
COMPTEL Comments on Section 63.71 Application of Verizon New York Inc. and Verizon New Jersey Inc.

COMPTEL, through undersigned counsel, hereby submits its comments on the Section 63.71 applications Verizon New York and Verizon New Jersey (“Verizon”) to (1) discontinue offering certain copper-based special access services that are “incompatible with fiber” in lower Manhattan and portions of New Jersey where copper facilities were destroyed by Superstorm Sandy and replaced with fiber;¹ and (2) discontinue interstate wireline telecommunications services, including interstate interexchange and exchange access service, in the western and central regions of Fire Island, New York and portions of the of the barrier island communities of Bay Head, Brick and Mantoloking, New Jersey where “copper facilities were destroyed or rendered inoperable by Superstorm Sandy.”² COMPTEL urges the Commission to notify


Verizon without delay that its applications will not be automatically granted on the 60th day following release of the Public Notices of their filings.3

I. Introduction and Summary

Verizon’s applications raise issues of critical importance regarding the continuing availability to competitors of last mile access to customers when copper facilities are abandoned and replaced with fiber after a natural disaster and the continuing availability of reliable telephone service to end users when landline networks are abandoned and replaced with fixed wireless services after a natural disaster. The Commission must establish some parameters around the post-disaster network change process that will ensure that both competitive providers and end users that are impacted by proposed network changes are able to obtain alternative products/services that are of comparable quality and are comparably priced to the services they received prior to the disaster. In this case, the Commission must evaluate whether the public interest will be served by the removal of copper in lower Manhattan given the extremely adverse impact that such removal will have on competitors that were purchasing copper facilities from Verizon before Superstorm Sandy to serve their customers as well as the adverse impact on end users that will see a reduction in competitive alternatives. It must also determine whether it is in the public interest for Verizon to walk away from its landline network on Fire Island and relegate customers to an inferior fixed wireless service that, among other things, cannot be used to access the Internet, send or receive faxes, process credit card transactions or even be counted on to complete calls to 911 during periods of power outages and/or network congestion.

II. Lower Manhattan

According to Verizon, it has been replacing copper facilities in lower Manhattan and parts of New Jersey that were damaged by Superstorm Sandy with more advanced fiber infrastructure. The specific services that are the subject of the discontinuance application are Metallic Service, Telegraph Grade Service and Program Audio Service which were rendered inoperable on or after October 29, 2012 and cannot be provisioned over fiber.\(^4\) Thus, the services were discontinued more than six months before Verizon filed its discontinuance application. Verizon asserts that prior to the storm, it had just seven customers for the services in the affected areas, including one Verizon affiliate.\(^5\)

COMPTEL takes no position on the continuing need for the three specific services Verizon proposes to discontinue. It does, however, take issue with Verizon’s decision to replace its copper facilities with fiber in the wake of the storm without any regulatory oversight of the impact such replacement would have on the competitive providers that were using copper loops to provide DSL, Ethernet over Copper and other high speed, high capacity services to business customers that cannot be provided over the replacement fiber facilities. COMPTEL contends that the Commission must look at the bigger “copper retirement” picture when reviewing this discontinuance application in light of the fact that Verizon’s post-storm network changes will seriously curtail competitive providers’ last mile access to customers served or capable of being served prior to the storm.

In a Public Notice of Network Change Under Rule 51.329 dated April 25, 2013, Verizon represented that all “copper outside plant facilities (feeder, distribution, and loops) associated

\(^4\) Verizon Application in WC Docket No. 13-149 at 1-2.

\(^5\) Id. at 1-2.
with the Verizon wire center located at 104 Broad Street, New York, New York” were damaged by Superstorm Sandy and are no longer available to provide service. Verizon also represented that the copper network facilities associated with 5 buildings served by Verizon’s wire center located at 140 West Street, New York, New York were damaged and are no longer available to provide service. In addition, Verizon noted that “certain unbundled network elements are no longer available for these locations.” In an April 25, 2013 Industry letter to CLECs and Resellers, Verizon stated that “CLECs eligible to order UNEs that wish to obtain [] unbundled access to a 64 Kbps transmission path capable of voice grade service . . . to a location where a copper loop has been replaced with a fiber loop may, on an interim basis, obtain a Wholesale Advantage line at a discounted rate equal to the rate Verizon would otherwise charge for a voice grade analog copper loop . . . as an unbundled network element” (emphasis added). In a May 10, 2013 Short Term Public Notice of Network Change Under Rule 52.333 – Amended, Verizon gave the implementation date of the network changes as on or after October 29, 2012.

At least one competitive provider has raised a serious question about whether the copper infrastructure associated with these two Verizon wire centers was actually damaged beyond repair by Superstorm Sandy and has asked the Commission to initiate an investigation.


9 See XO Communications Services, LLC’s Objection To Verizon’s Invocation of the Limited Waiver and Special Temporary Authority Granted In the Order Issued In the Matter of Petition of BellSouth Corporation for Temporary Authority And Waiver To Support Disaster
Verizon removed or decommissioned the copper network, its wholesale customers, including the competitors that had been using copper loops to provide Ethernet over Copper and other high capacity, broadband services to their own business customers, were migrated to fiber replacement services. While Verizon has offered its wholesale customers a temporary discount on the price of the fiber replacement services, the nondiscounted prices that will apply long term are significantly higher than the prices they were paying for the copper loops. Moreover, with the copper removed, competitors have lost a cost efficient means of providing their business customers high speed, high capacity, reliable broadband service using DSL or Ethernet over Copper. The only unbundled access to its fiber loops that Verizon has offered wholesale customers is a 64 Kbps transmission path capable of voice grade service.

Where the damage caused by Superstorm Sandy left copper facilities out of service and Verizon chose to retire rather than repair those facilities, competitors and their customers have been adversely affected. The result of Verizon’s fiber “upgrade” is that the only unbundled loop to which competitors have access is a 64Kbps voice grade transmission path that they cannot use to provide their customers the Ethernet over Copper and other broadband services they were providing before the storm. Competitors should have been given the opportunity to challenge Verizon’s contentions that all of its copper network associated with the wireline center located at 104 Broad Street and that associated with the five identified buildings served by the wire center located at 140 West Street were damaged beyond repair before Verizon was allowed to remove the copper.

The Commission must take control of the post-disaster network change process and determine what, if any, accommodations must be made to Verizon’s proposal to replace its

*Planning and Response* And Request For A Cease And Desist Order, filed in WC Docket No. 06-63 and RM-11358 on July 1, 2013.
copper network with fiber to ensure that the competitive carriers that are Verizon’s wholesale customers do not lose cost-based last mile access to their customers. For this reason at the very least, the Commission must not allow Verizon’s discontinuance application to be automatically approved on the 60th day following Public Notice of the filing.

III. Fire Island

COMPTEL submits that Verizon’s application to discontinue landline service on Fire Island is premature. The alternative to wireline service that Verizon is offering affected customers is the fixed wireless Voice Link service, a voice only service provided over the network of Verizon Wireless. The New York Public Service Commission has only given Verizon temporary authority to substitute Voice Link for its landline service on Fire Island pending review and analysis of public comment on Voice Link as well as documentation that a substantial portion of Verizon’s network facilities in the area was destroyed. The Commission should hold Verizon’s application in abeyance until the New York Commission makes a final decision.

COMPTEL urges the Commission to evaluate Verizon’s application to abandon its wireline plant on Fire Island very carefully in light of Verizon’s pre-existing plans to cut the copper off and force customers onto wireless service. Months before Superstorm Sandy, Verizon’s Chairman and CEO publicly announced Verizon’s intention to take copper out of service in areas of New York and New Jersey “that are more rural and sparsely populated” and to move customers onto wireless service. At a June 21, 2012 investors conference, Lowell McAdam made the following statement:

10 Verizon Application in WC Docket No. 13-150 at 2, 5.
11 Thomson Reuters Streetevents Edited Transcript, VZ-Verizon at Guggenheim Securities Symposium, June 21, 2012 available at
We have got some work to do in New York and New Jersey there that are frankly pretty backward compared to the rest of these states, so we have some work to do there. But 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. So I am going to be really shrinking the amount of copper we have out there and then I can focus the investment on that to improve the performance of it. So there is lots of opportunities there and FiOS is continuing to do very well so we can grown the top line through FiOS and we can leverage the cost efficiencies on the network side. So margins can improve.\(^12\)

It appears that the loss of service and other damage caused by Superstorm Sandy provided the perfect opportunity for Verizon to execute on this plan on Fire Island and the barrier island communities of New Jersey. For this reason and others, the Commission must determine whether it is in the public interest for carriers to implement plans conceived independently of any natural disaster to abandon rather than repair their landline infrastructure once a storm or other natural disaster does strike, especially when the only alternative offered to affected customers is a lesser grade service that does not provide the features and functionalities, including reliable access to 911 service, that customers were receiving on their landlines prior to the disaster.

**A. Verizon’s Application To Discontinue Wireline Service Is Premature**

COMPTEL submits that Verizon’s application to permanently discontinue landline telecommunications services to customers previously served over copper infrastructure that

\(^{12}\) Id. at 9.
allegedly is no longer usable is at best premature with respect to Fire Island. Verizon has proposed to substitute its fixed wireless Voice Link service for the landline service offered to Fire Island residents and businesses before the storm. While Verizon proposes to grandfather landline service to customers in areas where the copper facilities are still functional, it has stated that it will not maintain or repair such facilities and that once “the copper gives out,” customers will be moved to Voice Link.

The New York Public Service Commission approved temporary use of Voice Link on Fire Island where copper facilities allegedly were damaged beyond repair by Superstorm Sandy. The New York Commission, however, has not made a final decision on or “approved the abandonment of copper facilities or wireline service.” Rather, the New York Commission permitted a tariff amendment relating to the discontinuance of wireline service on the western portion of Fire Island to go into effect pending further review of Verizon’s certification and documentation that a substantial portion of its network facilities in the area was destroyed, rendered unusable or beyond reasonable repair; monitoring of the Voice Link service; and receipt of public comment. The Commission should not consider Verizon’s proposed discontinuance of interstate wireline service unless and until the New York Commission takes


14 Id. and Appendix A, Verizon New York’s June 7, 2013 letter to customers.


final, nonappealable action to approve Verizon’s abandonment of its copper network and wireline service on Fire Island.

The New York Commission has requested public comment on Verizon’s Voice Link technology, service plans and delivery. More than 425 comments have been filed thus far by Fire Island customers and they have been uniformly negative in describing the quality and capabilities of Verizon’s Voice Link service. The Verizon Voice Link Terms of Service themselves demonstrate that Voice Link is far inferior to the voice and DSL services that residents were receiving over their copper landlines prior to the storm. The Terms of Service state that Voice Link

1. is not compatible with fax machines;
2. is not compatible with DVR services;
3. is not compatible with credit card machines;
4. is not compatible with medical alert or other monitoring services;
5. cannot be used to access the Internet and is not compatible with High Speed or DSL Internet services;
6. may not be compatible with certain monitored home security systems;


7. does not allow the customer to make 500, 700, 900, 950, 976, calling card or dial around calls;

8. does not allow customers to reach an operator by dialing “0;”

9. does not allow customers to accept collect calls or third-number billed calls;

10. is subject to the availability of “adequate wireless coverage” throughout the customer’s premises and is not available in all locations;

11. that “any 911 calls made using the Service may be subject to network congestion and/or reduced routing or processing speed.”

12. that in the event Verizon cannot, for any reason, route a 911 call to a PSAP, the call may be routed to a Verizon operator.20

Moreover, the customer must supply commercial power to the Voice Link device mounted inside the premises, which means that a power outage will result in a loss of service once the back up battery that provides 2.5 hours of talk time and up to 36 hours of standby power dies.21

Because customers are unable to access the Internet with Voice Link, Verizon states that it will refer customers interested in Internet access to “a Verizon Wireless specialist for 4G LTE broadband services.”22 According to Verizon customers on Fire Island, the 4G LTE broadband service offered by Verizon Wireless as an alternative to DSL is significantly more expensive than Verizon’s DSL service and, unlike the DSL service, is subject to bandwidth usage caps, resulting in additional expense once the caps are reached. The bottom line is that the post-storm


21 Id. at 3.

22 Verizon Application in WC Docket No. 13-150 at 5.
wireless voice and broadband alternatives offered by Verizon are inferior to and more expensive than the wireline voice and broadband services available prior to the storm.\textsuperscript{23}

Business customers that relied on their landline service to send and receive faxes and process credit card transactions are out of luck with VoiceLink, which can do neither. In the absence of an alternative provider of landline service, Verizon has left Fire Island businesses high and dry with a replacement service that is far from an adequate substitute for the telecommunications services available prior to Superstorm Sandy.

While Verizon “cut the copper off” for residential and business customers and switched them to fixed wireless service, it does intend to “deploy and repair copper facilities to provide landline service to firehouses, police stations and other municipal buildings.”\textsuperscript{24} As Verizon has apparently recognized, it is critically important that emergency responders and other government officials have the type of secure and reliable telephone service that landline facilities can provide. But what seems to have been lost on Verizon is that it is just as critically important that consumers have the ability to successfully complete calls to emergency responders and government officials. Verizon, however, does not commit to provide reliable 911 service through its Voice Link product. As noted, Verizon’s Terms of Service plainly state that “any 911 calls made using the Service may be subject to network congestion and/or reduced routing or

\textsuperscript{23} See e.g, Comments of Joel Dictrow filed July 18, 2013 and Comments of Roros filed July 17, 2013 in NYPSC Case No. 13-C-0197.

\textsuperscript{24} Tariff filing by Verizon New York Inc. To Introduce Use of Wireless Technology as an Alternative To Repairing Damaged Facilities, NYPSC Case 13-C-0197, Order Conditionally Approving Tariff Amendments In Part, Reversing In Part and Directing Further Comments at n. 2.
processing speed.”25 Because Voice Link service is subject to the availability of “adequate wireless coverage” and electrical power, a customer’s ability to successfully complete a 911 call during power outages or during periods of heavy utilization will be jeopardized.26 And, a 911 call may be routed to a Verizon operator rather than a PSAP.

These are all factors that the New York Commission must evaluate before approving Verizon’s plan to abandon its wireline network on Fire Island. The Commission should not act on Verizon’s application until the New York Commission determines whether the public interest will be served by Verizon’s proposal to “cut the copper off.”

**B. The Commission Should Not Automatically Grant Verizon’s Application**

In the event the Commission does decide to consider Verizon’s application at this time, which it should not, it must notify Verizon that the grant will not be automatically effective on the 60th day after the Public Notice of its filing. Verizon has not made a sufficient showing that customers or other end users will be able to receive landline service or a reasonable substitute from another carrier or that the public convenience and necessity will not be adversely affected by the discontinuance of such service. See 47 C.F.R. §63.71.

The Commission has discretion in determining whether to grant Verizon authority to discontinue landline service pursuant to Section 214 of the Communications Act. Among the factors it must consider are (1) whether proper notice was given to customers; (2) the financial impact on Verizon of continuing to provide landline service; (3) the need for the service in

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25 Verizon Voice Link® Terms of Service at 5 available at

26 Of course, the successful completion of any call made to or from a Voice Link customer will be subject to the availability of adequate wireless coverage and electrical power and will be adversely affected by network congestion, and/or reduced routing or processing speed.
general; (4) the need for the particular facilities in question; (5) the existence, availability and adequacy of alternatives; and (6) increased charges for alternative services. Verizon has failed to show that any of these factors support the grant of its application.

Verizon did not give proper notice to its customers that their landline service would be discontinued. On June 7, 2013, Verizon notified customers whose telephone and DSL service had been nonfunctional since on or about October 29, 2012 that their lines would not be repaired. Section 63.63(a) of the Commission’s Rules requires carriers to file an application for emergency discontinuance of service occasioned by conditions beyond the control of the carrier within 65 days of the occurrence of the conditions that occasioned the discontinuance. Verizon waited more than seven months to file its application to discontinue wireline service. Although Verizon asked for a waiver of Section 63.63, it provided no support for such a waiver other than to state that the “extent of destruction from the storm required substantial effort to ascertain which facilities were no longer working and to identify possible solutions.”

Significantly, Verizon did not state when it became aware that certain copper lines on Fire Island were no longer working or when it identified Voice Link as a possible solution. Surely, it knew long before June 7, 2013. Indeed, Verizon’s CEO stated a year earlier that Verizon was going to cut the copper off in more sparsely populated areas and provide service over wireless instead.

The damage caused by Superstorm Sandy provided a convenient excuse to do so. Still, Verizon


28 See Verizon Application in WC Docket No. 13-150 at Appendix A.

29 Verizon Application in WC Docket No. 13-150 at n.1.

30 Id. at 1.
delayed an unreasonable amount of time before notifying customers and the Commission. A
waiver of the Commission’s emergency discontinuance rules is not warranted.

Verizon provided no evidence of the financial impact of continuing to provide landline
service to Fire Island. Instead, it merely stated that “repairing or replacing damaged facilities
would require significant work.” While it may be economically expedient for Verizon to
substitute a far less reliable fixed wireless service for its landline service, its failure to provide
evidence of the financial impact repairing or replacing the damaged copper lines would have
counsels against the grant of its application.

Nor did Verizon make a showing that landline service was no longer necessary on Fire
Island. On the contrary, its decision to deploy and repair landline service to firehouses, police
stations and other municipal buildings demonstrates that landline service continues to be
necessary. As established by the comments filed with the New York Commission and in this
docket, residents and businesses on Fire Island also continue to need landline service.

Verizon also failed to show that its fixed wireless Voice Link service is an adequate
alternative to the landline service available on Fire Island before the storm. Voice Link service
is materially different from and inferior to the landline service offered by Verizon. Among other
things, Voice Link does not provide an adequate or acceptable alternative to landline service for
customers needing to call 911, send or receive faxes, process credit card transactions, use life
alert, medical alert or other monitoring systems, or receive collect or third-number billed calls.

31 Id. at 3.

32 See e.g., Letter to Marlene Dortch from Jim Rosenthal, Community of Dunewood, Fire
Verizon states that the “[t]otal charges for Voice Link will be comparable to the total price previously paid by the customer for [landline] voice service.”\textsuperscript{33} Voice Link, however, does not have the features, functions and capabilities that were available on landline service which means that customers will be paying the same amount for a lesser service. Moreover, Verizon’s 4G LTE wireless broadband service with bandwidth caps is far more expensive than the unlimited bandwidth DSL service available over the copper lines.

The Commission asks what impact the circumstances of this case should have on the Commission’s traditional discontinuance analysis.\textsuperscript{34} The City of New York very eloquently stated what impact Superstorm Sandy should have when it argued that “companies should not be permitted to take advantage of natural or manmade disasters to impose new technologies with lesser services on an unprepared population.”\textsuperscript{35} In light of Verizon’s professed intent to cut the copper off to more sparsely populated areas of New York and New Jersey and force customers onto wireless long before the storm and its post-storm announcement that it will not maintain or repair copper lines that remain functional, the Commission must carefully consider whether the public interest will be served by a process that allows carriers to use natural disasters as an opportunity to abandon reliable and salvageable landline network facilities and offer in their stead only an inferior fixed wireless service. The Commission must also seriously weigh the public safety implications of callers being unable to reach 911 in times of emergency using

\textsuperscript{33} Verizon Application in WC Docket No. 13-150 at 4.

\textsuperscript{34} Public Notice at 5.

\textsuperscript{35} Comments of The City of New York filed in GN Docket No. 13-5 on July 8, 2013 at 3.
Voice Link due to “network congestion and/or reduced routing or processing speed” and 911 calls being routed to a Verizon operator rather than a PSAP.

The Commission should tread very carefully here lest its actions be seen as inviting the largest incumbent LECs to cite weather phenomena as an excuse for abandoning last mile landline access to customers over customer objections. Section 254(b)(3) of the Communications Act requires the Commission to base policies for the preservation and advancement of universal service on the following principle:

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

Universal service will not be preserved or advanced by allowing Verizon to abandon its landline network on Fire Island due to storm damage. The Verizon Voice Link voice only fixed wireless service is not reasonably comparable to the landline voice and DSL Internet access service that was available to consumers on Fire Island before Superstorm Sandy, much less the voice and Internet access services available to urban residents. In the face of all of the advances in technology over the last two decades, it would be truly ironic if the Commission were to condone an ILEC’s decision to abandon its landline network and relegate customers to a voice alternative that cannot even provide assurance that a 911 call will be successfully completed.

**Conclusion**

For the foregoing reasons, the Commission should notify Verizon that the grant of its discontinuance applications will not be automatically effective on the 60th day and defer action on the applications pending consideration and resolution of the broader issues raised by the post-
disaster substitution of network facilities that adversely impact competitors, their customers, and residential and business end users without adequate oversight.

Respectfully submitted,

/s/

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Mary C. Albert
COMPTEL
900 17th Street N.W., Suite 400
Washington, D.C. 20006
(202) 296-6650