

April 11, 2007

Via Overnight Mail

Elia Germani, Chairman
Robert Holbrook, Commissioner
Mary Bray, Commissioner
Public Utilities Commission
89 Jefferson Boulevard
Warwick, Rhode Island 02888

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PUBLIC UTILITIES COMMISSION

Verizon – Rhode Island’s March 9, 2007 Notices Regarding Promotions, Docket No. 3828

Dear Chairman Germani and Commissioners Holbrook and Bray:

On behalf of Cox Rhode Island Telcom, LLC (“Cox”), I am writing this letter in response to the Commission’s Report and Order in this matter, dated March 9, 2007 (“*Order*”). Cox will not be appealing the *Order*, nor is Cox requesting that the Commission undertake any further proceedings to clarify, modify or take any other actions in regards to the *Order*. However, Cox does have an objection to certain statements in the *Order* that we would like to bring to your attention.

As the *Order* pointed out, in response to certain Verizon-Rhode Island (“VZ-RI”) promotions, Cox filed its objections because it believed the terms of the promotions were not in conformance with the six-month limitation set in the current Verizon-Rhode Island Successor Alternative Regulation Plan (“Plan”), Order dated March 17, 2006 (“*Order No. 18550*”). The Commission agreed that “[i]t is understandable that this language could be subject to more than one interpretation.” *Order* at pg. 3.

The *Order*, applying certain policy principles derived from the 1996 Telecommunications Act, provided the Commission’s interpretation of the six-month limitation on VZ-RI promotions. Cox is willing to accept the Commission’s clarification; we asked for the Commission’s review and decision on how the six-month limitation should be applied to the term of the benefits and discounts and not just the term of the offering. The Commission answered the question in a timely manner, and that should close the matter.

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However, the Commission then went on to make certain statements that Cox does object to, and we would like to share our objections regarding these statements for the record.

In support of its clarification of the intent of the six month promotional limit on Verizon-RI's promotions the Commission stated: "Simply, VZ-RI is essentially no longer subject to dominant carrier price regulation because, in general, VZ-RI cannot exercise market power over Rhode Island's local telecommunications market."¹ Cox objects to this statement because it is contrary to the fact that VZ-RI is subject to certain dominant carrier pricing regulations, as set forth in the VZ-RI Alternative Regulation Plan. Specifically, the Commission imposed as a pricing regulation specific to Verizon that VZ-RI "is subject to a LRIC price floor for its tariffed retail services." *Order No. 18550* at pg. 32. And not only is Verizon still subject to this price floor, "if it appears VZ-RI has violated this LRIC price floor, the Commission or the Division can request VZ-RI to provide a cost study to ensure that the price floor is not violated. It is always understood that a CLEC can request the Division or the Commission to seek a LRIC cost study from VZ-RI." *Order No. 18550* at 33. For this reason, it is incorrect to suggest that VZ-RI is no longer subject to any dominant carrier price regulation in Rhode Island.

In addition to dominant carrier price regulation concerning price floors, VZ-RI remains subject to a number of other requirements that are applicable only to VZ-RI as the incumbent LEC in Rhode Island, such as service quality reports, annual earnings reports and semi-annual competitive profile reports, since Rhode Island is *still* transitioning to a fully competitive market in local telecommunications," *Order 18550* at 32 (emphasis added) and "the reality is that VZ-RI is *still* the largest telephone provider in the State..." *Order No. 18550* at 39 (emphasis added). And, Cox notes that all of these incumbent regulations are binding on VZ-RI until December 31, 2008.

For these reasons, Cox will not be seeking any further actions by the Commission with respect to the *Order* in this matter, but Cox does wish to point out its objection to certain statements that are not supported by the Commission's determinations in the VZ-RI Alternative Regulation Plan, as described in this letter and as specified in *Order No. 18550*.

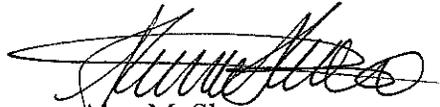
¹ *Order* at pp. 3-4 (citing *Order No. 18550*).

ADLER POLLOCK & SHEEHAN P.C.

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Please let me know if you have any questions in regards to this objection.

Respectfully submitted,
Cox Rhode Island Telcom, LLC



Alan M. Shoer
Bar No. 3248

cc Alexander Moore, Esquire
Theresa O'Brien

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