

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION

CITIZENS UTILITY BOARD )  
v. ) Docket No. 00-0043  
ILLINOIS BELL TELEPHONE CO )  
(AMERITECH, ILLINOIS) )  
)  
Complaint to stop Ameritech from using )  
misleading marketing and advertising )  
materials and statements concerning )  
Simplifive and CallPack rates. )

\*\*\* NON - PROPRIETARY VERSION \*\*\*

REBUTTAL TESTIMONY OF ALEEN BAYARD

ON BEHALF OF THE CITIZENS UTILITY BOARD

May 19, 2000

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**OFFICIAL FILE**

I.C.C. DOCKET NO. 00-0043  
CUB Exhibit No. 2.01

Witness \_\_\_\_\_  
Date 5/31/00 Reporter ste

CUB Ex. 2.01

1 Q. PLEASE STATE YOUR NAME.

2

3 A. My name is Aleen Bayard.

4

5

6 Q. ARE YOU THE SAME ALEEN BAYARD WHO SUBMITTED DIRECT  
7 TESTIMONY IN THIS DOCKET?

8

9 A. Yes.

10

11

12 Q. ARE YOU SUBMITTING TESTIMONY ON BEHALF OF THE CITIZENS UTILITY  
13 BOARD?

14

15 A. Yes.

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17

18 Q. HAVE YOU SEEN THE DIRECT TESTIMONY FILED ON BEHALF OF  
19 AMERITECH ILLINOIS IN THIS DOCKET?

20

21 A. Yes. I have reviewed the testimony, including the proprietary portions.

22

23

1 Q. TURNING TO MS. SHAH'S TESTIMONY AT PAGES 12-13, SHE CRITICIZES  
2 YOUR SUGGESTION THAT AMERITECH PURSUED THE "WRONG MARKETING  
3 OBJECTIVE" BASED ON THE MARKET RESEARCH SURVEYS. DO YOU HAVE ANY  
4 COMMENT?

5  
6 A. Yes. I did not say that Ameritech pursued the "wrong marketing objective." I said that the  
7 market research showed that \*\* \*\* were consumers' chief concerns.

8 My initial testimony did not categorize Ameritech's marketing objectives as "right or  
9 wrong." The context of my testimony was to make an observation related to the company's  
10 research findings, which unequivocally found consumers asking for lower prices in addition to  
11 simple pricing. Promoting an OCP based on simple pricing is not "wrong". It is merely an  
12 insufficient or partial response to the consumers' stated needs. In light of Ms. Shah's own  
13 professional statement that "consumers typically value multiple attributes", I would again assert  
14 that a better and fairer campaign would more clearly differentiate between a "best price"  
15 telephone package and one that primarily addresses simplicity.

16 I would also like to clarify an inference Ms. Shah took from my testimony. On page 13 of  
17 her testimony, Ms. Shah characterizes my position as "self-contradictory" related to my noting of  
18 the rank order. My initial point was not that Ameritech had a duty to respond to these attributes  
19 "in order". My point was that if Ameritech was going to justify the fact that its initial campaigns  
20 were launched to respond to consumer needs, then it needed to go much farther in meeting ALL  
21 of the needs, not to selectively pick "simplicity" as a cornerstone --- particularly when the first  
22 program resulted in higher phone bills for a substantial group of consumers.

1 Q. MS. SHAH CHALLENGES YOUR STATEMENT THAT CONSUMERS EQUATE  
2 SIMPLE PRICING WITH LOWEST PRICING. WHAT WAS THE BASIS OF YOUR  
3 STATEMENT?

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5 A. My statement is borne out in Ameritech's actual experience. When "general consumers"  
6 received the first mailing and signed up, many of them ultimately canceled the plans. They likely  
7 had mistaken a simple price with a lower price. Once the actual invoices were received, they  
8 balked. The testimony by Staff witness Cindy Jackson reinforces this point. She notes on page 4  
9 that "Ameritech did make representations" regarding potential savings to consumers while  
10 marketing the SimpliFive and CallPack plans. Ms. Jackson also questions Ameritech's customer  
11 service practices and also endorses the company putting more information in writing related to  
12 pricing differentials. I concur with her points of view related to the nature of Ameritech's  
13 advertising practices.

14  
15  
16 Q. MS. SHAH SUGGESTS THAT WHEN CONSUMERS CALL TO SIGN UP FOR  
17 SIMPLIFIVE, THE CUSTOMER SERVICE REPRESENTATIVES REVIEW THEIR BILLS  
18 TO SEE IF THE PLAN IS RIGHT FOR THEM. DOES THIS ADDRESS YOUR CONCERNS?

19  
20 A. Ameritech's approach is that it expects consumers to rely on Ameritech's assessment of  
21 whether they should be on an OCP without giving the consumer the information the consumer  
22 needs to independently make that decision. I agree with Staff witness Cindy Jackson who pointed  
23 out that "Consumers who uncritically accept a customer service representative's recommendation

1 without any thought of investigation may not choose the best option for their income or lifestyle  
2 and current/future calling needs." Staff Ex. 1.0 at 7-8. My concern is that Ameritech is not giving  
3 customers enough information in its basic marketing letters and solicitations to enable consumers  
4 to do anything but blindly rely on Ameritech's recommendation. If these plans are such a good  
5 deal for customers, then additional product/pricing information should be welcomed and  
6 embraced by Ameritech. Disclosure is a component of any marketing function.

7  
8  
9 Q. MS. SHAH SAYS THAT THE MARKETING MATERIALS YOU CITED IN YOUR  
10 TESTIMONY HAVE BEEN SUPERSEDED. WHAT IS YOUR RESPONSE?

11  
12 A. Ms. Shah did not suggest that the materials I cited were never used by Ameritech. Even if  
13 they have been superseded, they were used during the Simplifive or CallPack campaigns,  
14 consumers were encouraged to take action based on those materials, and they are not inconsistent  
15 with current materials.

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17  
18 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

19  
20 A. Yes.