

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of

Wireline Competition Bureau Short Term
Network Change Notification filed by Verizon
New England Inc. d/b/a Verizon Massachusetts

Report No. NCD-2365

Wireline Competition Bureau Short Term
Network Change Notification filed by Verizon
New Jersey Inc.

Report No. NCD-2372

Wireline Competition Bureau Short Term
Network Change Notification filed by Verizon
Pennsylvania Inc.

Report No. NCD-2373

VERIZON RESPONSE¹

With only approximately nine percent of the customers in these three wire centers still remaining on copper facilities, residents of the Lynnfield, Massachusetts; Hummelstown, Pennsylvania; and Farmingdale, New Jersey, wire centers have already overwhelmingly made the decision to move to either Verizon's fiber-based services or to competitors. Completing the migration to Verizon's more advanced and reliable fiber facilities, and retiring the legacy copper loops and the switches in these wire centers, is not just a logical and efficient step, but it is also an incremental one. There has been no valid objection to the copper retirement filed by customers living or working in these areas or by providers serving them, and no request for an

¹ This response is filed on behalf of Verizon New England Inc. d/b/a Verizon Massachusetts, Verizon New Jersey Inc., and Verizon Pennsylvania Inc. (collectively, "Verizon").

extension of time made. The claims raised by the very few commenters (the majority of which are not specific to these three wire centers) have no merit under the circumstances here.

A. Fiber Brings Tremendous Advantages to The Customers and Communities In These Three Wire Centers, and There Is No Reason to Continue to Maintain Redundant Copper Facilities

Most of the customers remaining on copper-based services in these three wire centers today are purchasing plain old telephone service, or POTS. Following copper retirement, they will continue to receive the same traditional POTS service over fiber on the same terms and conditions and at the same or better price as they received over copper. There is no change in the underlying features and functionalities in their service: voice mail, collect calling, and other features will continue to work just as they did over copper; customers will continue to be able to use fax machines, medical monitoring devices, and home alarms; and accessibility services – such as relay services used by customers who are deaf or hard of hearing – also will continue to work as before. There will be no change to customers’ ability to call 911: public safety answering points will receive the same E911 information as before.

Most of the other services that customers are purchasing in these wire centers are also supported on fiber facilities. For those few customers at issue purchasing broadband Internet services, FiOS Internet will provide them far more than they are getting today. Notwithstanding the greater speed and reliability they will experience, our offerings for these customers will also include comparable pricing. And customers will continue to be able to buy DS1 and DS3 level services as they do today, just over the fiber network.² While there may be one or more obsolete, narrowband services that are incompatible or unavailable over fiber, we will work closely with

² Indeed, DS3 services are today only available over fiber.

those customers to address their particularized needs, and will file separately any applicable Section 214 applications to discontinue those particular services.

To be clear: phone service received over fiber facilities is not the same thing as Verizon's FiOS service. Fiber refers to a physical medium: a network made up of fiber optic cables. FiOS refers to particular Verizon branded voice, video, and data services, including FiOS Digital Voice, FiOS TV, and FiOS Internet, that Verizon provides on an optional basis to customers over fiber. While millions of customers have elected to switch to Verizon's best-in-class FiOS service – provisioned over fiber-optic cable – many others, including those who so choose in these three wire centers, receive the same traditional phone service, with the same features and at the same or better price, over Verizon's advanced fiber network.

The move toward fiber here is nothing new. As customers and public entities have widely recognized, fiber is a safe, proven, and known technology with a track record of serving communities well. From the perspective of reliability, fiber is immune to many environmental factors that affect copper cable, and is less likely to experience outages during weather events, homeland security incidents, or other public safety emergencies. Fiber lines are generally more durable, do not corrode, have a much longer lifespan, and require fewer repairs than copper lines.

The reliability advantages of fiber directly benefit customers. For example, as a result of Verizon's programs in recent years to encourage customers experiencing repeated service issues with copper facilities to migrate to fiber, there have been approximately *one million* fewer repair or trouble-shooting dispatches than would have been required had these customers remained on copper facilities. This equates to one million instances in which customers have *not* experienced an outage or other problem with their service. And for many of those customers, this also equates to time savings, since they would not have to schedule repair appointments and take time

out to meet a repair technician. While the resulting consumer welfare gains may be difficult to quantify precisely, to put this in perspective, if one million customers were able to avoid a repair visit with a four hour window, a conservative estimate of the consumer welfare gains from those avoided repairs would approach \$100 million.³ Of course, there may be other ways to quantify the benefits as well, but regardless of the calculation the point is the same; the benefits to customers are significant and large. And the customer benefits from avoiding the outage or other service problem in the first place.

Fiber also provides performance advantages, as it offers significantly greater bandwidth and is much less sensitive to distance limitations than is copper. Because the fiber optic signal is a light rather than an electrical signal, there is very little signal loss during transmission, and data can move at higher speed and for greater distances. As a result, fiber can support much greater broadband and higher speed services than copper.

Fiber facilities are also more energy efficient than copper because they use laser light – not an electrical signal – reducing energy consumption and resulting in a greener network. And in instances such as those at issue here, the energy savings are particularly pronounced. Once the copper facilities and switch are retired, there is no longer a need to power two parallel networks as there is today. Instead, only the more efficient fiber network will consume energy going forward. Based on these benefits, communities throughout the United States have been clamoring for the benefits of all-fiber networks. The President has praised fiber deployment and investment; the Commission has had as a long-standing goal the encouragement of more

³ This values customers' time based on the national average hourly wage of \$24.45. See Bureau of Labor Statistics, Table B-3: *Average hourly and weekly earnings of all employees on private nonfarm payrolls by industry sector, seasonally adjusted*, <http://www.bls.gov/news.release/empsit.t19.htm> (last update July 3, 2014) (calculating average wage at \$24.45).

widespread fiber deployment. Indeed, providers across the country have deployed fiber cables in their networks and to homes for decades.

B. There Are No Valid Objections to Verizon’s Copper Retirement and Network Change Notices

As required by the Commission’s long-standing procedures in Sections 51.325 and 51.333,⁴ Verizon properly served and filed its network change and copper retirement notices. Not a single objection was filed by a telecommunications or information services provider, nor did any of the three comments submitted contain the information required under Section 51.333(c) to substantiate a proper objection. No commenter submitted specific reasons why it could not accommodate these changes by the stated implementation dates six months after filing,⁵ nor did any explain what steps it was taking to accommodate these changes. Nor did any commenter submit comments or objections specific to compliance with these changes in the wire centers, nor did residents of these areas raise concerns. Instead, commenters raised only general concerns about the broader network transitions or about copper retirement more generally, or about conditions post-Sandy in other areas. Those concerns are misplaced here.

The Alarm Industry Communications Committee (AICC or “Alarm Committee”) continues to assert that the Commission’s long-standing network change and copper retirement notification process is not sufficient and argues that copper retirement will result in a reduction or impairment of service and thus should be reviewed under Section 214.

⁴ 47 C.F.R. §§ 51.325, 51.333.

⁵ Verizon plans to retire the copper facilities in Lynnfield on or after December 1, 2014; and in Hummelstown and Farmingdale on or after December 4, 2014.

First, as noted previously,⁶ AICC's claims have already been addressed and rejected by the Commission when it established the procedures for copper retirement filings. Consistent with its other broadband policies, the Commission determined in the *TRO* that ILECs are permitted to retire copper facilities after deploying fiber, subject only to the obligations to comply with the Commission's network disclosure rules and to provide competitive providers with access to narrowband capabilities over fiber.⁷ Far from finding the move from copper to fiber an "impairment" to a particular service that could possibly require a separate filing under Section 214, the Commission specifically addressed and rejected proposals that would require affirmative regulatory approval prior to the retirement of any copper loop facilities.⁸ The Commission concluded that such proposals were "not necessary" and that the established network disclosure rules would best encourage all providers, including non-ILECs, to invest in broadband facilities.⁹ Pursuant to these rules,¹⁰ the Commission provided for a period of notice to the public and to interconnecting carriers, and created a specific time frame for objections that would both allow well-founded objections to be heard but also not delay retirement more than six months from the provider's notice. The Commission acknowledged that requiring providers to retain copper or other facilities no longer needed to serve their customers would necessarily

⁶ See Verizon New York Inc. and Verizon Virginia LLC Response, *Wireline Competition Bureau Short Term Network Change Notification filed by Verizon New York Inc.*, Report No. NCD-2353; *Wireline Competition Bureau Short Term Network Change Notification filed by Verizon Virginia LLC*, Report No. NCD-2354 (May 28, 2014).

⁷ See *Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, Report and Order and Order on Remand and Further Notice of Proposed Rulemaking, 18 FCC Rcd 16,978, ¶¶ 273, 281 (2003) ("*TRO*").

⁸ *TRO*, ¶ 281.

⁹ *Id.*

¹⁰ See 47 C.F.R. § 51.333.

divert resources better spent deploying or enhancing the networks that they intend to use to serve their customers, to the detriment of consumers.¹¹

AICC offers no new evidence of any changed circumstances that would justify revisiting those procedures or findings now (and the Commission could not do so absent a new rulemaking in any event), nor does it argue that Verizon failed to comply with them here. Indeed, AICC admits that Verizon has already certified that its fiber optic network meets all of the criteria to be certified as equivalent to the legacy public switched telephone network with respect to its ability to transmit fire alarm signals from protected premises to an approved central station.¹² AICC has offered no evidence – and indeed, there is none – that that certification is invalid or improper. Nor does AICC dispute that Verizon technicians are trained to install fiber facilities so as to properly permit the alarm line seizure function, or dispute that millions of customers across the country currently use alarm systems with fiber-based systems that have this functionality.

AICC does not dispute that the overwhelming majority of customers today – whether they rely on cable, over-the-top service, or wireless – do not rely on a line-powered copper telephone, or that many of these customers may already use alarm systems that function appropriately on platforms other than copper. And AICC also concedes – as it must – that Verizon is offering affected consumers in these wire centers even more control over backup

¹¹ See FCC, *Connecting America: The National Broadband Plan*, at 48-49 (2010), <http://download.broadband.gov/plan/national-broadband-plan.pdf> (stating that incumbents forced to retain redundant copper networks would have reduced incentives to invest in and deploy next generation facilities) Relatedly, in the USF context the Commission has recognized that it makes no sense to support duplicative networks, and has accordingly proposed that support be limited to “[a] single fixed broadband connection” per residence/household. *Connect America Fund; et al.*, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663, ¶ 1256 (2011).

¹² Verizon made its certification in response to New York City’s Bureau of Fire Prevention Office of Technology Management, Technology Management Bulletin # 03-2/2012, *The Use of Managed Facilities Voice Networks as Transmission Carriers of Fire Alarm System Signals to Central Station*. That certification is more stringent than the NFPA 72 standard referenced.

battery for traditional voice customers during commercial power outages by making available a battery back-up for voice services that uses standard D Cell batteries. These batteries are widely available and replaceable, and provide substantially longer back-up power than even the batteries provided by cable companies or the 12-volt sealed lead acid batteries that we used with prior fiber installations. Verizon provides customers with information about back-up battery on four separate occasions: when customers receive a notification letter about the migration, when they speak to a representative about migration, from the technician who migrates their service, and in their written welcome package.¹³

NASUCA again asks the Commission to stay these limited copper retirements until the Commission completes a series of both current and contemplated proceedings that could take years to finish, and then to require unbundling of fiber under Section 251 once it does permit copper retirements to go forward.¹⁴ But NASUCA's requests continue to be baseless. As noted above, in the *TRO* the Commission established rules for copper retirement and replacement by fiber-to-the-premises. In so doing, the Commission made a considered judgment, later confirmed by the D.C. Circuit, that unbundling obligations should not apply to fiber to the premises or other broadband facilities. The Commission expressly concluded that when copper was retired, other providers were not impaired except with respect to narrowband, voice-grade services, and were not entitled to broad unbundled access for purposes of providing broadband.¹⁵ The Commission concluded that its "decision to refrain from unbundling incumbent LEC next-

¹³ And while AICC argues that "[t]ariff notification is not sufficient to inform consumers of this significant change in their service," this not a change in the tariff: Verizon's tariffs have long made clear that providing power is not part of the services we are offering, and that ultimately, the customer is responsible for providing power.

¹⁴ See 47 U.S.C. § 251(d)(2).

¹⁵ See *TRO* ¶ 276.

generation networks...will stimulate facilities-based deployment” of broadband.¹⁶ In fact, Verizon and other providers relied on this conclusion in investing tens of billions of dollars in fiber infrastructure, thus confirming the correctness of the Commission’s decision that eschewing network sharing requirements would create incentives for investment.

There is no basis to stay or to seek to modify those existing rules either broadly or in these three wire centers, and no evidence that these rules are not working exactly as intended. The Commission’s overriding concern was to encourage providers to invest in broadband facilities. *Exactly as the Commission contemplated*, Verizon has rolled out fiber throughout these three wire centers, and has complied with the Commission’s established procedures in doing so. Verizon is making the kinds of network upgrades and changes the Commission has long encouraged pursuant to the existing rules, and distinct from the expressly “voluntary” experiments or trials that the Commission has contemplated in other contexts.¹⁷ NASUCA concedes that Verizon is continuing to make traditional POTS service available in these wire centers and is not transitioning all of the wire centers to IP. Suspending the copper retirement rules would effectively require incumbent LECs – and only incumbent LECs – to continue to maintain redundant or outdated facilities that they do not need to serve their customers. Such a drastic change would impose unnecessary costs that are ultimately borne by customers, discourage investment in broadband, and cause consumer harm as providers face diminished incentives to deploy and enhance their networks.

¹⁶ *Id.* ¶ 272.

¹⁷ *See, e.g., AT&T Petition to Launch a Proceeding Concerning the TDM-to-IP Transition; et al.*, Order, Report and Order and Further Notice of Proposed Rulemaking, Report and Order, Order and Further Proposal for Rulemaking, Proposal for Ongoing Data Initiative, 29 FCC Rcd 1433, ¶ 31 (2014).

Finally, one commenter raises questions relating to areas outside of these three wire center, and to conditions following the devastation of Superstorm Sandy. While neither of these is relevant to these three wire centers or to the Commission's long-standing copper retirement procedures, the heightened reliability of fiber facilities over copper mean that in future storms or weather events, there will be fewer outages going forward. Indeed, as noted above, customers in fiber areas already cumulatively have avoided more than one million outages or other problems with their service as compared to copper areas. As customers are migrated to this more reliable technology, we are working with them to keep them informed and up to date. Customers in these wire centers will receive in some cases up to nine separate communications about the transition to fiber facilities, and we are working with them and with state and local representatives to make this a smooth transition.

Respectfully submitted,

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