BEFORE THE WASHINGTONUTILITIES AND TRANSPORTATION COMMISSION

Rulemaking Related to the Mandatory)Distribution of White Pages Directories)by Local Exchange Carriers in)WAC 480-120-251(3))

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Frontier Communications NW Inc

<u>COMMENTS</u> OF FRONTIER COMMUNICATIONS NORTHWEST INC.

INTRODUCTION

Frontier Communications Northwest Inc. ("Frontier") appreciates the opportunity to comment on the proposal to modify or repeal the requirement that local exchange companies provide each customer with a copy of a telephone directory, as prescribed by Commission Rule (WAC 480-120-251).

The rapid pace of technological change of how our customers gather data merit a serious look at how regulations governing largely outdated products such as white pages can improve the customer experience and result in efficiencies for businesses and less strain on environmental resources.

Several reports have emerged in the last few years that reveal that consumers have disdain for printed directories and have replaced white pages with information services provided by various Internet web sites (*e.g.* Google, Bing) or mobile applications (*e.g.* social media sites like Facebook). A Harris Interactive survey showed that 7 out of 10 American adults rarely or never use white pages for looking up phone numbers or businesses, and that only 22 percent of consumers recycle their directories. ¹

Consumers are benefitting from innovation-driven substitution. Over 80 percent of American adults log onto the Internet regularly, most often to use a search engine. That is up from 50 percent in the year 2000.²

Consumers have also been utilizing alternate methods of accessing listings, such as the directories in wireless and wireline devices, and the specialized directories provided by employers, schools, places of worship and other organizations. A Gallup study showed that in 2008, the percentage of households using stand-alone residential white pages dropped from 25% in 2005 to only 11% (sure to be even lower today).

¹ "New Survey Finds Majority of American Don't Use the White Pages Phone Book, Don't Recycle It, Don't Want it Automatically and Go Online to Find Contact Information," available at

http://www.whitepagesinc.com/press/article/000000219, accessed 5/10/2012.

² Pew Internet & American Life Project, "Demographics of internet users; Usage Over Time," available at: <u>http://www.pewinternet.org/Static-Pages/Trend-Data/Usage-Over-Time.aspx</u>, accessed 5/4/2012.

Due to the diminishing use of the printed directories and the established presence of suitable substitutes, many states have already authorized alternatives to mandatory delivery of printed residential white page directories to all households and customers. In some areas of Oklahoma, Ohio, Georgia and Florida, regulators have permitted AT&T to provide residential white page directories only upon customer request ("opt-in").³ Verizon has instituted a similar arrangement in California, Florida, New York, and Pennsylvania.⁴ Our research indicates that requests have been granted or are pending in at least 15 states.⁵ In at least one state where AT&T has been permitted to provide white pages on demand, approximately 2 percent of their customers have actually requested a paper copy.⁶

Another reason to revise the rule on directories is that eliminating printing of largely unused/unwanted directories would be environmentally responsible.

The Environmental Protection Agency estimated Americans deposited 650 thousand tons of directories into landfills in 2009, while recycling only 240 thousand tons.⁷

In Addressing the Commission's Questions:

1. Do all telephone company customers need printed directories of telephone numbers? If not, which types of customers continue to need such directories?

There is little question that the need for mandatory printing and distributing of printed directories has come and gone. While a limited number of customers may prefer printed directories (such as customers without access to home-based or mobile Internet search options), the trend throughout Washington and the nation is away from utilization of printed directories. Anecdotally, newspapers are replete with stories about customers who have received printed directories depositing them straight into recycling bins without even opening the package – along with figures highlighting the cost of recycling these unused products.

White page relevance is another concern – almost one-third of Washington households rely solely on wireless phones as their main residential telephone line⁸ – and typically those numbers are not printed and distributed in white page directories. In other words, the pool of residents in white pages is shrinking, thereby reducing the directory's efficacy.

³ Case 10-C-0215 Petition of Verizon New York Inc. for Waiver of New York Code of Rules and Regulations, Title 15, §602.10(b) Pertaining to the Distribution of Telephone Directories, October 15, 2010 Order p.3.

⁴ Id.

⁵ <u>http://www.usatoday.com/money/industries/telecom/2010-11-14-white-pages-dropped_N.htm</u>, visited 5/2/12.
⁶ *Id*.

⁷ 2009 Facts and Figures: Characterization of Municipal Solid Waste by Weight, "Table 4: Paper and Paperboard Products in MSW, 2009" Environmental Protection Agency, December 2010, page 40.

⁸ Stephen J. Blumberg, Ph.D. et. al., *Wireless Substitution: State-Level Estimates From the National Health Interview Survey, January 2007-June 2010,*"Table 1: Modeled estimates (with standard errors) of the percentage of adults aged 18 and over living in wireless-only households, by selected geographic areas and time period: United States, January 2007-June2010," National Health Statistics Report No. 39, U.S. Department of Health and Human Services, April 20, 2011.

2. If all customers do not need printed directories, should the Commission continue to require telephone companies to provide them?

The Commission should amend WAC 480-120-251 to discontinue the mandatory publishing and distribution of printed residential directories by LECs.

3. Should telephone companies give their customers the option to receive a printed directory?

- a. If so, should customers be given the option not to receive a printed directory (opt out) or should customers be required to affirmatively request a directory (opt in)? An "opt-in" system would be the most effective at determining which customers want to continue receiving directories. Based on the extremely low opt-in rates evidenced by the AT&T example cited above, an opt-out system may still include thousands of customers who do not have any desire to continue receiving printed directories.
- b. What costs would a telephone company incur to implement optional distribution of printed directories?

Short-term costs incurred by Frontier to transition towards an "opt-in" system would be offset by long-term relief from the requirement to print and distribute directories. Short-term costs can be minimized by giving providers flexibility in determining how best to communicate to customers regarding the ability to opt-in once the rule is amended.

Frontier has an existing system for the distribution of printed residential white pages on a per-demand basis or an electronic copy of residential telephone listings (shipped to a customer on CD-ROM format).⁹

- c. If any such costs would be significant, how should the company recover those costs? The cost to transition towards an "opt-in" system should not be significant, but in the event of a need to recover the cost of the transition, the Commission could provide for a means of a revenue-neutral adjustment on a streamlined basis.
- 4. Should the rule explicitly allow a telephone company to seek an exemption from the rule to relieve it of the obligation to print and/or deliver printed directories to customers? If so, what standard should the Commission consider?

The Commission should amend the rules so that the opt-in system is the default method. This would eliminate the need for companies to petition for a waiver of the rules and would relieve the Commission of the burden of reviewing, analyzing, and approving each petition. In any

⁹ More information available at: <u>http://www.frontierpages.com</u>

event, amending the rule to eliminate the requirement of directory delivery would not preclude a company from continuing to provide a directory if it chose to do so.

5. Should the Commission give telephone companies the option to provide online directories of telephone numbers instead of printed directories?

If companies elect to do so, they should have the option of providing online directories.

CONCLUSION

In light of the greatly diminished demand for white page directories as well as the environmental benefits that will be realized by providing relevant white page listings only to those customers wishing to receive them, Frontier respectfully requests that the Commission amend WAC 480-120-251, eliminating the mandate that LECs print and distribute directories. Not only will updated rules benefit the environment, they will also unburden customers who have no use for printed directories, and allow Frontier and other LECs to avoid the costs associated with producing a largely unwanted product.

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Respectfully submitted,

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