



Neg Norton
President

Connell Corporate Park, 200 Connell Drive, Suite 1700, Berkeley Heights, NJ 07922-2747
Phone: 908.286.2385 Fax: 908.286.0620 Email: neg.norton@ypassociation.org

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Assemblywoman Nancy Calhoun
New York State Assembly
LOB 525
Albany, NY 12248

Dear Assemblywoman Calhoun:

The Yellow Pages Association is a not-for-profit organization dedicated to supporting and growing the print and electronic Yellow Pages Industry. Our membership includes more than 140 directory publishers accounting for almost 90 percent of the Yellow Pages revenue generated in the U.S. and Canada. Our New York publisher members include both companies that are (or were) affiliated with local telephone companies, such as Idearc Media, Inc. (formerly Verizon Information Services) and companies that are not affiliated with telephone companies, such as Ambassador Media Group. Other members include the Yellow Pages industry's international, national and local sales forces, including major advertising agencies, national advertisers, printing companies, paper suppliers, and other businesses that have an interest in the success of the print and online directory industry.

I would like to take this opportunity to comment on your proposed legislation, A. 8807, which would authorize local units of government to regulate unsolicited handbills and other printed material, including telephone directories. Specifically, the language in A. 8807 states that telephone directories are included in the list of advertising materials that would be subject to an opt-out registry, "UNLESS THE TELEPHONE DIRECTORY IS THAT PUBLISHED BY THE LOCAL EXCHANGE TELEPHONE CORPORATION, OR ITS AFFILIATES, PROVIDING TELEPHONE SERVICE TO THAT PERSON IN ACCORDANCE WITH THE PROVISIONS OF SECTION NINETY-ONE OF THE PUBLIC SERVICE LAW." While well intentioned, the Yellow Pages Association feels that A. 8807 will lead to an uneven and anticompetitive playing field for directory publishers, as well as impose significant adverse consequences for the thousands of New York small businesses and the millions of customers they serve.

While at one point in time telephone directories were primarily published by local telephone companies or their affiliates, the Yellow Pages industry has evolved into a highly competitive industry. Today, telephone directories are published by companies that are affiliated with, or under contract with, local telephone companies, as well as independent publishers that are not affiliated with any telephone provider. A. 8807 would authorize local governments to regulate the distribution of all directories, *except* those published by telephone companies or their affiliates.

All telephone directories, not just those of the local telephone company, should be exempt from the regulations contained in A. 8807. Such disparate treatment is not only fundamentally unfair; it is a constitutionally suspect infringement of free speech.

As the bill acknowledges, telephone companies may be required by law to deliver telephone directories to their subscribers. Frequently, however, telephone companies fulfill this obligation by contracting with a publisher rather than through an affiliate.

Under the Telecommunications Act of 1996 the incumbent telephone companies typically arrange for their publisher to deliver telephone directories to customers of Competitive Local Exchange Companies as well as their own customers. A. 8807 would interfere with that process.

Furthermore, the geographic scope of telephone directories tends not to mirror traditional local exchange boundaries. Rather, directories contain content, including subscriber listings, that is relevant to the shopping and social discourse patterns of directory users. As such, even directories published by telephone company affiliates may well be distributed in areas served by other local exchange companies. A. 8807 would subject those directories to regulation.

Unlike handbills and circulars, which are typically disposed of immediately after (or in some cases before) reading, telephone directories are delivered annually, are kept in the household and are referenced time and time again. They are not a source of constant annoyance and do not result in the same litter problem as most handbills and circulars. Phone books represent only a fraction of the household waste stream (.3% according to the EPA's 2005 annual report on Municipal Solid Waste. Newspapers, in comparison, represent 4.9%).


While many of our members offer innovative internet directory sites, consumer demand for print directories remains strong. Consumers reference printed Yellow Pages products approximately **13.4 billion** times annually and industry analysts are predicting that the printed Yellow Pages industry will grow over the next five years.

You will be pleased to know that our members have strong relationships with the communities in which they operate, provide good jobs to tens of thousands of Americans, and serve as a marketing partner to millions of small businesses that rely on the directory industry to sustain and grow their businesses. The majority of the Yellow pages industry's 3.1 million advertisers are small businesses with limited advertising and marketing budgets. In many cases, print Yellow Pages advertising represents the most significant marketing endeavor they undertake. We believe it would be a great disservice to the small business community throughout New York to limit their ability to market their goods and services. Finally, advertising produces sales which then produce sales tax income for New York municipalities. The negative economic impact of limiting advertising in New York should not be underestimated.

Again, we respectfully submit that, should A. 8807 continue to move through the legislative process, all telephone directories, not just those of the local telephone company, should be exempt from the regulations regarding unsolicited circulars.

Thank you for your time and consideration of our views. Please do not hesitate to contact me at any time to discuss this issue.

Very truly yours,



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