

STATE OF NEW YORK

Public Service Commission

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VERIZON'S SERVICE QUALITY MEETS MOST STANDARDS — Performance Regarding Repairs Needs Improvements —

Albany, NY—11/12/09—The New York State Public Service Commission (Commission) today received a report from Staff of the Department of Public Service (Staff) indicating Verizon New York Inc.'s service quality performance, as measured under the Commission's service standards, generally met most of the thresholds for performance during the third quarter of 2009.

“We are aware that rainy summer months contributed to Verizon's poor performance in meeting timeliness of repairs this quarter,” said Commission Chairman Garry Brown. “I understand that Verizon is facing competitive pressures and needs to manage its business accordingly. However, despite company efforts, performance for timeliness of repairs continues to deteriorate. My staff has asked Verizon for a plan to address this matter and will work closely with the company to get performance back on track. I look forward to the company's response to this difficult challenge.”

Under the Commission's telephone service standards, local exchange carriers are required to report customer trouble report rates (CTRR). Because Verizon serves more than 500,000 access lines, it must also report on eight other metrics of the telephone service standards, including timeliness of repairs and installations, responsiveness of customer call centers, and network call completion performance.

Detailed results by metric and entity are measured as required by the service standards and tracked by Staff. The service standards contain four groups of metrics measuring maintenance, installation, network, and answer time performance, and other regulatory requirements related to service quality.

Overall, Verizon met Commission-established thresholds of performance 88 percent of the time during this quarter on those metrics it is required to report. This performance is down from the

third quarter 2008 performance of 90.4 percent. Additionally, the company's 539 central offices met or exceeded the monthly CTRR performance thresholds almost 93 percent of the time.

Turning to performance regarding timeliness of repairs, the company experienced the worst quarter in at least the last seven years. During this quarter, its 28 Repair Service Bureaus met the performance threshold just 39 percent of the time, even lower than the third quarter 2008 performance of 58 percent. Staff remains concerned about the overall declining trend, and the acceleration of deteriorating service quality trends despite company efforts to address the deficiencies.

Staff indicated that despite the wet weather that occurred in any given month over the past several years, and especially in the summer months, the number of out-of-service trouble reports has actually dropped over time, while the percentage of out-of-service longer than 24 hours results have worsened over time. To address this concern, Staff has requested Verizon to provide a repair service improvement plan. The plan is to include any actions the company intends to implement in order to improve performance to threshold levels in the short and long term, including if there are plans to augment resources to address repair performance. Staff will continue to review the company's plans and performance in this regard.

The bad weather in July and August generated many more repair calls than usual, and repair call center answer performance in the company's three centers did not meet the Commission's service standard for answer time performance in those months. However, repair call center answer performance did return to above-threshold performance in September.

Verizon serves approximately 5.7 million access lines from 539 central offices. It is the largest incumbent local exchange carrier in New York State serving about 75 percent of the traditional access lines in the state.

Staff's report concerning the quality of telephone service provided by Verizon during the third quarter of 2009, when available, 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 09-C-0361 in the input box labeled "Search for Case/Matter Number." Many libraries offer free Internet access. Staff's report may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500).