

140 West Street
27th Floor
New York, NY 10007-2109
(212) 321-8126
joseph.a.post@verizon.com

Joseph A. Post
Deputy General Counsel — New York



June 27, 2013

Honorable Jeffrey C. Cohen
Acting Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223-0350

Re: Case 13-C-0197

Dear Secretary Cohen:

Attached please find the Response of Verizon New York Inc. to the “Emergency Petition” of
New York Attorney General Eric. T. Schneiderman.

Respectfully submitted,

A handwritten signature in black ink that reads "Joseph A. Post". The signature is written in a cursive, slightly slanted style.

Joseph A. Post

Active Parties
Peter McGowan, Esq
Brian Ossias, Esq.
Mr. Michael Corso
Mr. Chad G. Hume

**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 a Wireless Service as its Sole
Service Offering in the Area**

Case 13-C-0197

**RESPONSE OF VERIZON NEW YORK INC. TO THE
ATTORNEY GENERAL'S "EMERGENCY PETITION"**

**Of Counsel:
KEEFE B. CLEMONS**

JOSEPH A. POST

**140 West Street – 27th Floor
New York, New York 10007-2109
(212) 321-8126
joseph.a.post@verizon.com**

Counsel for Verizon New York Inc.

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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 a Wireless Service as its Sole Service Offering in the Area

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**RESPONSE OF VERIZON NEW YORK INC. TO THE
ATTORNEY GENERAL’S “EMERGENCY PETITION”**

Despite its alarmist title and extravagant claims, the Attorney General’s “Emergency Petition” fails to provide evidence of any violation of a “Commission directive,”¹ much less of any emergency. There is thus no basis for the injunction and penalty that the Attorney General requests. This is because:

(a) The customer affidavit accompanying the Petition itself clearly establishes that Verizon New York Inc. (“Verizon”) is offering Voice Link in Monticello as an *optional* alternative to the company’s wireline voice service — as demonstrated by the fact that after the customer declined the Voice Link offer, Verizon repaired his wireline service that same day.

(b) The Commission’s May 16, 2013 Order² was concerned with situations in which Voice Link is the *sole* alternative available to customers, not ones in which — as in Monticello — it is merely an option. Indeed, the Order specifically excludes optional offerings from the limitations (including geographic ones) imposed on “Voice Link only” offerings — a fact that the Petition fails to mention, despite its detailed discussion of other provisions of the same tariff.

Offering customers the ability to subscribe to Voice Link neither violates the Commission’s orders, nor, as the Attorney General alleges, “usurps the Commission’s authority.” Indeed, optional

¹ Petition at 1.

² Case 13-C-0197, “Order Conditionally Approving Tariff Amendments in Part, Revising in Part, and Directing Further Comments” (issued and effective May 16, 2013) (the “Order”).

Voice Link offerings give customers the ability to purchase a service that provides additional functionality, a lower price, and greater resiliency in the face of the “wind or snow damage to the distribution facilities” that is referred to at page 3 of the Petition.

Particularly in view of the fact that the Petition’s and CWA’s claims are contradicted by the very customer affidavit that the Petition relies on,³ a carefully balanced investigation of the situation in Monticello, one that included contacting Verizon, would have avoided this filing. Unfortunately, however, the Petition *was* filed, despite its lack of factual or legal support. It should now be summarily dismissed.

I. THE PETITION DOES NOT ALLEGE AN EXCLUSIVE OFFERING OF VOICE LINK

The affidavit of Joshua Michaeli that accompanies the Petition establishes the following facts:

(a) On June 18, Mr. Michaeli discovered that his telephone line was out of service. (b) He called Verizon, and the company offered him the option of having Voice Link installed as an alternative to repair his wireline service. (c) He declined the offer. (d) *On the same day*, and indeed just “[a] short time later,” his wireline service was repaired, and “has been working since [that] repair.” There is nothing in the affidavit that suggests in any way that Verizon attempted to coerce the customer into accepting Voice Link, or offered Voice Link on a no-alternatives, “take-it-or-leave-it” basis. Indeed, it establishes precisely the opposite.

This is not surprising, since Mr. Michaeli’s experience is consistent with Verizon’s procedures in Monticello. Customers there who call in trouble reports, and who have been experiencing chronic repair issues, are told: “I apologize you’re experiencing a problem with your service. We have been working to improve our network and may have an alternative repair solution for you.” The customer is then asked a

³ As the Attorney General’s Office is aware, CWA has been actively opposing Verizon’s proposed Voice Link offering in the Legislature and elsewhere. A story in the June 27, 2013 COMMUNICATIONS DAILY makes it clear that CWA initiated the process that led to the Petition: “Communications Workers of America Research Economist Pete Sikora called Verizon’s expansion of Voice Link ‘this unbelievably arrogant thing that Verizon is doing.’ CWA first learned of the expansion last week, and took its concerns to the attorney general’s office, Sikora told us.”

series of questions (such as “Do you use a monitored home alarm system?”), and if he or she qualifies by answering “no” to all of the questions, the representative offers Voice Link as a service-restoration option. Customers who decline to take Voice Link are transferred to Repair (as Mr. Michaeli indicates he was). All representatives have been explicitly reminded that Voice Link is an option for the customer, not a requirement.

II. THE COMMISSION’S ORDER DOES NOT PROHIBIT VERIZON FROM OFFERING VOICE LINK ON AN OPTIONAL BASIS

The premise of the Petition is that “Verizon’s provision of Voice Link outside the confines of western Fire Island is illegal.”⁴ This is wrong. The Commission’s Order approving the tariff was concerned with the specific set of circumstances in which Verizon was offering on Fire Island, and was proposing to offer elsewhere, Voice Link as a “sole service offering” — that is, as a substitute for, not an optional alternative to, its tariffed wireline POTS service. A sole-service offering raises very different issues from an optional offering, since it arguably involves withdrawal of a pre-existing tariffed service. However, an optional offering does not entail any such “market exit” (as referred to in the Order).⁵

The tariff that the Commission approved its May 16 Session specifically distinguishes between sole-service Voice Link offerings and optional offerings. For sole-service offerings, § 1(C)(3) of the Tariff sets forth a detailed list of terms, conditions, and restrictions that the service must meet. However, the tariff goes on to state that “Section 1.(C)(3) *shall not apply* where the Telephone Company offers such an alternative service [*i.e.*, Voice Link] as an optional service.” (Emphasis supplied.) The Order expressly recognizes this distinction in the tariff, stating on page 5 that “the amendment will not apply in areas where Verizon offers the alternative wireless service as an optional service (*i.e.*, traditional wired facilities are still in place).”

⁴ Petition at 1.

⁵ See Order at 10, 11.

Nothing in the Order purports to preclude Verizon from offering Voice Link in any part of New York on an optional basis. While the Commission did state that it was “suspending Verizon’s tariff amendment regarding its use of Voice Link in other parts of the State subject to further review,” the Order makes it clear that the specific “amendment” that was being suspended was § 1(C)(3)(b) of the Tariff — which deals only with sole-service offerings.⁶ The language stating that § 1(C)(3) does not apply to optional offerings was *not* suspended, and remains part of the approved tariff.⁷

By allowing that savings clause to remain in the tariff, the Commission recognized the very different regulatory and legal framework that applies to an optional Voice Link offering.⁸ But even without that tariff language, Verizon would have the right to offer the service on an optional basis.

III. CONCLUSION

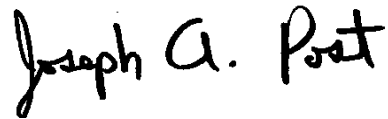
The Attorney General is seeking unwarranted remedies based on factual and legal contentions that are directly contradicted by the Petition itself, by the Commission’s Order, and by the tariff provisions that the Commission allowed to go into effect. Most notably, the Petition ignores the fact that the Monticello offering is an *optional* offering and that the customer’s copper service was quickly repaired, and it misstates the impact of the Commission’s Order on such offerings. The Petition should be summarily dismissed.

⁶ See, e.g., Order at 11 (Ordering Paragraph No. 2).

⁷ The Commission’s intentions are also made clear on page 10 of the Order, which states that the suspended language “introduces *market exit* issues, which should be reviewed further,” and on page 11, where the Commission declined to “authorize at this time the general *market exit* proposal introduced in Verizon’s tariff amendment” (Emphasis supplied.) Of course, no “market exit” issues are raised by optional offerings.

⁸ See, e.g., 47 U.S.C. § 332(c)(3); Publ. Serv. L. § 5(6)(a).

Respectfully submitted,

Handwritten signature of Joseph A. Post in black ink.

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