

# ***FCC Review of Verizon's Section 214 Application and Its Implications for the IP Transition***



## **NASUCA Annual Meeting**

Orlando, Florida  
November 19, 2013

Susan M. Baldwin

# Moving beyond Fire Island



- Today's local residential market
- Recap – timelines for Fire and Barrier Islands
- Consumer advocacy matters
- Parallel tracks – regulatory arena and the field
- Consequences for universal service



# What are households buying today?



Approximately:

- 40% cord-cutters (only 11% if over 65)
- 33% ILEC switched access (45 million)
- 24% VoIP ( 5 million ILEC; 27 million non-ILEC)
- 3 % CLEC switched access (3.4 million)
- ??? Fixed Wireless (Verizon Voice Link and AT&T Mobile Premises Services)

# Fire Island Timeline



October 29, 2012 - Superstorm Sandy hits  
NY and NJ

*May 3, 2013*

Verizon files Voice Link  
tariff with the NYPSC,  
which the PSC suspends for  
investigation

*September 10, 2013*

Verizon withdraws Voice  
Link plans on Fire Island,  
NY in face of widespread  
opposition by stakeholders

*Early 2014*

Verizon to complete fiber  
network on Fire Island to  
replace storm-damaged  
copper network

# Barrier Islands Timeline



October 29, 2012 - Superstorm Sandy hits  
NY and NJ

*July 29, 2013*

**AARP asks New Jersey  
Board to investigate  
Voice Link**

*AARP request is  
pending*

*Outcome*

**?**

# Section 214 Timeline



## Quick review

***June 7, 2013***

**Verizon files Section 214  
application with FCC – Fire Island,  
NY and Barrier Islands, NJ**

***September 27, 2013***

**Verizon amends its Section 214  
application to include Barrier  
Islands only**

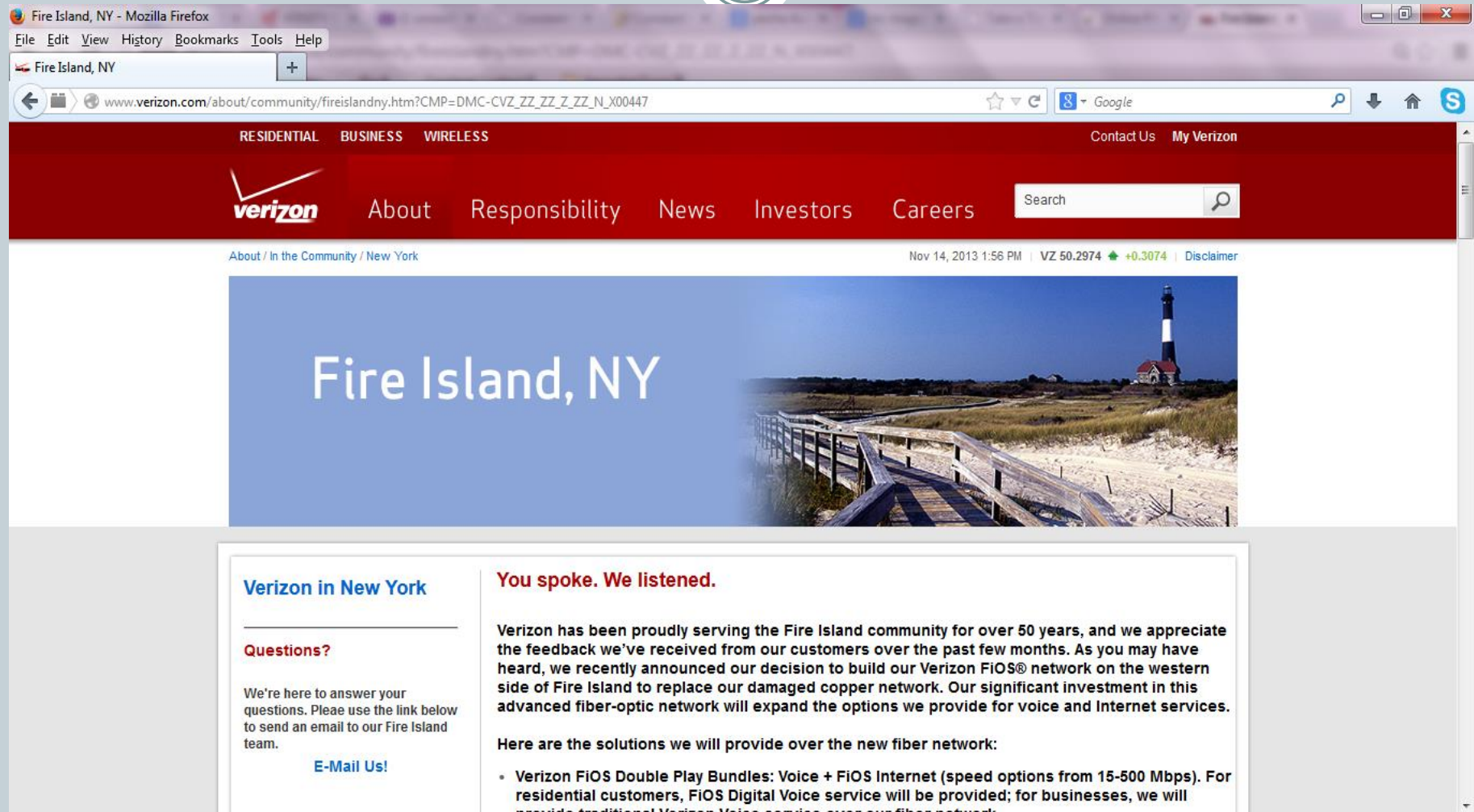
# VERIZON VOICE LINK®TERMS OF SERVICE - excerpts



- The Service is not compatible with fax machines, DVR services, credit card machines, medical alert or other monitoring services or some High Speed or DSL Internet services.
- The Device may not be compatible with certain monitored home security systems. Please check with your home security system provider to confirm the compatibility requirements of your home security system.
- **Potential Limitations.** You agree that any 911 calls made using the Service may be subject to network congestion and/or reduced routing or processing speed. If you have Call Forwarding, or other features programmed and in use at the time you dial a 911 call and your call is interrupted, the emergency dispatcher may not be able to call you back at the phone from which you dialed the call.

# Consumer advocacy matters

## “You Spoke. We Listened”



The screenshot shows a Mozilla Firefox browser window displaying the Verizon website for Fire Island, NY. The address bar shows the URL: [www.verizon.com/about/community/fireislandny.htm?CMP=DMC-CVZ\\_ZZ\\_ZZ\\_Z\\_Z\\_N\\_X00447](http://www.verizon.com/about/community/fireislandny.htm?CMP=DMC-CVZ_ZZ_ZZ_Z_Z_N_X00447). The page features a red header with the Verizon logo and navigation links: RESIDENTIAL, BUSINESS, WIRELESS, About, Responsibility, News, Investors, Careers, Contact Us, and My Verizon. A search bar is also present. Below the header, the page title is "Fire Island, NY" and the date is "Nov 14, 2013 1:56 PM". The main content area has a large image of a lighthouse on Fire Island. Below the image, the text reads: "You spoke. We listened. Verizon has been proudly serving the Fire Island community for over 50 years, and we appreciate the feedback we've received from our customers over the past few months. As you may have heard, we recently announced our decision to build our Verizon FiOS® network on the western side of Fire Island to replace our damaged copper network. Our significant investment in this advanced fiber-optic network will expand the options we provide for voice and Internet services. Here are the solutions we will provide over the new fiber network: • Verizon FiOS Double Play Bundles: Voice + FiOS Internet (speed options from 15-500 Mbps). For residential customers, FiOS Digital Voice service will be provided; for businesses, we will provide traditional Verizon Voice service over our fiber network."

Fire Island, NY

Nov 14, 2013 1:56 PM | VZ 50.2974 +0.3074 | Disclaimer

**Verizon in New York**

**Questions?**

We're here to answer your questions. Please use the link below to send an email to our Fire Island team.

[E-Mail Us!](#)

**You spoke. We listened.**

Verizon has been proudly serving the Fire Island community for over 50 years, and we appreciate the feedback we've received from our customers over the past few months. As you may have heard, we recently announced our decision to build our Verizon FiOS® network on the western side of Fire Island to replace our damaged copper network. Our significant investment in this advanced fiber-optic network will expand the options we provide for voice and Internet services.

Here are the solutions we will provide over the new fiber network:

- Verizon FiOS Double Play Bundles: Voice + FiOS Internet (speed options from 15-500 Mbps). For residential customers, FiOS Digital Voice service will be provided; for businesses, we will provide traditional Verizon Voice service over our fiber network.



# But will carriers listen everywhere?

Verizon Backing Off Plans for Wireless Home Phones - NYTimes.com - Mozilla Firefox

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Verizon Backing Off Plans for Wireless H... +

www.nytimes.com/2013/09/13/nyregion/verizon-abandons-plans-for-wireless-home-phones-in-parts-of-new-york.html?\_r=0

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## Verizon Backing Off Plans for Wireless Home Phones

By PATRICK MCGEEHAN  
Published: September 12, 2013

After facing numerous complaints from residents of Fire Island, Verizon has backed away from its plan to use a wireless device to replace traditional phone service in areas where it would rather not repair its old copper wires.

After Hurricane Sandy, Verizon asked state regulators in New York for permission to substitute Voice Link, a

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# How about in rural areas, and in less well-connected communities?

A Fiber-Optic Network For Fire Island - Mozilla Firefox

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A Fiber-Optic Network For Fire Island

newscenter.verizon.com/residential/news-articles/2013/09-10-a-fiber-optic-network-for-fire-island

## News Center - Verizon Residential & Small Business

News Home Borderless Lifestyle TV, Internet & Phone Restore & Enhance Small Business Local

September 10, 2013 - News Article

### A Fiber-Optic Network For Fire Island

Author: Tom Maguire is the Senior Vice President of National Operations Support for Verizon

Restore & Enhance



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In nearly 34 years in the communications industry, I've never seen a community have its telecommunication infrastructure wiped away like the western side of Fire Island.

This quiet little summer community off the shores of Long Island was ravaged by Superstorm Sandy beyond anything I've experienced before. It's no secret that last year's storm either destroyed or literally washed away our longtime copper landline network on the western side of the island.

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# NJ: Does the presence of cable and wireless make a difference?

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## Featured letter: Verizon: Voice Link right choice for some customers

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Letters To The Editor

The AARP New Jersey's criticisms Aug. 16 about Verizon's Voice Link service ("Verizon's new Voice Link jeopardizes lives") reveals the organization's fundamental misunderstanding about what the service is and how the company is using it.

Voice Link is an innovative solution for a specific segment of Verizon's voice-only customers that delivers reliable voice service

On a New Jersey Islet, Twilight of the Landline - NYTimes.com - Mozilla Firefox

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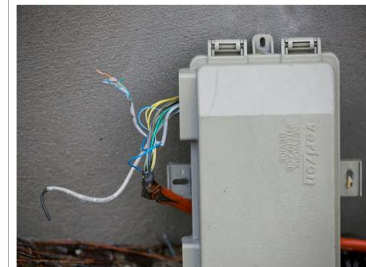
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## On a New Jersey Islet, Twilight of the Landline



In Mantoloking, N.J., Verizon cut the wires for its landline service.

By EDWARD WYATT  
Published: October 14, 2013

MANTOLOKING, N.J. — Hurricane Sandy

Todd Heister/The New York Times

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# **NJ: Does the presence of cable and wireless make a difference?**

- No.
- Customers may not want a triple-play or double-play.
- Cable and wireless services are not regulated – no price protection, no service quality protection.
- Broadband over wireless is price-prohibitive.
- Loss of a competitor.

# Fixed Wireless – parallel tracks

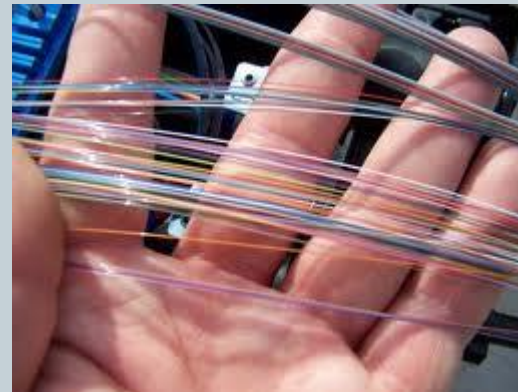


One track: proposed deployment in well-to-do coastal communities is investigated in NY PSC's, FCC's and possibly NJ BPU's open, evidence-based process – opportunity for stakeholders to air concerns and to learn

Another track: out of the limelight – some copper networks being neglected, which jeopardizes public safety, and consumers may be being offered “choice” of fixed wireless or lengthy wait for dial tone repair

# Questions to consider

- Fixed wireless is a window into a future of tough decisions relating to carriers' abandonment of copper networks
- Who gets to choose which communities and consumers get what technology when and why?
  - Industry?
  - Legislators?
  - State regulators?
  - FCC?





# Let's not abandon universal service



- Reasonably comparable, affordable services in urban and rural communities
- Reasonably comparable, affordable services in “high profit” and “low profit” areas

# Let's not lower customer expectations



## Reasonable expectations for a connection to the public network

- Reliable, affordable
- “Substitute” services should not raise consumer costs
- Compatible with Life Alert
- Support affordable broadband access to the Internet
- Support credit card transactions
- Compatible with security systems
- Reliable during power outages



# Fixed Wireless – for now, a transition backward



## Fixed wireless – a Hobson's choice

If some communities and consumers transition forward to fiber and others transition backward to fixed wireless where does that leave our commitment to universal service?

# For more information:



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