

**BEFORE THE PENNSYLVANIA HOUSE
CONSUMER AFFAIRS COMMITTEE**

Testimony of

**THE PENNSYLVANIA OFFICE OF
CONSUMER ADVOCATE**

Regarding

House Bill 1490

**Harrisburg, PA
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Chairman Preston and Members of the House Consumer Affairs Committee

My name is Shaun Sparks and I am an Assistant Consumer Advocate with the Pennsylvania Office of Consumer Advocate. Thank you for inviting the Office of Consumer Advocate to testify here today regarding House Bill 1490, which has been introduced by Representative Eachus and a number of other Representatives. House Bill 1490 would add a new Chapter to the Pennsylvania Public Utility Code regarding state-issued cable and video franchises.

House Bill 1490 would provide a state-wide franchise approval process for entities seeking to provide cable television service, and would place the administration of that process within the Pennsylvania Public Utility Commission. In its Declaration of Policy, House Bill 1490 recognizes the “convergence of pre-existing and new technologies for providing voice, video and data services.” The Bill appears to be directed at least in part to Pennsylvania telecommunications companies that wish to provide cable television service within their existing telephone service territories.

The OCA would note at the outset that it has no current authority, and has never had authority, to represent the interests of Pennsylvania cable television subscribers. While the OCA is aware of the ongoing legislative debate in Pennsylvania regarding the creation of statewide cable franchises, the OCA has taken no position on this issue. Because this issue falls outside the current authority and expertise of our Office, the OCA also takes no position with respect to the benefits of a statewide cable franchise process and what such a process should entail.

To the extent that such a process is put in place, however, the OCA would actively support the consumer protections and service quality provisions that are included

in the Bill. The OCA would also welcome the opportunity to assist consumers as is specifically authorized in Sections 30A05 and 30A18 of the Bill. In particular, the OCA would support the provisions of Section 30A17, which sets forth the requirements for adequate service and consumer protection, including the assurance of protections that are currently provided to telephone consumers under PUC Regulations and the existing Public Utility Code.

The OCA has represented the interests of Pennsylvania utility consumers for more than 30 years. Much of our work involves representing consumers as a class in rate cases and other generic proceedings that typically affect many thousands of consumers and millions of dollars. Our Office, however, also assists individual utility consumers or small groups of consumers when they have serious service problems or bill complaints. Some of these consumers are referred to us by members of the General Assembly or other public officials. Other consumers contact us at our toll-free number (800-684-6560) or through our Website (www.oca.state.pa.us). We recognize that it can be a daunting process for an individual consumer to file a Formal Complaint against a public utility at the PUC, and we try to provide assistance to consumers wherever possible. That is why we appreciate Representative Eachus' inclusion of the OCA in HB 1490. To the extent that regulation of a retail communications service is to be conducted by the PUC, we believe it is entirely appropriate to allow the OCA to assist consumers under that regulation.

It is also important to note that HB 1490 specifically incorporates existing PUC regulations regarding telephone service quality and billing, and makes it clear that those regulations still apply where telephone service is being provided by an entity that also

provides cable television service. Section 30A17 states that customer service and consumer protection standards shall be applied to cable service providers who also offer telecommunications service. That Section specifically states that telecommunications service providers will be subject to PUC Regulations under 52 Pa. Code Chapters 63 and 64. Chapter 63 of the PUC's regulations deals with telephone quality of service and Chapter 64 with telephone billing practices. The OCA agrees with Representative Eachus that these public protections are critical and that it is appropriate to ensure that these standards would be applicable to telecommunications service provided by cable operators under this law.

Chapter 63 of the Commission's regulations establishes the base-line requirements for installation, operation, and service outage repair requirements. Chapter 63 seeks to ensure, for example, that consumers requesting telephone service are able to obtain service in a reasonable period of time, usually within 5 days. Chapter 63 also establishes concrete operating parameters for technical issues such as line noise, and generally requires that telephone companies respond to and take substantial action to repair service outages within 24 hours of a consumer report of an outage.

The outage repair requirement is an important one. The OCA submits that simply because consumers receive essential telephone service over facilities that also provide cable television entertainment, this should not excuse the telephone service provider from meeting the same service quality standards required of other telephone companies that provide telephone service over traditional copper wires. It is one thing for a household to go without HBO for a few days; it is another thing for that household to go without the ability to dial 9-1-1 in an emergency. Applying the public safety protections found in

Chapter 63 of the Commission's regulations to the telephone operations of cable operators will ensure that all providers of essential telephone services understand and acknowledge these standards.

Similarly, House Bill 1490 requires cable system operators to observe the Commission's base-line billing, collections and termination rules with respect to telephone service that are found in Chapter 64 of the Commission's regulations. For example, Chapter 64 provides clear guidance regarding when a consumer's basic telephone service may be terminated. Under those regulations, a consumer's failure to pay their bill for optional or toll services cannot be used as a basis on which to terminate basic local telephone service. Compliance with this provision of Chapter 64 is especially important in regard to House Bill 1490 because many consumers will be purchasing video entertainment services from the same entity that provides them with essential telephone service. Essential basic telephone service should not be subject to termination as a result of issues relating to collections efforts for entertainment services. This is a very important public safety consideration and Chapter 64 of the Commission's regulations addresses these issues by clearly establishing procedures and protocols that are to be followed in such circumstances. Under the protections provided in House Bill 1490, consumers can be assured that a move to a new telephone service provider, or the purchase of additional entertainment services like movies or cable programming from their telephone provider, will not jeopardize the basic consumer billing protections that have served Pennsylvania consumers well for many years.

The OCA submits that the delivery of new entertainment options over shared facilities should not compromise the safety, adequacy, or reliability of the essential

telecommunications services currently enjoyed by Pennsylvania consumers. To this end, the OCA supports the consumer protection requirements of House Bill 1490 and would be pleased to assist consumers under the provisions of this legislation. The OCA understands the nature of and the extent to which advances in technology are changing the delivery options of essential telecommunications services. To the extent that telephone and television services may be delivered over the same facilities, however, the OCA agrees with Representative Eachus that the fundamental service quality and consumer protections that Pennsylvania telephone consumers currently receive should not be sacrificed.

In summary, the Office of the Consumer Advocate would like to thank the Committee for allowing us to testify today regarding our potential role in the implementation of House Bill 1490. I would be happy to answer any questions you may have at this time.

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