

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

<b>In the Matter of:</b>	)	
	)	
<b>Verizon Telephone Companies</b>	)	<b>Transmittal No. 296</b>
<b>Tariff FCC Nos. 1, 11, 14, &amp; 16</b>	)	
	)	

**WORLDCOM PETITION TO REJECT OR, IN THE ALTERNATIVE,  
SUSPEND AND INVESTIGATE**

WorldCom, Inc. (WorldCom), pursuant to Section 1.773 of the Commission's Rules, hereby petitions the Commission to reject or, in the alternative, suspend and investigate the above-captioned transmittal filed by the Verizon Telephone Companies (Verizon) on February 28, 2003.<sup>1</sup>

In Transmittal No. 296, Verizon proposes to amend its tariff to allow Verizon to, under certain circumstances, discontinue service on 15 days' notice, rather than the 30 days' notice required by Verizon's existing tariff. Pursuant to the proposed tariff, Verizon could discontinue service for nonpayment of a bill on 15 days' notice if either (1) Verizon had sent the "subject bill" to the customer within seven business days of the

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<sup>1</sup> Rejection of a proposed tariff or proposed changes to an existing tariff is warranted when the proposal is prima facie unlawful in that it can be demonstrated that it conflicts with the Communications Act or a Commission rule, regulation, or order. See, e.g., American Broadcasting Companies, Inc v. FCC, 633 F.2d 133, 138 (D.C. Cir. 1980); Associated Press v. FCC, 448 F.2d 1095, 1103 (D.C. Cir. 1971); MCI v. AT&T, 94 FCC 2d 332, 340-341 (1983); AT&T, 67 FCC 2d 1134, 1158 (1978); recon denied, 70 FCC 2d 2031 (1979)

Suspension and investigation of a proposed tariff or tariff modification is warranted when significant questions of lawfulness arise in connection with the tariff. See AT&T Transmittal No. 148, Memorandum Opinion and Order, FCC 84-421 (released Sept. 19, 1984); ITT, 73 FCC 2d 709, 719 (1979);

bill date; or (2) at least 30 days had elapsed since the subject bill was sent.<sup>2</sup> In addition, Verizon proposes new tariff language that would require security deposits to be paid within 15 days.<sup>3</sup>

#### **I. The 7-Day Interval is Inconsistent with the 1987 Annual Access Order and the Policy Statement**

Verizon's proposal to permit termination of service on 15 days' notice as long as Verizon sends the "subject bill" within 7 days of the bill date is plainly inconsistent with the Commission's determination, in the 1987 Annual Access Order,<sup>4</sup> that a 15-day notice would be reasonable "only in those cases in which the customer receives its bill 3 days after the billing date."<sup>5</sup> If Verizon mails a bill seven days after the bill date, that bill will likely not be received by the customer until at least nine or ten days after the bill date – a much longer interval than is permitted by the 1987 Annual Access Order.

Similarly, Transmittal No. 296's "sent within 7 days" provision is inconsistent with the Policy Statement's determination that reduced notice is permissible only if that reduced notice is "tied to timely arrival of the bill."<sup>6</sup> Clearly, the arrival of a bill ten days or more after the bill date cannot be characterized as "timely." Not only would a delay of ten days or more exceed by a wide margin the three-day standard established in the 1987 Annual Access Order, but an interval of ten days or more is not materially better than the

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AT&T, 46 FCC 2d 81, 86 (1974); see also Arrow Transportation Company v. Southern Railway Company, 372 U.S. 658 (1963).

<sup>2</sup> Transmittal No. 296, Tariff FCC No. 1, Section 2.1.8(C).

<sup>3</sup> Transmittal No. 296, Tariff FCC No. 1, Section 2.4.1(A).

<sup>4</sup> Annual 1987 Access Tariff Filings, Memorandum Opinion and Order, 2 FCC Rcd 280, 304 (1986) (1987 Annual Access Order).

<sup>5</sup> 1987 Annual Access Order, 2 FCC Rcd at 304-305.

<sup>6</sup> Verizon Petition for Emergency Declaratory and Other Relief, Policy Statement, WC Docket No. 02-202, released December 23, 2002 (Policy Statement) at ¶ 25..

twelve-day delay that the Commission found lacking in the Policy Statement<sup>7</sup> or the 15-day delay that the Commission found lacking in the 1987 Annual Access Order.<sup>8</sup> Given that the “sent within seven days” language proposed in Transmittal No. 296 does not represent a material improvement over ILEC billing performance that the Commission has found to be inadequate, Transmittal No. 296 is inconsistent with the Policy Statement’s determination that reduced notice periods would be reasonable only if the ILECs first improved their billing performance.<sup>9</sup>

As the Commission explained in the Policy Statement, the review and verification of interstate access bills is a complex and time-consuming task.<sup>10</sup> Because bills sent seven days after the bill date would arrive well after the 30-day clock has started, Transmittal No. 296 would create a substantial risk that customers could be faced with imminent disconnection of service simply because they “did not receive their bills in a timely manner and sufficiently in advance of the late payment date so as to allow them an opportunity to review and verify their bills.”<sup>11</sup> That risk is heightened in the case of larger customers, who may receive thousands of bills every month.<sup>12</sup> Pursuant to Transmittal No. 296, it appears that any one of those bills could be a “subject bill” whose late payment would be sufficient to trigger a 15-day disconnect notice.

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<sup>7</sup> Policy Statement at ¶ 24.

<sup>8</sup> 1987 Annual Access Order, 2 FCC Rcd at 304 (“According to MCI, bills are often not received before 15 days have passed since the billing date.”)

<sup>9</sup> Policy Statement at ¶ 25 (“Under these circumstances, we encourage incumbent LECs . . . to strive to improve the accuracy and timeliness of their interstate access bills.”) See also Policy Statement at ¶ 29 (“[W]e believe that shortened notice tied to timely arrival of the interstate access bill has the advantage of giving incumbent LECs greater protection against nonpayment while simultaneously imposing greater discipline on the incumbent LECs’ billing and collection process.”)

<sup>10</sup> Policy Statement at ¶ 24.

<sup>11</sup> 1987 Annual Access Order, 2 FCC Rcd at 304.

<sup>12</sup> Policy Statement at ¶ 24.

Because the “sent within 7 days” language proposed in Transmittal No. 296 is inconsistent with the 1987 Annual Access Order and the Policy Statement, the Commission should reject or, in the alternative, suspend and investigate Transmittal No. 296. The Commission should ensure that Verizon may invoke a 15-day notice only if Verizon’s billing performance meets the “received within three days” standard established in the 1987 Annual Access Order. Furthermore, late payment of a single “subject bill” should not be sufficient grounds for a dominant LEC to issue a 15-day disconnect notice. Given that larger customers may receive thousands of separate bills from dominant LECs such as Verizon, 15-day disconnect notices should be permitted only if the amount of the delinquent payment is more than de minimis, relative to the total amount billed to the customer.<sup>13</sup>

## **II. Verizon’s Proposed Definition of “Good Faith Dispute” Violates Section 61.74(a) of the Commission’s Rules**

In Transmittal No. 296’s proposed definition of “good faith dispute,” Verizon includes language stating that “instructions for submitting a dispute can be obtained by calling the billing inquiry number shown on the customer’s bill or, by accessing the Telephone Company website also shown the customer’s bill.”<sup>14</sup> The reference to “instructions” that the customer may find outside Verizon’s tariff violates section 61.74(a) of the Commission’s rules, which prohibits tariffs from making a cross-reference “to any other document or instrument.”<sup>15</sup> The Commission has made clear that section 61.74(a) refers to any document referenced in a tariff, not just to documents

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<sup>13</sup> See, e.g., Policy Statement at ¶ 26.

<sup>14</sup> See, e.g., proposed Tariff FCC No. 1, Section 2.4.1(B)(3)(c).

<sup>15</sup> 47 C.F.R. § 61.74(a).

necessary to calculate a rate.<sup>16</sup> Because Verizon has failed to request a waiver of section 61.74(a) in order to include a cross-reference to dispute “instructions,” Transmittal No. 296 is patently unlawful and should be rejected.<sup>17</sup>

If the “good faith” dispute procedures are specified in a cross-referenced document, then customers would be unable to challenge in the tariff review process any dispute filing instructions that may unreasonably limit the circumstances under which a dispute qualifies as a good faith dispute. As the Commission has explained, cross-references are prohibited by the Commission’s rules because they may permit the carrier to introduce or revise important conditions “at will and without notice.”<sup>18</sup>

WorldCom is also concerned that Verizon could impose dispute-filing procedures that are unreasonably burdensome. Under current practice, customers can generally dispute a Verizon bill by simply sending an email or a letter. It would be unreasonable if the cross-referenced instructions required customers to fill out special forms or follow unnecessarily rigid procedures in order for a dispute to qualify as a “good faith” dispute, particularly given the significant number of bills and charges that a large customer may need to dispute each month.

For these reasons, the Commission should either (1) require Verizon to delete the sentence that refers to “instructions;” or (2) require Verizon to clarify that a customer “may,” but is not required to, follow the referenced instructions in order for a dispute to qualify as a good faith dispute.

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<sup>16</sup> Bell Atlantic – Delaware et al. v. Global NAPs, Order on Reconsideration, 15 FCC Rcd 5997, ¶ 24 n.58 (2000).

<sup>17</sup> AT&T Communications, Revisions to Tariff FCC No. 15, Competitive Pricing Plan No. 12, Transmittal No. 4742, Order, 8 FCC Rcd 2559 (1993).

<sup>18</sup> Id. at ¶ 5.

### **III. The 15-Day Deadline for Payment of Security Deposits is Unreasonable**

Finally, the Commission should reject or, in the alternative, suspend and investigate Transmittal No. 296 because the proposed requirement that security deposits be paid in full within 15 days is unreasonable. Nowhere in the Policy Statement did the Commission suggest that reducing the deadline for security deposit payments to dominant LECs from 30 days to 15 days would be a reasonable step.<sup>19</sup> To the contrary, the record in that proceeding shows that raising the significant funds potentially required for a security deposit on only 15 days' notice would be a "daunting if not overwhelming" task.<sup>20</sup> It is disingenuous for Verizon to suggest that the proposed 15-day deadline merely "clarifies" the existing deadline for security deposit payments;<sup>21</sup> nowhere in Verizon's existing tariff is there any mention of a 15-day deadline.

### **IV. Conclusion**

For the reasons stated herein, the Commission should reject or, in the alternative, suspend and investigate Verizon Transmittal No. 296.

Respectfully submitted  
WORLDCOM, INC.

/s/ Alan Buzacott

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March 7, 2003

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<sup>19</sup> See Policy Statement at ¶¶ 6, 26.

<sup>20</sup> Policy Statement at ¶ 23.

<sup>21</sup> Transmittal No. 296 cover letter.

Statement of Verification

I have read the foregoing and, to the best of my knowledge, information, and belief, there is good ground to support it, and it is not interposed for delay. I verify under penalty of perjury that the foregoing is true and correct. Executed on March 7, 2003.

/s/ Alan Buzacott  
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## CERTIFICATE OF SERVICE

**I, Alan Buzacott, do hereby certify that copies of the foregoing Petition to Reject or, in the alternative, Suspend and Investigate were sent via first class mail, postage paid, and by facsimile\*, to the following on this 7<sup>th</sup> day of March, 2003.**

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