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December 27, 2016

Ms. Luly Massaro, Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

Re: Docket No. 4675 – New England Telephone Collections Procedure

Dear Ms. Massaro:

Enclosed for filing in the above-referenced matter are the original and three copies of the Comments of Verizon New England Inc.

Thank you for your assistance.

Sincerely,

A handwritten signature in blue ink that reads "Alexander W. Moore".

Alexander W. Moore

Enclosures

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

New England Telephone Collections Procedure

Docket No. 4675

COMMENTS OF VERIZON NEW ENGLAND INC.

Verizon New England Inc., d/b/a Verizon Rhode Island (“Verizon RI”) supports the Commission’s proposed repeal of the New England Telephone Collections Procedures (“Rules”). The fully competitive communications market that has developed in Rhode Island in the past quarter-century now disciplines the billing and collection policies of all telephone service providers, Verizon RI included, rendering the Rules unnecessary and inappropriate.

When the Rules were adopted in 1992, Verizon RI’s predecessor, New England Telephone & Telegraph, was the sole, monopoly provider of local exchange service in Rhode Island. Utility-style regulation in the form of the Rules was deemed necessary to constrain the monopoly’s treatment of its customers. Due in large part to the Commission’s longstanding policies encouraging competition, however, Rhode Island today is home to a vibrant, highly competitive communications market, in which consumers enjoy a broad choice of voice services and providers, including traditional landline, wireless, satellite, wifi and VoIP services (both facilities-based and over-the-top). These providers also compete with email, texting and Internet-based social media such as Facebook, Twitter, Instagram and Snapchat for consumers’ communications business. Heated competition constrains all carriers – including Verizon RI, which is just one of many voice providers in the market – in how they serve and treat their

customers, including their billing and collection practices. The Rules no longer serve any function but merely burden one competitor and thus distort the market.

Competition in the voice communications market in Rhode Island is widespread and deep. With respect to landline competition alone, the FCC reports that competitive carriers control 55% of the landlines in the state,¹ and 99% of state residents have access to two or more broadband service providers and the VoIP and other Internet capabilities that broadband supports.² In addition, wireless service is ubiquitous in Rhode Island. There are twice as many wireless subscriptions in the state as there are landlines,³ and more wireless subscriptions than there are people in the state.⁴ Ninety-eight percent of Rhode Island residents have a choice of at least *four* wireless providers.⁵ Indeed, wireless service is so widely accepted as a substitute for landline service that by the end of 2015, almost half (48%) of all households in America had “cut the cord” and no longer had a landline telephone at all, and another 14% of households received all or almost all calls on wireless phones.⁶

With so many options available to consumers, market forces now discipline service providers’ rates, terms, conditions and customer service, including their collections practices. It is in a service provider’s self-interest to ensure that its billing and collection practices are reasonable and do not needlessly generate disputes or deprive it of customers. Service providers know that if they treat their customers poorly, they will take their business elsewhere. In light of

¹ See Federal Communications Commission, *Voice Telephone Services Report as of 12/31/15*, (rel. November 16, 2016) (“Voice Services Report”), State Level Subscriptions Table, Rhode Island tab. That report is available at <https://www.fcc.gov/voice-telephone-services-report>.

² As of December 31, 2015. See, National Broadband Map, Summary for Rhode Island, available at <http://www.broadbandmap.gov/summarize/state/rhode-island>.

³ According to the FCC, there were 1,039,000 wireless subscribers in Rhode Island and just 482,000 total switched access lines and VoIP lines in the state at the end of 2015. See *id.*

⁴ The population of Rhode Island was 1,056,298 as of 2015. See <http://www.census.gov/quickfacts/table/PST045215/44>.

⁵ See, National Broadband Map, Summary for Rhode Island.

⁶ See Centers for Disease Control and Prevention, *Wireless Substitution: Early Release of Estimates From the National Health Interview Survey, July-December 2015* (“CDC Report”), available at <http://www.cdc.gov/nchs/data/nhis/earlyrelease/wireless201605.pdf>.

these market-driven constraints, Rhode Island’s consumer protection laws of general application are more than adequate to protect consumers of telecommunications services, just as they protect consumers in other areas of competitive commercial activity.⁷ There is no longer any policy basis for collections regulations, especially ones that ostensibly apply only to a single carrier.

Verizon RI today is just one of many service providers competing for business in the communications market; its traditional access lines and VoIP lines together represent only about 14% of all telephone subscriptions in Rhode Island.⁸ Verizon RI’s collection practices are thus constrained by the same market forces that constrain the practices of its competitors.

That competition in Rhode Island is sufficient to discipline service providers’ conduct without the need for Commission regulations is not mere theory but is solidly grounded in fact. The Rules do not apply to 95% of the 1.5 million telephone subscriptions in the state.⁹ Yet the Commission and the Division have not reported – or to Verizon RI’s knowledge, experienced – significant increases in the number or the rate of consumer complaints even as most consumers shifted from Verizon RI’s regulated service to non-regulated services. Thus, actual experience in Rhode Island demonstrates that the vast majority of voice customers are well treated by their service providers even though their services are not covered by the Rules.

⁷ In addition, the FCC’s Truth-in-Billing rules regulate the form and content of telephone bills. Among other things, they require bills to be clearly organized and to state the name of the service provider, any change in service providers, a “brief, clear non-misleading, plain language description of the service or services rendered” and clear and conspicuous information on how to contact the service provider, including a toll-free telephone number. *See* 47 CFR § 64.2401.

⁸ *Compare*, Voice Services Report, State Level Subscriptions Table, Rhode Island tab, line 5 (showing 215,000 ILEC (*i.e.*, Verizon RI) switched access and VoIP lines) to lines 1 and 4 (showing 1,511,000 total mobile and wireline telephone subscriptions).

⁹ By their terms, the Rules apply only to Verizon RI’s traditional, residential access lines, of which there were 66,000 as of December 31, 2015. *See*, Voice Services Report, State Level Subscriptions Table, Rhode Island tab (line 17).

In sum, the highly competitive Rhode Island marketplace provides the best assurance that Verizon RI and other service providers will act fairly, reasonably and appropriately toward their customers. The Rules are no longer needed, and the Commission should put them to rest.¹⁰

Respectfully submitted,

VERIZON NEW ENGLAND INC.

By its attorney



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Dated: December 27, 2016

¹⁰ Verizon RI does not object to including reasonable collection terms in its tariff upon repeal of the Rules, as contemplated by the Public Notice of Proposed Rule-Making issued in this docket on November 23, 2016.