

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION**

**IN RE: VERIZON'S PROPOSED TARIFF :
FOR "VOICE DISCOUNT FOR : DOCKET NO. 3917
REGIONAL ESSENTIALS AND :
REGIONAL VALUE" :**

ORDER

On January 30, 2008, Verizon Rhode Island ("Verizon") filed with the Rhode Island Public Utilities Commission ("Commission") a proposed tariff to introduce a new pricing option identified as Voice Discount for Regional Essentials and Regional Value ("Voice Discount"). Verizon described Voice Discount as providing a monthly credit for a twelve (12) month period to residential customers who are either considering disconnecting Verizon service, have requested the disconnection of Verizon service or are disconnecting service with a Verizon competitor. Customers who satisfy any of the above circumstances will qualify for a Voice Discount provided that the customer agrees to retain or establish Verizon service and subscribe to: 1) an additional line with Regional Essentials¹, 2) Regional Essentials with a qualifying long distance calling plan, 3) Regional Value², or 4) Regional Value with a qualifying long distance plan. The discounts range from \$10.00 to \$17.05 depending on the service to which the customer chooses to subscribe.³

Subsequent to the twelve (12) month period, Verizon's regular rates will apply. In order to receive Voice Discount, a customer must either request the offering or must accept the offering at the suggestion, recommendation or offer of Verizon. Verizon

¹ "Regional Essentials" provides customers unlimited local, unlimited regional toll and three calling features (call waiting, caller id and home voice mail).

² "Regional Value" provides customers unlimited local and regional toll calling.

³ Verizon Rhode Island Tariff filing filed January 30, 2008.

described the benefits of the Voice Discount as meeting the needs of customers looking for value in their service and as enabling it to respond to increased competition in the marketplace.⁴

On February 25, 2008, Cox Rhode Island Telecom, LLC (“Cox”) filed a letter with the Commission through which it informed the Commission of a pending Complaint filed against Verizon with the Federal Communications Commission (“FCC”).⁵ The Complaint, of which Cox is not a complainant, challenges Verizon’s “retention marketing” activities of which Cox alleges appear to be embedded into the proposed tariff before the Commission. Cox asserts that the language of the proposed tariff is unclear on whether the discount will be offered when Verizon learns of a customer’s request to disconnect through a carrier-to-carrier port request.⁶ If this is the case and Verizon is using this information to contact customers directly to offer its discount, Cox alleges that Verizon will be engaging in an activity that is currently under review by the FCC.⁷

On February 27, 2008, the Division of Public Utilities and Carriers (“Division”) filed a letter with the Commission recommending that in light of the seriousness of the allegations alleged in the FCC Complaint that the Commission strike the language that allows the new pricing discount option to customers who “are in the process of disconnecting their dial tone service and agree to retain the service.” The Division noted

⁴ *Id.*

⁵ The Complaint alleges that Verizon is using proprietary information that it receives from competitors in a port request in an effort to stop the process by offering customers discounts to induce those customers to cancel their orders for competitive service. This is alleged by the Complainants to be anticompetitive and in violation of the Federal Communications Act and FCC Rules.

⁶ Cox describes the carrier-to-carrier port request as a request made by a competitor on behalf of the customer through the ordinary local number portability process which Cox suggests happens every day.

⁷ Cox Rhode Island Telecom, LLC letter to the Commission filed February 25, 2008.

that should the FCC resolve the Complaint in a manner favorable to Verizon, Verizon can file to amend the tariff by including that language at a later date.⁸

In response to the letter filed by Cox, Verizon filed a letter noting that Cox did not request the Commission take no action on Verizon's proposal. Verizon noted that it responded to the allegations in the pending FCC Complaint. Furthermore, Cox also undertakes aggressive methods to retain customers in the competitive environment that exists in Rhode Island. Verizon pointed out that denial or delay in allowing its proposed tariff to take effect will ultimately punish Rhode Island consumers by preventing them from the opportunity to receive price discounts otherwise available to them. Additionally, Verizon identified twenty-two other states that have allowed similar discounts to become effective.⁹

At an Open Meeting on February 28, 2008, the Commission considered Verizon's tariff. The Commission noted that the FCC has not yet taken action on the Complaint filed and that there was no reason to delay the tariff from becoming effective and to deprive Rhode Island consumers from being able to take advantage of the best pricing available to them in the competitive marketplace. The Commission will not prevent a tariff from becoming effective and potentially stifle competition simply because a competitor has filed an action in Court or with the FCC. The Commission approved Verizon's proposed tariff for "Voice Discount for Regional Essentials and Regional Value".

⁸ Division of Public Utilities and Carriers letter filed February 25, 2008.

⁹ Verizon Rhode Island letter filed February 27, 2008.

Accordingly, it is hereby

(19223) ORDERED:

1. Verizon's proposed tariff for "Voice Discount for Regional Essentials and Regional Value" is hereby approved, for effect February 29, 2008.

EFFECTIVE AT WARWICK, RHODE ISLAND, PURSUANT TO OPEN MEETING DECISION ON FEBRUARY 28, 2008. WRITTEN ORDER ISSUED MARCH 5, 2008.

PUBLIC UTILITIES COMMISSION



Elia Germani, Chairman

Robert B. Holbrook, Commissioner*



Mary E. Bray, Commissioner



*Commission Holbrook did not participate in this decision.