

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

CASE- 13-C-0197 – 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.

NOTICE INVITING COMMENTS

(Issued May 21, 2013)

On May 16, 2013, the Commission issued an order in this proceeding allowing Verizon New York Inc. (Verizon or the Company) to use wireless Voice Link service, as an alternative to basic landline service, to provide service to customers in western Fire Island, provided the Company certifies and demonstrates that its wireline facilities are destroyed or beyond reasonable repair. The Commission granted temporary approval of the service because Verizon's facilities on the western part of Fire Island are in need of repair; and, Voice Link may provide adequate telephone service to the many seasonal residents and visitors who are now returning to Fire Island.

The Commission is examining the documentation that Verizon submitted to justify the use of Voice Link, instead of repairing its damaged facilities, and public comments filed on the use of the service in western Fire Island. The Department of Public Service Staff will monitor and oversee the provision of Voice Link service in western Fire Island and, after November 2013, evaluate, among other things, its feasibility as an alternative to wireline service. The Commission suspended a provision in Verizon's proposed tariff to authorize the Company to request authority to use Voice Link, upon a demonstration that its use to serve specified customers, or groups of customers, is reasonable in light of geographic location, availability of competitive facilities, or other criteria acceptable to the Commission.

This notice invites comments from any interested party or person on these matters by June 18, 2013. Specifically, the issues presented include: use of Voice Link in western Fire Island, its use in other geographic areas with destroyed wireline facilities,

and its use in areas based upon geographic location, availability of alternative telecommunications providers, or other Commission designated criteria.

Description of Tariff

Verizon plans to deploy the technology, branded Voice Link, to restore service on the western portion of Fire Island, which sustained extensive network damage as a result of Superstorm Sandy in October 2012. In support of its proposal, Verizon included certification that the western portion of Fire Island meets the criteria for substitution of Voice Link for its wireline service. Going forward, the Company would file an amendment to its tariff, subject to Commission approval, to obtain authorization to deploy Voice Link in other specific geographic areas that satisfy criteria in the tariff.

Voice Link Service

Although Voice Link service utilizes the same wireless technology as a cell phone, it is similar in many respects to traditional wireline service. It is designed for use with wireline premises equipment; it remains stationary at one location in the customer's premises; and, it provides E911 service in the same manner as wired basic telephone service. A small device is installed at a customer's premises; and, according to Verizon, the device provides superior reception of wireless signals in comparison to regular wireless service. The device is equipped with a battery back-up, in case of commercial power loss. According to Verizon, available devices are equipped with rechargeable battery packs, while newer units are expected to operate on standard AA batteries.

In several respects, Voice Link service is materially different compared to traditional wireline services. It is not compatible with fax machines, medical alert and home security monitoring systems, credit card machines and, Digital Subscriber Line (DSL) technology. Voice Link service requires use of mandatory 10 digit dialing, rather than 7 digits, which is the Commission-approved dialing pattern for calls within many area codes, including the 631 area code. It is not equipped to transmit: calls to certain specialized area codes, such as 900; certain central office codes, such as 976 or 950; collect, or reverse charge, calls; or calls to an operator by dialing 0.

The price for Voice Link service will be no more than comparably-priced wireline service offerings, such as, flat rate calling, message rate calling, and various packages of local, toll and features. Customers will have the ability to: make and receive calls, including E911; access local and toll calling; access directory assistance and telecommunications relay services; and obtain non-published service. In offering Voice Link, Verizon is required to comply with Commission requirements related to consumer protections, consumer complaints, service quality, safety and reliability.

Use of Voice Link in Western Fire Island

To obtain authorization to use Voice Link Service in a specified geographic area, the proposed tariff amendment requires Verizon to certify and demonstrate to the Commission that a substantial portion of its facilities in a particular area are destroyed, rendered unusable, or beyond reasonable repair. On May 3, 2013, Verizon submitted certification and documentation that its western Fire Island facilities are destroyed, rendered unusable, and beyond reasonable repair. The Commission's review of Verizon's submission is in progress.

Use of Voice Link in other Areas

Verizon's proposal to use Voice Link, upon a demonstration that its use is reasonable in light of geographic location, availability of competitive facilities, or other criteria acceptable to the Commission, requires further examination. This provision of the proposed tariff introduces market exit issues that are separate and apart from the immediate problem of offering service to customers in western Fire Island. For example, if Verizon, an eligible telecommunication carrier (ETC), requests permission to use Voice Link in place of its traditional service, it is required to demonstrate that another ETC is available to replace Verizon's wireline service. Retirement of copper plant may impact competitive local exchange carriers' abilities to service their customers. The Commission determined that, before it considers this provision, additional procedures are necessary, specifically, an examination of these and other related issues and an opportunity for and analysis of public comments. It, therefore, suspended the portion of

Verizon's proposed tariff related to the expansion of Voice Link, based upon geographic location and competitive telecommunications alternatives.

Persons interested in obtaining Verizon's submission and tariff amendment and any other documents filed in the case may view them at <http://www.dps.ny.gov>. From the Department of Public Service's homepage, click on Commission Documents, Search by Case Number and enter 13-C-0197. If you are unable to access the documents electronically, you may contact the File Room at (518) 474-2500.

Persons wishing to comment on these matters may do so by June 18, 2013 by: e-filing through the Department's Document and Matter Management System (DMM),¹ e-mailing the Secretary to the Commission at secretary@dps.ny.gov; postal mail or hand delivery to Jeffrey C. Cohen, Acting Secretary, New York State Public Service Commission, Three Empire State Plaza, Albany, New York 12223-1350; calling the toll-free Opinion Line at 1-800-335-2120, set up to receive in-state calls 24-hours a day, by pressing 1 for the main menu and 2 to leave comments, mentioning Voice Link or Case 13-C-0197. All comments submitted are entered into the official case record and reported to the Commission for its consideration. Any person may access them at the Department's Web site <http://www.dps.ny.gov> by searching 13-C-0197. Most libraries provide internet access. Individuals who wish to communicate in a language other than English are encouraged to call the Commission at 1-800-342-3377 for free language assistance services regarding this Notice.

(SIGNED)

JEFFREY C. COHEN
Acting Secretary

¹ How to Register with DMM, <http://www.dps.ny.gov/e-file/registration.html>.