

# VERIZON SERVICE QUALITY

Case 24-C-0179

## Summary

In December 2010, the Commission approved a streamlined framework for service quality reporting by Verizon New York Inc. (Verizon or the Company) referred to as the Service Quality Improvement Plan (SQIP).<sup>1</sup> Although subject to all Commission Telephone Service Standards<sup>2</sup> (Service Standards), the SQIP allows Verizon to report on a limited number of service quality metrics and allows for a streamlined assessment of penalties for failures on a subset of those metrics for Verizon's "Core" customers. Core customers are defined as customers who lack wireline alternatives to Verizon (i.e., "white spot" customers), low-income customers who subscribe to Lifeline service, or customers who have special needs (e.g., those who are elderly, blind, disabled, or who have other special conditions). The SQIP began in January 2011. This is the 53<sup>rd</sup> report on Verizon's performance under the SQIP that details the Company's results for the first quarter of 2024.

During the first quarter of 2024, Verizon met all timeliness-of-repair requirements, and the Repair Call Center Answer Time metric in all three months of the quarter. The Company missed the Company-wide Customer Trouble Report Rate (CTRR) metric in one month of the quarter. The Company reported 25 Service Inquiry Reports (SIRs)<sup>3</sup> during the first quarter of 2024, which is seven more than the number of SIRs reported during the same period

---

<sup>1</sup> Case 10-C-0202, Verizon Service Quality Improvement Plan, Order Adopting Verizon New York Inc.'s Revised Service Quality Improvement Plan with Modifications (issued December 17, 2010).

<sup>2</sup> 16 NYCRR Part 603 Service Standards Applicable to Telephone Corporations.

<sup>3</sup> SIRs identify specific reporting entities (e.g., central office switches, answer bureau, geographic areas) where improvements are required, detail the reasons for poor performance, describe the corrective action being taken, and identify an expected improvement date. Pursuant to 16 NYCRR §603.4, SIRs must be reported whenever an entity's performance on a given service standard metric is not at or better than the threshold of that metric for the current month and any two of the previous four months.

last year. Finally, although not part of the Commission's Service Standards, Verizon failed to meet the Commission's PSC Complaint rate target in all months of the quarter.

In an Order issued on July 12, 2018 in Case 16-C-0122 (July 2018 Order), the Commission approved a Joint Proposal (JP) that requires Verizon to implement and report on seven service quality improvement projects contained in the JP: i) Broadband Extension Program; ii) Long Island/Upstate Fiber Extension Program; iii) Targeted Remediation Program for New York City Buildings; iv) CTRR Remediation Plan; v) Plant Pride Program; vi) Remote Terminal Battery Replacement; and vii) Double Pole Removal.<sup>4</sup> Verizon reported completion of all these projects in late 2022. Department of Public Service (Department) Staff verified all of the commitments and found Verizon to be in compliance with all provisions outlined in the JP.

### **Background**

Verizon is the largest incumbent local exchange carrier (ILEC) in New York State serving approximately 1.07 million voice-only access lines across all its central office switches. Although Verizon remains New York's largest ILEC, as with most ILECs, its customer base is declining. Verizon currently serves approximately 33% of the access lines it served ten years ago. For the twelve-month period ended March 31, 2024, Verizon lost approximately 121,000 (or 10.2%) of its voice-only access lines.

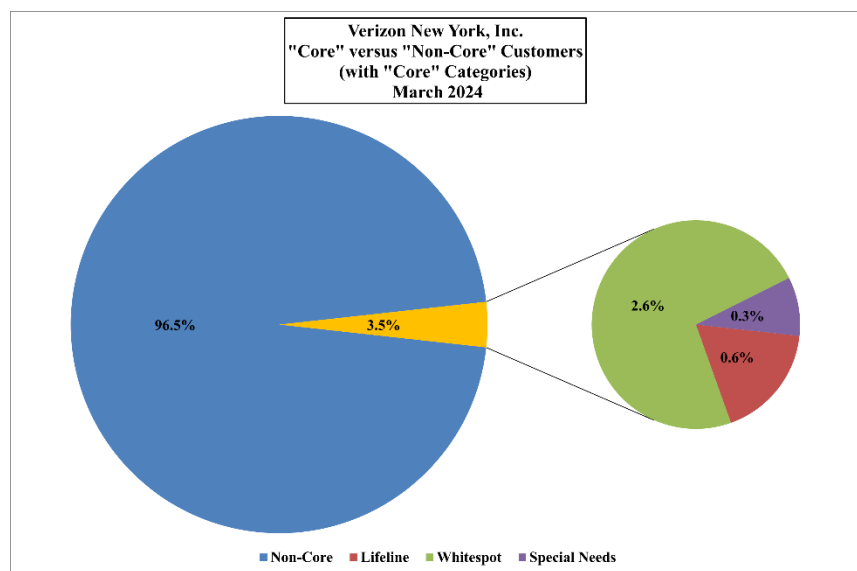
The Commission's Service Standards require all local exchange carriers to report CTRR data. Carriers with more than 500,000 access lines are required to report on eight other service quality metrics, addressing such things as timeliness of repairs and installations, the responsiveness of customer call centers, and network call completion performance, etc. For many years Verizon reported on all service quality metrics required in the Service Standards. However, in 2010 the Commission approved the Verizon SQIP to streamline service quality reporting in recognition of the competition faced by Verizon. Although it is still required to measure, collect, and retain the data necessary

---

<sup>4</sup> Case 16-C-0122, Proceeding on Motion of the Commission to Consider the Adequacy of Verizon New York Inc.'s Retail Service Quality Processes and Programs, Order Adopting Terms of Joint Proposal (issued July 12, 2018).

to calculate its performance on all metrics in the Service Standards, the SQIP requires Verizon to report on only a subset of those metrics, i.e., CTRR, timeliness-of-repair, and repair call center answer time. The SQIP further streamlined Verizon's reporting by requiring timeliness-of-repair metrics to be reported at a regional<sup>5</sup> level (instead of at the Repair Service Bureau level previously required), and for Core customers only. In addition, the SQIP outlines a streamlined process by which penalties may be assessed for missing the timeliness-of-repair metrics for Core customers.

The Commission adopted the SQIP based on the underlying premise that the service standards should focus on customers who either lack competitive choices, subscribe to Lifeline service, or who have other special needs and are therefore more reliant on regulatory protections. The



The accompanying graph demonstrates that as of March 31, 2024, approximately 37,000 or 3.5% of Verizon's total access lines, were Core customers. In January 2011, when the SQIP began, there were approximately 390,000 Core customers.

### Discussion

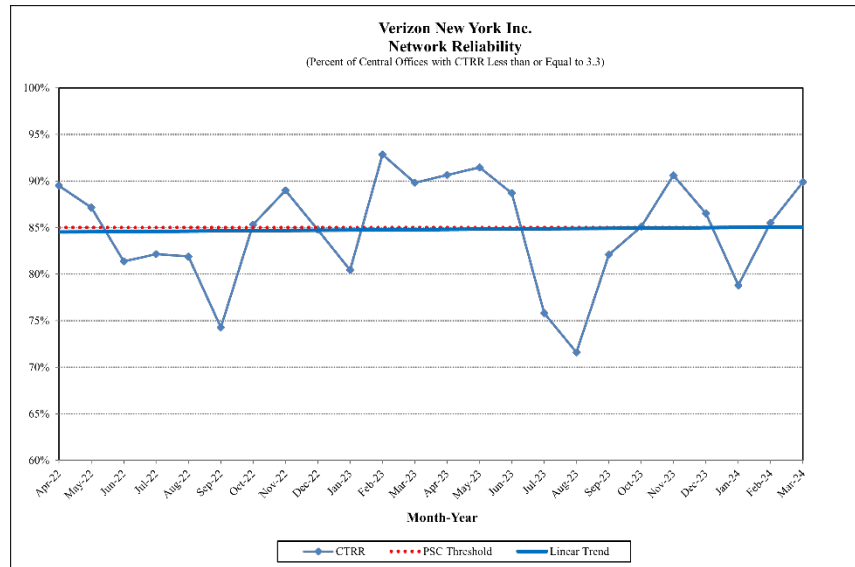
This report summarizes Verizon's performance for the first quarter of 2024 in the areas of Network Reliability, Service Inquiry Reports, Repair Performance, and Answer Time Performance. In addition, this report discusses Major Outages, Special Services' performance, consumer complaints to the Department, and

<sup>5</sup> The Company geographically divides New York State into five regions: New York City, Long Island, Mid-state, Upstate South, and Upstate North.

Verizon's service quality improvement commitments as outlined in the JP approved by the Commission in the July 2018 Order.

**Network Reliability**

The frequency of network problems is indicative of the reliability of the network. The Commission measures network reliability with two CTRR metrics which measure both Company-wide and individual central office entity (COE) performance. With regard to Company-wide CTRR performance, the

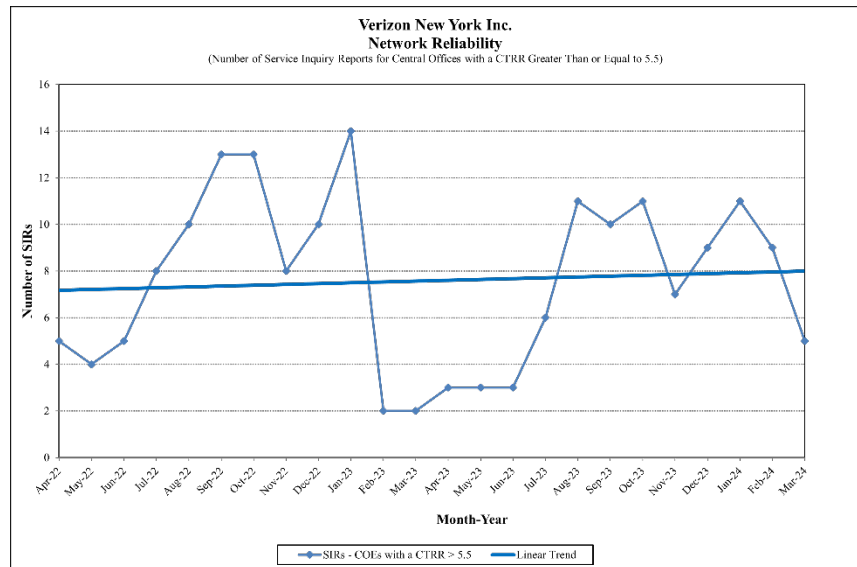


Service Standards require that at least 85% of Verizon's COEs achieve a CTRR at or below 3.3 customer trouble reports per hundred access lines (RPHL) per month. As shown in the accompanying graph, Verizon's performance was above the 85% threshold in two months of the quarter; the trendline indicates an overall tendency of slight improvement in the Company-wide CTRR metric. Verizon has met this threshold in fourteen months out of the most recent twenty-four months.

For individual COE performance, the Service Standards require that each COE achieve a CTRR of 5.5 or less RPHL per month. During the first quarter of 2024, a monthly average of 18 COEs, approximately 5.2% of Verizon's COEs, missed this threshold. The COEs that tend to fail this metric are usually small, primarily use copper cable, and generally serve areas that are more rural or have seasonal populations.

**Service Inquiry Reports**

The Service Standards require that a Service Inquiry Report (SIR) be filed when an entity's performance on a given metric is not at or better than the performance threshold for that metric during the current month and any two of the previous four months. SIRs identify specific



entities where improvements are needed, detail the reasons for poor performance, describe the corrective actions taken, and identify an expected improvement date. During the first quarter of 2024, Verizon reported 25 SIRs related to individual COEs exceeding the standard of 5.5 RPHL per month, which is seven more than the number of SIRs reported during the same period last year. The accompanying graph shows a declining trend of SIRs related to individual COE performance. Verizon did not report any Company-wide CTRR service standard SIR in the first quarter of 2024. During the same period last year there was one Company-wide CTRR SIR.

In the submitted SIRs,<sup>6</sup> Verizon states that it employs a "Proactive Cable Maintenance" program that focuses on cables and COEs that have experienced high outside plant trouble report rates. Although this program and associated corrective actions are similar to those used by the Company in the past, they have not typically resulted in sustained improvement in these metrics. The Company states that it deploys additional resources to restore services to customers and conducts conference calls with cable maintenance and repair operations to coordinate joint responses to problems as they arise. In addition, the Company is extending new broadband infrastructure in several areas of the State and continues its Network Transformation program, converting legacy

<sup>6</sup> The SIRs are filed in Cases 03-C-0971 and 00-C-1945.

copper network to fiber in various wire centers. Taken together, these efforts are expected to result in an improvement in CTRR performance and a reduction in related SIRs.

**Repair Performance**

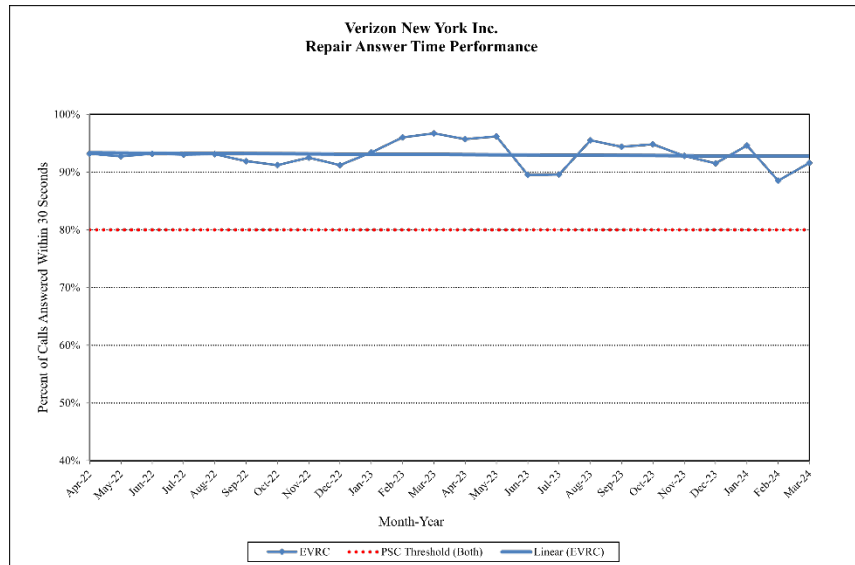
The Commission gauges Verizon’s timeliness-of-repair performance with two maintenance metrics, the Percent of Out-Of-Service Customer Trouble Reports Not Cleared within 24 Hours (OOS>24) and the Percent of Service-Affecting Customer Trouble Reports Not Cleared within 48 Hours (SA>48). Out-of-service troubles occur when customers cannot make or receive telephone calls, while service-affecting troubles include noise or static on the line, crosstalk, false ring, etc. For both metrics, the monthly performance threshold is 20% or less.

Under the SQIP, Verizon reports its performance on these two metrics for Core customers in five operating regions: New York City, Long Island, Mid-State, Upstate South, and Upstate North. As shown in the following table, all regions met the performance threshold for Core customers for both metrics in each month of the first quarter of 2024.

<b>"CORE"</b> <b>PERFORMANCE</b>	<b>January 2024</b>		<b>February 2024</b>		<b>March 2024</b>	
	<b>%OOS&gt;24</b>	<b>%SA&gt;48</b>	<b>%OOS&gt;24</b>	<b>%SA&gt;48</b>	<b>%OOS&gt;24</b>	<b>%SA&gt;48</b>
NEW YORK CITY	14.20	9.76	12.20	7.14	12.08	9.68
LONG ISLAND	2.94	9.09	4.55	0.00	10.53	0.00
MID-STATE	3.70	7.14	14.29	0.00	0.00	0.00
UPSTATE SOUTH	17.89	9.28	19.59	11.86	10.21	2.21
UPSTATE NORTH	13.54	10.28	13.75	12.90	16.48	5.95

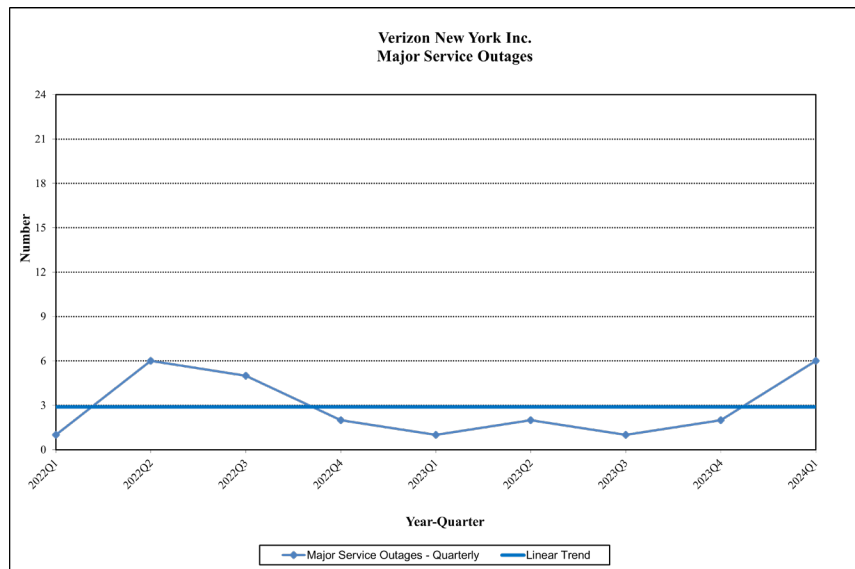
**Repair Answer Time Performance**

The Service Standards specify that each month, 80% or more of the calls to an answer center should be answered within 30 seconds. The accompanying graph illustrates very satisfactory monthly performance with regard to answer time for the Company's repair service call center, (the Enhanced Verizon Resolution Center or EVRC), during the last 24 months. The EVRC met the 80% answer time threshold in all three months of the first quarter of 2024.



**Major Outages**

Adherence to the Service Standards helps sustain reliable and resilient networks and potentially mitigates or prevents major outages. When a major outage does impact a carrier's network, that carrier is required to report to Department Staff the details regarding the outage. Department Staff monitors network outages and investigates outage events with Verizon and other service providers on a routine basis. Verizon reported six major outages in the first quarter of 2024, which is five more than the number of major outages reported during the same period last year. As



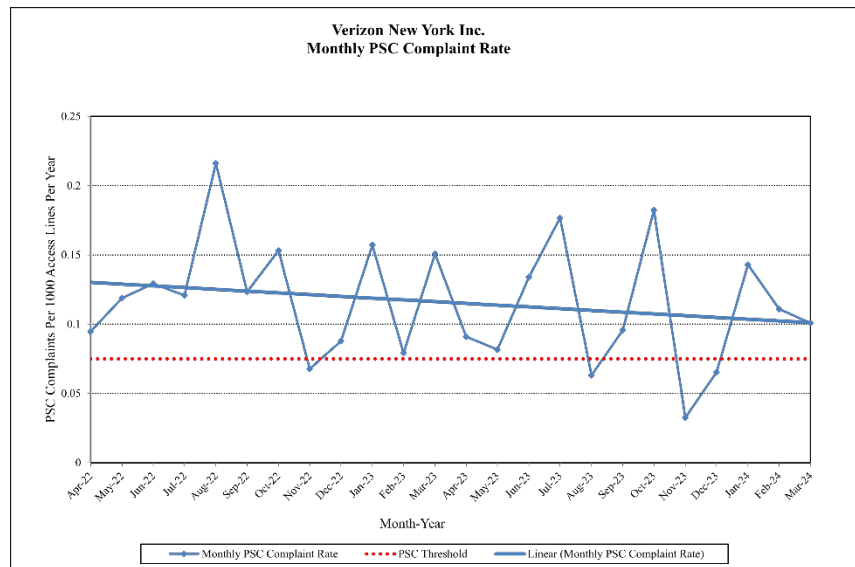
shown on the accompanying graph, the absolute number of outages remains small and the trend over the past two years has not changed.

**Special Services**

Department Staff tracks the service quality performance of the Company’s Special Services under the Commission’s Special Services’ Guidelines. The specific data submitted is proprietary and addresses non-basic services, i.e., services provided primarily to business customers or other service providers, generally on a wholesale basis, and usually on circuits that require special engineering (e.g., high-speed data circuits). Verizon met the established thresholds for most of the special services metrics during the first quarter of 2024.

**Complaints**

While customer complaints to the Department are not part of the Service Standards, they serve as an additional measure of service quality, independent from performance reported by the carriers under the Service Standards. As shown on the accompanying graph, Verizon missed the PSC Complaint rate guideline (i.e., an annualized rate of 0.075 complaints per 1,000 access lines) in all months of the quarter. Verizon’s PSC Complaint performance indicates an improving trend over the last 24 months.



**Case 16-C-0122: Retail Service Quality Proceeding**

In the July 2018 Order, the Commission approved a JP that requires Verizon to fulfill seven commitments: i) Broadband Extension Program - which requires Verizon to make fiber-based broadband service available to 20,500 additional households; ii)

Long Island/Upstate Fiber Extension Program - which requires Verizon to make fiber-based services available to a total of 10,000 - 12,000 residence and business customer premises in the Long Island and Upstate reporting regions within one year of the Commission's adoption of the JP; iii) Targeted Remediation Program for New York City Buildings - which requires Verizon to identify 100 copper fed buildings in New York City with high incidence of repair and to replace the copper facilities with fiber optic facilities within two years from the Commission's adoption of the JP; iv) CTRR Remediation Plan - which requires Verizon to repair copper plant conditions in 54 COEs within two years of the Commission's adoption of the JP; v) Plant Pride Program (PPP) - which requires Verizon to resolve at least 75% of the plant conditions needing additional maintenance within 90 days of the submission by technicians. The PPP will end at the earlier of four years after initiation, or on completion of all of Verizon's other JP obligations; vi) Remote Terminal Battery Replacement - which requires Verizon to identify (identification and inspection to be completed within six months of the Commission's adoption of the JP) and replace batteries at remote terminals serving critical customers (hospitals, Public Safety Answering Points and police stations), and; vii) Double Pole Removal - which requires Verizon to remove 64,000 double pole conditions within a four-year period commencing with the Commission's adoption of the JP.

Verizon has reported completion of all seven of the commitments outlined in the JP. Department Staff verified Verizon's compliance with these commitments through field inspections, desktop audits, and analysis of the Company's reports. Based on the verification, Department Staff determined that Verizon has complied with all commitments outlined in the JP.

### **Conclusion**

The Commission's approval of Verizon's SQIP in December 2010 established a streamlined reporting framework and process for assessing penalties to enforce timeliness-of-repair metrics for Verizon's Core customers, who currently account for approximately 3.5% of its overall customer base. During the first quarter of 2024, Verizon met all timeliness-of-repair performance thresholds and the repair answer time service standard in all three months of the quarter. Verizon failed to

meet the Company-wide CTRR metric in one month of the quarter. Regarding the individual COE CTRR service standard, a monthly average of approximately 5.2% of Verizon's COEs missed this threshold in the first quarter of 2024. The total number of both Company-wide and individual COE SIRs reported during the first quarter of 2024 was 25, which is six more than the number of SIRs reported during the same period last year. Although not part of the Commission's Service Standards, Verizon missed the Commission's PSC Complaint rate target in all three months of the quarter.