

Legislative Memorandum from:



David Lamendola
Director
Government Affairs

158 State Street
Room 900c
Albany, NY 12207
Ph: 518-396-1086

COMMENTS ON THE FOLLOWING LEGISLATION

Raised Bill Number 5544

AN ACT CONCERNING STORM PREPARATION AND EMERGENCY RESPONSE

Before the Joint Committee on Energy and Technology - March 19, 2012

This bill would require the Public Utilities Regulatory Authority ("PURA") to open a proceeding in order for to establish emergency and service restoration performance standards for energy and traditional telephone providers. The measure also calls for additional remedies, presumably in response to the severe weather that plagued Connecticut in 2011.

Verizon's services to its customers – landline, cable television, Internet, and wireless – were not severely impacted by the two storms and the associated power outages. In the small number of situations in which our customers did not have service, we issued out-of-service credits for service interruptions in accordance with our current consumer-friendly customer service policies. While this bill is well-intentioned, we do not feel it's appropriate at this time for a number of reasons.

First, the Public Utilities Regulatory Authority ("PURA") opened a proceeding on September 22, 2011, pursuant to Conn. Gen. Stat. § 16-11, to review the service response and the operations of Verizon and other service providers following the outages caused by Hurricane, then Tropical Storm, Irene on August 27-28, 2011. PURA subsequently expanded the scope of the proceeding to investigate the responses to the late October Nor'easter. Throughout this investigation (which is ongoing), Verizon has worked cooperatively with PURA as it reviews our restoration efforts after these storms. We have responded to over 100 interrogatories as PURA considers the appropriate course of action in order to reduce the restoration time frames and improve service overall. In fact, our regulatory team is in New Britain this week for hearings in the PURA investigation. As a result of this open docket, we don't feel that it is appropriate to conclude today that the provisions in this measure are necessary. Respectfully, Verizon suggests that the committee members wait for this PURA proceeding to conclude prior to acting on this measure in its entirety.

Second, Verizon provides telephone service to 22,000 consumers in Greenwich, but we face stiff competition from providers that are much larger in this community. As drafted, provisions in this proposal do not apply to traditional cable providers (which now offer phone services) or municipal electric or cable companies. All of these entities are present on the utility poles, offer or will offer service to consumers, government entities and businesses, yet the provisions in this bill only apply to traditional telephone companies like Verizon and AT&T. We think these entities are properly excluded from this provision, and if the entire section cannot be stricken, traditional telephone companies should be excluded as well.

In addition, the proposal includes a backup power mandate that will be competitively harmful to Verizon Wireless. Verizon Wireless has invested significantly in backup power to keep our customers in touch during emergencies and as a competitive differentiator. Customers of other wireless companies who may be considering switching to Verizon Wireless will have less incentive to switch if they know the other companies will be forced to provide more backup power. Therefore, such a mandate will diminish the competitive impact of the significant investment in backup power made by Verizon Wireless.

If the committee believes it must act immediately and respond with a legislative solution, Verizon believes Governor Malloy's proposal, S.B. 23, strikes the right cord and is more appropriate at this time.

In closing, Verizon wants to report that our review process of our involvement and performance in response to these storms is ongoing. While we feel we fared well, comments heard at the legislative hearings in 2011 and today illustrate that we can do better, particularly with communicating to our customers and to leaders on the ground in local communities. Rest assured, our senior management and operations team are aware of the testimony and comments shared during the earlier hearings and we will work to incorporate reasonable suggestions, including lessons learned, best practices, and recommendations for improvement. Verizon executives are also engaged in the internal review of our responses, and continue discussions with other agencies involved with this effort about ways to improve our response to such events.

For all the above reasons, Verizon respectfully requests that this measure not advance.