

Global Forum 2007
Venice November 6, 2007

Media & Content Issues in the New Convergent Environment

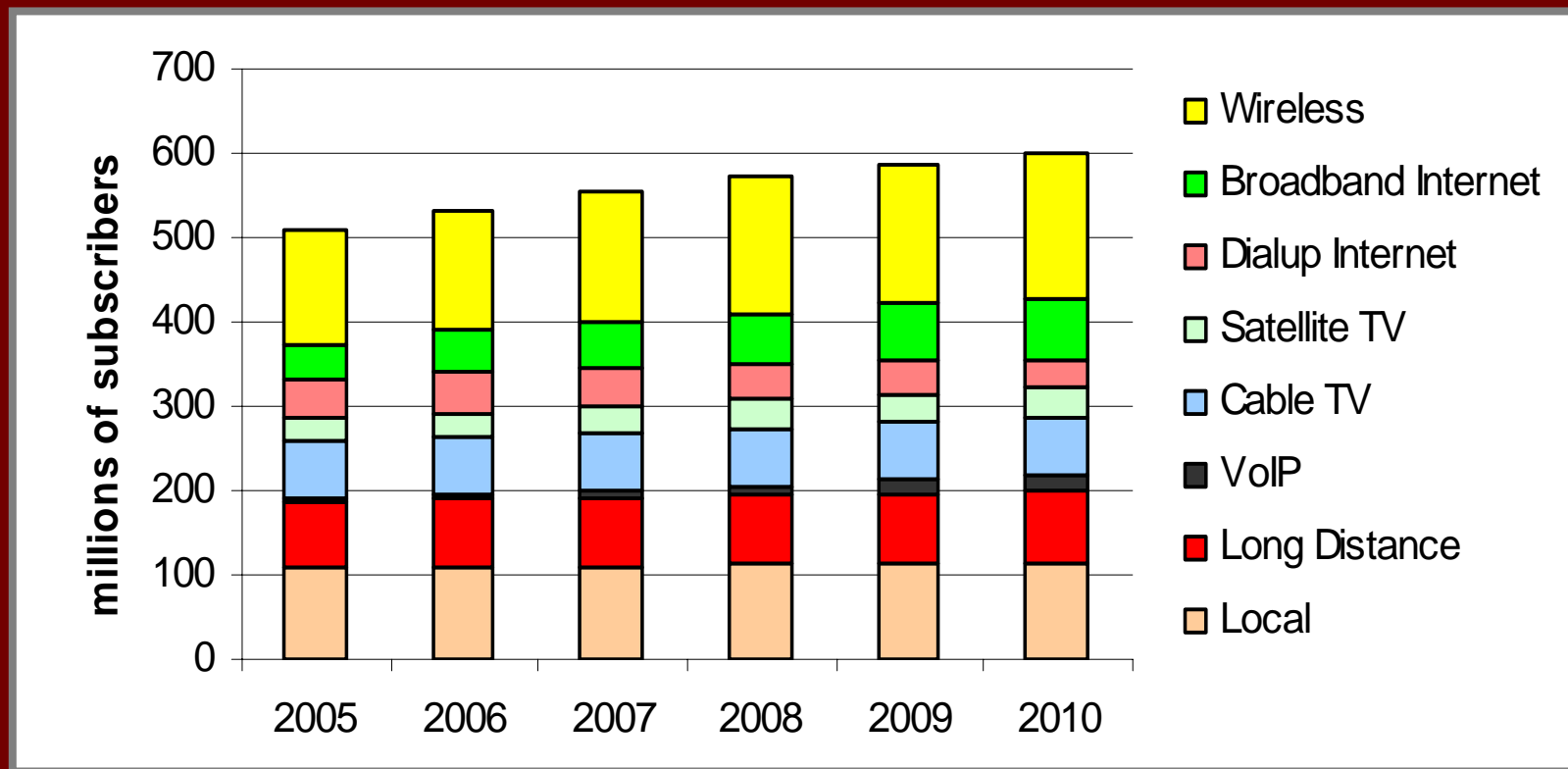
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Verizon



U.S. Consumers See Value in Diverse Options

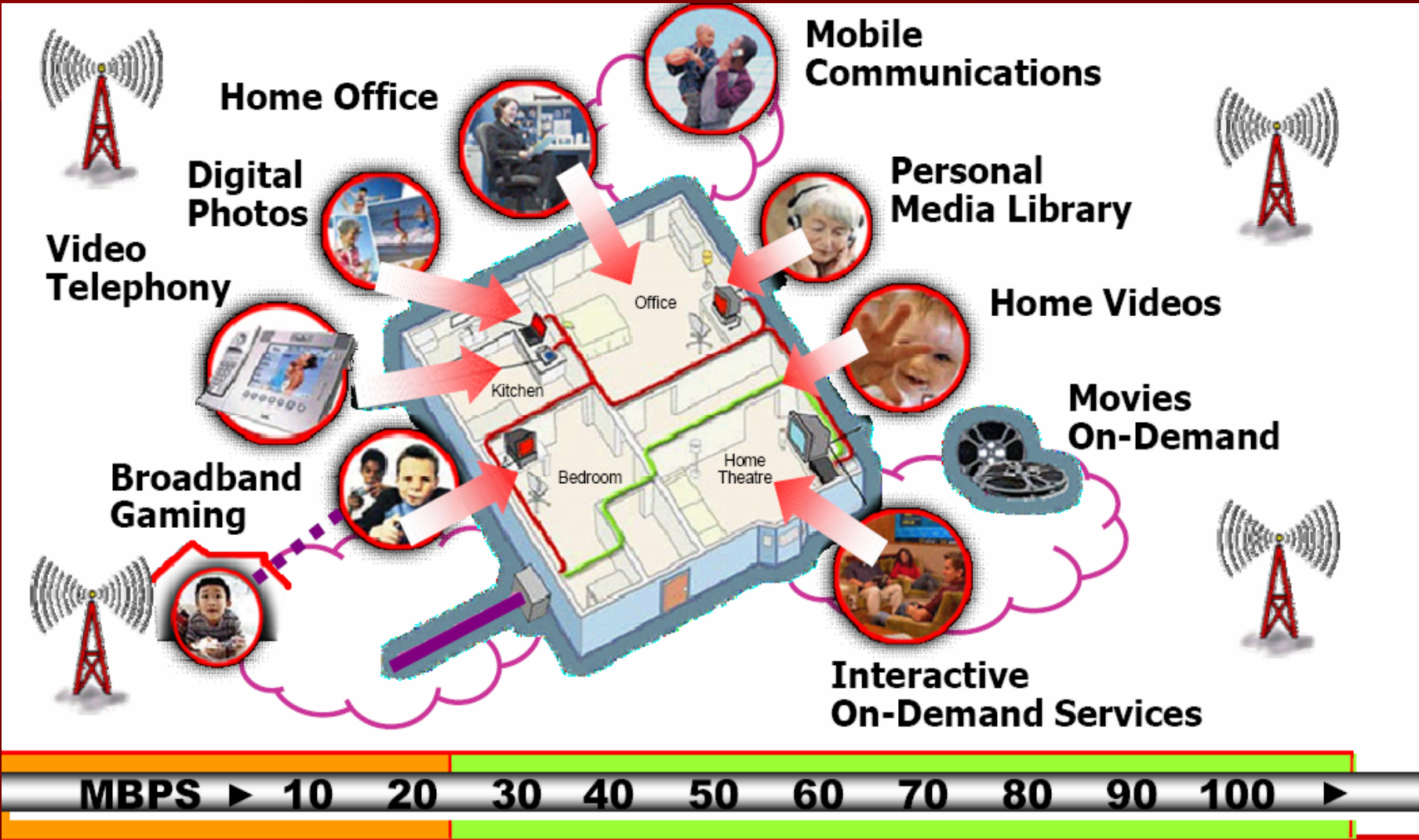


The average U.S. household subscribes to 5 out of 8 electronic communication services



"Common Cents: Consumer Telecom Spending, 2005-2010", Instat, Sep 6, 2006, Tables 2 through 9

Convergence: Technology + Content



Flexible New Services Platform



Basic & Advanced TV Services

- Broadcast channels
- Premium channels
- PPV
- VOD
- HDTV
- PVR

Basic & Advanced Data Services

- Broadband data
- Symmetrical services
- Customized bandwidth
- Data/video convergence
- Home networking/
Managed Services

Complete Voice Services

- Local
- Long distance
- Features



FTTP Enabled Customers

Verizon: At the Heart of Convergence



- ▶ Our broadband, mobile and global IP networks are a critical part of the 21st century converged industry as we deliver leading-edge, innovative technology to our customers.
- ▶ Our FiOS technology delivers the benefits of converged communications, information and entertainment services to our customers over a secure, high-speed network.
- ▶ Our entire wireless EV-DO broadband network is upgraded with Rev. A, so customers can now use our network to download music over the air, watch broadcast-quality TV, map their location with GPS, share photos and movies, or surf the Internet.
- ▶ Our wholly-owned facilities-based IP network is one of the largest in the world and manages all of our business customers' voice, video, data, and Internet traffic in cities in the U.S. and around the world.

Verizon FiOS



Click above to play video

Public Policy Framework for the New Convergent Environment



▶ **Public policies to reflect**

- A period of innovation and evolving business models, all ultimately consumer driven

▶ **Government role**

- Facilitate market entry and create room for competing business models
- Refrain from unnecessary economic regulation for competitive services
- Avoid inappropriate imposition of legacy circuit-switched and/or media regulations on Internet-based services
- Facilitate cross border and multiple-market services
- Recognize the value of commercial arrangements and industry self-regulation to address consumer issues

Key Challenges



▶ TV on mobile phones

- impact, experience, value, challenges

▶ HDTV and DTV transition: at top of agenda in U.S. and EU

- evolution in business model, link to telecom service providers

▶ Consumer safety online, especially safety of children

▶ Privacy