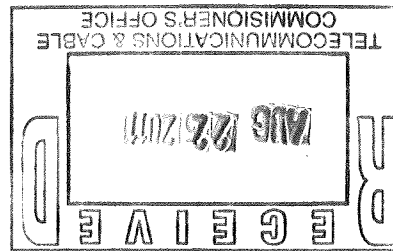


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August 22, 2011

Catrice C. Williams, Secretary
Department of Telecommunications and Cable
1000 Washington Street, 8th Floor
Boston, Massachusetts 02118-6500

Re: Notice of Public Informational Forums;
Billing and Termination Regulations

Dear Ms. Williams:

Enclosed for filing in the above-referenced matter are the Initial Comments of Verizon New England Inc.

Thank you for your attention to this matter.

Very truly yours,

Alexander W. Moore

Enclosure

cc: Jesse Reyes, Asst. Attorney General

COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF TELECOMMUNICATIONS AND CABLE

Notice of Public Informational Forums:)
Billing and Termination Regulations)

INITIAL COMMENTS OF VERIZON NEW ENGLAND INC.

Verizon New England Inc., d/b/a Verizon Massachusetts (“Verizon MA”) files these comments in response to the Notice of Public Informational Forums issued by the Department on June 30, 2011 (“Notice”), seeking comment on the appropriate scope and application of billing and termination rules for voice and video services in light of changes in the cable and telephone industries since the Department adopted its Rules and Practices Relating to Telephone Service to Residential Customers (“B&T Rules”) in 1977.

In the decades since the Department adopted the B&T Rules, the largely monopolistic telephone industry, subject to tight, public utility-style regulation, has transformed into a vibrant, highly competitive market in which many carriers offer customers a broad choice of communications services, spanning not just (or even primarily) traditional landline telephone service but also intermodal voice services and Internet communications. In light of this robust competition, the B&T Rules no longer serve any useful purpose and, in fact, distort the market. Therefore, the Department should eliminate them. The Department’s Cable Billing and Termination of Service regulations (“Cable B&T Rules”) should be eliminated for the same reasons. *See* Part I, below. Doing away with these archaic rules would also resolve many of the specific issues and questions raised in the Notice, which Verizon MA addresses in more detail in Part II below.

I. Competition Has Rendered The B&T Rules Obsolete and Counterproductive, And The Department Should Eliminate Them

At the time the B&T Rules were adopted, Verizon MA's predecessor, New England Telephone & Telegraph, was the sole, monopoly provider of local exchange service in the Commonwealth, and its parent company, AT&T, controlled almost all long distance service in the state. In sharp contrast, and due in large part to the Department's longstanding policies encouraging competition, the voice communications market in Massachusetts today is fiercely competitive, with landline service providers vying with each other and with intermodal wireless, CATV, VoIP and satellite providers for customers' business. The formerly separate CATV market is also highly competitive, with incumbents vying with satellite providers and with competitive landline video service providers such as Verizon MA. Heated competition constrains not only carriers' prices but also the way they serve and treat their customers, including their billing and collection practices. Carriers understand that customers can and do switch to competing carriers quickly and easily, and that unreasonable or unfair customer service practices and policies only drive customers to take their business elsewhere. In light of this market-imposed discipline, Massachusetts' consumer protection laws and regulations of general applicability are more than adequate to protect consumers from unreasonable or unfair billing and termination practices in the telecommunications market, just as they protect consumers in other competitive sectors of the economy. And the FCC's Truth-in-Billing rules ensure that carrier's bills are clear, informative and understandable to consumers. There is no longer any policy basis for specialized, telecommunications-specific billing and termination rules at the state level. The B&T Rules were designed to regulate a monopoly that has long ceased to exist, and

they only distort the market today. The Department should take this opportunity to eliminate them.

The Department has long held that, “actual competitive telecommunications markets are preferable to regulation as a surrogate for competition.”¹ As the Department has explained, “The Department endorsed competitive markets over regulation as the best way to achieve its policy goals for telecommunications, because competitive markets promote economic efficiency, technological innovations, *and a greater sensitivity to customer demands.*”² Accordingly, the Department has consistently applied the principle that less regulation is necessary where competition is sufficient to discipline the markets, modifying its regulatory requirements to match changing market conditions.³ In fact, the Department has for years relied on competition to fulfill its most fundamental statutory duty – ensuring that rates are “just and reasonable” – for retail services of all regulated telephone carriers, with the exception of basic residential service provided by Verizon MA.

Partly as a result of these policies, competition in the telecommunications market in Massachusetts is now fierce, widespread and deep. With respect to landline competition alone, the FCC reported that competitive carriers controlled 44% of the access lines in the state as of

¹ *Investigation by the Department of Telecommunications and Energy on its own Motion into the Appropriate Regulatory Plan to Succeed Price Cap Regulation for Verizon New England, Inc. d/b/a Verizon Massachusetts’ Intrastate Retail Telecommunications Services in the Commonwealth of Massachusetts (“Alternative Regulation Plan”)*, D.T.E. 01-31 Phase II, Order (rel. April 11, 2001) at 7, citing *IntraLATA Competition Order*, D.P.U. 1731 (1985) at 25.

² *Id.* (emphasis added).

³ See e.g., cases cited in *Investigation by the Department of Telecommunications and Energy on its own Motion to Establish Retail Billing and Termination Practices for Telecommunications Carriers*, D.T.E. 06-8, Order Opening a Notice of Inquiry (rel. April 7, 2006), at 3; see also, *Alternative Regulation Plan*, D.T.E. 01-31 Phase I, Order dated February 27, 2001, at 93 (lifting controls on Verizon MA’s prices for business services, on finding that market forces are sufficient to produce just and reasonable rates); *Investigation by the Department of Public Utilities upon its own motion on Regulation of Commercial Mobile Radio Services*, D.P.U. 94-73, Order (rel. August 5, 1994) (“*Commercial Mobile Radio Services*”) (Department would decline to regulate rates, entry and other rates and terms of wireless service in light of competition).

June, 2010⁴ and that non-ILEC and VoIP providers offer service in every zip code in the state.⁵

And today, landline telephony is only part of the story. Traditional, landline telephone companies now compete with intermodal carriers – wireless, cable telephony, satellite and voice over Internet Protocol (“VoIP”) providers – as well as Internet-based services including email, Twitter and Facebook.

Intermodal services have achieved widespread consumer acceptance, and in some instances have achieved higher deployment levels than traditional landline service. Wireless service is virtually ubiquitous in Massachusetts; the Department has found that six wireless carriers offer service in the state and that more than 99% of state residents have access to at least one wireless carrier.⁶ More than 86% of Massachusetts residents can choose from among four or more wireless providers.⁷ Wireless subscribers now vastly outnumber landlines in Massachusetts⁸ and comprise 97% of all residents of the state.⁹ Wireless carriers offer consumers a growing array of service plans and rates designed to meet different consumer needs, including low-cost pre-paid plans. Indeed, wireless service is so widely accepted as a substitute for landline service that by the end of 2010, almost a third of households in America (29.7%) had

⁴ See Federal Communications Commission, Wireline Competition Bureau, *Local Telephone Competition, Status as of June 30, 2010*, (rel. March, 2011) (“Local Competition Report”), Table 8, at 19. That report is available at http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-305297A1.pdf.

⁵ *Id.*, Table 20, at 30.

⁶ See *Competition Status Report* (rel. February 12, 2010), at 50, 52, as of December, 2008 and January, 2009. The Department noted that the coverage estimate does not take signal strength into account. Nevertheless, it is clear that wireless service is available to all but a small fraction of the state’s residents. See also, National Broadband Map, Summary for Massachusetts, available at <http://www.broadbandmap.gov/summarize/state/massachusetts> (99.8% of Massachusetts can obtain wireless service from at least one provider).

⁷ See National Broadband Map, Summary for Massachusetts.

⁸ According to the FCC, there were 6,367,000 wireless subscribers in Massachusetts and 3,838,000 total switched access lines and VoIP lines in the state as of June 30, 2010. See *Local Competition Report*, Tables 8 and 17.

⁹ The population of Massachusetts was 6,547,629 in 2010. See <http://quickfacts.census.gov/qfd/states/25000.html>.

“cut the cord” and no longer had a landline telephone at all, and another 15.7% of households received all or almost all calls on wireless phones.¹⁰

Likewise, the reach of broadband continues to grow. As of December, 2008, over 97% of all households in Massachusetts had access to voice service provided by CATV providers.¹¹ As of June 30, 2010, more than 99% of the population of the state had access to broadband service and the VoIP and other Internet capabilities it supports.¹² Broadband competition runs deep as well: two-thirds of state residents (66.4%) can obtain broadband service from at least two landline providers, and as noted above, more than 86% can choose from among four or more wireless providers. The VoIP provider Skype alone has more than 600 million registered users worldwide. These numbers demonstrate that the voice market is irreversibly open and competitive.

Market forces now discipline service providers’ rates, terms, conditions and customer service, including their billing and termination practices. In a competitive environment such as Massachusetts, it is in a service provider’s self-interest to ensure that its billing and disconnection practices are reasonable and do not needlessly generate disputes or deprive the provider of customers. Service providers know that if they treat their customers poorly, they will take their business elsewhere. Providers also know that innovative programs and practices that improve customers’ experience help win and retain business. Not only is customer service no longer a legitimate regulatory concern, but government-made rules purporting to dictate how customers want to be treated are likely to chill innovation in this area. The Department should

¹⁰ See Centers for Disease Control and Prevention, *Wireless Substitution: Early Release of Estimates From the National Health Interview Survey, July-December 2010* (“CDC Report”), available at <http://www.cdc.gov/nchs/data/nhis/earlyrelease/wireless201106.htm>.

¹¹ See *Competition Status Report*, at iv; <http://quickfacts.census.gov/qfd/states/25000.html> (showing 2,465,654 households in Massachusetts).

¹² National Broadband Map, Summary for Massachusetts.

eliminate the B&T Rules and allow customers to dictate what it means to provide a good customer experience by switching providers if they are unsatisfied.

In light of the constraints that competition imposes on service providers' billing and termination practices, there is no longer any policy basis for treating telecommunications providers any differently than other businesses operating in the state. Massachusetts' strong 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. For example, M.G.L. c. 93A protects telecommunications consumers from unfair and deceptive practices, gives the Attorney General enforcement authority, and affords a private right of action to consumers as well. The Attorney General has promulgated thorough Consumer Protection regulations (at 940 CMR § 3). Both the Division of Banks (at 209 CMR § 18.00) and the Attorney General (at 940 CMR § 7.00) have promulgated regulations specifically protecting consumers from unfair or deceptive debt collections practices. And M.G.L. c. 93H and regulations promulgated thereunder (at 201 CMR § 17.00) provide comprehensive protection of Massachusetts consumers' personal information owned or licensed by any person, including telecommunications providers.

In addition to these state rules, 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" for each charge and clear and conspicuous information on how to contact the service provider, including a toll-free telephone number. *See* 47 CFR § 64.2401. The FCC recognized that these rules, "will compel subject carriers to provide consumers with clear and necessary information in order to make

informed choices and safeguard themselves against fraud.”¹³ In the competitive Massachusetts telecommunications market, the FCC’s Truth-in-Billing rules allow carriers flexibility to address customer-defined needs and demands while ensuring protection of consumers from abuse.

The highly competitive Massachusetts marketplace provides the best assurance that service providers will act fairly, reasonably and appropriately toward their customers. Given the consumer protection and billing rules cited above, there is no longer any policy basis for state, industry-specific B&T Rules, and the Department should put them to rest.¹⁴

II. Eliminating The B&T Rules And The Cable B&T Rules Best Resolves The Individual Issues Raised In The Notice.

A. Whether consumer protection regulations should apply both to wireline and wireless service, cable television service and bundled services?

No. As demonstrated above, competition in the Massachusetts voice communications market is fierce, widespread and deep, and there is no reasonable policy basis for retaining B&T rules for traditional telephone services, much less expanding them to burden wireless service, CATV service or service packages. The Department can best promote competition in the voice market and deployment of wireless, broadband and other new services – and the attendant benefits of customer choice, new features and services and downward pressure on prices – by refraining from burdening them with costly government regulations.

¹³ *Truth-in-Billing and Billing Format*, First Report and Order and Further Notice of Proposed Rulemaking, CC Docket No. 98-170, 14 F.C.C.R. 7492 (1999), at 27.

¹⁴ The same reasoning applies to the Cable B&T Rules. As explained in Part II.A below, the CATV/video submarket is becoming increasingly competitive, as incumbent landline providers contend for business against satellite providers and, more and more, competitive landline CATV providers. The disciplining effect of competition, coupled with the general consumer protection laws of the Commonwealth, provide appropriate and sufficient protection to consumers of CATV services, and the Department should eliminate the Cable B&T Rules.

The history of the wireless industry in Massachusetts is a prime example of how enlightened government regulatory policy can nurture innovative services. Seventeen years ago, the Department reviewed the status of competition in the wireless market and, finding that it was sufficiently competitive, declined to regulate the terms and conditions of wireless service, including consumer protection issues:

We have found that market forces in the state are adequate to protect the public from unjust and unreasonable wireless service rates; these market forces also make it unnecessary for the Department to regulate other terms and conditions of RCC service in Massachusetts.¹⁵

In large part as a result of this forward-thinking, hands-off policy, carriers have made enormous infrastructure investments in Massachusetts, wireless service is now available to almost everyone in the state, and the wireless sub-market is highly competitive, with five or more providers offering services in the Commonwealth. In addition, wireless now delivers broadband service as well as voice service, and providers are continually rolling out innovative new wireless products, services, applications and service plans designed to meet different consumer needs. Low-cost, pre-paid plans have helped broaden the appeal and usefulness of wireless service among the low-income population. Indeed, the trend toward cutting the cord and going wireless-only is stronger for households below the poverty level than among the general population; 42.8% of adults in poverty live in wireless-only households, but only 27.9% of all adults live in wireless only households.¹⁶ And as the Department knows, wireless ETCs now provide Lifeline service in Massachusetts.¹⁷

¹⁵ *Commercial Radio Services*, at 14

¹⁶ See CDC Report.

¹⁷ For example, SafeLink Wireless, a TracFone company, offers Lifeline service to qualified customers in Massachusetts. Qualified customers receive a free SafeLink Wireless handset and free monthly minutes with no commitments, contracts, or bills.

Because wireless competition has expanded substantially since the Department found it to be sufficient to discipline carrier conduct, there is even less need to regulate wireless today than there was in 1994. In any event, the appropriate governmental response to the flourishing of a highly competitive, growth sector of the economy is to continue the policies that contributed to that success in the first place. Conversely, it would be counterproductive for the Department to burden the competitive and innovative wireless industry with legacy regulatory concepts and obligations that have outlived their usefulness even for legacy services, especially where there is no showing of any need for such regulation and where the opposite approach of fostering competition and new services by protecting them from such regulation has proven to be so successful. Wireless customers and voice customers in general will benefit most from the Department relying instead on the state consumer protection laws that govern business conduct generally.

The lessons learned in the wireless context apply equally to CATV and to telecommunications services sold as bundles. Bundles offer consumers attractive cost savings, are highly popular and in many ways represent the front lines of competition in the telecommunications market. The formerly monopolistic CATV market is now highly competitive as well. As the Department has found, as of December of 2008, 40% of the households in Massachusetts had a choice of two CATV providers, and 19% of Massachusetts households could choose from among three providers.¹⁸ In addition, customers across the state can forego CATV altogether and opt instead for DirectTV or another satellite video service. Again, competition, investment and, ultimately, consumers are best served by application of the general consumer protection laws of the state and, with respect to telephone service, the FCC's

¹⁸ See *Competition Status Report*, at xi. Those percentages are higher today, as CATV competition continues to grow. The *Competition Status Report* noted, at xiii, that Verizon MA's FiOS TV service was available in 96 communities as of June, 2009. Verizon MA has since extended that service to 15 more communities.

Truth-in-Billing rules. Imposing industry-specific government regulation on bundles or on CATV would serve no purpose other than to chill competition and quell the popularity of these consumer-favorite services.

- B. What particular consumer protections should apply to the provision of voice and cable services? In particular, what specific consumer protection rules are needed to address: (i) advertising and marketing; (ii) disclosures in general and point-of-sale disclosures in particular; (iii) written confirmation of sale and cancellation period; (iv) billing format and practices; (v) advance notice of changes in service, rates, or other contract terms and conditions; (vi) customer service and dispute resolution procedures; (vii) discontinuance or termination of service; and (viii) privacy issues.

As demonstrated above, competition in the Massachusetts voice communications market is fierce, widespread and deep, and industry-specific regulations on the issues identified in the question are unnecessary and would be counterproductive. Rather, consumers will be best served by elimination of such regulations and application of the general consumer protection laws that govern other competitive areas of the economy. In addition, other state agencies and regulations already govern a number of these issues and there is no need for additional, duplicative government regulation. For example, many of the Attorney General's general Consumer Protection regulations (at 940 CMR § 3) apply to marketing, advertising and disclosure practices, and the Attorney General has also promulgated extensive regulations specifically governing retail advertising (at 940 CMR § 6). The Attorney General has expertise and experience in enforcing these rules. Likewise, as noted above, the FCC Truth-in-Billing rules provide national standards for clarity and content of consumer telephone bills. As to privacy, the FCC's regulations at 47 C.F.R. § 64.2001 *et seq.* provide comprehensive protection to Customer Proprietary Network Information ("CPNI"), and regulations of the Massachusetts Office of Consumer Affairs and Business Regulation at 201 CMR § 17.00 protect the personal information of Massachusetts consumers owned or licensed by any person, including

telecommunications providers. There is no need for yet another layer of government regulation of these matters.

Moreover, some of the subjects noted in the question are areas in which service providers compete against one another and seek to differentiate themselves by offering innovative programs to win and retain customers. For example, Verizon MA provides a “30 day worry free guarantee” which allows FiOS TV customers to cancel their service within 30 days of installation without incurring an early termination fee. Similarly, Verizon Wireless progressively reduces the amount of its early termination fee as the customer’s plan ages. Verizon Wireless customers can also choose plans that do not have early termination fees if that better suits their needs. Thus, competition is driving competitors to develop consumer-friendly policies in these areas. Customers should be allowed to determine for themselves the practices and policies that are important to them and select their carrier or carriers accordingly, rather than have the government dictate a single, one-size-fits-all “solution” for them. Government regulation in this market will only stifle competition, choice and innovation.

- C. Whether it is appropriate in today’s market to promulgate a single set of consumer protection regulations of general application for wireline, wireless and cable television? Alternatively, should there be specific rules for wireline, wireless and cable television? Moreover, whether there should be specific, tailored consumer protections applicable only to selected services, and if so, then what should those protections be, and to what services should they apply?

In today’s fiercely competitive market, industry-specific regulations governing billing and termination practices of landline, wireless or cable television service are unnecessary and counterproductive. The Department should eliminate the B&T Rules and the Cable B&T Rules and continue its longstanding and successful, “hands-off” regulatory policy for wireless service.

Massachusetts' strong consumer protection laws of general applicability are more than sufficient to protect consumers in this competitive market.

- D. In light of the fact that a single service package from a provider may bundle services regulated by the DTC with services not regulated by the DTC, how should modernized consumer protection rules distinguish between the two, and how should the regulated and unregulated services be handled in the event of default in payment for the bundled package of services as a whole?

As explained above, in today's fiercely competitive market, industry-specific regulations governing billing and termination practices of voice and cable television services are unnecessary and counterproductive, and the Department should eliminate its rules on these subjects. Doing so would eliminate the distinction between "regulated" and "unregulated" services for billing and termination purposes and simplify the treatment of service packages. It would also be consistent with the bargain usually reached between the service provider and the customer. A customer who orders a service package is purchasing a single product at a single rate, often at a steep discount from the rates the bundled elements of the package would command as stand-alone services. If the customer fails to pay for that product, the provider should be free to cease providing the entire product, not just part of it. Unlike in the monopoly era, the Department need not be concerned that the consumer will be left without voice service, because the customer can still obtain service from other providers, including landline, CATV, VoIP, wireless and satellite carriers.

- E. In the event of termination of a bundled package of services, how should the cost of continued regulated/unregulated services be calculated?

For the reasons stated above, if a service provider terminates a package of services, it should be allowed to terminate the entire package, not just part of it. Should the Department nevertheless determine that a carrier must continue to provide a voice service where the customer

has made a partial payment sufficient to cover the provider's fees for that service, the relevant fees should be the fees the provider charges for the service as a stand-alone offering; once a service package is terminated, the customer is no longer entitled to the discounted rate that attached to the package.

F. Whether multiple notices of discontinuance of service for telephone service are still needed (B&T Part 5 B), or is a single notice of discontinuance enough; and how much notice is appropriate?

No. For the reasons explained above, the B&T Rules are no longer needed and are counterproductive. This includes the specific rules governing discontinuance of service. In the highly competitive market for telephone and other voice services in Massachusetts, service providers work hard to win and retain customers, and that goal, rather than government regulation, drives providers to implement fair and reasonable policies to resolve customer non-payment issues and, where that fails, to provide customers with ample notice of impending discontinuance of service. It is in a provider's self-interest to preserve the customer relationship if possible.

G. Are the provisions regarding removal of account set forth in the current telephone billing and termination rules (B&T Part 5 C) still needed?

No. For the reasons explained above, the B&T Rules are no longer needed and are counterproductive. This includes the specific rules regarding removal of accounts. In the highly competitive market for telephone and other voice services in Massachusetts, the need to win and retain customers drives carriers to implement fair and reasonable policies governing removal of accounts. When an account is removed, the customer can no longer retain his or her telephone number. Accordingly, customers have incentive to reach payment agreements with their carriers before account removal, and carriers have incentive not to remove accounts too soon, in order to

retain customers who may eventually resolve a default. There is no need or basis for government interference with this relationship.

H. Should there be changes in the current protections for telephone customers experiencing a personal emergency or serious illness, (B&T Part 5), and for households with adult residents 65 years of age and older (B&T Part 8)?

Yes. For the reasons explained above, the B&T Rules are no longer needed and are counterproductive. In addition, when the Department adopted the rules regarding customers with “serious illness or personal emergency” in 1977, customers relied on their landline telephone as their only means of communications to emergency first responders. Today, the great majority of customers also have cell phones to make emergency calls. Also, next generation 911 systems will soon allow PSAPs to receive text messages as well as voice calls, further reducing reliance on landline telephones for this purpose. The special rules regarding illness or emergency are no longer necessary and should be eliminated.

The specific rules regarding the elderly are no longer appropriate either. There was no Lifeline program or other low-income subsidy program for Massachusetts customers in 1977, and the B&T Rules presumed that it was necessary to adopt specific requirements for billing and termination of accounts of customers who were on a fixed income. Today, however, the Lifeline program offers eligible customers in Massachusetts – including the elderly – one of the largest discounts off of basic residential telephone rates in the country. Thus, it is no longer necessary for the Department to maintain age-specific rules as a proxy for income-related protections.

I. Are rules relating to security deposits, guarantees, and deferred payments set forth in the current telephone billing and termination rules (B&T Parts 4 and 7) still needed?

No. For the reasons explained above, the B&T Rules are no longer needed and are counterproductive. In addition, there is no need for specific rules dictating the circumstances, terms and conditions on which a carrier is allowed to obtain a deposit or guarantee or offer a deferred payment plan, because in a competitive market, carriers already have ample incentive to implement fair and reasonable policies in these areas. Overly demanding or restrictive policies regarding deposits and guarantees would only deprive a carrier of good and willing customers. Likewise, unreasonable refusal to offer deferred payment agreements or unfair policies regarding such agreements would only prevent a carrier from retaining current customers who, given reasonable deferred payment terms, would continue to provide business to the carrier.

J. Are the requirements applicable to cable television service relating to late charges, termination notice, and return check charges (207 CMR 10-05(3)-(4), (6)) still needed? Are provisions regarding security deposits (207 CMR 10.08 still needed?

No. For the reasons explained above, the B&T Rules are no longer needed and are counterproductive. In addition, there is no need for specific rules regarding late charges, termination notices, return check charges or security deposits in the context of cable television for the same reasons similar rules are no longer appropriate for telephone service, as explained in parts II. F, G and I, above. In a competitive market, carriers have ample incentive to implement fair and reasonable customer service policies and practices in order to obtain and retain customers.

K. Should all regulated service providers be subject to the same compulsory dispute resolution process as is currently mandated for telephone wireline providers (B&T Part 6)?

No. For the reasons explained above, the Department should eliminate the B&T Rules, including the compulsory dispute resolution rules, not extend them to additional services or carriers. The cable television market is subject to substantial competition, and regulation should be reduced, not increased, as competition expands.¹⁹ Further, M.G.L. c. 166A grants the Department specific authority over particular matters with respect to CATV service (for example, to hear licensee appeals, investigate licensees and regulate rates) but grants most day-to-day authority to local issuing authorities. The statute does not authorize the Department to adjudicate disputes between carriers and retail customers. Nevertheless, most if not all CATV providers in Massachusetts work voluntarily with the Department to resolve customer disputes. Verizon MA and other providers also work with municipal officials – their licensing authorities – to resolve customer issues that arise at that level as well. Consequently, CATV customers are not without government assistance in resolving disputes with providers, and there is no need for new government regulations establishing mandatory dispute resolution procedures.

L. Should consumer protection regulations address cramming practices? If so, how?

No. For the reasons explained above, the B&T Rules are no longer needed and are counterproductive. The Department should eliminate those rules, not impose new ones. In addition, the FCC has recently proposed amendments to its Truth-in-Billing rules to address cramming and is seeking comments on the proposed rules.²⁰ A single set of rules governing cramming practice nationwide would be more efficient than a patchwork quilt of different rules

¹⁹ It is not clear to Verizon MA what is meant by the phrase “regulated carriers” in the question. To the extent it is intended to cover wireless carriers as well, there is no basis for imposing new government regulations on this highly competitive market and doing so would be counterproductive, for the reasons stated above.

²⁰ See *In the Matter of Empowering Consumers to Prevent and Detect Billing for Unauthorized Charges (“Cramming”), Consumer Information and Disclosure, Truth-in-Billing and Billing Format*, CG Docket Nos. 11-116, 09-158 and 98-170, Notice of Proposed Rulemaking (rel. July 12, 2011).

in each state. In light of the competitive market today and the FCC's proposed cramming rules, the Department should refrain from adopting additional cramming rules at the state level.

M. Should consumer protection regulations protect small businesses in addition to individuals? If so, how should "small business" be defined?

No. For the reasons explained above, the B&T Rules are no longer needed and are counterproductive. The Department should eliminate those rules, not extend them to new areas. Further, there is no public policy basis for expanding the B&T Rules to small business customers. The Department has never regulated billing and collection practices with respect to business customers and rightfully so. The business market is extremely competitive, and all carriers act at their peril if they do not meet their business customers' needs or fail to adopt commercially reasonable business practices. Business customers, including "small" business customers, are generally more sophisticated purchasers of telecom services than residential customers, and they are fully aware of their options in choosing providers and offerings and are informed of the terms of their agreements. Any imposition of billing and collection rules in the business market would be a substantial step backwards and fly in the face of the Department's repeated recognition that market forces, rather than state-imposed conditions, should shape the relationship between business customers and their telecommunications providers.

III. Conclusion

For the reasons stated above, the Department should eliminate the B&T Rules and the Cable B&T Rules.

Respectfully submitted,

VERIZON NEW ENGLAND INC.

By its attorney



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Dated: August 22, 2011