



Department of Public Service

Public Service Commission

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July 27, 2015

Via U.S. Mail and Electronic Mail

Leecia Eve
Vice President State Government
Affairs - NJ, NY & CT
Verizon New York Inc.
540 Broad Street, 6th Floor
Newark, NJ 07102

- Case 08-V-0624 – Petition of Verizon New York Inc. for a Certificate of Confirmation for its Franchise with the City of New York (New York, Bronx, Queens, Kings and Richmond Counties).
- Case 08-V-0497 – Petition of Verizon New York Inc. for Limited Waivers of Certain Rules in Connection with a Proposed Cable Television Franchise Agreement with the City of New York.

Dear Ms. Eve:

At a recently conducted July 15, 2015, Public Statement Hearing held in the City of New York (City) in the matter of the Study on the State of Telecommunications in New York State in Case 14-C-0370, citizens of the City expressed concern over the pace of Verizon New York Inc.'s (Verizon) Fiber-to-the Premises (FTTP) build-out. Some of the commenters stated that they called Verizon to find out when FiOS would be available in their building and the Company could not provide a specific date or time. Others asked why some buildings had been wired for FiOS while others were still being served over the copper network.

Among the Commission's minimum requirements and terms included in the approval of Verizon's cable franchise agreement with the City, is the requirement to complete upgrading its wire centers to video serving offices (VSO) and have its FTTP network "pass all households served by [Verizon's] wire centers within the Franchise Area"¹ by no later than June 30, 2014,

¹ The Franchise Area is defined as "[T]he incorporated area (entire existing territorial limits) of the City, and such additional areas as may be annexed or acquired." Cable franchise agreement §1.22.

Letter to Verizon New York Inc.
Re: FTTP Build-out

with two exceptions. First, both obligations are subject to force majeure.² Second, both obligations are subject to “checkpoint extensions.” These are specific extensions of time for the build-out that are allowed, if Verizon fails to achieve certain penetration thresholds. On November 28, 2014 Verizon submitted a claim to the New York City Department of Information Technology and Telecommunications (DoITT) that it passed all residential households in the City with fiber optic cable.

The agreement also provides that Verizon will conduct the build-out in a way that will prevent redlining, or discrimination based on income, by requiring Verizon to build-out simultaneously to all boroughs and in a manner relatively proportionate to household income. Specifically, the median household income of all homes passed shall not be greater than the average household income of all the households in the City.

Finally, the cable franchise agreement provides for exceptions related to video network creation and service availability in certain dwellings, in the event of three circumstances: force majeure; delay caused by Verizon’s inability, after good faith efforts, to obtain access to a multiple dwelling unit; and, where FTTP or a VSO has not been deployed subject to the six-year build-out schedule or its related checkpoint extensions.

To date, Verizon has filed more than 45 petitions for Order of Entry with the Commission, over the past two years, identifying over 3,000 buildings with “access” issues of one type or another. Approximately 50% of the building access problems have been identified in Manhattan; approximately 20% each in Bronx and Queens; 13% in Brooklyn, and the remainder in Staten Island and Long Island.

Thus, in accordance with the Commission’s order granting approval of Verizon’s Certificate of Confirmation for the City³ and the provisions of Public Service Law Article 11, please provide the following information. Indicate whether Verizon has achieved its six-year build-out in the cable franchise agreement. If Verizon has not achieved that build-out, please provide all documentation that Verizon provided to the City to justify the basis for any delay.

In addition, please provide a current status of the FTTP build-out, by Borough, indicating the percentage and number of buildings served, and the remainder of buildings yet to be served. Provide a status update of the buildings identified in previous Verizon petitions for Orders of Entry, with a breakout to include:

² Defined in the cable franchise as “event or events reasonably beyond the ability of the Franchisee to anticipate and control.” Cable franchise agreement §§1.21, 5.1.1(A) and 5.2. The City granted Verizon a three month force majeure exception to September 30, 2014.

³ Case 08-V-0624, Petition of Verizon New York Inc. for a Certificate of Confirmation for its Franchise with the City of New York (New York, Bronx, Queens, Kings and Richmond Counties), Order and Certificate of Confirmation (issued July 18, 2015).

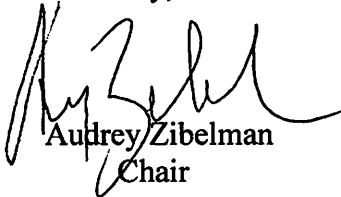
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- (1) Total number of building locations where access agreement with the building owner/manager has been reached
- (2) Total number of building locations where access agreement has not been reached
- (3) Total number of buildings where FTTP network has been deployed.
- (4) Timeframes for buildings where access agreement has been reached that is pending deployment.
- (5) Include explanations as to how Verizon is making determinations on which buildings it is deploying FTTP network throughout the Boroughs.

Finally, pursuant to 16 NYCRR §895.5, Verizon is required to provide service to any customer upon request. Please confirm that, in the City, the Company is adhering to the requirement to accept and record all requests for service and provide any data in support thereof. Please also explain whether Verizon handles complaints from potential subscribers who have a request/application for service pending.

Providing competitive choice to residents is critical to ensuring this valuable service, voice, video and broadband, is accessible and affordable to customers. As always, I appreciate your assistance in this important undertaking. If you have any questions please contact Peter McGowan, Acting Director of the Office of Telecommunications at (518) 408-1978 or Kimberly Harriman, General Counsel at 518-474-2510. Please respond within 14 days. Thank you again for your attention to this matter.

Sincerely,



Audrey Zibelman
Chair

cc: Anne Roest, Commissioner
New York City Department of Information Technology & Telecommunications
Maya Wiley, Counsel to Mayor Bill de Blasio