



PREPARED TESTIMONY OF VERIZON VICE PRESIDENT JAMES GERACE
FCC FIELD HEARING ON PREPARATIONS AND IMPACT OF HURRICANE SANDY
FEBRUARY 5, 2013

Good afternoon. My name is Jim Gerace. I am Verizon's Vice President for State Government Affairs for New York, New Jersey and Connecticut. On behalf of Verizon, thank you for inviting us here today to discuss our efforts to prepare our networks and our customers for the impact of Hurricane Sandy, and the success of our response to the storm.

Storm Preparation

Verizon provides wireline and wireless telephone service to residential and business customers throughout the region, as well as FiOS television and internet services to over 535 municipalities in New Jersey and New York. Verizon recognized early on that Sandy had the potential to be highly destructive to many parts of the areas in which we serve. Accordingly, we began internal preparations on October 25th, followed by communications with our customers on October 26th. We posted consumer tips on company websites, issued news releases to media outlets in the threatened region, and engaged customers through social media and emails with key links for troubleshooting and reporting service problems in advance of the storm's landfall on October 29.

Verizon crisis management teams along the East Coast closely monitored the storm's path and completed required preparations, such as confirming fuel supplies for backup generators; adding critical inventory such as spare smartphone batteries and car chargers to meet customer demand; moving vehicles and other portable equipment from low-lying areas; and stocking critical supplies in centralized locations for rapid deployment to hard-hit areas. Verizon equipment – including portable cell sites that can replace a damaged cell tower and mobile emergency generators – was staged in and around the mid-Atlantic and Northeast regions.

Verizon has engineered its networks with backup power to provide redundant, uninterrupted service in critical facilities such as switching offices, most cell sites, and cloud and data centers in the event that commercial power fails. One issue that proved critical was our ability to draw on fuel resources from across the company to keep our generators fueled when local fuel distribution was severely limited.

In addition, Verizon maintains a disaster recovery fleet of emergency vehicles – including a 51-foot mobile command center, two 53-foot mobile emergency calling centers, and satellite trailers – ready for deployment to areas hit by storms of this nature. Verizon also has the industry's first environmental hazmat response team, the Major Emergency Response Incident Team (MERIT), which remained on standby to deploy immediately, if needed, to manage hazardous materials emergencies involving or threatening Verizon's critical communications facilities or infrastructure, or other company assets.

Impact of Sandy and its Aftermath: Wireline and Wireless

The effects of Sandy were substantial, both to our infrastructure and to the many Verizon customers and employees who live in the affected areas. In spite of the many challenges presented by the storm's

devastation, Verizon has made great progress in restoring customers to full service, rebuilding our damaged facilities and, in many cases, upgrading our network to newer technologies that will be less susceptible to the effects of similar storms in the future.

Wireline: Crews comprising over 1,700 managers and technicians were loaned from upstate New York, New England, Virginia, Maryland, Delaware, Pennsylvania, the District of Columbia and Florida to assist our local teams with repair and restoration efforts throughout New Jersey and downstate New York. While there was a significant loss of commercial power, the primary service affecting issues were from damage to our wired infrastructure due to water and wind damage. Our teams repaired or replaced over 7,200 telephone poles, many cable transmission lines and customer drop wires, repaired switches and other electronics damaged by flood waters as well as began restoring the damaged copper infrastructure with fiber wherever possible.

In the two states, Verizon designated project managers to take ownership of our wire centers in the hardest-hit areas and manage local relationships. These project managers interfaced with mayors and police/fire chiefs to establish a single point of contact for all of their Verizon needs.

Verizon's network was challenged by the effects of Sandy. In some areas, copper cabling was rendered inoperable as the result of the unprecedented flooding, the mixture of salt water and diesel fuel in some buildings, and the loss of air pressurization systems that help protect copper cables from water infiltration. In addition, wet copper could prove to be difficult to repair in the short term and can, more importantly, be prone to additional failure in the future. In affected areas where our fiber optic network has been deployed, the lines held up against much of the flood damage because fiber is more resilient in the face of rain, water and humidity.

As part of this modernization, we have completed a major milestone in Lower Manhattan by placing more than 5,000 miles of fiber strands, which will enable us to dramatically upgrade the communications capabilities of residential and commercial buildings in this key area of the City. Once the restoration is complete, the area will have the nation's most advanced communications infrastructure, providing the highest level of service and reliability. While the company has been installing the robust fiber infrastructure, it is also working with landlords as they ready their properties for the return of tenants. The steps these building owners are taking, in conjunction with the new fiber infrastructure from Verizon, will provide additional protection for the communications infrastructure in lower Manhattan in the event of future large-scale weather events.

During the restoration process, Verizon has provided alternate communications solutions to thousands of small businesses and residential customers in the area and elsewhere around the metro area to get them back in business and their communications flowing. We have provided call-forwarding capabilities to thousands of consumers and small businesses so that calls are automatically forwarded to a working wireline or wireless numbers. In addition, we have also provided a number of customers with Verizon Wireless Home Phone Connect and Verizon 4G LTE Jetpack™ Mobile Hotspot devices.

Verizon continues to operate two command centers in New York City, where its operations and engineering teams can swiftly design and reconfigure new fiber systems and routes, and then work with building managers to identify space within their structure to locate the new equipment, electronics and cabling. We have also had an open and continuous dialogue with manufacturers and vendors that supply the industry with electronics necessary to terminate sophisticated fiber networks and the wide range of services they deliver. The great need for equipment prompted by Hurricane Sandy restoration

efforts continues to put pressure on supply chains of specialized equipment, which in turn affects restoration efforts.

Wireless: The Verizon Wireless network performed well immediately following the aftermath of Hurricane Sandy, due in large part to the billions of dollars of investments made to our wireless network, emergency preparedness, and ongoing network commitment year round. In the face of commercial power outages during Hurricane Sandy, resiliency resources such as backup generators at critical points and our diligent Network team working round-the-clock on restoration efforts resulted in the Network operating at pre-Sandy levels in the Northeast by Nov 8th.

In addition to network commitment, we provided support to impacted communities with nearly 20 emergency mobile assets deployed to 25 of the hardest hit areas across the Northeast, empowering residents and first responders to charge their equipment, make free phone calls, and obtain accessories. Throughout Sandy the public relied on our wireless technology to connect with loved ones, arrange for FEMA assistance, and begin the recovery and rebuilding process.

Customer Assistance and Community Outreach

During and after the storm, Verizon customers were able to call 1-800-VERIZON, or go online to www.verizon.com/outage to report service issues and receive updates on the status of their repairs. Call-center hours and employee work shifts were extended to better meet customers' needs, and a company state of emergency was issued on November 3rd, enabling us to deploy essential employees on 12-hour shifts. Where possible, Verizon Wireless stores remained open during and immediately following the storm to provide device charging and free domestic phone calls to all local residents – regardless of carrier. We also increased device and accessory inventories at our stores to meet customer needs.

As our restoration efforts continue, we remain committed to providing the best service to our customers in the most efficient manner possible and coordinating with local officials to expedite their recovery. I look forward to addressing any questions you may have. Thank you.