



Statement of AT&T Corp
Regarding Raised House Bill H.B. No. 5311
“AN ACT CONCERNING TELECOMMUNICATIONS PROVIDER TARIFFS FOR
SERVICES OFFERED TO BUSINESS RETAIL END-USERS AND CERTAIN
TELECOMMUNICATIONS SERVICE-RELATED REPORTS”
Before the Committee on Energy & Technology
March 1, 2016

Proposal:

Raised House Bill No. 5311 would make the filing of tariffs by telecommunications companies for business services optional if the company provides other information to the customer and would eliminate a 1994 requirement for Public Utility Regulatory Authority (PURA) to annually produce a report on the status of telecommunications competition for the General Assembly.

Comments:

AT&T strongly supports HB 5311, appreciates the committee’s willingness to consider the measure, and urges a favorable report on the legislation.

Section One: Tariff Reform for Business Services

Under current law, telephone companies (Frontier Communications and Verizon Communications) as well as certified competitive providers like AT&T, are required to file tariffs for each and every service that they offer. These tariffs are nothing more than a description of the service and its applicable charges. The tariffs are kept on-file with PURA and providers must make sure that they are kept up-to-date.

The filing of tariffs for telecommunications service is a vestige of the bygone monopoly era of telecommunications, when consumers and businesses had no choice of providers and limited service options. Yet despite radical changes to the industry, the legal requirement to continue to file tariffs, albeit with no discernible customer benefit, continues.

Today, companies provide the same information found in a tariff to their customers through customer guides, web site listings, or contracts between the provider and the customer. These information sources are the relevant ways by which customers receive information about the services they are buying and the prices they are paying. Customers don’t use tariff filings for these purposes. Tariffs are therefore both redundant and unnecessary.

Providers, like AT&T, have very real costs associated with the filing of tariffs and doing away with filing requirements would eliminate the time and expense associated with

filing them and would free the companies to better focus on their customers as opposed to complying with outdated requirements.

In light of their unnecessary nature, numerous states have already eliminated tariffs entirely for all telecommunications services. The states of Massachusetts and New York, for example, eliminated most tariff filing requirements for their providers. In addition, the FCC eliminated tariffs for many interstate telecommunications services nearly two-decades ago, with no ill effects on customers or anyone else.

Many of the largest providers in the marketplace, like cable companies for example, who utilize alternative Internet-based voice services, are already exempt from nearly all state telecommunications regulation, including the need to file tariffs for services. This is because federal law preempts state regulation of these services. So this legislation will ensure that there is a more level playing field among providers, no matter the underlying technology used to provide services.

The legislation before the committee would only allow providers to stop filing tariffs for services offered to businesses. It makes no changes whatsoever to requirements or regulations concerning services to residential customers.

Section 2, 3, and 4; Elimination of Outdated Reporting Requirements

When the General Assembly opened the state's local phone market to competition in 1994, it required PURA (then known as the DPUC) to report back annually to the General Assembly on the state of competition in the newly competitive market. This was done as a way of ensuring the planned-for competition took place. Despite the fact that the marketplace is undoubtedly competitive, the reporting requirement remains, long after its framers and the usefulness of the report disappeared.

Since only a small fraction of the competitors in the marketplace are subject to PURA jurisdiction by virtue of federal preemption, the PURA annual report is incomplete.

In addition, the FCC annually issues a number of reports dealing with communications which provide a better and more complete picture of the state of competition and other issues affecting the industry.

PURA and the limited number of providers under its jurisdiction spend considerable time and money complying with data requests and other tasks related to writing the report. In eliminating the report, the committee then will be freeing both providers and regulators to focus on more important tasks, like serving its customers and the state's taxpayers.

Conclusion:

Both tariffs and PURA's annual report on competition are unnecessary in today's highly competitive marketplace. Neither provide any benefit worthy of the time and expense required to prepare and file them and therefore should be eliminated.