Legislative Memorandum from:

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COMMENTS ON THE FOLLOWING LEGISLATION
Raised Bill Number 5473

AN ACT CONCERNING PUBLIC ACCESS OPERATIONS AND THE PERIOD REVIEW OF VIDEO PROVIDERS

Before the Joint Committee on Energy and Technology - March 15, 2012

This bill would require performance reviews of cable companies and certified video providers every five years. Section Two would allow certain PEG funds to be used for labor and staffing expenses. Section Three would establish by statute certain funds for certain PEG operators. Section Four would make numerous changes to the requirement on certain parties with respect to PEG. Section Five would reestablish the state's Broadband Internet Coordinating Council.

By way of background, in addition to wireless services offered throughout the State, Verizon provides wired phone service to approximately 15,000 customers in the Greenwich and Byram area and recently began offering video service in parts of Greenwich.

Many provision of this bill have been raised in past legislative cycles and, in the spirit of cooperation, Verizon supported some of these provisions in a broader industry reform bill (S1024 of 2011). Unfortunately, there are two provisions in this current bill that burden our entrance in the video market. Verizon must therefore respectfully oppose parts of this bill. The Company's concerns are highlighted in this memo. We welcome the opportunity to work with the committee to draft language that is acceptable to all parties and try to encompass them in a larger reform measure that we hope this committee will review and address this year.

Section One of the bill would require performance reviews on Verizon's limited video operation in Greenwich. While we are looking to grow our video service offerings, we don't feel our current market share warrants this type of review at this time. In addition, it is our opinion that this section creates an unlevel playing field among video providers since the provisions aren't touching all providers that offer video service in Connecticut. For example, satellite providers would be exempt from this bill's provisions despite having a much larger market share than Verizon in Connecticut. In addition, Verizon would be subject to the same requirements as traditional video providers in Connecticut that have a much larger market share. As a result of

this dynamic, Verizon respectfully suggests that the current law contains abundant protections for consumers and authority for the PURA to enforce those protections. As a result, additional requirements are not necessary.

Section Four of this bill would make various changes to the requirements on video providers with respect to support for PEG. Verizon has supported PEG providers with funding to make their programming available to our customers, but we do not operate PEG studios. These provisions would appear to add considerable financial and operational burdens on Verizon by requiring the company to provide technical support far beyond what is required today and without regard to our ability to provide such support. The provisions envisioned by this section far exceed our capabilities for the service area we currently serve. Accordingly, we ask that the committee reconsider this mandate and that we work together to achieve your goals.

For the reasons stated above, Verizon respectfully opposes these two sections and requests that we work together in order to reach the intent of the proposal while taking into consideration the size of our service area in Connecticut.

However, Verizon believes many of the goals expressed thru HB 5473 can be achieved thru a modernization of Connecticut statues related to provisions of telecommunications, video communications and data communications. We respectfully suggest that the committee consider addressing these issues in a broader reform effort.