

STATE OF NEW YORK

Public Service Commission

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PSC Adopts Verizon's Service Improvement Plan

New York, NY—03/19/08—The New York State Public Service Commission (Commission) today adopted Verizon New York Inc.'s Service Improvement Plan (SIP) intended to bring the service quality provided in seven of its 35 repair service bureaus into compliance with Commission's service quality standards.

"The quality of the service to be provided to New Yorkers by regulated utilities is a top priority of this Commission," said Commission Chairman Garry Brown. "Verizon has taken a number of steps over the past year to improve the quality of service provided in seven downstate repair service bureaus. The company's Service Improvement Plan provides a solid foundation on which Verizon can maintain its service quality in the future. I am pleased with the progress that Verizon has made to improve service quality."

In the Commission's April 2006 Competition III Order, the Commission stressed the importance of service quality, stating that the existence of competition, even if it is effective and thriving, may not ensure reliable networks, and there is too much at risk for the people and the state to conclude otherwise. At that time, the Commission reiterated its intention to ensure high quality service and provide consumer protections when service quality declines, and noted that it would continue monitoring and enforcing network reliability, consistent with the Commission's responsibilities under the Public Service Law.

In December 2006, the Commission concluded that "chronically" poor service quality was evident in seven of Verizon's 35 repair service bureaus: North Nassau, South Nassau, East Suffolk, North Queens, South Queens, North Westchester, and South Westchester. The Commission required Verizon to file a SIP addressing the out-of service performance for these targeted repair service bureaus.

In addition, the Commission required Verizon to ensure that no other repair service bureaus would be affected as a result of the increased emphasis on the seven targeted bureaus. Verizon's SIP focuses on applying additional resources to the seven targeted repair service bureaus, rehabilitation work, and converting a number of customers to fiber.

A review of Verizon's performance by Staff of the Department of Public Service (Staff) indicates that for year one (February 2007-January 2008) of its two-year SIP, Verizon has made significant progress in addressing repair service performance in the seven targeted repair service bureaus. More specifically, the company has significantly exceeded the service inquiry report (SIR) performance targets it set in its plan with the number of SIRs for the seven targeted service repair bureaus having been reduced from 38 to 2 over the same time period a year ago. SIRs are required when an entity, such as a repair service bureau, fails to meet the Commission standards over a prolonged period of time.

Staff also reports that Verizon has consistently met the out-of-service greater than 24 hours metric for each of the seven targeted bureaus for the past five months (September 2007-January 2008). Further, improvements in the target repair service bureaus did not come at the expense of service quality performance in other bureaus. Statewide, the company's service quality, measured in terms of SIR submissions, has also improved dramatically.

Based upon Staff's review of the company's SIP, comments of interested parties, and the service quality performance data to date, the Commission today believes it is appropriate for it to adopt company's plan. Staff was directed to continue to monitor service quality through its ongoing analysis of Verizon's service quality reporting requirements, monthly meetings with the company and quarterly service quality reports to the Commission.

The Commission's decision today, when issued will be available on the Commission's www.dps.state.ny.us Web site by accessing the File Room and searching for Case 03-C-0971. Many libraries offer free Internet access. Commission decisions can also be obtained from the Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500).