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March 24, 2014

**Via Email and Hand Delivery**

New Jersey Board of Public Utilities  
Kristi Izzo, Secretary  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
PO Box 350  
Trenton, NJ 98625-0350

**Re: IN THE MATTER OF VERIZON NEW JERSEY, INC.'S ALLEGED  
FAILURE TO COMPLY WITH OPPORTUNITY NEW JERSEY  
COMMITMENTS  
DOCKET NO.: TO12020155**

Dear Ms. Izzo:

Please accept the following comments on behalf of the Communications Workers of America, AFL-CIO ("CWA") in opposition to the proposed Stipulation of Settlement in the above referenced matter. CWA represents over 65,000 public and private sector workers in New Jersey, including approximately 3,000 workers employed by Verizon New Jersey Inc. ("Verizon").

Pursuant to a petition filed by Verizon (formerly known as New Jersey Bell Telephone) on March 31, 1992, the BPU issued an order on May 6, 1993 granting a modified plan for alternative regulation (PAR-1) that included a plan for the accelerated deployment of advanced switching and transmission technologies for Verizon's network. This plan is known as "Opportunity New Jersey."

PAR-1 required Verizon to meet all requirements of Opportunity for New Jersey, including full broadband capabilities to support data rates up to 45 megabits per second and higher, allowing 100% of Verizon's residential and business customers to receive high definition video and to send and receive interactive video signals. Deployment of this technology in Verizon's service territory was to be completed by the end 2010. In other words, the quid pro quo for the elimination of traditional rate of return regulation, allowing Verizon to increase its profits and granting the company access into new markets, was Verizon's agreement to build out

a broadband network for all residential and business consumers within its service territory capable of delivering high speed broadband.

Since the issuance of the original PAR-1 order in 1993, the BPU has twice reviewed the implementation of that order and on August 19, 2003, the BPU approved a second plan for alternative regulation (PAR-2), but did not modify the existing broadband commitments made by Verizon pursuant to Opportunity New Jersey. However, it is undisputed that the broadband commitments made by Verizon have not been met, particularly in the more rural areas of the State, such as Cumberland County. For this reason, on March 12, 2012, Verizon was ordered to show cause why the BPU should not find that Verizon has failed to comply with PAR-2, requiring Verizon to provide full broadband capability by the end of 2010.

By notice issued on January 29, 2014, the BPU published a proposed Stipulation of Settlement relating to the BPU's PAR-2 order and Verizon's compliance with Opportunity New Jersey. The BPU invited the public to comment on the proposed Stipulation of Settlement, including the implementation of a new broadband request process known as a bonafide retail request or "BFRR."

The proposed Stipulation of Settlement significantly weakens the original commitment by Verizon to make high speed broadband service available to all residential and business customers in its service territory.

First, the Stipulation would extend by up to seven years the time within which Verizon would be required to meet its obligation under Opportunity New Jersey. Pursuant to the proposed Stipulation, Verizon would have until the end of December 2017 (or the approval of a new plan for alternative regulation by the BPU, whichever is earlier) to make broadband service available to residential and business customers in its service territory.

Second, even after providing Verizon with an additional seven years to meet its Opportunity New Jersey commitments, the proposed Stipulation would not require that Verizon satisfy its promise to provide high speed broad band service to all residential and business customers in its service area. Instead, Verizon would only need to make broadband service available to a minimum of 35 single-line business or residential consumers located in a Census Tract in Verizon's authorized service territory.

Further, the proposed Stipulation makes the requirement that broad band service be made available to a minimum of 35 customers within a Census Tract contingent on those customers meeting the following conditions: (1) they have no access to broadband from cable service providers; (2) they have no access to 4G-based wireless service; and (3) they sign a contract agreeing to at least one year of service and pay a \$100 deposit. A request received from a consumer meeting these three requirements is designated by the proposed Stipulation as a BFRR. Accordingly, if a customer is deemed to have access to 4G-based wireless service, Verizon is permitted to renege on its 1993 commitment to provide high speed wireline broadband service to that customer. However, 4G wireless service is not regulated and is therefore subject to overpricing and data caps. And in most instances it cannot be used to watch video.

Leaving aside that the BFRR requirements are inconsistent with the terms of either the PAR-1 or PAR-2 orders and relieve Verizon of its commitment to provide at least 45 megabits per second or higher broadband service to all of its residential and business customers within its service territory by the end of 2010, the proposed Stipulation affords Verizon nine months (which may be extended by an additional six months in certain situations upon notice to the BPU) from the receipt of a completed BFRR to either provide broadband service on its network or arrange with another provider, including wireless, cable or satellite provider, to provide the service. Thus, the commitment by Verizon to build out its network in exchange for relief from traditional rate regulation is extinguished by the BPU's proposed Stipulation.

Third, the proposed Stipulation defines broadband as service delivered through the "use of any technology medium (including 4G-based wireless, fiber, copper, or cable), data transmission service at speeds no less than the minimum speed of Verizon NJ's Digital Subscriber Line Services ("DSL") that is provided by Verizon as of today's date." This definition of broadband service effectively eviscerates Verizon's original obligation undertaken over 20 years ago to provide broadband service at rates up to 45 megabits per second and higher for the express purpose of allowing its residential and business customers to receive high definition video and to send and receive interactive video signals. The definition of broadband service in the proposed Stipulation would permit Verizon to meet its Opportunity New Jersey obligations by providing service at speeds of 5 to 10 megabits per second – speeds that will not reliably support high definition video or the sending and receiving of interactive video signals.

The comments submitted by Hopewell Township's mayor, Bruce R. Hankins, aptly illustrate the serious flaws in the proposed Stipulation and make clear why the BPU should reject the Stipulation. At present, only 30% of Hopewell's non-farm businesses and 20% of its farm businesses have broadband service. Only 40% of Hopewell's households have broadband. Hopewell and the neighboring borough of Shiloh are in the same Census Tract. Therefore, under the terms of the proposed Stipulation, only 35 single line customers in the entire Census Tract, who currently do not have broadband service would have to be offered such service, assuming they otherwise meet the criteria specified in the proposed Stipulation, including no access to a 4G-based wireless network. If the proposed Stipulation is approved, the 20 year standing commitment to provide high speed broadband service to all residential and business customers in Verizon's service territory, which includes Hopewell, will likely remain unfulfilled for 1000's of Hopewell residents and over 250 of its businesses.

Verizon should not be permitted to evade the obligations it undertook in 1993 and again in 2003 to provide a high speed broad band network to 100% of the residential and business customers within its service territory. Put simply, 4G-based wireless service is not comparable to wireline high speed broadband service. Wireless is more expensive and has less capacity. Verizon profited from its alternative regulation deal and Verizon's customers paid higher rates for services as a result of that deal. Verizon should be required to live up to its end of the 1993 and 2003 bargains – to provide high speed broadband service to all of the residential and business customers in its service territory.

Therefore, the proposed Stipulation of Settlement should be rejected by the BPU because it does not require Verizon to satisfy its obligations under PAR-2 and thereby deprives the residents of New Jersey of access to reliable and affordable high speed broadband services.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Steve Weissman', with a long horizontal flourish extending to the right.

Steven P. Weissman

c: Chris Shelton, VP CWA District 1  
Hetty Rosenstein, CWA NJ Director