

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Section 63.71 Application of Verizon Long)	WC Docket No. 10-115
Distance LLC for Authority to Discontinue)	Comp. Pol. File No. 932
Domestic Telecommunications Services)	
)	

ORDER

Adopted: June 30, 2010

Released: June 30, 2010

By the Chief, Wireline Competition Bureau:

I. INTRODUCTION

1. In this Order, we grant the application of Verizon Long Distance LLC (Verizon or Applicant), to discontinue the provision of its Personal Toll-Free, Post-Paid Calling Card, and Away From Home services pursuant to section 214(a) of the Communications Act of 1934, as amended (the Act),¹ and section 63.71 of the Federal Communications Commission's (Commission) rules.² As explained in further detail below, this Order provides Verizon with authority to discontinue services that Verizon indicates have experienced significant declines in use over time. This Order also addresses comments that were filed in opposition to Verizon's proposed discontinuance. Specifically, we grant Verizon authority to discontinue service consistent with its filed representations that it has addressed the concerns of commenting customers and that a delay to its planned discontinuance on July 1, 2010 would result in significant difficulties for the company.

II. BACKGROUND

2. On April 30, 2010, Verizon filed an application with the Commission requesting authority, under section 214 of the Act and section 63.71 of the Commission's rules, to discontinue the provision of certain domestic telecommunications services throughout the United States excluding Alaska, Hawaii, Maine, New Hampshire and Vermont (collectively Service Areas). Specifically, Verizon seeks authority to discontinue Personal Toll-Free, Post-Paid Calling Card, and Away From Home services in the Service Areas.³ Verizon's Personal Toll-Free service allows residential customers to receive calls placed from any phone in the U.S. to their own personal toll-free number. Post-Paid Calling Cards allow Verizon customers that subscribe to Verizon's Long Distance Services to use the cards anywhere in the U.S. to place long distance calls, including international calls. Away From Home Service provides customers with the calling capabilities available under Verizon's Personal Toll-Free and Post-Paid Calling Card services. Verizon proposes to discontinue its provision of Personal Toll-Free, Post-Paid Calling Card, and Away From Home

¹ 47 U.S.C. § 214(a).

² 47 C.F.R. § 63.71.

³ Verizon asserts that it is non-dominant with respect to the services it seeks to discontinue.

services on or after July 1, 2010, subject to Commission authorization.⁴ Verizon represents that it sent written notice of the proposed discontinuance to all affected customers via bill messages between April 1 and April 30, 2010. In addition, Verizon states that between May 1 and June 30, 2010, all customers placing calls using these services will hear an oral message informing them of the proposed discontinuance on July 1, 2010.

3. By Public Notice issued May 27, 2010, the Wireline Competition Bureau (Bureau) announced that Verizon's application would be deemed to be automatically granted on the thirty-first day after the release date of the notice in accordance with section 63.71(c), unless the Commission notified Verizon that the grant would not be automatically effective.⁵ Accordingly, the notice stated that pursuant to section 63.71(c), and absent further Commission action, Verizon could not terminate service to the customers affected by the application until July 1, 2010.

4. The Commission received several initial comments in opposition to Verizon's proposed discontinuance.⁶ Commenters primarily express concern over the potential loss of toll free and calling

⁴ Discontinuance of international service is governed by 47 C.F.R. § 63.19.

⁵ *Comments Invited on Application of Verizon Long Distance LLC to Discontinue Domestic Telecommunications Services*, Public Notice, WC Docket No. 10-115, DA 10-986 (WCB May 27, 2010).

⁶ See Letter from Catherine Aldaker to Federal Communications Commission, Wireline Competition Bureau, Competition Policy Division, WC Docket No. 10-115 (filed May 24, 2010) (Aldaker Comment) (expressing concern over the potential loss of calling card services); Letter from John G. and Anna M. Armstrong to Federal Communications Commission, Wireline Competition Bureau, Competition Policy Division, WC Docket No. 10-115 (filed May 26, 2010) (Armstrong Comment) (expressing concern over the loss of Verizon's Personal Toll Free service and the small type and location of the discontinuance bill message); Letter from D. Davis to Federal Communications Commission, Wireline Competition Bureau, Competition Policy Division, WC Docket No. 10-115 (filed June 7, 2010) (Davis Comment) (expressing concern over the potential loss of calling card services); Letter from Stephen C. Klein to Federal Communications Commission, Wireline Competition Bureau, Competition Policy Division, WC Docket No. 10-115 (filed June 1, 2010) (Klein Comment) (expressing concern over the potential loss of calling card services); Letter from Edward H. Lind to Federal Communications Commission, Wireline Competition Bureau, Competition Policy Division, WC Docket No. 10-115 (filed June 1, 2010) (Lind Comment) (expressing concern over the potential loss of calling card and toll free services, and the small type and location of the discontinuance bill message); Letter from Daniel J. Meunier to FCC, Competition Policy Division, WC Docket No. 10-115 (filed May 3, 2010) (Meunier Comment) (expressing concern over the potential loss of calling card services and the availability of alternative services); Letter from Dorothy Newman to Federal Communications Commission, Wireline Competition Bureau, WC Docket No. 10-115 (filed June 7, 2010) (Newman Comment) (expressing concern over the potential loss of calling card services); Letter from Tam T. Nguyen and Thu Ha Le to Federal Communications Commission, Wireline Competition Bureau, Competition Policy Division, WC Docket No. 10-115 (filed May 7, 2010) (Nguyen/Le Comment) (expressing concern over the potential loss of calling card services and the higher costs of alternative plans); Letter from Patsy Perkins to Federal Communications Commission, Wireline Competition Bureau, Competition Policy Division, WC Docket No. 10-115 (filed May 24, 2010) (Perkins Comment) (expressing concern over the potential loss of calling card services); Letter from Mrs. Waneta H. Reed to Federal Communications Commission, Wireline Competition Bureau, Competition Policy Division, WC Docket No. 10-115 (filed May 24, 2010) (Reed Comment) (expressing concern over the potential loss of calling card services and indicating that cell phones are not a reasonable option for her). In addition, the Commission subsequently received a customer comment in opposition to the proposed discontinuance on June 15, 2010. See Letter from James E. Teall to Federal Communications Commission, Wireline Competition Bureau, Competition Policy Division, WC Docket No. 10-115 (filed June 15, 2010) (Teall Comment) (expressing concern over the potential loss of calling card services for use at payphones in particular).

card services, and over the availability of alternative services.⁷ In addition, some commenters object to Verizon's application on the grounds that the written notice provided in their standard Verizon bills was not conspicuous and may have been missed by some customers.⁸ In its preliminary responses, Verizon explains that prepaid calling card and general toll free services would not be impacted by the proposed discontinuance, that there are several alternatives to the services to be discontinued, that oral notice was provided in addition to the written notice provided in customer bill messages, and that commenters had been contacted to address their particular concerns.⁹ Verizon therefore submits that it provided customers with sufficient notice and that the comments in opposition do not provide any basis for concluding that the public convenience and necessity would be adversely impacted by the proposed discontinuance, or that customers would be unable to receive service or a reasonable substitute from another provider.¹⁰ In consideration of the concerns raised in the record regarding the adequacy of notice to affected customers and the resultant potential that customers could experience a loss or disruption of service before they become aware of the proposed discontinuance and before they have an adequate opportunity to seek reasonable alternative services in accordance with the Commission's rules, the Bureau issued a second Public Notice, on June 25, 2010, alerting the public that Verizon's application would not be automatically granted.¹¹ In response to this second Public Notice, the Commission received additional information from Verizon in support of its application to discontinue.¹²

III. DISCUSSION

5. Section 214(a) of the Communications Act, as amended, states that "[n]o carrier shall discontinue, reduce, or impair service to a community, or part of a community, unless and until there shall first have been obtained from the Commission a certificate that neither the present nor future public

⁷ See Aldaker Comment at 1; Armstrong Comment at 1; Davis Comment at 1; Klein Comment at 1; Lind Comment at 1-2; Meunier Comment at 1; Newman Comment at 1; Nguyen/Le Comment at 1; Perkins Comment at 1; Reed Comment at 1; Teall Comment at 1.

⁸ See Armstrong Comment at 1; Lind Comment at 1-2.

⁹ See Letter from Ann D. Berkowitz, Director, Federal Affairs, Verizon, to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 10-115 and 10-116 (filed May 24, 2010) (Verizon May 24th Response); Letter from Ann D. Berkowitz, Director, Federal Affairs, Verizon, to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 10-115 and 10-116 (filed May 26, 2010) (Verizon May 26th Response); Letter from Ann D. Berkowitz, Director, Federal Affairs, Verizon, to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 10-115 and 10-116 (filed June 22, 2010) (Verizon June 22nd Response); Letter from Ann D. Berkowitz, Director, Federal Affairs, Verizon, to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 10-115 and 10-116 (filed June 24, 2010) (Verizon June 24th Response).

¹⁰ Verizon June 22nd Response at 1-4.

¹¹ *Application of Verizon Long Distance LLC to Discontinue Domestic Telecommunications Services Not Automatically Granted*, Public Notice, WC Docket No. 10-115, Comp. Pol. File No. 932, DA 10-1177 (rel. June 25, 2010).

¹² See Letter from Ann D. Berkowitz, Director, Federal Affairs, Verizon, to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 10-115 and 10-116 (filed June 29, 2010) (Verizon June 29th Response) (indicating that the affected services have experienced significant and steady declines in use, specifying alternative services that are available, discussing the various methods used to inform customers of the proposed discontinuance and asserting that the public interest would not be served by a delay of the discontinuance).

convenience and necessity will be adversely affected thereby.”¹³ The primary purpose of this requirement is to reduce the harm to consumers caused by discontinuances of service, which is an important aspect of the Commission’s general obligation under the Communications Act to protect and promote the public interest.¹⁴ As the Commission has stated, “we have retained the right to delay grant of a discontinuance authorization if we believe an unreasonable degree of customer hardship would result,”¹⁵ and will review each application to determine whether proper notice has been given, whether customers or other end users are able to receive service or a reasonable substitute from another carrier, and whether the public convenience and necessity is otherwise adversely affected.¹⁶

6. The Commission has considerable discretion in determining whether to grant a carrier authority to discontinue service pursuant to section 214.¹⁷ Balancing the interests of the carrier and the affected user community, the Commission considers a number of factors including: (1) the financial impact on the common carrier of continuing to provide the service; (2) the need for the service in general; (3) the need for the particular facilities in question; (4) the existence, availability, and adequacy of alternatives; and (5) increased charges for alternative services, although this factor may be outweighed by other considerations.¹⁸

7. We find that the record supports granting Verizon’s request to discontinue service in accordance with its filed representations in this proceeding. Specifically, and as stated above, Verizon asserts that it used various methods to notify all potential customers of the proposed discontinuance, that it has since contacted those commenters that expressed concern in the record, that many alternative services are available, and that the public interest would not be served by a delay of the discontinuance.¹⁹ On the basis of Verizon’s representations and considering the five factors identified by the Commission for evaluating applications to discontinue service, we find that the proposed discontinuance should not result in significant customer hardship, and, therefore, that there should be no adverse effect on the public convenience and necessity.

8. Applying the first of the Commission’s factors -- the financial impact of continuing to provide the service for the carrier seeking to discontinue -- we note that, in its June 29th Response, Verizon indicates that any delay to the proposed discontinuance would be burdensome in light of the

¹³ 47 U.S.C. § 214(a).

¹⁴ See 47 U.S.C. § 201.

¹⁵ *Policy and Rules Concerning Rates for Competitive Common Carrier Services and Facilities Authorizations Therefor*, First Report and Order, CC Docket No. 79-252, 85 FCC 2d 1, 49 (1980) (*Competitive Carrier First Report and Order*).

¹⁶ See 47 C.F.R. § 63.71(a); see, e.g., *AT&T Application to Discontinue Interstate Sent-Paid Coin Service Not Automatically Granted*, Public Notice, NSD File No. W-P-D-497 (Aug. 3, 2001) (requiring AT&T to show how it would minimize the negative impact on affected customers).

¹⁷ *FCC v. RCA Communications, Inc.*, 73 S. Ct. 998, 1002 (1953); see also *Verizon Telephone Companies, Section 63.71 Application to Discontinue Expanded Interconnection Service Through Physical Collocation*, Order, WC Docket No. 02-237, FCC 03-256 (rel. Oct. 22, 2003) (*Verizon Expanded Interconnection Discontinuance Order*).

¹⁸ *Application for Authority Pursuant to Section 214 of the Communications Act of 1934 to Cease Providing Dark Fiber Service*, File Nos. W-P-C-6670 and W-P-D-364, 8 FCC Rcd 2589, 2600, para. 54 (1993) (*Dark Fiber Order*), remanded on other grounds, *Southwestern Bell v. FCC*, 19 F.3d 1475 (D.C. Cir. 1994); see *Verizon Expanded Interconnection Discontinuance Order*.

¹⁹ See Verizon June 29th Response.

numerous technological and logistical issues associated with eliminating these services, including the need to extend outside vendor contracts that are scheduled to end on July 1st.²⁰ In addition, Verizon asserts that a delay to the proposed discontinuance could have a negative effect on Verizon's imminent transaction with Frontier because customers scheduled to be transferred to Frontier on July 1st would not be able to continue to receive the affected services that are scheduled to be discontinued without extensive systems changes.²¹ Given Verizon's assertions, we find that the financial impact of continuing to provide these services beyond the planned discontinuance date could be burdensome.

9. Applying factors two and three -- the need for the services in general and for the particular services in question -- Verizon explains that its Personal Toll-Free service allows residential customers to receive calls placed from any phone in the U.S. to their own personal toll-free number and its Post-Paid Calling Cards allow Verizon customers that subscribe to Verizon's Long Distance Services to use the cards anywhere in the U.S. to place long distance calls, including international calls. Verizon indicates that its Away From Home Service provides customers with the calling capabilities available under both of the previously described services. Some commenters in the record suggest that they rely on the particular services they currently receive.²² However, Verizon indicates that marketplace developments, including the rapid growth of cell phones and the popularity of competitively priced prepaid calling cards, have led to steady declines in customer use of the affected services.²³ Verizon specifically states that even though personal identification numbers (PINs) for Verizon's Personal Toll Free service were issued to approximately 484,700 billed telephone numbers nationwide, only about 5,700 billed telephone numbers reflected use of this service during the month of November 2009.²⁴ Similarly, Verizon states that approximately 1,683,700 billed telephone numbers nationwide requested Post Paid Calling Cards, but only about 9,500 of these billed telephone numbers reflect Post Paid Calling Card use in the six months preceding November 2009 for Verizon's West territory and March 2010 for Verizon's East territory.²⁵

10. Considering factor four -- the existence, availability, and adequacy of alternatives -- we note that Verizon has provided information regarding the availability of prepaid calling cards and wireless phones (under both prepaid and monthly plans) as a reasonable alternative to Verizon's Post-Paid Calling Card service, and the availability of these services and toll free services from other providers as a reasonable alternative to Verizon's Personal Toll Free service.²⁶ Regarding the fifth factor, increased charges for alternative services, we are persuaded that alternative services are available at reasonable cost.

²⁰ Verizon June 29th Response at 7-8.

²¹ Verizon June 29th Response at 8.

²² See, e.g., Armstrong Comment at 1 (indicating that they depend on their Personal Toll Free service).

²³ Verizon June 29th Response at 1.

²⁴ Verizon June 29th Response at 3.

²⁵ Verizon June 29th Response at 3. Verizon also indicates that, for example, the minutes of use for its Post-Paid Calling Cards in Verizon's West region has steadily decreased with approximately 1,624,500 minutes of use observed in August 2005, approximately 469,300 minutes of use observed in August 2007, and approximately 161,100 minutes of use observed in August 2009. *Id.*

²⁶ Verizon June 29th Response at 3-5.

11. Despite some customer concerns regarding the sufficiency of Verizon's written notice to customers in bill messages, we find that the record in this proceeding indicates that Verizon has taken sufficient additional steps to provide notice of the proposed discontinuance to customers through oral messages and has followed up with further contacts to concerned customers. We note that the vast majority of Verizon's customers did not file comments in opposition to Verizon's originally proposed discontinuance, and were apparently able to find alternative services in sufficient time. Many of the commenters in this proceeding are primarily opposed to the potential loss of use of toll free and prepaid calling cards, but Verizon has clarified that the proposed discontinuance only impacts specific Verizon products and will not affect general use of toll free numbers or calling cards. Given the circumstances and representations in the record, and after balancing all of the relevant factors, we find Verizon's request to discontinue service reasonable. We therefore conclude that Verizon shall be permitted to discontinue its Personal Toll-Free, Post-Paid Calling Card, and Away From Home services on or after July 1, 2010.

IV. ORDERING CLAUSE

12. Accordingly, pursuant to sections 1, 4(i), and 214 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), 214, and sections 0.91, 0.291, and 63.71 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, 63.71, IT IS ORDERED that the application of Verizon Long Distance LLC to discontinue domestic telecommunications service IS GRANTED.

FEDERAL COMMUNICATIONS COMMISSION

Sharon E. Gillett
Chief
Wireline Competition Bureau