

Testimony of:



before the

House Republican Policy Committee

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Good morning, Chairman Benninghoff and members of the Policy Committee. My name is Frank Buzydlowski, Director of State Government Relations for Verizon in Pennsylvania. In that capacity, I deal with the General Assembly and the Executive Branch of the commonwealth on all matters relating to Verizon – landline, wireless and Internet – representing all Verizon corporate entities.

I've been with Verizon and its predecessor companies, Bell of Pennsylvania and Bell Atlantic, for over 30 years, spending the last 24 years in state government affairs. And I am very proud that my career has allowed me to stay so long with an organization that has such a rich history in our state that reaches into the very fiber of our local communities.

Verizon has over 8,000 employees and over 38,000 shareowners living in our commonwealth. We operate thousands of buildings and locations throughout Pennsylvania, including landline Central Offices and remote terminals, and wireless towers and cell sites. But we don't cover every part of Pennsylvania. On the landline side, we actually only serve about 50% of the geography of this commonwealth. The Rural Local Exchange Carriers (RLECs) cover the other half. In this area of Northeast Pennsylvania, you really need a map and a guide to show which landline company serves which area. On the wireless side, we overlap and compete with AT&T, Sprint, T-Mobile, TracFone and many other carriers.

So when we're talking about Broadband or High Speed Internet service, there are a myriad of providers – competitors – of which Verizon is just one.

Many of you may remember when you passed HB 30, which became Chapter 30 of the Public Utility Code. That was signed into law in December of 2004. You were ahead of your time! When you passed that bill, you made Pennsylvania the only state to have a plan – a mandate – to provide high speed Internet service to every resident. Under that law, Verizon invested Billions of its own dollars in this commonwealth, bringing broadband technology to all urban, suburban and rural communities in its territory and providing residents and businesses in those communities with high-speed Internet service. And we did that without one dime of government money.

We at Verizon have been 100% compliant with the mandates in Chapter 30 since the fall of 2015, finishing our deployment several months ahead of schedule. To meet our obligation, we deployed a modern array of services that includes DSL and 4G LTE fixed wireless, and for a very small percentage of our customers, satellite Internet service, which we only use for that rare customer who is too far from an LTE cell tower or a copper line to carry a high speed Internet signal. Today, any Verizon customer can call 1.800.VERIZON and order Internet service for his or her specific location.

To accomplish this feat, we invested over 16 Billion of our own private capital dollars and deployed over 4.5 million miles of fiber-optic cable, made our interoffice facilities 100% fiber-optic and deployed fiber to connect our Central Switching Offices to

over 2,500 Remote Terminals that bring High-Speed Internet technology to our communities. Verizon fiber-optic lines also provide the back-haul to bring 4G LTE wireless high-speed Internet service to Pennsylvania. We deployed 190 4G LTE cell towers in rural Pennsylvania alone.

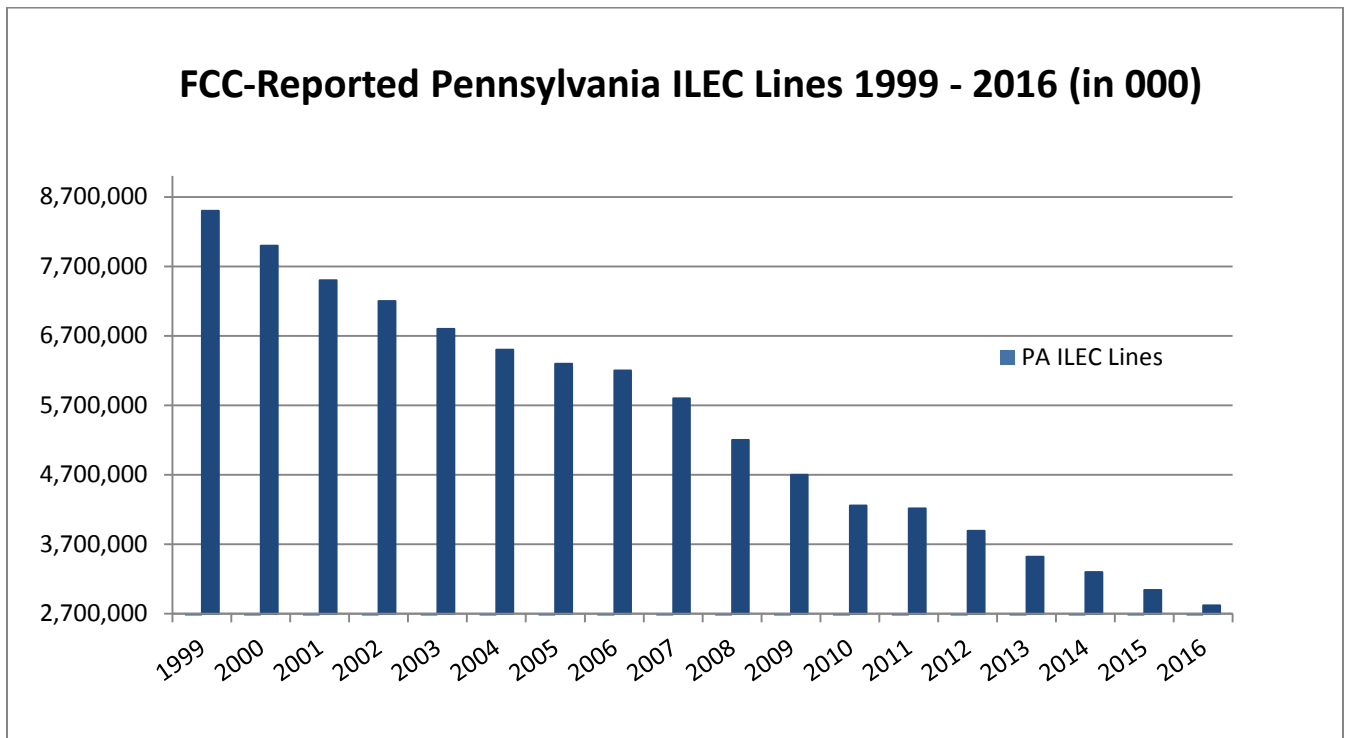
Looking in the rear view mirror, it is amazing how much things have changed in such a short period of time. When HB 30 was enacted, there were no smartphones, no iPads, no tablets, no Facebook or Twitter. Comcast cable telephony was in its infancy. Voice over IP (Internet Protocol) services like Skype, Vonage and Magic Jack were barely heard of. And not many people would have imagined giving up a landline altogether in favor of just using a cell phone.



“Modern” Telephone 1937 vs. Modern Telephone 2018

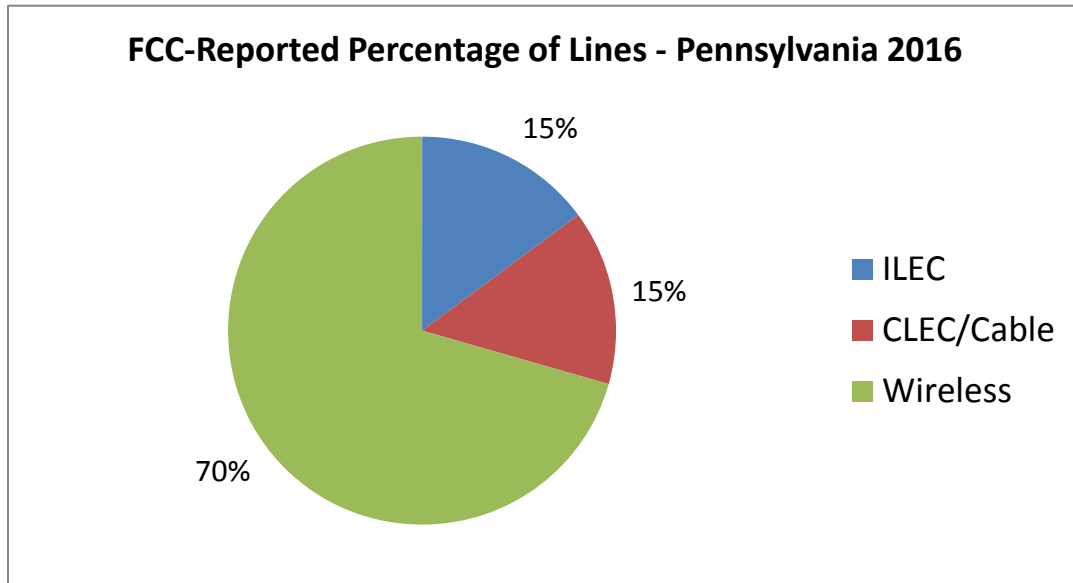
But Chapter 30 was negotiated in that time when everybody had a landline and nobody imagined there would come a day when the overwhelming majority of people wouldn't have a landline from the “phone company”.

Allow me to share with you a few statistics. In 1999, Pennsylvania's Incumbent Local Exchange Carriers (Verizon and the RLECs) served 8.5 million landlines and your constituents had very few other options for service. Yet by the end of 2017, the ILECs served less than three million of those lines:



Even those customers who continue to use landlines have plenty of choices. The FCC reports that as of approximately one year ago, in Pennsylvania, Competitive Local Exchange Providers (CLECs) and interconnected VoIP providers (mostly cable companies) served 50% of all landlines and 57% of business landlines. When you add

wireless lines to the mix, the percentage of lines provided by Pennsylvania's incumbent telephone companies is now less than 15%.



I'd like to conclude my remarks by stating that, in this complex new world of communications, Verizon's goal – and my personal goal – is to provide excellent service to our customers, your constituents. If your constituent is having trouble getting high speed Internet, please bring that to my attention and I will personally work with you to get that person service.

On behalf of the 67,000 Verizon employees, retirees and shareholders who reside in this great Commonwealth, I thank you for this opportunity to appear before you and will be happy to answer any questions you may have.