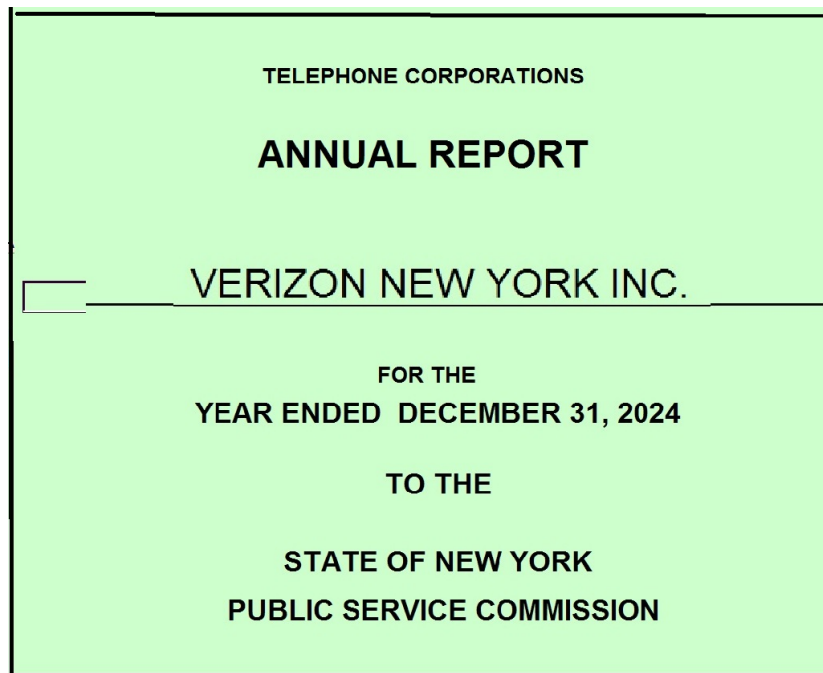


## Summary Analysis: Verizon New York 2024 Annual Report; The State Telecommunications Public Utility.



This Report is a continuation of the work of New Networks Institute and the IRREGULATORS, since 2005. We will be presenting over the next 2 months:

- 3 decades of historical analyses, reports, filings, legal & regulatory actions
- Alternative 5 Year Broadband Plan; halt the cross-subsidies to fund ny state fiber to the home without government subsidies.

Bruce Kushnick, Managing Director  
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June 17<sup>th</sup>, 2025

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# IRREGULATORS

## INTRODUCTION

### Annual Report of VERIZON NEW YORK INC. For the period ending DECEMBER 31, 2024

	Schedule 9		FiOS/ VOIP	New York	Special Access
Line	Item	Total	Nonregulated	Local Service	Backhaul, BDS
No.	(a)	(b)	(c)	(f)	(g)
9	Total Operating Revenues	\$ 3,405,203,261	\$ 1,702,992,291	<b>\$550,720,943</b>	\$ 1,151,490,027
10	Total Construction Network	\$ 2,326,002,059	\$930,354,883	<b>\$944,192,598</b>	\$451,454,578
12	Marketing	\$232,477,985	\$71,681,955	<b>\$125,427,412</b>	\$35,368,618
13	Customer Op. Services	\$121,184,915	\$8,819,046	<b>\$81,199,796</b>	\$31,166,073
15	Corporate Operations	\$ 1,314,089,474	\$133,560,112	<b>\$797,617,741</b>	\$382,911,621
17	Depreciation & Amortization	\$ 1,142,037,541	\$49,714,600	<b>\$712,150,198</b>	\$380,172,743
18	Total Operating Expenses	\$ 5,257,055,397	\$1,194,130,596	<b>\$ 2,718,777,696</b>	\$ 1,344,147,105
19	Net Operating Revenues	\$(1,851,852,136)	\$508,861,695	<b>\$(2,168,056,753)</b>	\$ (192,657,078)

The Verizon NY 2024 Annual Report was published on May 27, 2025, and it continues the tradition of massive financial miss-allocations of expenses, missing revenue payments of the other Verizon subsidiaries back for the use of Verizon NY networks, facilities and other related expenses and perks that are not being paid, and a host of other seriously questionable accounting practices.

- **Local Voice Phone Service** offered by Verizon, relies on the existing copper wires, sometimes called POTS, Plain Old Telephone Service, and in 2024, it had about \$551 million dollars in revenues. (f, 9)

To dramatize the opening, we call your attention to:

- **Corporate Operations Expense Excess:** How is it possible that Verizon NY wired Local Service line of business was charged almost \$800 million dollars in Corporate Operations expenses in just 2024, 62% of the total charged to VZNY.
- Corporate Operations is a garbage pail of expenses that includes lawyers, lobbyists, the corporate jets and even golf tournaments.
- In fact, 145% of Local Service and Local Service did not create these expenses, and this represents over \$1,050 per line.
- **Construction Budgets Diverted:** Local Service was charged \$864 million in “construction work in progress”, (as documented in a different report schedule) while on this schedule it shows Local Service paying \$944 million in construction, (F, 10) almost double what the Business data and backhaul (wires to for banks or wireless services) is paying.

### Verizon NY’s 3 primary lines of business listed in the report,

- **Local “POTS” phone service** using the existing copper wire
- **Nonregulated**, that include FiOS void and VOIP calling.
- **Data Services**, usually called “Backhaul”, “Business Data Services”, BDS or “Special Access”. used by banks or hospitals, or to hot spots or cell sites.
- **NOT INCLUDED:** Verizon’s Subsidiaries. Wireless Revenue, Cable Revenue, among other services that use the networks but d(??)

# IRREGULATORS

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## **A Moment in History, Yet America has Amnesia and Common Wisdom is Wrong.**

This financial report and our analysis comes on the heels of changes in the government BEAD money of \$42 billion that was supposed to solve the Digital Divide. Now, the states are being required to redo their funding requests as part of their 5-year plans, the calls for satellite and wireless solutions invade the landscape that was supposed to bring, finally, a new fiber optic future.

As we will highlight, this financial report directly contradicts all sides of the equation on how to best solve the Digital Divide, No one we spoke to knows that there are still active state telecommunications public utilities in every state, that they all had commitments to do upgrades of networks from copper to fiber,

And to stay current, we fast forward; this annual report is based on a corruption of the USOA accounting formulas that started with the FCC's 'Freeze' that made Local Service become a cash machine for all of the other lines of business

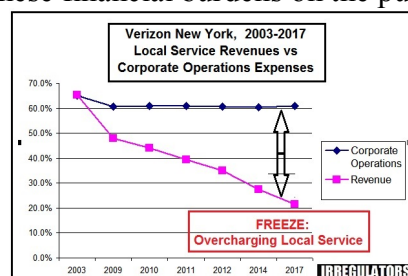
The irony? There is an active FCC proceeding pertaining to this freeze, that has this 2024 Annual Report that uses the allocation formula for expenses that is based on the year 2000. The FCC never adjusted these formulas, and in fact, extended the FREEZE until 2030.

The IRREGULATORS (with New Networks Institute and TeleTruth) have been examining these issues for decades and have an entire library and we will present this work separately.

But be advised, what we will discuss is most likely happening in every state as the USOA accounting was applied to all of the Verizon, AT&T and Lumen state utilities.

Thus, the answer to the question is -- the accounting used for Corporate Operations was set in the year 2000 and never changed; Local Service always paid around 60% because in 2000, Local Service was 65% of the revenues; in 2024, Local Service was only about 16% but still paid 62% of that one expense.

And just to show the length and breadth of this maneuvering of the accounting, this chart shows the actual percentage of the Corporate operations expenses applied to Local Service and the percentage of the revenues of Local Service as compared to the total, from 2003-2017, which was filed as part of our collection of work we delivered to the FCC an analysis to correct these financial burdens on the public



# IRREGULATORS

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## 1) The Basic Wired Utility is used by Multiple Lines of Business.

- Verizon NY is the largest telecommunications public utility in New York State and was established in 1896.
- Originally part of the Bell System. Today Verizon's 'footprint' of states served like AT&T's, is comprised of these state telecommunications utilities.
- Verizon New York is a wholly owned subsidiary of Verizon Communications in, the holding company.
- Verizon New York is the only state telecom utility we know of that does a full Annual report and publishes the information
- These reports are required and based on the Uniform System of Accounting, USOA.
- IMPORTANT: Verizon New York's financials are almost identical to all of the other Verizon, ATT and Lumen state utilities as they were all using this USOA accounting in 2007, the last year the FCC required that the state utilities give the FCC their annual reports with other business information
- IMPORTANT: The cross-subsidies were caused by the FCC's failed deregulation where the actual formula for the allocation of expenses are set to the year 2000 and with the FCC joint state federal broad helped to review this freeze of the formulas on the accounting and worse, renewed these failed financial magpies through to December 2030.

## 2) The Relative Size of the Revenues and Division of Expenses.

These are the percentages of how the revenues and expenses are allocated to each line of business.

Percentage of each Line of business for revenues and expenses.

	Nonregulated	Local Service	Backhaul, BDS
Total Operating Revenues	50%	16%	34%
Total Network Plant	40%	41%	19%
Marketing	31%	54%	15%
Corporate Operations	10%	61%	29%
Total Operating Expenses	23%	52%	26%
Net Operating Revenues	-27%	117%	10%

Local Service (Column F) are the copper-based phone services that are no longer being sold, that are not being upgraded and are considered 'legacy' or obsolete.

- **Local Service Revenues** (Column F-9) were 16% of the Total Revenues, \$551 million as compared to Nonregulated and Backhaul and
- **Backhaul** (column G) and other lines of business using these networks are hidden in the books. Of the almost \$2.9 billion dollars in revenues for just Backhaul and

# IRREGULATORS

- nonregulated services), there are zero access lines given, copper or fiber. (C-9+ G-9)
- Local Service is paying the majority of Construction, (F-10) \$944 million but it is not spending the money to do upgrades of the utility networks, fraction of the total CapX
  - Elsewhere, Local Service is shown to be paying 77% of the total ‘work in progress, when it is not being spent on the utility’s commitment to the customers.
  - **Marketing** (Row 12) is out of control with Local Service being charged the majority of the expenses, with 51% while nonregulated (Fios) are only 31%.
  - **Corporate Operation** (Row 13) are the lobbyists, lawyers and the corporate jet and golf tournaments, and it is paying 61% a whopping \$800 million (rounded).

In fact,

Combined, the wired utility Local Service with 16% of the revenues -- about \$550 million, is paying the majority of all of the expenses.

## 3) Manipulation of Accounting of Access Lines: Exactly How Many Basic Copper Lines Are Still In Service?

61. ACCESS LINES IN SERVICE									
					Number of Access Lines				
Line	Division of Territory				Start	Added	discontinued	Year End	
1	Manhattan (Bronx, Brooklyn Staten Island, N Manhattan, C				Confidential	Confidential	Confidential	Confidential	
2	Midstate wo Connecticut (Midstate 132, Midstate 133)				Confidential	Confidential	Confidential	Confidential	
3	Connecticut				Confidential	Confidential	Confidential	Confidential	
4	Long Island - Suffolk NY AFA				Confidential	Confidential	Confidential	Confidential	
5	Upstate East NY AFA				Confidential	Confidential	Confidential	Confidential	
10	NUMBER AT END OF THE YEAR				859,399	34,043	148,139	745,303	
Access Lines		Business		Public	Residential			Mobile	Private
		Single	Multi-Line		Four or More			Access	Circuits
Line		Line	(Instr. 2)	(Instr. 3)	One Party	Two Party	Parties	Lines	(Instr. 4)
11		0	0	0	0	0	0	0	0
REDACTED		Annual Report of VERIZON NEW YORK INC. For the period ending					DECEMBER 31, 2024		

This mostly redacted information chart never mentions that of the Verizon NY access lines in service, the majority are hidden from view. This showed that at the end of 2024, Verizon NY still had about 750,000 lines.

**Garbage.** From the USTelecom Association for the wireline utility companies, to the FCC, the state commissions or the media,

**Example:** A man holds up his hand and says -- “How many fingers am I holding up? When you answer 5, he replies “Wrong. This is a thumb, this is a pinkeye, so there are only 3.”

The phone lines are classified as ‘Telecommunications’, ‘Title II’, whereas the data lines are ‘information service’ lines, ‘Title I’-- welcome to the core.

# IRREGULATORS

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The FCC et al want to make it appear that there are not a lot of copper access lines left, and that the copper wires are ‘the state utility’, not the fiber lines or information service lines, like VOIP, -- and these are both manipulated storytelling. So, in order to keep that fiction, these lines are not included as lines.

- All of the data lines are missing.
- All of the fiber optic lines, including FiOS, are missing.
- All of the data lines that go to cell sites or hot spots.
- All of the DSL lines and some number of all of the business data lines from alarm circuits or a city pump station can be copper and are missing.
- AT&T’s broadband, internet, TV and voice service known as U-verse, are still based on the existing copper wires that are already going to be used for phone service. But, because these are classified as an information service, then, the actual copper wires have been reclassified as “NOT AN ACCESS LINE”

Our research for the last 2 decades indicates that approximately 70-90% of the copper as well as the fiber l lines are not being counted.

Why are they doing this?

- The public policy implications have been to claim since everyone is ‘dropping’ their copper line, we don’t need to upgrade them to fiber.
- There isn’t enough money to do upgrades of the copper to fiber, so we should just push them onto wireless
- As this report shows, the decline in lines has been used as an excuse for rate increases.

As we discuss in upcoming reports, none of these reasons are true or based on facts.

## 4) The Construction Budgets Were Illegally Charged to Local Service.

This next chart, however, is what should have been a major concern over the last 2 decades in every state. This is an excerpt from the Verizon NY 2024 Annual Report showing that the Local Service category is paying 73% of the total ‘work in progress’ construction budgets as well as supplying the working capital, making the total over \$864 million dollars.

### Verizon NY for the year ending December 31, 2024

Construction NY	total	nonregulated	Local service	BDS, Backhual
under Construction	\$ 951,663,996	\$ 102,542,747	\$ 695,743,686	\$ 153,377,562
Working Capital *	\$ 168,155,384	\$ -	\$ 168,155,384	\$ -
Total Active Capx	\$ 1,119,819,380	\$ 102,542,747	\$ 863,899,070	\$ 153,377,562
Plant under Construction		10.8%	73.1%	16.1%
Cash Working Capital *		0.0%	100.0%	0.0%
Total Active Capx		9.2%	77.1%	13.7%

# IRREGULATORS

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Local Service is the intrastate revenue that comes from basic POTS, wireline copper phone service.

- Verizon is no longer seriously maintaining the copper wires
- Verizon is no longer actually selling POTS phone services
- Local Service should NOT be paying more than nonregulated, which includes FiOS and VOIP, as well as ‘backhaul’, the data services, like the special access lines to the cell sites.

But, the percentages of what each line of business is paying is from the year 2000.

## 5) Where is this CAPX Going? -- The Illegal Transfer to Wireless.

In 2012, the NY State [Attorney General claimed](#) that 75% of the capital expenditures in New York State went to fund the building of the fiber optic wires to cell sites and to FiOS, not to the maintain the state’s copper networks

“Verizon New York’s claim of making over a ‘billion dollars’ in 2011 capital investments to its landline network is misleading. In fact, roughly three- quarters of the money was invested in providing transport facilities to serve wireless cell sites and its FiOS. Wireless carriers, including Verizon’s affiliate Verizon offering wireless, directly compete with landline telephone service and the company’s FiOS is primarily a video and Internet broadband offering.... Therefore, only a fraction of the company’s capital program is dedicated to supporting and upgrading its landline telephone service.”

## 6) Fios Fiber Optic Wires Were Classified as “Title II”, to be Part of the Utility.

The quote below is from the Verizon New Jersey FiOS cable TV ‘statewide’ deployment of fiber to the home, starting 2006–2007, and published by the NJ Board of Public Utilities. This language is in almost every Verizon FiOS cable franchise, as we pointed out in our 2014 Net Neutrality filing.

### **FTTP network is being performed under the authority of Title II**

“Verizon NJ has been upgrading its telecommunications facilities in large portions of its telecommunications service territory so that cable television services may be provided over these facilities. This upgrade consists of deploying fiber optic facilities directly to the subscriber premises. **The construction of Verizon NJ's fiber-to-the-premises FTTP network (the FTTP network) is being performed under the authority of Title II of the Communications Act of 1934 and under the appropriate state telecommunications authority granted to Verizon NJ by the Board and under chapters 3 and 17 of the Department of Public Utilities Act of 1948.** The FTTP network uses fiber optic cable and optical electronics to directly link homes to the Verizon NJ networks.”



There is almost identical language in the Verizon Pennsylvania, the Verizon Massachusetts FiOS cable TV plans, or even the FTTP fiber deployments in NY. This is a quote from the renewal of their FiOS Cable TV franchise in Village of Roslyn Harbor, NY State. Notice that it mentions that Title II and telecommunications are all part of this story

## STATE OF NEW YORK PUBLIC SERVICE COMMISSION

Petition of Verizon New York Inc. for [Approval of the Renewal of a Cable Television Franchise with the Village of Roslyn Harbor \(Nassau County\)](#)  
April 2, 2025

“Case 25-V- PETITION FOR APPROVAL Verizon New York Inc. (“Verizon”) respectfully petitions the Commission to approve, pursuant to § 222 of the Public Service Law and Commission Rule 897.3, the renewal of Verizon’s cable television franchise with the Village of Roslyn Harbor (the “Village”) for a five-year period. In support of this Petition, Verizon states as follows:

“2.2. The FTTP Network: Upon delivery of Cable Service, by subjecting Franchisee's mixed-use facilities to the NY PSC's minimum franchise standards and the LFA's police power, the LFA has not been granted broad new authority over the construction, placement and operation of Franchisee's mixed-use facilities; provided, however, that nothing herein shall be construed to limit the LFA's existing authority with respect to the Franchisee's mixed use facilities pursuant to Title II of the Communications Act, Section 27 of the New York Transportation Corporations Law...”

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## 7) Analysis of Verizon NY 2024 Annual Report

## 8) Verizon NY and Verizon Affiliate Transactions.

59. GENERAL SERVICES AND LICENSES, ADVISORY, MANAGEMENT, ENGINEERING, OR PURCHASING SERVICES					
1. Respondents shall report all services rendered by or provided to affiliated and nonaffiliated companies under a license agreement, a general service contract, or other arrangement for furnishing of general accounting, advisory, engineering, financial, legal, patent, purchasing or other general services of a continuous nature.					
2. Report the valuation method used; tariffed rate or cost.					
3. Aggregate all Other Company items under \$100,000 for Class A and \$25,000 for Class B Telecommunications Companies					

Verizon NY is a wholly owned subsidiary of Verizon Communications (“Verizon”) and there are a few hundred other companies that are part of Verizon, as well as outside partner companies to supply Verizon with services or use Verizon’s networks -- and these affiliates and subsidiaries are supposed to pay a fair market price for that network use.

This Annual Report supplies 2 parts:

- The subsidiaries that pay Verizon NY to use their networks or their billing, such as putting a charge on the official bill.
- The subsidiaries of Verizon Communications, the holding company and Verizon New York, the state-telecommunications public utility.

## 9) Revenues and Payments to Verizon NY.

This is the 2024 list and the amount paid.

Line No.	Affiliate or Other Company (a)	Method (b)	No. (c)	For/To (d)	Amount (e)
1	VERIZON WIRELESS SERVICES LLC			Provided to Affiliates	\$210,818,234
2	MCI COMMUNICATIONS SERVICES LLC			Provided to Affiliates	\$249,874,916
3	VERIZON ONLINE LLC			Provided to Affiliates	\$1,226,477
4	XO COMMUNICATIONS SERVICES LLC			Provided to Affiliates	\$1,798,298
5	VERIZON SERVICES CORP			Provided to Affiliates	\$ 129,775,192
6	VERIZON SELECT SERVICES INC			Provided to Affiliates	\$ 119,088
	<b>TOTAL</b>				<b>\$ 593,612,205</b>

## 10) Definitions According to Google AI:

- [Verizon Wireless Services LLC](#):
- Provides nationwide wireless voice and data services, including 4G LTE and 3G EVDO networks.
- [MCI Communications Services LLC](#):
- Now known as Verizon Business Services, it offers a range of business communications solutions, including voice, data, and network services.

# IRREGULATORS

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- [Verizon Online LLC:](#)
- Operates under the Verizon umbrella, offering internet services, including FIOS, which is a bundled internet, phone, and TV service.
- [XO Communications Services LLC:](#)
- Provides IP and Ethernet network services, including fiber-optic infrastructure.
- [Verizon Services Corp:](#)
- This appears to be a general business term, as Verizon has various services that may be marketed under that name, including Verizon Business services.
- [Verizon Select Services Inc:](#)
- This is not explicitly mentioned in the search results. It's possible this is a more specialized subsidiary within the Verizon ecosystem or a specific division.

We will pick a few of these items to dissect.

Some items that stand out in 2024 that we will address, using the past 20+ year History.

- Verizon Online stopped paying Verizon NY about \$1 billion dollars that it had been paying annually for years to use the existing fiber wires. In fact, all companies who use the networks such an online service or the wireless companies.
- Verizon Wireless is not reimbursing Verizon NY for the construction and use of the massive amounts of fiber connecting it from the Central Office (CO) to the cell sites and other parts of the network. In addition, it appears that Verizon is diverting large portions of the utility construction budget to Verizon Wireless for which it does not compensate Verizon NY.
- Verizon NY is a regulated utility. It is spending regulated funds – revenues from wired telephone service – to build wireless infrastructure for the unregulated Verizon Wireless entity. These costs are charged to wired telephone consumers under New York State's utility rules.
- Verizon's Cable TV FiOS Annual Report is redacted. There are serious, lingering questions about whether Verizon is allocating sufficient corporate expenses to that category. For example, do FiOS customers contribute to Verizon's lobbying expenses?
- **Verizon Long Distance made no payments in 2024.** Verizon Long Distance does not appear or is paying any fees for use of Verizon NY's intrastate network facilities and services. Separate subsidiaries and competitors pay various fees and charges, including billing and collections, to pass the long-distance charge on the customer's local service bill
- Empire Subway, the subsidiary that controls the underground conduits in parts of New York City are missing.
- And we already pointed out that the Corporate Operations expenses have been charged to local service, at 62% of the total -- almost \$800 million dollars -- when local service only has revenues of \$550 million for 2024.

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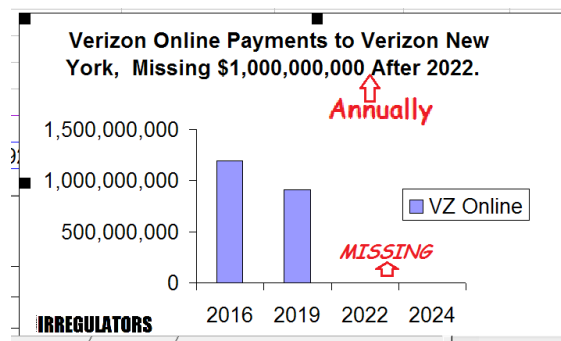
The apparent failure of the Verizon subsidiaries to pay market prices to Verizon NY for their use of the utility's services and facilities raises serious concerns for New York State and Verizon customers. The New York State Public Service Commission has not investigated these issues or taken remedial action, although many of Verizon's potentially unlawful practices have been evident for years.

Verizon has benefited from various deregulatory agreements with the State, over several decades, in exchange for a promise to build ubiquitous fiber optic broadband in NYS to upgrade the legacy copper network. Instead, it has apparently diverted these budgets to construction of facilities for its wireless and other subsidiaries in furtherance of its plan for an all-wireless future.

Wireless is not the equivalent or substitute for a fiber optic wire to the home. While Verizon and AT&T claim they will be replacing the copper, which has been their mantra for decades, the reality is that the public is about to lose service now. We will address the issues in an upcoming report.

First, let us examine the current revenues from the Verizon subsidiaries that are using the state utility's network as well as the financial perks they receive -- and the glaring financial issues that must be investigated.

## 11) Verizon Online has stopped paying over \$1 billion annually for use of the networks



As is clear by this tracking of Verizon Online payments to Verizon NY, in 2016 were \$1.2 billion dollars, and by 2024 it is now \$1.8 million

### Verizon Online Payments to Verizon NY for Use of the Networks.

	2016	2019	2022	2024
VZ Online	\$ 1,192,151,037	\$ 907,682,145	\$ 1,825,034	\$ 1,798,298

As is obvious, Verizon Online -- the online and streaming subsidiary that also controls the 'modem and other equipment, slowed down to a trickle the amount of money paid back to Verizon NY for use of the networks.

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We could find no explanation, but this means a series of anti-competitive, anti-customer actions have occurred.

This means that Verizon Online not only has no obligation to offer competitive services, but it has obscene profit margins if it matches the behaviors of the cable industry's financial books treatment of these revenues and expenses, where the cable ISP subsidiary does not pay for the use of the networks.

## 12) Diverting CapEx to build out wireless

VERIZON WIRELESS SERVICES LLC	Provided to Affiliates	\$	210,818,234
-------------------------------	------------------------	----	-------------

We found no accounting of the copper networks built with ratepayer funds.

We know from our previous work that the NY AG has corroborated, as we pointed out in the earlier section on the Verizon construction budgets, where the AG stated 75% of the construction had been from the utility budgets.

**13) Verizon Long Distance made no payments in 2024** and about a million dollars in payments in previous years. The problem is -- every copper voice line most likely had a long-distance provider, all of whom are supposed to pay multiple fees.

## 14) Verizon's Cable TV FiOS Annual Report is redacted and did not clearly distinguish between Cable TV and fiber internet

Verizon NY is required to supply to the state Public Service Commission (PSC) with a FiOS cable Franchise annual report. Verizon has supplied this report, but it has been redacted since 2009 and therefore is not available to the public.

In a letter from Verizon, requesting an extension of time, we find that FiOS cable TV business and financials reburied within the Verizon NY full Annual Report. But what is troubling is that Verizon has been playacting in the accounting reports, but the numbers presented are sneaky, at best. Moreover, the Verizon Online reduction of \$1 billion dollars has a sense of deception, as we find it is tied to the something that the cable franchise did or is doing that puts any presentation by Verizon into question, especially since the information is redacted.

[Verizon wrote](#), requesting an extension to file the cable TV franchise annual report so that the company could not divide up the expenses for FiOS and the rest of their many services:

“The Report contemplates that Part II of the Report will set forth stand-alone financial information for the reporting company's cable television operations. See 16 NYCRR § 899.83(e). Verizon provides a wide variety of services other than cable television and does not have accounting systems or procedures in place that

# IRREGULATORS

would enable it to separately report financial data for its cable television operations. Indeed, to the best of our knowledge there are no generally accepted accounting standards governing the preparation of this type of report for a company such as Verizon.

“Two years ago, however, Verizon developed and implemented a methodology that enables it to submit, with appropriate caveats, reasonable estimates that will substantially comply with the Commission’s requirements for the Report. 2. The starting point for the methodology is Verizon’s total-company financial data for 2024, as reported in the company’s Annual Report to the Commission. Assuming (that Verizon’s concurrent request for an extension of time is granted,”

<https://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=09-01904>

## 16) Verizon New York Services Purchased from Affiliates

The flipside of the affiliate transaction revenues are the purchases from affiliates and there are similar discrepancies. Below is a collection of items charged to Verizon New York from the other Verizon Affiliates.

Verizon NY paid over \$2.6 billion dollars to “corporate” or “service” affiliates -- and yet it can’t be successful with the size of these colossal payments.

### Purchased from Affiliates by Verizon NY, 2024.

1	VERIZON BUSINESS GLOBAL LLC	Purchased from Affiliates	\$ 203,927	
2	VERIZON SOURCING LLC	Purchased from Affiliates	\$ 68,313,211	
3	VERIZON BUSINESS PURCHASING LLC	Purchased from Affiliates	\$ 50,454,649	
4	VERIZON CORPORATE SERVICES GROUP INC	Purchased from Affiliates	\$ 107,269,899	x
5	VERIZON CORPORATE RESOURCES GROUP LLC	Purchased from Affiliates	\$ 404,208,298	x
6	VERIZON DATA SERVICES LLC	Purchased from Affiliates	\$ 528,008,476	
7	VERIZON BENEFITS ADMINISTRATION INC	Purchased from Affiliates	\$ 357,440,753	
8	VERIZON SERVICES CORP	Purchased from Affiliates	\$ 2,088,701,549	x
9	VERIZON NORTH LLC	Purchased from Affiliates	\$ 9,708,207	
10	VERIZON SERVICES IRELAND LIMITED	Purchased from Affiliates	\$ 43,205,626	
11				
12				

We previously presented some of these expenses as being over the top -- and in this case in point, the corporate operations expenses - are out of control.

\$800 million dollars for the local copper wired phone service, is ludicrous for a service that is no longer being sold and is being shut off. But again, Local Service did not create these expenses.

## 17) Continuous Rate Increases and Overcharging Communications Customers.

If the company is no longer actively selling these wired networks, if the expenses, the real expenses related to local service, have been in steep decline -- from employees to actual infrastructure builds have all gone dramatically down, then how can there be



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continuous rate increases?

The bottom line is that the manipulation of the accounting has created a series of expense items that have driven rate increases, even though they are not 'real' in that they were not generated by local service.

<b>Inquiry 6: Intrastate Changes in Services and Rates</b>			
Description of Changes	Service Classi	Effective Date	Est.Revenu
<b>2024</b>			
2024 Local Voice Price Ups/Rate increase for Message	Local/Toll	4/1/2024	Confidentie
Service Line Limitations	Local/Toll	4/4/2024	
CMAC (Customer Moves and Changes), CMAC Grand	Local/Toll	5/15/2024	
Voice Package \$5 Price Increase	Local/Toll	7/1/2024	Confidentie
Shared Use Changes - modify the terms and condition	Access	7/10/2024	
<b>2023</b>			
Business Dialtone and Features Increase	Local/Toll	3/1/2023	Confidentie
Voice Package \$5 Price Increase	Local/Toll	5/1/2023	Confidentie
2023 8YY Access Charge Reform	Access	7/1/2023	
<b>2022</b>			
Residential Package Rate Increase	Local/Toll	5/1/2022	Confidentie
Private Line Rate Increase 2022	Local/Toll	6/1/2022	Confidentie
NYNEX Enterprise - Grandfather	Local/Toll	6/30/2022	
2022 8YY Access Charge Reform	Access	7/1/2022	
Serving Wire Center Information Update	Local/Toll	7/26/2022	
NY SUSF Surcharge	Local/Toll	8/1/2022	
<b>2021</b>			
Frame Relay & ATM Services added No Moves, Adds	Local/Toll	4/30/2021	
Core Voice Price Increase	Local/Toll	5/28/2021	Confidentie
Serving Wire Center Information Update	Local/Toll	6/1/2021	
Private Line Price Increase	Local/Toll	6/1/2021	Confidentie
2021 8YY Access Charge Reform	Access	7/1/2021	

This is a collection of the last few years of rate increases and changes listed in the Verizon NY Annual Reports. And besides actual bills there are specific documents and guides that are available -- but at the core are questions that no regulator has asked.

There is one important point about pricing and rate increases. The FCC continues to claim that prices have been going down. We asked Google AI some questions and here is the response:

## 18) Google AI, when asked about the increase in the wireline rates added:

"In 2024, Verizon increased rates for certain DS1 and DS3 interstate channel terminations, fixed and per mile channel mileage, and multiplexers in the BDS Product Guide by approximately 35%. Additionally, they increased rates for certain interstate DS1 and DS3 channel terminations in the FCC Nos. 1 and 11 Tariffs by approximately

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20%. These changes were implemented effective December 30, 2023, [according to Verizon's notice of price changes](#).

But this search was extremely disturbing. Google added that these services can be fiber -- but were also copper. The state annual report provides no accounting of these lines even when there have been calls to shut off the copper.

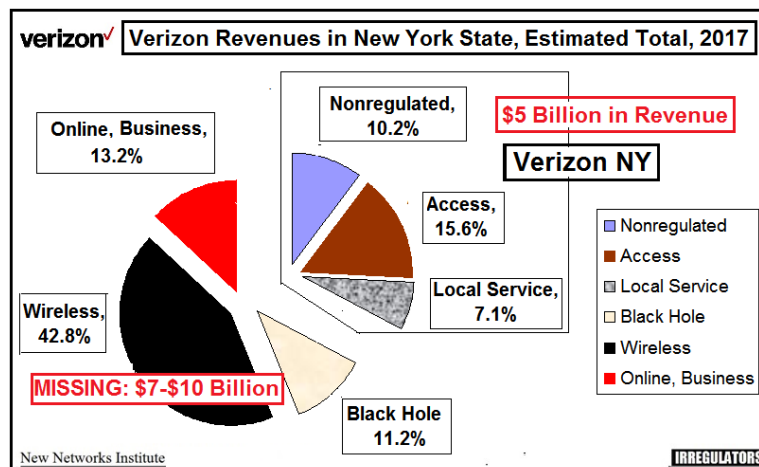
## Google AI, when asked about the increase in the wireline rates added:

- “DS1 and DS3 networks can utilize both copper and fiber, though their primary deployment mediums have evolved over time.
- DS1 (T1): “Historically: DS1 (T1) was predominantly deployed over copper twisted pair cables (T1 lines).
- Modern Usage: While still used over copper, DS1 can also be multiplexed and carried on [SONET](#) fiber optic services, especially in areas with higher bandwidth demands.
- DS3 (T3): Historically: DS3 (T3) was originally deployed over [coaxial copper cable](#) (T3 lines).
- Modern Usage: DS3 is now more commonly deployed over [fiber optic](#) cables, particularly for long-distance connections. Coaxial cable might still be used for short distances, but fiber is the preferred medium for higher bandwidth applications.

As we pointed out, the accounting of these lines provided by the state is deceptive and leaves out whole classes of lines. This basic Google search proves the point.

## 20) How Much Money Does Verizon Make in the State that relies on the state utility infrastructure?

In 2017 we used the Verizon NY 2017 Annual Report, as well as information supplied by other sources to put together an approximation of ALL of the revenue being generated and going to Verizon in just NY State.





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To Answer the Opening Question: in 2017, Local Service represented 22% of revenues. Access was 47% and Nonregulated revenues were 31%. But Local Service paid most of the Corporate Operations, 61%, while the Nonregulated services paid only 10% of this expense, and Access, which had double the revenue, paid ½ of what Local Service paid.

Local Service was overcharged and is paying \$1.8 billion, 61% of the total expense, because the federal FCC cost accounting rules were frozen to reflect the year 2000, and this was never changed...really.

IRREGULATORS v FCC: Exposing the Telco Cooked Books Based on the FCC's Accounting Rules, known as the "FREEZE".

The IRREGULATORS, TeleTruth and New Networks Institute have a large collection of reports and filings about these issues created over the last 2 decades, and this report was meant to summarize some of the basic issues in 2025, and we will be putting up a full library shortly.