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PUBLIC SERVICE COMMISSION

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May 13, 2014

Honorable Sheldon Silver
Speaker of the Assembly
Legislative Office Building, Room 932
Albany, New York 12248

Honorable Jeffrey D. Klein
Temporary President and Majority
Coalition Leader
New York State Senate
Legislative Office Building, Room 909
Albany, New York 12247

Honorable Dean G. Skelos
Temporary President and Majority
Coalition Leader
New York State Senate
Legislative Office Building, Room 913
Albany, New York 12247

Dear Temporary President of the Senate Skelos and Klein; and Speaker of the Assembly Silver:

On March 28, 2014, I sent you a letter committing to undertake a comprehensive examination and study of the telecommunications industry in New York. I further committed that the Department would commence the study within forty-five days and report its findings to the Public Service Commission, the Legislature and the Governor within twelve months.

This letter is to inform you that staff work has commenced on the study, which as the March 28 letter described, will include an analysis of the varying telecommunications technologies used today, including fiber-to-the-premises, cable, wireless, and landline technologies. The study will explore emergency response systems, regulatory oversight, quality of service, consumer protections, and affordability.

The framework that will guide our examination of the telecommunications industry in New York includes the following areas:

- Status of competition for communications services and networks
- Current and future consumer expectations
- Core public interest principles to be maintained
- Reliability, resiliency and interoperability of networks
- Assessment of national and international approaches to ensuring core public interest principles and robust communications capabilities are maintained

The assessment of competition will examine the extent of competitive choice available to consumers and will include telephony and broadband services. We will develop an inventory of all available telecommunications networks regardless of their regulatory status, recognizing that communications technology and demand for services is continually evolving.

The core public interest principles will be identified based on the Public Service Law and our experience in regulating the industry as it has undergone a series of transitions from a monopoly service to a competitive array of services. On the assessment of regulatory approaches, we will identify current telecommunications regulation and the evolution of our regulatory approach, alternative approaches and potential changes in our approach to regulation to ensure core public interest principles are maintained.

We recognize that telecommunications services and networks must be reliable and resilient. Because these networks are a backbone to New York State's public health, safety and general welfare, including the state's ability to recover from natural disasters, this core public interest principle is examined separately.

We also recognize that the telecommunications industry is continuing to evolve with the introduction of new services, functionality and new demands and expectations from consumers. In order to shape regulatory policy it is critical to have an understanding of the evolving landscape.

Finally, we believe it desirable for the industry, education, government, unions, consumer and other public interest groups to have a forum to publicly and affirmatively present their views on the current status of telecommunications in the state. Through the examination of these questions in public settings, with all the relevant stakeholders, a fair picture of the status of telecommunications in New York can emerge. Therefore I anticipate the study to include a set of public technical conferences on various forward looking topics and formal public input to the final report which will form a basic set of facts and vision to inform the Commission, Legislature and the Governor in order to set a rational and balanced approach to oversight of the interconnected telecommunications network of the future.

Sincerely,



Audrey Zibelman
Chair