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Keefe B. Clemons
General Counsel – Northeast Region



February 7, 2014

Honorable Kathleen H. Burgess
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

Re: Case 10-C-0202

Dear Secretary Burgess:

The Commission's Service Quality Improvement Plan ("SQIP") for Verizon New York Inc. ("Verizon") sets a performance goal of 20% or less in each of five regions of the State for a service quality measure known as "OOS>24" — the percentage of "core" customer out-of-service troubles not cleared within 24 hours. Verizon did not achieve that goal in one of those regions — New York City — in January 2014, largely as the result of cable problems primarily caused by several water main breaks that were likely attributable to extreme weather conditions.

When it approved the SQIP, the Commission reserved its right to seek a court order requiring Verizon to pay the State an amount of up to \$100,000 per incident (*i.e.*, per area per month) when it fails to meet the OOS>24 objective. Under New York law, in such a proceeding the Commission would bear the burden of showing that Verizon had "knowingly fail[ed] or neglect[ed] to obey or comply" with a Commission order. In the interest of maintaining its focus

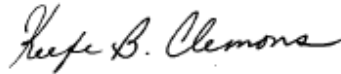
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on providing high-quality service to its customers on a going-forward basis — rather than diverting its attention and resources into potentially time-consuming and contentious litigation over whether the statutory standard has been met here — Verizon simply acknowledges that it failed to achieve the SQIP performance target in New York City in January, and it consents to a payment to the State Treasury in the amount of \$100,000, without the need for further proceedings.

Respectfully submitted,

A handwritten signature in cursive script, reading "Keefe B. Clemons".

Keefe B. Clemons

cc: Kimberly Harriman, Esq.
 Mr. Michael Corso
 Mr. Chad Hume
 Gregg Collar, Esq. (DOS/UIU)
 Keith Gordon, AAG
 Mr. Pete Sikora (CWA District 1)