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FOR IMMEDIATE RELEASE: June 18, 2015

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DE BLASIO ADMINISTRATION RELEASES AUDIT REPORT OF VERIZON'S CITYWIDE FIOS IMPLEMENTATION

City finds Verizon failed to meet obligations to deliver fiber optic technology to New Yorkers across the five boroughs

NEW YORK—Mayor Bill de Blasio, Counsel to the Mayor Maya Wiley and Department of Information Technology and Telecommunications (DoITT) Commissioner Anne Roest today announced the City's audit findings of Verizon's citywide Fiber Optic Service (FiOS) implementation. In a 2008 agreement with New York City, Verizon committed to extend its FiOS network to every household across the five boroughs by June 30, 2014.

Consistent with complaints from New Yorkers, the audit – initiated by the Department of Information Technology and Telecommunications last September – documents far-reaching failures and reveals that more than six years after its agreement with the City, Verizon has yet to deliver on the commitments spelled out in the franchise agreement.

“Through a thorough and comprehensive audit, we have determined that Verizon substantially failed to meet its commitment to the people of New York City,” said **Mayor Bill de Blasio**. “Broadband is a key component of this Administration's fight to create opportunity and sustainable economic development in every corner of the five boroughs. As I've said time and again, Verizon must deliver on its obligation to the City of New York and we will hold them accountable.”

“What the audit reveals is an alarming failure on the part of Verizon to deliver on its franchise agreement with the City,” said **Counsel to the Mayor Maya Wiley**. “Verizon must make good on its commitment and do so with transparency, accountability and better service delivery going forward. New Yorkers deserve no less.”

“Based on consistent feedback from New Yorkers about their inability to access FiOS, we made a fair and thorough assessment of Verizon's progress in meeting its citywide commitment. What we found was an incomplete network to date, and, perhaps most concerning, no plan for how to complete it,” said **DoITT Commissioner Anne Roest**. “We expect Verizon to take an honest look at these findings as it works on fulfilling its promise to fully serve all five boroughs.”

“Affordable, reliable, high-speed Internet access is critical to New York City's innovation economy and position as a global tech hub,” said **Minerva Tantoco, Chief Technology Officer for the City of New York**. “New Yorkers deserve choices, and competition is good for all.”

The audit results – which are available [here](#) -- reveal an egregious failure on the part of Verizon to deliver on the FiOS agreement, including:

- **Verizon has not run fiber throughout enough of the City's residential neighborhoods to deliver on its commitments.** DoITT field inspections confirm that blocks claimed by Verizon as completed in fact have not had installed the necessary equipment to deliver service.

- **Verizon’s own records indicate that service is “unavailable” at certain residential addresses, despite company claims that it can deliver service to all New Yorkers who want FiOS.** In fact, there is evidence of callers being told by Verizon that the company has *no plans* to bring FiOS to their address. And for prospective customers, details about current and future FiOS availability are unavailable from either Verizon’s customer service representatives or the company’s website.
- **Verizon has failed to consistently document service requests.** Verizon staff admitted to DoITT that they did not record or track inquiries from prospective customers who requested service before fall 2014. This is in direct violation of the franchise agreement, which requires Verizon to track requests for cable service.
- **Where Verizon *has* accepted requests for service, it has consistently failed to respond to service requests within the required six- and 12-month timeframes.** DoITT’s audit reveals that 75 percent of the more than 40,000 non-standard requests – i.e. requests from buildings that had not previously been wired for FiOS service – that were labeled outstanding as of December 31, 2014, had been *outstanding for over a year*.
- **Despite clear requirements in the franchise agreement, Verizon has only tracked complaints from actual subscribers and has not tracked complaints and inquiries from prospective customers.** The franchise agreement requires Verizon to keep records of all complaints—with no distinction between current and prospective customers – for six years. However, Verizon’s own complaint procedures, glossary, and interviews reveal that the company only records and tracks complaints of actual paying subscribers, rather than potential subscribers who request service in their neighborhoods.
- **Verizon failed to cooperate with the City’s audit of FiOS rollout, in violation of its franchise agreement.** Verizon initially failed to provide access to the systems used in calculating the status of network build, with access granted five months after the initial request. Throughout the course of the audit, and in violation of its franchise agreement, the company significantly delayed or failed to provide access to various other records, reports, and contracts requested by the City to conduct a full assessment of FiOS implementation.

Currently, some 22 percent of New York City households have no Internet connection; that number jumps to 36 percent for families living in poverty. But even for those who have it, most pay too much for what they get, with the best \$40 per month package available to New Yorkers, for example, featuring download and upload speeds that are a fraction of those available in other major cities like San Francisco and Seoul. The lack of competition in the City’s broadband market is one of many issues at the root of this problem.

Mayor de Blasio recognizes that broadband, like phone service, is a necessity that must be available to and affordable for all New Yorkers. As such, he has demanded greater accountability from the cable television and broadband service providers that use the City’s streets and public rights of way, first as Public Advocate and now as the City’s chief executive. Holding City franchisees accountable to the commitments they have made is a crucial element of the de Blasio Administration’s strategy for delivering universal, affordable broadband citywide.

New Yorkers who wish to file a complaint about Verizon can do so by calling 311 or going [online](#).

“Verizon promised to provide a new option in a market with too little competition, but for too many New Yorkers that promise has proved empty so far. While there is no question that rolling out fiber-optic service in New York City is a massive undertaking, Verizon must be open and honest about the availability of its services and must make good on its commitments,” said **Manhattan Borough President Gale A. Brewer**. “Since my days chairing the City Council’s Technology Committee in the early 2000s, I have been trying to get clear information on where fiber has actually been installed. New Yorkers deserve real answers, and I look forward to working with the City and Verizon to make FiOS a real option for all.”

The findings of the administration's audit on Verizon are very disconcerting," said **Council Member James Vacca, Chair of the New York City Council Committee on Technology**. "Verizon's shortcomings and downright failures with respect to providing New Yorkers with a Fiber Optic network simply cannot be overlooked. At a time when broadband access should be built up to close the digital divide, it is clear that Verizon has failed to act to provide service to countless anticipating customers. This audit shows that Verizon has indeed been working 'half fast.' I am alarmed at not only the findings, but at the sheer extent of non-compliance and I'm anxious to hear Verizon's explanation. I look forward to examining this further in the near future to ensure accountability and transparency."

"New York City needs high speed internet in every borough, and yet Verizon has kept us on hold for the last 6 years," said **Council Member Dan Garodnick, Chair of the Committee on Economic Development**. "This audit paints a disturbing picture of the treatment of customers and the functionality of our system. We deserve better from Verizon."

"We would have universal broadband in New York City, if only Verizon had kept its promise to provide universal fiber to every home, as was required by the 2008 franchise agreement. Countless New Yorkers have tried to get fiber in their homes only to be told it was 'unavailable,' and I know because I am one of them," said **Council Member Ben Kallos**. "Mayor de Blasio's administration's shocking audit shows that Verizon did not deliver on its word to do just that, stalling the city's modernization for years. Now, I join the Mayor and advocates to strongly call on Verizon to do what is right and make good on its promises so that all New Yorkers can access Fiber Internet."

"Many of the neighborhoods I represent in northern Manhattan struggle to get connected to fast and reliable internet service. I hear complaints from residents in my district who try to sign up for Verizon FiOS, only to learn that there's no coverage in their area. We need equitable broadband access across all communities to ensure this critical infrastructure is in place to sustain economic growth. I applaud Mayor de Blasio for pushing for affordable internet service by fostering more competition in the broadband market and holding providers like Verizon FiOS accountable," said **Council Member Mark Levine**.

"We applaud the de Blasio administration's efforts to hold Verizon accountable to its promises to bring competitive cable and internet choices to every New York City resident," said **Chuck Bell, Programs Director for Consumers Union**. "This new audit provides very detailed, precise information that can be used to accelerate fiber optic deployment, and ensure all neighborhoods will be fairly served, with high quality customer service. New York City's active oversight is critical for helping to achieve this goal."

"We applaud Mayor de Blasio for his willingness to hold Verizon accountable for full performance of its franchise agreement obligations to implement citywide Fiber Optic Service (FiOS) for all the people of New York City," said **Susan Lerner, Executive Director of Common Cause/NY**. "Equal access to information is a cornerstone of a robust democracy. Common Cause/NY surveyed our members about their experiences with Verizon FiOS, and we, too, found serious lapses in customer service and build-out. It's not too late for Verizon to make good on its promises and provide all New Yorkers with the internet connectivity that they want and deserve."

"I found the audit both shocking and damning. It shows that Verizon apparently believed they could take the city of New York for a ride; that it could promise one thing and then deliver another. It is the task of good government to find out whether the city is getting what it bargained for. The Mayor, Maya Wiley, and the DoITT are to be commended and congratulated for putting so much time and energy into conducting this audit," said **Professor Tim Wu, Columbia Law School**.

"The Verizon FiOS franchise was supposed to bring high-speed broadband via fiber to the homes of all New York City residents," said **Richard Berkley, Executive Director of the Public Utility Law Project**. "As the City's audit clearly shows, however, Verizon failed miserably at that goal. That failure is unacceptable while more than a third of low income residents do not have broadband access -- access that has become a necessity

for children to do homework, adults to participate in civic life, and families to access social services and safety net benefits. I commend Mayor de Blasio and DoITT for conducting this important audit, and for standing up for the City's consumers."

"The Internet Society believes the Internet is for everyone. Fast, affordable, reliable broadband has become an essential service like water and power. The Mayor's audit finds that Verizon has failed to meet its obligations to provide FiOS to New Yorkers as it was charged. If Verizon is unable or unwilling to meet those commitments, then competitors who can get the job done should be given the opportunity to do so," said **David Solomonoff, President of the Internet Society of New York.**

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