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BILL NO.: **House Bill 453**
Telephone Service – Battery for Backup Power

COMMITTEE: **Economic Matters**

HEARING DATE: **February 19, 2015**

SPONSOR: **Delegates Tarlau, et al.**

POSITION: **Informational**

House Bill 453 requires telephone companies to provide a battery backup for basic telephone service provided over an optical-fiber communications network.

Wireline local telephone service, or “Plain Old Telephone Service” (POTS), as it is often described, has been regulated by the Public Service Commission for almost a hundred years to ensure the quality, availability and reliability of telecommunications services that also are affordable and reasonably priced. In this State, Verizon Maryland is the predominant regulated telephone company, the incumbent local exchange carrier (ILEC). Verizon Maryland provides basic local service through copper and in some areas fiber, lines. The Bill applies to the basic local service provided over fiber lines.

It is no secret that the companies operating the local exchange (or landline) network want to abandon their copper-based services, which continue to provide generally reliable telephone service to millions of consumers. Lowell McAdam, the Chairman and CEO of Verizon

Communications, the parent of Verizon Maryland, has stated that his vision is “we are going into the copper plant areas, and every place we have FiOS¹, we are going to kill the copper...that is a pot of gold.”²

Because of this corporate direction, many Maryland customers have switched their service, or have been switched involuntarily, from the copper network to the fiber network. Basic local service provided over a fiber network is not exactly comparable in quality, reliability and compatibility to existing service provided over copper wires. In the event of a power outage, telephone service over copper lines will usually still be available indefinitely through lines that are energized by the phone company at its central offices. Maintenance of access to the network during power outages is of obvious importance, particularly access to emergency services and to be able to check on the welfare of family and neighbors. However, telephone service over fiber facilities will cease to operate in a power outage, unless the customer has on hand an active battery that he purchases from a provider or from a retailer.³ That battery typically provides power for only 8 hours.

It appears that this Bill attempts to remedy the network access issue during extended power outages by requiring that the telephone company provide sufficient backup to customers free of charge. To that extent, the Bill may relieve some public safety concerns that arise as more customers migrate to telephone service provided over a fiber network.

¹ FiOS is the trade name given to Verizon's fiber-optic communications network to the premises, which can provide voice, video and data services on a stand-alone basis or as a bundled service (the so-called “Triple Play”).

² June 21, 2012 Guggenheim Securities Symposium, Comments of Lowell McAdam. See http://www.huffingtonpost.com/bruce-kushnick/want-to-know-what-verizon-and-att-really-tell-their-investors_b_4640640.html. (McAdam Comments)

³ OPC has seen batteries advertised at prices between \$14 and \$32.