Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Verizon	)	File No.: EB-TCD-13-00007027
	)	
Compliance with the Commission's Rules and Regulations Governing Customer Proprietary Network Information	)	Account No.: 201432170014
	)	FRN: 0016304214
	)	

ADOPTING ORDER

Adopted: September 2, 2014 **Released: September 3, 2014**

By the Acting Chief, Enforcement Bureau:

1. The Enforcement Bureau (Bureau) of the Federal Communications Commission and Verizon have entered into a Consent Decree for $7,400,000 to settle the Bureau's investigation of allegations that for several years Verizon used its customers' personal information when tailoring marketing campaigns without first providing its customers with the required notice or obtaining their consent.

2. Verizon collects personal information about its customers' services and calling habits, such as how many calls a customer makes, what services the customer subscribes to, the destination or numbers called, and the customer's location at the time of the call. Before Verizon can share or use such personally identifiable information to market new services (services outside the category of services purchased by the consumer) to its customers, federal law requires that it must either get express permission to do so, or provide written notice of how Verizon will use its customers' personal data for marketing and give customers the opportunity to opt out of such uses (i.e., to deny Verizon permission to use their personal information for marketing). Beginning as early as 2006, Verizon failed to generate the required opt-out notices to approximately two million of the company's customers. These failures deprived those customers of information about Verizon's marketing practices and its customers' right to deny Verizon permission to access or use their personal data to market new Verizon services to those customers. In addition, Verizon was obligated to notify the Commission about the problems with its opt-out notification systems within five business days of discovering them, but Verizon took several months to do so.

3. The Bureau has investigated these matters and has entered into the attached Consent Decree. To resolve the Bureau's investigation, Verizon is required to pay $7,400,000 to the United States Treasury and, among other things, to: (i) implement a process to place an opt-out notice on every invoice (whether electronic or paper) to every customer for whom Verizon relies on opt-out consent; (ii) designate a senior corporate manager as a compliance officer; (iii) implement a process for immediately reporting to the Compliance Officer any problems detected with opt-out notices, regardless of size; and (iv) develop and implement a three-year compliance plan.

4. In this Order, we adopt the attached Consent Decree entered into between the Bureau and Verizon. The Consent Decree terminates the investigation initiated by the Bureau regarding Verizon's compliance with Section 222(c)(1) of the Communications Act of 1934, as amended (Act), 47 U.S.C. § 222(c)(1), and Sections 64,2007, 64.2009(a), and 64.2009(f) of the Commission's rules, 47 C.F.R. §§ 64.2007 , 64.2009(a), and 64.2009(f).

5. The Bureau and Verizon have negotiated the terms of the Consent Decree that resolves these matters. A copy of the Consent Decree is attached hereto and incorporated by reference.

6. After reviewing the terms of the Consent Decree and evaluating the facts before us, we find that the public interest would be served by adopting the Consent Decree and terminating the referenced investigation.

7. In the absence of material new evidence relating to this matter, we conclude that our investigation raises no substantial or material questions of fact as to whether Verizon possesses the basic qualifications, including those related to character, to hold or obtain any Commission license or authorization.

8. Accordingly, **IT IS ORDERED** that, pursuant to Sections 4(i), 4(j), and 503(b) of the Act, 47 U.S.C. §§ 154(i), 154(j), 503(b), and the authority delegated by Sections 0.111 and 0.311 of the Commission's rules, 47 C.F.R §§ 0.111, 0.311, the attached Consent Decree **IS ADOPTED.**

9. **IT IS FURTHER ORDERED** that the above-captioned matter **IS TERMINATED.**

10. **IT IS FURTHER ORDERED** that a copy of this Order and Consent Decree shall be sent by first class mail and certified mail, return receipt requested, to Tamara Preiss, Vice President Federal Regulatory Affairs, Verizon, 1300 I Street, NW, Suite 400 West, Washington, DC 20005.

FEDERAL COMMUNICATIONS COMMISSION

Travis LeBlanc
Acting Chief, Enforcement Bureau

Before the
Federal Communications Commission
Washington, DC 20554

In the Matter of	)	File No.: EB-TCD-13-00007027
Verizon	)	Account No.: 201432170014
Compliance with the Commission's Rules and Regulations Governing Customer Proprietary Network Information	)	FRN: 0016304214

CONSENT DECREE

The Enforcement Bureau of the Federal Communications Commission, and Verizon, by their authorized representatives, hereby enter into this Consent Decree for the purpose of terminating the Bureau's investigation into potential violations by Verizon of Sections 222(c)(1) of the Communications Act of 1934, as amended,[1] and Sections 64.2007, 64.2009(a), and 64.2009(f) of the Commission's rules.[2]

I. DEFINITIONS

1. For the purposes of this Consent Decree, the following definitions shall apply:

a) "Act" or "Communications Act" means the Communications Act of 1934, as amended, 47 U.S.C. § 151 *et seq.*

b) "Adopting Order" means an Order of the Bureau adopting the terms of this Consent Decree without change, addition, deletion, or modification.

c) "Affiliate" shall have the same meaning defined in Section 153(2) of the Communications Act, 47 U.S.C. § 153(2).

d) "Bureau" means the Enforcement Bureau of the Federal Communications Commission.

e) "Commission" and "FCC" mean the Federal Communications Commission and all of its bureaus and offices.

f) "Communications Laws" means collectively, the Act, the Rules, and the published and promulgated orders and decisions of the Commission to which Verizon is subject by virtue of its business activities, including but not limited to Section 222 of the Act and Sections 64.2001-64.2011 of the Commission's Rules.

g) "Compliance Plan" means the compliance obligations, programs, and procedures described in this Consent Decree at paragraph 11.

[1] 47 U.S.C. § 222(c)(1).

[2] 47 C.F.R. §§ 64.2007, 64.2009(a), and 64.2009(f).

h) "Covered Personnel" means all employees of Verizon who perform, or supervise or oversee, or manage the performance of, duties required to meet Verizon's responsibilities under the CPNI Rules and this Consent Decree, and any agents who have access to Verizon systems that contain CPNI.

i) "CPNI" shall have the meaning set forth at 47 C.F.R. § 222(h)(1).

j) "CPNI Rules" means the rules set forth at 47 C.F.R. § 64.2001 *et seq.* and any amendments or additions to those rules subsequent to the Effective Date.

k) "Effective Date" means the date on which the Bureau releases the Adopting Order.

l) "Investigation" means the investigation commenced by the Bureau's letter of inquiry, dated March 27, 2013,[3] regarding Verizon's possible noncompliance with Section 222(c)(1) of the Act and Sections 64.2007, 64.2009(a), and 64.2009(f) of the Commission's rules.

m) "Operating Procedures" means the standard, internal operating procedures and compliance policies established by Verizon to implement the Compliance Plan.

n) "Parties" means Verizon and the Bureau, each of which is a "Party."

o) "Rules" means the Commission's regulations found in Title 47 of the Code of Federal Regulations.

p) "Verizon" or "Company" means the Verizon incumbent local exchange carriers and the interexchange carriers Verizon Long Distance, Verizon Enterprise Solutions LLC, Verizon Select Services Inc., and Verizon Select Services of Virginia Inc. affiliated with Verizon Communications Inc. and their successors and assigns.

II. BACKGROUND

2. Section 222 of the Act, entitled "Privacy of Customer Information," imposes a duty on every telecommunications carrier to protect the "proprietary information" of its customers. Section 222(c)(1), entitled "Privacy Requirements for Telecommunications Carriers," permits a carrier to disclose, permit access to, or use a customer's individually identifiable "customer proprietary network information," or CPNI, only to provide telecommunications service, or other services "necessary to, or use in," the carrier's telecommunications service, unless otherwise authorized by the customer or required by law. CPNI includes information such as the numbers a customer calls, the type of service the customer subscribes to, and certain information contained in the customer's bills.

3. Pursuant to Section 222 of the Act, the Commission has adopted rules to further protect CPNI. A carrier may obtain a customer's approval to disclose, permit access to, or use a customer's individually identifiable CPNI for certain marketing purposes via either an "opt-in" or "opt-out" process. If a carrier elects the latter process, it must send a customer a notice informing the customer of his or her right to restrict the disclosure or use of his or her CPNI, and permit the customer at least 30 days to opt out of allowing the carrier to disclose, permit access to, or use the customer's CPNI.

[3] Letter from Richard A. Hindman, Chief, Telecommunications Consumers Division, FCC Enforcement Bureau, to Tamara Preiss, Vice President, Federal Regulatory Affairs, Verizon Communications, Inc. (March 27, 2013) (on file in EB-TCD-13-00007027).

4. On January 18, 2013, pursuant to Section 64.2009(f) of the Commission's rules, Verizon filed a notice with the Commission reporting failures in its CPNI opt-out mechanism.[4] Verizon reported that, although its policy is to provide CPNI opt-out notices to new customers either as a message in their first bill or in a welcome letter, and to existing customers at least every two years thereafter, "[d]uring the week of January 14, 2013, [it] determined that a subset of its consumer, small business and medium business customers did not receive the opt-out notice on their initial bill."[5] The Bureau met with Verizon on February 13, 2013, at which time Verizon explained that, for affected bill formatting systems, certain criteria relied upon to trigger CPNI opt-out notices had not been updated to reflect changes in the business. On March 1, 2013, Verizon submitted a letter documenting its February 13, 2013, discussion with the Bureau.[6] The Bureau sent an LOI to Verizon on March 27, 2013.[7] Verizon provided its response to the LOI on May 1, 2013.[8] Verizon provided a supplemental response on November 25, 2013.[9]

5. During the Investigation, Verizon produced information showing that, beginning in January 2006, some of the billing systems used and controlled by the incumbent local exchange carriers and the interexchange carriers Verizon Long Distance, Verizon Enterprise Solutions LLC, Verizon Select Services Inc., and Verizon Select Services of Virginia Inc. did not generate CPNI opt-out notices to some customers in their first bills. As a result, Verizon estimates that over several years approximately two million residential, small business, and medium business customers did not receive opt-out notices on their first bill, though customers did receive biennial notices in the normal course of business. Information Verizon produced in the Investigation also shows that certain Verizon personnel discovered a potential opt-out problem in late 2012, and that Verizon conducted 2,368 marketing campaigns for Verizon services in that same year, some of which used CPNI. Verizon represents that it does not know precisely how many of the overall number of affected customers the Company marketed services to, but estimates that it may have marketed to a portion of these customers before they received an opt-out notice on their bill.

6. Verizon represents that it took remediation efforts following the discovery of the problem. Specifically, Verizon represents that, by March 15, 2013, it sent additional CPNI opt-out notices to all residential and small and medium business wireline voice customers billed out of the affected systems. Additionally, Verizon states that it banned all marketing campaigns to potentially affected customers. According to Verizon, it lifted the ban only after it performed extensive testing on the system. Verizon further represents that it took corrective action on the bill formatting systems, including expanding the criteria for identifying first invoices. Additionally, the Company states that it has

[4] Notification letter from Tamara Preiss, Vice President, Federal Regulatory Affairs, Verizon Communications, Inc., to William Dever, Chief, Competition Policy Division, FCC Wireline Competition Bureau, and Kurt Schroeder, Acting Chief, Consumer Policy Division, FCC Consumer & Governmental Affairs Bureau (January 18, 2013) (on file in EB-TCD-13-00007027).

[5] *Id.*

[6] *See* Letter from Tamara Preiss, Vice President, Federal Regulatory Affairs, Verizon, to Richard A. Hindman, Division Chief, Telecommunications Consumers Division, FCC Enforcement Bureau (March 1, 2013) (on file in EB-TCD-13-00007027).

[7] *See supra,* note 4.

[8] *See* Letter from Tamara Preiss, Vice President, Federal Regulatory Affairs, Verizon, to Kimberly A. Wild, Deputy Division Chief, Telecommunications Consumers Division, FCC Enforcement Bureau (May 1, 2013) (on file in EB-TCD-13-00007027).

[9] *See* Letter from Tamara Preiss, Vice President, Federal Regulatory Affairs, Verizon, to Kimberly A. Wild, Donna, Cyrus, Telecommunications Consumers Division, FCC Enforcement Bureau (November 25, 2013) (on file in EB-TCD-13-00007027).

implemented a new program to place the CPNI opt-out notice on every invoice each month for all consumer and small and medium business customers.

III. TERMS OF AGREEMENT

7. **Adopting Order**. The Parties agree that the provisions of this Consent Decree shall be subject to final approval by the Bureau by incorporation of such provisions by reference in the Adopting Order.

8. **Jurisdiction**. Verizon agrees that the Bureau acting pursuant to delegated authority has jurisdiction over it and the matters contained in this Consent Decree, and has the authority to enter into and adopt this Consent Decree.

9. **Effective Date; Violations**. The Parties agree that this Consent Decree shall become effective on the Effective Date as defined herein. Upon the Effective Date, the Adopting Order and this Consent Decree shall have the same force and effect as any other order of the Commission. Any violation of the Adopting Order or of the terms of this Consent Decree shall constitute a separate violation of a Commission order, entitling the Commission to exercise any rights and remedies attendant to the enforcement of a Commission order.

10. **Termination of Investigation**. In express reliance on the covenants and representations in this Consent Decree and to avoid further expenditure of public resources, the Bureau agrees to terminate its Investigation. In consideration for the termination of the Investigation, Verizon agrees to the terms, conditions, and procedures contained herein. The Bureau further agrees that absent new material evidence, it will not use the facts developed in the Investigation through the Effective Date, or the existence of this Consent Decree, to institute, on its own motion, any new proceeding, formal or informal, or to take any action on its own motion against Verizon concerning the matters that were the subject of the Investigation or with respect to Verizon's basic qualifications, including its character qualifications, to be a Commission licensee or hold Commission authorizations.

11. **Compliance Plan**. For purposes of settling the matters set forth herein, Verizon shall develop and implement a Compliance Plan as set forth in this paragraph 11 relating to Verizon's future compliance with those portions of the Communications Laws relating to the CPNI Rules and with the terms and conditions of this Consent Decree. Verizon represents that it has one or more management employees in each of its business units who has responsibility for compliance with each of the Communications Laws that are relevant to its operations; that there are at least twenty (20) such management employees; and that, collectively, these management employees exercise responsibility for Verizon's compliance with all of the Communications Laws that are relevant to its operations. Verizon agrees that it will either maintain this compliance structure, or, if it makes changes, shall ensure that it maintains equivalent management oversight over compliance with all Communications Laws that are applicable to its operations. The Compliance Plan shall include, at a minimum, the following components:

a) **Compliance Officer**. Within thirty (30) calendar days of the Effective Date, Verizon shall designate a senior corporate manager to serve as the Compliance Officer for the CPNI Rules. The Compliance Officer will be responsible for implementing and administering Verizon's Compliance Plan.

b) **Notice of Consent Decree**. Within thirty (30) calendar days after the Effective Date, Verizon shall notify all directors, officers (including the Compliance Officer), managers, and employees responsible for managing and overseeing Verizon's CPNI procedures of the terms and conditions set forth herein.

c) **<u>Operating Procedures</u>**. Within sixty (60) calendar days after the Effective Date, Verizon shall establish Operating Procedures that all Covered Personnel must follow to help ensure Verizon's compliance with this Consent Decree and the CPNI rules.

d) **<u>Compliance Manual</u>**. Within ninety (90) calendar days after the Effective Date, the Compliance Officer shall develop and distribute a Compliance Manual to all Covered Personnel. The Compliance Manual may be made available and distributed by electronic means. The Compliance Manual shall explain the CPNI Rules, setting forth the Operating Procedures that Covered Personnel shall follow to help ensure Verizon's compliance with the CPNI Rules. Verizon shall periodically review and revise the Compliance Manual as necessary to ensure that the information set forth therein remains current and complete. Verizon shall distribute any revisions to the Compliance Manual promptly to all Covered Personnel.

e) **<u>Compliance Training Program</u>.** Within ninety (90) calendar days after the Effective Date, Verizon shall establish and implement a Compliance Training Program on compliance with the CPNI Rules and the Operating Procedures. As part of the Compliance Training Program, Covered Personnel shall be advised of Verizon's obligation to report any noncompliance with the CPNI Rules and this Consent Decree under paragraph 12 below and to provide written notice to the Commission within five (5) business days of any instances where the opt-out mechanisms do not work, pursuant to Section 64.2009(f) of the CPNI Rules. Covered Personnel shall be instructed to immediately report all detected problems affecting the CPNI opt-out notice process, regardless of size, to the Compliance Officer. The training shall also include, but not be limited to, training for members of the marketing teams responsible for Verizon's opt-out procedures and shall emphasize how the actions of individual employees contribute to the overall CPNI compliance of Verizon and identifying specific responsibility of Verizon employees regarding CPNI. Verizon shall require all Covered Personnel to complete the Compliance Training Program within ninety (90) calendar days after the Effective Date, except that Verizon shall require any person who becomes a Covered Personnel at any time after the Effective Date to be trained within sixty (60) calendar days after the date such person becomes a Covered Personnel. Verizon shall repeat the Compliance Training Program on an annual basis and shall periodically review and revise the Compliance Training Program to ensure that it remains current and complete and to enhance its effectiveness.

f) **<u>Compliance Processes and Controls</u>**. In order to ensure that its CPNI opt-out mechanisms are functioning properly and to identify and address CPNI issues quickly and effectively, Verizon shall, within thirty (30) calendar days of the Effective Date:

   i. Implement a process to place an opt-out notice that complies with Section 64.2009 of the CPNI Rules on every invoice (whether electronic or paper) to every customer for whom Verizon relies on opt-out consent. The process shall be automated to verify such process is functioning correctly and will trigger an alternate means for notifying customers where necessary.

   ii. Monitor and test, on a monthly basis, its billing and invoicing systems to verify that the Company is at all times in compliance with Paragraph 11(f)(i). above;

   iii. Create a business requirements document, or other appropriate and similar document, before Verizon makes any material change to any billing system associated with Paragraph 11(f)(i) above, and adhere to such documentation whenever it implements such material change. This document shall include a CPNI section to identify changes affecting CPNI opt-out compliance. If CPNI opt-out compliance is affected, Verizon's legal department must approve the change in writing;

iv. Test its CPNI opt-out notice mechanisms before making any material changes to them, and regularly monitor them thereafter;

v. Hold monthly meetings to review CPNI opt-out processes to identify potential issues and resolve them quickly;

vi. Implement a process for immediately reporting to the Compliance Officer any problems detected with CPNI opt-out notices, regardless of size. The Compliance Officer shall make the requisite investigation, and if necessary, provide written notice to the Commission within five (5) business days pursuant to Section 64.2009(f) of the CPNI Rules. The Compliance Officer shall also report any noncompliance within thirty (30) calendar days, pursuant to paragraph 12 of this Consent Decree.

g) **Process Review**. To the extent is had not already done so, Verizon shall, within thirty calendar days of the Effective Date, conduct an extensive review of its CPNI opt-out processes to ensure compliance with the CPNI Rules and Paragraph 11 of this Consent Decree. This process shall identify employees responsible for each opt-out process, as well as for documenting control to ensure each process is working correctly. Every twelve months, Verizon shall perform a self-assessment of its CPNI processes to ensure ongoing compliance with the process and control requirements of this Consent Decree. Verizon personnel conducting the self-assessment shall send a written report of the results to the Compliance Officer, who shall include a summary of it in the next upcoming Compliance Report.

12. **Reporting Noncompliance**. Verizon shall report any noncompliance with (i) the CPNI Rules that is more than an anomaly and (ii) the terms and conditions of this Consent Decree within thirty (30) calendar days after discovery of such noncompliance. Such reports shall include a detailed explanation of (i) each instance of non-compliance; (ii) the steps that Verizon has taken or will take to remedy such non-compliance; (iii) the schedule on which such remedial actions will be taken; and (iv) the steps that Verizon has taken or will take to prevent the recurrence of any such non-compliance. All reports of non-compliance shall be submitted to the Chief, Telecommunications Consumers Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, SW, Rm. 4C-224, Washington, DC 20554, with a copy submitted electronically to Kristi.Thompson@fcc.gov and Donna.Cyrus@fcc.gov.

13. **Compliance Reports**. Verizon shall submit Compliance Reports to the Bureau six (6), twelve (12), twenty-four (24), and thirty-six (36) months after the Effective Date.

a) Each Compliance Report shall include a detailed description of the Company's efforts during the relevant period (beginning on the Effective Date, and continuing through to the filing date of each report) to comply with the terms of the Consent Decree.

b) Each Compliance Report shall include a certification by the Compliance Officer, as an agent of and on behalf of Verizon, stating that the Compliance Officer has personal knowledge that Verizon (i) has established and implemented the Compliance Plan; (ii) has utilized the Operating Procedures since the implementation of the Compliance Plan; and (iii) is not aware of any instances of noncompliance with the terms and conditions of this Consent Decree, including the reporting obligations set forth in paragraphs 11(f)(vi) and 12 of this Consent Decree.

c) The Compliance Officer's certification shall be accompanied by a statement explaining the basis for such certification and must comply with Section 1.16 of the Commission's rules,[10] and be subscribed to as true under penalty of perjury in substantially the form set forth therein.

d) If the Compliance Officer cannot provide the requisite certification, the Compliance Officer, as an agent of and on behalf of Verizon, shall provide the Commission with a detailed explanation of the reason(s) why and describe fully (i) each instance of noncompliance; (ii) the steps Verizon has taken or will take to remedy such non-compliance, including the schedule on which the proposed remedial actions will be taken; and (iii) the steps that Verizon has taken or will take to prevent the recurrence of any such noncompliance, including the schedule on which such preventive action will be taken.

e) All Compliance Reports shall be submitted to the Chief, Telecommunications Consumers Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, SW, Rm. 4C-224, Washington, DC 20554, with copies submitted electronically to Kristi.Thompson@fcc.gov and Donna.Cyrus@fcc.gov.

14. **Termination Date**. The obligations set forth in paragraphs 11 through 13 of this Consent Decree shall expire thirty-six (36) months after the Effective Date.

15. **Section 208 Complaints; Subsequent Investigations**. Nothing in this Consent Decree shall prevent the Commission or its delegated authority from adjudicating complaints filed pursuant to Section 208 of the Act against Verizon or its affiliates for alleged violations of the Act, or for any other type of alleged misconduct, regardless of when such misconduct took place. The Commission's adjudication of any such complaint will be based solely on the record developed in that proceeding. Except as expressly provided in this Consent Decree, this Consent Decree shall not prevent the Commission from investigating new evidence of noncompliance by Verizon of the Act or the Commission's rules.

16. **Payment**. Verizon agrees to make a payment to the United States Treasury in the amount of $7.4 million ($7,400,000.00) within thirty (30) calendar days after the Effective Date. Verizon acknowledges and agrees that upon execution of this Consent Decree, such payment shall become a "Claim" or "Debt" as defined in 31 U.S.C. § 3701(b)(1).[11] Upon an Event of Default by Nonpayment (as described below in paragraph 17), all procedures for collection as permitted by law may, at the Commission's discretion, be initiated. In addition, Verizon agrees that it will make the payment in United States Dollars without further demand or notice by the date specified above. Verizon shall also send electronic notification of payment on the date the payment is made to Johnny.Drake@fcc.gov. The payment must be made by check or similar instrument, wire transfer, or credit card, and must include the

[10] 47 C.F.R. § 1.16.

[11] Debt Collection Improvement Act of 1996, Pub. L. No. 104-134, 110 Stat. 1321, 1358 (Apr. 26, 1996).

NAL Account Number and FRN referenced in the caption of the Adopting Order. Regardless of the form of payment, a completed FCC Form 159 (Remittance Advice) must be submitted.[12] When completing the FCC Form 159, enter the Account Number in block number 23A (call sign/other ID) and enter the letters "FORF" in block number 24A (payment type code). Below are additional instructions Verizon must follow based on the form of payment selected.

- Payment by check or money order must be made payable to the order of the Federal Communications Commission. Such payments (along with the completed Form 159) must be mailed to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000, or sent via overnight mail to U.S. Bank—Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101.

- Payment by wire transfer must be made to ABA Number 021030004, receiving bank TREAS/NYC, and account number 27000001. To complete the wire transfer and ensure appropriate crediting of the wired funds, a completed Form 159 must be faxed to U.S. Bank at (314) 418-4232 on the same business day the wire transfer is initiated.

- Payment by credit card must be made by providing the required credit card information on FCC Form 159 and signing and dating the Form 159 to authorize the credit card payment. The completed Form 159 must then be mailed to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000, or sent via overnight mail to U.S. Bank—Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101.

Contact the Financial Operations Group Help Desk by phone, 1-877-480-3201, or by e-mail, ARINQUIRIES@fcc.gov with any questions about methods of payment.

17. **Event of Default by Nonpayment**. Verizon agrees that an Event of Default by Nonpayment shall occur upon the failure by Verizon to pay the full amount of the payment ($7.4 million) to the U.S. Treasury on or before the due date specified in this Consent Decree.

18. **Interest, Charges for Collection, and Acceleration of Maturity Date**. Upon an Event of Default by Nonpayment under this Consent Decree, automatically and without further notice, the then entire unpaid amount of the payment identified in paragraph 16 shall accrue interest at a rate of 15.75% per annum from the date of the Event of Default by Nonpayment until payment in full. Upon an Event of Default by Nonpayment, the then unpaid amount, together with interest, as aforesaid, any penalties permitted and/or required by the law, including but not limited to 31 U.S.C. § 3717 and administrative charge(s), plus the costs of collection, litigation, and attorneys' fees, is accelerated and shall become immediately due and payable, without notice, presentment, demand, protest, or notice of protest of any kind, all of which are waived by Verizon.

19. **Waivers**. Verizon waives any and all rights it may have to seek administrative or judicial reconsideration, review, appeal, or stay, or to otherwise challenge or contest the validity of this Consent Decree and the Adopting Order, provided the Bureau issues an Adopting Order as defined herein. If either Party (or the United States on behalf of the Commission) brings a judicial action to enforce the terms of the Adopting Order or Consent Decree, neither Verizon nor the Commission shall contest the validity of the Consent Decree or the Adopting Order, and Verizon shall waive any statutory right to a trial de novo. Verizon hereby agrees to waive any claims it may otherwise have under the Equal Access

[12] An FCC Form 159 and detailed instructions for completing the form may be obtained at http://www.fcc.gov/Forms/Form159/159.pdf.

to Justice Act, 5 U.S.C. § 504 and 47 C.F.R. § 1.1501 *et seq*., relating to the matters addressed in this Consent Decree.

20. **Severability**. The Parties agree that if any of the provisions of the Adopting Order or the Consent Decree shall be invalid or unenforceable, such invalidity or unenforceability shall not invalidate or render unenforceable the entire Adopting Order or Consent Decree, but rather the entire Adopting Order or Consent Decree shall be construed as if not containing the particular invalid or unenforceable provision or provisions, and the rights and obligations of the Parties shall be construed and enforced accordingly. In the event that this Consent Decree in its entirety is rendered invalid by any court of competent jurisdiction, it shall become null and void and may not be used in any manner in any legal proceeding.

21. **Subsequent Rule or Order**. The Parties agree that if any provision of this Consent Decree conflicts with any subsequent rule or order adopted by the Commission (except an order specifically intended to revise the terms of this Consent Decree to which Verizon does not expressly consent), such provision will be superseded by such Rule or Commission order.

22. **Successors and Assigns**. Verizon agrees that the provisions of this Consent Decree shall be binding on its successors, assigns, and transferees.

23. **Final Settlement**. The Parties agree and acknowledge that this Consent Decree shall constitute a final settlement between the Parties to the Investigation. The Parties further agree that this Consent Decree does not constitute either an adjudication on the merits or a factual or legal finding or determination regarding any compliance or noncompliance with the Communications Laws.

24. **Modifications**. This Consent Decree cannot be modified or amended without the advance written consent of both Parties.

25. **Paragraph Headings**. The headings of the paragraphs in this Consent Decree are inserted for convenience only and are not intended to affect the meaning or interpretation of this Consent Decree.

26. **Authorized Representative**. The individual signing this Consent Decree on behalf of Verizon represents and warrants that he is authorized by Verizon to execute this Consent Decree and to bind Verizon to the obligations set forth herein. The FCC signatory represents that he is signing this Consent Decree in his official capacity and that he is authorized to execute this Consent Decree.

27. **Counterparts**. This Consent Decree may be signed in any number of counterparts (including by facsimile or by electronic means), each of which, when executed and delivered, shall be an original, and all of which counterparts together shall constitute one and the same fully executed instrument.

For: Federal Communications Commission

Travis LeBlanc Acting Chief Enforcement Bureau	Date

For: Verizon

Chris Miller Vice President & Associate General Counsel Verizon	Date