of a non-discriminatory, cost-based tariff to allow carriers

to use one another's databases (NENA initial comments at 4). ILECs maintain that,

where another carrier's technical requirements require a modification to the ILECs

facilities, the cost of those modifications should be recovered on an individual basis.

There was some agreement among the commenters that "essential support functions"

should be provided on a cost-based, nondiscriminatory basis (ICG initial comments at 5,

Ameritech initial comments Attachment 3 at 53; AT&T initial comments, Appendix A,

Part 2 at 50).

In considering whether any revisions are necessary to this portion of the

guidelines, we note our agreement with the FEAs that "business and residence

subscribers have benefited from cooperation between interexchange carriers and local

exchange carriers" and that "they correctly expect the same level

of cooperation between

multiple local carriers" (FEAs initial comments at 25). Having set forth that guiding

principle, we affirm for the most part staff's proposed guidelines on this issue. One

revision necessitated by adoption of the 1996 Act is that the cost of network

modifications relating to interconnection tariffs should be removed and replaced with a

requirement to negotiate the costs of non-standard interconnection arrangements

among interconnecting carriers. Another revision made necessary by the 1996 Act is

that the technical standards section should be amended to reflect that a LEC must make

available to other LECs technical interfaces that are at least equal in quality to that which

it provides itself and such interfaces must be made available to similarly situated

carriers upon request. The final revision was made to reflect that changes in technical

requirements must be provided to other interested parties at the same time notice is

given to all interconnecting carriers and to the Commission.

XVIII. CONSUMER SAFEGUARDS

Under this section, staff proposed standards that would apply to all LECs

concerning customer information and education as well as prohibiting certain

marketing practices. Specifically, the staff recommends that carriers should provide full

and complete materials from which customers can make informed decisions. However,

the Commission, should it encounter a LEC abusing this section, reserves its right to

require, review, or request modification to customer notices and other education

materials. Regarding marketing, the staff proposes to prohibit certain unfair or

deceptive marketing practices. Finally, the staff noted that certified carriers engaging in

the practice of unauthorized switching of an end user's LEC would be subject to

penalties and remedies under the Ohio Revised Code.

Several ILECs commenting on the customer education proposal maintain that

this provision is unnecessary and would result in needless regulatory burden with no

articulation of the possible benefits. Commenters representing consumer interests

applaud the staff's proposal and sought additional requirements that would, in their

opinion, strengthen the proposal. Regarding marketing practices, United/Sprint and

Ameritech assert that the Consumer Sales Practices Act (CSPA), set forth in Chapter

1345, Revised Code, specifically exempts transactions between public utilities and their

customers from its coverage (United/Sprint initial comments at 60; Ameritech initial

comments at 122). Consumer commenters point out that the CSPA exempted public

utilities due to the extent of regulation those entities were subject to by the

Commission. Thus, to the extent the Commission loosens regulation in this

proceeding, it would be appropriate to subject those carriers to the CSPA. OCC even

recommends that the Commission seek the lifting of the exemption the CSPA provides

public utilities (OCC initial comments at 84). Toledo asserts that the Commission

should affirmatively afford end users the same ability to seek redress of violations of the

CSPA as the Commission has reserved to itself (Toledo initial comments at 5). Many

commenters recommend expanding the slamming provisions to include all local

exchange services.

The Commission determines that the guidelines concerning customer education

and prohibitions on deceptive marketing practices should be adopted. Contrary to the

arguments set forth by the ILECs on customer education and marketing, we believe that

these are perhaps the most important consumer provisions within these guidelines. As

all parties, acknowledge, including the ILECs, it is the consumers who should benefit

from basic local exchange service competition. To the extent that all LECs clearly and

accurately inform customers of their respective service offerings and point out, where

appropriate, customers' options, the Commission has no reason to require pre-approval

before certain marketing and customer education material is utilized. However, past

experiences have taught us that it would be unwise to merely allow the companies to

compete for customers and market services without some level of regulatory review.

As a result of competition in the interexchange market, Ohioans have been subjected to