

Verizon Targets New York State's Rural Communities with FTTH

Verizon is leveraging state and FCC funds to connect several rural New York state communities with FTTH. This service will offer residents and businesses access to services typically found in larger cities.

By Sean Buckley / *Broadband Communities*

Verizon is breathing new life into its rural New York state markets, launching plans to make Fios FTTH service available in parts of Coogan, Schenectady and Washington counties. Upon completion of the network in the next two years, Verizon will offer fiber-to-the-home services to about 15,000 rural New York premises.

This deployment of FTTH broadband service was made possible through the telco's partnership with New York state and the FCC through the New NY Broadband Program.

The program is a public-private partnership designed to provide incentives to service providers to deploy last-mile broadband connectivity in underserved and unserved areas. More than 30 communities have received new broadband access.

Since 2015, Verizon has invested more than \$7.8 billion in New York alone.

As Fios high-speed service is rolled out to those communities where Verizon was named the designated provider by the New NY Broadband Program, customers will be able to choose two main plans. One starts at \$39.99 per month with speeds starting at 25 Mbps/25 Mbps. A \$79.99 per month Fios Gigabit Connection plan offers speeds up to 940 Mbps/880 Mbps.

"The whole premise here is bringing broadband out to the rural community," says

Paul Sullivan, vice president of Mid-Atlantic North wireline field operations for Verizon. "We're partnering with the FCC and the state to bring those services out there to those folks."

BRIDGING RURAL DIVIDES

Duanesburg, a town of more than 6,000 residents, was once an important stop for the Delaware and Hudson Railway. It is among the first communities to take advantage of Verizon's FTTH Fios service.

The town is increasingly becoming a bedroom community for those who work in nearby Albany, but there's a lack of broadband service in what was once a large farming community.

In a video accompanying the press release about Verizon's rural Fios push in New York, Roger Tidball, Duanesburg town supervisor, said that the town had not expected to get fiber, or any broadband service, anytime soon.

"Technology here in Duanesburg has been lacking. It's one of the more rural areas of the state," he said. "[It's] one of the last places we thought we'd probably see broadband for the next couple of years."

The Fish family is the first household in Duanesburg to officially sign up for the Fios service.

Debbie Fish says during the video that the presence of broadband at her home will "get her more modernized" and that she has

“a granddaughter who will be able to utilize it for school.”

Verizon’s Sullivan says the fact that every person in the Fish family can benefit from using Fios illustrates how broadband relates to multiple generations.

“Between the grandkids, the grandparents and the parents, the commonality there is that they want high-speed broadband,” Sullivan says.

He adds that if “there’s one thing we’re able to provide in the rural areas, it’s to connect those folks and make them feel like they’re not being left out.”

PUBLIC-PRIVATE EFFORT

To get the rural Fios program off the ground, Verizon secured funds from the New NY Broadband Program and the FCC’s Connect America Fund (CAF). In 2015, Governor Andrew Cuomo dedicated \$500 million to achieve statewide broadband access.

What’s striking about its work with the FCC is that Verizon had been a lone holdout, turning down \$144 million in CAF-I and CAF-II program funding to expand broadband in the rural areas it serves. Last February, however, the service provider announced that it would invest \$106.6 million leveraging state and federal funds to bring broadband to unserved parts of rural New York.

Verizon and other large incumbent telcos that initially did not accept funding for their entire service areas within states such as New York were given the option to bid on specific areas within a state in the CAF-II auction. Verizon participated in the auction and secured \$9.5 million. In addition, the service provider got \$12 million in CAF funding in a separate auction, completed prior to the CAF-II auction, for portions of New York state. New York awarded Verizon an additional \$70 million in that auction.

Governor Cuomo secured broadband upgrades for approximately 2.42 million New York state locations,

meaning 99.9 percent of New Yorkers will have access to broadband.

More recently, Verizon announced it will receive another \$18.5 million from the FCC over the next decade to expand broadband to 7,767 rural homes and businesses at speeds of at least 100 Mbps/20 Mbps.

The FCC, partnering with the New NY Broadband Program, recently authorized more than \$39.2 million in federal funding over the next decade to expand broadband to 15,442 unserved rural New York homes and businesses. Providers will begin receiving funding this month. Other participating providers include SLIC and Consolidated Communications.

FCC Chairman Ajit Pai recently proposed launching a new Rural Digital Opportunity Fund, which would provide at least \$20.4 billion over 10 years to expand broadband to additional rural areas.

Though Verizon has done rural work in other regions, the partnership with New York state and the FCC is unique.

“In New Jersey, they had something different working with the rural areas we built out, but the special thing about New York is the partnership with the FCC and the state coming together to bid on those areas,” Sullivan says.

A CHALLENGING BUILD

In a rural New York area, setting up a fiber network comes with various challenges. Like other areas that Verizon and its predecessors have served for the past century, rural New York mainly has been served by copper facilities.

“If you think of these builds, these aren’t easy areas,” Sullivan says. “We have brought a bunch of folks on to help us with this, so we created some jobs to build the network.”

The telco is working with its main fiber supplier, Corning, and other vendors to provide fiber optic cable and associated hardware to expand its broadband network in targeted unserved and underserved communities.

In April 2017, Verizon announced a three-year minimum purchase agreement with Corning. Verizon will purchase up to 20 million kilometers (12.4 million miles) of optical fiber each year from 2018 through 2020, with a minimum purchase commitment of \$1.05 billion.

To ease the burden of transporting fiber and related equipment, town leaders have given Verizon storage space. This is key, particularly as the telco does not have nearby facilities in these areas.

Besides making FTTH available in rural households, the fiber network will accommodate local businesses as well as fire and police stations and local school districts.

“Primarily we’re trying to get out to the rural households, but those businesses out there that we pass are prime customers that we want to get onto our network with higher speeds,” Sullivan says. “Similar to the residential side, there’s no hidden secret that businesses want it too.”

GRASSROOTS MARKETING

Verizon has seen how rural communities and even the company’s own employees have been getting the word out.

Sullivan says that the marketing initiatives are wide-ranging.

“There are a couple of different efforts,” he says. “A lot of it is around the grassroots efforts. People will see our trucks out there, and our technicians are excited to build out this infrastructure.”

As it connects homes to its fiber network, Verizon sends out mailings and knocks on doors to inform residents that the Fios services are available.

“When we open up those premises for sale, we’ll do various different marketing initiatives to get those folks on the network, whether it’s direct mail or going door to door,” Sullivan says. ❖

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