



State of Utah  
Department of Commerce  
Division of Public Utilities

FRANCINE GIANI  
*Executive Director*

THAD LEVAR  
*Deputy Director*

PHILIP J. POWLICK  
*Director, Division of Public Utilities*

JON HUNTSMAN Jr.  
*Governor*  
GARY HERBERT  
*Lieutenant Governor*

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**TO: PUBLIC SERVICE COMMISSION**

**FROM: DIVISION OF PUBLIC UTILITIES**

Philip J. Powlick, Director  
Bill Duncan, Manager, Telecommunications  
Casey J. Coleman, Technical Consultant

**Re:** In the Matter of the Petition of MCImetro Access Transmission Services LLC d/b/a Verizon Access Transmission Services and MCI Communications Services, Inc. d/b/a Verizon Business Services for a Waiver of Regulatory Requirements to File Price Lists for Services to Enterprise and Large Business Customers, and to Permit Deviation from the Rule Requiring Paper Billing for Customers Who Want Electronic Bills in Lieu of Paper Bills Docket No. 09-2430-01

**Recommendation:**

Grant MCImetro Access Transmission Services LLC d/b/a Verizon Access Transmission Services and MCI Communications Services, Inc. d/b/a Verizon Business Services (“Verizon”) an exemption from the requirement of Section 54-8b-2.3 that Verizon file hard copy price lists for all services offered to its enterprise and large business customers and allow instead Verizon to post the equivalent information in an online guide only. Utah Code Ann. § 54-8b-3.

**Issues:**

On March 19, 2009 Verizon filed a waiver of certain regulatory requirements with the Commission. In their petition Verizon requests exemption from the requirement that their company file hard copy price lists for all services offered to its enterprise and large business customers. In the same petition Verizon was seeking relief from the obligation of a telecommunications corporation to issue customer bills on a monthly basis in a typed or machine printed format.

As part of the analysis, the Division met with representatives from Verizon to get a better understanding of the services and customers that would be affected with the proposed changes. Additionally, an investigation of the Service Guide and the structure of the web site was

conducted. The Division found the web site to be informative, thorough, and easy to navigate. There is a link where interested parties can sign up for the email alerts if the Service Guide changes. Overall the web site seems to give the appropriate information needed to consumers.

Utah Code Ann. § 54-8b-3 allows for the Commission to issue an order exempting any telecommunications corporation from any requirement if the Commission finds the following:

- 4(a) the telecommunications corporation or service is subject to effective competition
- 4(b) the exemption is in the public interest.

Because of the nature of the services offered and the demographic of the customers who will be using the state specific price list, the Division believes that the above stated requirements have been met. There are numerous other options for enterprise customers to get their telecommunications services than exclusively Verizon. Generally these large companies will negotiate contracts with Verizon, or their competitors in Utah such as Qwest, AT&T, XO or other companies. If the terms and conditions are not satisfactory with one company they will transition to another company providing effective competition for those services.

Additionally, having a more uniform tariff that is applicable across numerous jurisdictions seems to be a reasonable approach. Verizon as a company will benefit from not having to update their price lists or tariffs in multiple jurisdictions. The Enterprise customers will also benefit because they have a quick resource on the internet to determine what services are available and at what terms. Additionally, by having the information available via the internet, this will allow other enterprise customers who may be using Verizon or a competitor's service the ability to compare prices to ensure they are getting rates that are comparable to the market.

Utah Code Ann. § 54-8b-3 provides additional direction to help determine if the service is subject to effective competition. These criteria are as follows:

- (a) the extent to which competing telecommunications services are available from alternative telecommunications providers;
- (b) the ability of alternative telecommunications providers to offer competing telecommunications services that are functionally equivalent or substitutable and reasonably available at comparable prices, terms, quality, and conditions;
- (c) the market share of the telecommunications corporation for which an exemption is proposed;
- (d) the extent of economic or regulatory barriers to entry;
- (e) the impact of potential competition; and
- (f) the type and degree of exemptions to this title that are proposed.

Again the Division advocates that with this Petition Verizon has shown that there is effective competition for these services. The "type and degree" of the exemptions being proposed by Verizon seem to be minimal. The Division is unable to see ways in which granting the proposed waivers would negatively impact customers. Instead the Division believes that allowing these

exemptions would better serve customers and provide additional resources for companies to understand the marketplace in Utah.

The areas where the Division would propose conditions on Verizon are the requirements to provide bills in hard copy format and what information must still be filed with the Commission. Although the Division believes that most large business and enterprise customers would want an electronic copy, it seems logical to allow the customers to determine if they would prefer an electronic or hard copy of the bill. The Division would propose allowing Verizon the waver for the hard copy requirement as long as they allow their customers the option of receiving a paper copy of the bill. Additionally, the Division would impose that Verizon keep filed with the Commission a definition of who would be covered as an enterprise customer or large business customer, a general description of what services would be covered by the Service Guide, and the internet web address where the price list is stored.

cc: Michael Ginsberg, Assistant Attorney General  
William J. Evans, Parsons Behle & Latimer