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January 17, 2025

Shonda D. Green, Secretary MA Department of Telecommunications and Cable 1000 Washington Street, Suite 600 Boston, MA 02118

Re: D.T.C. 24-3 – Petition of Verizon New England Inc. for Reclassification as a Non-Dominant Telecommunications Carrier

Dear Secretary Green:

Enclosed please find Verizon New England Inc.'s Responses to the Department of Telecommunications and Cable's First Set of Information Requests.

The response to D.T.C. 1-2 contains confidential information and will be provided separately to the Secretary.

Respectfully submitted,

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Dulaney L. O'Roark III

CERTIFICATE OF SERVICE

I hereby certify that on this day the foregoing document was filed with the Department of Telecommunications and Cable, and copies thereof were served by email upon each person designated on the official service list in this proceeding.

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Dulaney L. O'Roark III

Dated: January 17, 2025

COMMONWEALTH OF MASSACHUSETTS DEPARTMENT OF TELECOMMUNICATIONS AND CABLE

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Petition of Verizon New England Inc. for Reclassification as a Non-Dominant Telecommunications Carrier

D.T.C. 24-3

VERIZON NEW ENGLAND INC.'S OBJECTIONS AND RESPONSES TO THE DEPARTMENT OF TELECOMMUNICATIONS AND CABLE'S FIRST SET OF INFORMATION REQUESTS

Verizon New England Inc. ("Verizon") objects and responds to the First Set of Information Requests ("Information Requests") by the Department of Telecommunications and Cable ("Department") to Verizon as follows.

PRELIMINARY STATEMENTS

1. By submitting these objections and responses to the Information Requests, Verizon does not waive, and hereby expressly reserves, its right to assert any and all objections as to the admissibility of any such responses, and any related information, as evidence in this proceeding, or in any other proceedings, on any and all grounds, including but not limited to, competency, relevancy, materiality, and privilege. Further, Verizon makes the objections and responses without in any way implying that it considers the Information Requests to be relevant or material to this proceeding.

2. Verizon expressly reserves the right to supplement, clarify, revise, or correct any or all of the objections herein, and to assert additional objections or to make additional privilege claims, in one or more supplemental responses.

GENERAL OBJECTIONS AND EXPLANATIONS

The following General Objections and Explanations apply to all of the Information Requests and are therefore deemed to be incorporated into each of Verizon's responses. The assertion of the same, similar or additional responses or objections in any specific objection does not waive Verizon's General Objections set forth below. Certain information may be provided notwithstanding such objections, but without waiving them.

1. Verizon objects to the Information Requests to the extent they request information regarding matters beyond the authority and jurisdiction of the Department.

2. Verizon objects to the Information Requests to the extent that they address matters not at issue in this proceeding.

3. Verizon objects to the Information Requests insofar as they exceed the discovery authorized by 207 C.M.R. § 1.06(6)(c), or the regulations, policies, and discovery practices of the Department.

4. Verizon objects to the Information Requests to the extent they seek information protected by the attorney-client privilege, the work-product doctrine, or other applicable privileges and protections. Verizon hereby claims, and does not waive, all applicable privileges and protections to the fullest extent implicated by the Information Requests and excludes privileged information and materials from its responses. Should any such disclosure by Verizon occur, it is inadvertent and shall not constitute a waiver of any privilege.

5. Verizon objects to the Information Requests to the extent that they are overly broad, unduly burdensome, or would require an investigation by Verizon that is unreasonable in view of the needs of the proceeding.

6. Verizon objects to the Information Requests to the extent that they seek from Verizon documents that are not within its possession, custody or control, are unavailable in the format requested, or would require the creation of new documents.

7. By responding to the Information Requests, Verizon does not adopt any of the characterizations made by or assumptions incorporated into any of the Information Requests.

8. For purposes of these responses, Verizon will interpret ambiguous terms in the manner that it believes to be most consistent with normal usage and industry understandings, as will be specifically indicated in its substantive responses.

D.T.C. 1-1 Request

Describe the basic service offerings Verizon currently provides over fiber optic cables. Does Verizon anticipate any changes to these offerings within the next three years? If yes, provide an explanation.

Response

In Massachusetts exchanges where Verizon has deployed fiber-to-the-premise ("FTTP"), Verizon offers basic service that provides a dial tone service to customers. The product is the same basic service offering that is provisioned over copper facilities in exchanges that are not served by FTTP. There are no changes currently planned for these offerings.

D.T.C. 1-2 Request

Provide Verizon's annual revenues from wireline phone connections and CLEC attachment fees. Provide data by county.

Response

As reported to the Massachusetts Department of Telecommunications and Cable in the Annual Report and Revenue statement filed on March 29, 2024, Verizon's annual intrastate revenues were \$281.1 million in 2023, which includes **BEGIN CONFIDENTIAL END CONFIDENTIAL** for revenues associated with CLEC activity. Verizon is not familiar with the term and does not have a category of revenue known as "CLEC attachment fees."

Data is not collected or tracked by county in Massachusetts.

REDACTED

Prepared by or under the supervision of: Paul B. Vasington

D.T.C. 1-3 Request

Explain how Verizon will guarantee that consumers in rural, copper-reliant communities will receive high-speed, reliable, and affordable services.

Response

Verizon has carrier of last resort ("COLR") obligations in its Massachusetts service area, which means it has a duty to provide local exchange and intraLATA phone service to requesting customers there, subject to Verizon's rates, terms and conditions. Verizon's petition in this case does not seek to terminate its COLR obligations, so it will continue to have a duty to provide local exchange and intraLATA phone service in rural areas that Verizon serves with copper facilities. That legal obligation provides more than adequate assurance that rural customers will continue to have access to those services.

Competition will ensure that consumers throughout the Commonwealth will receive reliable and competitively priced services, with Lifeline availability addressing affordability for eligible customers. Competition assures that these goals are met for customers of all other carriers in the Commonwealth, who are either not regulated or regulated as non-dominant providers. As described in the petition and testimony, Verizon operates in a highly competitive market in Massachusetts and must continue to offer consumers in any community reliable and affordable services in order to remain competitive. This is consistent with the policy framework that the Department established in 1985 and has operated under ever since. Moreover, if Verizon's petition is granted, its local exchange and intraLATA telephone services will continue to be subject to the Department's general regulatory authority.

The term "high-speed" is typically related to broadband internet access, not voice services, and, as the Department notes in its Annual Report, "the Department does not regulate wireless, VoIP, or broadband internet service." DTC 2024 Annual Report at 4, n.5. Dominant carrier regulation and the Alternative Regulation Plan ("AFOR Plan") thus do not apply to Verizon's broadband services. That said, Verizon's broadband services, where available, are also subject to a high degree of competition, which ensures that these services meet customer needs for speed, reliability, and affordability.

D.T.C. 1-4 Request

Describe Verizon's anticipated use of wireless replacement products, such as Verizon Voice Link, for basic voice services.

Response

Verizon offers certain customers in chronic repair conditions the choice of a wireless voice service option called Verizon Voice Connect (the latest version of what used to be called Voice Link). This service provides home phone service over Verizon Wireless's 4G LTE network. Verizon Voice Connect is professionally installed, equipped with battery backup, and compatible with E911, home alarms, and medical devices.

D.T.C. 1-5 Request

Describe Verizon's anticipated fiber replacement strategy for basic voice services.

Response

Verizon has invested heavily in Massachusetts to deploy its FTTP network in the Commonwealth, which it continues to expand.

Verizon offers Fios services over its FTTP network in 115 Massachusetts municipalities and is expanding the network to serve an additional 22 communities. Verizon has been awarded Capital Project Fund grants to reach unserved and underserved locations with Fios broadband in 29 additional municipalities through the Massachusetts Broadband Institute RFP process. Verizon plans to deploy its FTTP network not only to funded locations in those wire centers, but also to other locations for which it does not receive funding.

As Verizon deploys its FTTP network to a wire center, it typically retires the copper network under an existing Federal Communications Commission process. Customers with basic voice service where this transition occurs have the options of receiving the same service over the FTTP network at the same rate, choosing Fios Home Phone, or not taking a Verizon voice service at all. Our goal with network transformation is simply to migrate customers to the new, more reliable fiber network, which gives customers more options and better service.

D.T.C. 1-6 Request

Describe the steps for purchasing a basic standalone home phone service from Verizon as a new customer.

Response

The process for purchasing a basic standalone home phone service from Verizon begins when a customer calls into the Verizon customer service offices. The customer is connected to a service representative, who begins the process of establishing service and requesting information from the customer such as name, address, information for a credit check, and the number of lines being requested.

When the customer provides their address, the Verizon customer service representative populates the address into a "job aid" that identifies whether the home is served via fiber or copper technology. The representative tailors the conversation with the customer about service offerings available at the premise based on the specific technology and walks through each option with the customer, allowing them to choose their options.

The service representative describes available options and provides information on other aspects of the service such as Lifeline, availability of jacks at the location, and inside wire maintenance plans. At the conclusion of the call, the customer is provided an estimate of what their monthly service billing will be, and a due date for the activation and (if necessary)installation of the service.

D.T.C. 1-7 <u>Request</u>

Explain whether and to what extent pricing has increased for Verizon Home Phone Service since the creation of the Alternative Regulation Plan.

Response

The chart below lists the Verizon Home Phone Service plans, the current price, and the price before the AFOR Plan was filed (in June 2003), or, if the service was not offered then, the price when the service was first offered:

Service (Current Name)	2024 Price	Earlier Price (Year)
Dial Tone Line (basic service)	\$12.70	\$12.36 (2003)
Regional Essentials	\$68.04	\$27.00 (2005)
Regional Value	\$66.04	\$22.00 (2005)
Verizon Regional Package Unlimited	\$77.00	\$35.00 (2004)
Local and Toll Package Limited	\$96.99	\$54.93 (LATA 128) (2003) \$47.93 (LATA 413) (2003)
Verizon Regional Package	\$83.95	\$39.95 (2003)
Verizon Local Package	\$69.99	\$24.95 (2003)
Verizon Metropolitan Package	\$82.99	\$39.93 (2003)
Verizon Local Package Extra	\$72.99	\$27.95 (2003)
Verizon Metropolitan Package Extra	\$85.99	\$42.93 (2003)

D.T.C. 1-8 Request

State the price of adding Verizon Home Voice Service to a service bundle for a new customer.

Response

The price of a Verizon regulated voice service is the same, whether the customer orders just that service or a bundle that includes that service and non-voice services.

D.T.C. 1-9 Request

Identify the percentage of Verizon Home Phone Service subscribers that also subscribe to any wireless products offered by Verizon.

Response

Verizon does not offer a bundle that combines standalone residential basic service with wireless products offered by Verizon.

Verizon does not track nor has Verizon performed any survey to evaluate the number of home phone service subscribers that also have Verizon wireless service.

D.T.C. 1-10 Request

Explain how Verizon calculates its pole attachment rates for both cable conduit and telecommunications attachments. Provide complete and detailed calculations, including explaining any assumptions and providing citations to applicable federal and state statutes, orders, rules and regulations.

Response

Verizon objects to D.T.C. 1-10 because it seeks information about matters that are not related to the relief sought in the Petition. Subject to and without waiving the objection, Verizon states that the only provision in the AFOR Plan addressing poles and conduit is Paragraph M, which provides that pricing requirements for poles and conduit established in D.P.U. 91-218 remain in effect until the Department of Telecommunications and Energy (the DTC's predecessor) otherwise orders. Termination of the AFOR Plan will not abrogate D.P.U. 91-218 and Verizon will remain subject to that order unless and until it is modified.

D.T.C. 1-11 Request

Describe how Verizon complies with Paragraph M of the Alternative Regulation Plan.

Response

Verizon objects to D.T.C. 1-11 to the extent it seeks information about matters that are not related to the relief sought in the Petition. Subject to and without waiving the objection, Verizon states the following:

Paragraph M of the AFOR Plan concerns poles, conduit and late payment charges. Please *see* Response to D.T.C. 1-10 with respect to poles and conduit.

Concerning late payment charges, Paragraph M states that D.P.U. 93-204-A will remain in effect until otherwise ordered. D.P.U. 93-204-A established late payment rules in 220 CMR 26.10, which applied to local exchange carriers. The Department of Public Utilities modified the scope of the late payment rules in 2017 to provide that those rules no longer apply to local exchange carriers. *See* D.P.U. 17-33-A. Thus, the "otherwise ordered" language in the AFOR Plan has been triggered and D.P.U. 93-204-A no longer applies to Verizon. Since 2017, however, Verizon has complied with the previously applicable D.P.U. 93-204-A requirements on a voluntary basis. Verizon reserves the right to adopt new late payment charge terms in the future.

D.T.C. 1-12 Request

Verizon has indicated that it has lost residential switched access lines each year for at least a 20-year period. See Petition at 8.

- A. Explain why current customers with residential switched access lines have not left for alternative voice services.
- B. Explain whether, and to what extent, customers with residential switched access lines are subsidized by other Verizon customers.

Response

- A. Verizon has not conducted market research or surveys of residential voice service customers and thus does not have information that would provide the basis for such an explanation.
- B. In D.T.E. 01-31, Phase II at 68, the Department found that Verizon's monthly retail price for basic residential service was more than \$6 below the "price floor" level of imputed incremental costs and retailing costs in 2003. Verizon's retail price was increased modestly in 2004 and has not been increased in more than 20 years since then. Verizon has not performed a study to determine the amount by which its monthly retail price for basic retail service is below cost today, but there is good reason to believe that it is substantially more than \$6, given the capped price and the inflation that has taken place during that time.

D.T.C. 1-13 <u>Request</u>

In regard to Paragraph K of the Alternative Regulation Plan, explain the following:

- A. Why should special construction no longer be regulated?
- B. Provide examples and explanations of the most recent special construction requests (company name, date of request, the nature of request, breakdown of the cost, timeframe it was implemented, whether it involved construction on Verizon's already existing facilities, whether it a new construction, etc.).
- C. How many special construction requests did Verizon receive during the last five-year period? Provide a breakdown by year.
- D. Can a third-party construction company be involved in special construction?
- E. Can the requesting company ask that a third-party be hired for special construction?
- F. Has Verizon or the requesting company ever hired a third-party construction company?
- G. How is the actual cost of special construction estimated/calculated?
- H. Does Verizon receive special construction requests from end-user customers?
- I. Has Verizon ever had any disputes with a company requesting special construction in other state jurisdictions? Provide a summary of any such dispute and include the docket or case number.

Response

- A. Non-recurring charges, such as special construction, are subject to the same competitive market pressures as any price. Given the highly competitive market that Verizon operates in, it should not be subject to retail price regulation, as explained in the petition and testimony.
- B. Two recent examples of special construction both involve high voltage protection for a utility company customer and are designs and construction for new service using Verizon facilities.

On December 10, 2024 Verizon received a request for a 10 megabit ethernet connection. The request also involved migrating existing services

from POTS to fiber. The estimated cost of the special construction request was \$1,792.

The second request was also received on December 10, 2024. The customer requested to move two POTS-based services to new fiber facilities. Construction of 1,000 feet of new aerial fiber will be required. The estimate for the construction was \$9,775.

Both projects are currently in the design and planning stages and have not yet been assigned a commitment date for completion.

- C. 2020: 84 2021: 87 2022: 120 2023: 79 2024: 100
- D. Special construction is done by Verizon personnel exclusively unless it involves work they do not perform, in which case third parties are engaged.
- E. No.
- F. Verizon objects to D.T.C. 1-13F because it is overly broad and unduly burdensome and would require a special study. Subject to and without waiving the objections, as described in the response to D.T.C. 1-13D, Verizon may engage a third party only if Verizon personnel do not perform the requested work.
- G. Verizon Engineering utilizes a broad gauge pricing tool that calculates the construction and engineering hours required along with the material cost for a particular undertaking. The pricing tool utilizes historical data to calculate the estimated cost.
- H. Verizon assumes that the reference to "end user" means an existing or prospective retail customer of Verizon. Verizon has received special construction requests from its end-user customers.
- I. Verizon objects to D.T.C. 1-13I because it concerns disputes in other states where Verizon's affiliates may have different rates, terms and conditions that apply to special construction. Verizon further objects to the request because it is overly broad and unduly burdensome.

D.T.C. 1-14 Request

What percentage of Verizon customers with residential switched access line service have access to alternative voice services. Clarify which types of services are available and to what extent.

Response

As discussed in Verizon's petition, 99.6% of Massachusetts locations have access to broadband networks, which either come with voice service directly or provide access to "over-the-top" voice services. Some additional locations likely have access to wireless networks. In addition, the Massachusetts Broadband Institute projects that it will cover all locations in Massachusetts with broadband access before the BEAD program even starts. Verizon has not analyzed how the location of its residential switched access line service customers align with locations where broadband access is available, but given the near ubiquity of broadband availability in the state, virtually all of them do or soon will.

D.T.C. 1-15 Request

Verizon describes the current residential basic exchange service price as "intentionally inefficient." See Petition at 10. Identify what subsidies currently remain on such service, and what Verizon estimates is the efficient market price for residential basic exchange service.

Response

See Response to D.T.C. 1-12B.

D.T.C. 1-16 Request

Explain how PAL/PASL services can be argued as existing in a competitive marketplace if the services "do not meet a market need." See Petition at 6.

- A. Does Verizon offer PAL/PASL services to payphone providers? If so, which companies?
- B. Outline all alternatives available for PAL/PASL services (and providers of such services).

Response

Although some payphone providers remain, they compete in a market that includes wireless service providers. The data strongly suggests that with the universal adoption of wireless service, the demand for payphones has virtually disappeared.

Yes. While Verizon does not track the data related to PAL/PASL services A. in Massachusetts, Verizon's FCC filing "LEC ANI LIST for the 3rd Quarter 2024" lists all payphones that utilize a Verizon Communications provided access line and were in service as of September 30, 2024. According to Verizon's filing made on October 28, 2024, there are 620 locations in MA where businesses are operating payphones. Service in Massachusetts was provided to the following entities: Town of Agawam, Access Payphones Inc., American Legion Post 129, Bishops Forest Condo, Boston Hamilton House, Charles Mahaleris dba George S Café, Churchill Public Comm, Commonwealth Telephone Co Inc, Convenience Plus, Donut King Inc., Elias & Abe Auto Repair dba Broadway Sunoco, Fifth Alarm Inc. dba The Fifth Alarm, First Congregational Church of Revere, Gardnor Museum, Gladtidings Pentcstl, Hawthorne Hotel, Hebrew Senior Life dba Jack Satter House, Hollingsworth & Vose, Hotel Marlowe, Imr Capital Corp., Jackson S Barber Shop, K & M Enterprises, Leon Cote dba Lighthouse Comm, Maplewood Vending Sales Inc., Mary Lane Hospital, Nhb Public Communications, Prime Telecoin Services, Quick & Clean Carwash System Inc., Reliable Pay Telephone Inc., Robert Lawson, Rockland Health Group, South Shore Rehab, Televend Inc., Tom English Cottage, Universal Telephone Service Corp., West Side House Ltcf Inc., Wm W Seekins dba Chelsea Walk Pub, Woburn Moose Lodge, Young Mom S Laundry, and Pts Corp.

B. Although Verizon has not performed any studies or analyses that evaluate the alternatives for PAL/PASL services, there has been exponential growth of wireless service over the same timeframe of the severe decline of PAL services. Indeed, in Massachusetts, the FCC found that the number of subscriptions to wireless service exceeded the population of the state by 18%. See table 4 of the FCC Voice Telephone Services report, December 31, 2023.

D.T.C. 1-17 Request

Identify all other states in which Verizon is still operating under an alternative form of regulation plan or an equivalent plan. If any such plan was retired, provide a summary concerning the retirement process and any new form of regulatory treatment.

Response

Verizon and its incumbent local exchange carrier affiliates operate under alternative forms of regulation in Connecticut, Maryland, Pennsylvania, the District of Columbia, and Rhode Island. Verizon's alternative regulation plan was retired in New Jersey under a settlement approved by the New Jersey Board of Public Utilities.

D.T.C. 1-18 Request

Verizon states that other competitors "offer voice-only services at higher prices or with promotional offerings." See Vasington Testimony at 16. Identify the voiceonly offerings provided by competitors in Massachusetts that Verizon considers equivalent to Verizon basic exchange service and known pricing and promotional offerings for such products.

Response

Examples of voice-only services at higher prices include the following:

Shutesbury municipal broadband offers "Phone Service Only" for \$60/month. *See* <u>https://www.shutesbury.org/broadband-home_transition</u> (accessed on December 24, 2024).

Norwood Municipal Light and Broadband offers "Unlimited Local & Long Distance Telephone" at \$34.99/month. *See* https://norwoodlight.com/broadband-residential/ (accessed on December 24, 2024).

Shrewsbury Electric and Cable offers "SELCO Telephone" at \$39.95/month. *See* <u>https://selco.shrewsburyma.gov/phone/</u> (accessed on December 24, 2024).

Examples of voice-only services with promotional offerings include the following:

Ooma often offers incentives and promotions. On December 30, 2024, Ooma was offering a limited-time \$20 device discount and a "Senior Phone Bundle," among other deals. *See* <u>https://www.ooma.com/home-phone-service/buy/</u> (accessed December 30, 2024.

Incentives and promotions often are offered by magicJack. On December 30, 2024, magicJack was offering a "Big Year-End Sale." *See* <u>https://www.magicjack.com/account/mjLandingpages.do?page=index</u> (accessed December 30, 2024.

Verizon believes that Comcast and Charter often offer promotions and bundle discounts that include home phone service, but their websites require specific customer information in order to access their plans and offers.

D.T.C. 1-19 <u>Request</u>

Identify the specific competitor products Verizon considers the most comparable to basic exchange service for the following. Include publicly known pricing and new customer promotions.

- A. Cable broadband/VoIP bundles
- B. Wireless broadband/voice bundles
- C. Over the top VoIP products
- D. Verizon FIOS broadband/VoIP bundle

Response

- A. Xfinity Voice Premier service, which is currently available for \$40/month, but may be priced lower as part of a promotion or bundle. *See* <u>https://www.xfinity.com/learn/home-phone-services</u> and Response to D.T.C. 1-18.
- B. Metro by T-Mobile offers single-line service at \$25/month. *See* <u>https://www.metrobyt-mobile.com/deals/one-line-for-25-phone-plan?icid=MTPR_MTW_U_24NYYBYOD_7C7A0023D7F14BCB41018</u>.
- C. Ooma is offered at \$0/month, but the customer pays taxes and fees. *See* <u>https://www.ooma.com/home-phone-service/</u>.
- D. Fios Home Phone, priced at \$30/month as part of a bundle. Standalone Fios Home Phone is \$44.99/month. *See https://www.verizon.com/home/phone/*.

D.T.C. 1-20 Request

Describe Verizon's current strategy for retaining basic voice subscribers.

Response

We continue to expand our FTTP broadband network so we can offer more and better options to basic voice subscribers, including the option to retain basic voice service over FTTP. *See* Response to D.T.C. 1-5. For basic customers who remain on our copper network, we provide reliable voice service at capped, regulated rates.

D.T.C. 1-21 Request

Identify any currently available, non-grandfathered promotions available for the following:

- A. New subscribers to basic voice service
- B. Existing subscribers of basic voice service

Response

- A. Verizon does not have any promotions currently available for new subscribers to basic voice services.
- B. Verizon does not have any promotions currently available for existing subscribers to basic voice services.