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October 27, 2009

Jean Jewell
Idaho Public Utilities Commission
472 W. Washington
Boise, Idaho 83702

SENT BY E-MAIL AND BY FEDERAL EXPRESS OVERNIGHT DELIVERY

RE: Case No. RUL-T-09-1, Comments of Verizon

Dear Ms. Jewell

Enclosed are the Comments of Verizon on the proposed changes to the Commission's Telephone Customer Relations Rules. Please file these comments within the appropriate docket. Thank you.

Sincerely yours,

Thomas F. Dixon

c. Weldon Stutzman

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STATE OF IDAHO
PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE COMMISSION'S NOTICE OF PROPOSED RULEMAKING AMENDING THE TELEPHONE CUSTOMER RELATIONS RULES.	))))	CASE NO. RUL-T-09-1 COMMENTS OF VERIZON

Verizon[1] submits these comments in response to the Commission's Notice of Proposed Rulemaking issued in this docket on August 28, 2009.[2]

COMMENTS

A. *TITLE AND SCOPE (RULE 1)*

Verizon respectfully requests that the proposed rules be clarified to state that they do not apply to telecommunications providers when providing telecommunications services to multi-state business customers or business customers with 5 or more lines in Idaho[3] that have entered into written contracts governing billing (collectively "Large Business Customers"). That appears to be the intent of the proposed rule changes, as the justifications for them seem to apply only to residential and small business customers.

[1] The Verizon entities submitting these comments are: MCImetro Access Transmission Services LLC d/b/a Verizon Access Transmission Services; MCI Communications Services, Inc. d/b/a Verizon Business Services; TTI National, Inc.; Teleconnect Long Distance Services and Systems Co. d/b/a Telecom USA; Verizon Northwest Inc., Verizon Select Services Inc.; Verizon Enterprise Solutions LLC and Verizon Long Distance LLC.

[2] Verizon has used the following methods to highlight its recommended changes within the proposed rules. When Verizon proposes additional language, the new language is CAPITALIZED and double underlined. When Verizon recommends language be deleted, the language to be deleted is ~~CAPITALIZED~~ and overlaid with a double strikethrough.

[3] The 5 or more line threshold is taken from the definition of a "Small Business Service" which provides, in part, that Small Business Services are those that do not subscribe to more than five (5) local access lines within a building. (IDAPA 31, Title 41, Chapter 01, draft revision to section 005.06).

Moreover, excluding Large Business Customers from application of the proposed rules makes sense.

Large Business Customers frequently attempt to have a single provider for all of their telecommunications services nationwide. These customers have many choices of service providers available to meet their telecommunications needs. Competition in this segment is robust and intense. In recognition of the competitive nature of services provided to these customers, less regulation is traditionally applied. As the telecommunications market continues to evolve dramatically, services provided to these large customers should not be subject to any Commission regulation at all. Quite simply, the concerns that historically underlie consumer protection rules no longer pertain to Large Business Customers.

Large Business Customers are more sophisticated and savvy in their selection of telecommunications services. Many have complex requirements that go beyond basic local exchange service that is the main focus of the proposed rules. Significantly, these Large Business Customers increasingly procure telecommunication services through contracts with their service providers that set forth the pertinent terms and conditions of service. There is no need for state-specific, regulatory rules that could constrain a prospective customer from negotiating with a prospective wireline provider.

An overview of Verizon's experience in serving Large Business Customers offers additional practical reasons why state regulation of their services is inappropriate and, indeed, not helpful for Large Business Customers. Verizon is a national and global provider of services to Large Business Customers, and many of its customers have multiple locations across numerous states and/or countries. These customers seek what

Verizon offers: (i) a single, electronic, bill for operations across all states; (ii) consistent service quality; and, (iii) uniform processes and procedures regardless of what the service is or where it is provisioned. The regulatory rules should allow for effective implementation of this customer choice. These customers desire a uniform approach and treatment for all of their services across the enterprise. State-specific treatment that can vary dozens of ways and affect various locations within the enterprise differently is not helpful to this type of customer. From the perspectives of both the provider and the customer, absent unnecessary state regulations, there is no reason for terms and conditions of service to vary from location to location when this type of customer wants service to be provided in a uniform manner regardless of where it is provisioned. Thus, state regulation of Large Business Customer services undermines both the customer's ability to exercise competitive choice and the provider's ability to respond to competition.

As one example, there could be a Large Business Customer, such as an oil company, with headquarters in Texas, but with service stations in a number of states, including Idaho. Its headquarters may have a robust suite of telecommunications services, but each of its service stations may have only two or three lines. The customer has selected a carrier that has agreed to provide (among other things) the customer with a single, electronic, bill for all of its services across the country. The customer also seeks a uniform customer relationship on issues such as billing, termination of service, payment arrangements, repair service standards, credits for outages, and other quality of service issues. In such a situation, this customer seeks to obtain the service solution appropriate for its needs and, in the current competitive environment seeks a negotiated service package; consequently, it does not need any regulatory "protection" for its locations in Idaho. Indeed, the type of "protection" encompassed by the existing and proposed rules is actually unwanted by the customer.

Accordingly, Verizon requests the Commission add the following sentence to the end of Rule 31.41.01.001: "These rules only apply to services provided to residential and small business customers and do not apply to multi-state business customers or business customers with 5 or more lines in Idaho."

B. *EXPLANATION FOR DENIAL OF SERVICE OR REQUIREMENT OF DEPOSIT -- LECS (RULE 102)*

This proposed rules states in pertinent part: "If the local exchange company ~~must~~ requires a CASH deposit as a condition of providing service, then it shall immediately provide an ~~written~~ explanation to the ~~applicant or~~ customer stating the precise reasons why ~~it requires~~ a deposit ~~or denies service~~ is required."

Verizon recommends the Commission remove the reference to "cash". By deleting the word "cash", it is clear that the requirements of this rule apply to all required deposits, whether they are paid in currency or by check, credit card, debit card or any other means.

C. *REQUIREMENTS FOR NOTICE BEFORE TERMINATION OF BASIC LOCAL EXCHANGE SERVICE (RULE 303) AND CONTENTS OF NOTICE OF INTENT TO TERMINATE LOCAL EXCHANGE SERVICE (RULE 304)*

Verizon recommends that the Commission authorize the use of electronic notices to terminate service when the customer has agreed to electronic billing. Electronic notice of termination will actually provide a customer who has elected electronic billing with faster notice since it eliminates the mailing time associated with sending a notice of termination through the mail. Further, since the customer has elected electronic billing, the customer's electronic address is known to the provider thereby reducing the risk that the customer would not actually receive the notice. Finally, this approach saves the provider postage and other costs of mailing and lowers a provider's cost of doing business. In the event the provider receives a rejection of an electronic notice, Verizon recommends that the provider would then be required send a written termination notice to the customer by mail at least seven calendar days prior to termination. If this recommendation is accepted, corresponding changes should be made rule 304 concerning the contents of the notice.

Accordingly Verizon suggests the following changes in the proposed rule language:

REQUIREMENTS FOR NOTICE BEFORE TERMINATION OF LOCAL EXCHANGE SERVICE (RULE 303).

01. **~~Seven-Day~~ Initial Notice**. If the telephone company intends to terminate local exchange service under Rule 30~~2~~1, it must send to the customer written notice of termination mailed at least seven (7) calendar days before the proposed date of termination OR ELECTRONIC NOTICE AT LEAST SEVEN (7) CALENDAR DAYS BEFORE THE PROPOSED DATE OF TERMINATION TO THOSE CUSTOMERS WHO HAVE ELECTED ELECTRONIC BILLING. This ~~WRITTEN~~ notice must contain the information required by Rule 304.

* * *

03. **Additional Notice**. If the telephone company has not terminated service within twenty-one (21) days after the proposed termination date as specified in a ~~WRITTEN~~ notice, the telephone company must again provide notice under Subsections 3043.01 and 3043.02 if it still intends to terminate service.

30~~6~~4. CONTENTS OF NOTICE OF INTENT TO TERMINATE LOCAL EXCHANGE SERVICE (RULE 30~~6~~4).

01. **Contents of Notice.** The written, ELECTRONIC or oral notice of intent to terminate local exchange service required by Rule 3043 must state:

D. ***INSUFFICIENT GROUNDS FOR TERMINATION OF BASIC LOCAL EXCHANGE SERVICE (RULE 310)***

This proposed rule provides in pertinent part:

01. **Termination Prohibited.** No customer shall be given notice of termination of local exchange services nor shall the customer's local exchange service be terminated if the unpaid bill cited as grounds for termination is:

> **~~01~~a.** ~~**Less Than Fifty Dollars.** The customer's unpaid bill cited as grounds for termination is l~~Less than fifty ($50) dollars~~.~~;

It is not clear to Verizon if the $50 dollar threshold described in this rule applies only to local exchange service. Verizon recommends that the subsection .01 be clarified to state that the unpaid balance specifically relates only to local exchange service and further requests that the threshold be lowered to $30. A $30 threshold is consistent with the majority of the states within which Verizon operates. In the event Verizon is unable to terminate local exchange service to a customer whose outstanding balance is between $30 and $50, Verizon could lose revenues and incur additional costs in the event Verizon is unable to collect amounts due for local exchange service. The lost revenue as well as any collection costs incurred becomes an additional cost of doing business which Verizon ultimately will pass onto other consumers. Therefore, Verizon recommends that the rule be changed as follows:

01. **Termination Prohibited.** No customer shall be given notice of termination of local exchange services nor shall the customer's local exchange service be terminated if the unpaid bill FOR LOCAL EXCHANGE SERVICE cited as grounds for termination is:

~~01~~a. ~~**Less Than Fifty Dollars.**~~ ~~The customer's unpaid bill cited as grounds for termination is l~~Less than THIRTY ($30) ~~fifty ($50)~~ dollars~~.~~;

E. ***RESTRICTIONS ON TERMINATION OF BASIC LOCAL EXCHANGE SERVICE -- OPPORTUNITY TO AVOID TERMINATION OF BASIC LOCAL EXCHANGE SERVICE (RULE 309)***

This rule generally prohibits termination of service on certain days of the week (Fridays, Saturdays and Sundays) or on legal holidays. Verizon opposes these limitations concerning when a provider may terminate service because they ignore the relevant consideration: whether the provider's customer service center is open to receive payments such that the customer can avoid termination. In other words, the intent of this rule seems to be to avoid putting the customer in a situation where he or she does not have the opportunity to make a payment to avoid termination. So the rule should be drafted to focus on whether that opportunity exists.

For example, Verizon customers can call Verizon customer service centers and make payments over the telephone by debit and credit cards thereby preventing the termination of service on a real time basis. And when Verizon customers may make payments by telephone through its customer service centers, receipt of payments by telephone protects customers from being improperly terminated. Thus, to account for these opportunities (and to avoid unnecessarily increasing the carrier's costs), Verizon respectfully requests that the Commission allow a provider to terminate basic local exchange service whenever a provider's customer service center is open to receive payments.

Accordingly, Verizon requests that the Commission delete subsection .01a and move the current language in subsection .01b be into subsection .01. Verizon also requests that the Commission delete subsections .02 b, c, and d and move the current language in subsection .02a be into subsection .02, as follows:

> **01. When Termination ~~Not Allowed~~ <u>of Service is Prohibited</u>.** ~~Unless the customer affected has consented in writing, local exchange service shall not be terminated on any Friday after twelve noon or on any Saturday, Sunday, legal holidays recognized by the state of Idaho, or after twelve noon on any day immediately before any legal holiday, or at any time when the telephone company's business offices are not open for business, e~~<u>E</u>xcept as authorized by ~~Rules 303.01 and 303.02, or for non-residential customers, as authorized by any Subsection of~~ Rule 303<u>2</u>~~.~~ <u>or this rule, service provided to a customer shall not be terminated</u>~~:~~ <u>AT ANY TIME WHEN THE TELEPHONE COMPANY IS NOT OPEN FOR BUSINESS</u>. ~~Local exchange services may be terminated only between the hours of 8 a.m. and 4 p.m., except as authorized by Rules 303.01 and 303.02.~~
>
> ~~a. ON ANY FRIDAY, SATURDAY, SUNDAY, LEGAL HOLIDAYS RECOGNIZED BY THE STATE OF IDAHO, OR ON ANY DAY IMMEDIATELY PRECEDING ANY LEGAL HOLIDAY; OR~~
>
> ~~b. AT ANY TIME WHEN THE TELEPHONE COMPANY IS NOT OPEN FOR BUSINESS.~~
>
> **02.** ~~**Personnel to Authorize Reconnection.** Each telephone company providing local exchange service shall have personnel available after the time of termination who are authorized to reconnect service if the conditions cited as grounds for termination are corrected to the telephone company's satisfaction. Customers may be asked to pay reconnection fees before restoration of service.~~ **<u>Times When Service May Be Terminated</u>.** <u>Service may be terminated: SERVICE MAY ME TERMINATED AT ANY TIME WHEN THERE IS A DANGEROUS CONDITION PURSUANT TO RULE 302.01 OR THE TELEPHONE COMPANY IS ORDERED TO DO SO PURSUANT TO RULE 302.02;</u>
>
> ~~a. AT ANY TIME WHEN THERE IS A DANGEROUS CONDITION PURSUANT TO RULE 302.01 OR THE TELEPHONE COMPANY IS ORDERED TO DO SO~~

~~PURSUANT TO RULE 302.02;~~

~~b. BETWEEN THE HOURS OF 8 A.M. AND 5 P.M., MONDAY THROUGH THURSDAY, FOR ANY REASON AUTHORIZED BY RULES 301 AND 302;~~

~~c. BETWEEN THE HOURS OF 8 A.M. AND 5 P.M. ON FRIDAY FOR ILLEGAL USE OF SERVICE PURSUANT TO RULE 302.03 OR IF THE PREMISES ARE UNOCCUPIED AND SERVICE HAS BEEN ABANDONED; OR~~

~~d. BETWEEN THE HOURS OF 5 P.M. AND 9 P.M., MONDAY THROUGH THURSDAY, IF THE TELEPHONE COMPANY IS UNABLE TO GAIN ACCESS TO ITS EQUIPMENT DURING THE NORMAL BUSINESS HOURS OR FOR ILLEGAL USE OF SERVICE PURSUANT TO RULE 302.03.~~

CONCLUSION

The Customer Relations Rules should clearly state that they are only applicable to residential and small business customers and should not apply multi-state business customers or business customers with 5 or more lines in Idaho. The Commission should also allow termination of services to be provided by electronic notice to customers who have elected electronic billing because such notice will arrive sooner and will reduce the costs association with termination notices sent by mail. Finally, the Commission should allow for termination of service when providers are available to accept payment from customers and when the cost of past due regulated services is $30 or more.

Accepting Verizon's recommendations will avoid imposing the billing standards where they are not needed, and will narrowly tailor the proposed rules to protect consumers from the harms the rules are designed to guard against.

Dated: October 27, 2009

By: ______________________________

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CERTIFICATE OF SERVICE

I hereby certify that I sent an original and 7 copies of the within Comments of Verizon for filing in this docket by Federal Express overnight standard delivery for delivery on October 28, 2009, addressed to:

Jean Jewell
Idaho Public Utilities Commission
472 W. Washington
Boise, Idaho 83702

And also sent copies by e-mail this date to:

jean.jewell@puc.idaho.gov
weldon.stutzman@puc.idaho.gov

Dated: October 27, 2009