

New Networks Institute

March 6th, 2016

Bruce Kushnick, bruce@newnetworks.com

Sent via ECFS

Ms. Marlene Dortch, Secretary
Federal Communications Commission

RE: Petition of USTelecom for Declaratory Ruling That Incumbent Local Exchange Carriers Are Non-Dominant in the Provision of Switched Access, WC Docket No. 13-3.

Re: USTelecom Petition for Forbearance from Certain Incumbent LEC Regulatory Obligations, WC Docket No. 14-192; Connect America Fund, WC Docket No. 10-90.

We file this letter requesting an investigation of the data and analysis used by the FCC in any proceeding that deals with ‘switched’ and ‘non-switched’ (special access) access services. “Refreshing” the record of this USTA Petition to allow the phone companies to be ‘non-dominant’ in ‘switched access’ is just another part of the AT&T-Verizon-Centurylink-USTA plan to remove the companies’ remaining overall obligations as can be seen by the title of Docket 14-192.

“Petition of USTelecom for Forbearance Pursuant to 47 U.S.C. § 160(c) from Enforcement of Obsolete ILEC Legacy Regulations That Inhibit Deployment of Next-Generation Networks”.

Switched and Special Access Use the Same Wires.

These are the state utilities, a fact the FCC and the USTA seem to have forgotten; and the PSTN, the “Public Switched Telephone Networks”, include all of the wires, which include both switched and non-switched – i.e., special access. And so, once the ILECs are ruled non-dominant they will simply have carte blanche to shut off all copper networks they want, not deliver services, claiming that they are ‘losing lines’ and that the PSTN wired networks are unprofitable.

Verizon Disconnection Notice Shows Special Access Is also being “Shut Off”.

Let us be clear; this Verizon NY, New York City ‘disconnection notice’ (see the full letter in Appendix B) demonstrates that “DS1”, “ISDN”, “DSL” and competitive services are ALL being shut off — not just one subset of the PSTN, the copper-based voice services.



NOTICE OF COPPER RETIREMENT

December 3, 2015

Dear [REDACTED]

Telephone Number: [REDACTED]

Our plan is to retire copper facilities in your area on or after March 31st, 2017. To continue to provide you service, Verizon will have to move your service to these fiber-optic facilities.

Similarly, if you subscribe to any of our DS1 data services, there will be no change to the price, terms, and conditions when you move to these services to our fiber-optic facilities.

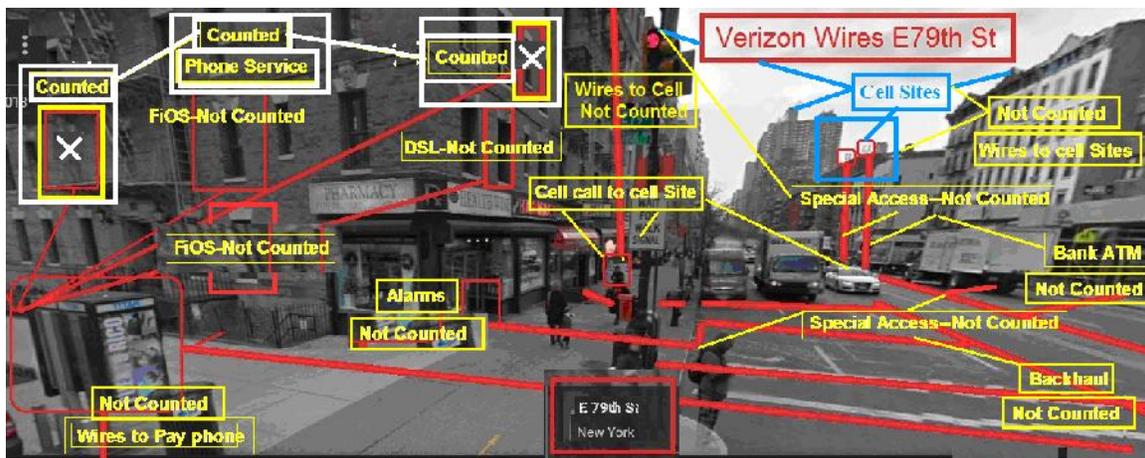
There are some copper-based low bandwidth private line services that are not available on fiber (e.g., ISDN BRI). If you subscribe to one of those services, we will work with you to find an alternative service.

7. **What if I change providers?** Providers using Verizon's copper facilities have been notified regarding the copper-to-fiber transition and will also be required to migrate to Verizon's fiber-optic facilities. You may be able to move (or "port") your number to a new provider that uses its own network and facilities.

The FCC has Failed to Count Actual Copper Lines in Service.

And this disconnection is in an area where Verizon has put in some fiber optics. In fact, the majority of lines are NOT 'switched access', but the 'non-dominant status' will simply make it easier to shut off all copper lines, regardless of their classification.

This is a panoramic Google Maps shot of E79th Street in New York City that shows the majority of wired access lines are NOT being counted. (This is just a 'representation'; each line represents hundreds/thousands of lines in the neighborhood.).



And by shutting off the 'copper' lines and forcing customers onto fiber optics, anyone using a competitor can't migrate their service, as the current FCC USTA greenfield

decision blocks the competitive companies from offering services over the customer funded fiber optic lines.

NOTE: The fiber optic wires put in for FiOS in Verizon New York territory are classified as Title II, common carriage in NY State law because Verizon went to the NY State PSC and claimed that this fiber optics were just an upgrade of the existing state utility. Obviously, the FCC's greenfield analysis lacks legitimacy if it didn't address the status of fiber optic deployment in New York and every Verizon state.

How Many “Special Access” Lines are there in America? “Zero” or 600 Million?

Moreover, the FCC is clueless about the total number of copper-based lines. As we will discuss, there has been a massive increase in ‘total access lines’ in America; there could be as many as 600 million total lines, in fact, based on the FCC's last “Statistics of Common Carriers”, (“SOCC”) and accounting for the revenue growth, as documented by the FCC's claim that there are \$40 billion in access revenues in 2013, and that 60% are ‘TDM’, and mostly copper-based.

For example, while Verizon New York claims they have ‘lost lines’— with only 2.7 million access lines left, the fact is that in 2007 the FCC showed 47 million total access lines nationally, and counting the increases in special access revenue, there are probably around 65 million total lines. That's a big enough difference that the FCC should have been investigating this issue already. But the FCC actually stopped publishing the SOCC reports.

See more discussion of the access line accounting in Appendix A.

These Activities are Tied to a Number of Other FCC Proceedings, All of which are Impacted.

We file this in combination with our previous letter for investigation of the data in the previous FCC decision about the USTA Petition, as well as our new reports from our new series, “Fixing Telecommunications”.

On December 10th, 2015, New Networks Institute, now a consortium of telecom analysts, forensic auditors, and lawyers, released the two new reports from the series “Fixing Telecommunications” and subsequently they have been filed in 31 FCC proceedings. The data, most of which is taken directly from ‘primary sources’, directly contradicts many statements and findings in the current FCC USTA Forbearance decision.¹

¹ <http://newnetworks.com/fixingtelecom/>

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On December 28th, 2015 the FCC released a Memorandum & Order for the USTelecom Petition for Forbearance, and much of this decision was based on biased and manipulated information or else major facts were totally ignored.²

And on February 3rd, 2016, we wrote a letter to request that the FCC start investigations into the data used in last FCC USTA Petition decision and every related FCC Order. And while the facts we present are based on Verizon NY's actual financial annual reports from 2000-2014, (and other documents), it is clear that these same issues are national in scope and are happening, in varying degrees, in every AT&T, Verizon and Centurylink state.³

Meanwhile, the USTA claimed in its the original filing in 2013 that this is not about special access — rubbish.

“As made clear in its Petition, USTelecom is not seeking regulatory relief with respect to special access services. Nor is USTelecom asking the Commission to forbear from any requirements under section 251 or section 271. Because granting USTelecom's Petition would have no effect on existing ILEC wholesale obligations, commenter concerns about the continued ability of competitors to rely ‘on ILEC last mile’ facilities and the “impact on carrier-to-carrier services” are not only overwrought but totally unfounded.”⁴

Is the FCC really that naïve to not know that this is about the copper wires and the dominance of the incumbent, who is the utility, and who controls these wires, regardless of what the traffic and classification of the data, video, voice or wireless traffic that they carry? And this paragraph also points to the steady erosion of competitor rights as the FCC has stripped parts of section 251 out of the Open Internet Order, and more recently section 271 in the last FCC USTA Petition order.

And it is worth repeating — when Verizon claims it is shutting off the copper — it is not the ‘switched lines’ alone — it is all copper-based wires.

What do AT&T, Verizon and USTA want? – Relief from regulation so they can shut off anyone they feel like with no accountability.

“A. Relief Requested. (ii) dominant carriers are subject to a 60-day waiting period for applications to discontinue, reduce, or impair services to be granted, as compared to a 30-day period for non-dominant carriers;

² <http://apps.fcc.gov/ecfs/comment/view?id=60001364113>

³ <http://newnetworks.com/nnifccustapetition/>

⁴ <http://apps.fcc.gov/ecfs/document/view?id=7022130216>

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and (iii) dominant carriers are eligible for presumptive streamlined treatment for fewer types of transfers of control under section 214 than non-dominant carriers.”⁵

The FCC has let this get out of control with zero information about the entire PSTN infrastructure and the majority of copper-based lines, which includes NON-SWITCHED copper-based lines, as well as the fiber optic wires that were put in as part of the state utility.

In short; let’s start with a fundamental: we just want to know the answers to a few basic, simple questions:

- How many total copper and fiber optic access lines are in use today?
- How many lines does the \$24 billion in Special Access revenues (from mostly copper based lines) represent?
- How many lines are represented in the \$40 billion total?

There is one bottom line: Switched or non-switched, these are all part of the state-based utilities. The wires were put in as a monopoly and no other company has come to rewire a state or the areas these utilities cover, with few exceptions.

Thus, the wire, not the services over the wire, is the first question. The disconnection of services is not about switched or non-switched but about the wires — and who will be shut off, or not maintained, and who will be upgraded.

Appendix A gives specific details about the wires in service in New York State and was published in Huffington Post, March 3, 2016.⁶

⁵ <http://apps.fcc.gov/ecfs/document/view?id=7022130216>

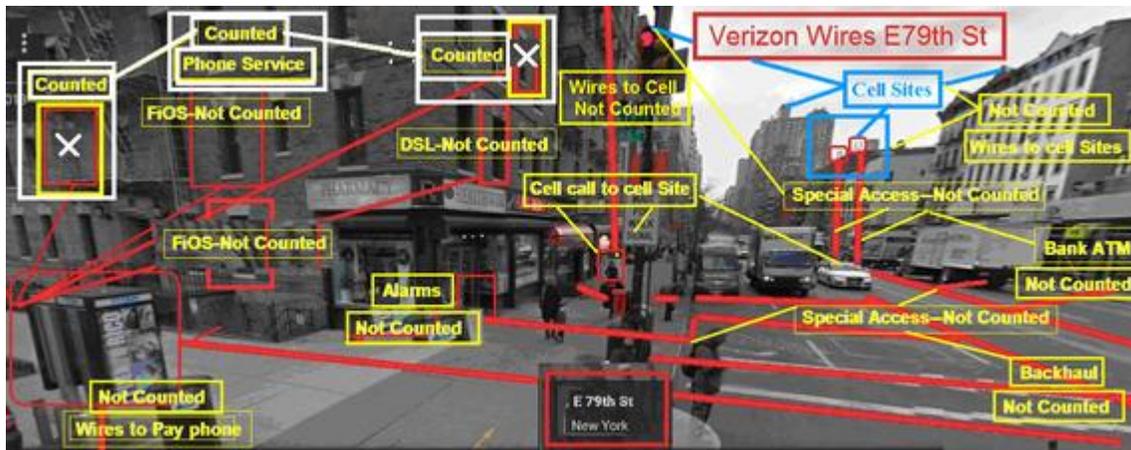
⁶ http://www.huffingtonpost.com/bruce-kushnick/how-many-special-access-l_b_9371370.html

APPENDIX A How Many 'Special Access' Lines Are There in America? 'Zero' or 600 Million?

03/03/2016 02:14 am ET | **Updated** 3 days ago

[Bruce Kushnick](#) Executive Director, New Networks Institute

The FCC and the phone companies, AT&T and Verizon, have been manipulating the accounting of access lines and it is being used to create harmful public policies.



This is a panoramic Google Maps shot of E79th Street in New York City that shows the majority of wired access lines are NOT being counted. (This is just a 'representation'; each line represents hundreds/thousands of lines in the neighborhood.) -- I'll get back to this in a moment.

Verizon claims no one is using the networks so they should be able to shut them off, not maintain them, block competitors from using any upgrades, get rid of the unions, charge you more and force customers onto more expensive wireless... for starters - And more importantly, they have created a 'special' network with no accounting of actual lines, or oversight, but it was built using revenue from local phone rates.

How to Hide \$40 Billion to 'Shut Off the Copper'?

At the end of 2007, the FCC's "[Statistics of Common Carriers](#)" showed that there were more than 424 million total access lines in America, and that the majority, over 300 million business broadband and data lines, were 'Special Access'. (There are caveats which we will discuss.) This was the last year the FCC published this report and information collection, which had started in 1939.

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Special access lines are not "special"; they are part of the state-based telecommunications utilities and are business broadband and data lines.

In 2015, the [FCC published some new data](#) and claimed that special access revenues are about \$40 billion and the majority, 60%, or \$24 billion, are 'mostly-copper based' telecommunications ("TDM") services that are part of the state utility wires:

"TDM-based business data services... are the dedicated (usually copper) circuits that many business and other institutional users continue to rely on for their data and other communications needs... Despite the growth of newer technologies, preliminary analysis of the Commission's special access data collection shows that revenues from such TDM services continue to make up in the range of sixty percent of the roughly \$40 billion annual special access market."

This new data (which [we were blocked from examining](#) in detail) shows the special access market has doubled in size since the FCC's guesstimate in 2013, when common wisdom was that this market was only \$12-\$18 billion. This means that the wired networks are growing, and that the copper-wired-networks had massive increases in lines overall, contradicting all of the noise about 'dropped' lines.

How Many Special Access Lines are there? "Zero"?

Unfortunately, the FCC has revealed "0" Special Access Lines; that's "Zero". There is no mention in any document we can find that supplies the basic special access line accounting. But, based on the number of access lines in 2007 and the growth in revenues discussed, there could now be as many as 600 million related access lines.

Why does this matter?

To repeat, Verizon announced its plans to shut off the copper wires, claiming that everyone has been dropping the lines. Therefore, Verizon says these wires should not be maintained but simply shut off. In some areas, the copper wires will be replaced with fiber optics. But a number are lines used by competitors, and customers may lose their competitive provider. In more rural areas, the plan is to force customers onto more expensive wireless... or just not care about their service and let the copper deteriorate because - well, no one is using the wires, right?

And it matters because there are multiple FCC and state proceedings where the companies and their associations have used the 'conventional wisdom' that everyone is 'dropping their landlines' as an excuse to not only 'migrate' customers to wireless or fiber, but to also kill off the competitors, or not be required to even offer service or maintain the utility infrastructure.

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The Lines are Hiding in Plain Sight, Almost.

This is the panoramic 'before' picture. Ever noticed the 'cell sites' or counted the wires on poles or did know that the conduits under the streets are filled with wires?



We chose E79th Street because Verizon has announced it is planning on 'shutting off the copper wires' in the neighborhood.

If you look at the first highlighted picture you see that 'special access' lines, from bank ATM lines, or the wires to the cell sites, are not counted; a DSL line is not counted, the wires running up and down the streets known as 'back haul' aren't counted, FiOS isn't counted - just basic local phone service, and it is marked here in white.

That likely means that \$24 billion dollars of mostly copper wires across the US were NOT counted as an access line.

How many lines are we talking about? Let's do this by the numbers.

1) FCC "Total Access Lines" in Service in the US in 2007 -- 424 Million.

Let's start with 2007, the last date the FCC published 'access line accounting' in America. And I'll use the excerpts from the exact FCC data being mentioned.

This chart is from the last FCC "Statistics of Common Carriers" in 2007. It shows that there was a total of 424 million access lines in service in America, (but with caveats), and 379 million belonged to the "Regional Bell Operating Companies", "RBOCs", who are now AT&T, Verizon and CenturyLink, (with various caveats as Verizon, for example, has been selling off properties such as the sale of New England Telephone's Maine, New Hampshire and Vermont to FairPoint).

Statistics of Communications Common Carriers
Table 2.6 - Operating Statistics of Reporting Incumbent Local Exchange Carriers
as of December 31, 2007

Items	¹ All Reporting Incumbent Local Exchange Companies	² Regional Bell Operating Companies
Switched Access Lines in Service:		
Main Access Lines	100,778,024	90,609,352
PBX & Centrex Trunks	4,521,928	3,857,456
Centrex Extensions	11,167,277	10,588,073
Other Switched Access Lines	4,421,568	4,134,196
Total Switched Access Lines	120,888,797	109,189,077
Central Office Switches Excluding Remote Switches	6,576	5,656
Remote Switches	9,467	6,663
Central Office Switches	16,043	12,319
Basic Rate ISDN Control Channels	827,098	806,495
Primary Rate ISDN Control Channels	292,516	271,316
Access Lines in Service by Customer:		
Business Switched Access Lines:		
Single Line	3,078,355	2,448,765
Multiline/Other Than Payphone	41,630,524	38,659,262
Payphone Lines	551,664	511,642
Residential Switched Access Lines:		
Lifeline	5,892,244	5,395,848
Non-Lifeline/Primary	62,142,953	55,285,109
Non-Lifeline - Non-Primary	7,593,057	6,888,451
Total Switched Access Lines	120,888,797	109,189,077
Special Access Lines (Non-Switched):		
Analog (4kHz or Equiv)	691,069	658,015
Digital (64kbps or Equiv)	302,426,590	269,385,852
Total Access Lines (Switched and Special)	424,006,456	379,232,944
Local Private Lines	11,514,954	10,875,948

At the top of this chart are 'Main Access Lines', showing 91 million RBOC lines in the US. These are the phone lines, the basic 'land line', as some call it. Thus, at that time, basic phone lines were only a ¼ of the total lines.

And here is a [link to the FCC's 2007 data](#) of total access lines by state.

Also, please notice that there are a host of different types of lines: 'switched access' lines and 'non-switched' access lines, as well as payphones or private lines or other business services known as 'Centrex'. What is shown on this chart are mostly copper wires that are mostly part of the state utility.

2) AT&T, Verizon, CenturyLink Revenues for Special Access Lines, 2007

This chart is based on the same FCC 2007 report, showing that the copper-based special access services represented about \$18 billion for just AT&T, Verizon and CenturyLink.

Statistics of Communications Common Carriers
Table 2.8 - Statistics of Regional Bell Operating Companies
as of December 31, 2007 and for the Year Then Ended -- Continued
(Dollar Amounts Shown in Thousands)

Line No.	Account/ Row Number	Items	¹ Total Regional Bell Operating Companies
<u>Income Statement Accounts</u>			
<u>Revenue Accounts</u>			
<u>Local Network Service Revenues:</u>			
102	5001	Basic Area Revenues	25,105,856
103	5040	Local Private Line Revenues	1,717,606
104	5060	Other Basic Area Revenues	10,580,729
105	520	Local Network Service Revenues	37,404,191
<u>Network Access Service Revenues:</u>			
106	5081	End-User Revenues	8,515,634
107	5082	Switched Access Revenues	5,226,794
108	5083	Special Access Revenues	17,986,858
109	522	Total Network Access Service Revenues	31,729,288
110	5100	Long Distance Message Revenues	2,892,962

3) Revenues and Lines, 2007:

Thus, in 2007, for just these three companies, AT&T, Verizon and CenturyLink had about \$18 billion in special access revenues and based on the previous chart, this represented approximately 269 million total special access lines and a total of 379 million lines, which included basic phone lines.

NOTE: This revenue and line accounting is only based on the three companies. The 'total lines' includes all of the other incumbent phone companies.

4) 2013-2015: The Current, Amazing, Slight-of-Hand Trick. Zero Lines but \$40 Billion in Revenues.

The FCC's current analysis has not mentioned actual lines in service -- '0' lines-- for \$40 billion of special access services, even though the majority are mostly the copper wires, which represents about \$24 billion.

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Extrapolating the number of lines based on the lines associated with the 2007 special access revenues of AT&T et al., we found that the \$24 billion could represent 350 million copper-based access lines, not in the current 'access line' accounting; \$40 billion could be almost 600 million access lines.

Special Access Revenues and Lines, 2007 and 2016*

	Revenue	Special Access Lines
Bell Companies		
2007	\$17,986,858,000	269,385,852
All Companies		
2016	\$24 Billion	359,443,570
	\$40 Billion	599,072,616

Sources: FCC, New Networks Institute

5) *Caveats to the Manipulation of the Accounting.

- **There is no accounting, by any government agency, of the number of actual copper lines in service or the number of 'equivalent lines', etc.**
- The FCC's new info is for the year 2013.
- These numbers are rounded and probably off by who knows how much.
- It is not inclusive of all revenues because the FCC only collected data from end users, not the telcos themselves.
- In 2007, the Bell companies represented 90% of all telecommunications lines and revenues.
- These new numbers may or may not include the cable companies' special access services.
- Special Access is mostly a regular phone line, yet the accounting has been 'manipulated' to count the actual, physical line based on its 'use'.
- DSL, for example, has historically been classified as a 'special access' line.
- AT&T's U-Verse with VOIP, changes the classification of the copper wire that could have been in service for 50 years.
- NOTE: The access line accounting does not account for the cable companies' wires.

6) Access Line Equivalent Accounting.

As we discussed elsewhere, the access line accounting represents both a physical wire as well as 'equivalent' lines (or sometimes called 'virtual' lines). Two examples:

- DSL: A phone line with a DSL line can have 1 copper wire but two services over the wire-- phone service and broadband/Internet service.

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- Business T1 line or DS1 line can have 24 simultaneous calls over 1 wire (or a few combined wires).

This accounting goes both ways. Customers bought second lines for 'Internet' and 'dial-up', but it wasn't needed with DSL because 1 physical wire could handle voice calling and broadband/Internet - so customers dropped second lines. Or, when a company went to a "T1" line it replaced 24 separate copper wires, both lowering the accounting supplied by the telcos.

7) State Model: Access Line Accounting Manipulation Using Verizon New York.

These access lines numbers are provided by Verizon New York as quoted by the phone industry association and lobby -- the United States Telecommunications Association, USTelecom, "USTA". It claims that Verizon New York only had 2.9 million access lines in 2015, down from 11 million in 2000.

[USTA cites](#) Verizon New York's Access Line Accounting, 2015

"When you look at the numbers in New York, in 2000, the incumbent (Verizon New York) had over 11 million access lines. Today they have 2.9 million access lines."

That is actually a small subset of the total actual, physical wires in service.

8) Verizon New York: 47 Million Lines in 2007.

This next exhibit is from the FCC's "Statistic of Common Carriers" report for the year 2007. Verizon NY had a total of 46.8 million access lines in 2007. The access lines USTA cites could fall under the 4.7 million "Main Access Lines" (or it could include some of the other 'switched access' categories), but it is mostly the voice, "switched", copper-based phone lines, which constitute only a fraction of the actual lines in service in the year 2007.

**Access Lines, Verizon NY
FCC Statistics of Common Carriers,
(For the Year 2007)**

	2007	2006	
Switched Access Lines in Service:			
Main Access Lines	4,658,451	5,116,406	
PBX & Centrex Trunks	460,379	463,709	
Centrex Extensions	999,354	963,213	
Other Switched Access Lines	1,064,404	1,417,158	
Total Switched Access Lines	7,182,588	7,960,486	
Central Office Switches Excluding Remote Switches	301	301	
Remote Switches	300	299	
Central Office Switches	601	600	
Basic Rate ISDN Control Channels	62,486	67,019	
Primary Rate ISDN Control Channels	14,952	14,442	
Access Lines in Service by Customer:			
Business Switched Access Lines:	Single Line	145,466	151,497
	Multiline/Other Than Payphone	2,677,605	2,799,836
	Payphone Lines	88,614	99,305
Residential Switched Access Lines:	Lifeline	263,473	276,013
	Non-Lifeline/Primary	3,584,790	4,137,632
	Non-Lifeline - Non-Primary	422,640	496,203
Total Switched Access Lines	7,182,588	7,960,486	
Special Access Lines (Non-Switched):	Analog (4kHz or Equiv)	25,765	27,279
	Digital (64kbps or Equiv)	39,615,573	35,005,428
Total Access Lines (Switched and Special)	46,823,926	42,993,193	
Local Private Lines	595,918	592,305	

9) Verizon NY Special Access Revenues \$1.8 Billion; 63 Million Access Lines?

We have something the FCC didn't bother to examine -- Verizon New York's actual special access revenues, by year. Special Access revenue, in just 'copper-based', telecommunications revenues, went up over 58% since 2007.

Verizon NY Access Lines, POTS & Special Access, Based on FCC Calculations 2007-2014

	2007	2014	Change
Special Access	39,615,000	62,626,294	58.09%
POTS Access	7,182,588	2,700,000	-62.41%
Total Access Lines	46,823,926	65,326,294	39.51%
Percent of Total	15.34%	4.13%	

Sources: Verizon NY, FCC, New Networks Institute

- In 2014, there were approximately 62.6 million 'special access' lines and 'equivalents' in NY State; adding the POTS lines brings the total to 65.3 million.
- According to Verizon, there were only 2.7 million POTS access lines; about 4% of total lines, in 2014. (This differs somewhat from the USTA statement and is sourced from Verizon NY Annual report.)
- Special Access line accounting is not included in the access line accounting supplied by Verizon, or any telephone company.

And based on actual revenues for 2007-2014, there could be 63 million total special access lines and equivalents in service in New York today. And these would be mostly copper based, as this revenue bucket is part of the state utility accounting.

There are other buckets of special access not counted. (Thus, these findings would fit into the FCC's \$24 billion 'mostly copper-based' analysis and is missing the other 40% representing the total of \$40 billion.)

10) Disconnecting Customers Based on Cooked Accounting?

This is an excerpt from a Verizon New York City disconnection notice ([click for the full notice](#)) that triggered this article. It says that if a subscriber is using copper-based services, which include "DS1 data services", or "ISDN" services or the customer uses a competitor, then these services in New York City will no longer be available. Verizon will be using only fiber optics.



NOTICE OF COPPER RETIREMENT

December 3, 2015

Dear [REDACTED]

Telephone Number: [REDACTED]

Our plan is to retire copper facilities in your area on or after March 31st, 2017. To continue to provide you service, Verizon will have to move your service to these fiber-optic facilities.

Similarly, if you subscribe to any of our DS1 data services, there will be no change to the price, terms, and conditions when you move to these services to our fiber-optic facilities.

There are some copper-based low bandwidth private line services that are not available on fiber (e.g., ISDN BRI). If you subscribe to one of those services, we will work with you to find an alternative service.

7. **What if I change providers?** Providers using Verizon's copper facilities have been notified regarding the copper-to-fiber transition and will also be required to migrate to Verizon's fiber-optic facilities. You may be able to move (or "port") your number to a new provider that uses its own network and facilities.

But as we just pointed out, not one of these lines -- not the business special access DS1 service, not the ISDN, not the 'competitors who use the copper wires', is included in the access line accounting supplied by Verizon or the FCC.

And the FCC and states are allowing the companies to 'migrate' customers based on Verizon's made-up access line accounting.

11) The Con: Shut Off the Wires by Creating a Shell Game With the Accounting.

We also filed a [letter for investigation](#) of the data and analysis used in the recent FCC decision known as USTA Petition Forbearance. In that decision the FCC actually wrote:

"We noted that 44 percent of households were "wireless-only" during January-June of 2014. That number increased to 45.4 percent by the end of December 2014, such that more than two in every five households did not have a landline telephone. We have stated that, overall, almost 75 percent of U.S. residential customers (approximately 88 million households) no longer receive telephone service over traditional copper facilities.

"Similarly, USTelecom asserts in its Petition that barely one-quarter of U.S. households rely on traditional switched service from an incumbent LEC. We further note that, according to our most recent data, 53.5 percent of connections to businesses are currently provisioned over incumbent LEC switched facilities."

Simply put, none of this is based on actual accounting of lines in service but on 'subsets' of data. The ;wireless-only; household data doesn't include 'lines'; it is only about 'voice

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calling', while the '53.5%' of businesses uses the word 'switched' as if the copper wire somehow changes depending on the type of traffic carried over the wire.

The FCC found \$24 billion in 'mostly copper wires' but none of these lines are in this 53.5 percent statistic. How can the FCC can use this make-believe accounting is beyond comprehension.

In the Verizon NY disconnection notice, the 'DS1' that may be shut off is NOT 'switched' and therefore is not counted as a line - yet, since there is no rational accounting of copper access lines in service, much less fiber optics, the regulators and FCC can play games to claim there is a 'loss' of lines and revenues. In fact, it is nothing more than an accounting shell game, set up by AT&T et al., now with the help of the FCC.

We just want to know the answers to few basic, simple questions:

- How many total copper and fiber access lines are in use today?
- How many lines does the \$24 billion in Special Access revenues (from mostly copper based lines) represent?
- How many lines are represented in the \$40 billion total?

APPENDIX B: Verizon New York Disconnection Notice



NOTICE OF COPPER RETIREMENT

December 3, 2015



Dear [REDACTED]

Telephone Number: [REDACTED]

Currently, Verizon brings wireline voice and data services to your location over copper cables. However, the company is upgrading to fiber-optic technology in your area, and will be retiring its copper facilities that currently serve you and your neighbors.

Our plan is to retire copper facilities in your area on or after March 31st, 2017. To continue to provide you service, Verizon will have to move your service to these fiber-optic facilities.

Over the next few months, Verizon will be contacting you to schedule an appointment to have a Verizon technician come to your location and set up your services on fiber. You may also call us at 1-877-505-1185 to schedule an appointment.

We will transfer your voice services from copper to fiber at no cost to you. This transfer will not result in any change to the voice service that you currently receive from Verizon. You may continue to subscribe to the same voice service at the same price, terms, and conditions. In addition, any devices that rely on your voice service, such as fax machines, payment systems, or security alarms connected to a central station, will continue to work in the same way as they currently do over copper. We will also provide you with a battery backup device at no charge, capable of providing a minimum of 8 hours of standby time in a power outage. Depending on the Verizon equipment installed at your location, backup power may be provided by a 12-volt battery or a device that uses 12 D-cell batteries.

Similarly, if you subscribe to any of our DS1 data services, there will be no change to the price, terms, and conditions when you move to these services to our fiber-optic facilities.

If you subscribe to our High Speed Internet service, the migration to fiber will require a change since that service is not available on our fiber facilities. The Internet access service that we offer on fiber is Fios Internet. Fios Internet is available at significantly faster speeds than High Speed Internet. We will offer the service at a special rate for customers who migrate from copper to the fiber facilities as a result of the retirement of our copper facilities. In some cases, this price may be lower or higher than what you currently pay for Internet access.

There are some copper-based low bandwidth private line services that are not available on fiber (e.g., ISDN BRI). If you subscribe to one of those services, we will work with you to find an alternative service.

Please review the Frequently Asked Questions for additional information about the fiber upgrade by visiting us at www.verizon.com/fiberupgrade. If you still have questions, please call us Monday through Friday, 8A.M. - 8P.M., or Saturday 8A.M. - 5P.M. at 1-877-505-1185.

You may also contact the Federal Communications Commission or your State Commission if you have any questions.

Thank you for continuing to be a loyal customer. We greatly appreciate your business.

Sincerely,

Director - Network Transformation
Verizon