



A Transatlantic Dialog (with IDATE, France):
Experiences from both sides of the Atlantic

CITI 25th Anniversary International Summit on Media & Communication

"Gigabit Networks, Kilobit Government?"

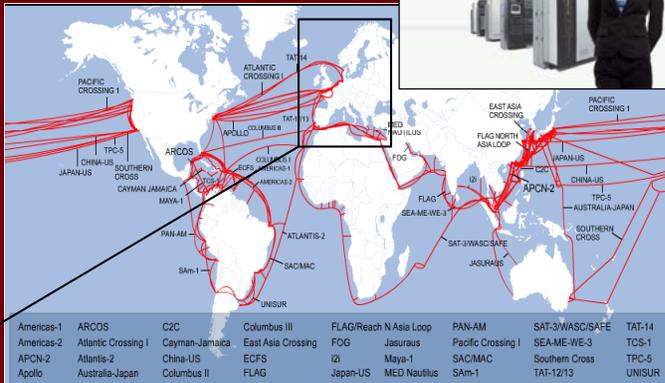
Kathryn C. Brown
Senior Vice President
Public Policy Development and Corporate Responsibility
Verizon

New York, NY
31 October 2008

Verizon's International Presence *

32,000 employees
serving
100,000+ customers
(98% of the Fortune 500)

International IP Network
2,700 cities
150 countries
100,000+ miles of fibre
Over 6 continents
4,500 global PoPs



*Statistics as of 8/08



Verizon Business in Europe:

- Offering services in 23 of the 27 Member States, with approximately 4,700 employees
- Including: Voice, GDL, PIP, Frame/ATM, IP, Dial
- VzB-International Headquarters located in Reading, U.K. (approximately 1,800 employees)



Verizon is Delivering the Most Diverse NGN Services ...

- ⇒ **FiOS FTTP** – the most advanced triple-play in the U.S.
- ⇒ **4G Mobile** – LTE and EV-DO
- ⇒ On a nearly all-fiber core



... Anywhere and Anytime ...



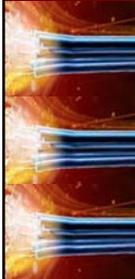
... And with the Speed and Capacity you Require ...

- ⇒ **FiOS Internet** delivers a 50/20 mbps experience
- ⇒ **FiOS TV** offers over 100 HD channels and interactive services
- ⇒ **Mobile Broadband Access** provides up to 1.4 mbps/800 kbps, and true 4G Mobile (LTE) is coming soon



Convergence is Happening

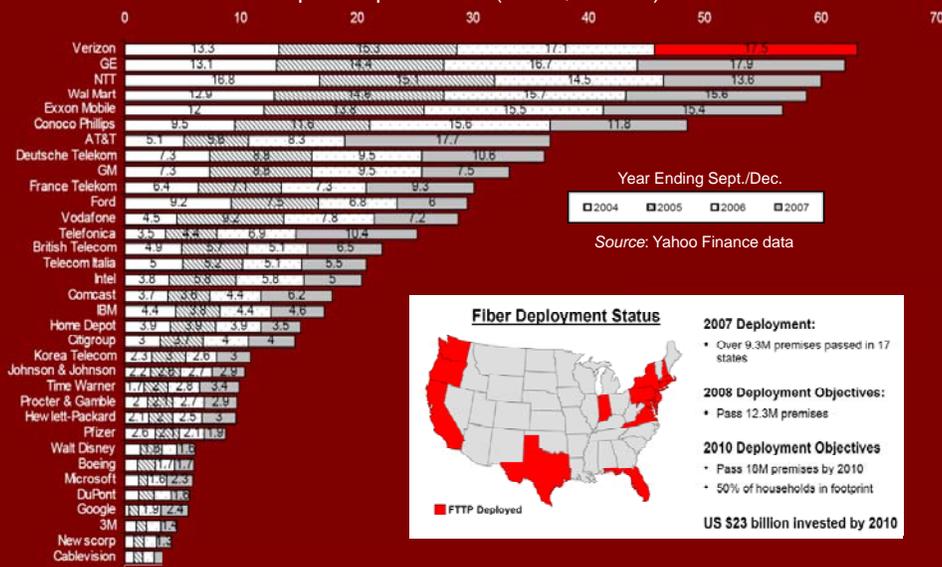
- ◆ U.S. consumers are benefitting enormously from convergence in our market



- 94% of the population has access to broadband (76% have access to at least two platforms)
- More of its market (58%) is served by competitive infrastructures than anywhere in the globe
- Its fiber deployment growth rate is second-to-none (213% growth in 2006) (99% in 2007)

Verizon's NGN Investment

Capital Expenditures (in US\$ billions)



... Requires having the policy basics

- ◆ **Encourage intermodal competition** – consumers will be best served by having multiple broadband platforms competing, with a wide range of business models and services to differentiate competitors.
- ◆ **Foster investments** – coupled with policies to bring more spectrum to the market for wireless broadband, the FCC has created an environment that encourages investment.
- ◆ **Anticipatory regulation will kill innovation** – *ex ante* regulation of innovation in the network (network management tools) will inhibit operator ability to enhance consumer welfare.
- ◆ **Recognize that you will need fiber** – new services and user habits will generate a volume of traffic hard to foresee.
 - Those services with the greatest capacity to impact social welfare (e.g., medical monitoring and real-time video communication) require a level of interactivity and reliability that copper simply won't provide

7



... And society will benefit immensely from smart NGN Networks

- ◆ **Health Care** – Ninety percent of medical records are still paper
- ◆ **Energy Efficiency** – Thirteen percent reduction in energy use from real time information on energy usage
- ◆ **Education** – Truly individualized approaches and “learning communities”
 - Thinkfinity a major leap forward in this regard
- ◆ **Environment** - Prudent use of technology could reduce human-induced global emissions by 15 per cent by 2020

8



Action Agenda – Unlocking the Potential

♦ **What we know:** The Internet Economy, supported by information and communication technologies, will strengthen our capacity to improve the quality of life for all our citizens. *

♦ **What we need:**

- **A stable, reliable and trusted infrastructure**, capable of addressing and responding to emerging risks and threats. *
- **Foster innovation and ongoing expansion of the Internet** by avoiding regulation that could jeopardize “the open, decentralized and dynamic nature” of the Internet. **
- **Stimulate investment and competition** in the development of high-capacity information and communication infrastructures. **



* From the "Declaration on the Future of the Internet Economy." ** From "Internet 2018: a Business Vision paper for the OECD Ministerial."