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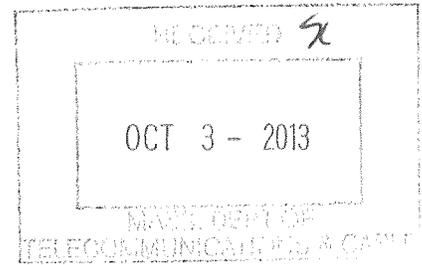


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October 2, 2013



Catrice C. Williams, Secretary
Department of Telecommunications and Cable
1000 Washington Street, Suite 820
Boston, MA 02118

**Re: Docket No. 13 – 4 -- Investigation by the Department on its Own
Motion into the Implementation in Massachusetts of the Federal
Communication Commission's Order Reforming the Lifeline Program**

Dear Secretary Williams:

Enclosed for filing in the above-referenced proceeding are the Reply Comments of Verizon MA Regarding Proposed Requirements.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in cursive script that reads "Alex Moore".

Alexander W. Moore

Enclosure

cc: Karlen Reed, Director
Ben Dobbs, Deputy Director
Service List (electronic distribution)

COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF TELECOMMUNICATIONS AND CABLE

Investigation by the Department on its Own)	
Motion into the Implementation in Massachusetts)	D.T.C. 13-4
of the Federal Communication Commission's)	
Order Reforming the Lifeline Program)	

REPLY COMMENTS OF VERIZON MA
REGARDING PROPOSED REQUIREMENTS

Verizon New England Inc., d/b/a Verizon Massachusetts (“Verizon MA”) hereby responds to comments filed by the Office of the Attorney General (“AGO”) seeking to “revitalize” a number of the potential ETC requirements which the Department declined to promulgate in the Notice of Proposed Requirements and Further Request for Comment issued on August 21, 2013 (“Notice”).

The AGO asserts that these proposed rules would benefit consumers but fails to consider the substantial concerns that service providers have raised regarding these potential rules. Verizon MA and others explained in their prior comments that these proposals are unnecessary in a competitive market, are duplicative of existing federal and state rules (and thus only marginally beneficial to the Department and consumers, at best), are vague and unworkable, may impose significant costs on service providers and/or may be preempted by federal law. The Department’s decisions rejecting these proposals were well-reasoned, appropriately account for the interests of all parties potentially affected by the rules, and properly turn to alternative, less intrusive means of meeting the Department’s objectives, where available. The AGO has offered no basis for disturbing those rulings.

I. Customer service standards and the Department's contact information.

The AGO claims that a number of the discarded customer service proposals would “provide a clear set of requirements to be followed by all ETCs,” AGO Comments at 3, but does not address the significant concerns with the clarity and workability of these rules previously raised by other parties. *See* YourTel Comments at 8-9; Verizon MA Reply Comments, at 12. Service providers also explained in prior comments that these rules are not necessary and would be excessive in light of the disciplinary effects of the competitive market and existing customer service rules, including the CTIA Consumer Code and, in Verizon MA's case, the Retail Service Quality Plan and the Billing and Termination Rules. *See* T-Mobile Comments (April 29, 2013) at 17; Budget Comments at 6, Verizon MA Reply Comments at 12-13. The AGO offers no response to any of these concerns and ignores the unnecessary costs these rules would impose on service providers.

In contrast, the Department did consider these concerns in its analysis and reasonably found that a rule requiring new ETCs to provide contact information for their customer service designees would allow the Department to address any complaints that might arise. Notice at 24. This is an appropriate result in light of the significant concerns and many existing constraints on ETCs' conduct.¹

The AGO also asks that ETCs be required to include the Department's contact information on their websites, terms and conditions, marketing materials, and the like. Proposed Rule B.1(b) would do just that, with respect to wireless ETCs. As for wireline carriers, the

¹ The AGO also asserts generally that imposing these and other regulations on ETCs would “creat[e] parity between wireline and wireless ETCs.” AGO Comments at 3. As Verizon MA and other ETCs have demonstrated, however, there are very real functional and regulatory differences among ETCs that call for different regulatory treatment at the state level. “One size fits all” thinking would not result in parity here, and the Department was right to take a more nuanced approach in developing its proposed ETC requirements.

Department noted that LECs such as Verizon MA are already required to publish the Department's contact information on monthly subscriber bills and in telephone directories, which must also include detailed information regarding the Department's formal dispute resolution process. *See* Notice at 12-13. The AGO does not, and could not reasonably, contest the Department's finding that "these existing requirements adequately inform LECs' subscribers of their ability to contact the Department's Consumer Division and participate in the Department's dispute resolution process." Notice at 13.

II. Outage reporting.

The Department should decline the AGO's request to require ETCs to report major outages within one business day. *See* AGO Comments at 3. In the Notice, the Department noted the serious objections to this proposal by many service providers on the grounds that, among other things, it is unnecessary and overly burdensome. *See* Notice at 25.² The Department also considered the existing outage reporting requirements contained in federal rules and found them to be sufficient for the Department's purposes, if extended by proposed Rule A.6(a) to cover ETCs that otherwise need not report that information to the Department. *See* Notice at 18-19, 25. The AGO's single-sentence argument in favor of the onerous one-day reporting requirement does not address the objections of the service providers, does not identify any error or flaw in the Department's analysis and does not otherwise contest the Department's finding that the federal reporting requirements, as modified, meet its needs.

² Service providers also explained that the proposal would be inconsistent with and preempted by the FCC's rules, is not supported by any rational basis and is unrelated to the advancement of universal service. *See* Verizon MA Reply Comments (May 28, 2013), Virgin Comments at 3; T-Mobile Comments at 17-18. Even the National Consumer Law Center agreed that, "[s]pecific Massachusetts-based outage reporting requirements can await the outcome of FCC proceedings." NCLC Letter at 4.

III. Financial terms of service

The AGO argues that ETCs should be required to offer voice-only service plans with no contract or early termination fees, speculating that “consumers [otherwise] may be required to pay for services they do not want in order to receive the wireless telephone service they need.” AGO Comments at 4. The AGO’s concern is misplaced. The Department found in the Notice, at 23, that today “[m]ost Lifeline plans are offered with no contract and at no cost to the consumer....” Consequently, Lifeline consumers in fact are *not* required to pay for services they do not want and, as the Department found, the proposed rule is unnecessary. *See* Notice at 22.

The AGO would also revive the proposal to require ETCs that sell refurbished phones to provide a 90-day warranty or return policy for those phones. AGO Comments at 4. The proposed rule, however, is fatally flawed. As Verizon MA and Budget Prepay explained, it would constrain the rates wireless carriers could charge and would therefore be preempted under 47 U.S.C. § 332(c)(3)(A). *See* Verizon MA Reply Comments, at 11; Budget PrePay Comments at 5-6. In addition, YourTel pointed out that the 90-day requirement is excessive in comparison to warranties offered under market conditions. *See* YourTel Comments at 8.

Moreover, the Department effectively found in the Notice that there is no need for the proposed rule in light of the ease with which Lifeline subscribers may change carriers and their ability to contact the ETC or the Department if they are not satisfied with their handset. *See* Notice at 23. The AGO asserts, at 4, that the rule “would ensure that subscribers receive quality products...,” but a Lifeline subscriber can do that today by purchasing a new telephone, rather than a refurbished one, and thus receive the protections of any manufacturer warranty. In any event, the goal espoused by the AGO falls outside the scope of the Lifeline program, which is intended to subsidize the cost of telephone service, not the cost of the telephone itself.

In sum, the Department properly and appropriately declined to promulgate the proposed rules discussed above and should not “revitalize” any of them now.

Respectfully submitted,

VERIZON NEW ENGLAND INC.

By its attorney



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Dated: October 2, 2013