

December 28, 2011

Janine King
Assistant Village Manager
Village of Croton on Hudson
1 Van Wyck Street
Croton on Hudson, NY 10520

Re: Update on Verizon and FIOS TV

In 2008, Verizon FIOS optical cables were in place in Croton, FIOS phone and internet services were available, and the Village was negotiating with Verizon for access to FIOS TV as well. We got FIOS, expecting to add TV services shortly. Later we heard that the negotiations had stalled. Over the intervening years, we got marketing calls from Verizon trying to sell us "Triple Play," and we find ourselves in the strange position of informing the marketers that FIOS TV was not yet available in Croton. Finally on December 10, 2011, we wrote to Virginia Ruesterholz, Executive Vice President and President - Verizon Services Operations, to find out.

Below is my report of the Verizon position based on a call I received following the letter from James Evangelisti, a managing engineer. I made clear to him that I thought it would be better to have Verizon's position in writing by its management to pass along to you and Croton residents, but he said I should not expect any such written statement. Hence my version:

Verizon made a top-level corporate decision that it had met its goal for FIOS and then adopted a "business plan" (top-down policy) that it would not enter into FIOS TV negotiations with any locality where it does not already have a FIOS TV agreement in place, even if, as in Croton, it already has installed the optical.

Verizon does not want to incur the expenses for: negotiating additional FIOS TV agreements; adding to infrastructure (here, basically connection at a switching center to Verizon's national cable TV network); Village access fees; and licensing fees for delivered content. A proposal by Croton offering very favorable terms would make no difference, because Verizon fears that making an exception to its policy for Croton would open the flood gates to every other locality in the same situation demanding the same kinds of added expense for Verizon.

While the policy might change at some time in the future, such a change is not likely.

I find this response troubling in several respects. First, it sounds like a Goliath corporation ignoring the interests of its customers and simultaneously refusing tell its customers on its own about its position. Indeed, if you check on the Verizon website for this zip code, it shows FIOS TV not currently available, but asks you to sign up to be notified when it is. Verizon is unmoved by the fact that customers like us incur incrementally greater costs for inferior Cablevision TV. Second, it raises questions about the reliability and desirability of FIOS services that are provided in the Village. Third, while Verizon has this month indicated publicly that it no longer intends to "build out" FIOS (install new optical cable) in new (predominantly rural) areas, the

issue of FIOS TV in a place like Croton where the cable already exists seems to be a fundamentally different one, and the policy I describe above may derive from a misunderstanding of the "no build out" policy.

Is it worthwhile for the Village to contact the new CEO of Verizon Communications Inc., and soon to be President and Chief Executive, Lowell C. McAdam, and ask for: clarification as to Verizon's policy with respect to localities in the same situation as Croton; the reasons for that policy; and a list of all such localities? Is it worthwhile to reach out to other similar localities? Is it possible to work out an arrangement through a neighboring community that has FIOS TV?

Sincerely,

Stephen M. Jacoby
6 Lower North Highland Place