

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of Cost Allocation of the) Docket No. UT-991535
Consumer Education Plan for 564 Area)
Code Overlay)

COMMENTS OF VERIZON WIRELESS

Verizon Wireless (“VZW”) hereby responds to the Washington Utilities and Transportation Commission’s (“WUTC” or “Commission”) request for comments in the above referenced proceeding.¹

Verizon Wireless appreciates this opportunity to comment on the Commission’s proposed customer education program. VZW believes it is important to comment more broadly on the proposed program, and not just on the narrow question of the most appropriate method of allocating the costs among service providers. Specifically, for the competitive wireless industry, a joint customer education program in addition to that provided by wireless service providers is unnecessary and inappropriate. Therefore, VZW requests that the Commission re-examine its policy and exempt wireless carriers from the obligation to participate in the joint education program over and above company-specific measures to educate consumers about the dialing change associated with overlays. At a minimum, the Commission should re-examine the proposed customer education plan and seek ways to make it more cost effective. If, however, the Commission chooses to proceed with allocating the costs of the joint education program

¹ Notice of Opportunity to File Comments, Docket No. UT-991535, *Cost Allocation of the Consumer Education Plan for 564 Area Code Overlay*, dated February 1, 2001 (“Request for Comments”).

to all service providers, VZW supports allocation based on the number of NXX codes held by the service provider.

I. THE COMPETITIVE WIRELESS INDUSTRY PROVIDES INCENTIVES TO WIRELESS COMPANIES TO EDUCATE CONSUMERS

Wireless participation in a Commission-required joint education campaign is unnecessary because wireless carriers have ample incentives to educate all of their customers fully.

Properly educating customers about dialing changes is a serious customer care concern for Verizon Wireless because it directly impacts our competitive business. The ability of customers to complete or receive calls, and therefore positively perceive the quality of wireless service, is directly affected by area code changes and resultant dialing pattern changes. A large part of the attraction of wireless services is the convenience of mobile access and the ease of “anytime, anywhere communication.” The inability to receive or complete calls with ease due to area code changes is an aspect of customer care that is entirely manageable through effective customer education. VZW has successfully participated in area code changes throughout the country, without the additional cost of at-large joint education campaigns – including overlays in Pennsylvania and Maryland. VZW has used, for example, voicemail messages, pre-call completion announcements, text messages, and bill inserts. These and other efforts to educate our customer base have worked well, in tandem with those by other companies to educate their customers.

II. THE PROPOSED EDUCATION PLAN IS NOT COST EFFICIENT

The proposed education plan requires – in addition to company-specific education efforts – a massive joint education program utilizing print and broadcast advertisements costing at least \$1.2 million. To the extent that broad-based customer education is

required, the plan should be cost efficient. VZW questions whether the specific plan adopted by the Commission is the most cost-effective way to achieve the Commission's goals. The cost of the plan is excessive. The Commission should re-examine whether each aspect of the plan will provide the most "bang for the buck" or whether less costly alternatives can be substituted. For example, the plan includes a single \$35,000 ad in the *USA Today* in addition to ads costing \$497,440 and \$107,384 in multiple local papers, both inside and outside the overlay area. Also, less expensive forms of advertising may be used in lieu of the more expensive spot network television and cable television ads. Direct mail and billboards would be just as effective, in tandem with the spot radio ads and newspaper ads. Alternatively, the Commission could ask carriers to voluntarily participate in more expensive forms of advertising and could provide business incentives for such participation. For example, for print or broadcaster ads, the Commission could offer companies the ability to place their brand on the ads.

The Commission's goal should be to provide an appropriate level of education to the right audience at the least price. All carriers are communicating with their own customers concerning the overlay through bill inserts or similar methods. Media ads are priced based on the number of people that view the advertisements. The current campaign includes not only each carrier's education efforts, but a redundant and overbroad media campaign as well. Under the current plan, telecommunications consumers are going to be notified of the overlay by their local provider, long distance provider and their wireless provider. In addition they will see it on TV and see it in the newspaper. VZW suggests that this duplicative level of notification is excessive and inefficient.

III. ALTERNATIVELY, VERIZON WIRELESS SUPPORTS ALLOCATING COSTS BASED ON THE NUMBER OF NXXs

If the Commission decides to require wireless carriers to participate in the joint cost allocation program, Verizon Wireless supports the Commission staff's recommendation that the WUTC use an allocation method based on the number of telephone number prefixes (NXXs) assigned to each service provider as reported by the North American Numbering Plan Administrator ("NANPA"). VZW agrees with the staff's conclusions that this method is preferable since it relies on verifiable, publicly available, non-confidential information, and is readily calculated.² In addition, this method of calculation may advance the Commission's conservation efforts by providing an incentive for companies to return unneeded NXX codes. The staff notes that demand for NXX codes is the most direct cause of need for area code relief.³

² *Request for Comments* at 1.

³ *Id.*

IX. CONCLUSION

For the foregoing reasons, the Commission should take a second look at the proposed customer education plan. It should: (1) exempt wireless carriers from being required to participate in the joint customer education program; (2) reduce the cost of the program to make it more cost effective; and (3) provide incentives for voluntary participation in more expensive ads by allowing companies to place their brands on the ads. Any plan that is required should allocate costs based on the number of NXX codes assigned to service providers.

Respectfully submitted,

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