

PENDING PETITION MEMO

Date: 7/16/2008

TO : OT
OGC

FROM: CENTRAL OPERATIONS

UTILITY: VERIZON NEW YORK INC.

SUBJECT: 08-V-0835

In the Matter of Verizon New York Inc.'s Network Review Plan.

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COMMISSION
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July 15, 2008

BY HAND

Honorable Jaclyn A. Brilling
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223

Re: Verizon New York Inc. Network Review Plan

Dear Secretary Brilling:

Verizon New York Inc. ("Verizon") respectfully submits its Network Review Plan. As set forth in the attached document, Verizon is implementing the Plan in order to ensure conformity with the company's methods and procedures ("M&Ps") relating to the grounding of FiOS Optical Network Terminals.

Respectfully submitted,

Monica Azare fyp

cc: Honorable Garry A. Brown, Chairman
Honorable Patricia L. Acampora, Commissioner
Honorable Maureen F. Harris, Commissioner
Honorable Robert E. Curry, Jr., Commissioner
Honorable Cheryl A. Buley, Commissioner
Peter McGowan, Esq.

VERIZON NEW YORK INC. NETWORK REVIEW PLAN

Verizon New York Inc. ("Verizon") hereby adopts the following Network Review Plan ("Plan"). The effective date of the Plan is August 1, 2008 (the "Effective Date").¹

INTRODUCTION

A. Verizon is currently engaged in an extensive program of investment in its network infrastructure in New York State. That program includes the deployment of Fiber to the Premises outside-plant facilities and the offering of FiOSsm services over those facilities. Verizon has adopted numerous Methods and Procedures ("M&Ps") whose purpose is to ensure that the company complies with all applicable NEC requirements, and otherwise conforms to best practices in provisioning its FiOS services. In particular, these M&Ps include provisions relating to the electrical grounding of FiOS Optical Network Terminals ("ONTs"); such provisions and applicable codes are referred to collectively in this Plan as the "Grounding M&Ps."

B. Department of Public Service Staff has concluded that some of Verizon's past ONT installations do not conform to the Grounding M&Ps. In response to Staff's concerns, Verizon initiated an ongoing program of training, review, and remediation designed to ensure that all new FiOS installations conform to the Grounding M&Ps in all material respects, and that material non-conformities in past installations are corrected over time.

¹ The purposes of establishing an Effective Date for the Plan are (a) to draw a clear dividing line between Past Installations and New Installations, as hereinafter defined, and (b) to establish a starting point for the monthly schedule set forth in Attachment A. Notwithstanding the defined Effective Date, Verizon has already begun preparatory work and has been ramping up the inspection and remediation effort set forth in the Plan.

C. Verizon is committed to compliance with the best practices for FiOS provisioning that are set forth in the Grounding M&Ps. Accordingly, it is implementing this Plan, the purposes of which are: (a) to formalize Verizon's commitment to ensuring going-forward compliance with the Grounding M&Ps; and (b) to establish a systematic program for the correction of any past installations that are not in conformity with the Grounding M&Ps.

PROVISIONS OF THE PLAN

PART I. GOING-FORWARD COMPLIANCE WITH THE GROUNDING M&Ps

1. This Part of the Plan applies to all ONT installations made on or after the Effective Date ("New Installations").

2. Verizon will establish an Optical Network Quality Assurance Team ("ONQAT") for purposes of providing independent assurance of the adequacy of the inspection and remediation effort described in this Plan. The ONQAT will consist of individuals with sufficient knowledge and training to determine whether ONT installations conform to the Grounding M&Ps. The members of the ONQAT will be selected by Verizon and will either be retired Verizon managers (similar to the individuals included in the Quality Assurance Teams that were formed to assess the accuracy of service quality measurements under Verizon's Performance Regulation Plan), or outside consultants, or a combination of both, in Verizon's discretion. The ONQAT members will carry out their responsibilities as described in this Plan under the ultimate supervision of a Verizon manager. ONQAT members will be compensated on a basis that does not depend in any way on the results of their review, or on any measure of Verizon's operational or financial performance, or on Verizon's success in the market. Verizon will provide the ONQAT with any clerical support, transportation, etc. necessary to its function, and will

reimburse the reasonable expenses of ONQAT members. ONQAT activities will be subject to audit by an outside auditing firm selected and paid by Verizon.

3. Each month following the Effective Date, Verizon will select a statistically valid sample of New Installations performed in that month. Additional New Installations will be included in each monthly sample to the extent made necessary by Verizon's inability to obtain access to any New Installations that were included in the original sample for that month.

4. Each New Installation included in any such sample will be inspected by members of the ONQAT.

5. The ONQAT will prepare monthly reports identifying the number of New Installations that it inspected during the month and the number of those installations that deviated in any material respect from the Grounding M&Ps. Each such report will be accompanied by detailed back-up data listing the specific locations visited and the nature and location of any material non-conformities that were discovered. The reports will be filed with the Commission. The detailed back-up data will be submitted to the Commission's Records Access Officer pursuant to a request for confidential treatment under the state Freedom of Information Law ("FOIL") and the Commission's FOIL regulations, and will be made available to members of Staff or to the Commissioners in conformity with FOIL procedures.

6. Service technicians will be dispatched to correct any New Installation that was found by the ONQAT not to conform in any material respect to the Grounding M&Ps. Verizon will use its best efforts to make such remediation as soon as possible after inspection, provided, however, that the average time between inspection and remediation for New Installations shall be no greater than 60 days.

7.(a) Verizon will use its best efforts to ensure that 95% or more of the New Installations included in each sample inspected pursuant to paragraphs 3 and 4, above, conform to the Grounding M&Ps in all material respects.

(b) Should Verizon fail to achieve a compliance rate of 95% or more for any individual month, such results will be discussed with Staff during a regularly scheduled monthly results meeting held pursuant to paragraph 18.

(c) Should Verizon fail to achieve a compliance rate that is, at a minimum, within a reasonable statistical confidence interval of 95% for two of the first three months of the Plan, then Verizon will: (1) increase the statistically valid sample size to 12% for the following month, and (2) provide Staff with a root cause and targeted remediation plan at the regularly scheduled monthly results meeting held pursuant to paragraph 18.

(d) Should Verizon fail to achieve a compliance rate that is, at a minimum, within a reasonable statistical confidence interval of 95% for four of the first six months of the Plan, then Verizon will establish, at the company's expense, an independent, external quality inspection team of three individuals who will report directly to Staff for the express purpose of supplementing the ongoing Staff ONT grounding quality inspection program. Such external team will remain in place until Verizon achieves three consecutive months of a compliance rate that is, at a minimum, within a reasonable statistical confidence interval of 95%.

PART II. REMEDIATION OF PRIOR INSTALLATIONS

8. The ONTs that Verizon has deployed in New York State as of the Effective Date are referred to in this Plan as the "Past Installations."

9. Verizon will instruct service technicians dispatched for routine maintenance or repair work on Past Installations to review such installations for conformity to the Grounding

M&Ps. Additionally, Verizon personnel will be specially dispatched to inspect each of the Past Installations not covered by the preceding sentence in order to determine whether those installations conform in all material respects to the Grounding M&Ps. In either case, any material deviations from the Grounding M&Ps will be corrected as soon as possible after inspection, provided, however, that the average time between inspection and remediation shall be no greater than 60 days.

10. Verizon will maintain a database listing:

(a) Past Installations that were inspected;

(b) Situations in which the service technicians or other Verizon personnel were not able to obtain access to Past Installations;

(c) Past Installations in Category (a) in which material non-conformities were found;

(d) Past Installations in Category (c) in which the non-conformities were corrected;

and

(e) Any Past Installations in Category (c) in which the non-conformities were not corrected, and the reason why they were not corrected.

In each case in Category (e), a follow-up visit will be made to correct the non-conformity. In each case in Category (b), reasonable follow-up efforts will be made by Verizon to arrange for access to the customer's premises, including notification to the identified customers, inspection of the Past Installation(s) at the location, and, where necessary, correction of material non-conformities.

11. Within 45 days after the completion in a particular area of the activities described in the preceding paragraph, the ONQAT will inspect a statistically valid sample of all of the FiOS installations in that area in order to confirm that the service technicians assigned to the area

detected all material non-conformities with the Grounding M&Ps. The ONQAT will also inspect a statistically valid sample of those installations at which material non-conformities with the Grounding M&Ps were observed, for the purposes of confirming that the non-conformities that were identified were properly corrected. Verizon personnel will be dispatched to correct any remaining material non-conformities that are detected during the course of this effort. Verizon will use its best efforts to make such remediation as soon as possible after inspection, provided, however, that the average time between inspection and remediation shall be no greater than 60 days.

12. Notwithstanding any other provision of the Plan, Verizon senior management will be available to update the Commission on the status of the Plan at the six-month mark, and again upon the completion of the remediation effort.

13.(a) Attachment A to this Plan is a schedule setting forth monthly targets for the number of Past Installations that will be inspected by Verizon personnel in each month.² The goal of the schedule is to ensure the completion of the inspection of Past Installations pursuant to paragraph 9, above, within a period of nine months beginning August 1, 2008 and ending April 30, 2009.

(b) Should Verizon fail to achieve 90% or better of the number of monthly inspections as set forth in Attachment A of the Plan for any month, then such results will be discussed with Staff during the a regularly scheduled monthly results meeting held pursuant to paragraph 18.

² Separate targets are established for New York City, the Capital/LI region, and the State as a whole. The targets are expressed as a percentage of total Past Installations in each specified region.

(c) Should Verizon fail to achieve 90% or better of the number of monthly inspections as set forth in Attachment A of the Plan for any two consecutive months, then Verizon will increase the monthly number of inspections for the month immediately following by 10% of the original target (modified target).

(d) The monthly inspection target shall return to that established in Attachment A upon Verizon achieving the target (or modified target) for two consecutive months.

(e) Subject to the immediately following paragraph, Verizon will use its best efforts to meet the schedule set forth in Attachment A.

14. Verizon anticipates that its personnel and/or ONQAT members will not be able to obtain access to some Past Installations, particularly where those installations are in MDUs. In such cases, Verizon will follow up with the customer or property owner in order to obtain such access. The number of situations in which Verizon is unable to obtain access after reasonable attempts, including notification to the identified customers, will be subtracted from the completion targets set forth in Attachment A.

15. Verizon will prepare monthly reports summarizing the information referred to in paragraphs 10(a) through 10(e), above. Each such report will be filed with the Commission. The detailed back-up data will be submitted to the Commission's Records Access Officer pursuant to a request for confidential treatment under the state Freedom of Information Law ("FOIL") and the Commission's FOIL regulations. Such reports will be made available to members of Staff or to Commissioners in conformity with FOIL procedures.

16. Verizon will determine in its own discretion the order in which areas of the State will be reviewed under this Part II, as well as the order in which Past Installations will be

inspected within a particular area, all with the goal of maximizing the speed and efficiency of the review.

PART III. OTHER PROVISIONS

17. This Plan will terminate when both of the following occur to the satisfaction of the Commission: (a) Verizon completes the inspection of all Past Installations (except those to which it was unable to obtain access after reasonable attempts), and remediation of any Past Installations that were found not to conform to the Grounding M&Ps in some material respect; and (b) Verizon has consistently met the 95% target for New Installations as set forth in paragraph 7.

18. As a supplement to the monthly reports required under this Plan, Verizon will participate in monthly meetings with Staff concerning Verizon's progress in implementing the Plan.

19. Verizon will provide remedial training and additional coaching for service technicians who were responsible for Past Installations or New Installations that were determined not to conform to the Grounding M&Ps in any material respect. In appropriate cases such employees will be subject to discipline in accordance with Verizon's established and applicable disciplinary procedures.

20. Verizon's implementation of Parts I and II of this Plan will be suspended to the extent made necessary by Force Majeure. Notwithstanding the occurrence of Force Majeure, Verizon shall perform under this Plan to the extent it is able to do so and shall take all steps, reasonably within its ability, to minimize the length and effect of such Force Majeure delay. For purposes of this paragraph, Force Majeure means an event or events reasonably beyond Verizon's ability to anticipate and control, including but not limited to, severe and unusual

weather conditions, strikes, labor disturbances and disputes, war or act of war (whether an actual declaration of war is made or not), insurrection, riots, act of public enemy, incidences of terrorism, acts of vandalism, actions or inactions of any government instrumentality or public utility including condemnation, accidents for which Verizon is not primarily responsible, fire, flood, or other acts of God, and unavailability of materials and/or qualified labor to perform the work necessary. The determination as to when a Force Majeure event has occurred will be made in the discretion of the Staff Director of Telecommunications.

VERIZON NEW YORK INC.

By: Maura C Breen 

Name: Maura C. Breen

**Title: Senior VP/General Manager
Regional Operations**

Date: July 15, 2008

ATTACHMENT A

<u>Incremental</u>	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09
Capital / LI	8.8%	10.3%	12.2%	10.7%	11.1%	11.5%	11.5%	11.9%	11.9%
NYC	23.7%	25.0%	26.4%	14.1%	10.8%	0.0%	0.0%	0.0%	0.0%
NYS	12.1%	13.6%	15.4%	11.5%	11.0%	8.9%	8.9%	9.3%	9.3%

<u>Cumulative</u>	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09
Capital / LI	8.8%	19.1%	31.3%	42.0%	53.2%	64.7%	76.2%	88.1%	100.0%
NYC	23.7%	48.7%	75.1%	89.2%	100.0%				
NYS	12.1%	25.7%	41.1%	52.6%	63.6%	63.6%	81.5%	90.7%	100.0%