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February 2, 2016

VIA ECFS AND E-MAIL

Christopher Killion, Division Chief
Federal Communications Commission
Enforcement Bureau
Market Disputes Resolution Division
445 12th Street SW
Washington, DC 20554

Re: *Verizon Florida LLC v. Florida Power and Light Company*,
Docket No. 15-73, File No. EB-15-MD-002, Related to Docket No. 14-216,
File No. EB-14-MD-003

Dear Mr. Killion:

The Commission's prompt assistance in setting a "just and reasonable" pole rental rate is necessary. On Friday, January 29th, Verizon received the attached correspondence from FPL threatening to disrupt service to Verizon's customers by taking steps in sixty days to remove Verizon's facilities from FPL's poles. FPL also notified Frontier Communications of its service disruption plan in yet another transparent attempt to use the pending transaction as leverage in this ongoing rate dispute.

FPL bases its threat on a "default" provision in the parties' Joint Use Agreement, claiming that the state court's summary judgment order (currently on appeal) proves default. Of course, it does not. FPL convinced the state court to bifurcate this dispute and send the case-determinative aspects to the Commission—specifically, whether the invoiced rates are "just and reasonable" under federal law and in compliance with "all applicable provisions of law" as the agreement expressly requires. Verizon cannot be in default until this proceeding is resolved.

FPL has nonetheless made clear that it will continue to use the absence of a Commission decision (one that it repeatedly seeks to delay) as a tool to try to intimidate and obtain relief to which it is not entitled. Only the Commission can issue the decision that will put an end to FPL's effort to avoid the reforms of the *Pole Attachment Order*. Verizon, therefore, asks the Commission to resolve this matter as soon as possible and provide the guidance that the industry needs to avoid similarly contentious disputes going forward.

Best regards,

Christopher S. Huther

cc: Lisa Griffin, Deputy Division Chief
Rosemary McEnery, Deputy Division Chief
Lia Royle, Commission Counsel
Charles A. Zdebski, Esquire
Maria Jose Moncada, Esquire
Alvin B. Davis, Esquire

Attachment

Manny Miranda
Senior Vice President, Power Delivery
Florida Power & Light Company
15430 Endeavor Drive
Jupiter , FL 33478
(561) 904-3407
E-mail: manny.miranda@fpl.com

January 29, 2016

VIA UPS OVERNIGHT DELIVERY

Verizon Florida LLC
David Woods
Director, Network Engineering & Operations
7701 E. Telecom Parkway
MC FLTDSA3
Temple Terrace, FL 33637
(813) 978-2187

Re: FPL/Verizon Joint Use
NOTICE OF DEFAULT

Dear Mr. Woods:

Since July 2011, Verizon Florida, LLC ("Verizon) has been paying Florida Power & Light Company ("FPL") approximately 25% of the attachment rate agreed to in the contract between the parties. Neither FPL nor the FCC has authorized this arbitrary reduction. If Verizon wishes to continue to enjoy the benefits of access to FPL's poles, Verizon must comply with the contract.

On February 28, 2012, FPL sent Verizon Invoice No. 1800014134 in the amount of $2,097,293.70, due March 29, 2012, for the 2011 joint use adjustment payment. To date, Verizon has paid only $1,179,307.43. The principle balance of $917,986.27 remains outstanding, and interest has been accruing on that amount for three years and ten months.

On April 15, 2013, FPL sent Verizon Invoice No. 1800037552 in the amount of $2,319,985.02, due May 15, 2013 for the 2012 joint use adjustment payment. To date, Verizon has paid only $638,413.55. The principle balance of $1,681,571.47 remains outstanding, and interest has been accruing on that amount for more than two years and eight months.

As you likely are aware, on October 15, 2015, a Miami-Dade County Circuit Court judge entered a judgment in FPL's favor for breach of contract related to Invoice Nos. 1800014134 and 1800037552 in the principal amount of $2,599,557.74, plus prejudgment interest in the sum of $322,329.32. Post-judgment interest continues to accrue.

On May 1, 2014, FPL sent Verizon Invoice No. 1800060751 in the amount of $2,249,066.47, due May 31, 2014, for the 2013 joint use adjustment payment. To date, Verizon

has paid only $532,627.28. The principle balance of $1,716,439.19 remains outstanding, and interest has been accruing on that amount for about one year and eight months.

On March 9, 2015, FPL sent Verizon Invoice No. 1800080568 in the amount of $2,295,398.88, due April 8, 2015, for the 2014 joint use adjustment payment. To date, Verizon has paid only $532,369.85. The principle balance of $1,763,029.03 remains outstanding, and almost ten months' interest has accrued on that amount.

This letter serves as FPL's written notice of default pursuant to Section 12.3 of the joint use agreement. Absent payment in full from Verizon within 60 days, FPL will invoke the terms of Section 12.3 and terminate Verizon's rights to attach to any of FPL's poles.

Sincerely,

Manny Miranda

cc:

Verizon Florida LLC (via overnight delivery)
Attention: Verizon Legal Department, Network Facilities
2400 North Glenville Drive
Richardson, Texas 75082

Larry R. Johnson (via email)
Engr III Spec-Ntwk Eng&Ops
Contract & Joint Use Administration
larry.r1.johnson@verizon.com

Manny Miranda
Senior Vice President, Power Delivery
Florida Power & Light Company
15430 Endeavor Drive
Jupiter , FL 33478
(561) 904-3407
E-mail: manny.miranda@fpl.com

January 29, 2016

VIA U.S. Mail and Electronic Mail

Michael C. Flynn
Area President
Frontier Communications
1500 MacCorkle Ave SE
Charleston, WV 25396
michael.flynn@ftr.com

Re: Joint Pole Use between FPL / Verizon in Florida

Dear Mr. Flynn:

By way of introduction, I am Florida Power & Light Company's ("FPL") Senior Vice President of Distribution Operations. FPL understands, based on Frontier Communications ("Frontier") public filings with the Federal Communications Commission ("FCC"), that Frontier will be purchasing Verizon Florida's land line business, and that the transaction is expected to close before the end of March 2016. Once this transaction is completed, our companies will be sharing a substantial number of utility poles on the West Coast of Florida. In light of this anticipated new relationship, I thought it made sense to reach out to you to advise you of the current status of our relationship with Verizon, relating to these shared poles.

As you are likely aware, FPL and Verizon have been sharing poles in overlapping territories in Florida pursuant to a longstanding Joint Use Agreement. Verizon is currently attached to approximately 67,000 of FPL's poles and FPL is attached to approximately 7,000 of Verizon's poles. While the Joint Use Agreement served both of our companies well for many years, in 2011 Verizon unilaterally decided to ignore the agreed upon payment schedule under the Agreement and paid instead what Verizon in its own discretion concluded was reasonable. This action created a dispute which resulted in litigation that remains ongoing both in state court and at the FCC. The state court recently granted FPL's motion for summary judgment in the breach of contract claim. Verizon chose to appeal that decision.

You are also likely aware that Verizon terminated the parties' Joint Use Agreement effective June 2012, and, despite FPL's good faith efforts, we have been unable to reach a new agreement with Verizon. Consequently, neither Verizon, nor any successor and/or assign has any legal right to make any new attachments to any FPL pole, nor use any additional FPL poles for potential future expansion plans. This may prove to be particularly problematic as FPL continues to replace existing poles in the course of strengthening its infrastracture to provide better reliability and storm resiliency.

Unfortunately, Verizon's continued refusal to honor the terms of the Joint Use Agreement has forced us to serve them with the attached Notice of Default. We hope that Verizon will cure its Default timely. As I am sure Frontier will understand, FPL will not be in a position to discuss a potential new Joint Use Agreement until such time as it has been made whole. However, at that time, and should Frontier close on this transaction, FPL stands ready and willing to work with Frontier in crafting an agreement that will beneficially serve both our companies and be the cornerstone of a long and positive relationship.

Should you wish to discuss any of this with me, feel free to call me directly at (561) 904-3407.

Sincerely,

Manny Miranda

Copies to:
Kevin Saville, Esq. (kevin.saville@ftr.com)
David Woods, Verizon Florida LLC (via UPS delivery)
Larry R. Johnson (larry.r1.johnson@verizon.com)
Verizon Legal Department, Network Facilities (via UPS delivery)