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Via Electronic Filing

State of Hawaii
Public Utilities Commission
465 S. King Street, #103
Honolulu, Hawaii 96813

Re: Response to the Commission's November 25, 2020 Request for Feedback from Utilities and the Consumer Advocate on the Suspension of Termination or Disconnection of Regulated Utility Services Due to Non-Payment

Dear Madam or Sir:

Cellco Partnership dba Verizon Wireless ("Verizon") submits these comments to respond to the Commission's November 25, 2020 letter requesting feedback on the moratorium on the termination or disconnection of services due to non-payment ("Commission's November 25 Letter"). Verizon respectfully submits that the Commission should end its current moratorium on disconnections for wireless services. Such a moratorium is unnecessary for the wireless industry. These comments describe the measures Verizon has taken to support customers and help them remain connected to our network during this challenging time, and provides information responsive to questions 1,3, and 4 in the Commission's November 25 Letter.

Verizon shares the Commission's desire to protect consumers - our customers - from the impacts of the COVID-19 pandemic. To that end, Verizon has taken extensive and effective voluntary actions to keep our customers, employees, and society connected to the things that matter most to them: their family, friends, school, and work. While it was unclear whether the Commission's orders applied to wireless providers, Verizon complied with them. But the current moratorium on disconnections is unnecessary, has gone on for too long, and should end at least as to wireless consumers. By comparison, most state Commission orders never applied to wireless services, and many of those have expired or scaled back. That's because the orders had been going on for too long and were proving to be counterproductive in causing customers to build up large bills that will prove difficult to pay off. And the Commission's moratorium on the disconnections for wireless services is beyond the Commission's authority and jurisdiction, as CTIA fully explains in its comments on the Commission's November 25 Letter.

The current moratorium on disconnections is unnecessary for wireless customers given the competitive state of the industry and the fact that the industry has taken

numerous steps voluntarily to support customers during this period and consumers have a wide variety of choices for voice services. In fact, continuing a well-intentioned disconnect moratorium actually could harm consumers, by creating flawed incentives and potentially depressing deployment of communications services at a time when deployment is needed the most. Verizon has recognized the need to continue (and indeed increase) network deployment, as demonstrated by our announcement that we increased capital investment in deployment nationwide in 2020 by \$500 million.¹ We also recently entered into a master license agreement with the City of Honolulu that will enable Verizon to deploy wireless facilities throughout Oahu and further increase access to wireless and broadband communications services throughout the island.

I. Verizon has Taken Several Measures to Keep Customers Connected

Verizon and other providers have acted to aid customers during this difficult time. From the start of the COVID-19 pandemic, Verizon took various measures to meet the needs of our customers, the communities we serve, and our employees (see also [verizon.com/about/news/our-response-coronavirus](https://www.verizon.com/about/news/our-response-coronavirus)). Our proactive measures earned us the #1 spot on the Forbes Corporate Responders ranking list that assessed how well the 100 largest employers among U.S. public companies responded to the COVID-19 public health crisis:²

- Verizon made a commitment to our customers through the Keep Americans Connected program to not terminate service or charge late fees for postpaid wireless, residential, and small business customers who notified us of their inability to pay their bills due to disruptions caused by the pandemic. We extended that commitment for almost an entire quarter and honored that pledge.
- We automatically enrolled the 1.2 million of our customers who signed up for the Keep Americans Connected program into our “Stay Connected” deferred bill program to spread accumulated charges over an extended six month period.
 - For unpaid service charges, we deferred past due balances so that customers repay the unpaid balance in 6 installments over 6 months.
 - For device payment installments, we extended the device payment schedule by the number of months unpaid, and provided the customer with a new device payment schedule.
- Verizon kept its customers informed of their options under the Keep Americans Connected and Verizon Stay Connected programs. All customers received a direct written communication from Ronan Dunne, the Verizon Consumer Group CEO, in April informing them of Verizon’s extension of account protections

¹ <https://www.verizon.com/about/news/verizons-networks-stand-ready-increases-data-traffic>

² <https://www.forbes.com/sites/ezequielminaya/2020/05/26/the-forbes-corporate-responders-new-ranking-of-nations-top-employers-responses-to-pandemic/?sh=4b2124064a51>

through June 30 and the commitment to waive late fees and not to terminate service for those consumers and small businesses who were unable to pay due to disruptions caused by the pandemic, as well as automatic enrollment in the Stay Connected program. Verizon also maintains extensive online resources for consumers informing them of our response to COVID-19 as well as Lifeline service, and this information is updated as necessary. See: <https://www.verizon.com/about/news/our-response-coronavirus> as well as <https://www.verizon.com/support/consumer/account/manage-account/lifeline-discount>

- We provided additional free data to the plans of wireless and small business customers on metered plans, hotspot data for wireless customers on unlimited plans, and to customers on Jetpack plans.

In addition to all of the above, Verizon continues to work with our customers to provide flexible payment options for those who are experiencing financial hardship due to pandemic to help avoid disconnections. For example, we offer requesting consumer and small business wireless customers extended payment arrangements to prevent service interruption for non-payment. We know that this is a difficult time for many and want to do as much as we can to help customers remain connected.

II. Communications Consumers Have Several Options for Low Cost Services

The moratorium fails to recognize the intensely competitive nature of the communications industry and wireless services, in particular, and creates the wrong incentives.

Unlike highly regulated energy and water services, retail telecommunications services are (with limited exception) not subject to the Commission's rate-regulation and there is a significant amount of competition so that customers have several options for services, and may choose another provider at any time. Specifically, there are nearly two-hundred competitive communications and wireless providers in the State from which consumers may choose, including low-priced prepaid wireless services.³ A continued moratorium on disconnections would create perverse incentives for consumers to purchase or remain on higher-priced plans that they cannot afford (instead of a lower-priced plan) with the understanding that they cannot be disconnected. Instead of directing consumers to appropriately priced-services, the continued moratorium will also result in consumers having to manage large unpaid balances once it is lifted. In the end, mandating the provision of service without charge to some customers may result in higher prices generally for all customers.

³ In addition, eligible consumers experiencing significant economic hardship can purchase Lifeline from either an incumbent local exchange carrier, a competitive Lifeline carrier, or a wireless carrier offering Lifeline in Hawaii.

The competitive state of the communications market is in part why Verizon has worked hard to keep our customers connected through financial challenges presented by the pandemic. We have helped customers who have been affected by the pandemic by providing flexible payment programs and the other measures described above.

III. The Continued Moratorium Would Divert Critical Resources from Network Expansion and Resiliency Efforts

Verizon is continuing to invest considerable amounts to strengthen and expand the network, having increased its planned capital investment to \$17.5-\$18 billion in 2020.⁴

These investments expand access to wireless and broadband services (as contemplated by Verizon's master license agreement with the City of Honolulu), will help ensure resiliency, and will keep customers connected when they need it the most. But companies do not have unlimited resources, and the continuation of this regulatory mandate would disturb the careful balance that companies like Verizon have undertaken with our customers to keep them connected to a resilient network during the difficult financial situation brought on by the pandemic.

IV. Conclusion

Verizon supports the Commission's goals of protecting the most vulnerable consumers during the pandemic but respectfully submits that it is time for the moratorium on disconnections to end in Hawaii, at least as to wireless customers. The Commission should strike a balance between consumer protection and allowing companies to operate without significant disruption to their business and investment plans. For the foregoing reasons and those in CTIA's comments on the Commission's November 25 Letter, the Commission should not extend the current moratorium for wireless customers any longer. Instead, the Commission could encourage providers to provide flexible payment programs for affected consumers and encourage companies to make information available for customers to easily move to less expensive plans (including prepaid plans). As noted above, Verizon is committed to working with our

⁴ <https://www.verizon.com/about/news/verizons-networks-stand-ready-increases-data-traffic>

customers who are experiencing financial difficulties, and will provide them flexibility to make payments and remain connected to our high quality services throughout this crisis and beyond.

Sincerely,

/s/ Jane Whang

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