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Alexander W. Moore
Associate General Counsel – New England



185 Franklin Street
13th Floor
Boston, MA 02110-1585

Phone 617 743-2265
Fax 617 737-0648
alexander.w.moore@verizon.com

March 16, 2007

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

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PUBLIC UTILITIES COMMISSION

Re: Verizon Rhode Island's March 9, 2007 Notices Regarding Promotions for Residence Service

Dear Ms. Massaro:

I write on behalf of Verizon New England Inc. d/b/a Verizon Rhode Island ("Verizon RI") in response to a letter from Cox Rhode Island Telcom, LLC ("Cox") to the Commission dated March 15, 2007, regarding two recent Verizon RI promotions for residential customers.

In its letter, Cox takes issue with promotions filed by Verizon RI on March 9, 2007, stating that these promotions "are designed to make the promotional benefits available for twelve (12) months, twice the allowable time frame permitted under current rules set forth in the Commission's Order". Not only is Cox incorrect in its interpretation of the Commission's rules on promotions, it is also disingenuous in that Cox itself has previously offered promotions with benefits lasting longer than six months.

In its Order No. 12605, the Commission limits the duration of promotions to no more than six months. Contrary to Cox's claim, the Order in Docket No. 3692 applies to the duration of the *promotional program*, not to the *benefits* derived by customers who avail themselves of the promotion. Both of the promotions to which Cox is objecting have a duration of less than six months. In fact, both promotions begin on March 19, 2007 and end on June 16, 2007, lasting only three months in duration. Stated differently, it is *only* during this three-month period that customers may take advantage of these promotional offerings. As such, Verizon RI is in full compliance with the Commission's rules regarding promotions, and Cox's request to suspend these promotions should be denied.

Furthermore, Verizon RI is incredulous that Cox would try to make the argument that because the *benefit* of these two promotions exceeds six months, the promotions do not comply with the Commission's rules, when, in fact, Cox itself has offered numerous promotions with similar benefits to its customers. For example:

- On April 4, 2004, Cox notified the Commission of a promotion with a duration of April 12, 2004 through May 31, 2004. The promotion, however, offered a 25% discount on a new residential customer's primary line through December 31, 2004 (i.e., over *eight months* of benefit to its customers).
- On September 17, 2004, Cox notified the Commission of a promotion with a duration of September 27, 2004 through November 31, 2004. This promotion offered existing residential customers who add Cox Digital Telephone Service a discounted rate of either \$15.00 per month or \$25.00 per month (depending upon the plan chosen) *for 12 consecutive months*.
- On March 22, 2004, Cox notified the Commission of a promotion with a duration of April 12, 2004 through April 30, 2004, whereby existing Digital Cable and High Speed Internet residential customers who add Cox Digital Telephone Service would receive the Cox Unlimited Connections Package at a discounted rate of \$39.95 per month *for the first twelve months of service with Cox*.

These examples represent only a small sample of the numerous promotions offered by Cox that Verizon RI was able to obtain in such short order. More importantly, the Commission cannot allow Cox to interpret the Commission's rules to apply to Verizon RI differently than they apply to Cox.

The PUC should deny Cox's request that the Commission take immediate action to suspend these two proposed promotions, as these promotions fully comply with the Commission's rules. Furthermore, the Commission itself has recognized that, as the market becomes more competitive, fewer restrictions, not more restrictions, are appropriate. As the Commission stated in Order No. 18550 issued in Docket No. 3692 on March 17, 2006, at p.33, "*Promotions are a means to attract new customers or to incent current customers to use new services. Thus, promotions usually equate to lower prices for customers. The Commission will not stand in the way of lower prices for consumers, which is the primary benefit of competition.*"

Cox has chosen to take a different approach than Verizon RI. Rather than compete vigorously in the marketplace, Cox's letter of March 15 seeks to gain competitive advantage by requesting the Commission impose new and unprecedented restrictions on Verizon RI's ability to make promotional offerings in this highly competitive market while allowing Cox to continue to offer similar promotions. Cox needs no assistance from the Commission in order to compete in the marketplace, and the Commission should decline to take any action requested in Cox's March 15 letter.

Ms. Luly E. Massaro
March 16, 2007
Page 3 of 3

Sincerely,

Alexander W. Moore 

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cc: Chairman Elia Germani
Commissioner Robert Holbrook
Commissioner Mary Bray
Stephen Frias, Esquire
Mr. Brian Kent
Alan M. Shoer, Esq.
Mr. Robert Howley