

Bruce Kushnick

New Networks Institute



New Report Coming:

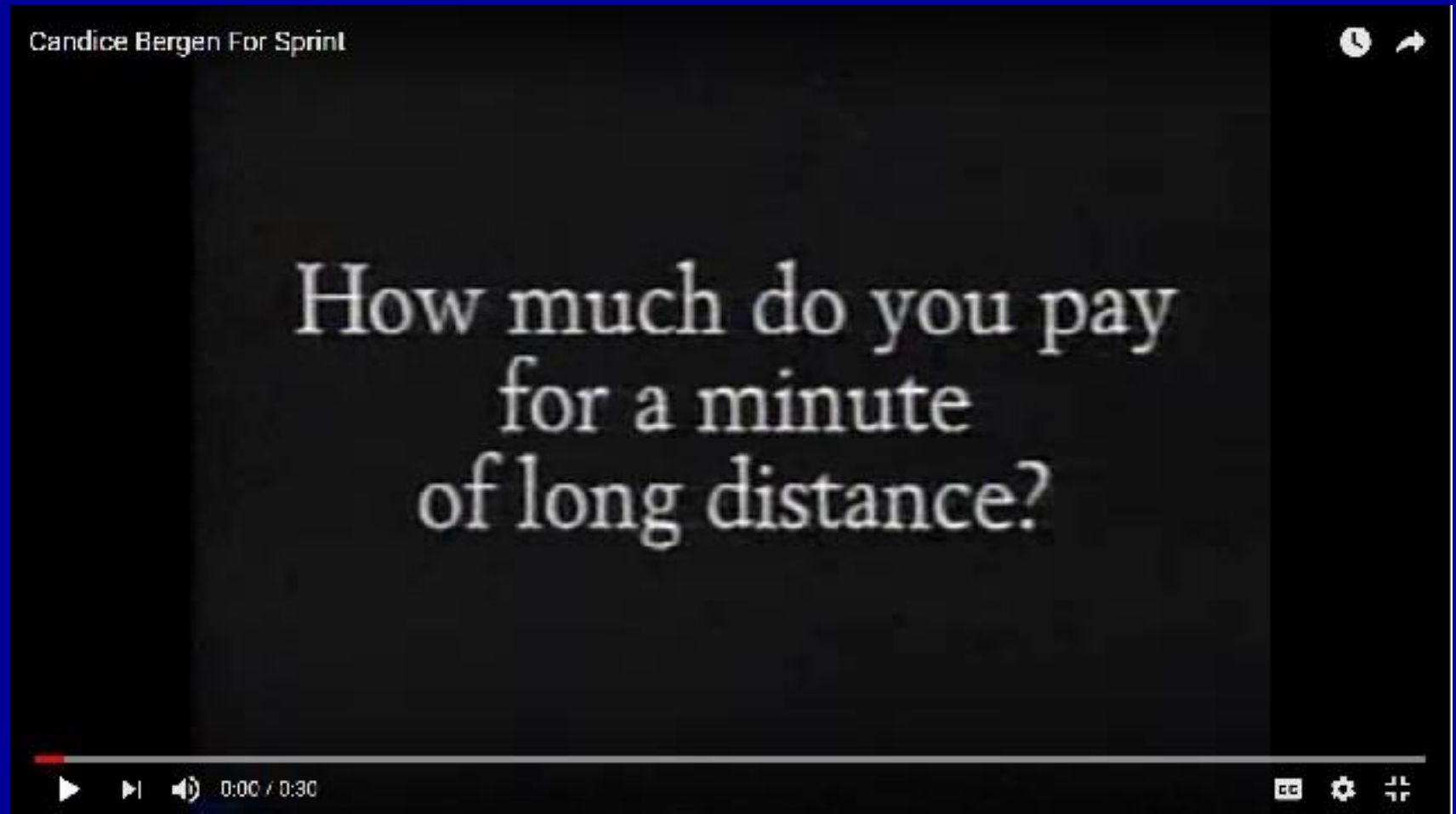
Communications Breakdown in America: While You Were Asleep...

- Service Quality,
- Consumer Experience
- **FCC and State Legal & Regulatory Actions**

Returning the “Public Utility”

- No One Knows there Are State Telecommunications Utilities.
- The FCC Is Out of Control: Never Acknowledges there are State utilities left, or the state-based financial and broadband commitments.
- **We are at the Tipping Point of the End Game.** It Is Time Fix the Consumer Experience for the Next Generation - Now.

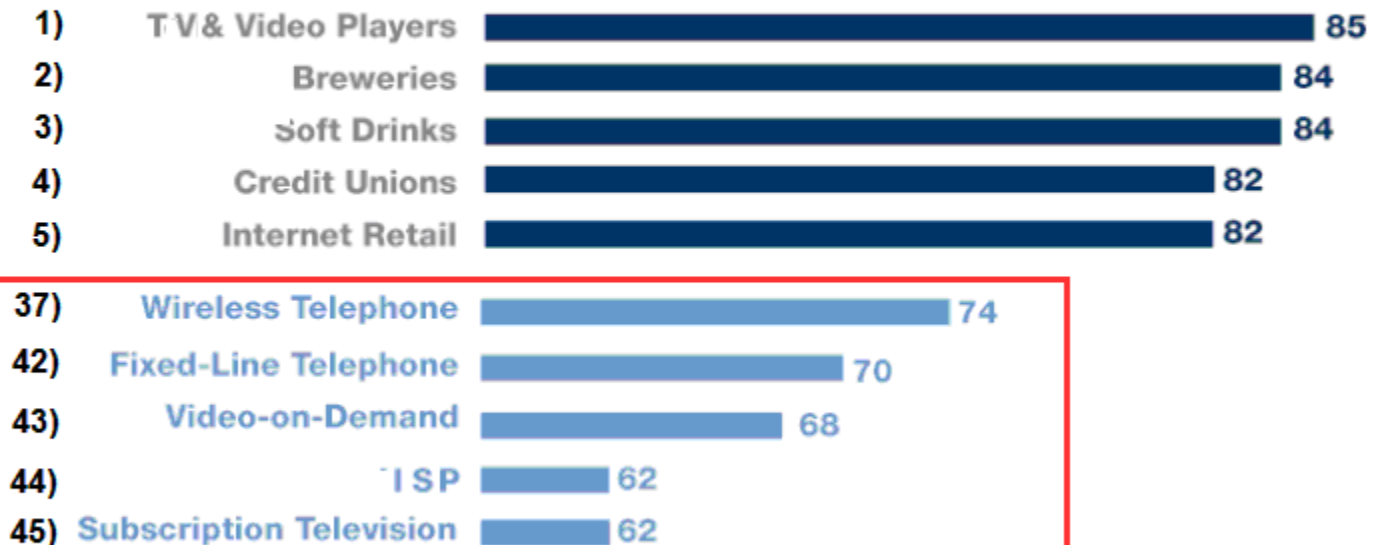
Consumers Are Clueless.



Getting Worse. Today: Consumers are Not Happy.


ACSI Telecommunications Report 2018

Customer Satisfaction Benchmarks by Industry



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Comcast Triple Play, NJ 2018



Services From Nov 14, 2018 to Dec 13, 2018

Regular monthly charges **\$179.74**

Your XFINITY package **\$149.94**

Starter XF Bundle **\$139.99**
Includes Digital Starter With Performance Pro Internet And Voice Unlimited.

Includes \$10.82 Bundle Discount
The end date of your promotion is Oct 13 2019

TV: HD Technology Fee **\$9.95**
Required Additional Fee For NEW HD-TV to Work

Equipment & services **\$13.68**

TV Box + Remote \$2.68

Modem Rental \$11.00

Other charges **\$16.12**

Universal Connectivity Charge **\$1.30**

Regulatory Recovery Fees \$0.32

Broadcast TV Fee \$7.75

Regional Sports Fee \$6.75

Taxes, surcharges & fees **\$4.58**

Service fees **\$0.44**

Franchise Fee \$0.44

Taxes & surcharges **\$4.14**

State Sales Tax \$3.11

FCC Regulatory Fee \$0.06

Monthly State Assessment \$0.07

911 Fee(s) \$0.90

124% Above Advertised Price in Less than 2 Years.

Still Going Up!

Deceptive Advertised Price

Misnamed-Universal Service Fee What is it Applied to?

NOT INCLUDED IN PROMOTIONAL PRICE!

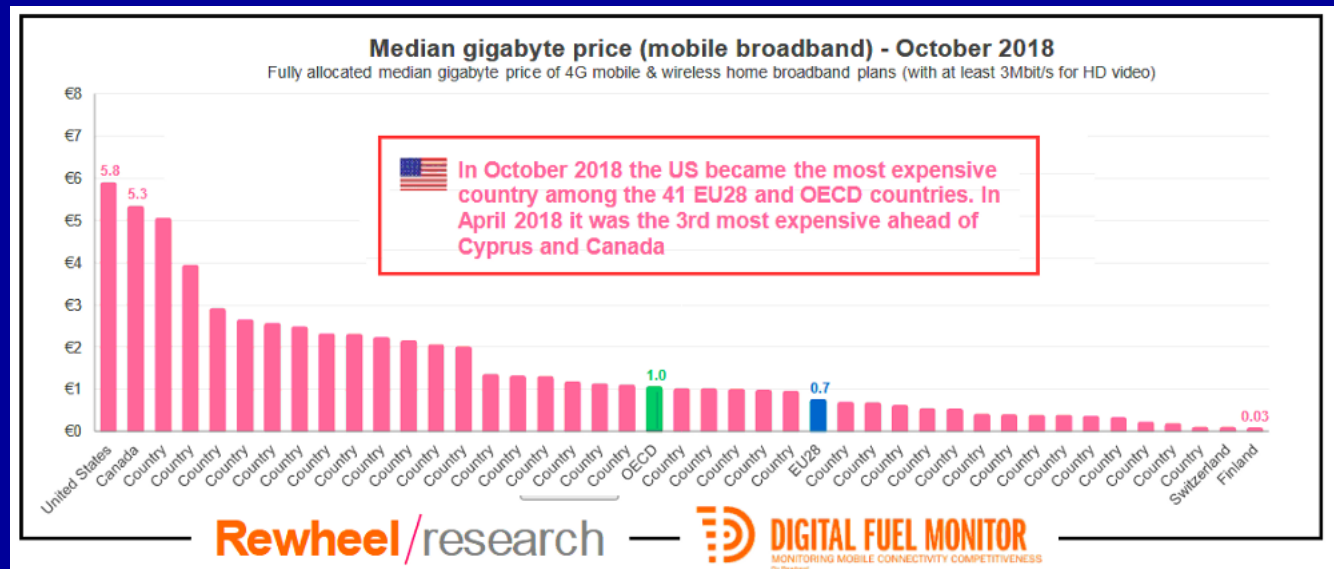
ADDED FEES-- DIRECT REVENUE-- NO AUDITS; NO OVERSIGHT

How are the Taxes applied?

What is the Sale Tax on?

IRREGULATORS

Wireless: Cost Per Gig Highest in the World



Wireless Unlimited Con.

verizon✓

Above Unlimited

Beyond Unlimited

Go Unlimited

The new Verizon Plan Unlimited

7. What happens once I've used the 20 GB limit for Mobile Hotspot? Can I buy a Data Boost with Above Unlimited?

On each line with Above Unlimited, you get a 20 GB allowance of data at 4G LTE speeds for Mobile Hotspot each bill cycle. Once you've used the 20 GB of 4G LTE data, your Mobile Hotspot data speed for that line will be reduced to up to 600 Kbps speeds for the rest of the bill cycle.

You can purchase a 5 GB Data Boost on a line for \$35 to extend 4G LTE speeds for Mobile Hotspot. You can buy up to 20 Data Boosts per line per bill cycle.

Details of Charges

Services & Equipment

Services Verizon Freedom Essentials 60.99 2/13 - 1/12 PGO8F
(includes \$17.95 or long distance)

Additional Tax Details

Taxes, Fees and Other Charges

Voice

Federal Excise Tax	.21
NY State and Local Sales Tax	6.43
911 Surcharge	1.00
NY Universal Service Fund	.17
NY State and Local Tax Surcharges	.20
NY State and Local Tax Surcharges	.56
Federal Universal Service Fee	3.07
Federal Subscriber Line Charge	6.50
NY State and Local Tax Surcharges	1.19
NY State and Local Tax Surcharges	1.69
Federal Universal Service Fee	1.22
Federal Universal Service Fee	.34
NY State Gross Revenue Tax Surcharge	.06
MCTD Gross Revenue Tax Surcharge	.01
VLD Carrier Cost Recovery Charge	1.25
VLD Long Distance Administrative Charge	.74

Total Taxes, Fees & Other Charges

\$24.64

Total Due by January 8

\$85.63

Verizon NY Basic & Non-Basic: Shell Game: Out of the “Intra-state” Accounting into “Inter-”State”

Category	New Charges
Basic	9.99
Non Basic	75.64
Total	85.63

Verizon NY 2017 Annual Report

COMPANY CODE:	
TELEPHONE CORPORATIONS	
ANNUAL REPORT	
OF	
VERIZON NEW YORK INC.	
<small>Exact legal name of reporting telephone corporation (If name was changed during year, show also the previous name and date change)</small>	
140 WEST STREET	
<small>(Address of principal business office at end of year)</small>	
NEW YORK, N.Y. 10007	
<small>(Address of principal business office at end of year)</small>	
FOR THE	
YEAR ENDED DECEMBER 31, 2017	
TO THE	
STATE OF NEW YORK	
PUBLIC SERVICE COMMISSION	

FCC Cost Accounting Zombie Rules: Verizon NY Cross Subsidies

verizon Verizon NY Revenues and Major Expenses by Category, 2017 (Excerpt)				
	Total	5) Nonregulated	Local Service	Access
Total Operating Revenues 1)	\$ 4,986,070,423	\$1,546,034,819	2) \$ 1,077,961,833	4) \$ 2,362,073,771
Operating Expenses				
Construction & Maintenance	\$ 2,884,216,108	\$1,122,471,378	3) \$1,165,566,908	9) \$596,177,822
Marketing	\$321,094,164	\$ 51,658,380	\$172,875,774	96,560,010
Customer Operations Services	\$322,848,684	\$ 24,393,957	\$218,383,636	\$80,071,091
Corporate Operations	\$2,917,904,192	\$ 297,290,586	6) \$1,768,187,616	\$852,425,990
Depreciation & Amortization	\$1,034,501,863	\$ 50,047,572	\$650,204,998	\$334,249,293
Total Operating Expenses	\$7,578,159,192	\$1,545,861,873	\$4,022,050,865	\$2,010,246,453
Net Operating Revenues	\$ (2,592,088,769)	\$172,946	7) \$ (2,944,089,032)	\$351,827,317
New Networks Institute 8) IRREGULATORS				

\$4 Billion in Revenues: “0” Lines

Annual Report of VERIZON NEW YORK INC.

For the period ending DECEMBER 31, 2017

verizon

61. ACCESS LINES IN SERVICE

1. Access lines are any and all facilities appearing at a customer's premises for which an access line charge is made as provided for in company tariffs.

2. Multi-line business access lines shall include all access lines provided to businesses with two or more lines on the same premises (i.e., two line service, key telephone system services, PBX system services).

3. Public access lines shall include all access lines provided to serve public coin telephones, semi-public coin telephones, customer owned coin operated telephones (COCOTS) and credit card telephones.

4. Private Line Circuits are telephone facilities furnished under contracts central office switching operations.

Line No.	6) Local Service Lines: Based \$1 Billion Revenues MISSING	Number of Access Lines			At End of the Year (e)
		At Beginning of the Year (b)	Added (c)	Discontinued (d)	
10	8) X Access Lines for \$4 Billion Missing	2,156,399	168,459	424,795	1,900,063

NUMBER AT END OF THE YEAR

Line No.	Access Lines Classified by Type						Private Circuits (Instr. 4) (m)
	Business Single Line (f)	Business Multi-Line (Instr. 2) (g)	Public (Instr. 3) (h)	Residential One Party (i)	Residential Two Party (j)	Residential Four or More Parties (k)	
1	Not Available	Confidential	Confidential	Confidential	Confidential	Confidential	Confidential
10	0	1,133,070	4,309	756,835	315	621	101,971

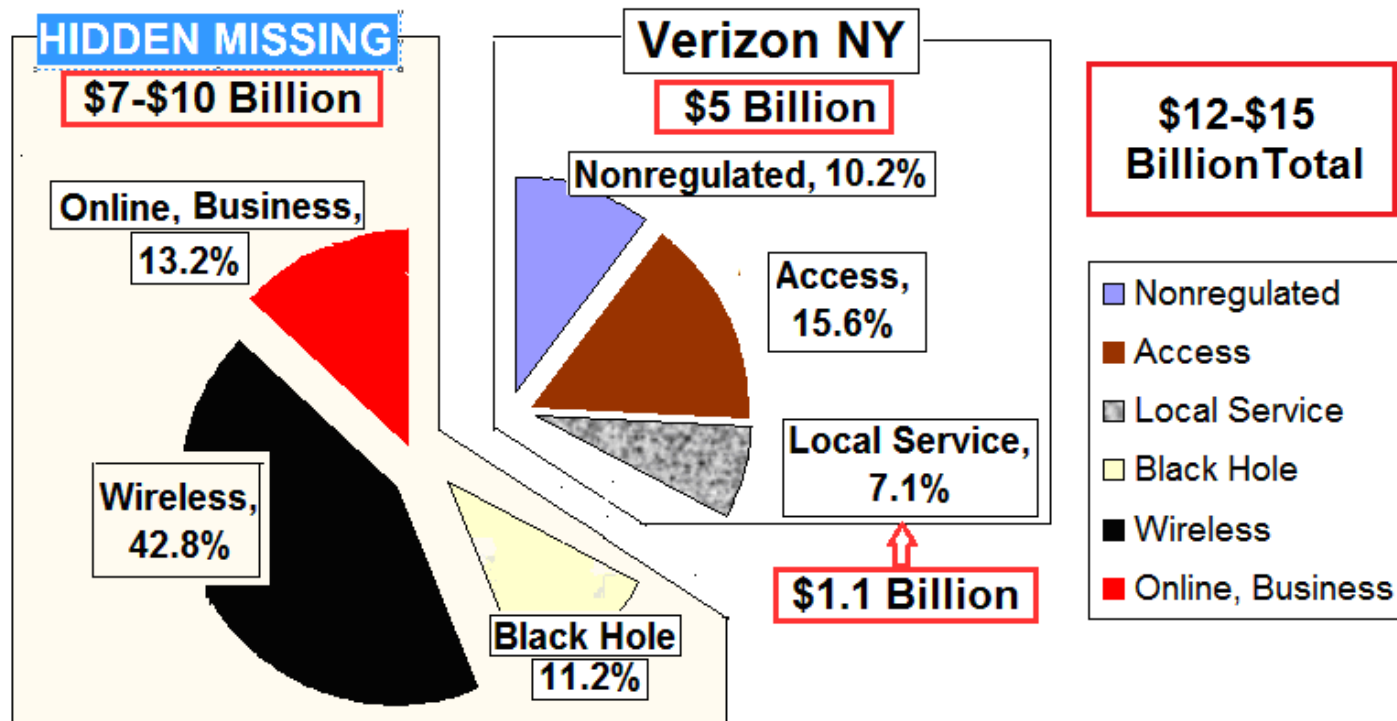
New Networks Institute X

7) Verizon NY 2017 Annual Report: \$5 Billion in Revenues

IRREGULATORS

Verizon in NY: Revenue \$12-15 Billion?

verizon Verizon Revenues in New York State, Estimated Total, 2017

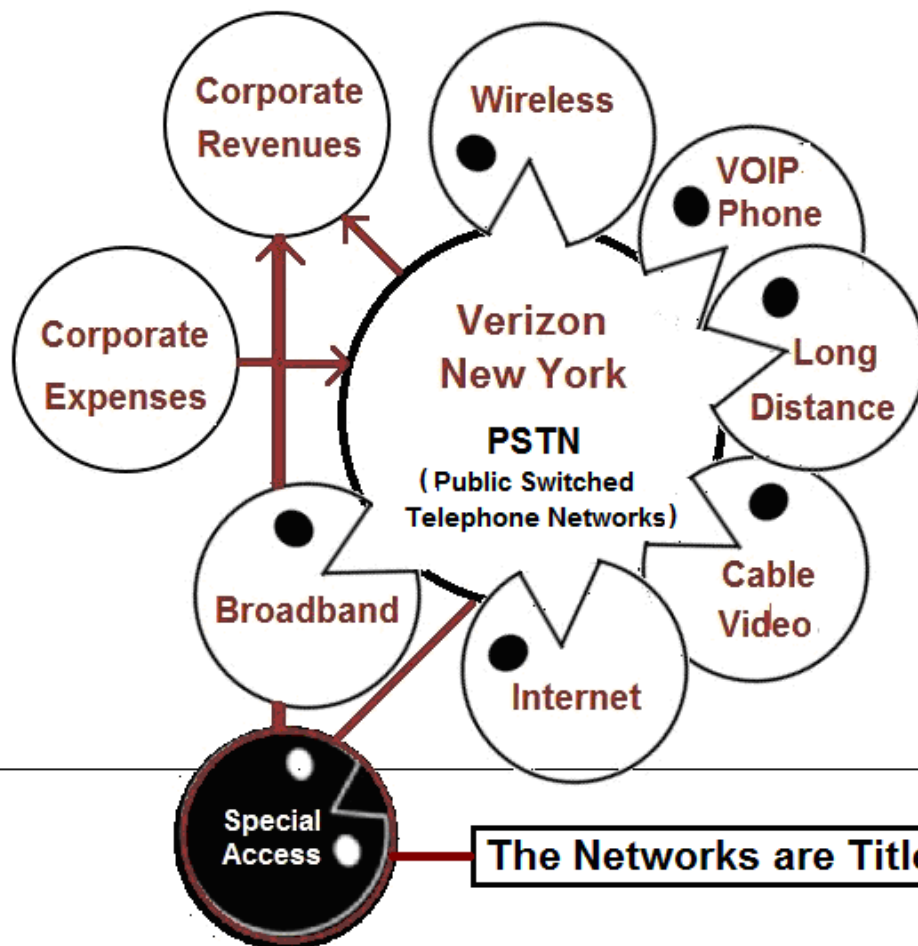


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IRREGULATORS

Verizon New York, Telecommunications Utility

Affiliates



5G CON: Another Telco Bait & Switch



Verizon NY Settlement, 2018

- **Consultant for the Investigation, March, 2017**
- *“There are strong indications that Verizon New York, and its parent Verizon Communications, engage in practices which misallocate expenses and revenues to the detriment of the regulated New York operations. I recommend the Commission direct Verizon to submit detailed information on these interaffiliate transactions and allocations, and that, in a separate proceeding, the PSC examine Verizon’s cost allocation methodologies.”*

FCC is Out of Control

FCC-AT&T-VERIZON-CABLE PLAN

**REMOVE ALL RIGHTS, OBLIGATIONS, PROTECTIONS
& PREEMPT CITY & STATE LAWS, ON ALL SERVICES**

SHUT OFF COPPER

MADE UP FEES!

GIVE PUBLICLY-FUNDED UTILITIES TO WIRELESS AS PRIVATE PROPERTY

NO PRIVACY

NO NET NEUTRALITY

KILL OFF COMPETITION

NO RIGHT FOR COURT

FORCE CUSTOMERS ONTO WIRELESS

**FCC VOODOO
ACCOUNTING**

ZOMBIE RULES

DATA CAPS & WHAMMING

**MANIPULATE FINANCIAL ACCOUNTING
MANIPULATE ACCESS LINE ACCOUNTING
CREATE A FAKE HISTORY OF BROADBAND
TAKEOVER THE FCC
"PATSIES" WHO CLAIM THEY AREN'T SHILLS**

**TAKE OVER STATE LEGISLATURES
CREATE "MODEL LEGISLATION"
NEVER TELL THE TRUTH
MAKE UP SPEEDS, PRICING, BENEFITS
USE FOUNDATION GRANTS AS "BRIBES"
MERGE INSTEAD OF COMPETE**

**REMOVE STATE & CITY RIGHTS
GET RID OF ACCOUNTING RULES
NO INVESTIGATIONS OF "ZOMBIE RULES"
DENY THERE IS A UTILITY
LIE ABOUT 5G TO REMOVE REGULATIONS
CONTINUALLY RAISE RATES**

IRREGULATORS

New Networks Institute

“Public”, “Service” & “Utility”.

NARUC President Nick Wagner of Iowa

- *“NARUC is the national association representing the State Public Service Commissioners who regulate essential utility services in your State. NARUC members are responsible for assuring reliable utility service at fair, just, and reasonable rates.”*
- The IRREGULATORS believe we are at the tipping point of the end game. The State Commissions need to take pro-active steps to make sure that this tips toward the public, with the states in control.

The Book of
BROKEN
PROMISES

\$400 Billion Broadband Scandal & Free the Net

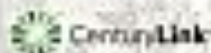
Promised



Delivered



at&t
Your world. Delivered.



Bruce Kushnick



Federal
Communications
Commission

1

Telecom Service Quality & the Customer Experience

NARUC Winter Policy Summit
February 10, 2019

Micah Caldwell
Consumer & Governmental Affairs Bureau



Consumer Complaint Center - Overview

The screenshot shows the FCC Consumer Complaint Center homepage. At the top, there's a navigation bar with the FCC logo, 'FCC Home', and 'Complaint Center Home'. Below this, a 'Sign in' and 'Check Status' button is visible. The main heading is 'Consumer Complaint Center', followed by the subheading 'File an informal consumer complaint / Tell your story'. A search bar with the placeholder 'Search Complaint Center' and a 'Search' button is present. Below the search bar, there's a note in Spanish: 'Para presentar una queja en español, llámar al: 888-CALL-FCC (888-225-5322)'. To the right of the search bar, there's a paragraph explaining that filing a complaint contributes to federal enforcement and consumer protection efforts. Below this, there are four buttons: 'File an Unwanted Call Complaint', 'What Happens After I File My Complaint?', 'Frequently Asked Questions', and 'How Other Agencies Can Help'. The main content area is divided into two columns. The left column is titled 'File a complaint' and includes a paragraph explaining the process. Below this, there are six icons representing different complaint categories: TV, Phone, Internet, Radio, Access for People with Disabilities, and Emergency Communications. The right column is titled 'Share your experience' and includes a paragraph explaining the process. Below this, there's a 'Tell Us Your Story' button. At the bottom of the right column, there's a 'Learn about consumer issues' section with two buttons: 'Consumer Help Center' and 'Consumer Complaint Data Center'. At the very bottom, there's a footer with contact information for the Federal Communications Commission, including the address, phone numbers, and a list of links to various policies and documents.

FCC Home Complaint Center Home

Sign in Check Status

Consumer Complaint Center

File an informal consumer complaint / Tell your story

Search Complaint Center Search

Para presentar una queja en español, llámar al: 888-CALL-FCC (888-225-5322)

By filing a consumer complaint and telling your story, you contribute to federal enforcement and consumer protection efforts on a national scale and help us identify trends and track the issues that matter most.

File an Unwanted Call Complaint What Happens After I File My Complaint?

Frequently Asked Questions How Other Agencies Can Help

File a complaint

If your complaint is about a telecom billing or service issue, we will serve your complaint on your provider. Your provider has 30 days to send you a response to your complaint. We encourage you to contact your provider to resolve your issue prior to filing a complaint.

TV Phone Internet

Radio Access for People with Disabilities Emergency Communications

Share your experience

When you have issues concerning a provider or policy, let us know about it. By submitting your story you are NOT filing a consumer complaint. Your story won't be forwarded to your provider and you will not hear back from your provider or the FCC. We will share your story internally and use it to inform policy making and potential enforcement activities.

Tell Us Your Story

Learn about consumer issues

Consumer Help Center Consumer Complaint Data Center

Download a complaint form: [Word](#) or [PDF](#)
File using our American Sign Language Hotline: [ASL Video](#)

Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Phone: 1-888-225-5322
TTY: 1-888-835-5322
Videophone: 1-844-432-2275
Fax: 1-866-438-0232
[Contact Us](#)

[Privacy Policy](#)
[Moderation Policy](#)
[Website Policies & Notices](#)
[Browser Compatibility](#)
[FOIA](#)
[No Fear Act Data](#)

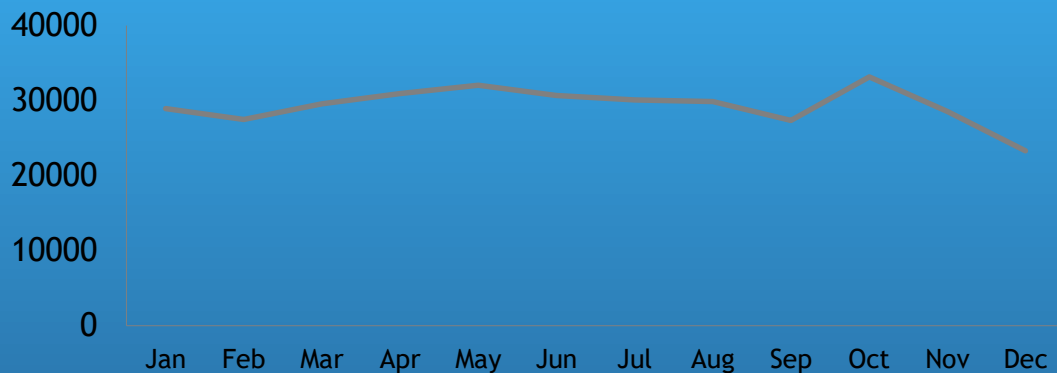
[FCC Digital Strategy](#)
[Open Government Directive](#)
[Plain Writing Act](#)
[2009 Recovery and Reinvestment Act](#)
[RSS Feeds & Email Updates](#)
[Disability Rights](#)

- Established Four Years Ago
- Streamlined Forms Include Four Main Categories
- Greater Interaction with Consumers
- Faster Review and Processing for Agents and Providers
- Increased Transparency

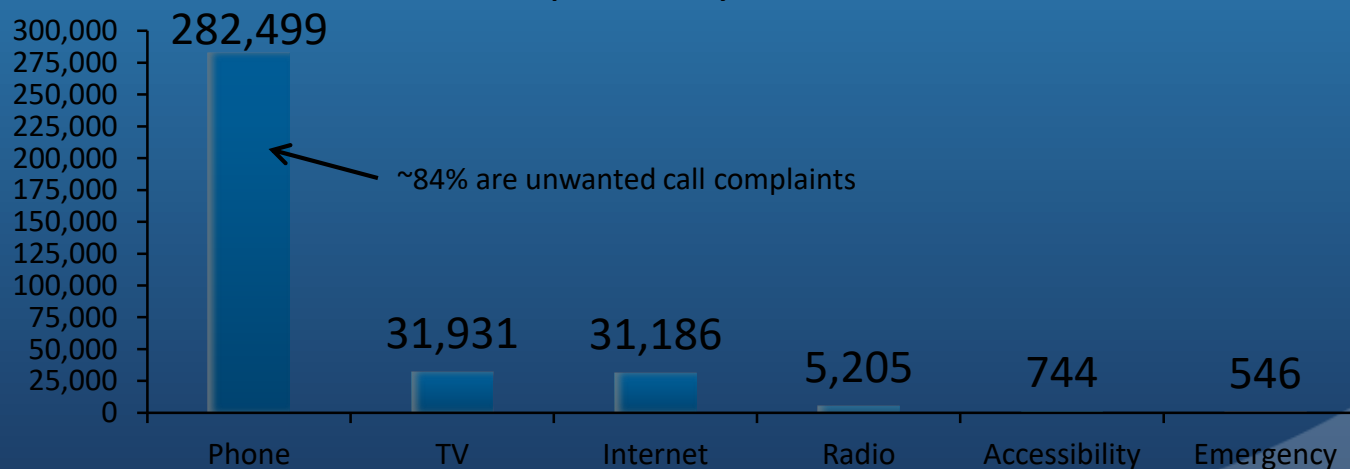


Complaint Volume and Types

Complaints by Month - 2018



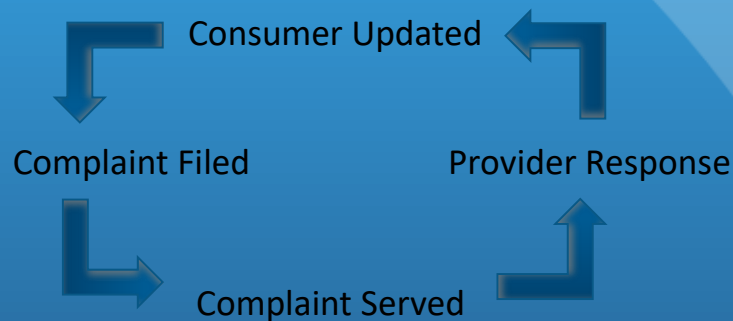
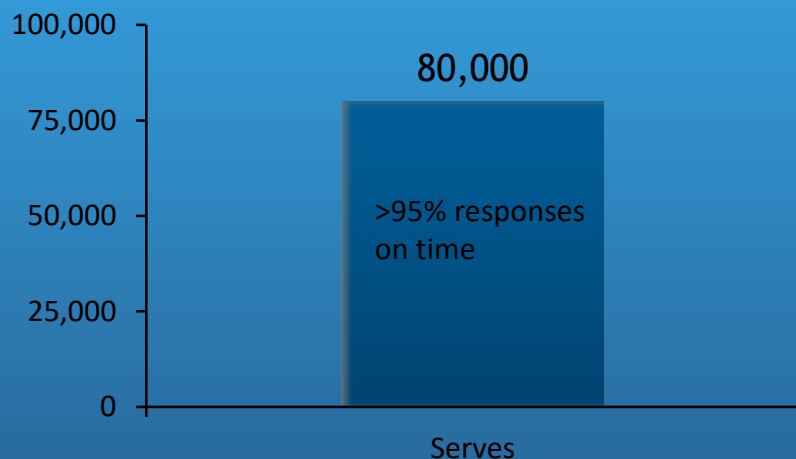
Total Complaints by Form - 2018





Complaints Served on Providers

Total Complaints Served - 2018



- Over 1,500 Providers in the CCC
- Complaints Served Within a Couple of Days
- Providers Receive Real-time Serve Information
- Providers Have Up to 30 Days to Respond
- Rebuttal Process



Feedback from Consumers

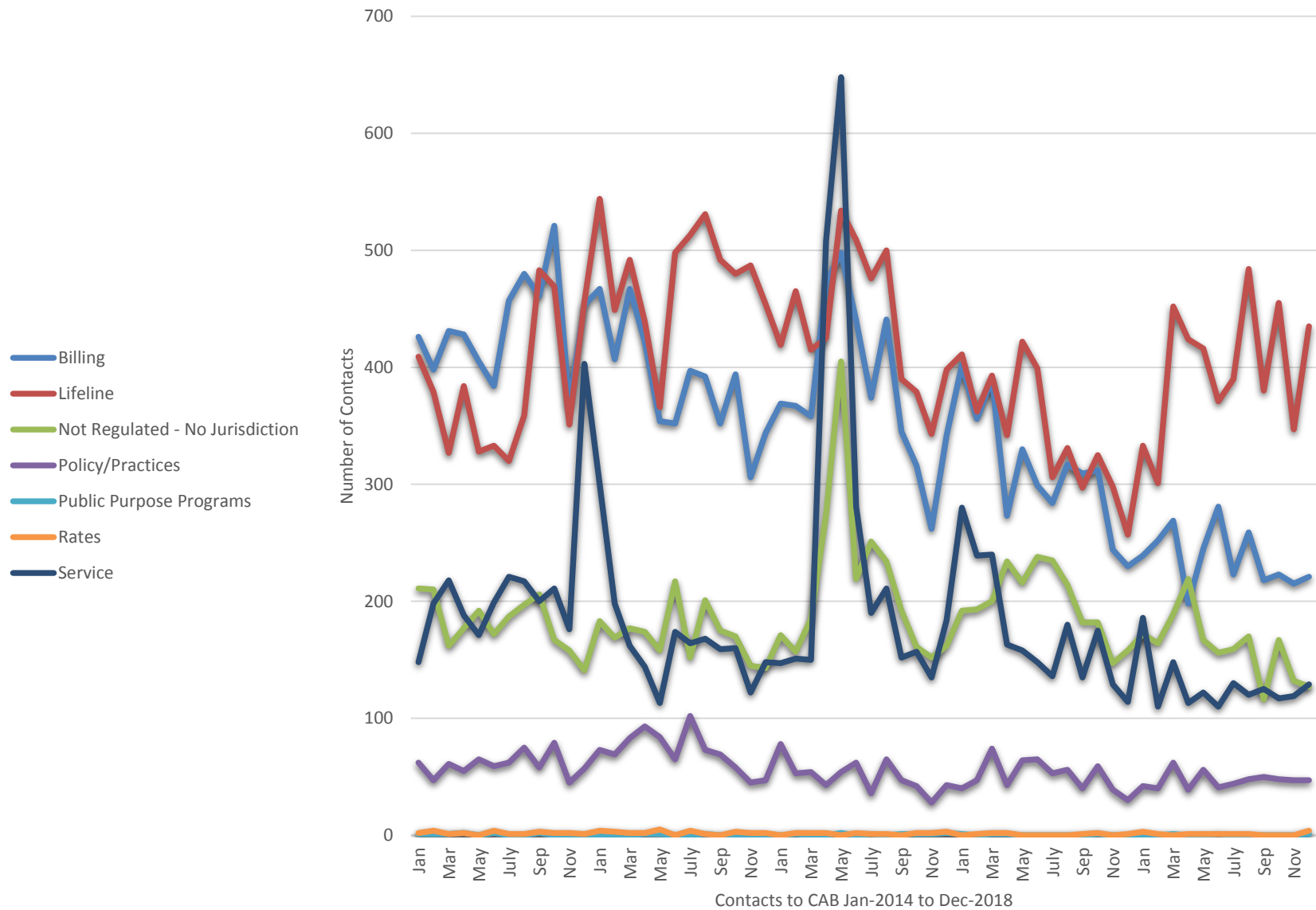
“I have received my provider’s response to my complaint... [The customer service representative] was very prompt and accommodating in replying to my complaint. We have been in touch by telephone and have reached a resolution to my complaint. I appreciate his concern and the manner in which he helped me. Likewise, I appreciate the efforts of the FCC.”

“[My provider] has finally arrived and hooked up Internet and phone so everything is fine at this point. Thank you for your service because it actually got someone to check on the problem and call me.”

“Thank you FCC for all your assistance in expediting this process for me. I couldn't have done it w/o your help!!”

CPUC - Consumer Affairs Branch

Complaints and Questions Re Communications Providers 2014 - 2018



A Dynamic Communications Marketplace in Transition: USTelecom Industry Metrics and Trends

Mike Saperstein

Vice President, Law and Policy

msaperstein@ustelecom.org

202-326-7225

Data Analysis Provided by Patrick Brogan, VP Industry Analysis, USTelecom



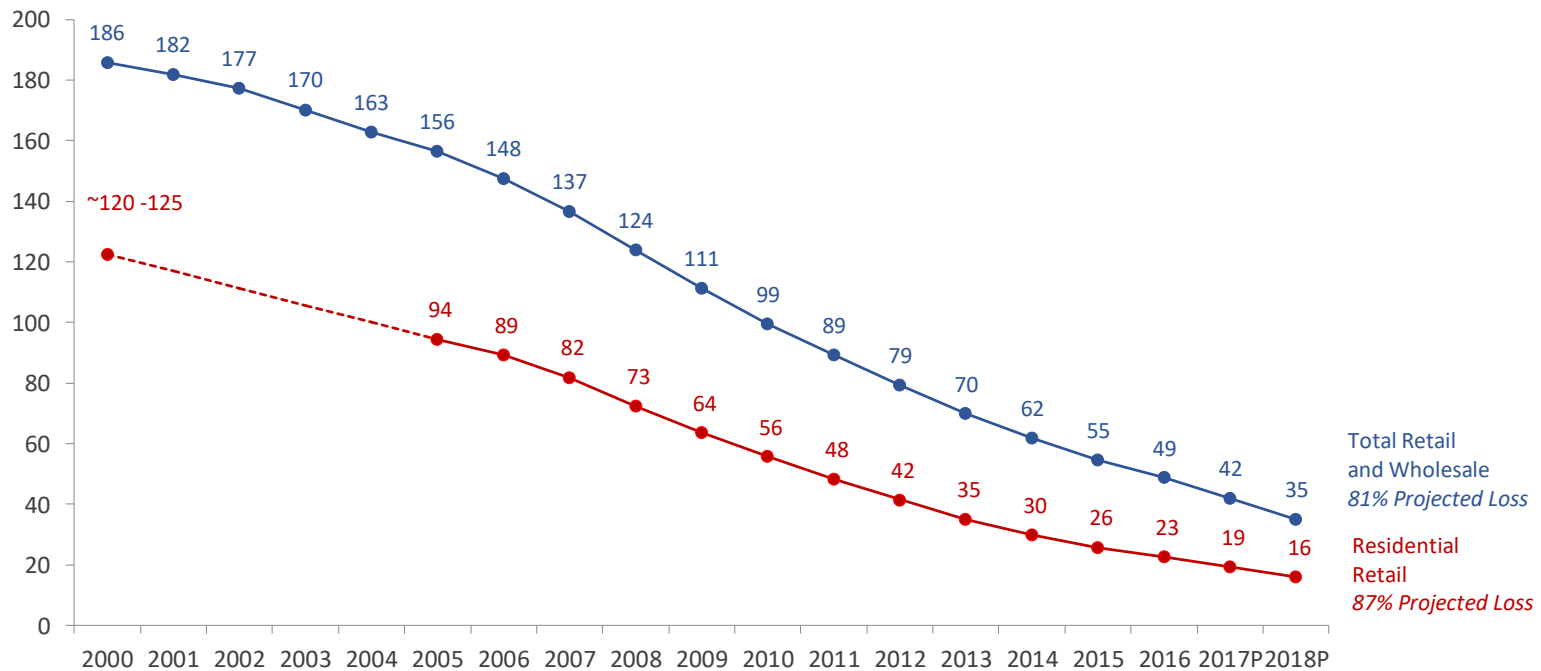
USTELECOM

THE BROADBAND ASSOCIATION

The Transition from Legacy Voice Networks to Mobile and Internet Communications

Dramatic Decline in Traditional Wired Voice Connections Continues

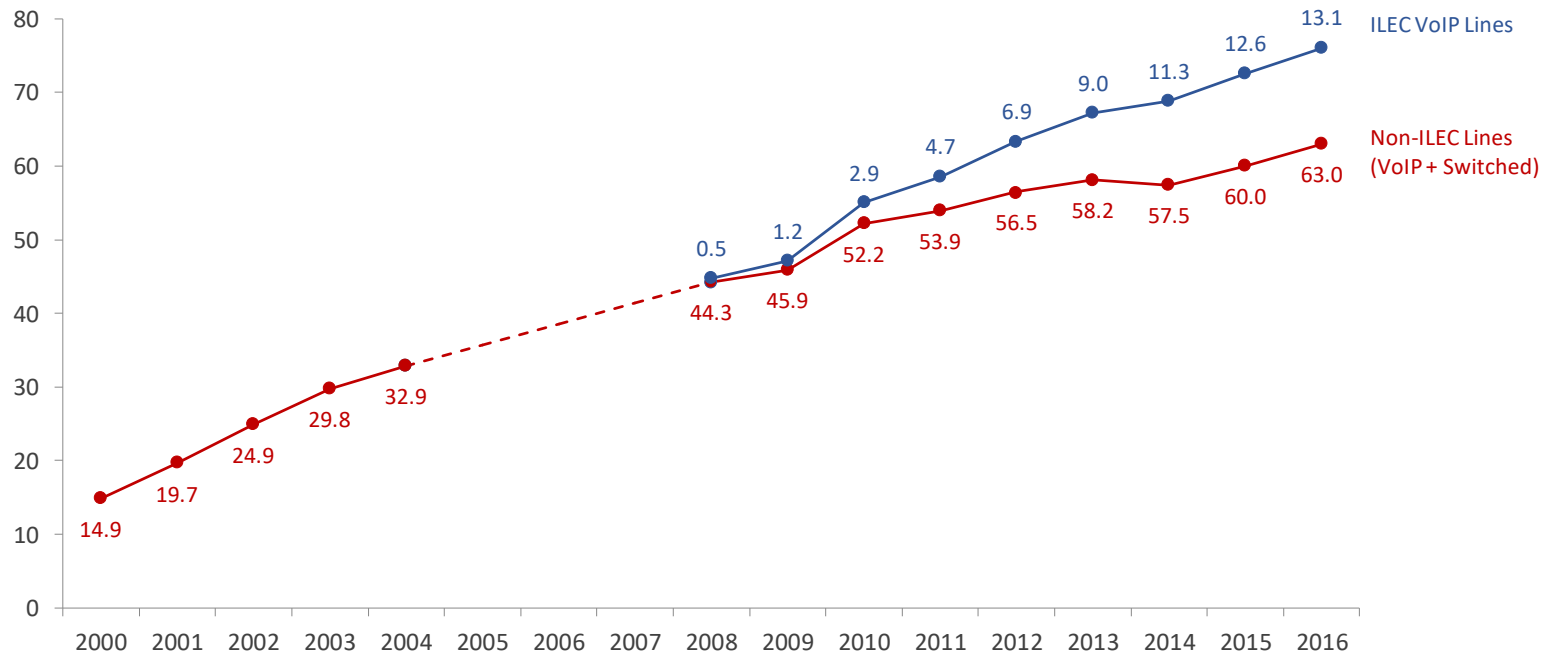
ILEC Switched Access Lines 2000 – 2018 Projected (millions)



Source: FCC and USTelecom analysis. Includes primary and non-primary lines. Excludes ILEC VoIP and UNE-L (unbundled loops). Projections based on most recent 6-month straight-line run rates. Pre-2005, carriers with <10,000 lines did not report and FCC did not report residential lines.

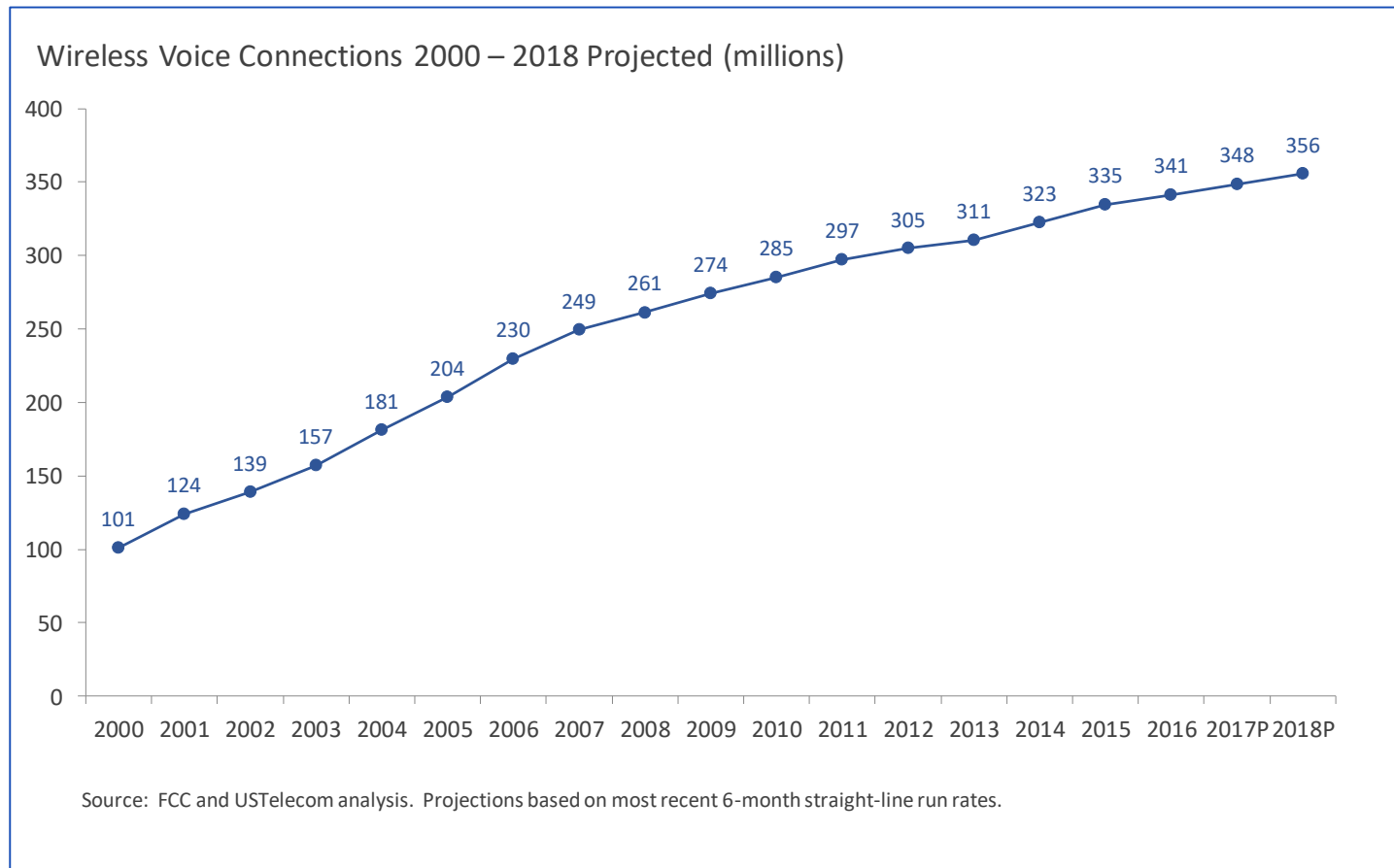
Wired Voice Alternatives Are Growing

Non-ILEC Lines and ILEC VoIP 2000 – 2018 Projected (millions)



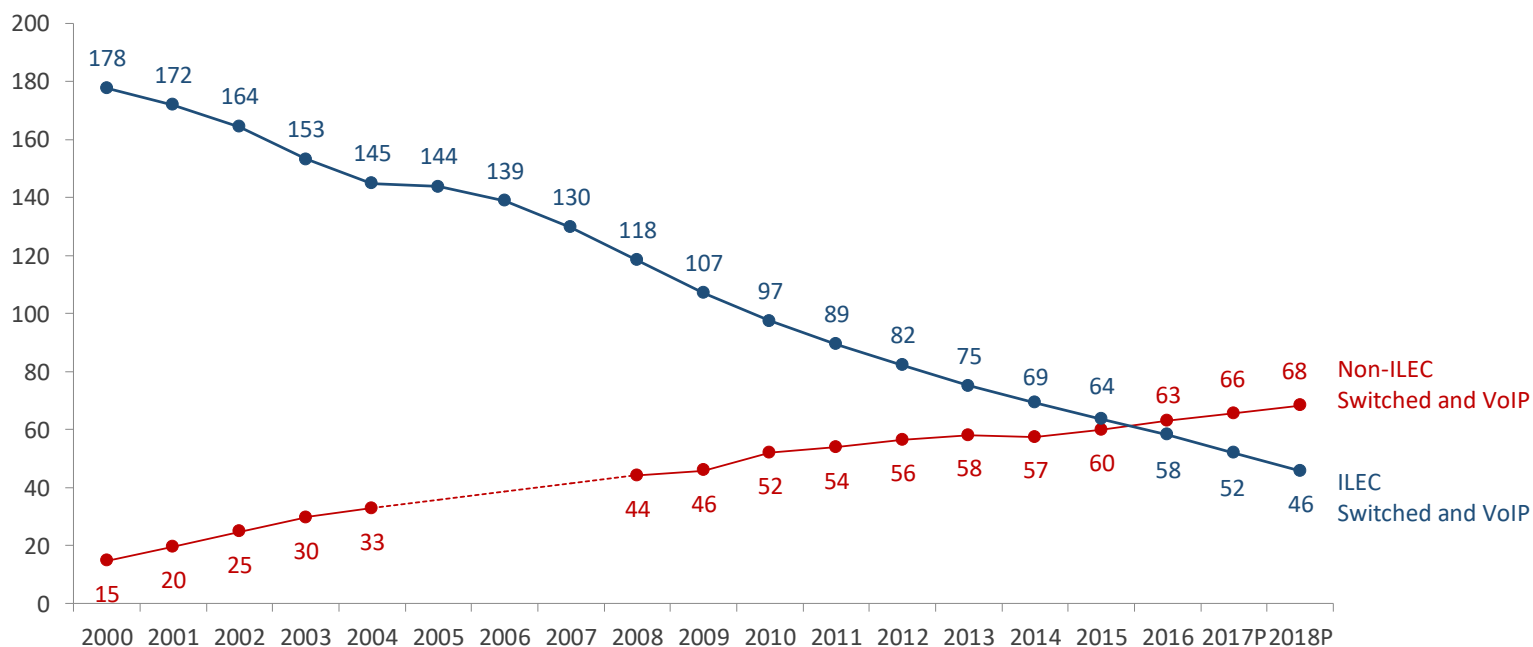
Source: FCC and USTelecom analysis. Includes primary and non-primary lines. Includes non-ILEC lines using ILEC wholesale lines. Pre-2005, carriers with <10,000 lines did not report and FCC did not report residential lines. 2005-7 Non-ILEC data excluded due to data reliability issues. Projections based on most recent 6-month straight-line trend.

Wireless Voice Connections Are Growing Rapidly



Non-ILECs Have a Greater Share of Wired Voice Lines Than ILECs

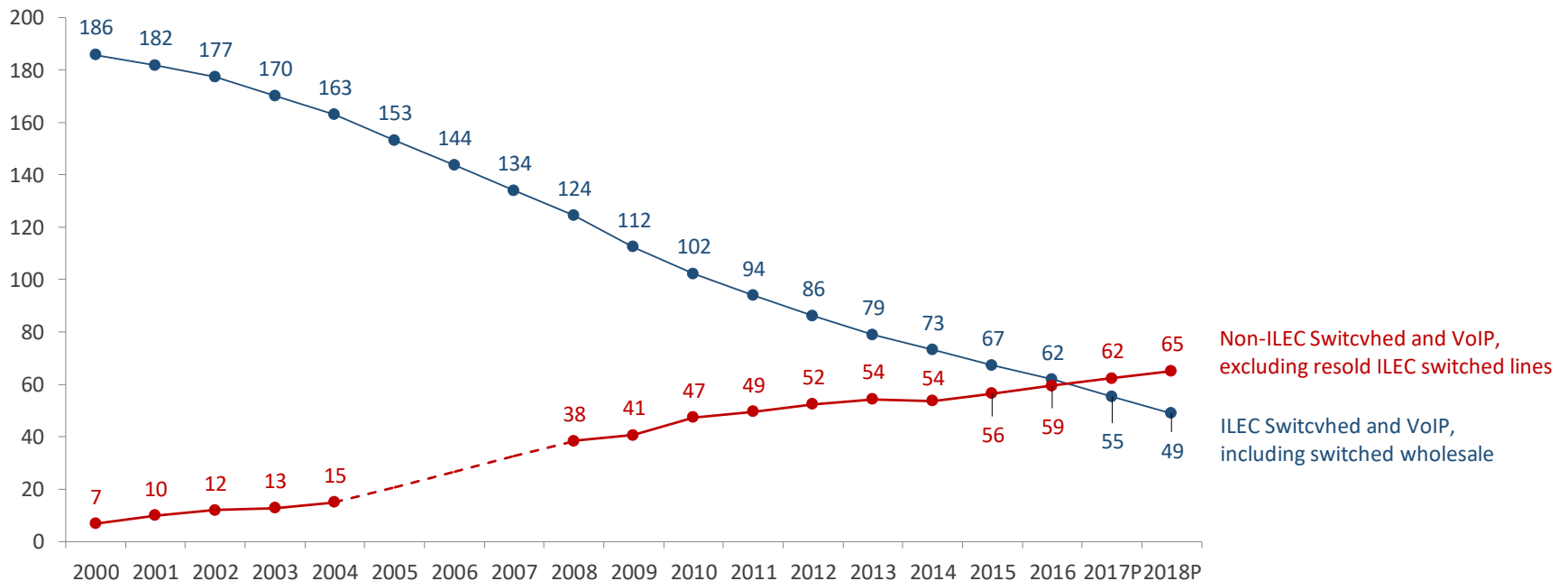
ILEC and Non-ILEC Retail Switched and VoIP Lines 2000 – 2018 Projected (millions)



Source: FCC and USTelecom analysis. Pre-2005, carriers with <10,000 lines did not report. Pre-2008 data exclude VoIP. ILEC lines exclude wholesale. 2005-7 Non-ILEC data excluded due to data reliability issues. Projections are straight-line based on most recent 6-mnth trend.

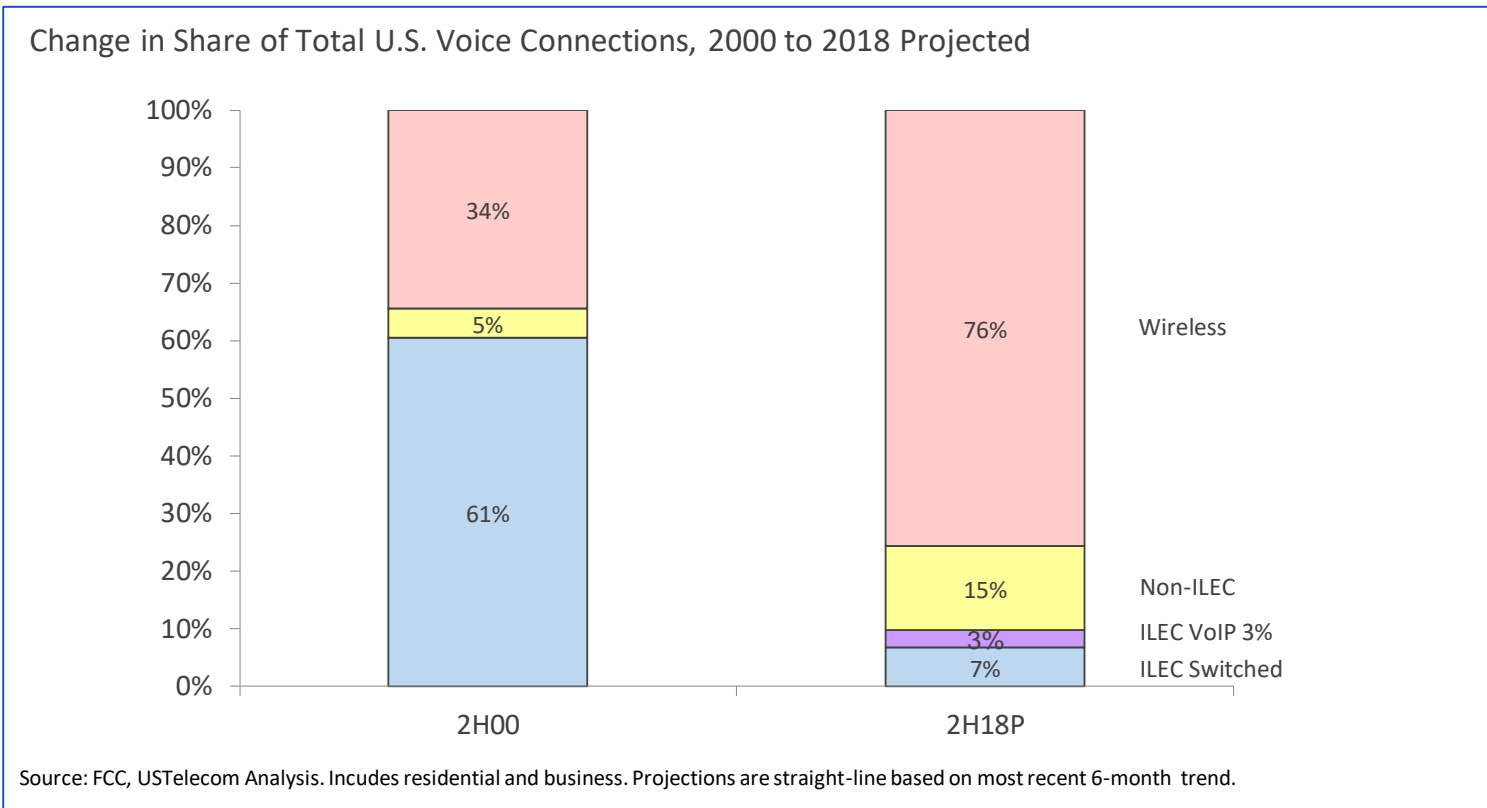
Non-ILECs Have Also Surpassed ILECs in Wired Voice Even When Considering Wholesale Lines

ILEC and Non-ILEC Switched and VoIP Lines 2000 – 2018 Projected (millions)



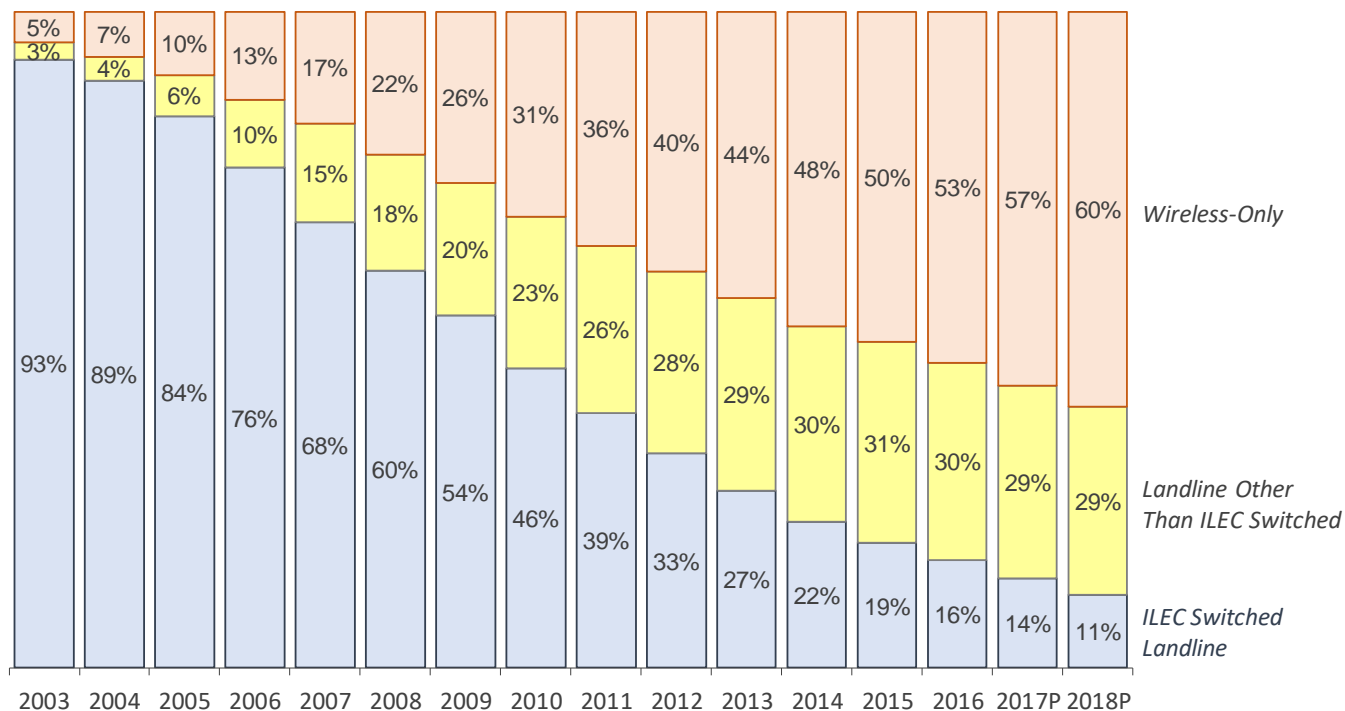
Source: FCC and USTelecom analysis. Pre-2005, carriers with <10,000 lines did not report. Pre-2008 data exclude VoIP. ILEC lines exclude wholesale. 2005-7 Non-ILEC data excluded due to data reliability issues. Projections are straight-line based on most recent 6-month trend.

There Are Three Times as Many Wireless as Wired Voice Connections in the U.S.



Households Have Shifted to Wireless and IP Voice

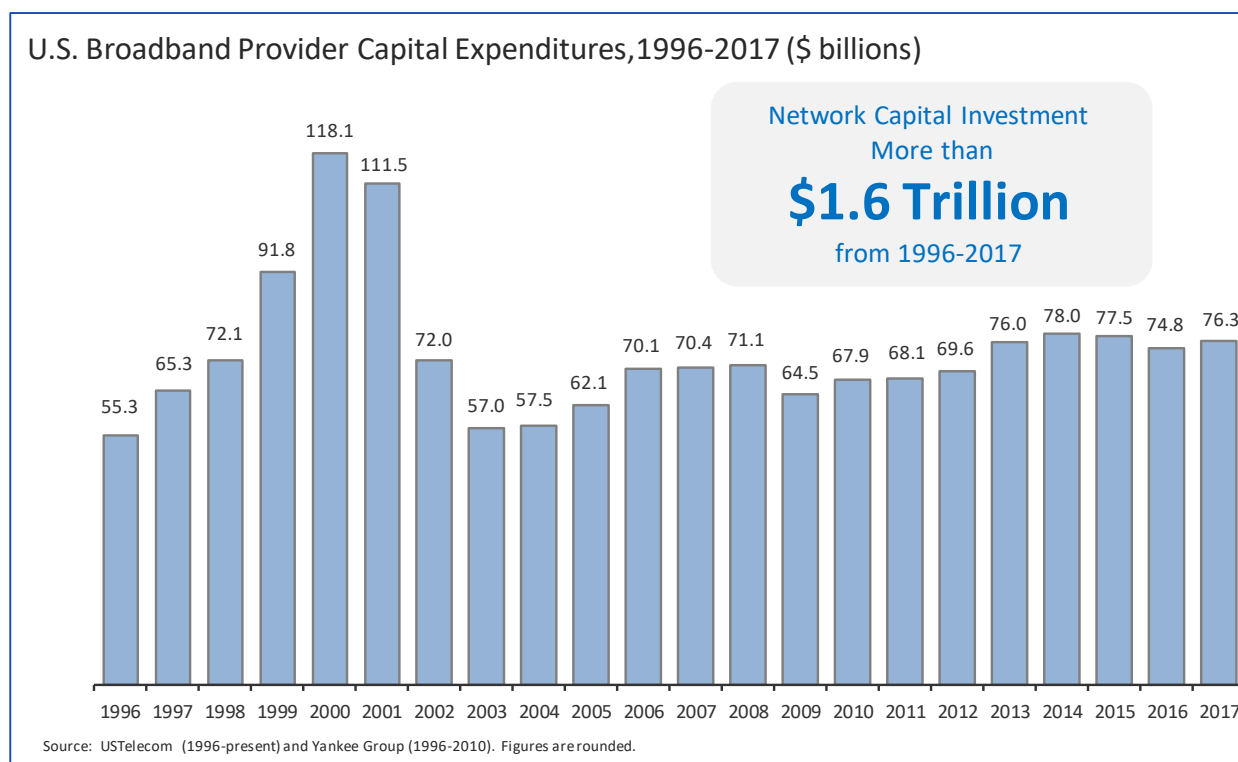
U.S. Household Voice Service Penetration and Projections
(Percent of Telephone Households)



Sources: FCC, CDC, Census, USTelecom Analysis (2008-15P); and FCC, CDC, NCTA, Financial Reports, USTelecom Analysis (2003-7); projections based on six-month run rates.

Broadband Investment, Deployment and Adoption

Competing Broadband Providers Have Invested More Than \$1.6 Trillion in Capital since 1996

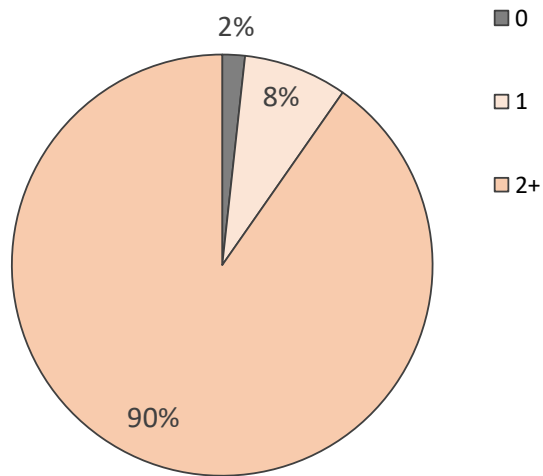


Data includes wireline, wireless, and cable providers.

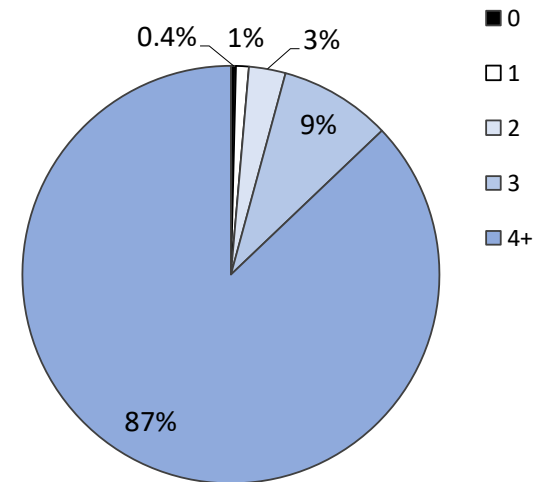
Revised October 18, 2018

Broadband Investment by Competitive Providers Has Brought Near-Nationwide Deployment

U.S. Fixed Broadband Choices Available at Any Speed
(% of Housing Units, Year-End 2016)



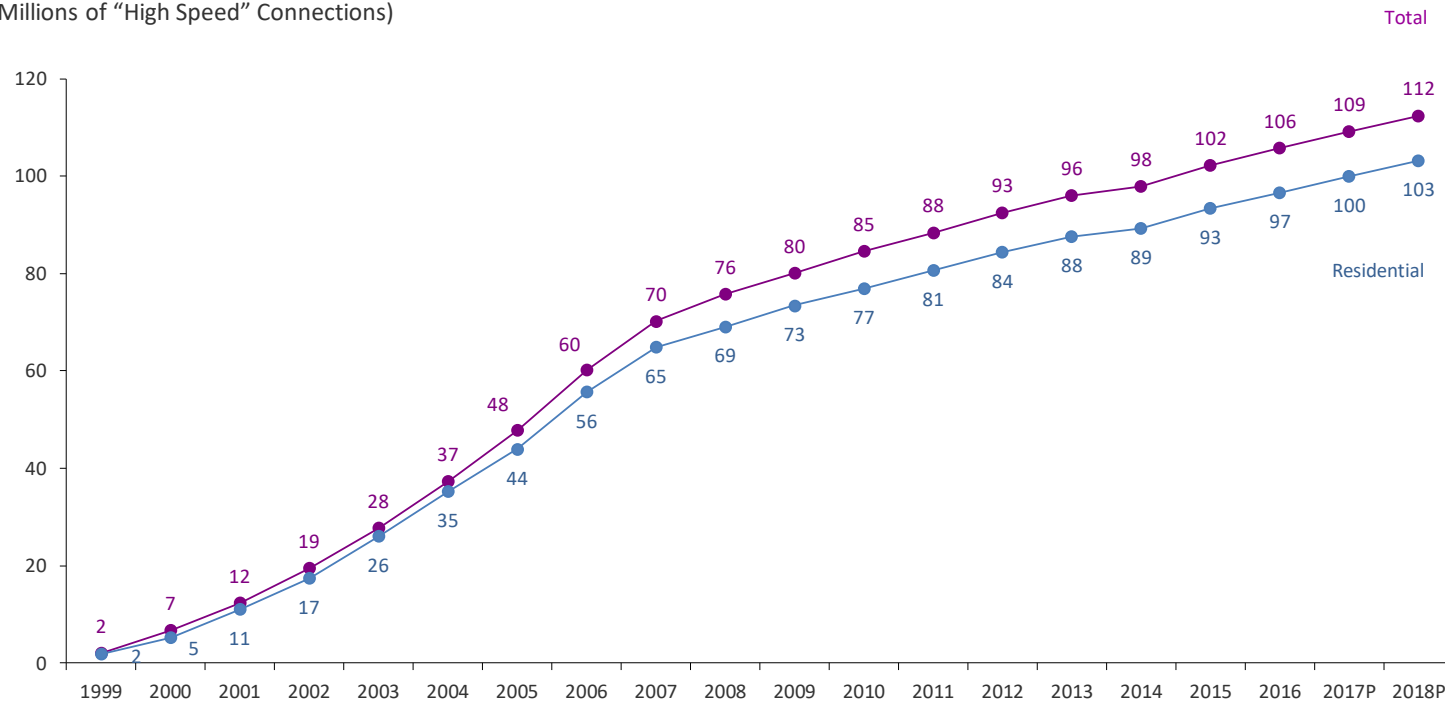
U.S. Wireless LTE Broadband Choices Available
(% of Housing Units, Year-End 2016)



Source: FCC, USTelecom, and Telcodata CensusNBM.com.

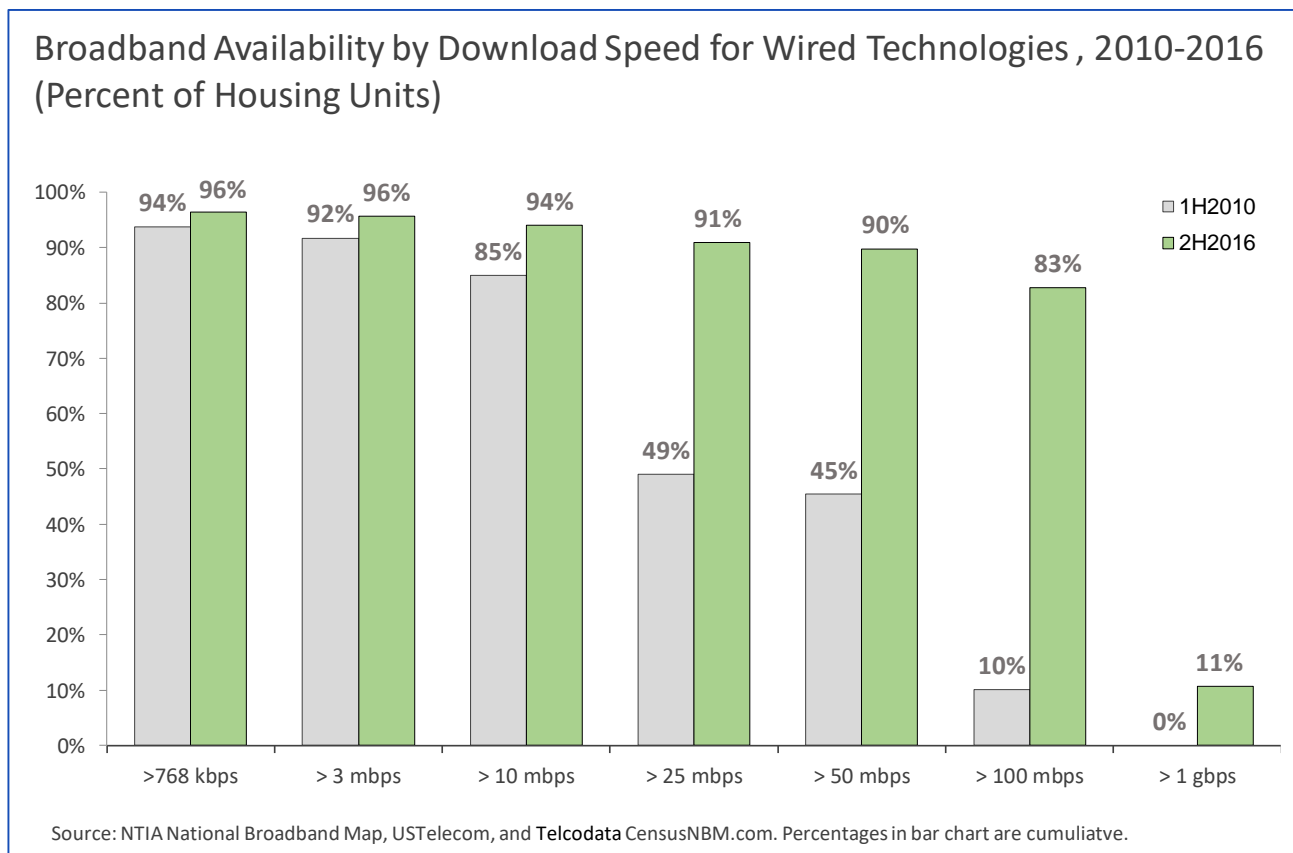
Investment Has Enabled Widespread and Ongoing Broadband Adoption

U.S. Fixed Broadband Connections
(Millions of “High Speed” Connections)



Source: FCC. Based on “high-speed services” > 200 kbps downstream. Projections are straight-line based on most recent 6-month trend.

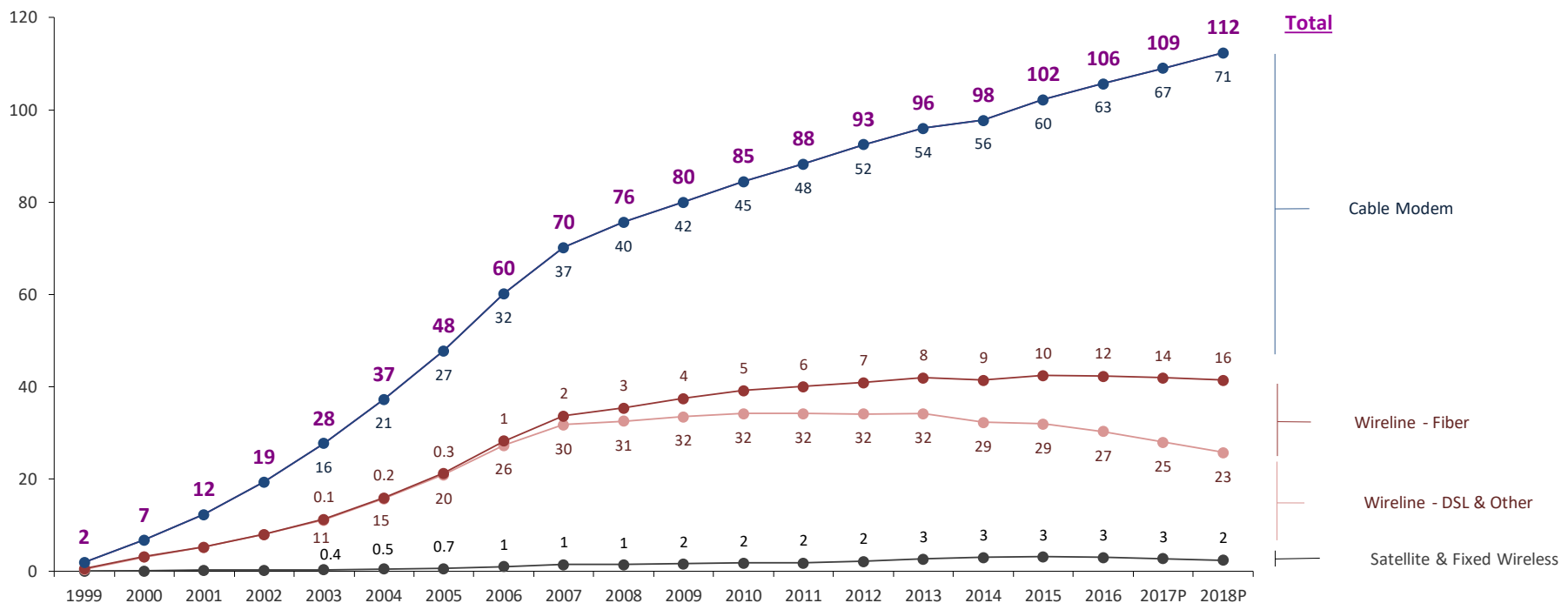
Providers Are Deploying Networks Capable of Providing Higher Speeds



Fourth generation mobile broadband was available to less than 1% of Americans in 2010 and 99.6% of Americans in 2016. Speeds are in excess of 10 mbps, in some cases approaching 20 mbps (opensignal.com)

Broadband Has Been a Competitive Industry from Its Inception

U.S. Fixed Broadband Connections by Technology
(Millions of “High Speed” Connections)



Source: FCC. Based on “high-speed services” > 200 kbps downstream