

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND CABLE**

In re Verizon Service Quality in Western Massachusetts)
_____)

D.T.C. 09-1

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (“Agreement”) is entered into this 30th day of November, 2010, by and among the Office of the Attorney General of Massachusetts (“Attorney General”), Verizon New England Inc., d/b/a Verizon Massachusetts (“Verizon MA”), Local 2324, International Brotherhood of Electrical Workers, AFL-CIO (“Local 2324”) and the Towns of Hancock, Egremont and Leverett (the “Parties”).

WHEREAS, Verizon MA is an incumbent local exchange carrier in the area served by the 413 area code, also known as LATA 126 (“Western Massachusetts”);

WHEREAS, on June 1, 2009 the Massachusetts Department of Telecommunications and Cable (“Department”) opened the above-captioned proceeding (“Proceeding”) as an investigation regarding the reasonableness of Verizon Massachusetts’ telephone service quality in Western Massachusetts, pursuant to G.L. c. 159, § 16;

WHEREAS, the Department and the Parties conducted extensive, formal discovery in the Proceeding, and the Department held evidentiary hearings in Northampton and Boston in which the Parties submitted extensive testimony and supporting exhibits.

WHEREAS, the Parties have raised competing and disputed claims with regard to Verizon MA’s service quality in Western Massachusetts but wish to resolve those matters on mutually agreeable terms, and without establishing any new precedent or principle applicable to any other proceedings;

WHEREAS, the Parties have agreed that a negotiated resolution is in the public interest since it will provide consumer benefits; and,

WHEREAS, the Parties have conducted lengthy negotiations and have reached an agreement intended to ensure that Verizon's service quality in Western Massachusetts is just, reasonable, safe, adequate and proper under G.L. c. 159, § 16. The Parties offer this Agreement with the intent of fully resolving the Department's investigation of Verizon MA's service quality in Western Massachusetts pursuant to the Proceeding.

NOW THEREFORE, in consideration of the exchange of promises and covenants herein contained, the legal sufficiency of which is hereby acknowledged, the Parties agree, subject to approval by the Department, as follows:

ARTICLE 1: OPERATIVE TERMS

1.1. Verizon MA will survey its outside plant in the wire centers in Western Massachusetts listed on Attachment A and will complete all repair work based on the survey findings, consistent with the manner and procedures Verizon MA has employed in its surveys and work in such wire centers to date, no later than December 31, 2010. In addition, Verizon MA will survey its outside plant in the wire centers in Western Massachusetts listed on Attachment B and will complete all repair work based on those survey findings consistent with the manner and procedures described above and as provided in paragraph 1.4 below, no later than 15 months from approval of this Agreement by the Department, subject, however, to additional time in the event of emergency, catastrophe, natural disaster, severe storms, labor unrest or other events beyond Verizon MA's control.

1.2. Verizon MA will provide to municipal officials in each municipality in Western Massachusetts the name and contact information of a Verizon MA representative that such

officials can contact whenever they have a service quality issue, rather than calling Verizon MA's general customer service number.

1.3. Following the end of the first full calendar quarter following approval of this Agreement by the Department, and quarterly thereafter, Verizon MA will review the Reports Per Hundred Lines ("RPHL") of each Verizon MA wire center in Western Massachusetts that is not being surveyed pursuant to paragraph 1.1, above. If on such review the RPHL of any such wire center exceeds 1.9 on a twelve-month rolling average basis, then Verizon MA will conduct a survey of that wire center and perform the resulting work in the same manner as provided in paragraphs 1.1 and 1.4 herein, and it shall include information regarding such work in the reports described in paragraph 1.5 herein.

1.4. For each wire center listed in Attachment A or Attachment B in which Verizon MA has not substantially completed the survey and resulting work as of the date of this Agreement, then prior to commencing work in such a wire center pursuant to paragraph 1.1 above, Verizon MA will review its survey results and work plans for that wire center with, and solicit the input of, an outside team of people with appropriate technical experience. The team may include retired Verizon employees but cannot include any current Verizon employee. Any Party may submit names to Verizon MA for its consideration in selecting the team, but Verizon MA shall have sole discretion in selecting the members of the team.

1.5. Within 30 days following the end of the first full calendar quarter following approval of this Agreement, and quarterly thereafter, Verizon MA will provide to the Department and the Attorney General a quarterly compliance report describing: the outside plant surveys in Western Massachusetts and repair work completed in the past quarter; the input of the outside team; why and how Verizon MA determined what work to do; and the work planned for

the coming quarter. The final such report (see paragraph 1.8, below) shall also include an estimate of the total amount expended by Verizon MA on the surveys and resulting work performed pursuant to this Agreement. Verizon MA may petition the Department for confidential treatment of information contained in any compliance report.

1.6. Verizon MA shall meet with the Department quarterly to discuss the most recent quarterly report provided pursuant to paragraph 1.5 herein, update the Department on Verizon MA's progress toward completing the wire center surveys and repairs and respond to any questions. Verizon MA will also meet quarterly with the Attorney General separately for such purposes.

1.7. Within 30 days following the end of the first full calendar quarter following approval of this Agreement, and quarterly thereafter, Verizon MA shall provide reports to the Department and the Attorney General showing the company's performance during that quarter on each of the seven metrics listed below, as defined in the current Service Quality Plan, for each of the 63 wire centers in Western Massachusetts. Verizon will also file comparable data for the same quarter of the previous year to allow a year-over-year comparison.

1. Network Trouble Report Rate;
2. Troubles Cleared Within 24 Hours – Residential;
3. Troubles Cleared Within 24 Hours – Business;
4. Percent Appointments Missed – Company Facilities;
5. Percent Appointments Missed Residential Customers – Company Reasons;
6. Percent Installation Appointments Missed – Total – for Company Reasons;
7. Percent Installation Trouble Reports.

1.8. All obligations on Verizon MA pursuant to paragraphs 1.3 through and including 1.7 of this Agreement shall terminate three years from entry of a Department order approving this Agreement or upon completion of all survey and repair work required by paragraph 1.1 above, whichever occurs first.

1.9. For a period of two years following approval of this Agreement by the Department, Verizon MA will file with its monthly service quality reports to the Department under the current Service Quality Plan (which are also copied to the Attorney General) a monthly report of its performance in Western Massachusetts, LATA 126, Area Code 413, on each of the seven metrics listed in paragraph 1.7 above, consistent with the manner in which SBU performance is reported under the current Plan.

1.10. Upon execution of this Agreement, the Parties shall jointly petition the Department for approval of this Agreement. Each Party agrees to use its best efforts to support this Agreement and to obtain its approval by the Department.

ARTICLE 2: CONDITIONS

2.1. This Agreement shall not be deemed in any respect to constitute an admission by any Party that any allegation or contention in the Proceeding is true or false. Except as specified in this Agreement to accomplish the benefits intended by this Agreement, the entry of an order by the Department approving the Agreement shall not in any respect constitute a determination by the Department as to the merits of any other issue.

2.2. The making of this Agreement establishes no principles and shall not be deemed to foreclose any party from making any contention in any future proceeding or investigation, except as to the matter and proceedings that are stated in this Agreement as being specifically resolved and terminated by approval of this Agreement.

2.3. This Agreement is the product of settlement negotiations. The Parties agree that the content of those negotiations (including any workpapers or documents produced in connection with the negotiations) are confidential, that all offers of settlement are without prejudice to the position of any party or participant presenting such offer or participating in such discussion, and, except to enforce rights pursuant to this Agreement or defend against claims

made under this Agreement, that they will not use the content of those negotiations in any manner in the Proceeding or in any other proceedings.

2.4. The provisions of this Agreement are not severable. This Agreement will become effective only upon entry by the Department of a final order in the Proceeding approving the Agreement in full and without change and closing the Proceeding, subject only to the continued jurisdiction of the Department to enforce the terms of the Agreement.

2.5. If the Department does not approve the Agreement in its entirety and without change within 60 days of the submission of this Agreement to the Department, it shall be deemed to be withdrawn and shall not constitute a part of the record in any proceeding or used for any other purpose.

2.6. To the extent permitted by law, the Department shall have jurisdiction to enforce the terms of this Agreement. Nothing in this Agreement, however, shall be construed to prevent or delay the Attorney General from pursuing any cause of action related to this Agreement in court under G.L. c. 93A or otherwise.

2.7. Notwithstanding any provision in this Agreement to the contrary, no part of this Agreement shall be interpreted to interfere with any rights the Attorney General may have under law or regulation to petition the Department for a review of Verizon MA.

2.8. The terms of this Agreement shall be governed by Massachusetts law and not the law of some other state.

2.9. This Agreement may be executed in one or more counterparts, each of which when so executed and delivered shall be an original and all of which together shall constitute one and the same instrument.

2.10. The signatories listed below represent that they are authorized on behalf of their principals to enter into this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their duly authorized representatives under seal as of the date first set forth above.

MARTHA COAKLEY,
ATTORNEY GENERAL

VERIZON NEW ENGLAND INC.
d/b/a VERIZON MASSACHUSETTS

By: _____
Title: _____

By: 
Title: Deputy General Counsel

LOCAL 2324, INTERNATIONAL
BROTHERHOOD OF ELECTRICAL
WORKERS, AFL-CIO

TOWN OF HANCOCK

By: _____
Title: _____

By: _____
Title: _____

TOWN OF EGREMONT

TOWN OF LEVERETT

By: _____
Title: _____

By: _____
Title: _____

2.10. The signatories listed below represent that they are authorized on behalf of their principals to enter into this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their duly authorized representatives under seal as of the date first set forth above.

MARTHA COAKLEY,
ATTORNEY GENERAL

VERIZON NEW ENGLAND INC.
d/b/a VERIZON MASSACHUSETTS

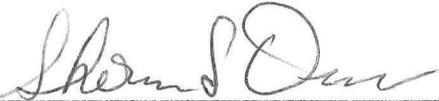
By: _____
Title: _____

By: _____
Title: _____

LOCAL 2324, INTERNATIONAL
BROTHERHOOD OF ELECTRICAL
WORKERS, AFL-CIO

TOWN OF HANCOCK

By: _____
Title: _____

By: 
Title: Chair Selectmen

TOWN OF EGREMONT

TOWN OF LEVERETT

By: _____
Title: _____

By: _____
Title: _____

2.10. The signatories listed below represent that they are authorized on behalf of their principals to enter into this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their duly authorized representatives under seal as of the date first set forth above.

MARTHA COAKLEY,
ATTORNEY GENERAL

VERIZON NEW ENGLAND INC.
d/b/a VERIZON MASSACHUSETTS

By: _____
Title: _____

By: _____
Title: _____

LOCAL 2324, INTERNATIONAL
BROTHERHOOD OF ELECTRICAL
WORKERS, AFL-CIO

TOWN OF HANCOCK

By: _____
Title: _____

By: _____
Title: _____

TOWN OF EGREMONT

TOWN OF LEVERETT

By: *Maria S. Cunniff*
Title: *Chairman, Board of Selectmen*

By: _____
Title: _____

delivered by their duly authorized representatives under seal as of the date first set forth above.

MARTHA COAKLEY,
ATTORNEY GENERAL

VERIZON NEW ENGLAND INC.
d/b/a VERIZON MASSACHUSETTS

By: _____
Title: _____

By: _____
Title: _____

LOCAL 2324, INTERNATIONAL
BROTHERHOOD OF ELECTRICAL
WORKERS, AFL-CIO

TOWN OF HANCOCK

By: _____
Title: _____

By: _____
Title: _____

TOWN OF EGREMONT

TOWN OF LEVERETT

By: _____
Title: _____

By: Richard P. Brazee Richard P. Brazee
Title: Chair, Selectboard

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MARTHA COAKLEY,
ATTORNEY GENERAL

VERIZON NEW ENGLAND INC.
d/b/a VERIZON MASSACHUSETTS

By: Sandra C. Merrick
Title: Assistant Attorney General

By: _____
Title: _____

LOCAL 2324, INTERNATIONAL
BROTHERHOOD OF ELECTRICAL
WORKERS, AFL-CIO

TOWN OF HANCOCK

By: Charles Harold Esq.
Title: Counsel for 2324
Dec. 1, 2010
SCM

By: _____
Title: _____

TOWN OF EGREMONT

TOWN OF LEVERETT

By: _____
Title: _____

By: _____
Title: _____

**D.T.C. 09-1 SETTLEMENT TERM SHEET
ATTACHMENT A**

Amherst
Amherst 5
Ashfield
Beckett
Blandford
Charlemont
Chester
Chesterfield
Colrain
Conway
Cummington
Easthampton
Granville
Great Barrington
Hinsdale
Housatonic
Huntington
Lee
Lenox
Montague
Northfield
Otis
Pittsfield (only that portion serving the Town of Hancock)
Russell
Sandisfield
Sheffield
Shelburne Falls
Stockbridge
Westfield (only that portion serving Town of Southampton)
West Stockbridge
Williamsburg
Williamstown
Worthington

**D.T.C. 09-1 SETTLEMENT TERM SHEET
ATTACHMENT B**

Adams
Belchertown
Bernardston
Brimfield
Chicopee - 3
Dalton
East Longmeadow
Greenfield
Hamden
Hardwick/Gilbert
Hatfield
Indian Orchard
Longmeadow
Ludlow
Millers Falls
Monsoon
North Adams
Palmer
South Deerfield
Southwick
Turners Falls
Ware
Warren
Wilbraham