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November 18, 2002

Ms. Blanca S. Bayo, Director
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

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Re: Docket No. 010774-TP
Petition of the Office of Public Counsel to initiate rulemaking which will require telephone companies to give customers reasonable notice before customers incur higher charges or change in services, and allow them to evaluate offers for service from competing alternative providers

Dear Ms. Bayo:

Please find enclosed an original and 15 copies of the Response of Verizon Florida Inc., Verizon Long Distance, and Verizon Select Services Inc. to AARP Comments on Notice of Rulemaking for filing in the above matter. If there are any questions regarding this matter, please contact me at (813) 483-2617.

Sincerely,

Kimberly Caswell

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Enclosures

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of the Citizens of the State of Florida to) Docket No. 010774-TP
Initiate Rulemaking Which Will Require Telephone) Filed: November 18, 2002
Companies to Give Customers Reasonable Notice)
Before Customers Incur Higher Charges or Change)
in Services, and Allow Them to Evaluate Offers)
For Service from Competing Alternative Providers)
_____)

**RESPONSE OF VERIZON FLORIDA INC., VERIZON LONG DISTANCE,
AND VERIZON SELECT SERVICES INC. TO
AARP COMMENTS ON NOTICE OF RULEMAKING**

Verizon Florida Inc., Bell Atlantic Communications, Inc. d/b/a Verizon Long Distance, and Verizon Select Services Inc. (collectively, "Verizon") respond to the Comments filed by AARP on November 8, 2002. As AARP admits, it did not participate in any of the rulemaking workshops or agenda that led to the proposed rule, although all of these sessions were duly noticed and AARP is a frequent participant in Commission proceedings. Nevertheless, at this late stage, AARP proposes significant changes to the proposed rule. If the Commission intends to consider changing the rule to incorporate AARP's suggestions, then Verizon requests a hearing on AARP's proposed revisions to the proposed rule.

Below, Verizon responds specifically to each of AARP's suggestions.

1. The Rule Should Not Apply to All Telecommunications Carriers.

AARP suggests that the proposed rule's notice requirement should apply to "all telecommunications carriers furnishing service within the state, not just interexchange carriers." (AARP Comments at 3.) By advocating application of the rule to all carriers, AARP tries to resurrect an approach originally recommended by the Office of Public

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Counsel (OPC) and specifically rejected by the Commission. At the agenda session where the Commission approved the proposed rule (as well as throughout the entire proceeding), it was clear that there was no evidence of any problem with local exchange companies' notification of rate changes. AARP's Comments do not change that fact; there is still no such evidence, and thus no need to impose unnecessary regulatory burdens on local exchange carriers.

2. The Proposed Rule's Notice Period for Electronically Billed Customers Is Sufficient.

AARP proposes extending the notice period from 7 days to 10 days for customers who receive electronic billing. (AARP Comments at 4.) This suggested change is based on AARP's speculation that "the 7-day requirement for electronic notice may be too short, when consideration is given to weekends during which a customer may not check his/her e-mail and other occurrences that may delay e-mail examination."

To Verizon's recollection, no entity that participated in the workshops took issue with the 7-day notice for customers who are electronically billed, and AARP raises no legitimate reason for changing this notice period now. E-mail notification, unlike notification by U.S. mail, is almost instantaneous, so when the notice message is sent, the customer will have a full week to read it. In addition, customers who have asked to be billed electronically are usually sophisticated and understand that they need to check e-mail regularly for billing and related notices. Given these considerations, AARP has offered no reason to extend the notice period for electronically billed customers.

3. There Is No Reason to Require More Specific Format Requirements for Rate Change Notices.

The proposed rule requires “clear and conspicuous” notice of rate changes, under the heading “Notice of Price Increase” or “Notice of Price Change.” (Proposed Rule section 25-4.1105(2).) AARP asserts that this notice “may not be specific enough to ensure that the notice will actually catch the attention of customers.” (AARP Comments at 4.) It thus recommends that the Commission include minimum notice format (like minimum font size) and “location requirements.” It concludes that “[t]he establishment of reasonable minimum standards is not likely to be cost prohibitive or burdensome for the carriers.” (*Id.*)

Again, AARP attempts to reintroduce an OPC suggestion that was already rejected by the Commission. Contrary to AARP’s assertion, the Commission has already established standards for notification—that is, the requirement for clear and conspicuous notice and specific wording to accompany the notice. If anything, these requirements should be less restrictive in terms of the language required in the headings relative to price changes. For instance, it should be acceptable for a company to use the heading, “Your Rates Are Changing,” rather than “Notice of Price Change.” Both formulations are just as informative, but requiring mandated formatting of the notice will unnecessarily raise carriers’ costs—particularly for those many carriers that have multistate operations.

AARP has no basis for claiming that more specific notice requirements are “not likely to be cost prohibitive or burdensome for the carriers.” As the carriers pointed out, adding more specific requirements will, in fact, raise carriers’ costs. To the extent that Florida has specific formatting requirements, carriers with multistate operations will not

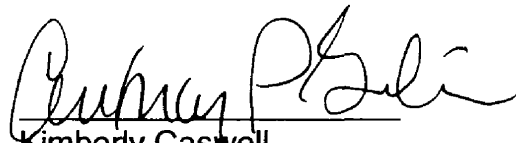
be able to maintain a uniform approach. Making exceptions for one state is always costly. There is no reason to impose these costs on the carriers—and their customers, including AARP’s members—in the absence of any demonstrated need. There was no such need for more specific formatting requirements shown during the proceeding, and AARP has failed to raise anything at this late stage that would alter that conclusion. Its suggestion should thus be denied.

For all the reasons discussed in this Response, Verizon asks the Commission to deny the rule changes AARP suggests. If the Commission, however, is inclined to include these changes in its proposed rule, then Verizon requests a hearing on the newly revised rule.

Respectfully submitted on November 18, 2002.

By:

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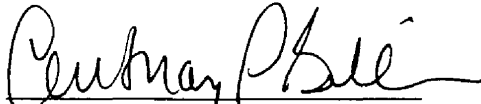


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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that copies of the Response of Verizon Florida Inc., Verizon Long Distance, and Verizon Select Services Inc. to AARP Comments on Notice of Rulemaking in Docket No. 010774-TP were sent via U.S. mail on November 18, 2002 to the parties on the attached list.


for Kimberly Caswell

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