

Appendix A.

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Tariff filing by Verizon New York Inc. to)
introduce language under which Verizon)
could discontinue its current wireline service)
offerings in a specified area and instead offer)
wireless service as its sole offering in the area.)

Case 13-C-0197

COMMENTS OF THE COMMUNICATIONS WORKERS OF AMERICA

I. Introduction

The Communications Workers of America (CWA), representing more than 68,000 union members in New York State, including more than 14,000 at Verizon, hereby submits comments in response to the Public Service Commission’s (“Commission” or “PSC”) Notice Inviting Comments, issued May 21, 2013. CWA has an interest in this proceeding as the representative of Verizon NY frontline employees who build, maintain, and service the Company’s telecommunications networks. CWA members are also consumers of Verizon NY’s telecommunications and information services at their residences throughout the state. CWA members have unique knowledge of the role that Verizon New York’s inadequate investment in

facilities maintenance contributes to the deterioration of the Company's wired (copper) infrastructure.

CWA submitted comments to the Commission on May 16, 2013, opposing Verizon's proposed tariff and the Company's attempt to put that tariff into effect on short notice. CWA commends the Commission, in its Order issued May 16, 2013,¹ from preventing the tariff, in its original form, from becoming effective on May 18, 2013 and for providing an opportunity for additional comments. However, while the PSC suspended the tariff language in Section 3 (b) that would have permitted Verizon to offer wireless service as its sole service in an area when it "demonstrates that the use of wireless to serve specified customers, or groups of customers, is otherwise reasonable in light of the geographic location, the availability of competitive facilities to serve those customers or groups of customers, or in light of other criteria acceptable to the Commission," the Commission did not suspend the first clause of that section, which provides that Verizon make wireless its sole offering "if the company: (a) certifies and demonstrates that a substantial portion of its facilities in the area is destroyed, rendered unusable, or beyond reasonable repair." While, at present, Verizon has only asked to rely on this new tariff language to serve customers in the western portion of Fire Island, the tariff – both those sections that the Commission has permitted to become effective and the language that it suspended – could potentially apply to significant portions of New York State.

In a roundtable discussion convened by CWA on May 31, 2013, CWA-represented frontline Verizon outside plant technicians shared their experiences concerning the implementation of the Company's policies on outside plant repairs and the role that intentional

¹ Case 13-C-0197 - Tariff filing by Verizon New York Inc. to introduce use of wireless technology as an alternative to repairing damaged facilities, Order Conditionally Approving Tariff Amendments in Part, Revising in Part, and Directing Further Comments, Issued and Effective May 16, 2013 (hereinafter, "Order").

neglect and inadequate maintenance played in the failure of copper plant during, and in the many months following, Superstorm Sandy. They also related their experiences and concerns with how this neglected maintenance relates to Verizon New York's Voice Link deployment plans. These first-hand experiences are referenced throughout these comments.

II. Voice Link is a significant step backwards for customers who have traditional copper wired telecommunications service and a complete abdication of Verizon NY's promises to modernize its telecommunications network

A. Voice Link lacks reliability

Voice Link service will be far less reliable than a properly maintained wired network. During Superstorm Sandy, even with storm damage to some wires, the great majority of telephone service provided over Verizon's traditional copper network remained unaffected. This is because the transmission of Verizon's signal to customers' homes and businesses and the operation of traditional wired telephone handsets at those locations are unaffected by the loss of AC power.

At the same time, as soon as a cable customer lost power, they simultaneously lost phone service. Similarly, even if their cell tower remained unaffected, wireless customers had only a short time until their devices ran out of power; even before then, the spike in usage on wireless networks caused many calls to be blocked or dropped. Voice Link would fare no better during a power outage.

However, even under normal conditions, Voice Link will be less reliable than wired facilities (given reasonable maintenance). Customers do not have their own dedicated connection to the public switched telephone network (PSTN), and coverage at individual locations varies considerably. Calls are more likely to be blocked or dropped due to poor signal strength or at

times of high usage. It is CWA's understanding, moreover, that Voice Link is provided over older 1X wireless technology, which Verizon itself now considers largely obsolete.²

These concerns are reflected in the reported experience of customers who have used Voice Link; as Suffolk County legislator Thomas Barraga has already informed the Commission, "Residents and business owners who had Voice Link installed after Sandy say the connection is unstable and unreliable."³ Fire Island residents' public comments show that VoiceLink service is not as reliable as wireline service. For example, R. Sackoff wrote "...the sound is like talking on a cell phone – it is not clear and it breaks up. My landline service was clear and intelligible... I am a senior and although I have a cell phone, I prefer not to be without a landline. Cell service on FI can be spotty, at best."⁴ CWA notes that complaints about Voice Link from customers on Fire Island continue to pour in to the Commission – and customers are only just beginning to have the opportunity to use the service under peak summer conditions.

B. Voice Link poses significant risks for public safety

In seeking to justify the use of Voice Link as the sole voice service option for customers on the western portion of Fire Island, Verizon has assured the Commission that it will restore wired service "on an as-needed basis" to firehouses, police stations, and other municipal buildings. Sampedro Revised Certification at ¶ 6. But Voice Link poses threats to the safety of customers in their homes and businesses that won't be addressed by these limited restorations of

² On an investors' call last year, Verizon CEO Lowell McAdams referred to "1X" as being an early version of wireless technology – superseded by 2G, 3G and now, in an "exponential leap in capability," by LTE service. See, Remarks of Lowell McAdam, Chairman and CEO, Verizon Communications, Inc., at Guggenheim Securities Symposium, June 21, 2012, accessed at http://www.phillipdampier.com/documents/vz-guggen_6_21_12.pdf, June 12, 2013.

³ Letter from Thomas F. Barraga, 11th District, Suffolk County Legislature, May 16, 2013.

⁴ Public Comment of R. Sackoff, Fire Island resident, 6/19/13 accessed at <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={F1DB8EBD-574D-4AE4-8338-1BF4D7157D94}>

wired service. The Fire Chief of Fair Harbor on Fire Island has written to express his concerns. He states, “There is no doubt that the replacement of permanent land lines with a wireless service will compromise [communication of emergencies] and thus the safety and lives of our residents.”

As discussed above, Voice Link will leave customers without reliable service during power outages, adverse weather conditions, and whenever Verizon Wireless experiences heavy calling. In addition, regardless of conditions, Voice Link does not support various applications that customers rely on for their health and safety, including home health monitoring systems,⁵ such as LifeAlert. Just recently, despite facing the prospect of a prolonged period with no telephone service, the elderly residents of an 81-unit building in lower Manhattan soundly rejected Verizon’s proposal to serve them with Voice Link after learning that the service did not support LifeAlert – a service being used by residents. Similarly, Voice Link is also incompatible with various fire and security alarm systems that consumers rely on to keep them secure and safe in their homes.

Voice Link also poses a direct threat to public safety with respect to E-911 services. When the Voice Link unit is installed at the customer’s premises, the customer’s location is programmed into the unit. So long as the unit remains at that particular location, the information is presumably valid and will direct first responders to the correct address in the event of an emergency. However, the unit itself is completely portable and requires no special expertise to relocate. Once customers become aware of this capability, it is predictable that Voice Link units will be relocated from one apartment to another without notification to Verizon. Then, when

⁵ Verizon New York, Inc., “Voice Link Terms of Service,” filed May 20, 2013, “in compliance with the Commission’s May 16, 2013 “Order Conditionally Approving Tariff Amendments in Part, Revising in Part, and Directing Further Comments” (hereinafter, First Revised Service Agreement), at 2. On June 10, 2013, Verizon filed another revision of this document – making it somewhat of a moving target. As far as CWA can determine, the information referenced in these comments is approximately the same in both versions.

someone calls 911 from the customer's new home, first responders will still be dispatched to the former location, associated with the Voice Link unit. Verizon apparently acknowledges this as a potential problem, as it includes a warning against relocating the device on page 6 of its Revised Service Agreement. However, if a customer does not read the Agreement thoroughly or simply disregards the warning, there is a serious risk to the health and safety of persons who rely on that relocated device.

C. With Voice Link service, customers lose access to a wide range of data communications option that are central to modern commercial activity and economic development opportunities

In addition to the fact that Voice Link does not work with monitoring systems that protect consumers' health and safety, it also does not support data applications that consumers rely upon in their daily lives, like fax transmissions for getting documents or images to a doctor, schools, or potential employer on an expedited basis. Residential customers are not the only ones likely to be adversely affected by Verizon's abandonment of wired telephone service. Businesses – and particularly the small-to-medium sized business that are the engines of the economy in many parts of the state – will lose critical capabilities. Notably, Voice Link does not support point-of-sale credit card devices that work over ordinary wired dial-up access lines. It is unrealistic to expect any business in today's economy to revert to "cash-only" operation. Alternative data services may not even be available in likely Voice Link locations, but even if they are, they are likely to be less reliable and secure, and certainly more costly.

Moreover, Verizon has disclosed that Voice Link:

- will require customers who presently live in areas that support 7-digit dialing to convert to 10-digit dialing;

- does not support calls to specialized exchanges (500, 700, 900, 950, 976);
- does not permit the customer to reach an operator by dialing “0” or to place other operator-assisted calls (00, 01, or 0+);
- does not support “dial-around” calls (e.g., 10-10-XXXX);
- does not allow the Customer to accept collect calls or third number billed calls;
- does not permit customers to make international calls (unless they have previously arranged with Verizon for an International Calling Plan); and
- does not support DVRs.⁶

Each of these limitations diminishes the utility of the customer’s service. They interfere with the customer’s ability to access competitor services, isolate family members who depend on collect or international calling, and create additional barriers for those with disabilities.

D. Customers forced to obtain broadband from Verizon Wireless for Internet access services will pay much higher prices (for anything other than minimal usage) relative to customers with access to wired broadband services

Voice Link does not support Digital Subscriber Line (DSL) service. Thus, years after statewide broadband deployment became a priority for New York State, and with the Internet having become central to the daily lives of most households and businesses in the 21st century, Verizon proposes to replace customers’ wired service with service that does not support any form of broadband Internet access service. This is a huge step backwards.

Some may argue that Verizon New York’s customers have “competitive” alternatives. In many cases, this will not be the case. Many of the remote and rural locations where Verizon would likely propose to substitute Voice Link do not have a cable company presence. Without DSL, customers would be forced to look to wireless broadband providers. Even where available, this is a far more expensive option. Unlike DSL, wireless broadband service, such as Verizon Wireless’s 4G LTE HomeFusion service, is not available on an unmetered basis (i.e., prices are

⁶ Revised Service Agreement, at 2.

subject to data caps and all usage over cap results in an additional charge). Customers forced to take HomeFusion service find that even when they actively suppress their usage, the cost of this service is easily two-to-three times what they would pay for DSL.⁷ In other words, they get less and pay more. If a customer uses 4G LTE for wireless broadband, they are subject to data caps, making their broadband service far more expensive than DSL.

Even where cable companies provide Internet access, Verizon's withdrawal of DSL will harm consumers. For years, providers have touted the benefits of competition for consumers. If the ILEC-cable duopoly is reduced by one formerly ubiquitous provider, cable becomes a local monopoly for wireline Internet access service. CWA technicians have observed that in areas where Verizon does not offer FiOS (but where Verizon customers may get DSL), cable company rates are often significantly higher than in areas where FiOS is offered. If DSL is no longer available to customers in a particular area, there is every reason to expect that cable companies will respond by raising their prices even higher.

Rural customers are not the only ones who may lose the opportunity for wired broadband competition. In New York City, Verizon's FiOS network may not be wired in apartment buildings that are already being served by cable. If Verizon allows the copper cables that provide both voice and DSL service to such buildings to fail, customers will lose their only alternative to the cable company's service. Moreover, during the years in which Verizon is still completing its FiOS buildout in New York City, customers who are in non-FiOS areas will have no competitive alternative to cable.

⁷ In a recent case in Pennsylvania, a Verizon customer moved to a new residence and requested DSL, a service he had used at his former home. After a prolonged wait, the customer was informed that Verizon was not going to deploy wired broadband Internet access service (either FiOS or DSL) in his new area, but that he could subscribe to a Verizon Wireless broadband Internet access service designed for in-home (non-mobile) use. His detailed account comparing this service (disfavorably) to DSL is contained in an affidavit filed with the Pennsylvania Public Utility Commission. See, Affidavit of David K. Ebersole, Jr., September 7, 2013, In re Petition of David K. Ebersole, Jr. and the Office of Consumer Advocate for a Declaratory Ruling, P-2012-2323362.

III. The criteria Verizon New York proposes in its Voice Link tariff would give it the incentive to accelerate the deterioration of its copper facilities, through neglected maintenance, and would result over time in highly unequal service offerings for customers in different parts of the state.

A. Verizon has different stories for different audiences.

In the Public Policy blog on its website, Verizon discusses Voice Link deployment exclusively as a response to emergency conditions and the need to restore service on Fire Island; it dismisses broader concerns as alarmist.⁸ Yet Verizon plainly does have broader plans for Voice Link deployment, as its proposed tariff makes clear.

The tariff Verizon filed with the Commission to authorize substitution of Voice Link for its traditional wired service makes clear that the Company does not consider Voice Link merely as a response for restoring service on an emergency basis to areas affected by unusual natural disasters, such as Superstorm Sandy. However, because the stated criteria are so broad and vague, it is less clear where and under what conditions Verizon actually anticipates making this voice-only, wireless service its sole basic service offering.

CWA members were among the first to hear of Verizon's Voice Link plans. Under terms of the CWA/Verizon collective bargaining agreement, Verizon must notify the union six months in advance of an employment-impacting technological change. In a "Technological Change Notice" dated November 30, 2012, Verizon's Director of Labor Relations wrote to union leaders, stating:

Commencing in June 2013, the Consumer and Business Mass Markets organization plans to offer a device(s) utilizing wireless technology to Verizon New York Inc. (the "Company") voice-only copper network residential customers who have experienced multiple outside plant repair problems, are located in an area with a high incidence of outside plant repair problems or where there is

⁸ <http://publicpolicy.verizon.com/blog/entry/the-fire-island-voice-link-solution>, accessed June 12, 2013.

major storm damage to outside plant facilities (such as with flooding), or are served by manufacturer-distributed outside plant equipment that lacks adequate repair parts to ensure timely repairs and reliable service. This option may also be offered to new customers who are at increased risk of service problems, are served by manufacturer-discontinued outside plant equipment, are in locations that lack existing network infrastructure or where there is major storm damage to outside plant facilities.⁹

The tariff, by contrast, proposes the following criteria:

The Telephone Company may offer service using wireless as its sole service offering in an area if the company: (a) certifies and demonstrates that a substantial portion of its facilities in the area is destroyed, rendered unusable, or beyond reasonable repair; or (b) demonstrates that the use of wireless to serve specified customers, or groups of customers, is otherwise reasonable in light of the geographic location, the availability of competitive facilities to serve those customers or groups of customers, or in light of other criteria acceptable to the Commission.¹⁰

One significant discrepancy between these two versions is whether Voice Link is considered a customer “option” or a service that Verizon will offer as its sole service in an area. Another difference is that the Technological Change Notice states that the Company intends to promote the use of Voice Link to avoid fixing “high incidence” plant repair problems, whereas the tariff language points to more acute situations where facilities are “destroyed, rendered unusable, or beyond reasonable repair.” Additionally, unlike the Technological Change Notice, the tariff language Verizon has proposed would open up the possibility of Voice Link deployment for a host of additional (and not very well specified) reasons (i.e., when it is “otherwise reasonable in light of the geographic location, the availability of competitive facilities to serve those customers or groups of customers, or in light of other criteria acceptable to the Commission”).

And, finally, this is what Verizon CEO has said when he’s talking to investors:

⁹Letter from Guy R. Sorrentino, Director, Labor Relations, to Gladys Finnigan, Downstate Area Directory, District 1, re: “Technological Change Notice,” November 30, 2012.

¹⁰As noted earlier, the Commission has suspended the language in clause (b) only.

The vision that I have is we are going into the copper plant areas and every place we have FiOS, we are going to kill the copper. We are going to just take it out of service and we are going to move those services onto FiOS. We have got parallel networks in way too many places now, so that is a pot of gold in my view. And then in other areas that are more rural and more sparsely populated, we have got LTE built that will handle all of those services and so we are going to cut the copper off there. We are going to do it over wireless.¹¹

Of course, Voice Link isn't LTE and doesn't support any of the broadband capabilities that LTE supports.

The Commission needs to get the real story on Verizon New York's plans for Voice Link and to take an leadership role in setting the ground rules for any future expansion of the service as Verizon NY's sole service offering.

B. The Commission should require Verizon to provide detailed information to justify any instance in which it proposes to abandon wireline facilities claimed to be “beyond reasonable repair.”

Under the proposed tariff, Verizon would be permitted to offer Voice Link service “in an area” if it “certifies and demonstrates that a substantial portion of its facilities in the area is destroyed, rendered unusable, or beyond reasonable repair.” Whether the conditions on Fire Island meet this standard is something that the Commission is presently investigating. However, it is unconscionable that Verizon be permitted to selectively abandon facilities – and the customers they serve – because of deterioration that is largely due to its own neglect.

Here, again, the Commission has the opportunity and obligation to dig deeper. What factors are contributing to the deterioration of the Company's facilities? What measures has taken Verizon to protect copper wires against further deterioration? Does Verizon take revenues

¹¹ Remarks of Lowell McAdam, Chairman and CEO, Verizon Communications, Inc., at Guggenheim Securities Symposium, June 21, 2012, accessed at http://www.phillipdampier.com/documents/vz-guggen_6_21_12.pdf, June 12, 2013.

for a given area into account in making its decisions about maintenance expenditures and the prioritization of repairs? How do these decisions comport with the state and federal policies intended to ensure that low-income and rural customers get comparable service at reasonable rates? These are just a few of the important questions that deserve to be investigated. These are questions that the PSC should be assessing, as the independent and impartial agency entrusted with safeguarding the public interest with respect to the delivery of telecommunications services.

C. The Commission should be encouraging competition, not facilitating Verizon’s withdrawal of wired service from customers based on “geography” or the presence of competitor facilities

Verizon NY proposes even broader criteria for substituting Voice Link as its sole service offering based on “geographic,” “competitive,” and “other” conditions, i.e., when the Company “demonstrates that the use of wireless to serve specified customers, or groups of customers, is otherwise reasonable in light of the geographic location, the availability of competitive facilities to serve those customers or groups of customers, or in light of other criteria acceptable to the Commission.”

With respect to these additional criteria (as with the “beyond reasonable repair” standard previously discussed), Verizon NY seems to be asking for authority to drop wired voice service for its customers on a very granular basis – down to the individual customer level. It is hard to imagine how the Commission can ensure the fair and non-discriminatory treatment of customers when Verizon proposes to define service options in this manner.

Verizon’s proposed redefinition of its basic service obligation raises many questions: How does Verizon propose to demonstrate that the use of wireless is “reasonable in light of geographic location”? For more than a century, Verizon has maintained a comprehensive wired

network throughout its local exchange footprint in New York State. What, now, provides the basis for identifying a location, on geographic criteria alone, as a “reasonable” place to offer only wireless service?

The so-called competitive basis for withdrawing wired service is even more troubling. There is no definition of “competitive facilities.” One does not know whether there would be a single other provider, whether that provider would be expected to have or to assume an obligation to serve all customers on reasonable and non-discriminatory terms, or whether the services provided over the alternative facilities are reasonable competitive substitutes for the services customers would lose by Verizon’s decision to substitute Voice Link. Would consumers confronted with the limitations of the Voice Link service abandon their Verizon service for wired cable offerings – and how would this further division of the market between a wired cable company and an ILEC focused on wireless services affect consumers’ ability to obtain affordable telecommunications services throughout the state? What happens to competitor services that depend on interconnection with and access to Verizon’s wired network (and that have a legal entitlement to those capabilities under Sections 251 and 252 of the 1996 Telecommunications Act)?

These are only a sampling of the difficult questions that the Commission – and not Verizon unilaterally – must investigate more thoroughly.

IV. Notwithstanding the extreme weather conditions that occurred during Superstorm Sandy, much of what caused Verizon New York’s copper network facilities to fail can be attributed to a conscious decision by the Company to neglect the maintenance of those facilities.

As portrayed by Verizon New York, the deterioration of its copper wired network is inevitable. This is simply not the case. Every day, Verizon makes affirmative decisions to forgo the routine maintenance and repair of cables and wires that, under conditions of neglect, eventually fail.

The damage done by Superstorm Sandy was extraordinary in some locations, but it was not all unavoidable. This is true both as to above-ground wires and those buried in underground conduit. As the Attorney General points out in his initial opposition to the Voice Link tariff, the Commission should investigate whether Verizon has taken reasonable measures to protect the integrity of its outside plant against extreme (although not unanticipated) weather conditions.¹² He notes, “Perhaps such storm hardening of Verizon’s wireline service would provide more reliable and better public service than Voice Link.”¹³

First-hand accounts from customers on Fire Island attest to the fact that Verizon’s neglect of its facilities (and of its customers’ needs) contributed to the damage that it now conveniently blames on the storm. Susan Papa, a customer from Ocean View, writes:

I must draw your attention to the numerous complaints, documented communications and expressed frustrations that existed LONG BEFORE Hurricane Sandy. Verizon had literally abandoned holes they dug for “repair” of land lines. We continually asked for these unsafe, pretty large holes to be closed or made safe. No action was taken. It seems to me that the plan to abandon copper wire was in place long before Hurricane Sandy. And I conclude that these abandoned holes and half-repairs exacerbated the damage to their copper wire infrastructure; they were trying to sneak out of town, and then were blessed with a storm of enormous proportions that seemingly excused them from acting responsibly.¹⁴

¹² Attorney General Letter, p. 3.

¹³ Id.

¹⁴ Letter from Susan L. Papa, Ocean Beach, NY, posted to electronic case file June 10, 2013.

Based on their experience, CWA's technicians throughout the state have confirmed that this pattern of neglect is not unique to Fire Island. Verizon has not shown any interest in fortifying its outside plant against weather-related damage. To the contrary, Verizon has adopted policies that affirmatively contribute to the deterioration of its facilities. Verizon has cut back significantly on preventive maintenance; moreover, it delays responding to repair calls from customers served over its copper wires and actively encourages employees to avoid fixing damaged facilities that they encounter in the course of other work.

Damage to wire in underground conduits is also largely attributable to Verizon's poor maintenance practices. During Superstorm Sandy, various cables in lower Manhattan failed when the conduits where they were located became flooded and water entered cables. A standard industry practice for protecting cables from water damage is to use air pressure to keep water from entering the surrounding conduit. However, according to a technician with 22 years' experience, Verizon has made severe cuts in the work force responsible for monitoring and repairing problems with air pressurization. As a result, storm-related damage to wires continues to increase.

On Fire Island, prior to Sandy, Verizon had failed properly to maintain or replace copper cable as it deteriorated or failed over time. Instead, Verizon sent technicians to clear immediate troubles without replacing bad cable. Technicians would move customers onto new pairs knowing that these pairs were likely to fail because the network cable was badly deteriorated. Verizon would not give technicians the time or the resources properly to maintain or replace the cables on Fire Island. Verizon did not properly maintain cross-boxes or terminals above ground either. The company would not replace faulty cross-boxes or terminals. Instead, similar to cable, technicians would move customers to other pairs within the failing cross-box or terminal.

Air pressure to prevent water intrusion into cables was also improperly maintained on Fire Island. In addition to providing poor quality day-to-day service, these shoddy practices increased the networks' vulnerability to storm damage. By failing to replace cable casings, Verizon allowed greater water intrusion into the cables when Sandy hit Fire Island.

The Commission may recall that CWA, along with the Attorney General and other consumer advocates, presented extensive evidence concerning the need to strengthen review of service quality throughout the state.¹⁵ CWA's evidence showed that – for more than a decade – Verizon had stopped investing in its copper network, and that it was actively suppressing repair and maintenance efforts. The continued deterioration of VZ-NY's facilities is further evidence that the highly aggregated data under the SQIP is not working to protect consumers.

V. The Commission needs to ensure that VZ-NY does not use Voice Link to redline insular, rural, high-cost, and low-income communities with respect to access to service reliability or access to advanced telecommunications services.

The Commission needs to take an affirmative role in ensuring that all consumers in New York have access to reliable and reasonably priced voice and data telecommunications services, including advanced services. Section 254(b) of the Telecommunications Act of 1996 states several core Universal Service Principles, including,

(3) Consumers in all regions of the Nation, including low-income consumers and those in rural, insular, and high cost areas, should have access to telecommunications and information services, including interexchange services and advanced telecommunications and information services, that are reasonably comparable to those services provided in urban areas and that are available at

¹⁵ CWA was an active participant in the proceedings in Case 10-C-0202 that were triggered by the Attorney General's April 25, 2012 petition requesting modification of Verizon New York Inc.'s Service Quality Improvement Plan (SQIP).

rates that are reasonably comparable to rates charged for similar services in urban areas.

States, in partnership with the FCC, play a direct role in furthering these universal service objectives.

Verizon's approach to providing service in New York clearly violates universal service and Carrier of Last Resort principles. While choosing to deploy FiOS in only selective areas of the state, Verizon has allowed plant for its copper wired network to deteriorate. When customers not served by FiOS develop service problems due to neglect of their facilities, Verizon proposes to give them a voice-only fixed wireless service that does not support advanced telecommunications and information services. Although the base price for Voice Link is pegged to Verizon's voice telecommunications services, the fact that it is of lower overall reliability and doesn't support data applications or DSL means that the rate isn't for a reasonably comparable service. If the customer has to pay extra – and most likely a lot more – for a stand-alone service that replaces these functionalities, then the rates are no longer reasonably comparable.

The Commission has also raised an important question about whether Verizon's substitution of Voice Link is compatible with its obligation as an "Eligible Telecommunications Carrier" ("ETC"). ETC status is conferred upon telephone companies, on a state-by-state basis, in order to certify their eligibility to receive federal funds in support of universal service. Verizon is an ETC throughout its service territory in New York State. As the Commission states in its Order, the proposed substitution of Voice Link for Verizon's wired service "introduces market exit issues, which should be reviewed further. For example, Verizon, as an eligible telecommunication carrier (ETC), must make a showing that there is another ETC to take its

place.”¹⁶ There are many locations in New York – including Fire Island – where Verizon is, in fact, the sole ETC.

Even if the PSC believes that modifications to the way Verizon fulfills its public service obligation are warranted by changes in competition or technology, it needs to lead the way in developing framework that will permit this to occur without harm to the public interest – such that all customers retain their ability to get fully capable telecommunications service at reasonable and affordable rates, and that there is no unequal or discriminatory treatment of any customers or customer groups. Developing such a framework will necessarily require detail study and input from all affected interests.

VI. Verizon New York has marketed Voice Link to customers beyond Fire Island, without obtaining prior approval from the Commission

While Verizon New York has gone through the motions of invoking Commission review of its proposal to expand Voice Link to areas beyond Fire Island, in reality it is forging ahead with efforts to deploy the service in other locations as well. CWA’s June 26, 2013 letter¹⁷ and the Attorney General’s June 26, 2013 emergency petition¹⁸ alerted the Commission that Verizon is installing VoiceLink in violation of the Commission’s order. Verizon has performed a few dozen installations in New York City, including attempting to force an 81 unit senior residence on Manhattan’s Lower East Side (referenced above) onto wireless service.

¹⁶ Order at 10.

¹⁷ CWA Letter to the Honorable Jeffrey Cohen, Acting Secretary, Case 13-C-0197, June 26, 2013 (“CWA June 26 Letter”).

¹⁸ Emergency Petition of New York Attorney General Eric T. Schneiderman for an Order Preventing Verizon from Illegally Installing Voice Link Service in Violation of Its Tariff and the Commission’s May 16, 2013 Order, Case 13-C-0197, June 26, 2013 (“Attorney General Petition”).

Verizon's disregard for the Commission's authority appears to be furthest advanced in the Hudson Valley. On June 13, 2013, Verizon delivered 500 VoiceLink devices to the Monticello garage. Verizon began training technicians to install VoiceLink on Friday, June 21, 2013. Verizon informed technicians that the large population of summer residents in the area will be transferred to VoiceLink if they call for service. CWA expects that if the pattern of customer service calls from previous years remains the same this year, several hundred customers in the Monticello area will be moved to VoiceLink service this summer. Verizon began VoiceLink installations in that area on June 21, 2013. Two customers were serviced that day. Both refused VoiceLink installations. It appears that at least one of these two customers repeatedly attempted to get Verizon to install landline service, and was told to accept VoiceLink service. As the Attorney General's petition notes, Verizon is not warning customers adequately about VoiceLink's many service limitations. Instead, the company appears to be pressuring customers to accept VoiceLink.¹⁹

In New York City, Verizon technicians were repeatedly turned away by customers who want landline service and attempted to get Verizon to install or repair their copper access line. In addition to dozens of installations before the Commission's order in this proceeding, in mid-May, just days before the Commission's order, Verizon New York sent technicians to a building at 308 E. 8th St. in lower Manhattan, in response to a service outage at that location. The work order called for the technician to install Voice Link. It turned out that the building contained 81 units for elderly residents, and residents in depended on their LifeAlert (medical alert) service – a service that does not work over Voice Link. The residents soundly rejected the Voice Link installation. The management of the residence had repeatedly approached Verizon for normal

¹⁹ *Id.* See Affidavit of Joshua Michaeli attached to Attorney General Petition dated June 25, 2013.

repair service, but Verizon kept delaying and telling the residents that they would need to accept VoiceLink or have no service at all./ Eventually, after the building management kept complaining, Verizon agreed to restore wireline service to the building.

The Company's suggestion that it is offering Voice Link on a purely voluntary basis is disingenuous if customers' only alternative is to remain without service. Verizon is also failing properly to warn customers about the many VoiceLink service limitations. The Commission should direct Verizon New York to make necessary repairs in the Company's wired infrastructure to maintain service in accordance with its existing service obligations.

Verizon's disregard for obtaining the required regulatory authorizations to abandon its existing facilities has been further demonstrated by the fact that it neglected to file the required Section 214 application with the FCC until June 7, 2013,²⁰ more than a month after its tariff filing and many months after it conceived of its plan to abandon its wires on Fire Island and parts of New Jersey. Section 214 exists to ensure that the FCC conducts a requires a carrier to seek authorization from the FCC *before* it discontinue[s], reduce[s], or impair[s] service to a community," so that the FCC can first determine that "neither the present nor future public convenience and necessity will be adversely affected thereby." Verizon's after-the-fact filing flouts this core requirement in federal law.

VII. Conclusion

Voice Link is by all accounts – including Verizon's – an inferior service and one that does not support voice and data functionalities that are available to customers throughout the

²⁰ Section 214 Application of Verizon New York Inc. and Verizon New Jersey Inc., filed June 7, 2013.

state over Verizon's wired network. The wireless access provided with Voice Link is also less reliable than properly maintained copper connections.

The deterioration of outside plant that Verizon relies on as justification for substituting VL is a problem largely of its own making, as it has long neglected and continues to neglect the maintenance and repair of its network facilities. This is true of Fire Island, but it is also true in areas throughout New York State where Verizon's own action (or inaction) would provide a convenient excuse for it to abandon its wired service. Over time, the selective abandonment of wired service would result in highly unequal service offerings for customers in different parts of the state. Thus, the Commission should reconsider and reject the revision of Verizon's service obligation, in Verizon's Tariff PSC No. 1, that would permit the Company to substitute Voice Link as its sole service when "a substantial portion of its facilities in the area is destroyed, rendered unusable, or beyond reasonable repair." Rather than encourage VZ to continue the neglect of its infrastructure, the Commission should insist that VZ maintain and repair these facilities.

The Commission should also reject outright Verizon's broader criteria for expansion of Voice Link based on "geographic location, the availability of competitive facilities ... [or] other criteria." This "standard" is nothing more than a thinly veiled dismantling of Verizon's public service obligations. If the PSC believes that modifications to the way Verizon fulfills its public service obligation are warranted by changes in competition or technology, it needs to lead the way in developing framework that will permit this to occur without harm to the public interest – protecting service quality and reliability, the availability to voice, data, and broadband capabilities, and the right of customers throughout the state to receive such services at just,

reasonable, and nondiscriminatory rates. Developing such a framework will necessarily require detailed study and input from all affected interests.

CWA reiterates the concerns raised in our June 26, 2013 letter informing the Commission of Verizon's disregard for the Commission's Order limiting VoiceLink installations to the western portion of Fire Island for this summer. As we noted in that letter, the Commission should take immediate action to enforce the limitations placed on Verizon Voice Link deployment; require Verizon to maintain the integrity of its wired facilities; correct its ongoing anti-consumer practices and end its arrogant disregard for the Commission's directive.²¹

Finally, CWA restates its long-standing support for expansion of Verizon's FiOS network to more communities in New York state. Unlike VoiceLink, FiOS represents an investment in the future, providing the high-speed bandwidth needed for economic development, improvements in education, health care, and public safety, and driving competition leading to lower prices and innovative services. Commission policies should be designed to incent Verizon to make additional investments in FiOS expansion, rather allowing Verizon to abandon its copper plant and substitute wireless services like VoiceLink that represent backwards steps in communications services

²¹ CWA June 16 Letter.