

Testimony before the
House Committee on Public Utilities

Philip Cole, Executive Director
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Good morning, Mr. Chairman, Vice Chair Williams, Ranking Member Bacon and members of the Committee. My name is Phil Cole, Executive Director of the Ohio Association of Community Action Agencies and I am here today to testify on issues concerning deregulation of the telephone industry in H.B. 276. I appreciate the opportunity to present my testimony.

The Ohio Association of Community Action Agencies represents the interests of Ohio's fifty-two community action agencies. We serve the needs of low-income people in all of Ohio's eighty-eight counties. We are locally-controlled nonprofit corporations that administer nearly \$800,000,000 of resources in Ohio aimed at alleviating the problems of poverty in Ohio's communities. We employ over 7,000 people. And we provide service to over 800,000 Ohioans.

We oppose H.B. 276 for many reasons, all eloquently described in earlier testimony by other members of the Ohioans Protecting Telephone Consumers. I choose today to highlight only three.

First, the bill allows telephone companies to increase rates in the most difficult of economic times for Ohioans. Allowing telephone companies to increase rates for basic service by fifteen dollars the first year, thirty dollars the second year, and so forth, is another cost for low-income people who are already stretching their dollars to the breaking point.

The Public Utilities Commission of Ohio has the authority to grant rate increases in this industry and they have a reputation for doing it fairly. H.B. 276 allows telephone companies that operate in areas of Ohio with no competitive service to raise rates unilaterally for basic services without PUCO approval. Basic services are the telephone services usually used by people with lower incomes. And, some areas of the state have neither reliable cell phone service nor high-speed broadband, and have only one wireline telephone provider. Therefore, H.B. 276 creates the equivalent of a deregulated monopoly.

If the General Assembly intends to create a deregulated monopoly, I suggest you must get something for Ohioans in return. That something is my second point.

Second, Ohioans need high-speed broadband internet access. If the General Assembly deregulates telephone monopolies to generate even more revenue, let's ensure at least part of it stays in Ohio by requiring telephone companies to invest in broadband internet access. This will serve the dual purpose of creating jobs and economic development opportunities while also providing the infrastructure for competitive telecommunication services. This is the type of commitment to public benefit that should be required of utility companies if we allow these higher rates.

Third, H.B. 276 reduces service for low-income consumers by weakening the Lifeline discount program. The proposed legislation eliminates the Lifeline Advisory Boards, and allows the rate increases to impact Lifeline customers who already are struggling to survive. Through these boards, major telephone companies make small grants to help the social service agencies market Lifeline services to their clientele. In today's society, telephone service is a necessity and the Lifeline benefit program should not be weakened. The program is called "Lifeline" for a reason; people can not afford to be without telephone service.

Members of the Committee, the members of the Ohio Association of Community Action Agencies agree with the other groups that have testified as a part of "Ohioans Protecting Telephone Consumers" and we hope that you will strongly consider all points presented by this opposition testimony to H.B. 276.

Mr. Chairman, I thank you and the committee members for your time and attention. I will be happy to answer your questions.

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