

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of Southwestern Bell Telephone)	
Company, d/b/a AT&T Missouri's Application)	
For Waiver of the General Distribution)	File No. IE-2009-0357
Requirement of White Page Directories Under)	
4 CSR 240-32.050(4)(B).)	

**OFFICE OF THE PUBLIC COUNSEL'S INITIAL RESPONSE TO AT&T'S
WAIVER REQUEST**

The Office of the Public Counsel at this time opposes the current AT&T's application and plan to stop general distribution of the White Pages residential telephone directories in the Kansas City and St. Louis metropolitan areas (White Pages Plan). While Public Counsel supports calls to preserve and conserve natural and economic resources, conservation considerations must be balanced with the protection of telephone consumers and the promotion of the public interest in the telecommunications arena.

Public Counsel appreciates that AT&T's application for a waiver identifies some of the actions it plans to do with its White Pages Plan. Public Counsel asks the Commission to have AT&T reduce the specific stipulations and the agreed upon conditions for the waiver into a comprehensive document so that the PSC, the PSC Staff, Public Counsel, AT&T and the public have written notice and disclosure of the nature and extent of the agreement. Public Counsel suggests that such stipulations and agreements of conditions will help to minimize customer confusion and to serve as a memorial of understanding of AT&T's White Pages Plan. Public Counsel does not object to expediting the application consideration and is willing to work with all parties to reduce disputes, schedule any public hearings in the affected areas, if deemed helpful to the PSC, and limit or dispense with the need for an evidentiary hearing, if any. . To that

end, Public Counsel suggests that AT&T, the Staff, Public Counsel and any intervenors meet within the next 10 business days.

CONSUMER CONSIDERATIONS

Public Counsel recognizes that the march of technology often requires evolution and adaptation to changes in telecommunications service, marketing and consumer expectations and patterns of use. Consumer acceptance or resistance to change in telecommunications, like most products, is bottomed on consumer perceptions of price, convenience, utility, comfort, or how the cost/ benefit/ harm analysis comes down in the consumer's mind and life. Some consumers embrace technological change and the new pathways dictated by that technology with little pause or few qualms. But not all consumers welcome these "enhancements," "advancements," and changes without first looking for a strong showing of the necessity and convenience of the AT&T White Pages Plan.

The AT&T White Pages Plan needs more than just a simple yes or no on the rule waiver request. It is more than just an issue of printing fewer phone books. It means the end of a traditional element that has been recognized as part of "telephone service" and included in the price for basic telephone service. The phone book is the customer's source not only for names and phone numbers of other phone customers in the community, but also for valuable and crucial information, including essential facts for fire, police, ambulance and routine and emergency contacts. Information about customer rights, calling scopes and toll calls, bill payment and assistance, and company contact numbers for installation, service and billing issues and emergency service and repair and restoration of service is a known and readily accessible source. (A constant and numerous

customer complaint is the inability to contact AT&T by telephone without significant waiting and misdirected calls.) The white page directory includes mandatory instructions for contacting the PSC or Public Counsel, as well as basic consumer information on the use of special calling/custom features, for assistance for obscene or harassing calls, for non-toll calling scopes, and for deciphering and paying the monthly bill. After years of the telephone company's promotion to turn to the phone book, customers know that they can turn to the telephone directory as the primary source for this information. When hundreds of thousands of telephone customers no longer receive this single unified source, delivered to the customer's door as part of telephone service that is embedded in its price, customers will have to look for other sources that can provide reliable, current, and a one stop source.

The alternatives (Internet websites, miscellaneous social, school, and church "buzz books" or guides, phone list handouts, refrigerator magnets) are not thought to be concentrated, comprehensive, convenient, or readily accessible, especially in emergencies or in power outages. Some on line "free" directories may not be entirely "free," but rather lure customers into "people search" for pay sites or require registration before it can be accessed, opening the door for spam and unwelcome solicitations.

Other customers may resort to over-priced operator assisted calls or directory assistance calls; the fees for these long unregulated services are escalating with great frequency. Like any other matter that comes before the Commission, the public interest calls for consideration of all relevant factors. Good public policy suggests a close look at how AT&T's White Pages Plan affects Missouri customers and a clear understanding how the Plan works.

CONSUMER ACCEPTANCE AND BENEFIT NOT ASSURED

Consumers reasonably expect AT&T as the champion of this plan to make the case for this significant departure from long standing telephone operations. AT&T should not presume that customers will accept this plan with wide and welcome arms. Acceptance of this plan, dubbed just a “rule waiver,” should not be presumed without a disclosure and discussion of how dispensing with general distribution of the white pages affects customers. Consumers are entitled to see the real need for the change, the compelling reason why they should bear the burdens of the change, and how will the changes benefit them.

With this change in the distribution of white pages, the usual claims that competition or the local residential telephone market will provide an alternative does not provide ratepayers with the protection envisioned within Section 392.185, RSMo 2000. Customers who disagree with the plan or that may be affected by it may not be able to avoid the adverse consequences by switching from AT&T since AT&T’s white page directory includes the customers of the CLECs. The marketplace options available are not as simple as “voting with their feet” and subscribing to another local telephone company if the customers value the ability to “let you fingers do the walking” through a directory and that directory is the same.

Public Counsel suggests that the Commission consider the issues discussed below.

SCOPE OF WAIVER

AT&T asks for waiver of Rule 4 CSR 240-32.050(4)(B) (the general delivery requirement) to allow it “the option to provide a paper copy of the residential white page telephone directory to households and businesses in its service territory only upon request

(and at no charge).” (AT&T Missouri’s Application for Waiver and Motion for Expedited Treatment, page 1: “Petition, 1”) The waiver is broad with the initial implementation in the St. Louis and Kansas City markets. Public Counsel suggests:

- identification the locations and time table for additional implementation in other markets
- identification of those “markets” by exchange

SUBSTITUTE FOR WHITE PAGES DELIVERY

AT&T plans to deliver the AT&T Real Yellow Pages Directory (Yellow Pages) instead of the White Pages Residential Metropolitan Directory (White Pages).

AT&T states that the Yellow Pages also contain “the business white page listings, the Government listings, the customer guide information and other information required under the Commission’s Rules.” Also included will be materials informing customers they can receive a printed white pages directory containing residential listings which will be mailed at no cost to the customer.” (Petition, 1)

Public Counsel suggests:

- identification of metro White Pages (what about area white pages or yellow pages, i.e., St. Charles County, Franklin County)
- identification of prominent notice to current and new customers about process to obtain white pages

CUSTOMER SUPPORT FOR AT&T WHITE PAGES PLAN AND USE OF WHITE PAGES

The Missouri customer comments on the PSC EFIS through 4/28/09: 74 % (81 out of 109 comments) **OPPOSED** the AT&T White Pages Plan and the request for the waiver.

The reasons for their opposition are noted below:

- most cited lack of computers/unable to use computers
- difficulty for elderly-don't use computer; not computer savvy
- discriminatory to those without computers
- like printed directory; often have to call for it now; failure to deliver and question whether it will be mailed since they already do not get the mandatory delivered copy
- Question whether AT&T will follow through on sending it.
- fears that this is just the start to eliminate directories
- lack of internet or high speed broadband access
- increased phone bills due to cost to use 411 more often
- inability to access numbers on line in power outage

Is the Austin and Atlanta experience the source of AT&T's statement of this low response/ request for printed copy or does AT&T have the results or the knowledge of other relevant information re Missouri or other similar markets (surveys, study groups, studies, etc.) that who support that same response in Missouri?

**RESPONSE TO AT&T REASONS FOR CUSTOMER TENDENCY
NOT TO USE DIRECTORIES**

Growing number of homes
without wire line service:

majority of homes do; still a significant
number

Telephone numbers not in white pages:

wireless numbers never have been listed

Equipment number storage and
Caller ID and captured numbers:

usually people who use directories are not
savvy high tech phone customers or are not
subscribers to these extra cost services or
do not buy up-scale equipment

Organization phone lists, buzz books:

limited directory just for that organization;
does not contain general listings or customer
information about phone service

Free directory services and
on-line directory services:

these options are used by those with
computer access and generally are savvy
telephone customers; these “free” services
often direct callers to pay sites for specific
number or other information about searched
party or requires registration with personal
data before it can be accessed ; privacy
issues

growing reliance on technology
to retrieve information:

This is true and it is expected that the trend
will continue, but for today and the future
there should be clear safeguards for
customers to obtain phone numbers without
charge and in a convenient form, even for
less than technological savvy customers

SAVINGS TO AT&T TO END AUTOMATIC HOME DISTRIBUTION

AT&T's White Pages Plan means a reduction in the customer's existing level of service without a reduction in price while AT&T enjoys a reduction in its cost of basic local service. The savings from cost reductions for paper, printing binding, data transfer, transportation, and delivery to homes directly benefits AT&T. A rate reduction or a moratorium on basic price increases would be a goodwill gesture to compensate customers for loss of part of service and to share savings. Public Counsel is well aware that the statutes do not give pricing oversight to the PSC and Public Counsel is not suggesting the PSC take any action or even require rate adjustments. This suggestion is made to reflect how there can be a direct benefit to the customer. Of course, it is a matter subject to the sole discretion of the company. Conservation of natural resources benefits all of society, but there should be an immediate measurable benefit to AT&T local customers.

DIRECTORY ASSISTANCE CHARGES AND UNPUBLISHED NUMBERS

The price for Directory Assistance (DA) has sky rocketed since 1999 and especially in the last 2-3 years. Reduction of the number of paper directories will no doubt increase 411 DA calls increasing the cost to consumers. It is reasonable to increase any monthly free DA calls; 5-8 per month is suggested. The same reduction in price/increase in free operator assisted calls is reasonable and should be considered for a similar reason.

AT&T should not charge customers for unpublished or unlisted numbers or there should be a reduction in price since the non-distribution of white pages reduces the value of the service.

OPT OUT OF PAPER DIRECTORY

Some public comments suggested this option that allows the customer to call to waive the delivery or receipt of a paper directory. This is worthy of serious consideration since this is customer decision to obtain the directory unless it is not wanted. Then the number printed can be determined before printing rather than a guess at the amount that will be requested later.

The time for the opt-in or the opt-out needs to be clear and should be very liberal.

IMPACT ON CLECS

Interconnection agreements or other agreements with CLECs often have AT&T as the preparer, printer and distributor of directories that include CLEC customers without identification of the provider. The impact on CLECs should be considered in light of competition.

SUMMARY

AT&T's White Pages Plan needs to be made more concrete and needs to address the consumer issues raised by Public Counsel. Technological change has come, but the question now remains, has the time has come to make the change now. Public Counsel is concerned about the 74% opposition filed with the PSC, and especially from those who feel that the proposal discriminates against them and fails to recognize these customers. Public Counsel is not seeking to unduly delay the PSC's consideration, but is asking for due consideration of this waiver request for a reduction in service.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was emailed, mailed or hand delivered this 30th day of April 2009 to the following attorneys of record:

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