

**STATE OF MARYLAND  
OFFICE OF PEOPLE'S COUNSEL**

**Paula M. Carmody, People's Counsel**

6 St. Paul Street, Suite 2102  
Baltimore, Maryland 21202  
410-767-8150; 800-207-4055  
[www.opc.state.md.us](http://www.opc.state.md.us)

**BILL NO.:** **House Bill 677 - Charges for Directory Assistance**

**COMMITTEE:** **Economic Matters**

**HEARING DATE:** **March 8, 2012**

**SPONSOR:** **Delegate Davis**

**POSITION:** **Oppose (Written Only)**

---

House Bill 677 would require the Public Service Commission to allow telephone companies to charge whatever the companies choose to charge for directory assistance calls in excess of the first two "free" directory assistance calls made by residential customers each monthly billing cycle. The Bill removes the current requirement that telephone companies show, through evidence scrutinized in an evidentiary hearing, that any charges to be imposed for directory assistance calls must "protect consumers by providing affordable and reasonably priced directory assistance service; encourage the development of competition, and are in the public interest." The Office of People's Counsel OPPOSES House Bill 677.

Twice in recent years Verizon has sought to charge residential customers for directory assistance calls in excess of the mandated two per month.<sup>1</sup> Twice, the Office of People's Counsel has objected and put on expert witness testimony that the charges are unwarranted and unsupported. Twice, the Public Service Commission has rejected the request because it could find neither compelling evidence nor good public policy reason under the Law to allow Verizon to impose the charges. In an order issued just last week, the PSC noted that Verizon provided no evidence that its proposals would do anything to encourage the development of competition and that; in fact, the public interest would be harmed. After reviewing the evidence in the most recent case, the Public Service Commission noted:

We are not, however, prepared to hold that there is an intrinsic public interest in improving the efficiency of markets at any cost, particularly when the "reforms" required to fulfill that "interest" will increase costs to consumers. Indeed, competition is supposed to increase the range of available alternatives and *reduce* prices to consumers, not create new opportunities for Verizon and other to *charge* for services that currently are included within regulated local telephone service. Put another way, we struggle to see how the public interest is served by reducing the number of free DA calls so that Verizon and competitors both are allowed to increase prices for DA calls that are now free.<sup>2</sup>

---

<sup>1</sup> Case Nos. 9125 and 9270.

<sup>2</sup> *In the matter of the Proposal of Verizon Maryland, Inc. to Reduce the Residential Monthly Directory Assistance "Free" Call Allowance*, \_\_\_Md. PSC \_\_\_ ( Case No. 9270), Order No. 84727 ,p.9-10 ( March 2, 2012)

The Office of People's Counsel believes the PSC got its analysis exactly right.

Therefore, to protect residential customers from having to pay an unknown and unlimited amount for each directory assistance call over the monthly allotment of two, the Office of People's Counsel urges an **UNFAVORABLE** report.