



**Keefe B. Clemons**  
General Counsel  
Northeast Region

140 West Street  
New York, NY 10007

**Testimony By:  
Keefe B. Clemons  
Verizon  
Before the Energy and Technology Committee Public Hearing  
Regarding Raised House Bill H.B. No. 5311  
March 1, 2016**

Co-Chair Doyle, Co-Chair Reed, and members of the Committee, on behalf of Verizon, I respectfully request that the Committee act favorably on this raised legislation. This measure will address a problem that we face in the marketplace that unfairly allows competitors to use the regulatory process to our detriment as we compete for business telephone customers.

This legislation would allow companies serving business customers to post their rates, charges, terms, and conditions for telephone services on a company's public website and through consumer guides, rather than requiring the company to file tariffs including that same information with a state regulatory agency.

Competitors are currently using the published tariffing process for competitive advantage since the tariff process requires regulated companies subject to tariffing obligations to signal their pricing strategies in advance of implementing it in the marketplace. This modest change would stop competitors from using the regulatory process to gain unfair advantage, while allowing companies to communicate price changes directly to their business customers, consistent with customers' expectations.

In today's marketplace, competitors sell telephone service in competition with Verizon, but unlike Verizon, some companies are not required to file tariffs. Those companies use welcome packages and customer guides to provide their customers with information regarding the services they offer, including the price of those services and the associated terms and conditions. It is those materials – provided directly to the customer – that provide needed customer information, not tariffs which few, if any, customers use.

This modest modernization of state law will benefit business consumers by allowing Verizon, to bring services to the marketplace faster, while also making service information available in a more consumer-friendly way.

Today, residential and business customers have many choices for their telephone service, and industry competitors are actively packaging and promoting new services to attract customers. Consumers are used to looking to the Internet to learn more about a company's services, prices, and packages. This legislation will improve the state's regulatory environment and help recalibrate it to better reflect current consumer expectations and behavior.

Streamlining this process will also encourage product and pricing innovation, enhance transparency and availability of service information to consumers, and put competitors on a more equal footing (instead of one company filing and giving competitors advance notice on its marketing plans).

If this measure is enacted, Verizon, and similarly-situated providers of telephone service would have the option to no longer file tariffs for competitive products and services used by business consumers.

Lawmakers should consider the following facts when considering this proposal:

- In today's market, business customers rely primarily on the service descriptions, rates, terms, and conditions that are provided directly to them when they purchase

services, or on service information that is available on service providers' websites. Approving this legislation will update Connecticut's telecommunications market practices to reflect this market reality and encourage all providers in the state to deliver important service information to their business customers in the manner customers expect.

- Tariffs were eliminated for interstate telecommunications services more than fifteen years ago – no consumers were harmed – or even noticed.

In 2006, the General Assembly passed PA 06-144, which reduced state oversight over the prices Verizon charges for most competitive services. This legislation takes the next logical step by reducing unnecessary regulatory burdens on competitive services.

Verizon urges lawmakers to consider favorably reporting the attached proposal and implement this modest but much-needed reform.

I thank you again for considering this issue and welcome any comments or questions.

Thank you.

\*\*\*\*\*