

## DECISION MEMORANDUM

**TO:** COMMISSIONER KJELLANDER  
COMMISSIONER SMITH  
COMMISSIONER REDFORD  
COMMISSION SECRETARY  
LEGAL  
WORKING FILE

V2N-T-07-03

**FROM:** CAROLEE HALL

**DATE:** JULY 6, 2007

**RE:** "FORMAL" COMPLAINT AGAINST VERIZON NORTHWEST, INC. ON  
BEHALF OF CLEARWATER VALLEY HOSPITAL AND CLINICS, INC.

On June 27, 2007, Clearwater Valley Hospital and Clinics, Inc. in Orofino Idaho filed a written "formal" complaint against Verizon Northwest, Inc. alleging that its phone service from Verizon "was either intermittent or non-existent from June 12 – 14, 2007." Verizon provides local exchange services, intraLATA<sup>1</sup> long-distance services, and other services in 31 exchanges in the "panhandle" region of northern Idaho. This service outage affected the towns of Orofino, Pierce and Weippe. The hospital asserts that the lack of telephone service is compromising patient safety.

### BACKGROUND

The 2005 Session of the Idaho Legislature amended § 62-605 of the Idaho Telecommunications Act to allow a telephone corporation to elect to remove some or all of its services from Title 61 price regulation by the Commission. 2005 Idaho Sess. Laws, Ch, 200, § 2. The amendments to *Idaho Code* § 62-605 became effective July 1, 2005. On July 7, 2005, Verizon filed a "Notice of Election" for its northern Idaho service territory. More specifically, Verizon stated that it elected to remove all of its telecommunications services from price regulation by the Commission. On August 2, 2005, the Commission accepted the Notice of Election in Case No. VZN-T-05-4. The Verizon Notice became effective August 8, 2005.

---

<sup>1</sup> LATA (local access and transport area) is a designated geographic area within which Verizon can transport long-distance calls in its service territory.

The Commission retains authority under Title 62 to determine “non-economic regulatory requirements” relating to basic local exchange service “including, but not limited to, such matters as service quality standards, provision of access to carriers providing [long-distance] service, filing of price lists, customer notice and customer relation rules, and billing practices and procedures.” *Idaho Code* § 62-605(5)(b). The Commission also retains authority to resolve subscriber complaints and to implement the federal Telecommunications Act of 1996, and perform other statutory duties.

### **CLEARWATER VALLEY HOSPITAL AND CLINICS FORMAL COMPLAINT**

As a result of the outages, the hospital states that it was unable to perform essential functions such as:

- Calling for air ambulance transport for a critically ill patient.
- Calling the hospital in Lewiston to arrange for a patient transport.<sup>2</sup>
- Sending radiology images out for emergency over-reads<sup>3</sup>.
- Providing electronic medical record information to physicians.

The formal complaint explains that the hospital has a base radio station hooked into the State Communication Channel and this provided backup communication at the hospital and a means to call for air ambulance transport and talk with the Lewiston hospital. The back-up system routes calls through Boise and then to Lewiston. Despite this back-up system, at least one patient had to be transferred out of the area because of the hospital’s inability to transmit x-rays. The radiology server is located in Orofino and shared with Saint Mary’s Hospital in Lewiston. So when Verizon’s network went down, it also disabled the radiology network as well.

### **VERIZON’S RESPONSE**

Staff has been unable to ascertain the exact routing of calls in the area; however, according to the Company, the radio system that connects the Orofino exchange to other exchanges started experiencing problems on June 14, 2007, at 12:00 p.m. As a result of this

---

<sup>2</sup> According to the complaint, Idaho law requires that a doctor from the shipping hospital speak with a doctor from the receiving hospital before a patient can be transported.

<sup>3</sup> Family practice physicians may read radiology images, however, the opinion of a specialist i.e. radiologist, is often required for premium patient care.

problem, Orofino customers experienced degraded service. Pierce and Weippe were isolated to the outside exchanges. Verizon technicians “worked all day” to isolate the problem, which was at first believed to be software related. According to the Company, late Thursday several components were changed and the radio stabilized.

The microwave system serving the Orofino area is at capacity and the Company is performing root cause analysis to determine why the microwave went down. The Company also suggested that it was submitting a business case to fund a fiber route to connect Moscow, Pierce and Orofino; however, requests for funding “go through a stringent review process” and won’t be available until “late this year or perhaps 2008.”

#### **OTHER COMPLAINTS DUE TO THE SERVICE FAILURE/LACK OF FACILITIES**

On April 6, 2007, Staff received an inquiry from Governor Otter’s office concerning service and facilities issues in Verizon’s Clearwater County service territory. The genesis of the inquiry began with the Clearwater County Economic Development Center. The Center was seeking ways to encourage Verizon to install and/or upgrade the facilities in the County. It was suggested that some of the County’s grant money could be used as an incentive to promote facility expansion, thereby enhancing business growth within the Clearwater County area. Verizon briefly looked into the suggestions, but decided that it would not offset the financial requirements to expand the network. Since this initial call, a number of other inquiries and complaints have arisen due to the failure of the microwave system.

On May 17, 2007, Staff was contacted by Edward Jones Financial Services seeking resolution regarding a T1 line to do voice over Internet protocol (VOIP) for their daily business activities as well as video training seminars.<sup>4</sup>

---

<sup>4</sup> A T1 stands for Trunk Level 1. T1 often is delivered on fiber optic lines, where fiber is available. A T1 has the ability to be delivered as a channelized service (delivered as separate voice or data channels), or unchannelized raw bit streams. Channelized T1 was developed and is optimized for uncompressed voice communications; it also can be used for channelized data communications. A channelized approach is required for access to the traditional public switched telephone network (PSTN), which is channelized throughout the traditional carrier networks. An unchannelized approach is better for most data communications applications, and for compressed voice, video and IP telephony.

According to the Edward Jones representative, two orders were placed for a T1. The company asserts that the first order was "ignored" by Verizon, and Edward Jones was informed that there was no capacity and it wasn't customary to keep orders on file that were not able to be filled. A second order was placed on or about May 21, 2007 and was installed on June 8, 2007. So far during the last two weeks of June there have been thirteen complaints filed with the Commission's Consumer Assistance Staff attributed to Verizon's microwave failure or capacity issues. Most have been businesses that were disrupted and inconvenienced. Other complaints came from the Mayor of Orofino, City Hall of Orofino and a number of private individuals who have contacted the Consumer Staff regarding the three-day outages.

#### **AVAILABILITY OF SERVICE – BROADBAND TAX CREDITS**

Verizon has been authorized \$40,568,739 in broadband tax credits over the past three years and has a pending approval credit of \$4,169,239. See Case No. VZN-T-07-2. Staff believes that the broadband tax credits should be used to enhance rural advanced services and the Company may not be monitoring or investing prudently, especially given the formal complaint from the Clearwater Valley Hospital and Clinics, Inc.

#### **VERIZON'S NATIONAL FiOS FIBER OPTIC NETWORK SERVICE PLAN**

According to Reuters (June 20, 2007), Verizon plans to offer high-definition video on demand through FiOS, a fiber optic network. Verizon uses FTTP (fiber to the premises) and anticipates spending \$18 billion from 2004 to 2010 with a goal of reaching 18 million homes and providing them with its FiOS (fiber optic network service). While this is a lofty goal, Staff believes that an inadequate microwave system in Orofino should take precedence so the Hospital and residents of the Clearwater County communities can have phone service and the health and public safety restored.

#### **COMMISSION'S TELEPHONE CUSTOMER RELATIONS RULES**

The Commission's Telephone Rule 501.01 states that each telephone company providing Title 61 local exchange service is required to employ prudent management and engineering practices to ensure that customers receive the best quality of service practicable. The Rule also requires that each telephone company be required to adopt and pursue a maintenance program

aimed at achieving efficient operation of its systems to render safe, adequate and uninterrupted service. The rule specifically states that:

These programs must include guidelines for keeping all plant and equipment in good repair, including the following:

- a) broken, damaged or deteriorated equipment must be promptly repaired or replaced; and
- b) transmission problems (including induction, crosstalk, or other poor transmission on any line) must be promptly corrected when located or identified.

Even though Verizon elected to remove all of its telecommunications services from price regulation by the Commission, the Company still should adhere to the Service Quality Standards set forth in Telephone Customer Relations Rules 501 – 600.

#### **STAFF RECOMMENDATION**

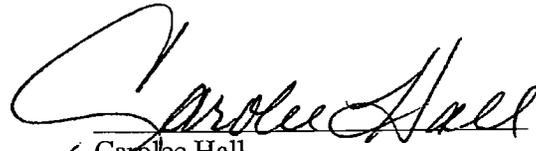
Staff recommends that a summons be issued requiring Verizon to address its plans to insure that its Microwave System in Orofino provide adequate service and future upgrade plans. This complaint might also serve as a docket to explore whether Customer Service Rule 503 should apply to Title 62 local service providers.

#### **COMMISSION DECISION**

Does the Commission wish to issue a summons requiring Verizon to address the following issues?

- a) Identify the Company's plans to address the complaints set out above.
- b) Provide detailed diagrams of the facilities in question along with explanations regarding capacity issues, exactly which areas were out of service, the duration of those various outages and future plans for upgrade.
- c) What provisions of compensation, if any, have been given for the outages?
- d) Provide out-of-service reports for the dates set out in the formal complaint.
- e) Provide a detailed report regarding any compromise to the E911 network as defined in 47 C.F.R. § 4.5(e).

---

  
Carolee Hall

i/udmemos/prelim decision memo