

STATE OF NEW YORK

Public Service Commission

Garry A. Brown, Chairman

Three Empire State Plaza, Albany, NY 12223
Further Details: James Denn
james_denn@dps.state.ny.us | 518.474.7080
<http://www.dps.state.ny.us>
<http://twitter.com/NYSDPS>

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VERIZON'S NETWORK REVIEW PLAN FINISHED — Grounding Issues Regarding Past FiOS Installations Largely Resolved —

Albany, NY—2/17/11— The New York State Public Service Commission (Commission) today approved terminating Verizon New York Inc.'s network review plan after the company was able to demonstrate that it had met the objectives of the plan relating to the residential installations of the company's fiber-to-the-premises (FiOS) systems.

The decision to terminate the network review plan came after evidence found Verizon fulfilled the requirements of the plan to obtain access to inspect and remediate past installations and consistently meet the grounding and bonding target for new installations.

Under the network review plan, Verizon committed to inspect all FiOS installations made prior to August 1, 2008, and remediate any problems discovered with those installations. It also agreed to inspect an ongoing sample of installations made on or after August 1, 2008, to ensure compliance with grounding and bonding requirements specified by the Commission and Verizon's methods and procedures.

In 2004 Verizon started deploying its FiOS network in various communities. Staff's inspections of Verizon's initial installations identified a high degree of non-compliance with the applicable standards for grounding and bonding under the National Electric Code. In response to staff's concerns, Verizon in 2008 submitted a plan to remediate deficient past installations, require detailed inspections of new installations and provide additional training for its technicians.

Notwithstanding Verizon's overall favorable performance, the Commission today decided to institute a modified supplemental remedial plan for a minimum of three months. While the modified remedial plan is in effect, Verizon will continue to conduct monthly inspections of a sample of new installations. Verizon is required to resolve outstanding minor issues and also comply with the previous obligations related to new installations, including the payment of credits to customers, and inspection of all new installations in areas where underperformance is experienced.

Additional compliance measures will be considered, including supplemental training on particular types of grounding techniques, new performance monitoring and employee incentive/discipline programs. The remedial plan will terminate subject to Verizon's meeting the remaining requirements of the network review plan and the supplemental remedial plan and verification of those results.

The Commission's decision today, when issued, may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.state.ny.us and entering Case Number 08-V-0835 in the input box labeled "Search for Case/Matter Number." Many libraries offer free Internet access. Commission orders may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500).