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Alexander W. Moore
Associate General Counsel

September 17, 2020

Judith C. Whitney, Clerk
Vermont Public Utilities Commission
112 State Street, 4th Floor
Montpelier, VT 05620

**Re: Docket No. 20-0703-PET: Vermont Legal Aid Request for
Moratorium on Utility and Telecommunications Shut-offs
During State of Emergency**

Dear Ms. Whitney:

Please find enclosed for filing in the above docket the Comments of Verizon. Thank you for your attention to this matter.

Respectfully submitted,

Handwritten signature of Alexander W. Moore in blue ink, with the initials 'CS' written at the end.

Alexander W. Moore

Enclosure

This document has been filed electronically via ePUC.

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

)
Vermont Legal Aid request for Moratorium)
On Utility and Telecommunications Shut-offs) Docket No. 20-0703-PET
During State of Emergency)
)

COMMENTS OF VERIZON

MCI Communications Services, Inc., d/b/a Verizon Business Services, and MCI Metro Access Transmission Services, Inc. d/b/a Verizon Access Services (collectively “Verizon”) submit these comments in response to the Order Requesting Comments on Extending Disconnection Moratorium, to Whom an Extension Should Apply, and Consumer Protections entered on September 3, 2020 (“Order”).

I. Moratorium Extension

In Verizon’s view, allowing the blanket moratorium to expire as currently scheduled on September 30 is more appropriate and better public policy than continuing to extend it. Verizon appreciates the Commission’s efforts to ensure customers retain access to communications services, but the debt burden on many customers will continue to accrue as long as the moratorium is in place, making it more difficult to eventually address the past-due amounts. The Department’s Vermont Arrearage Assistance Program will undoubtedly help reduce these debts, but that funding is spread across all utility services, and it is unlikely to fully address the issue, especially as debt burdens continue to grow under an extended moratorium.

As the Commission knows from the filings in this proceeding, most if not all service providers in the state have developed programs to support customers once the moratorium ends. Verizon and many other telecommunications providers signed onto the FCC's "Keep Americans Connected" pledge, voluntarily committing through June 30 to waive late fees and to not terminate service for those consumers and small businesses who were unable to pay their bills due to disruptions caused by the coronavirus. Verizon also offered a six-month payment plan to its residential and small business landline customers who signed up for these protections through June 30, to make it easier to get back on track paying off balances. For customers who have told us since then that financial difficulties are affecting their ability to pay, Verizon offers a three-month installment payment plan and is also prepared to work with them regarding other payment arrangements. Rather than extend the blanket moratorium, the Commission should allow service providers to implement the continuing support programs they have developed to best serve their customers, which they have filed with the Commission.

II. Covered Utilities

As Verizon explained in its initial Comments dated May 22, 2020, at 3-4, there are very real differences between telecommunications service providers and traditional utilities. Telecommunications providers operate in a highly competitive market in which their rates are governed by market forces. Unlike rate-regulated gas, water and electricity utilities, telecommunications providers have limited, if any, ability to recover in their rates the costs that they are now incurring to support their customers, such as uncollectable accounts receivable. Therefore, if the Commission does extend the moratorium beyond September 30, it should nevertheless exclude telecommunications providers. Verizon and other carriers have devoted

substantial resources to assisting customers in need and will continue to do so after the moratorium ends, as explained above.

III. Consumer Protections

In light of the service providers' continuing customer assistance programs, there is no need for a rigid, one-size fits-all transition scheme once the moratorium ends, and such an approach would only serve to hamstring economic recovery. The Commission should leave it to carriers and customers to work out appropriate payment arrangements as the economy continues to re-open and jobs return. In response to the Commission's specific questions as to providers' consumer protection programs, Verizon's three-month payment plan described above is available to both residential and small business landline customers. The company is also willing to work on payment arrangements with larger business customers that are experiencing financial difficulties due to the pandemic. Other ideas the Commission asks about – a voluntary moratorium on disconnections, forgiveness of late fees and automatic enrollment in a 6-month payment plan – were features of the Keep America Connected program and Verizon's extended payment program for customers seeking assistance through June 30.¹ As stated above, for customers who seek assistance after June 30, Verizon now offers a 3-month payment plan and is willing to work with its customers to develop other payment arrangements.

The Commission should decline to adopt the Department's consumer protection proposals, with one exception. Waiving late fees and offering six-month payment plans are not unreasonable in principle (assuming they are limited to customers who state they are unable to pay due to consequences of the pandemic), but they ask too much of service providers when tacked onto the end of a six-month – or longer – prohibition on disconnections. The

¹ Due to software limitations, qualifying MCI customers had to be manually enrolled in the 6-month program.

Commission should allow individual providers to determine whether these ideas are feasible and appropriate in light of their customers' and their own particular circumstances, including the financial effects of the pandemic and the moratorium.

The Department's proposal to require service providers to notify customers "before sending an account to collections" would impose additional regulatory costs on providers with no discernable benefit to customers. Customers generally understand that if they don't pay their bills, their account may be sent to a provider's collections group. That change of an account's internal status within a company, however, doesn't result in any change of service to the customer. Given that providers are already required to notify customers before suspending service, additional notice of an internal company action is unnecessary and may simply confuse customers.

Likewise, the proposal to prohibit disconnections to any home with a household member who is terminally ill or relies on life-sustaining equipment is ill-defined, unworkable and not justified. One of the tragic aspects of COVID-19 disease is that patients and their loved ones can't know if the patient is terminally ill until after the fact, so this prohibition could not be applied to COVID-19 patients. It is true that the Department has not limited its proposal to COVID-19 patients, but it also has failed to explain why the prohibition should apply to any other terminally-ill patients – in other words, how the coronavirus pandemic provides any basis for a broader program. In addition, the proposal is apparently not limited in time or limited to customers who are in financial difficulty due to the pandemic.

Verizon does not object to a requirement to notify its customers of the availability of the Department's Arrearage Assistance Program. The Commission should allow service providers

the flexibility to determine the best way to convey that notice. For Verizon, the most efficient and effective means would be to include a message in its customers' bills.

As we have stated before, Verizon understands how important it is for people to stay connected and for businesses to stay connected with their customers during this difficult time. We appreciate the efforts of the Commission and the Department toward those ends. For the reasons stated above, however, the Commission should not extend the moratorium on telecommunications providers beyond September 30, and should allow all service providers flexibility to implement the transition plans they determine are best suited to meet their and their customers' needs going forward.

Respectfully submitted,

MCI COMMUNICATIONS SERVICES,
INC. and MCI METRO ACCESS
TRANSMISSION SERVICES, INC.

By their attorney

Handwritten signature of Alexander W. Moore in blue ink, with the initials "CS" written at the end.

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