

Up To Speed Live – 3.17.20

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>> The network has to absorb what is coming its way.
>> Make sure it is working all the time.
>> We are constantly monitoring, take that responsibility seriously.
>> The most rewarding thing about the work we do is whenever we see a customer communicating back to their loved ones.
>> That's why we do what we do.
>> We're committed to the network so America can stay connected to work, school, and to each other.
>> Good afternoon, we are here on the east coast noon, as you saw, we are here bringing the latest up to speed live, that speaks to how we are here for the communities right now, for the folks around the world and across America living in a new normal, how do I stay connected with my family, do my school work, how do I do the work from home? The network more than ever is prepared for the situation we're in. We will get updates on that, take your live questions, if you have a question, live@verizon.com and we will get to the questions from yesterday, there were hundreds as the subject matter from today and we have updates around the business. So Hans Vestberg, the chairman and CEO is in the emergency operations center with the latest. Good afternoon.

>> Hey, Jeremy, I hope you are safe and your families are safe as well in these times. It is great that we are back here and to give you the latest on what is happening, since yesterday we had a lot of questions about the network, Kyle will be speaking about that, and questions about how our customers are reacting, we are in constant contact. Tami and the Verizon business group is handling the large enterprise business customers that are calling with problems that need to be solved, and also very more natural, how technology works in these times and I think they are doing a great job, being very proactive with the large enterprise customers, so important. And that goes to more a medium customer, that sometimes even more vulnerable in these times, we need to be close to them. I can tell you that the Verizon business group is here every day for them to correspond to their questions, etc.

We also have a lot of interactions with the federal government, with the state government and local governments across the nation in the U.S. but of course also globally, talking to them about technology, how we can support, how they can support us in these times. So it is a constant interactivity happening all the time right now, which is very important, we said it ourselves, communication is so important during these times between the stakeholders, community, society, customers, with our shareholders and of course with all of you, our customers across the globe, that becomes very important. And as I said yesterday, with the system, how it now works in the executive team, we work virtually every day, we have a virtual meeting and we follow up with what is happening today to see whatever new direction we need to take, and we have the latest and current information.

I also do that with the boards, I have the frequent virtual meeting with the Board of Directors of Verizon so you can understand how we are trying to work in these times, we continue the work, but we use a little bit of different types of tools and you learn

a little bit new about that. So that is important to all of us. So I think that's where I am, and a little bit update on the customer interaction, which are very high, and I think as we are evolving to this week, more people are working from home, our customers are working differently, our interaction is going to increase more with our customers and with our technology people, that is going to be important to keep the networks up. So back to you.

>> Awesome, thank you so much for that, Hans, and joining me in the studio right here, the leader of the technology and global team, Kyle Malady, we have the distance between us.

>> Yes, social distance is important.

>> Let's get the latest on the network, where it stands, how it is operating, and whatever we need to tell the team.

>> Great, great, I appreciate the opportunity to speak. You know, we have been dealing with this for a little while in GN&T and I appreciate those that have been working on this for weeks and months now, APAC was hit first, you know, they are keeping the networks running there, keeping customers up while during the tough situation, it is coming around the globe now, the folks in the media, they are getting hit really rough right now, but Tim, Mark, and APAC and Europe and the teams, they are keeping the lights on and keeping things going. And now, it is, you know, moving to North America and getting tougher for folks here.

So really, two real critical things: You know, we are a nationally critical infrastructure. People rely on their power to be there, their water to come out of the spigot and that there will be groceries through the transportation system so they can move through their daily lives. Our services and products that we offer are no less important, and maybe moreso. So therefore, we have a lot of responsibility as

a company to work with governments, work with our customers, work with employees, to make sure we are taking care of the infrastructure and we are also taking care of employees and doing this in the safest way we can.

So I'm happy to report, you know, the network -- it is a new normal for network. And we are not exactly sure how this is all going to pan out, we did a lot of planning. Yesterday was the first day of this kind of new normal, where more people are working from home, schools and restaurants and bars shut. So we're getting all of that data from yesterday. I can tell you that the wireless network held up well, the FIOS and enterprise networks held up well. We had little brush fires in certain places because of usage in certain applications that we didn't know how much more vine we get and we are adding capacity to take care of the customers there. And an interesting tidbit is, obviously, as we're looking through usage, video is up in the network, and gaming is up in the network, for all of those kids that are home. We see in the wireless network that voice calling is up about 13 percent.

>> Interesting.

>> So mean while our data is down a little bit overall, people are home and using the internet connectivity and hand sets for making phone calls.

>> Interesting data points, more questions from your team in a couple moments and we will head to the emergency operations center, HR leader Christy Pambianchi is with us. Any updates from you this day?

>> Thanks, Jeremy, and glad to be with you here today, talking with our team members and anybody watching online and on the web cast. I want to underscore the remarks you heard from Hans and Kyle that we have been working aggressively to do two things over the last few weeks, first, continuing to support our cust canmers in this global pandemic and second to keep people safe, and we have an initiative to push as much

work as possible to home, recognizing we have a lot of constituents at the company that are key to supporting the front line and we really turned on a dime here and found very, very creative and new ways of working in this environment to help governments support containment and other measures that have been asked for around the world. So I would like to click through quickly some of the work groups, I know that is on a lot of your minds. If you look at the Verizon business group, let by Tami Erwin, she and the leadership team have moved aggressively to take the call center jobs to support the customers in the business, we moved to where we have 80 percent of the positions managed from home in ways we never thought was possible in multiple countries around the world. Verizon media group, 90 percent of folks transitioned to home last week and people found means for many other positions to be done from home and we are providing reliable content so people in the world have a place to go for sound content and at the same time keep our people safe. Another leadership team has been very hard at work on how we can continue to provide support to all of our customers, so many of them are asked to work from home, or have children who are schooling from home, or other small businesses that need support through the distribution centers, his team is hard at work reimagining this and I wanted to mention, they are executing to plan, they have over 25 percent reduction in foot traffic driven by the container efforts by governments and municipalities here in the United States. We reduced hours, closed stores, we have 625 points of distribution we have taken offline for now, and that is over 300 of our retail outlet stores and reduced staffing levels by 50 percent. We are also seeing an, in our customer service environment, we are pushing areas to work at them that we previously did not have, we are doing telesales via home-based agents, moving work in that direction and we expect with our, you know, in the customer service centers, we have a reduction in some kinds of calls and increase in others,

wireless are down and FIOS is up, evening out. We have 3,800 employees working as home-based agents and by the end of next week, we have the vast majority in the home based agent model. And in the mind of folks, VCG, VVG, are we practicing social distancing in the workplace, the answer is yes, we are, we are modifying that. We have Kyle Malady here that will comment on how we are supporting the Salesforce in modifying and getting folks to work from home. That's the key message today, and in addition to this, Jeremy, if we cannot accommodate in work from home, if they have critical roles, how are we keeping them safe in public, Kyle talked about dispatch, I talked about retail, we are doing social distancing practice in the stores as well, we have a one to one customer and employee ratio with the proper distance applied. We are working on the right PPE to make sure that folks have hand sanitizer, wipes, and other protective gear that employees have asked for. And finally, we also clarified so everybody can have a good understanding of how they are treated, in case they come one -- if they were to contract, or be in contact with the court reporter, or if they are not able to come to work. And so as this web cast finishes, a letter from me will come out clarifying, also the caregiver leave also that we augmented for our employees.

>> Thank you Christy, a lot of new information there, and Kyle I will go to you and what Christy was talking about. You have an employees, one outside, those that are fixing the networks and if customers need something to -- in their homes, how are we keeping those folks safe and what is your message to them?

>> Right. So the team, Kevin, service, myself, Gene Willborn and others, we are working to institute processes and procedures to make sure that people can be as safe as possible. Obviously, keeping our networks up and servicing our customers is top priority, but we need to do that in a way that is safe for everyone.

And so we have put in things, like screening, when calls come in from customers, screening to see if they are sick when they make the appointment, screening again before we actually go. We are working on things, such as how to maybe, maybe have trucks at home, so people don't have to congregate in the garage. More work going on there. As Christy said, making sure that we have PP&E, it is difficult there, but we are getting sanitizers and such so that people who do have to respond to a customer can do so and make sure they are safe. And a lot of work we do doesn't mean we have interaction with the customer and we can do a lot of things safe, for cells, we can fix those, but we are concerned with those on the front line having to engage the customers and making sure they can be safe.

>> Good to know, a lot of questions came in yesterday about that. Thanks for taking that on, and thanks to, you know, the list of folks here, Michael and Joe and the people out in the field who asked that. Next we are going to the emergency operations center, Christy, this question is for you talking about testing, this came from Steve in the Columbia South Carolina call center. If a facility does have somebody test positive for court reporter, what are the steps to then clean that facility to make sure that it is good, when it reopens or whatnot for people to go back in?

>> Thanks, Steve, for that question. We know it is on a lot of employee's minds. I shared with you yesterday, we had half a dozen cases of court reporter across Verizon, confirmed cases of Verizon employees in a variety of sites around the world, one in Brazil, and the other 5 cases in the United States, employees are notified immediately, the individuals that had direct contact in the area of the facility or the space where the employee with the confirmed court reporter case worked, are also placed on quarantine.

And then the facility is shut down so that it can be fully remediated. I want to

highlight, while facilities are shut down and people are quarantined, it is with compensation. We want people to feel safe coming forward and telling us when they have a case of court reporter so we can take care of them, the co-workers, facilities, and continue to properly serve other stakeholders. Under remediation under Johnis the real estate team and under the direction of the CDC, they have disinfectants and cleaning agents to remediate the building and it is not reopened until there's a full confirmation that the remediation is complete is and we are using the VENS, a text notification system, if you are an employee and you are affected with court reporter, you get a text and email message and we recognize that people receive texts more quickly. If you have a doubt or are in concern, contact the command center and we will get you the information you need.

>> Christy, we will stick with you for a follow up, we have a question involving time off and employees whose locations are closed, but they are unable to work from home. How will time and pay be handled for those employees, please.

>> Great. In that circumstance, we will compensate the employees when the facilities are closed and they cannot come to work. That is important for people to know, we are working on making sure there is a plan to support commissions and such where we have an alternate kind of market environment here, so teams that are in commissions, the leaders are talking to them about that and there are practices, typically, in place we are activating for such an environment. The other thing to note, if somebody can't work from home and they also now, given the fact that many countries around the world have shut down, shut their school systems down and in United States about half of the states have done so, and the government at the federal level is encouraging all states to do that, we are relaxing work at home guidelines so people can be working at home if they have children in the home that may be logging in and doing school at home and

such, an important point to note. And if for whatever reason that is not sufficient and there is a caregiver requirement that requires an employee to not be allowed to work at all, they can apply for caregiver leave and we will support them at 100 percent compensation for up to eight weeks, and then after that we will reduce it to a 60 percent level, consistent with our leave policies. Internationally, the particular details might be different by country, but we have that as our minimum unless legislated otherwise. You will hear a lot about things going on in Washington, we don't have any line of sight in the United States to when that might pass and the current versions of the bill would not apply to our company, we felt it was critical to get a policy and program out there for the peace of mind of our workers.

>> Christy, thank you so much. We will switch down to EOC and go to Hans for the next question. The team at Verizon media, operating a lot of news agencies right now and staying up to speed with what is happening, Yahoo Finance talking about the markets, everyone wants to know how are they staying connected to all of this and doing their job and keeping folks connected to that news?

>> That's a good question, and as I mentioned in the beginning, I mean, some of our very important, Verizon Media Groups, that is under the umbrella, are doing a very, very critical job at the moment. All of Finance is basically live, giving a lot of important information about financial markets, and they are working and then, of course, Yahoo News is one of the best news outlets when it comes to the court reporter, they are working constantly, they have the right information, the facts are right, and I think they are doing a heroic job, some of those teams in Verizon media, and we have search, and we have more that uses the space than normally. So the Verizon media group and customers have a lot of new pressures and ways of working, I'm proud of what they are doing at the moment and it is important in society to get that

information out there. It fits well into our responsibility as a customer to help all of our stakeholders.

>> Yes, and news in the world of football, Tom Brady making news -- not important, back to court reporter here. And we are talking about folks working from home, including our own employees, to set the tone here, in Baton Rouge it is an empty facility. How are you handling the load in VPN? Casper, Wyoming, some engineers are having a trouble with VPN connections. Do we have increased capacity?

>> If you have an issue, I will get your email and hook up a person to help your specific situation. We are seeing an increase in VPN bandwidth, we are working on that so everybody can work from home, a big shoutout to the folks in GTS, this is unprecedented, the amount of folks we have trying to work from home, they keep coming up with new solutions to push the envelope and we appreciate the work they are doing to support the BUS and all of the employees here. But we will go back and look at specific issues, it might be localized to you there, Robert, we will take care of it. And overall, we are monitoring and looking at all assets and making sure people have enough capacity.

>> How do you make it happen, is it cloud, I don't want to get into too many details --

>> Yes, there is VPN traffic running over the big, public networks, we are looking at that and we are trying to keep up with the servers and, you know, you have the duo server, making sure that everything has enough capacity so when the load comes, we can handle it.

>> Yes, definitely relying on that. And going back to Hans now and the Emergency Operations Center, sorry to drop the Tom Brady news on you like that, I know you are focused on other things. When you are talking about media and the things that are out there, we played the commercial at the beginning of the live here, how are we making adjustments in the story that we are telling through advertising?

>> That is another thing that we work constantly, how do we come out externally with our marketing, and Diego and his team are working on that, and we changed our tone and what we are talking about, we are talking about the network, of course, and that is -- it is very essential to each and every one right now. We are moving that at the same time, it is ever-evolving.

>> And while you are there, Christy spoke to it a few minutes ago with following government suggestions and guidelines, how do we stay plugged into all of those things when it comes from the federal, the local, and state folks, to Christy, to answer that one.

>> Thanks so much. I think this is a really trying time and it is hard to stay on top of the news, given how rapidly it is changing. I would encourage employees, we have our court reporter web page, there is an external page that folks can tab to, and the internal web page, we have more information for people and the Verizon media team wants to remind everyone we are working hard to be a source people can go to for facts, and fact-based coverage on what is happening with court reporter. They can also always email us, reach out to their manager and their HR, we are here, we have a command center in the emergency room answering 24 hours. I want to thank the people writing us letters, Hans and I receive a lot of communications on things you think we are doing right, what we are missing the ball on and it helps inform our strategy and response, because we are here for your and our customers.

>> All right, Christy, thanks so much. So bringing it back here, nearing the end of the time, Kyle, any final thoughts for your team, or just holistically as we're looking at the network?

>> Yeah, I mean, for me, I just thank everybody, this is -- this is a trying time for everyone, both personally and professionally. We've never been in waters like this.

And, you know, everybody just using common sense, doing the right things, to make sure that we can keep our networks up and you can remain safe. We will -- things will evolve, we will have to adjust, that's just the way this thing is going. I appreciate everybody keeping safety top of mind as they're doing the work here.

>> Good thank you Kyle, we will go to Hans before we wrap up with the final word in the studio.

>> Thank you, Jeremy, we said a lot today and a couple of things are important for me. As you can hear from us, we are managing the stakeholders, all of them are so important to us. And you, we, are super important, that's the number one priority to see that you are safe and healthy. And secondly, the customer piece of it, we need to see that we are, again, keeping the networks up for our customers because it is so critical. And the society piece of it we are working constantly and the important interactions to see how we can support them, and finally, the financial markets and shareholders we are managing, that we are doing right with them at the same time, and as Christy and Kyle said, these are new times for all of us, the feedback, everything you are giving to us is super important because we can formulate how we can take this forward. And it is great to see how everybody comes together as a team, and if there is something I'm really proud of, this customer during this time, because the teamers are doing an enormous job in pulling together, back to you, Jeremy.

>> Thank you, we will continue these chats every day, noon eastern, 9:00AM Pacific, we will get the updates from the folks that need to share information with us, Christy and Hans and the other leaders in the business, we have a lot of questions during this, we will see what we can answer for you tomorrow, but you can always drop your questions to live@verizon.com. Thank you for joining us, until next time, you are up to speed.