

# New Networks

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## Shame on Verizon: There Are Customers In Manhattan, New York City Who Still Don't Have Service After Sandy -- 185 Days and Counting.

*This is a foreboding glimpse into your future communications services if you live in the USA.*

I'm sitting in a high ceiling parlor in an aged brownstone at the E.9th Street Block Association meeting. People are telling me, somewhat muting their anger, that some have had no phone service since Sandy, October 28<sup>th</sup> 2012 ---- 185 days ago, almost 6 months, almost half a year. Some had their service restored over the last month, only being out for about 5 months.

I'm in a roomful of people in the middle of Manhattan, New York City, and I can't believe my ears. I've been a telecom analyst for 31 years and thought I'd heard everything before - but this?

Mayor Bloomberg, with claims that New York City is a world center for technology announced his new campaign, "[We Are Made in NY](#)" in 2013, *stating* we're "strengthening the city as a global hub for innovation."

Being out of service is only one of the Manhattanites' problems. Almost all of those without Verizon service have continued to be billed for services that THEY DO NOT RECEIVE.

What's the problem – how could this be happening in America?

The problem started when Sandy took out Verizon's network equipment and network wiring, including the copper wiring. Verizon decided that it wouldn't replace its copper infrastructure since it's being replaced with fiber optics as part of their FiOS deployment; fiber carries phone, broadband, Internet and cable television service.

So folks were told to go to FiOS, Verizon's fiber optic solution, except that some residences on the block aren't even wired with FiOS yet so, for many, FiOS isn't even an option. Others were offered a wireless substitute.

One woman said that she was a Verizon DSL and phone service customer and both were out since Sandy. (DSL uses the copper wires to offer broadband and Internet.) Verizon sent her a wireless box to use -- but the box didn't have Internet broadband connectivity. So it was not a substitute.

Moreover, as I explained, if she did decide to get the Verizon Wireless 'Home Fusion' box, which is a wireless service to replace wired broadband, it would cost her extra since wireless broadband service has bandwidth caps.

DSL on copper lines costs about \$40 a month and doesn't have the same caps. Thus, using Verizon's Home Fusion wireless Internet service could cost hundreds of dollars extra a month.

# New Networks

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Some of the group's stories were of small businesses that lost income as they depended on their phone and fax lines for orders.

Forget the storm damage to their homes and lives; this was an ongoing telecom nightmare.

While some customer service representatives were nice and attempted to be helpful, others were not sympathetic and threatened disconnection, which means in Verizon internal customer jargon that the resident's phone account would be permanently terminated and the customer would have to pay additional fees for reconnection.

Customers electing not to pay for no service – odd as this sounds -- ran the risk of losing long held phone numbers, and could even end up in collections, thus harming their credit rating, to boot. Verizon expects its customers to continue to keep their accounts open and pay for services, just for the privilege of keeping their phone number, avoiding reconnection fees and protecting credit ratings while still not receiving service.

Worse, after being on hold for hours, over the course of a few months; and spending days on the phone to fix problems, Verizon repeatedly misled almost all of them about when service would be restored.

As I pointed out during the meeting, the customer service staff is simply reading scripts and following procedures set by the company. Reps have little, if any control, over what would happen to service. But, what is clear is that the reps were not trained to solve these customers' problems. Customer service reps claimed to have submitted an internal company 'trouble ticket' to fix the problem, which was then never acted on or resolved.

And as the meeting continued, I asked questions:

***“Why didn't you just leave Verizon?”*** Because a number of them had been told by Verizon that service would fixed soon. One woman even had the dates on a piece of paper, [which she handed out.](#)

***Why didn't they go to the cable company?*** Some had cable in the area and it had service problems as well. Some didn't know that the cable company even offered phone as a stand alone service. They certainly don't advertise it. And some hated the cable company more than the phone company, though by this time it was clear they'd be hard pressed to pick which one was worse.

Moreover, like anything else – some people prefer Pepsi, some prefer Coke – but in this case, there isn't a choice. There aren't any other providers. Private companies have total, unregulated control over the wires. Now phone and cable companies have created a monopoly for Internet and even stand alone, local telephone service.

# New Networks

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**Competitors?** One woman said she was going to go to Vonage but when I explained that it still required a broadband connection she was pissed. “Why didn’t they say that in their advertisement?”

Another problem is that wireless reception in the city can be problematic. A number of the people spoke of not being able to use mobile phones in their apartments or that it just didn’t sound as good. “I have to stand by my window and hold it just right.”

## **The Regulators and Politicians -- Shame on You.**

Where's the state public utility commission in all of this? Where is the Mayor’s Office or the other politicians? Under state law customers are supposed to have their service repaired, even after a disaster. Being without service for almost 6 months is unconscionable.

In April 2012, the [State Attorney General petitioned](#) the New York State Board of Public Service to “modify the Verizon Service Quality Improvement Plan” as the State had relaxed its quality of service requirements, an abdication of regulatory oversight which allowed the company to provide “below standard service to 92% of customers”.

As the AG wrote:

“Despite receiving this substantial deregulation of its service quality requirements, Verizon nevertheless failed to meet four repair service measurements in 2011, the first year of the plan. Moreover, by limiting the scope of Verizon’s performance measurements to the 8% of all New York customers defined as Core, the Commission allowed the company to provide below standard service to 92% of its customers with impunity.”

In January 2013, the [State, after reviewing the AG’s complaint, issued a notice for comments](#) claiming that “We find that Verizon’s service quality performance needs to be improved going forward, and to propose modifications to the existing regulatory regime”. [Verizon’s response](#): “No modification of the Commission’s current regulatory framework is... necessary to ensure the continuing provision of high quality service by Verizon New York” and “requiring Verizon to implement those changes would be both unlawful and bad public policy.” And in February, 2013, [Verizon has also filed for a waiver](#) of any quality of service issues surrounding Sandy.

I need to stress -- this isn't some rural area or some mountain top. This is NEW YORK CITY.

One thing is clear – No one is tracking the problems experienced by un-connected customers. Each customer ends up having to deal individually with the phone companies, engaging in months long series of conversations without getting any resolution.

Meanwhile, the union guys we spoke to said that Verizon is ‘declining to fix the copper’ and that they’ve cut back staff so far that it’s hard for them to do the normal work.

# New Networks

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Although, this could be construed as typical, uncaring phone company behavior –I was surprised it was still a problem for such an unusual length of time. WNYC radio ran a story and developed a [map showing areas of Manhattan where customers](#) that were either still out of service or having problems post-Sandy. But this coverage was generated by only one radio station collecting data for Manhattan. In February, 2013, [Huffington Post](#) also ran something about small businesses also being out of service because of Sandy.

All of this also brings up an interesting question – Verizon has a cable franchise to have 100% of New York City upgraded to FiOS by July 2014. Did Verizon claim that these areas were already properly upgraded even though it's clear that the deployment is spotty at best?

Or is this more sinister? Is Verizon, instead of dealing with emergency outages, waiting to give these people a FiOS option in New York – and not repairing these customers's lines which are copper?

Stay Tuned -- This article and the unserved resident's letter will be sent to every official until service is restored.

## **A Foreboding Glimpse into Your Future Communications Service.**

I've written about AT&T and Verizon's plans to turn half of the country into [digital dead zones](#), -- where there are no requirements to fix phone lines or upgrade them. We're not talking sparsely populated rural areas. I'm predicting that people throughout the entire U.S of A will be impacted by rogue telecom companies.

In state after state, Verizon, AT&T and Centurylink, working with the American Legislative Exchange Council, (ALEC) are attempting to remove any oversight by the public utility commissions—their goal is to eliminate requirements for quality of service, or worse, remove any obligations to provide service to people who have no communications carriers at all. [Twenty six states have passed ALEC-based bills](#), gutting customer protections (though it varies in degree, state by state)

On the federal level, AT&T petitioned the FCC, using the same ALEC-based principles, to close down whole areas of their 22 state territories.

Besides this legislative maneuvering to eliminate government guarantees that everyone is able to communicate, Verizon and AT&T have announced that they are going to stop maintaining copper wire plant, even though [AT&T's entire 22 state U-Verse is based on copper wires](#);

Verizon has stopped upgrading FiOS – so entire areas of the country will not be upgraded. All this denial of landline service has a subplot, which is to push customers onto purchasing exorbitantly, expensive, usage priced wireless services. What this means is that American's

# New Networks

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ability to speak and communicate in the 21<sup>st</sup> Century will depend exclusively on how much money people have.

Fire Island, in New York, which got hit heavily by the storm, has been told that [Verizon is going to abandon](#) their copper wire plant, and will not deploy FIOS. Instead all of Fire Island will be forced to use wireless networks.

The irony in New York is that all of these wired customers received multiple rate increases for upgrades to the utility plant over the last two decades. In June 2009 the NY State Department of Public Service specifically points out that the ‘fiber optic’ services are being paid for by rate increases.

“We are always concerned about the impacts on ratepayers of any rate increase, especially in times of economic stress,” said Commission Chairman Garry Brown. “Nevertheless, there are certain increases in Verizon’s costs that have to be recognized. This is especially important given the magnitude of the company’s capital investment program, including its massive deployment of fiber optics in New York. We encourage Verizon to make appropriate investments in New York, and these minor rate increases will allow those investments to continue.”

And, as we’ve written, almost every state had requirements to upgrade telecommunications networks as customers paid for these upgrades. In New Jersey, Verizon was required, by law, to have [100% of the state upgraded with a fiber optic service capable of 45 Mbps in both directions](#) and completed by 2010. Two small communities, Greenwich and Stow Creek, complained and the State issued a ‘show cause order’ to explain why they were not upgraded, and why even their basic phone service had quality of service issues.

The writing is on the wall. What’s happening in New York City to these customers is a failure of the entire telecommunications regulatory system to care about customers. It’s going to get worse if the FCC and states continue to favor Verizon, AT&T et al over those they are supposed to be serving and who are paying for the companies capital investments.

Let these customers’ stories of people who are still waiting for service for six months be a clarion call to reverse direction and bring back real competition, quality of service requirements, and to make sure someone is not only watching but holding our communications companies responsible to their customers – you, your family and your business.

One day you may wake up to find your service not working. Don’t say we didn’t warn you.