

STATE OF NEW YORK

Public Service Commission

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FOR RELEASE: IMMEDIATELY

06074/03C0971

Verizon Service Quality Report -Deficiencies Noted in Seven of 35 Service Repair Bureaus-

New York, NY—12/13/06—The New York State Public Service Commission (Commission) today received a report from Staff of the Department of Public Service (Staff) indicating timeliness of repair needs improvement in seven of Verizon New York, Inc.'s, (Verizon) 35 service repair bureaus. The Commission will require Verizon to submit within 45 days revised bureau-by-bureau improvement plans for the seven bureaus of concern and a company-wide plan to ensure service performance. Additionally, the company must demonstrate within 45 days why the Commission should not implement incentive mechanisms to ensure that Verizon improves its service performance.

“The Commission recognizes that Verizon is competing with new entrants in the telecommunications market that have been declared exempt from certain state-level regulations by the Federal Communications Commissions,” said Commission Chairwoman Patricia L. Acampora. “As a result, Verizon is balancing the need to invest in new infrastructure that will keep it competitive in the future while simultaneously trying to maintain the existing copper system. Nonetheless, the Commission is obligated by law to ensure adequate service quality for those customers who rely on Verizon’s copper network for their telephone service. Based on consistently poor performance related to timeliness of repairs in seven areas of the state, we are asking the company to file plans with us to reverse that trend while preserving our option to prescribe corrective measures if we are not satisfied with the company’s response.”

Despite significant improvements in performance in many areas over the last several years, Staff in its report to the Commission today, indicates habitually poor performance in seven of the 35 bureaus regarding timeliness of repair performance by Verizon. The timeliness of repair measure is one of five metrics the Commission uses to monitor service quality. The metric's threshold performance requires 80 percent or more of all out-of-service trouble reports to be repaired within 24 hours. The performance of the company in the other four metrics in those service bureaus remains satisfactory.

During the period of the past 24 months, timeliness of repair performance by Verizon in its South Nassau, South Westchester, South Queens, North Queens, North Nassau, East Suffolk, and North Westchester bureaus failed to meet the Commission's threshold on a consistent basis.

The Commission is requiring Verizon to identify why its previous improvement plans failed and submit within 45 days revised plans that show that sufficient resources will be allocated to consistently achieve the thresholds established in the Commission's Service Standards (16NYCRR 603.1(c)).

The Commission will issue a written order reflecting today's vote. That order, when available, may be obtained from the Commission's Web site at <http://www.dps.state.ny.us> by accessing the Commission Documents section of the homepage and referencing Case Number 03-C-0971. Many libraries offer free Internet access. Commission orders may also be obtained from its Central Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500).