

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: NEW ENGLAND TELEPHONE :
COLLECTIONS PROCEDURES : DOCKET NO. 4675

REPORT ACCOMPANYING REPEAL

On November 23, 2016, the Public Utilities Commission (PUC or Commission) issued a Notice of Proposed Rulemaking seeking comments on its proposal to repeal the New England Telephone Collections Procedures (Rules).¹ In its decision to propose the repeal, the PUC noted that the Rules are from a time when New England Telephone was “the” telephone company. Competitive Local Exchange Carriers (CLECs) have been advised that they should use the Rules as a guide in developing their tariffs. However, the Rules do not specifically apply to CLECs and the Division of Public Utilities and Carriers (Division) does not specifically apply the Rules to those carriers. Verizon now has less than 50% of the lines in Rhode Island and is the only one with specific collections rules.

As of June 2015, based on the most recent Federal Communications Commission report, there were 482,000 landlines in Rhode Island which includes Voice over Internet Protocol lines and over 1,000,000 wireless lines. The Rules only apply to Verizon customers who still have plain old telephone service (POTS) and not to those with FiOS telephone, television, or internet. Verizon currently only has 126,000 traditional (POTS) lines and slightly more than half of those are residential lines subject to the Rules. Verizon’s residential POTS lines represent only about 4.5% of all telephone services in the state, and they are only about 14% of the old landline submarket.² Either way, the great majority of telephone services in Rhode Island are not subject

¹ Notice (Nov. 23, 2016); http://www.ripuc.org/eventsactions/docket/4675-NECollection-Repeal-Notice_11-23-16.pdf. On November 17, 2016, the PUC voted at an Open Meeting to issue the Notice of Proposed Rulemaking. Minutes of Nov. 17, 2016; <http://www.ripuc.org/eventsactions/minutes/111716.pdf>.

² Verizon RI Comments at 3; [http://www.ripuc.org/eventsactions/docket/4675-VRI-Comments\(12-27-16\).pdf](http://www.ripuc.org/eventsactions/docket/4675-VRI-Comments(12-27-16).pdf).

to the Rules. Prior to the decision to repeal, it was estimated that the Division had approximately ten calls in the prior twelve-month period where the Division actually had to apply the collections Rules. The remainder of calls received by the Division, related to service, bill comprehension and non-collection matters.

On December 27, 2016, the PUC received comments from Verizon New England Inc., d/b/a Verizon Rhode Island (Verizon RI), the successor to New England Telephone & Telegraph, in support of the repeal.³ In its comments, Verizon RI posited that “competition in Rhode Island is sufficient to discipline service providers’ conduct without the need for Commission regulations.”

⁴ According to Verizon RI, customer complaints have not increased as customers have migrated to unregulated services. Therefore, Verizon RI opined, there is no longer any policy basis for collections regulations, especially ones that apply to only one company.⁵

At an Open Meeting held on January 5, 2017, the PUC reviewed the comments and voted unanimously to repeal the Rules. Given the fact that Verizon RI is no longer the dominant telecommunications carrier in Rhode Island, most Verizon customers receive service through FiOS, and the Division has applied the rules minimally in the past year, the rationale for continuing the mandated payment plans and collections procedures to only one company no longer applies. All carriers will be required to ensure their tariffs include reasonable collections procedures. Finally, repeal of rules such as these is consistent with State policy encouraging fewer rules where alternative solutions are practical or the rationale for the rules no longer exists.

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³ National Grid comments (Dec. 27, 2016); [http://www.ripuc.org/eventsactions/docket/3569-NGrid-Comments\(12-27-16\).pdf](http://www.ripuc.org/eventsactions/docket/3569-NGrid-Comments(12-27-16).pdf); Division comments (Dec. 27, 2016); [http://www.ripuc.org/eventsactions/docket/3569-DPU-Comments\(12-27-16\).pdf](http://www.ripuc.org/eventsactions/docket/3569-DPU-Comments(12-27-16).pdf).

⁴ Verizon RI Comments at 3.

⁵ *Id.*

EFFECTIVE AT WARWICK, RHODE ISLAND ON JANUARY 30, 2017 PURSUANT TO OPEN MEETING DECISIONS ON NOVEMBER 17, 2016 AND JANUARY 5, 2017. FINAL RULES FILED WITH THE SECRETARY OF STATE'S OFFICE ON JANUARY 10, 2017⁶. REPORT ISSUED ON FEBRUARY 1, 2017.

PUBLIC UTILITIES COMMISSION



Margaret E. Curran, Chairperson

Herbert F. DeSimone, Jr., Commissioner

Marion S. Gold, Commissioner

⁶ Rules and Regulations Filing Form (Jan. 10, 2017) http://www.ripuc.org/eventsactions/docket/4675-SOS-RepealForm_1-10-17.pdf