



Jennifer L. McClellan
Associate General Counsel
Verizon Communications

703 East Grace Street
7th Floor
Richmond, VA 23219
USA

jennifer.l.mcclellan@verizon.com

T 804-772-1512
M 804-922-3013

December 24, 2018

E-Filed

Ms. Brinda Westbrook-Sedgwick
Commission Secretary
Public Service Commission of the District of Columbia
1325 G Street, NW, Suite 800
Washington, DC 20005

Re: Formal Case 950: In the Matter of the Investigation into the Payment Center Operations of Verizon Washington, DC Inc.

Dear Ms. Westbrook-Sedgwick:

Enclosed please find Verizon Washington, DC Inc.'s Response to Order No. 19736 (**Public Version**) in the above-referenced proceeding.

If you have any questions in connection with this filing, please feel free to contact me.

Very truly yours,

A handwritten signature in black ink that reads "Jennifer L. McClellan". The signature is written in a cursive, flowing style.

Enclosure

Copy to:
Certificate of Service

CERTIFICATE OF SERVICE
FORMAL CASE 950

I hereby certify that on this 24th day of December, 2018, a copy of Verizon Washington, DC Inc.'s Public Response to Order No. 19736 in the above-referenced matter was served electronically or by first-class mail, postage pre-paid, on the party of record.

Sandra Mattavous-Frye, Esq.
People's Counsel
Office of the People's Counsel
1133 15th Street, NW
Suite 500
Washington, DC 20005
smfrye@opc-dc.gov


Stephanie A. Ulrich

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE DISTRICT OF COLUMBIA**

**IN THE MATTER OF THE INVESTIGATION INTO)
THE PAYMENT CENTER OPERATIONS OF) FORMAL CASE NO. 950
VERIZONWASHINGTON, DC INC.)**

**VERIZON WASHINGTON, DC INC.’S
CONFIDENTIAL RESPONSE TO ORDER NO. 19736**

The communications market has dramatically and irreversibly changed since the Public Service Commission of the District of Columbia (the “Commission”) approved the closing of Verizon Washington DC, Inc.’s (“Verizon DC’s”) predecessor’s payment center and imposed operating standards and reporting requirements for its Authorized Payment Locations (“APLs”) in 1996. As the Commission notes, at that time most District residents had wireline telephone service.¹ By contrast, today a majority of District households are wireless only.² The remaining District households with a landline telephone have increasingly abandoned traditional telephone service regulated by the Commission in favor of VoIP/IP-based services.³ And a tiny fraction of Verizon DC’s residential switched access customers even use its APLs. In this context, Commission mandated APL requirements are no longer required.

¹ Order No. 19736 at ¶ 3.

² See Wireless Substitution: State-Level Estimates from the National Health Interview Survey, 2016 (released 12/28/2017) at https://www.cdc.gov/nchs/data/nhis/earlyrelease/Wireless_state_201712.pdf (“2016 NHIS State Wireless Substitution Report”).

³ See FCC Voice Telephone Services Status as of June 30, 2017 at <https://www.fcc.gov/voice-telephone-services-report>.

I. Verizon DC's Residential Access Lines Have Dramatically Declined since the Commission Established APL Requirements.

In the two decades since the Commission established Verizon DC's APL requirements, the communications market has dramatically and irreversibly changed. Just the past decade has seen an explosive growth in the number of District customers abandoning traditional land-line voice services regulated by the Commission altogether. For example, since 2008, wireless subscribership in the District has increased 36 percent, from 1.1 million subscribers to 1.5 million in June 2017.⁴ In 2015, for the first time since the National Center for Health Statistics began tracking wireless substitution at the national and state levels, *over half* (54.2 percent) of all households in the District were wireless only.⁵ That number grew to 55.3 percent in 2016, compared to only 20 percent in 2007.⁶ In 2016, another 17.8 percent of District households mostly used wireless phones, and 15.0 percent of District households were dual-use; by comparison, only 3.8 percent of District household exclusively used landline telephones and 3.9 percent mostly used landline telephones.⁷ These wireless-only or wireless-mostly numbers have increased faster than the rest of the nation; nationally the number of wireless-only households grew by 3.1 percent between the second half of 2016 and the second half of 2017.⁸ Indeed, cord-

⁴ FCC Voice Telephone Services Status as of June 30, 2017 (rel. 11/18)(<https://www.fcc.gov/voice-telephone-services-report>), Nationwide and State-Level Data for 2008-Present (https://www.fcc.gov/sites/default/files/vts_june17_hist.zip) (accessed December 7, 2018).

⁵ Wireless Substitution: State-Level Estimates from the National Health Interview Survey, 2015 (released August 2016) at https://www.cdc.gov/nchs/data/nhis/earlyrelease/wireless_state_201608.pdf.

⁶ See Wireless Substitution: State-Level Estimates from the National Health Interview Survey, 2016 (released 12/28/2017) at https://www.cdc.gov/nchs/data/nhis/earlyrelease/Wireless_state_201712.pdf ("2016 NHIS State Wireless Substitution Report"); Blumberg SJ, Luke JV, Davidson G, Davern ME, Yu T, Soderberg K. Wireless Substitution: State-Level Estimates from the National Health Interview Survey, January–December 2007. National Health Statistics Reports; No 14. Hyattsville, MD: National Center for Health Statistics. 2009 ("2009 NHIS State Wireless Substitution Report") at 5.

⁷ 2016 NHIS State Wireless Substitution Report.

⁸ Blumberg SJ, Luke JV. Wireless substitution: Early release of estimates from the National Health Interview Survey, July-December 2017. National Center for Health Statistics. May 2018. Available from:

cutting in the District also outpaces the nation: the number of wireless-only American households crossed the majority threshold (50.8 percent) in the second half of 2016, and reached 53.9 percent in the second half of 2017 (compared to only 38.2 percent in 2012).⁹

The remaining District households with a landline telephone likewise have increasingly abandoned traditional telephone service regulated by the Commission in favor of VoIP/IP-based services. For example, in 2008, 14.61 percent of residential landline connections in the District were over interconnected VoIP services from one of 45 providers.¹⁰ Between December 31, 2008 and June 30, 2017:

- Interconnected VoIP subscriptions in the District grew 319.64 percent from 56,000 to 235,000;
- Local exchange, switched access lines serviced in the District fell 52.08 percent from 864,000 to 414,000;
- Consumer-grade local exchange, switched access lines served in the District fell 73.80 percent from 187,000 to 49,000;
- Consumer-grade Interconnected VoIP Subscriptions in the District grew 181.82 percent from 33,000 to 93,000;
- Business and government-grade local exchange, switched access lines served in the District fell 46.17 percent from 678,000 to 365,000;
- Business and government-grade Interconnected VoIP Subscriptions in the District grew 495.83 percent from 24,000 to 143,000.¹¹

<https://www.cdc.gov/nchs/data/nhis/earlyrelease/wireless201806.pdf> (released 06/07/2018) at 1; NHIS Wireless Substitution: Early Release of Estimates From the National Health Interview Survey, July-December 2013 at 1.

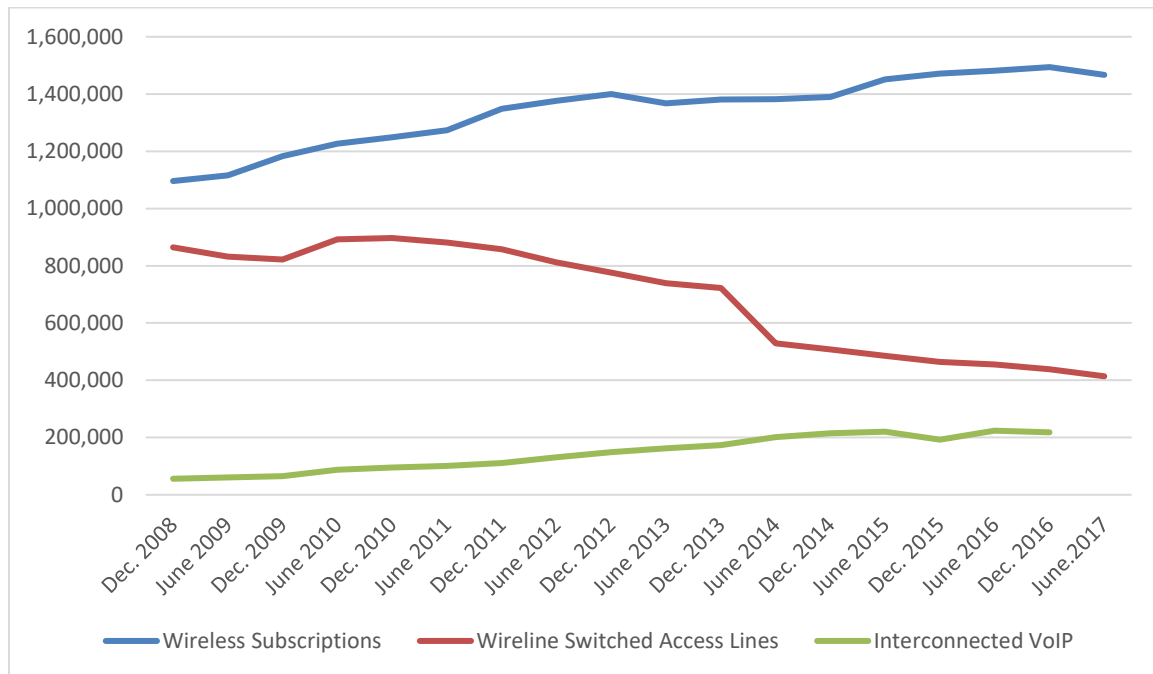
⁹ Blumberg SJ, Luke JV. Wireless substitution: Early release of estimates from the National Health Interview Survey, July–December 2016. National Center for Health Statistics. May 2017. Available from: <http://www.cdc.gov/nchs/nhis.htm>.

¹⁰ FCC Local Competition: Status as of December 31, 2008, Tables 10 and 17. The FCC began reporting retail interconnected VoIP service data with this report.

¹¹ FCC Voice Telephone Services Status as of June 30, 2017. These interconnected VoIP subscriptions include over-the-top and all other subcategories of VoIP services.

This growth in VoIP lines and decline in local exchange switched access lines is expected to continue, as has been the trend for over a decade:

Table 1: District of Columbia Total Switched Access Lines, Wireless Subscribers, and VoIP Subscribers¹²



In light of these seismic and irreversible trends, the Commission’s imposition of APL requirements solely on Verizon DC is wholly unnecessary.

II. A Small Fraction of Verizon DC Customers Use Its APLs.

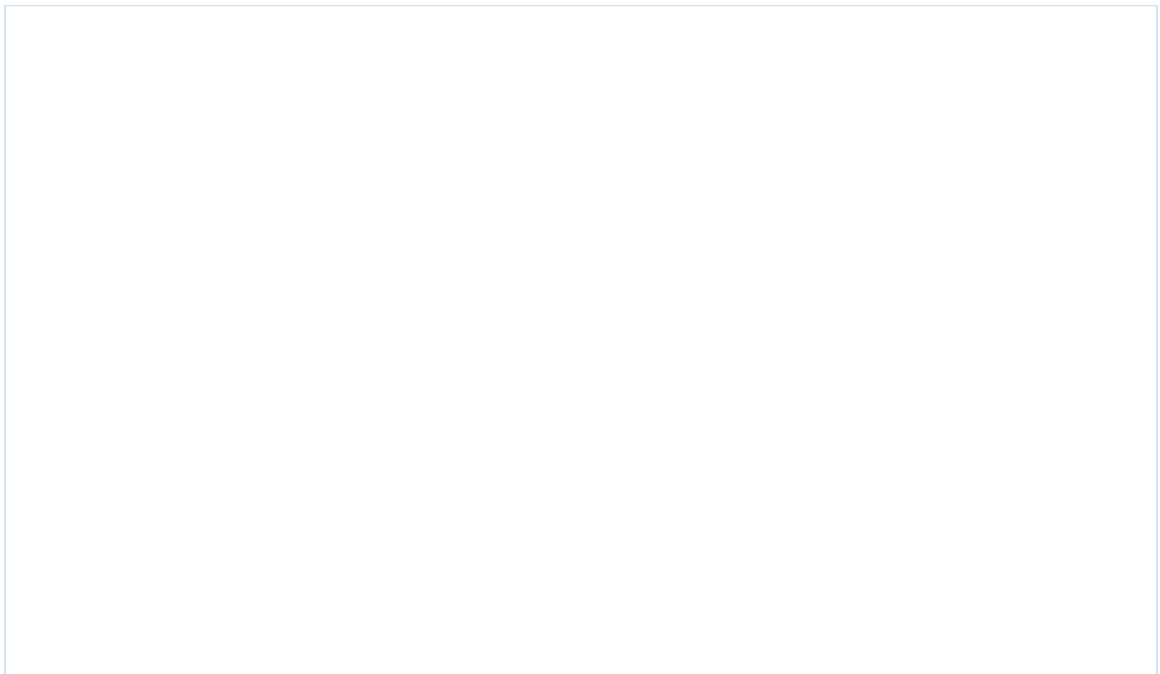
As demonstrated in Verizon DC’s December 7, 2018 response to Commission Order 19736, between October 2017 and September 2018, on average **[BEGIN CONFIDENTIAL INFORMATION] [END CONFIDENTIAL ATTACHMENT]** transactions per month occurred in across all APLs in the District. To put those volumes in perspective, on its annual survey filed with the Commission in ASMT 2018-01-T, Verizon DC estimated a total of

¹² FCC Voice Telephone Services Status as of June 30, 2017.

[BEGIN CONFIDENTIAL] **[END CONFIDENTIAL]** residential and **[BEGIN CONFIDENTIAL]** **[END CONFIDENTIAL]** non-government/non-Centrex business customers in 2017.¹³ Verizon DC does not track whether the customers using its APLs are residential or business, or whether they are paying for regulated or non-regulated services. But these volumes show that only a tiny fraction of Verizon DC's customers are using its APLs per month. Moreover, half of the total transactions over the 12-month period were in a single ward, while less than 1 percent of transactions occurred in another:

Table 2: Total Transactions By Ward – October 2017-September 2018

[BEGIN CONFIDENTIAL INFORMATION]



[END CONFIDENTIAL TRANSACTIONS]

¹³ See ASMT2018-01-T, Verizon DC Confidential Response filed April 2, 2018 (provided as Confidential Exhibit 1).

And, in the twelve month period, over [BEGIN CONFIDENTIAL] [END CONFIDENTIAL] percent of the APL locations averaged 2 or fewer transactions per day.

The low customer volumes in Verizon DC's APLs indicates the Commission's mandate for at least one APL in each Ward is unnecessary and excessive. Indeed, Washington Gas only has two walk-in payment centers in the District.¹⁴

III. The Commission Should Eliminate Its APL Requirements

Verizon DC does not need a Commission mandate to ensure all of its customers have a way to pay their bills. Across its footprint, Verizon DC and its LEC affiliates permit customers to pay their bills through mail, online, apps, and in person.¹⁵ Indeed, in states that do not mandate automatic payment locations, Verizon nevertheless makes them available, and residential customers can locate a payment location near them on Verizon's webpage by inserting an address.¹⁶ For example, a search of the Richmond, Virginia business address of Verizon DC's counsel identifies over 30 payment locations within 30 miles, yet no Virginia law or regulation requires any local exchange carriers to have authorized payment locations.¹⁷

Should the Commission nevertheless mandate that Verizon DC maintain APLs in the District it should eliminate the requirement to file a notice with the Commission each time an

¹⁴ See <https://www.washingtongas.com/my-account/account-services-support/payments/payment-options>, (attached as Exhibit 2).

¹⁵ See <https://www.verizon.com/support/residential/account/pay-bill/how-to>.

¹⁶ See <https://www.verizon.com/support/residential/paymentlocations/homepage.htm>.

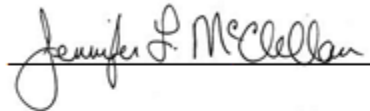
¹⁷ See Exhibit 3.

APL closes. Instead, Verizon DC can maintain a list of current APLs on its webpage, providing a copy to the Commission, and provide an annual report of all APL openings and closings.

Conclusion

For the foregoing reasons, Verizon DC recommends that the Commission eliminate the APL requirements adopted in Order No. 10811 and 11818 altogether. In the alternative, Verizon DC recommends that the Commission eliminate the requirement for Verizon to have at least one APL per ward and the requirement that Verizon DC notify the Commission whenever an APL closes.

Respectfully submitted,

A handwritten signature in black ink, reading "Jennifer L. McClellan", written over a horizontal line.

Verizon Washington, DC Inc.
Jennifer L. McClellan
703-713 E. Grace Street
7th Floor
Richmond, VA 23219
(804) 772-1512
(804) 772-2143 (facsimile)
Jennifer.l.mcclellan@verizon.com

December 24, 2018

VERIZON WASHINGTON DC, INC.

CONFIDENTIAL EXHIBIT 1

This portion contains information which Verizon DC alleges to be proprietary. Please contact Verizon DC for an appropriate proprietary agreement or file with the Commission for a Proprietary Information Determination. Parties may see a Commission ruling on contention At any time in this proceeding.



[En Español](#)

[Pay Bill](#)



[MENU](#)

PAYMENT OPTIONS

Please check your bill to make sure that the name and address on your account are correct. This helps us provide you more efficient service should there be any questions or concerns regarding your account. Please call **844-WASHGAS (927-4427)** with any changes.

Click below to learn more about your payment options:

BY MAIL	+
BY PHONE	+
BY CASH	+
ONLINE	+
WALK-IN PAYMENT CENTERS	-
Washington Gas Main Office: 1100 H Street, NW	

Washington, DC 2000

Monday-Friday, 8 a.m. to 4 p.m., except holidays.

Washington Gas Anacostia/Congress Heights Office:

Note: Cash is not accepted at this location.

2300 Martin Luther King Jr. Avenue, SE

Washington, DC 20032

Monday-Friday, 8 a.m. to 4 p.m., except holidays.

Payments may be made by cash, check or money order at these locations.

Drop Boxes:

District of Columbia:

1000 Maine Ave., SW

Washington, DC 20024

2300 Martin Luther King Jr. Avenue, SE

Washington, DC 20032

Washington Gas accepts only checks and money orders at drop boxes.

[Contact](#)

[Careers](#)

[Press](#)

[FAQs](#)

[Community](#)

[Events](#)

[Corporate Information](#)

wgl.com



Customer Service

844-WASHGAS

©WGL Holdings, Inc. All Rights Reserved

[Privacy Policy](#) [Security Policy](#) [Terms of Use](#)

Find a convenient place to pay your bill in person.

Search Criteria

Please enter your location below:

Street Address1	Street Address2		
703 E. Grace Street			
City	State	County	ZIP Code
Richmond	Virginia	Select County	23219
Distance Within			
1 to 30 miles			

You can further refine your search by:

Agent #	or	Business Name

Search

Search Results

- 301 Express**

2012 Maury St, Richmond,VA, 23224-0000

[More Info](#)
- Bp Food Store**

2931 Chamberlayne Ave, Richmond,VA, 23222-3505

[More Info](#)
- Check City #R-10**

21 E Broad St, Richmond,VA, 23219-1731

[More Info](#)
- Check City #R-11**

2729b W Broad St, Richmond,VA, 23220-1905

[More Info](#)
- Check City #R-12**

3920 Hull Street Rd, Richmond,VA, 23224-1714

[More Info](#)

Check In Express

3200 N Boulevard, Richmond,VA, 23230

[More Info](#)

Checks Cashed Etc

3608 Mechanicsville Tpke, Richmond,VA, 23223-1330

[More Info](#)

Checks Cashed Etc

3608 Mechanicsville Tpke, Richmond,VA, 23223-0000

[More Info](#)

Cool Lane Express

2001 Mechanicsville Tpke, Richmond,VA, 23223-3601

[More Info](#)



Enter Your Location

Find a convenient place to pay your bill in person.

Search Criteria

Please enter your location below:

Street Address1	Street Address2		
<input type="text" value="703 E. Grace Street"/>	<input type="text"/>		
City	State	County	ZIP Code
<input type="text" value="Richmond"/>	<input type="text" value="Virginia"/>	<input type="text" value="Select County"/>	<input type="text" value="23219"/>
Distance Within			
<input type="text" value="1 to 30 miles"/>			

You can further refine your search by:

Agent #		Business Name
<input type="text"/>	or	<input type="text"/>

Search

Search Results

Fas Mart #55

2600 E Main St, District 20 Central , Richmond,VA, 23223-7850

[More Info](#)**Fas Mart #72**

2107 Semmes Ave, District 20 Central , Richmond,VA, 23225-3843

[More Info](#)**Fas Mart #75**

1201 Westover Hills Blvd, District 20 Central , Richmond,VA, 23225-4433

[More Info](#)**First Virginia #134**

4503 W Broad St, Richmond,VA, 23230-3203

[More Info](#)**First Virginia #91**

159 E Belt Blvd, Richmond,VA, 23224-1203

[More Info](#)**Food Lion #601**

3089 Mechanicsville Tpke, Richmond, VA, 23223-1828

[More Info](#)**John'S Mart**

4419 W Broad St, Richmond, VA, 23230-3201

[More Info](#)**Kroger #504**

3507 W Cary St, Richmond, VA, 23221-2728

[More Info](#)**Kroger #511**

901 N Lombardy St, Richmond, VA, 23220-2201

[More Info](#)[Previous](#) [Next](#)

[Pay your bill on myverizon.com](#) at no cost using your bank account or credit, debit, ATM card.

[View Frequently Asked Questions](#) regarding Payment Locations.

Verizon ONE-BILL[®] customers can also pay their ONE-BILL[®] at any bill payment kiosk located in Verizon Wireless stores, or by accessing My Verizon from their web-enabled Verizon Wireless cell phone

Utilizing these payment locations may incur a convenience fee of up to \$1.50 for this service. No portion of this fee is paid to Verizon. Payment locations will accept a check, cash, or money order as means of Payment..

© 2018 Verizon

[About Verizon](#) | [Contact Us](#) | [Site Map](#) | [Careers](#) | [Terms and Conditions](#) | [Open Internet](#) | [Privacy Policy](#) |
[About Our Ads](#) | [Advertise With Us](#) | [Store Locator](#)



Enter Your Location

Find a convenient place to pay your bill in person.

Search Criteria

Please enter your location below:

Street Address1	Street Address2		
<input type="text" value="703 E. Grace Street"/>	<input type="text"/>		
City	State	County	ZIP Code
<input type="text" value="Richmond"/>	<input data-cs="2" data-kind="parent" type="text" value="Virginia"/>	<input type="text" value="23219"/>	
Distance Within			
<input type="text" value="1 to 30 miles"/>			

You can further refine your search by:

Agent #		Business Name
<input type="text"/>	or	<input type="text"/>

Search

Search Results

Midtown Citgo

1642 W Broad St, Richmond,VA, 23220-2107

[More Info](#)**Noures Convenience Store**

401 E Laburnum Ave, Richmond,VA, 23222-0000

[More Info](#)**Quick N Easy**

4105 W Broad St, Richmond,VA, 23230

[More Info](#)**Quik Stop**

4012 Government Rd, Richmond,VA, 23223-8130

[More Info](#)**Racetrack Marketplace**

3815 Meadowbridge Rd, Richmond,VA, 23222

[More Info](#)**Racetrack Marketplace**

3815 Meadowbridge Rd, Richmond,VA, 23222-2126

[More Info](#)**Rite Aid #3706**

1801 Hull St, Richmond,VA, 23224-3721

[More Info](#)**Rite Aid #3706**

1801 Hull St, Richmond,VA, 23224-3721

[More Info](#)**Rite Aid #3715**

520 W Broad St, Richmond,VA, 23220-4223

[More Info](#)[Previous](#) [Next](#)

[Pay your bill on myverizon.com](#) at no cost using your bank account or credit, debit, ATM card.

[View Frequently Asked Questions](#) regarding Payment Locations.

Verizon ONE-BILL[®] customers can also pay their ONE-BILL[®] at any bill payment kiosk located in Verizon Wireless stores, or by accessing My Verizon from their web-enabled Verizon Wireless cell phone

Utilizing these payment locations may incur a convenience fee of up to \$1.50 for this service. No portion of this fee is paid to Verizon. Payment locations will accept a check, cash, or money order as means of Payment..

© 2018 Verizon

[About Verizon](#) | [Contact Us](#) | [Site Map](#) | [Careers](#) | [Terms and Conditions](#) | [Open Internet](#) | [Privacy Policy](#) |
[About Our Ads](#) | [Advertise With Us](#) | [Store Locator](#)

Find a convenient place to pay your bill in person.

Search Criteria

Please enter your location below:

Street Address1	Street Address2		
703 E. Grace Street			
City	State	County	ZIP Code
Richmond	Virginia	Select County	23219
Distance Within			
1 to 30 miles			

You can further refine your search by:

Agent #	or	Business Name	Search

Search Results

Sabatinos Inc

4904 Government Rd, Richmond,VA, 23231-0000

[More Info](#)

Stop & Go

1600 Mechanicsville Tpke, Richmond,VA, 23223-3902

[More Info](#)

The Market Place #7

625 E Laburnum Ave, Richmond,VA, 23222-2206

[More Info](#)

Triple 7

404 Westover Hills Blvd, Richmond,VA, 23225-6345

[More Info](#)

Walgreens #03714

502 E Laburnum Ave, Richmond,VA, 23222

[More Info](#)**Walgreens #03714**

502 E Laburnum Ave, Richmond,VA, 23222

[More Info](#)**Walgreens #10106**

3520 Ellwood Ave, Richmond,VA, 23221-2723

[More Info](#)**Walgreens #3681**

1214 Westover Hills Blvd, Richmond,VA, 23225-4434

[More Info](#)**Walgreens #3853**

2924 Chamberlayne Ave, Richmond,VA, 23222-3506

[More Info](#)[Previous](#)

[Pay your bill on myverizon.com](#) at no cost using your bank account or credit, debit, ATM card.

[View Frequently Asked Questions](#) regarding Payment Locations.

Verizon ONE-BILL[®] customers can also pay their ONE-BILL[®] at any bill payment kiosk located in Verizon Wireless stores, or by accessing My Verizon from their web-enabled Verizon Wireless cell phone

Utilizing these payment locations may incur a convenience fee of up to \$1.50 for this service. No portion of this fee is paid to Verizon. Payment locations will accept a check, cash, or money order as means of Payment..

© 2018 Verizon

[About Verizon](#) | [Contact Us](#) | [Site Map](#) | [Careers](#) | [Terms and Conditions](#) | [Open Internet](#) | [Privacy Policy](#) |
[About Our Ads](#) | [Advertise With Us](#) | [Store Locator](#)