

Petition To Deny

Application of Verizon New York Inc.,

to discontinue basic

telecommunications services

(10-230)

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Introduction

It is ironic and unfortunate that Verizon New York Inc., has filed an application with the Federal Communications Commission requesting permission to discontinue basic telecommunications services (10-230) that threatens to derail universal service for basic phone and/or broadband access (with the decision to abandon quality DSL) while Verizon Communications & Vodafone Group P.L.C subsidiary Verizon Wireless is striking up anti competitive marketing agreements (JOE) with the cable cartel to resell each other's services and buy AWS wireless spectrum from them. (12-4).

A great deal of scrutiny has been given to Verizon's deals with big cable in fact NY mayors who sent a letter to the FCC and the U.S. Attorney General Eric Holder criticizing Verizon Communications for abandoning quality DSL in the State of New York, refusing to expand FIOS services any further than already planned mentioned in their letter they wanted the U.S. Department of Justice using our nation's antitrust laws and the FCC based on its authority to investigate how the Verizon Wireless

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SpectrumCo and Cox transactions affects their decision to abandon quality DSL and stop further FIOS deployment.

I have even participated in the Verizon Wireless, SpectrumCo and Cox proceeding regarding the SpectrumCo LLC and Cox Communications Advanced Wireless Services (AWS) spectrum licenses proceeding (docket number 12-4) and made clear my concerns this could severely harm competition in the market for fixed (wire-line) high speed Internet services i.e. "broadband" that in the past decade has already become an anti competitive duopoly due to the failed deregulatory policies of the past decade that were supposed to maintain competition.

Factual Basis

In fact it is highly likely that these collusive joint operating entity agreements will result in the wire-line broadband market now becoming a cable monopoly. If consumers thought the existing duopoly market of 1 big cable company and 1 big phone company per local market was bad just wait till it becomes a cable monopoly with only 1 choice for traditional land-line phone and/or Internet service remaining in each local market.

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Now Verizon Communications Inc., is not the only phone company in existence and the removal of Verizon Communications would not automatically eliminate competition completely in local markets where they have no existing presence but in markets where its Verizon Communications or a cable company there will only be a cable company remaining.

In Yuma AZ there are 2 choices of service providers 1 phone company CenturyLink (used to be Qwest) and Time Warner Cable (used to be Adelphia) its' like this in almost all markets. If you get rid of the phone company in that market unless another phone company takes its place there is no choice. If CenturyLink was the only provider then everyone has to use CenturyLink whether they want to or not.

Similarly if Verizon Communications was the only provider and they had no competition from cable they could raise prices and not have to worry about consumers leaving to cheaper services (there is no competition to keep prices down) and they can neglect network investments that improve and expand the network to their hearts content and consumers could not leave for a better service provider

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with better pricing, better customer service, better call quality or better quality of service overall for phone and/or broadband services.

In fact I will argue that not only should these applications by Verizon New York Inc., and joint applications of SpectrumCo LLC, Cox Communications and Verizon Wireless for an AWS license transfer to Verizon Wireless be denied but a wireless divestiture should be mandated to breakup Verizon Wireless from Verizon Communications Inc.

In the past I have explained in previous proceedings even those regarding AT&T Inc., and AT&T Mobility that a wireless divestiture of that company is also needed to help protect, foster and promote competition citing the concern these big telecom companies are ignoring their wire-line services and trying to focus on the wireless side.

In fact there are some instances where both companies are trying to push basic phone and/or basic DSL customers into either bundled FIOS or U-Verse services or to accept capped wireless plans.

Now AT&T Inc., responding to user complaints about its tiered data plans says they want to offer toll free data plans where if a user goes

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over their cap content providers will be able to pay for the user. If this doesn't wreak of a Net Neutrality violation I don't know what does.

Usage Based Billing is a scam and these data caps are discriminatory ways to shut out new experimenters and market disruptors from the wire-line and wireless market.

For example, Comcast's discriminatory data cap is applied unequally as Netflix CEO Reed Hastings has pointed out. If you watch one episode of Saturday Night Live (SNL) on your TV using the streaming Comcast XFINITY TV app for Microsoft's Xbox 360 video game console it won't count against their data cap but if you watch the same episode being streamed over Netflix's Watch Now service which doesn't require a user to have a pay TV subscription to watch TV online or even Hulu (which didn't require pay TV but is now moving in that direction) it does count against Comcast's data cap which should be a Net Neutrality violation.

On the matter of Verizon New York Inc.'s application to discontinue basic telecommunications services in the State of New York I thought it was a good idea above to cite AT&T also because they have filed similar petitions seeking permission to shutoff SBC Communications & Bell

South's basic telecommunications services in the last year or so. AT&T NY Mayors Letter to FCC DOJ <http://www.speedmatters.org/page/-/NY%20Mayors%20Letter%20Final.pdf> Verizon's Deal With Big Cable Spells Demise of Telecom Act <http://www.savetheinternet.com/blog/12/01/05/verizons-deal-big-cable-spells-demise-telecom-act>

Inc., (the newly re-merged Ma Bell forged by putting AT&T Corp., SBC Communications and Bell South back together) through their wireless subsidiary AT&T Mobility which previously merged with Cingular Wireless even tried to buy T-Mobile USA which would have created a Ma Cell.

Fortunately the AT&T T-Mobile merger was denied by the Justice Department and the FCC as should the Verizon Wireless SpectrumCo and Cox JOE agreements and spectrum license transfer. Increasingly AT&T Inc., and Verizon Communications since it merged with MCI are looking like Twin Bells that are trying to reduce competition also in the wireless market leaving only Twin Cells AT&T Mobility(i.e. Ma Cell) and Verizon Wireless (i.e. Big Red) as the only competitors.

In addition to this Petition To Deny explaining my opposition to the Verizon New York Inc. application to discontinue basic telecommunications services I will file a submission for the record with supporting evidence against this application and the Verizon Wireless SpectrumCo and Cox transactions. The fact of the matter is the Verizon Wireless SpectrumCo LLC and Cox Communications applications for

spectrum license transfer are part of an integrated transaction and one NY Mayors Letter to FCC DOJ <http://www.speedmatters.org/page/-/NY%20Mayors%20Letter%20Final.pdf> Verizon's Deal With Big Cable Spells Demise of Telecom Act <http://www.savetheinternet.com/blog/12/01/05/verizons-deal-big-cable-spells-demise-telecom-act>

Comcast official even has mentioned that there “was never any talk of having the marketing agreements without the spectrum transfer” and for that reason that application before the FCC should also be denied.

As noted in the Introduction Verizon New York Inc., has filed for permission to discontinue basic telecommunications services in the State of New York. NY mayors though have mailed a letter to FCC Chairman Julius Genachowski and U.S. Attorney General Eric Holder requesting the FCC and DOJ investigate Verizon’s abandoning quality DSL and avoiding fulfilling the communications needs of the urban poor. Simultaneously Verizon Communications Inc., and AT&T Inc., are lobbying federal and state officials for further deregulation that threatens universal service and to reduce competition even further.

Not only are the JOE agreements between Verizon Wireless and the cable cartel (“Comcast”, “Time Warner Cable”, “Bright House Networks” and “Cox Communications”) collusive but they go against the stated intent of Congress in the 1996 Telecommunications Act which was to foster, promote and enforce competition between the phone companies and cable companies.

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If these deals are approved and Verizon New York Inc.'s application is approved what's to stop Verizon Communications from filing an application to discontinue basic telecommunications services for all customers in the United States or other companies to follow suit like AT&T Inc., which already has its own applications seeking approval to discontinue certain basic telecommunications services in some market(s) and from striking their own JOE agreements with other cable companies to get out of the wire-line market themselves. This sets a dangerous precedent that should not be entertained nor honored.

Conclusion

Therefore I request the FCC deny this application by Verizon New York Inc., to discontinue basic telecommunications services in the State of New York and to work with state regulators to ensure these telecommunications and cable companies are properly regulated and the JOE agreements at issue raised in this petition are properly vetted, scrutinized and denied.

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