

THE UTILITY REFORM NETWORK (TURN)
Workshop Presentation R.07-04-015
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•**The Bill Analysis for AB2393 made it crystal clear that the legislature recognized important differences between the reliability of telephone service provided to customers served by fiber lines versus copper lines.**

AB2393 Bill Analysis, Date of Hearing May 10, 2006:

“The benefit of fiber optic cable, over copper wire, is that it can carry far more information, providing consumers with a host of benefits, from increased internet speeds to clearer phone calls. Unlike copper wire, however, fiber optic cable does not carry its own electrical charge, but instead requires an independent power source. Thus while a traditional telephone will continue to function during a blackout, a phone connected fiber optic cable will not, so if an earthquake knocked out power, it would disable fiber optic phone systems as well.

“In an attempt to offer continuity in phone service during a power outage, backup battery systems have been installed in homes when fiber optic cable is deployed. However, there are currently no standards to regulate these backup batteries. *A homeowner often does not know why the backup battery was installed, how long the phones can operate under backup power, or the maintenance requirements for such systems.* AB 2393 requires the PUC to determine appropriate performance criteria for backup systems on the home.

•**In D.06-03-013 The Commission stated that “[c]onsumers have a right to receive clear and complete information about any limitations affecting the services they select, including limitations on bandwidth, applications or devices that may be used in connection with their service” (D.06-03-013, mimeo, at 45-46)**

•TURN’s review of the responses of carriers to questions posed for this workshop leads us to conclude that the disclosures concerning the reliance on the customer’s electricity provide phone service and the fact that the phone will not work if there is a power outage made by the major “players” in providing FTTP voice services are not adequate and not provided in a timely manner.

For example:

Small LECs provide information in telephone directories and annual notices to customers. There materials do not explicitly address the issues in this proceeding re lack of back up power for some types of telecom services when there is a power outage. The filing stated that for some of the Small LECs that provide service using FTTP facilities, they provide a battery at the customer’s premises which typically provide 8 hours of battery backup, but the actual performance of the battery will vary by environmental conditions, usage, and the “elapsed time since installation.” The filing states that

¹ Analysis in support of this presentation was provided by Barbara Alexander.

these customers are “informed” but there is no documentation of how this information is provided to customers. [See, e.g., page 5, “...but the information is not necessarily included in service agreements or contracts.”]

For example:

Verizon California does not have a separate outreach and education program outside of the information provided at service initiation and installation of FTTP services. The customer service script in Appendix 7 is used when the customer orders FTTP voice product, but this script does not make clear that the new voice system requires electricity to operate and that the system will rely on the backup battery in the event of a power outage. There is no “education” in this script. The information provided at the time of installation is reflected in Appendix 8 is a document entitled, “The ABC’s of Fiber Optics.” On the first page is a statement that is less than absolutely clear, “Unlike traditional self power telephone or cable television service, your Verizon FIOS service depends on your home’s power source.” The document also contains diagrams for installation of the ONT and the battery, but they fail to explicitly tell the customer that the customer is responsible for maintenance and replacement of the battery. In fact, their section on the battery backup unit is called “continuous power when you need it.” This section states that the battery can provide voice service for approximately four hours and that the battery has a “life” of “1-4 years” which is a really wide variation. While not explicit, the instructions tell the customer when to replace the battery and explains the warning and light features on the battery itself (which is of course in the garage or other location not readily viewed by most customers.)

Further, it is not clear that when Verizon installs FiOS, the company informs customers that they have the right to retain their copper drop. In August of 2008, Verizon removed copper drops from homes in Malibu and its representatives inaccurately informed customers that they did not have the option of retaining copper drops.² Verizon is currently in the initial stages of installing FiOS in another Southern California Community (Granada Hills). During community meetings on the installation of facilities in neighborhoods, no mention has been made of the differences between powering service provided over fiber versus copper, the implications for customers, or the fact that customers have the option of retaining telephone service over copper.

It is the Commission’s policy that:

“[c]onsumers have a right to receive clear and complete information about any limitations affecting the services they select, including limitations on bandwidth, applications or devices that may be used in connection with their service.”

Therefore, customers should be fully informed about the issue of battery back-up over fiber lines and their right to continue to receive service over copper facilities prior to the installation of FiOS at the home.

•The back up battery disclosures that were submitted in these comments are insufficient. Each provider should be required to answer the following questions in plain language:

- A. What the purpose of the battery?
- B. What is the shelf life of the battery? Under what conditions will it deteriorate?

² <http://malibusurfsidenews.com/blog/2008/08/verizon-says-some-sales-reps-erred-in.html>

- C. Is there a warranty that the customer has on this battery provided by the telecom provider?
- D. How long will the battery provide back up power under normal conditions and for what purposes?
- E. Who owns the battery and who is responsible for maintenance and replacement of the battery?
- F. How much will it cost me to replace the battery and where I can obtain one?

- There are no provisions in these materials to provide a higher level of battery type or service for those with disabilities and the Commission should consider ordering same (i.e., more expensive but longer lived and powerful batteries).

- The Commission should adopt regulations, comparable to those adopted by the FCC for VOIP providers concerning access to 911 service, to assure that the proper disclosures and information concerning operation of a customer's telephone system during power outages and the obligations of the customer concerning the back up battery are required to be given to prospective and new customers and monitor for compliance.

- Any consumer education program should be sponsored by all telecommunications providers and distributed by those providers. This is not just a Commission obligation or mandate.

- Educational messages should be clear, short, and repeated frequently in a variety of media.

- Customer notification should include contact information for the CPUC, and a statement that customers should contact the Commission to report instances where battery life is insufficient to support continued operation of telephone service throughout the duration of a power outage.

Regulations applicable to VOIP providers adopted by the FCC:

PART 9 —INTERCONNECTED VOICE OVER INTERNET PROTOCOL SERVICES

Sec.

9.1 Purpose.

9.3 Definitions.

9.5 E911 Service

AUTHORITY: 47 U.S.C. 151, 154(i)-(j), 251(e), and 303(r) unless otherwise noted.

§ 9.1 Purpose

The purpose of these rules is to set forth the E911 service requirements and conditions applicable to interconnected Voice over Internet Protocol service providers.

§ 9.3 Definitions.

Appropriate local emergency authority. An emergency answering point that has not been officially designated as a Public Safety Answering Point (PSAP), but has the capability of receiving 911 calls and either dispatching emergency services personnel or, if necessary, relaying the call to another emergency service provider. An appropriate local emergency authority may include, but is not limited to, an existing local law enforcement authority, such as the police, county sheriff, local emergency medical services provider, or fire department.

ANI. Automatic Number Identification, as such term is defined in Section 20.3 of these rules.

Interconnected VoIP service. An interconnected Voice over Internet protocol (VoIP) service is a service that: (1) enables real-time, two-way voice communications; (2) requires a broadband connection from the user's location; (3) requires Internet protocol-compatible customer premises equipment (CPE); and (4) permits users generally to receive calls that originate on the public switched telephone network and to terminate calls to the public switched telephone network.

Pseudo Automatic Number Identification (Pseudo-ANI). A number, consisting of the same number of digits as ANI, that is not a North American Numbering Plan telephone directory number and may be used in place of an ANI to convey special meaning. The special meaning assigned to the pseudo-ANI is determined by agreements, as necessary, between the system originating the call, intermediate systems handling and routing the call, and the destination system.

PSAP. Public Safety Answering Point, as such term is defined in Section 20.3 of these rules.

Registered Location. The most recent information obtained by an interconnected VoIP service provider that identifies the physical location of an end user.

Statewide default answering point. An emergency answering point designated by the State to receive 911 calls for either the entire State or those portions of the State not otherwise served by a local PSAP.

Wireline E911 Network. A dedicated wireline network that (1) is interconnected with but largely separate from the public switched telephone network, (2) includes a selective router, and (3) is utilized to route emergency calls and related information to PSAPs, designated statewide default answering points, appropriate local emergency authorities or other emergency answering points.

§ 9.5 E911 Service.

(a) Scope of Section. The following requirements are only applicable to providers of interconnected VoIP services. Further, the following requirements apply only to 911 calls placed by users whose Registered Location is in a geographic area served by a Wireline E911 Network (which, as defined in Section 9.3, includes a selective router).

(b) E911 Service. As of [120 days after the effective date of the Order]:

(1) Interconnected VoIP service providers must, as a condition of providing service to a consumer, provide that consumer with E911 service as described in this section;

(2) Interconnected VoIP service providers must transmit all 911 calls, as well as ANI and the caller's Registered Location for each call, to the PSAP, designated statewide default answering point, or appropriate local emergency authority that serves the caller's Registered Location and that has been designated for telecommunications carriers pursuant to section 64.3001 of this chapter, provided that "all 911 calls" is defined as "any voice communication initiated by an interconnected VoIP user dialing 911";

(3) All 911 calls must be routed through the use of ANI and, if necessary, pseudo-ANI, via the dedicated Wireline E911 Network; and

(4) The Registered Location must be available to the appropriate PSAP, designated statewide default answering point, or appropriate local emergency authority from or through the appropriate automatic location information (ALI) database.

(c) Service Level Obligation. Notwithstanding the provisions in paragraph (b) of this section, if a PSAP, designated statewide default answering point, or appropriate local emergency authority is not capable of receiving and processing either ANI or location information, an interconnected VoIP service provider need not provide such ANI or location information; however, nothing in this paragraph affects the obligation under paragraph (b) of an interconnected VoIP service provider to transmit via the Wireline E911 Network all 911 calls to the PSAP, designated statewide default answering point, or appropriate local emergency authority that serves the caller's Registered Location and that has been designated for telecommunications carriers pursuant to section 64.3001 of this chapter.

(d) Registered Location Requirement. As of [120 days after the effective date of the Order], interconnected VoIP service providers must:

(1) Obtain from each customer, prior to the initiation of service, the physical location at which the service will first be utilized; and

(2) Provide their end users one or more methods of updating their Registered Location, including at least one option that requires use only of the CPE necessary to access the interconnected VoIP service. Any method utilized must allow an end user to update the Registered Location at will and in a timely manner.

(e) Customer Notification. Each interconnected VoIP service provider shall:

(1) Specifically advise every subscriber, both new and existing, prominently and in plain language, of the circumstances under which E911 service may not be available through the interconnected VoIP service or may be in some way limited by comparison to traditional E911 service. Such circumstances include, but are not limited to, relocation of the end user's IP-compatible CPE, use by the end user of a non-native telephone number, broadband connection failure, loss of electrical power, and delays that may occur in making a Registered Location available in or through the ALI database;

(2) Obtain and keep a record of affirmative acknowledgement by every subscriber, both new and existing, of having received and understood the advisory described in subparagraph (1); and

(3) Distribute to its existing subscribers warning stickers or other appropriate labels warning subscribers if E911 service may be limited or not available and instructing the subscriber to place them on or near the equipment used in conjunction with the interconnected VoIP service. Each interconnected VoIP provider shall distribute such warning stickers or other appropriate labels to each new subscriber prior to the initiation of that subscriber's service.

(f) Compliance Letter. All interconnected VoIP providers must submit a letter to the Commission detailing their compliance with this section no later than [120 days after the effective date of this Order].

As adopted May 19, 2005 (Released June 5, 2005), In the Matters of IP-Enabled Services, WC Docket No. 04-36, and E911 Requirements for IP-Enabled Service Providers, WC Docket No. 05-196, FCC 05-116.

Malibu Surfside News

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Wednesday, August 27, 2008

Verizon Says Some Sales Reps Erred in Pitch for FiOS Service

- **Traditional Copper Telephone Wiring Is Not Slated for Removal as Claimed Door-to-Door**

BY HANS LAETZ

Some door-to-door contractors working for the Verizon telephone company were "overzealous" when they incorrectly told Malibuites that their traditional telephone service is being removed, and that customers must sign up for a new digital package using fiber-optic lines, a Verizon spokesperson confirmed.

But customers, consumer activists say, may have fallen for the sales pitch and signed up for a new type of telephone service that is not rate controlled, and can lose dial tones after a power outage.

A Verizon official said last week that errant sales crews selling its FiOS-brand fiber service would be retrained. Spokesperson Jon Davies said persons who purchased bundled cable TV and Internet service under incorrect impressions would be allowed to undo the deal.

In an email to the reporter, Davies wrote, " All the sales teams are continually educated on how to sell FiOS—they are definitely not authorized to say that the upgrade is in any way mandatory. We'll be going back to the door-to-door sales teams—and the group that was in Malibu that day particularly—to make sure they are clear on the situation and try to prevent this from recurring."

A telecommunications expert at The Utility Reform Network said people who count on their phones to work during disasters should know that new fiber-based services rely on a small battery at the customer's house, unlike old-fashioned copper-wire service.

"If you're going to replace new technology for old, shouldn't the new phones be as reliable as the old?" asked TURN analyst Regina Costa. "Anybody in Malibu who wants a phone that will work after a fire comes through and takes out power lines, would be crazy to give up their old copper-wire service."

Costa said the agents' sales pitch "sounds like a violation of FCC policies" and a violation of promises made by the company after congressional hearings into the matter revealed abuses last year.

Earlier this month, a journalist was among others who were told at home that "copper-wire" phone service is being removed from all houses and businesses in Malibu, a claim that state regulators and utility watchdogs said was misleading and inaccurate.

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Inaccurate, but effective, according to the results in one west Malibu neighborhood, where a majority of the houses on the reporter's street signed up for FiOS, and signed contracts giving up regulated copper phone service.

College-age marketers, wearing Verizon ID badges but working for a marketing company called NCSC on commission, blanketed the Malibu Park neighborhood early this month. One sales rep told persons that the phone company "is pulling out the copper wires from every house, and replacing them with fiber-optics."

Residents were offered several bundled packages of cable TV, Internet and phone service, which included low prices guaranteed for two years, and a signing bonus of free long-distance service.

Residents were told that they did not have the option to retain "plain-old telephone service," or POTS, despite the fact that federal and state laws require universal access to old fashioned, rate-regulated phone service. Governments regulate traditional phone service, but not the FiOS bundles that include TV and Internet services.

A customer sales agent also told one Malibu resident that his family could still elect to receive POTS via Web-based phone services after the copper was removed, but claimed not to know that these alternatives also would require buying high-speed Internet access.

That agent told a Malibu resident that the PUC had approved the changeover and removal of copper wiring, and that choosing the status quo was not an option.

Although the CPUC has lost many regulatory powers, it still sets the basic telephone line charge for Verizon. Since those powers do not extend to FiOS, customers have no guarantee for prices after the two-year contract is over.

The Verizon FiOS system is a \$23 billion nationwide initiative to convert as many of its customers as possible from copper wires strung as long as 60 years ago into state-of-the-art fiber lines. Those digital lines already extend onto almost every Malibu street, and now Verizon wants to entice customers away from the older, less-profitable General Telephone Company copper network.

But consumers are not told that switching from old copper phone lines removes competition, in the form of smaller companies that won access on the "last-mile" of monopoly phone line in a 1986 telecom deregulation law. That also means DSL, a low-cost alternative from other companies, is also eliminated as an option.

And the new fiber lines require electrical power at the customer's house, and phones will go dead in as little as four hours after the power goes out. In addition, the standby batteries must be replaced every year or so by the customer, at the customer's expense, or the fiber phones will go dead moments after Edison electrical service goes out.

"During the Big Sur fires this summer, the entire upper Carmel Valley had the power turned off by the firefighters, and all of a sudden, a bunch of people didn't have phone service," Costa said. "Reverse 911 calls couldn't come in, and people couldn't call out.

"Anybody who knows about this should be very scared over the concept of switching away from copper wires."

posted by MalibuSurfsideNews @ 5:09 PM



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