

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

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July 29, 2013

VIA ELECTRONIC FILING

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: *In the Matter of Application of Verizon New Jersey Inc. and Verizon New York Inc. to Discontinue Domestic Telecommunications Services, WC Docket No. 13-150*

Dear Ms. Dortch:

The U.S. Chamber of Commerce, the world's largest business federation, representing the interests of more than three million businesses and organizations of every size, sector, and region, as well as state and local chambers and industry associations, and dedicated to promoting, protecting, and defending America's free enterprise system, is pleased to submit these comments to the Federal Communications Commission ("Commission") in response to the Public Notice in the above-captioned proceeding.¹ While the Chamber does not take a position on the merits of any particular transaction or application, we believe that the issues raised in this proceeding are important and should be considered as the Commission evaluates this application and similar applications in the future. Consumers recognize that they are no longer limited to services offered over legacy copper-wire networks and are increasingly choosing to subscribe to next-generation networks, including wireless, that provide many benefits including innovative products, services, and devices, along with new choices.

In its application, Verizon seeks to discontinue certain domestic, wireline telecommunications services in areas—western portions of Fire Island, New York and portions of two wire centers serving the Barrier Islands of New Jersey—where copper wireline facilities

¹ *Comments Invited on Application of Verizon New Jersey Inc. and Verizon New York Inc. to Discontinue Domestic Telecommunications Services*, Public Notice, WC Docket No. 13-150, DA 13-1475 (rel. June 28, 2013), available at http://transition.fcc.gov/Daily_Releases/Daily_Business/2013/db0628/DA-13-1475A1.pdf.

were destroyed or rendered inoperable by Hurricane Sandy.² Verizon plans to offer affected customers a wireless alternative—Voice Link—that uses “regular home telephone handsets and existing wiring and jacks within a customer’s home.”³

When reviewing applications of this type, the Commission balances the interests of the carrier and the affected user community, and gives consideration to “a number of factors including: (1) the financial impact on the carrier of continuing to provide the service; (2) the need for the service in general; (3) the need for the particular facilities in question; (4) the existence, availability, and adequacy of alternatives; and (5) increased charges for alternative services, although this factor may be outweighed by other considerations.”⁴ Thus, below are factors that the Commission should consider when conducting this balancing test.

While 38.2% of U.S. households were “wireless-only” and an additional 15.9% of U.S. households were “wireless-mostly” (i.e., the household has a landline but receives all or most calls on a wireless phone) for the second-half of 2012,⁵ wireless usage on Fire Island is much more dominant. Verizon Wireless’ networks—even prior to the storm—handled more than 80% of voice traffic on the island.⁶ It would be closer to 90% if other wireless providers were included in the calculation, according to Verizon.⁷

Though Voice Link may impact a consumer’s ability to use their existing copper-wire based fax, credit card, home security, and monitoring systems, there are a variety of Internet and wireless-based alternatives.⁸ Given the “prevalence of storms and the ongoing possibility of continued ground and seawater contamination,” any wireline restoration would be prohibitively

² Letter from Frederick E. Moacdieh, Executive Director – Federal Regulatory Affairs, Verizon, to Ms. Marlene H. Dortch, Secretary, Federal Communications Commission, Attach. (filed June 7, 2013), p. 1, (“*Verizon Application*”), available at <http://apps.fcc.gov/ecfs/document/view?id=7022424983>.

³ *Id.* at 2.

⁴ *Public Notice* at 4.

⁵ Stephen J. Blumberg & Julian V. Luke, Div. of Health Interview Statistics, Nat’l Ctr. for Health Statistics, Centers for Disease Control and Prevention, *Wireless Substitution: Early Release of Estimates From the National Health Interview Survey, July–December 2012*, at 1-2 (June 2013), available at <http://www.cdc.gov/nchs/data/nhis/earlyrelease/wireless201306.pdf>.

⁶ Tom Macguire, “Verizon Remains Committed to Fire Island With Voice Link,” *Verizon Policy Blog*, June 20, 2013, available at <http://publicpolicy.verizon.com/blog/entry/verizon-remains-committed-to-fire-island-with-voice-link>.

⁷ *Id.*

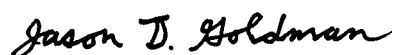
⁸ Richard Bennett, *Post-Sandy Telecom Melodrama*, July 8, 2013, available at <http://www.innovationfiles.org/post-sandy-telecom-melodrama/>.

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costly and, at best, temporary.⁹ To install and connect new landlines to the 500 permanent residents of Fire Island would cost from \$4.8 million to over \$6 million, according to Verizon.¹⁰

Therefore, while the Chamber does not take a position on the merits of any particular transaction or application, the issues raised in the Verizon application—including the costs involved in rebuilding these copper-wire facilities and the uncertainty of whether consumers would actually choose this service given other alternatives—are important and should be considered in the Commission’s evaluation of this application and similar ones in the future. Thank you for the opportunity to participate in this proceeding.

Sincerely,



Jason D. Goldman

⁹ *Verizon Application* at 4.

¹⁰ *Verizon Policy Blog*.