

DECISION MEMORANDUM

**TO: COMMISSIONER REDFORD
COMMISSIONER SMITH
COMMISSIONER KEMPTON
COMMISSION SECRETARY
COMMISSION STAFF**

**FROM: DON HOWELL
DEPUTY ATTORNEY GENERAL**

DATE: JULY 24, 2008

**SUBJECT: PETITION FROM VERIZON CUSTOMERS REQUESTING A LOCAL
CALLING PLAN FROM WALLACE/OSBURN/MULLAN TO THE
COEUR D'ALENE/HARRISON AREAS, CASE NO. VZN-T-01-4**

In December 2000, the Commission received a Petition signed by about 190 Verizon telephone customers located in the Wallace/Osburn/Mullan service areas. These customers requested that the Commission authorize a "local calling plan" (LCP) similar to customers in the neighboring telephone exchange of Kellogg. A LCP is an optional service that allows customers to make long-distance calls to nearby exchanges toll-free. Verizon's predecessor, GTE Northwest, implemented LCPs for most of its northern Idaho telephone exchanges in 1993-96. Order No. 26330.

Under the LCP mechanism, local telephone customers were given four LCP options: Basic, Community, Community Plus, and Premium. Under the Basic service plan, customers pay a low, flat monthly rate and pay for usage based upon distance and duration of the call. With the remaining LCPs, the flat monthly rate increases based upon the geographic size of the toll-free calling area. Order No. 26330 at 1. The larger the calling area, the higher the monthly rate.

Currently, as well as when the Petition was filed, Kellogg customers had the option of subscribing to Community Plus. Under the Community Plus calling plan, customers in Kellogg were provided toll-free calling to Pinehurst, Coeur d'Alene, Harrison, Mullan and Wallace. At the time, the residence of Wallace and Mullan could not call Coeur d'Alene and Harrison under their Community Plus calling plan.

BACKGROUND

After the Petition was filed, Staff began an informal investigation into the facts surrounding the request. Staff initially proposed that the Company offer customers in the Wallace, Osburn, and Mullan exchanges a "Premium" calling plan. However, Verizon opposed the Staff proposal. It asserted that the costs of offering such a plan would be prohibitive because it estimated that not enough customers would sign up for the Premium plan to pay for the necessary facilities. The informal complaint was subsequently lodged as a formal case. Staff issued discovery requests and performed plant audits.

On March 24, 2008, Verizon requested that this case be closed. The Company indicated that it has offered since January 2007 two regional calling plans to its customers in northern Idaho: "Regional Value" and "Regional Essentials." Regional Value includes a flat-rate charge and unlimited toll-free calling within Verizon's entire northern Idaho service territory. The Regional Essentials calling plan also provides unlimited toll-free calling within northern Idaho and includes up to three custom calling features (such as Caller ID, call waiting, and home voice-mail). Both of these calling plans allow customers in the Wallace and Mullan exchanges to call Coeur d'Alene and Harrison without charge. The Company also stated that these intrastate calling plans can also be packaged with interstate long-distance calling plans that would allow customers unlimited calling to anywhere in the United States and Canada. "None of these packages were available to customers back in 2003. . . ."

Staff also contacted the customer who headed up the Petition drive. The customer indicated that the calling plans and expanded cell phone coverage now provide a sufficient alternative. He agreed that the case could be closed.

STAFF RECOMMENDATION

Given the availability of regional calling plans and the fact that the initial petitioner wishes to withdraw the Petition, Staff believes that this case may be closed. It appears Verizon customers now have at least two options for toll-free regional calling in northern Idaho in addition to cell phone calling plans. Rule 68 allows a party to withdraw a pleading on 14-days notice.

COMMISSION DECISION

Does the Commission find that this case may be closed because toll-free regional calling plans are available to all Verizon customers in northern Idaho?



Don Howell
Deputy Attorney General

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