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Critics call on PSC to reject Verizon proposal

Company looking to increase rates, offer credits for service outages

by Sean R. Sedam | Staff Writer

BALTIMORE — Consumer advocates Friday urged the Maryland Public Service Commission to reject a proposal from Verizon that would allow the company to charge higher rates and would include bill credits to customers who experience long service outages.

"In this proposal, if accepted by the PSC, Verizon will raise its monthly rates substantially over the next five years, and the PSC will have no regulatory authority to stop these rate increases," said Rion Dennis, outreach director for the Progressive Maryland Education fund.

Under the proposal, monthly rates could increase each year by up to \$1 for basic residential service and by up to \$2 for basic business service, and charges for land lines would remain uniform across Maryland for three years.

Verizon has proposed \$1 million in bill credits to customers who have experienced extended service outages or who have had service technicians miss appointments. The company also is proposing up to \$6 million in additional credits for future failures to meet service standards.

Progressive Maryland argues that Verizon is shifting manpower and resources toward its multibillion-dollar expansion of its fiber-optic network at the expense of its existing telephone customers.

The latest proposal follows the commission rejecting in April a Verizon plan that commissioners said did not meet the service standards required by law. That plan would have offered \$1 million for each quarter the company failed to meet service standards.

"We are confident this settlement will benefit Maryland consumers and address concerns the commission outlined in its April 6 order," Sandra Arnette, a Verizon spokeswoman, said in an e-mail. "A significant difference in this settlement is that it ties basic local residential price increases to service quality. So, Verizon is subject to meeting certain service quality standards. This settlement contains numerous consumer benefits — many focused on service quality and affordability."

The company would spend \$100,000 to promote its "Lifeline Services" for low-income telephone customers and would establish a program to allow disabled and elderly customers to register for priority repair service if they are without cell phones or another means to access 911 emergency services.

Progressive Maryland is calling for the PSC to require Verizon to meet service quality requirements for a year before the commission negotiates any rate increase.

The PSC also should require Verizon to offer bill credits that are more in line with the rate increases the company is proposing, Dennis said. And the company should be required to conduct a comprehensive statewide study of its aging copper wire network in order to assess maintenance requirements, he said.

"I can tell you from firsthand experience from being a technician that our customers deserve better service than they've gotten," said Mark Balsamo, president of Communications Workers of America Local 2100, which represents Verizon workers.

Recently announced layoffs of 1,078 workers in Maryland, Virginia and Washington, D.C., including 670 technicians, could further erode service, Balsamo said at Friday's news conference.