



OHIO LEGISLATIVE SERVICE COMMISSION

Sub. Bill Comparative Synopsis

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Sub. H.B. 402

132nd General Assembly
(H. Public Utilities)

This table summarizes how the latest substitute version of the bill differs from the immediately preceding version. It addresses only the topics on which the two versions differ substantively. It does not list topics on which the two bills are substantively the same.

Topic	Previous Version (L_132_1780-3)	Sub. Version (L_132_1780-6)
Rate increase for basic local exchange service (BLES) (R.C. 4927.12)	Permits incumbent local exchange carriers (ILECs) to raise the monthly BLES rate by 20% each year in competitive exchange areas (or by \$1.25 as permitted currently).	Permits ILECs to raise the monthly BLES rate by \$2 each year in competitive exchange areas (rather than by \$1.25 as permitted currently).
Full pricing flexibility for BLES	No provision.	<p>Allows ILECs, not earlier than the date that is exactly four years after the bill takes effect, and if the General Assembly does not act on the Public Utilities Commission (PUCO) report (described below), to apply to PUCO for full pricing flexibility (rate increases by any amount at any time, after providing 30 days' notice) for BLES in an exchange area.</p> <p>Requires an application to be deemed approved after 30 days unless the PUCO finds that the ILEC has not demonstrated both of the following:</p>

Topic	Previous Version (L_132_1780-3)	Sub. Version (L_132_1780-6)
		<p>(1) The exchange area is competitive, based on tests in current and prior law;</p> <p>(2) The ILEC has experienced at least 50% line loss in the exchange area since 2002 (R.C. 4927.123 and 4927.124).</p>
BLES rate decreases	No provision.	<p>Requires that BLES rate decreases not go below an ILEC's incremental cost.</p> <p>Defines "incremental cost" as having the meaning as defined by PUCO. (R.C. 4927.12(A) and (B).)</p>
Application process for exchange areas	No provision.	<p>Allows PUCO to suspend, for good cause shown, the automatic approval of an application under continuing law of an ILEC to demonstrate that an exchange area is competitive.</p> <p>Requires PUCO to approve or deny the application within 90 days after a suspension. (R.C. 4927.12(B)(3)(b) and (c).)</p>
BLES service standards	Repeals service standards for BLES (R.C. 4927.08, repealed).	Retains the BLES service standards in current law.
State policy (R.C. 4927.02(A)(1))	Changes the policy from ensuring the availability of adequate BLES or voice service to ensuring the availability of voice service (with no reference to BLES).	Changes the policy to ensuring the adequacy and reliability of BLES, where available, and the adequacy and reliability of voice service.
PUCO report	No provision.	<p>Requires the PUCO staff, not later than the date that is exactly three years after the bill takes effect, to produce and docket a report that includes all of the following:</p> <p>(1) The number of customers using BLES in Ohio at the time of the report;</p>

Topic	Previous Version (L_132_1780-3)	Sub. Version (L_132_1780-6)
		<p>(2) The aggregate amount of line loss in Ohio since the bill's effective date;</p> <p>(3) The change in the price of BLES in each exchange area in Ohio since the bill's effective date.</p> <p>Requires a three-month period of public comment on the report.</p> <p>Requires the PUCO to submit another report at the end of the three-month period to the Speaker of the House of Representatives, the President of the Senate, and the appropriate House and Senate committees, containing the PUCO's assessment of the staff's report.</p> <p>Specifies that the bill does not prevent a party from arguing for protection of trade secrets. <i>(Section 4.)</i></p>
Definition of "line loss"	No provision.	<p>Defines "line loss," for purposes of the applications for full pricing flexibility, as well as the PUCO report, as the number of residential or commercial accounts for which an ILEC customer has terminated BLES <i>(R.C. 4927.123(A) and Section 4).</i></p>

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