

**TESTIMONY**  
**OF**  
**JERONIMOS “MIKE” KONIDARIS**

**DEX MEDIA, INC.**

IN THE MATTER OF DEX MEDIA, INC., as agent for ILLINOIS BELL TELEPHONE CO., and as agent for FRONTIER NORTH, INC., FRONTIER COMMUNICATIONS OF THE CAROLINAS, LLC, CITIZENS TELECOMMUNICATIONS COMPANY OF ILLINOIS D/B/A FRONTIER CITIZENS COMMUNICATIONS OF ILLINOIS, FRONTIER COMMUNICATIONS – MIDLAND, INC., FRONTIER COMMUNICATIONS – PRAIRIE, INC., FRONTIER COMMUNICATIONS – SCHUYLER, INC., FRONTIER COMMUNICATIONS OF DEPUE, INC., FRONTIER COMMUNICATIONS OF ILLINOIS, INC., FRONTIER COMMUNICATIONS OF LAKESIDE, INC., FRONTIER COMMUNICATIONS OF MT. PULASKI, INC., and FRONTIER COMMUNICATIONS OF ORION, INC.

PETITION FOR WAIVERS OF SECTIONS 732.50(a) and (c), 735.180(a)(1), 735.180(d), and 735.180(1), and Section 756.110 of Title 83 of the Administrative Code.

Docket No. 16-0066

February 5, 2016

1 Witness Information & Introduction

2 **Q: Please state your full name and business address.**

3 A: Jeronimos (“Mike”) Konidaris  
4 2200 West Airfield Drive  
5 P.O. Box 619810  
6 DFW Airport, TX 75261

7 **Q: By whom are you employed and in what capacity?**

8 A: I am the Director of Telco Relations, Listing Acquisition and Print Services of Dex  
9 Media, Inc., the successor to Dex One Corporation.

10 **Q: Describe Dex Media’s involvement in the business of publishing telephone**  
11 **directories.**

12 A: Dex Media and its predecessors and affiliates have been in the business of publishing  
13 telephone directories since 1886. Dex Media and affiliate companies are successors to the  
14 publishing arms of a number of local exchange carriers (“LECs”), including AT&T  
15 Illinois and Frontier in Illinois. Through a series of sales, larger LECs in the U.S. have  
16 sold their directory publishing businesses to independent publishers such as Dex Media.  
17 In addition to Illinois, Dex Media publishes directories for incumbent LECs in over 40  
18 other states and the District of Columbia, serving over 500 markets nationwide.

19 In addition to traditional print directories, as consumers have come to rely more on the  
20 Internet and less on print media for name and business searches, Dex Media has  
21 supported evolving consumer needs by offering digital platforms such as DexKnows.com  
22 and Dex Mobile. Dex Media also publishes its print directories in a digital format at  
23 www.DexPages.com. This site provides those who prefer the traditional layout of printed  
24 white and yellow pages a way to access any of the Dex directories from the convenience  
25 of their computer or smartphone, with the added benefit of keyword search, and live links  
26 to online business profiles and websites.

27 **Q: Summarize briefly your business experience.**

28 A: I have worked for Dex Media and its predecessor companies for 25 years. I started my  
29 career as a customer service representative at New York Telephone, and I moved to the  
30 directory side of the business in 2002 under Verizon. Within the directory business, I  
31 have worked in Sales Operations, Market Assignment, Publishing, Digital Operations,  
32 Telco Relations, Listing Acquisition and Print Services.

33 **Q: Describe your current responsibilities with respect to residential white pages**  
34 **directories in Illinois.**

35 A: As the Director of Telco Relations, Listing Acquisition and Print Services, I am  
36 responsible for the proper execution of the AT&T and Frontier Publishing agreements  
37 with Dex Media, which includes the production, publication, and distribution of AT&T  
38 and Frontier branded directories in the State of Illinois. I fulfill these same  
39 responsibilities in 42 other states for three additional telecommunications companies.

40 **Q: What is Dex Media's role in providing directories to AT&T Illinois' and Frontier's**  
41 **customers?**

42 A: With regard to AT&T Illinois, on September 1, 2004, Dex One (f/k/a R.H. Donnelley)  
43 purchased the interest of Illinois Bell Telephone Company ("AT&T Illinois") in a Dex  
44 One-AT&T Illinois partnership that published AT&T Illinois' Yellow Pages and White  
45 Pages directories in Illinois and Northwest Indiana. On the same date, Dex One entered  
46 into a 50-year directory services license agreement with AT&T Illinois to publish AT&T  
47 Illinois' White Pages directories and purchased AT&T's Yellow Pages publishing  
48 business in Illinois. The agreement characterizes Dex One as the agent of AT&T Illinois  
49 for the purpose of publishing White Pages directories in AT&T Illinois' service area.  
50 Furthermore, Dex Media is contractually obligated to comply with all of AT&T Illinois'  
51 legal obligations related to directories, including the applicable regulations of the Illinois  
52 Commerce Commission ("Commission"). In 2013 Dex One merged with SuperMedia  
53 and the merged companies became Dex Media. Going forward, I will refer to the  
54 company and its predecessors simply as Dex Media.

55 With regard to Frontier, in 2006, Verizon spun off its directory business into Idearc, one  
56 of Dex Media's predecessors. Later, Verizon sold its telephone business in Illinois to  
57 Frontier Communications Corporation ("Frontier"). Pursuant to publishing contracts  
58 between Dex Media and Frontier, Dex Media publishes the "official" directories for the  
59 Frontier telephone operating companies in Illinois<sup>1</sup> and several other Frontier states,  
60 similar to the agreement with AT&T Illinois.

61 **Q: What is Dex's directory coverage area in Illinois?**

62 A: Please refer to the map attached as Dex Media Exhibit A (AT&T Illinois) and Exhibit B  
63 (Frontier). I would note that the directories that Dex Media currently distributes are each  
64 tied to particular directory areas. Each directory area entirely overlaps a specific local  
65 exchange area or multiple contiguous local exchange areas (deemed by the carrier to be a  
66 single community of interest) served by either AT&T or Frontier. The directory area is  
67 commonly slightly larger than the actual exchange(s) because directories are delivered by  
68 zip code rather than by telephone exchange. This zip code delivery reflects the fact that  
69 Dex Media has no efficient way to carry out its current obligations to distribute paper  
70 copies of directories other than to do a "saturation delivery."

71 **Q: Define what you mean by "saturation delivery."**

72 A. "Saturation delivery" or delivery on a "saturation basis" refers to an initial delivery to a  
73 particular directory area where Dex Media delivers a copy of the printed directory to all  
74 residences and businesses in that area, despite the fact that AT&T or Frontier commonly  
75 serves less than half of those physical locations. Trying to identify and deliver to actual  
76 customers would be logistically and financially prohibitive. For a saturation delivery,  
77 Dex Media can identify an exact count of how many directories are needed to make that  
78 initial delivery to all such locations. The term saturation delivery excludes, however, the

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<sup>1</sup> Frontier's Illinois operating companies are Frontier North, Inc., Frontier Communications Of The Carolinas LLC, Citizens Telecommunications Company Of Illinois d/b/a Frontier Citizens Communications Of Illinois, Frontier Communications – Midland, Inc., Frontier Communications – Prairie, Inc., Frontier Communications – Schuyler, Inc., Frontier Communications Of DePue, Inc., Frontier Communications Of Illinois, Inc., Frontier Communications Of Lakeside, Inc., Frontier Communications Of Mt. Pulaski, Inc., and Frontier Communications Of Orion, Inc.

79 usual number of directories that are initially printed or occasionally printed in a second  
80 run to provide follow-up copies, new customer copies, etc. during the interim months  
81 between annual saturation deliveries.

82 **Q: Do you represent AT&T Illinois or Frontier in this docket?**

83 A: No. My testimony is only on behalf of Dex Media. Dex Media handles all aspects of  
84 publishing the AT&T-branded and Frontier-branded directories, including sales,  
85 marketing, printing, and delivery. Dex Media is appearing as agent for AT&T Illinois and  
86 for Frontier because the Commission's directory obligations are imposed on local  
87 exchange carriers. Dex Media is contractually obligated to meet the regulatory  
88 obligations for white pages directory distribution and is therefore the real party in interest  
89 seeking relief here. It is my understanding that both AT&T Illinois and Frontier have  
90 authorized Dex Media to file this waiver petition as their agent, pursuant to 220 ILCS  
91 5/13-513.

92 **Q: Please summarize the changes Dex Media is seeking in this docket.**

93 A: Dex Media's proposal is to secure a permanent waiver of certain elements of several  
94 Commission Regulations and thus allow digital provisioning of all white pages  
95 throughout the state for both AT&T Illinois and Frontier service areas and discontinue  
96 any requirement for publication and distribution of printed paper directories. The  
97 Commission previously granted relief from directory distribution requirements for the  
98 AT&T Illinois residential white pages only in the City of Chicago. We seek relief for  
99 both AT&T and Frontier for their service territories throughout Illinois and for both  
100 business and residential white pages. More and more customers have "cut the cord" and  
101 either given up using print directories or avoided being published in any directory. At the  
102 same time, alternative means to obtain listing information are more easily available and  
103 more widespread. These trends have made residential white pages less and less relevant,  
104 a fact which is borne out in the very low request rates for residential white pages in  
105 Chicago. These facts, which I detail later in my testimony, indicate that a waiver from the  
106 Commission's rules would not harm consumers. Nor would a waiver in any way impede

107 the development or operation of a competitive telecommunications market. A waiver is  
108 both appropriate and in the public interest. Printed directories would continue to be  
109 available upon customer request and at no charge for a minimum of a 36-month transition  
110 period.

111 **Q: Can you explain the particular elements of the waiver you are seeking?**

112 A: Before I turn to the specific regulations at issue, I would like to put this request in the  
113 context of the customer's experience. I think I can best define in layman's terms what  
114 regulations Dex Media is asking the Commission to waive by describing the program that  
115 Dex Media would like to see in place as a result of the waiver. It is important to note  
116 that, although Dex Media is seeking a single action from the Commission that would  
117 affect all of AT&T's and Frontier's local exchanges, the steps I am describing here would  
118 be implemented only on a market-by-market basis as Dex Media determines the needs in  
119 a particular market. These steps would not be a flash cut throughout the State.

120 Before implementing the waiver in any market, Dex Media would publish (and, in fact  
121 has already published), at a website, the front-of-book information for all Illinois markets  
122 required by 83 Ill. Admin. Code §732.50 (advising customers about customer service  
123 obligations and related credits) and § 756.110 (publicizing ITAC and TRS). Dex Media  
124 will maintain such web pages as long as Illinois maintains its regulatory requirements to  
125 maintain them. Emergency numbers that appear today in the print directory, appear in  
126 the digital directory too.

127 Over time, for a given market, for example Champaign-Urbana for AT&T Illinois or  
128 Bloomington-Normal for Frontier, Dex Media would make a market-specific  
129 determination to implement the waiver. In Year 1, on or about the date that Dex Media  
130 would otherwise have conducted a saturation delivery, AT&T Illinois or Frontier would  
131 include a bill message or insert advising its customers that paper copies of that market's  
132 directories are available upon a request made to Dex Media. The notice would include a  
133 toll free number.

134 If requests for paper copies of the directory made in Year 3 are greater than 2% of the  
135 number of directories issued in that market in the last saturation delivery or “Year 0,”  
136 Dex Media would maintain the availability of on-demand paper copies into the following  
137 year. This process would repeat every year until the request rate falls below 2% of the  
138 last saturation delivery for that directory market. When requests fall below 2% of the  
139 number of directories issued in that market as part of the saturation delivery in Year 0,  
140 Dex Media would cease making paper copies available because the cost of publishing  
141 such a small number of directories would become prohibitive in the face of such a low  
142 demand.

143 **Q: Describe the regulations from which Dex Media is seeking a waiver in this docket.**

144 A: Dex Media seeks a waiver of the Commission rules that require it—as the official  
145 directory publisher for AT&T Illinois and Frontier—to provide directory information  
146 necessarily as a printed paper product distributed on a saturation basis outside the City of  
147 Chicago, and the rules that require Dex Media to include certain information in  
148 necessarily as part of printed paper directories: specifically, those elements of 83 Ill.  
149 Admin. Code § 732.50, 83 Ill. Admin. Code § 735.180, and 83 Ill. Admin. Code  
150 § 756.110 that require the information identified in those rules to be distributed in printed  
151 paper directories without regard to Dex Media making that same information available to  
152 customers in an on line resource.

153 Dex Media believes that the time has come for this Commission to review and further  
154 modernize the regulatory status of directories, as many states have done in the last several  
155 years. The public interest benefits of the requested waiver would be statewide, not just  
156 limited to Chicago, as with the current variance. Further, and more importantly, the  
157 waiver should be broadened to allow Dex Media to comply with the spirit and goals of  
158 the Commission’s rules by using digital directories and digital provision of listings and  
159 other information that the Commission now requires to be published in print directories.  
160 For at least a 36-month transition period in each relevant directory market, Dex Media is  
161 willing to continue to provide print directories upon the request of an AT&T Illinois or  
162 Frontier customer.

163 **Q: Why is Dex Media making this proposal?**

164 A: Dex Media has several reasons for seeking a waiver.

- 165 • Telephone markets, both nationally and in Illinois, have changed dramatically over  
166 the last 10 to 20 years.
- 167 • With widespread use of wireless phones, people access phone numbers very  
168 differently than they did in the past.
- 169 • A large majority of consumers use cell phones or VoIP exclusively for their voice  
170 communications today and their numbers are no longer available to directory  
171 publishers.

172 As I discuss in more detail later, the result of these and other factors is that residential  
173 white pages contain a much smaller and less complete set of listings than what was  
174 available in years past, and use of paper directories has plummeted. Given the much  
175 more limited use and utility of the white pages, it would be appropriate to adjust the legal  
176 requirements governing those directories so that Dex Media can better adapt to new  
177 technologies and consumer needs and demands.

178 **Q: Please explain the relevant changes in telephone markets.**

179 A: Government data shows just how radically telephone markets have changed. In 2013, for  
180 example, there were roughly 122.5 million households in the U.S., less than a third of  
181 which (37.5 million) still had a traditionally regulated residential landline from a LEC.<sup>2</sup>  
182 In that same year, there were about 37.7 million interconnected VoIP lines.<sup>3</sup> Thus, only  
183 about 60% of U.S. households still subscribed to a landline of any kind as of two years  
184 ago, while there was an average of nearly one cellphone in service for every person

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<sup>2</sup> By “traditional landline,” I mean analog switched access lines, such as ILECs usually provide. We derived this data from: <http://www.census.gov/hhes/families/data/cps2013H.html> and [http://transition.fcc.gov/Daily\\_Releases/Daily\\_Business/2015/db0219/DOC-329975A1.pdf](http://transition.fcc.gov/Daily_Releases/Daily_Business/2015/db0219/DOC-329975A1.pdf) (Figure 4).

<sup>3</sup> *Id.* The FCC does not distinguish between “fixed” or “nomadic” VoIP. It uses the term “interconnected,” which is defined in the FCC’s rules at 47 C.F.R. § 9.3. Since most interconnected VoIP today is provided by cable companies, which often bundle the analog voice adapter terminal with the cable modem, it is likely that most of this 37.7 million is fixed VoIP.

185 (0.98).<sup>4</sup> As a consequence, it is estimated that, as of 2013, 60% of phone numbers are  
186 unlisted for one reason or another, including LEC customers who choose to be unlisted or  
187 non-published.<sup>5</sup> This makes white pages much less useful than in the past, since each  
188 succeeding edition includes a smaller set of customer information than the prior edition.

189 Similarly, in Illinois, the Commission indicated in its latest *Annual Report on*  
190 *Communications Markets in Illinois* that, at year-end 2014, approximately 5 million total  
191 retail wireline telephone lines – including fixed VoIP (but not nomadic VoIP) – were  
192 reported in Illinois.<sup>6</sup> The 2014 results represent a 44% decline in wireline telephone lines  
193 since 2001.<sup>7</sup>

194 More striking, on the wireless side, as of June 2013, mobile providers reported to the  
195 FCC that there were approximately 12.8 million wireless subscribers in Illinois.<sup>8</sup>  
196 According to data gathered by the Centers for Disease Control (“CDC”) between July  
197 and December 2014 approximately 48% of the adult population in the Illinois region  
198 lived in households with only wireless service.<sup>9</sup> According to this Commission’s August  
199 2015 Report, the 48% wireless-only figure, when combined with CLEC lines (both  
200 reported and estimated) plus the percentage of households without phone service (about  
201 3.5% in 2014), indicates that only about 26% of Illinois residential customers received

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<sup>4</sup> We calculated these numbers from FCC and Census data found at:  
[http://transition.fcc.gov/Daily\\_Releases/Daily\\_Business/2015/db0219/DOC-329975A1.pdf](http://transition.fcc.gov/Daily_Releases/Daily_Business/2015/db0219/DOC-329975A1.pdf) (Fig. 1) and  
<https://www.census.gov/popest/data/national/totals/2013/index.html>.

<sup>5</sup> This statistic was reported here: <http://patch.com/maryland/rockville/reverse-phone-number-lookup-free-vs-paid--reverse-lookup-for-cell-and-landlines>. And it seems to match the government data we have used.

<sup>6</sup> Illinois Commerce Commission’s *Annual Report on Communications Markets in Illinois*, submitted to the General Assembly, August 25, 2015 at page 2.  
<http://www.icc.illinois.gov/downloads/public/tc/2015%20Telecom%20Report%2013-407.pdf>.

<sup>7</sup> Id. at 2.

<sup>8</sup> Table 18, Federal Communications Commission, Industry Analysis and Technology Division, Wireline Competition Bureau, Local Telephone Competition: Status as of December 31, 2013, Released October 2014. [https://apps.fcc.gov/edocs\\_public/attachmatch/DOC-329975A1.pdf](https://apps.fcc.gov/edocs_public/attachmatch/DOC-329975A1.pdf).

<sup>9</sup> Stephen J. Blumberg and Julian V. Luke, *Wireless Substitution: Early Release of Estimates From the National Health Interview Survey, July-December 2014*, National Center for Health Statistics, Centers for Disease Control, June 23, 2015, at page 3. <http://www.cdc.gov/nchs/data/nhis/earlyrelease/wireless201506.pdf>. Available Illinois state-specific data is two years older, but consistent with the Midwest regional data in the most recent CDC report. According to CDC surveys: CDC Report No. 70, *Wireless Substitution: State-level Estimates From the National Health Interview Survey, 2012* at 8 (Dec. 18, 2013) (<http://www.cdc.gov/nchs/data/nhsr/nhsr070.pdf>) (55.5% of Illinois households wireless only or mostly in 2012).

202 wireline service from an ILEC in Illinois in 2014.<sup>10</sup> Of course many of these ILEC  
203 customers, as well as CLEC customers, also subscribe to wireless service and/or  
204 broadband internet service and use these on-line resources to readily obtain listing and  
205 other types of subscriber information.

206 Moreover, residents of Illinois have access to and use numerous alternatives to LECs and  
207 their directory publishers for communications and access to information. The most  
208 recent Census Bureau data shows that even two years ago over 88% of Illinois  
209 households had a computer and over 79% used high-speed Internet access.<sup>11</sup>

210 **Q: What is the significance of these changes in telephone markets for the directory**  
211 **industry?**

212 A: The decline of white pages use and usefulness is easy to understand in the context of  
213 these broader trends in the telecommunications industry. With perhaps a third of  
214 households using VoIP in Illinois and 48% being wireless-only subscribers, it is likely  
215 that only 2 out of every 10 households are listed in the residential white pages. The loss  
216 of usefulness of traditional white pages is an unavoidable consequence of the massive  
217 shift of subscribers from LEC wireline service to VoIP and cellular services, which do  
218 not provide listings to white pages publishers. Unfortunately for publishers, white pages  
219 are no longer viewed as a useful resource, let alone an essential one, by the vast majority  
220 of consumers, including the customers of ILECs.

221 **Q: Please explain how people access telephone numbers differently today.**

222 A: The explosion in the ownership and use of wireless phones I discussed earlier has also  
223 changed how people get phone numbers. Few people are turning to printed directories  
224 from any publisher just to look up telephone numbers by subscriber name. As national  
225 and state data show, most people today rely wholly or mostly on their cellphones for

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<sup>10</sup> Illinois Commerce Commission's *Annual Report on Communications Markets in Illinois, supra*, at page 12.

<sup>11</sup> Based on this Census report: U.S. Census Bureau, Computer and Internet Use in the United States: 2013, American Community Survey Reports at 10 (Nov 2014 (2013 data)) (<http://www.census.gov/history/pdf/2013computeruse.pdf>).

226 voice calls. Those same cellphones can store large volumes of phone numbers, serving as  
227 a substitute for printed white pages directories. Those phones have large capacities to  
228 store called and calling numbers, leading consumers to simply redial numbers in their  
229 phone's saved number and call history records. Even the most basic voice-only  
230 cellphones have this capability, not just smartphones.

231 When you combine the many new options consumers have to obtain phone numbers with  
232 an estimated 2 households out of 10 having a directory listing, it is easy to see why so  
233 many people have shifted from printed white pages to digital options. The result of the  
234 combined changes in the telecommunications and directory markets and consequent  
235 massive changes in consumer behavior is that nearly all remaining directory and listing  
236 regulations are anachronistic and irrelevant. The directory market, in particular, has  
237 become a highly competitive, diverse, and fast changing environment. Accordingly, to  
238 the extent regulations are retained, the public interest is best served by waiving printed  
239 paper directory distribution rules in a way that encourages and expressly allows digital  
240 publication, consistent with how the vast majority of consumers access listing  
241 information today. This is the goal of the Dex Media waiver petition.

242 Because the usage of directories has changed so much and continues to change, Dex  
243 Media is seeking flexibility to quickly meet the changes in market demand and better  
244 provide the services people need and still use. The information world is going online.  
245 Mandated distribution of print directories cannot halt this trend. Rather, directory  
246 publishers should be allowed to embrace it to meet customer demand.

247 Current Directory Requirements and Distribution

248 **Q: Describe the types of directories that are currently provided to customers in the**  
249 **State of Illinois.**

250 A: Dex Media prints and publishes a number of different directories, including digital  
251 directories and traditional directories in which white pages and yellow pages directories  
252 are bound together (or "co-bound"). To be clear, when I discuss "yellow pages," I am

253 discussing business listings organized alphabetically by business type or category rather  
254 than alphabetically by business name, and normally printed on yellow paper. By  
255 comparison, “white pages” list and organize numbers alphabetically by the subscriber’s  
256 name, whether it is a business or a residence. From now on, where I use the unmodified  
257 term “white pages,” I will be referring to white pages generically, in other words, both  
258 business and residential listings listed alphabetically by the subscriber’s last name.

259 **Q: How does Dex Media currently distribute directories to customers in the City of**  
260 **Chicago?**

261 A: In Chicago, on behalf of AT&T Illinois, Dex Media already has some regulatory  
262 flexibility pursuant to the Commission’s order in Docket 11-0668. Based on the waiver  
263 granted in that docket, printed residential white pages are provided only upon request to  
264 AT&T Illinois customers in Chicago. However, Dex Media has continued to have an  
265 obligation to deliver business white pages and yellow pages on a “saturation” basis; that  
266 is, to every residence and business in AT&T Illinois’ service area, regardless of who  
267 provides telephone service to the recipient. So customers of AT&T Illinois, cellular  
268 carriers, cable companies, and VoIP providers all receive a co-bound directory that  
269 contains the additional information required by Commission regulations, such as 83  
270 Illinois Adm. Code § 732.50. Even addresses with no landline telephone service receive a  
271 book.

272 **Q: How does Dex Media currently distribute directories to customers in AT&T Illinois’**  
273 **and Frontier’s service areas outside the City of Chicago?**

274 A: Based on the Commission rules that are the subject of this petition, and the lack of a  
275 waiver outside Chicago, Dex Media distributes business and residential white pages print  
276 directories on a saturation basis everywhere it serves in Illinois, except in the City of  
277 Chicago. This includes both AT&T Illinois’ non-Chicago exchanges and all Frontier  
278 exchanges in the state.

279 **Q: Has the Illinois Commerce Commission taken any prior action on issues involving**  
280 **directory distribution?**

281 A: Yes, beginning in 2007 in Docket 07-0434, the Commission granted a variance to Dex  
282 Media's predecessor, permitting it to deliver the Chicago citywide residential white pages  
283 only to those AT&T Illinois customers who requested it. Frontier's directory distribution  
284 practices were not at issue in that docket.

285 **Q: Has the Commission addressed the waiver of directory distribution requirements in**  
286 **any subsequent dockets?**

287 A: Yes, twice. First, in 2011, in Docket 11-0668, Dex Media sought a variance to obtain  
288 further relief from the requirements governing its distribution of directories in AT&T  
289 Illinois service areas. Specifically, Dex Media sought the ability to remove the  
290 Residential White Pages from the Neighborhood Directories it printed for the City of  
291 Chicago and to cease saturation delivery of those directories. In AT&T Illinois service  
292 areas outside the City of Chicago, Dex Media sought permission to cease saturation  
293 delivery of the Residential White Pages in certain markets and to provide white pages in  
294 those markets only upon customer request. In its November 2012 Order, the Commission  
295 granted Dex Media's request with regard to the City of Chicago but denied the request  
296 for areas outside the City of Chicago.

297 Second, in Docket 12-0327, eleven Frontier affiliates sought a waiver of the  
298 Commission's directory distribution requirements and permission to cease saturation  
299 delivery of printed residential white pages directories throughout their Illinois service  
300 territory. The Commission denied Frontier's request in a 2013 order.

301 **Q: Did the Commission's Order in Docket 11-0668 impose any obligations on Dex**  
302 **Media as conditions of granting the waiver?**

303 A: Yes. The Commission required Dex Media to: a) provide notice in various ways to  
304 Chicago customers that they could obtain copies of the printed Residential White Pages –  
305 or a CD-ROM containing those White Pages – upon request, and b) maintain a toll-free

306 number and a website address that customers could use to request those materials. The  
307 Commission also required Dex Media to allow Chicago customers the option of  
308 maintaining a “standing order” for the printed Residential White Pages for a three-year  
309 period. The Commission also required Dex Media to maintain records about the number  
310 and percentage of Chicago customers requesting copies of the printed Residential White  
311 Pages and to make the records available to the Commission Staff upon request.

312 In addition, based on commitments Dex Media made during the docket, the Commission  
313 encouraged Dex Media to meet a two-day target for processing requests from Chicago  
314 customers for the printed Residential White Pages. Dex Media also was directed to  
315 maintain its records for processing such requests for one year, and to make those records  
316 available to the Commission.

317 **Q: What happened after Dex Media switched to upon-request distribution of**  
318 **directories in the City of Chicago after implementing the changes that the**  
319 **Commission permitted in Docket 11-0668?**

320 A: Dex Media began to implement the relief provided in Docket 11-0668 in 2013 and, as of  
321 2014, the request rate for print directories in Chicago was a mere 0.2% of the number of  
322 residential white page directories Dex distributed in the last saturation distribution. Dex  
323 Media received essentially no telephone customer complaints about the switch to upon-  
324 request delivery for residential white pages. The very low directory request rate and lack  
325 of complaints demonstrate that printed residential white pages are no longer desired by  
326 customers. The experience in Chicago is entirely consistent with our experience in the  
327 other 30 states where we have switched to upon-request delivery of residential white  
328 pages.

329 **Q: How quickly has Dex Media been processing requests from Chicago customers for**  
330 **written directories?**

331 A: Dex Media processes requests for residential white pages from Chicago customers within  
332 two days, as required by the Commission in Docket 11-0668, and they are generally

333 shipped the day of receipt or the following day. Once shipped, delivery is generally  
334 complete within one week but it depends on the shipper, the time of year, weather, *etc.*

335 **Q: Aside from requests from Chicago customers for printed directories, has Dex Media**  
336 **received other customer feedback relating to the cessation of delivery of the**  
337 **residential white pages?**

338 A: Dex Media has experienced a substantial decline in request rates since implementing  
339 residential white pages delivery upon request, and has had almost no complaints, in  
340 dozens of markets nationwide.<sup>12</sup> The transition to distribution of printed residential white  
341 pages upon request-only was seamless for the customers. Additionally, some households  
342 – especially large apartment complexes where Dex Media cannot get access to individual  
343 apartments and has no choice but to leave stacks of directories in the lobbies – did not  
344 appreciate receiving print directories that consumers don't want and don't use. Not only  
345 has that irritant been eliminated, so have tons of unused residential white pages that used  
346 to end up in landfills. At a time when there is increasing environmental sensitivity in  
347 more and more markets, we know that many consumers appreciate receiving less  
348 unneeded paper. This was made especially clear in multi-family buildings, such as  
349 apartments, many of which had refused to accept our printed residential white pages or  
350 allow us access to their buildings to distribute them to their residents. Today, Dex Media  
351 is delivering approximately 2,400 tons of paper directories per year in the State of  
352 Illinois. Even a 25% decrease would eliminate 600 tons of paper a year from Illinois  
353 landfills.

354 **Q: How does Dex Media's experience with the cessation of saturation delivery of**  
355 **directories in Chicago compare to those of directory publishers in other markets?**

356 A: What has been particularly remarkable about the discontinuance of a 100-year old  
357 practice of saturation delivery of residential white pages in Chicago and nationwide is

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<sup>12</sup> States where we have already implemented residential white pages on request include: Arizona, California, Colorado, Connecticut, the District of Columbia, Delaware, Florida, Idaho, Indiana, Massachusetts, Maryland, Michigan, Minnesota, Nebraska, Nevada, New Jersey, New York, New Mexico, North Carolina, Ohio, Oregon, Pennsylvania, Rhode Island, Texas, Utah, Virginia, and Washington.

358 how few people even seemed to notice. As I mentioned above, Dex Media received  
359 essentially no telephone customer complaints after moving to upon-request delivery in  
360 Chicago. Similarly, there was no noticeable backlash, complaint, or effort to restore  
361 saturation delivery in nearly any of the hundreds of markets in dozens of states that ended  
362 such delivery. Before 2010, the request rate in new upon-request markets was as high as  
363 four percent in a few markets. But today the request rate is substantially less than one  
364 percent in nearly all of Dex Media's markets, including Chicago.

365 **Q: What has happened in states other than Illinois with regard to the relaxation or**  
366 **elimination of directory distribution requirements?**

367 A: About 20% of states have never had regulations on the form, content, publication, or  
368 distribution of telephone directories, to my knowledge. In response to changing  
369 technology and diminished use of white pages, the directory publishing industry has  
370 moved aggressively to upon-request delivery for residential white pages where there were  
371 no state regulations requiring saturation delivery. In states with regulation, the response  
372 to the powerful and undisputed technological changes and telephone usage trends—  
373 particularly the move from landline to wireless phones—has been to relax or repeal their  
374 printed white pages directory delivery requirements. States that used to require delivery  
375 of a printed white pages directory to every telephone subscriber annually (“saturation  
376 delivery”) have modified or eliminated that requirement by rule changes or waivers.<sup>13</sup>  
377 Most states moved from saturation delivery to “upon-request” delivery for white pages—  
378 also called “opt-in”—on a statewide basis. Several states have allowed the substitution of  
379 electronic directories for print directories.<sup>14</sup> These changes have truly been “win-win-

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<sup>13</sup> To my understanding, such states and the relevant commission docket numbers include: Wisconsin (Docket No. 6720-GF-108), Missouri (Docket No. IE-2009-0357), Ohio (Docket No. 09-0042-TP-WVR), New Mexico (NMPRC Case No. 12-00237-UT), Washington (WUTC Dkt. UT-120451), Kentucky (Docket No. 2009-00480), Florida (Docket No. 090082-TL), North Carolina (Docket No. P-55, Sub 1767), Kansas (Docket No. 11-SWBT-270-MIS), Colorado (CPUC Docket No. 12M-817T), Alabama (Docket No. 15957), and most recently Minnesota (MPUC Docket No. P-999/R-13-459). Likewise, Verizon has pursued waiver requests in several states, including California (Resolution T-17302), New York (Case No. 10-C-0215), Virginia (Case No. PUC 2010-00046), and New Jersey (Docket No. TO10040255). Louisiana modified its rule to permit upon request delivery of white pages. Order No. R-31825, In re: Possible Amendment to Section 501 A (c) and (e) of the White Page Directory Distribution Requirement, (LA PSC, rel. June 20, 2012).

<sup>14</sup> For example, Maine (35-A M.R.S.A. § 7501-B), Ohio (Ohio Rev. Code Ann. § 4927.01(A)(1)(b)(iv)), Texas (16 Tex. Admin. Code 26.128(e)(2)), and Washington (Wash. Admin. Code 480-120-251(2)).

380 win” as the very few consumers who need print directories still can receive them, Dex  
381 Media has realized cost savings, and environmental benefits have been realized.

382 **Q: Does Dex Media intend to “flash cut” this change across the affected directory areas**  
383 **in the State of Illinois?**

384 A: No. First and foremost, Dex Media wants to provide paper directories where any  
385 significant percentage of its customers want to have them. Ideally Dex Media would like  
386 to put a paper directory in the hands of every customer who wants one, but the cost of  
387 doing so becomes prohibitive when the percentage of such customers drops too low.  
388 Although Dex Media has witnessed a precipitous drop in interest in paper directories  
389 across the country and across demographic groups, it is clear to Dex Media that rural  
390 customers tend to hang onto their interest in paper directories longer than their urban  
391 counterparts. Nevertheless, Dex Media expects interest in paper directories to wane over  
392 time in even in those rural markets. In the meantime, it would be Dex Media’s intention  
393 to exercise its waiver rights mainly in larger Illinois markets initially and extend its  
394 wavier rights into rural areas only later.

395 **Q: Has Dex Media ever reinstated paper directory distribution in a particular**  
396 **directory market after implementing an upon-request program?**

397 A: In very few instances, following the introduction of an on-demand program, customers  
398 have expressed to Dex Media their wish that the market return to saturation delivery. In  
399 each market where there has been any widespread reaction, Dex Media has returned to  
400 saturation delivery. As I said above, Dex Media wants to provide paper directories where  
401 any significant percentage of its customers want to have them.

402 Compliance with Legal Standards for Waiver

403 **Q: Does Dex Media’s proposal require a waiver from the Illinois Administrative Code?**

404 A: Yes. Although I am not a lawyer, I understand that several sections of the Illinois  
405 Administrative Code are implicated by the proposal. First, 83 Ill. Admin. Code Section

406 735.180 subjects AT&T Illinois and Frontier to a directory distribution obligation.  
407 Subsection 735.180(a)(1) states in relevant part: “*Primary telephone directories of all*  
408 *exchanges shall be revised, printed and distributed to customers at least once a year.*  
409 *Each directory shall list the name, address and telephone number of all customers,*  
410 *except public telephones.*”

411  
412 Second, subsection 735.180(d) states: “*Upon issuance, one copy of each directory shall*  
413 *be distributed to each customer served by that directory and two copies of each directory*  
414 *shall be furnished to the Commission.*”

415 Third, subsection 735.180(l) requires carriers, in certain circumstances, to furnish  
416 directories for up to five additional exchanges in the same area code to customers who  
417 request them.

418 Fourth, 83 Ill. Admin. Code Section 756.110 requires information about  
419 Telecommunications Relay Services to be published in directories.

420 And finally, 83 Ill. Admin. Code Section 732.50 requires that certain consumer  
421 educational materials be published prominently in the front part of the regularly  
422 published directories of every telecommunications carrier.

423 **Q: Is Dex Media asking that these entire sections be waived?**

424 A: No. Dex Media is asking only that those elements of these rules that require the  
425 information be distributed in a printed paper directory be waived so long as Dex Media  
426 maintains the same information on line.

427 **Q: Why is Dex Media asking for the waiver to supersede the variance granted in**  
428 **Docket 11-0668, and what conditions should replace the old order, if any?**

429 A: The directory industry and its digital competition have changed so much and are  
430 continuing to change so rapidly that some of the prior regulatory conditions are no longer

431 in the public interest or even relevant. Experience in Chicago and dozens of other states  
432 in the last four years shows that conditions are not needed by customers today. For  
433 example, the requirements to maintain certain records and make them available to the  
434 Commission Staff upon request is no longer necessary given the *de minimis* number of  
435 requests for printed directories, the lack of consumer complaints, and the widespread and  
436 universal success of the end of saturation delivery of residential white pages.

437 A prime example of the inability of regulatory conditions to keep up with rapidly  
438 changing technology can be found in the CD-ROM condition from Docket 11-0668.  
439 Although CD-ROMs appeared to be a reliable and popular distribution medium in 2011,  
440 technology simply went another direction. Very few CD-ROMs have ever been requested  
441 by Chicago customers and today most new computing devices, such as tablets, no longer  
442 have a CD-ROM drive.

443 Next, Dex Media believes that there may be enough requests for printed directories to  
444 justify continuing to meet the upon request print option for another 36 months. That  
445 could be a condition of the waiver. But at some point the request numbers become so  
446 small, in both percentage and absolute terms, that printing cannot be justified. And  
447 should the past trend reverse and the 36-month estimate be off significantly, Dex Media  
448 is also willing to continue to offer print directories upon request for so long as the print  
449 request rate in a given market is above 2% of the last saturation delivery in that market.  
450 Since continued need for print is expected to be negligible in even two years, maintaining  
451 a three-year standing order requirement for print directories makes no sense. And, in any  
452 event the three-year standing order requirement was unable to take into account the  
453 massive decline in request rates or the speed with which consumer preferences have  
454 changed.

455 As for the consumer education and consumer rights notice requirements in the current  
456 regulations, Dex Media fully intends to provide those digitally, and that could be a  
457 condition of the waiver. However, some of the details of those regulations, such as  
458 location in the “book” or typeface or layout requirements, do not fit the online world  
459 exactly. Thus, the condition should be phrased in such a way as to make clear that any

460 requirements regarding content, placement, typeface, and the like will be reasonably  
461 interpreted consistent with a digital format in the case of digital versions of directories.  
462 Further, I understand that AT&T Illinois and Frontier are willing to provide a website  
463 link via bill messaging that provides all of the data currently found in the front of book  
464 pages, giving its customers at least two online sources of the information from familiar  
465 companies.

466 **Q: How will this waiver, if granted, affect Dex Media's distribution of directories in the**  
467 **City of Chicago and in the service areas of AT&T Illinois and Frontier outside the**  
468 **City of Chicago?**

469 A: The waiver would extend to AT&T Illinois and Frontier service areas throughout the  
470 state the flexibility in directory printing and distribution of residential white pages that  
471 the Commission provided in Docket 11-0668, and expand it to include business white  
472 pages and the phone service pages. More generally, the waiver will expressly allow Dex  
473 Media to meet the current Commission directory regulations by digital publication, such  
474 as the Internet, mobile apps and services on cellphones. While most markets will have  
475 some combination of print and digital directory provisioning, Dex Media would have the  
476 flexibility to distribute print directories to customers of AT&T Illinois and Frontier based  
477 on usage and financial viability of specific directories. With that flexibility, and when it  
478 makes sense in particular local markets outside Chicago, Dex Media would stop  
479 saturation delivery. And in 36 months after cessation of saturation delivery in a  
480 particular market, or as request levels fall to negligible amounts below 2% (whichever  
481 occurs later), Dex Media would be able to begin to phase out distribution of print copies  
482 even upon request. The waiver also would make it clear that distribution of the consumer  
483 educational materials that the Commission requires can be accomplished with the online  
484 or digital methods.

485 **Q: Does Dex Media have any experience with online or digital directories or mobile**  
486 **apps?**

487 A: Yes, Dex Media has been developing digital products for years, and every year the digital  
488 side of its business grows, even as the print side shrinks. As consumers have come to  
489 rely more on the Internet and less on print media for name and business searches, Dex  
490 Media has supported evolving consumer needs by offering digital platforms such as  
491 DexKnows.com and Dex Mobile, as mentioned above. Dex Media also publishes its  
492 print directories in a digital format at www.DexPages.com. This site provides those who  
493 prefer the traditional layout of printed white and yellow pages a way to access any of the  
494 Dex directories from the convenience of their computer or smartphone, with the added  
495 benefit of keyword search, and live links to online business profiles and websites.

496 **Q: Is the Commission authorized to provide the waivers being requested by Dex**  
497 **Media?**

498 A: I understand that by statute the Commission may waive its telecommunications rules (220  
499 ILCS 5/13-513), if the Commission finds that:

- 500 a) The waiver would not harm consumers; and  
501 b) The waiver would not impede the development or operation of a competitive  
502 market.

503 The Commission also has a rule (83 Ill. Adm. Code § 735.50) for granting variances from  
504 Part 735 of its rules if a rule is unreasonable or unnecessarily burdensome and no party  
505 would be injured. In both cases, the waivers may not vitiate or waive a statutory  
506 requirement.

507 **Q: Are the directory rules mandated by statute?**

508 A: It is my understanding that they are not. In Docket 07-0434, the Commission found that  
509 there was no statutory mandate prohibiting the variance requested there to reduce Dex  
510 Media's directory delivery obligations.

511 **Q: Will anyone be injured by the granting of the waiver Dex Media is requesting?**

512 A: No. Customers will not be harmed by the Commission's grant of the waiver Dex Media  
513 is seeking. To begin with, as described above, many customers do not use directories  
514 anymore at all. Second, close to 100% of customers have access to telephone numbers  
515 on their cellphones, smartphones, and computers, and mostly use those tools already.  
516 And for the very small number of remaining customers who still use or need print  
517 directories, where Dex Media ends saturation delivery of its paper directories, the printed  
518 version of the directories will be available upon request and free-of-charge, for an  
519 agreed-upon transition period, to customers who make a request.

520 Moreover, the waiver will produce collateral public interest benefits, such as the  
521 elimination of unwanted paper directories from the refuse stream.

522 **Q: Will customers who choose digital directories or an online substitute be required to**  
523 **use Dex Media's products or services?**

524 A: No. Customers will not in any way be required to rely on the printed or digital versions  
525 of Dex Media's products or services. In Illinois, customers have a wealth of competitive  
526 options to obtain listings and other directory information. In print, there is Yellowbook,  
527 among others. And some of the no-cost Internet options that can be used to search for  
528 people (residential listings) include: Bing, Google, Yahoo!, WhitePages.com, 411.com,  
529 Spokeo, InfoSpace, DexPages, Realpageslive.com, and Yellowbook.com. Businesses can  
530 be searched by name or business classification for free at: Bing, Google, Yahoo!,  
531 DexKnows, Yellowbook.com, Realpageslive.com, Yellowpages.com, and Yelp. All of  
532 the foregoing searches can be done on computers and on most tablets and smartphones.

533 There are also hundreds of free mobile "smartphone" applications ("apps") that perform  
534 various types of searches or directory lookups. Many of them use location information, to  
535 make the search results more relevant for the customer. For example, all of the following  
536 apps can be downloaded for free to iPhones and/or Android phones and then used to  
537 make free searches: Avantar White & Yellow Pages (avantar.com) for iPhone, iPad, and

538 Android; Dexknows, and YP (yellowpages.com) for all smartphones. As with traditional  
539 yellow pages directories, these applications are advertiser-supported, so that consumers  
540 do not pay for searches or lookups.

541 Finally, there are the toll-free information services such as 1-800-FREE-411. Any home  
542 with a telephone can call a toll-free number and get a listing for free, after listening to a  
543 short advertisement.

544 **Q: Will the waiver Dex Media is requesting impede the development or operation of a**  
545 **competitive market?**

546 A: No. It likely will not impact the telecommunications market at all. I have seen no  
547 indication that consumers or businesses today choose a voice service provider based even  
548 in a small way on a provider's directory or how it is published or lack of a directory.  
549 Today, traditional phone directories are of importance only to businesses which desire  
550 yellow pages advertisements. And any business, regardless of its voice communications  
551 service provider, is free to purchase ads in Dex Media yellow pages on a non-  
552 discriminatory basis, not to mention from a host of other publishers which compete with  
553 Dex Media both digitally and in print. Nor will the waiver impede the directory market.  
554 In fact, the waiver will create a more level competitive playing field, as it will enable Dex  
555 Media to compete on more equal terms with competitive publishers who do not have to  
556 comply with Commission regulations. Dex Media will be able to be more flexible and  
557 responsive to the needs and demands of consumers and advertisers alike, particularly in  
558 transitioning to digital publication.

559 **Q: Are the rules from which Dex Media seeks a waiver unreasonable or unnecessarily**  
560 **burdensome?**

561 A: As the market has changed, the existing rules have become unreasonable and  
562 unnecessarily burdensome because the rules reflect an outdated view of customer use of  
563 directories and preferences, and pre-date recent technological advancements. For one,  
564 these rules apply only to incumbent carriers even though those carriers carry a smaller

565 and smaller percentage of the traffic. Moreover, in the saturation distribution model, the  
566 incumbent is essentially forced to deliver directories of the customers of its competitors  
567 without compensation. In addition, most customers today needing phone numbers utilize  
568 alternative methods such as the Internet and mobile devices. Printing and delivering  
569 unwanted directory content is also burdensome on the environment, a point that is not  
570 lost on customers. The switch to upon-request delivery for the Chicago residential white  
571 pages has resulted in the reduction of about 743 tons of paper in the waste stream in  
572 Illinois since the program began. Dex Media wants to continue to deliver print products  
573 to customers that value and use them, but needs the regulatory flexibility to blend print  
574 with digital products, when customers and the market demand.

575 Another issue is the costly and anti-competitive impact of the regulations on what should  
576 be a vibrantly competitive market. As discussed above, there are hundreds of potential  
577 sources for the information that is contained in directories, including other print directory  
578 publishers. But in any community served by AT&T or Frontier in Illinois, only one of  
579 those sources is subject to the Commission's regulations. That is Dex Media. In  
580 addition, the regulatory burden of providing directories falls in part on the regulated  
581 ILEC but is not borne by its competitors such as cellular and VoIP providers. This  
582 disparate regulatory treatment is unfair to Dex Media, AT&T Illinois, and Frontier.

583 **Q: Are there any customers of AT&T Illinois or Frontier that have no options besides**  
584 **printed phone books from Dex Media to obtain directory listings?**

585 A: Very few, if any. The most recent 5-year broadband report from the Partnership for  
586 Connected Illinois reported that 99.75% of households in Illinois (including those in rural  
587 areas) have access to high-speed Internet.<sup>15</sup> But even the very small number of  
588 households without Internet access have competitive alternatives to print directories,  
589 using their wireline or wireless telephones. These people can call traditional directory

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<sup>15</sup> Broadband Everywhere for Jobs and Prosperity, Partnership for Connected Illinois 5-year report (2010-2014), <http://www.broadbandillinois.org/Broadband-Everywhere-for-Jobs-and-Prosperity-5-Year-Report-2010-2014.html> , p.5.

590 assistance for a small charge per listing. And they can also call one of the toll-free  
591 information services, such as 1-800-FREE-411. Thus, today, there is not a single home  
592 or business in Illinois that does not have access to a competitive and free means to obtain  
593 telephone numbers and other information provided in traditional regulated print  
594 directories. Nevertheless, as a sort of “safety net” for the small number of Illinois  
595 households that may not have access to the internet, Dex Media is willing to continue to  
596 deliver print directories to any customer upon request, during a transition period of 36  
597 months from the date of the Commission’s order granting the waiver; or longer if the  
598 request rate for print exceeds 2%.

599 Concluding Questions

600 **Q: Does Dex Media have any other requests that should be noted in this proceeding?**

601 A: Yes. Time is of the essence in granting this relief. Dex Media requests resolution of this  
602 petition at the Commission’s earliest opportunity. Expedient resolution will afford  
603 desperately needed flexibility in directory provisioning.

604 **Q: Does this conclude your testimony?**

605 A: Yes, it does.