

Agenda Date: 10/13/11

Agenda Item: 4A

STATE OF NEW JERSEY

Board of Public Utilities 44 South Clinton Avenue, 9th Floor Post Office Box 350 Trenton, New Jersey 08625-0350 www.nj.gov/bpu/

		TELECOMMUNICATIONS
N THE MATTER OF THE BOARD INVESTIGATION)	ORDER
REGARDING THE RECLASSIFCATION OF)	
NCUMBENT LOCAL EXCHANGE CARRIER (ILEC))	
SERVICES AS COMPETITIVE - PHASE II)	DOCKET NO. TX11090570

Stefanie Brand, Esq., Director, Division of Rate Counsel

BY THE BOARD:

The Legislature has authorized the Board to address changes in technology and the structure of the telecommunications industry, and to modify the regulation of competitive services to promote economic development in New Jersey. Telecommunications Act of 1992, N.J.S.A. 48:2-21.16 et seq. By letter dated November 14, 2007, Verizon New Jersey ("VNJ") requested that the New Jersey Board of Public Utilities ("Board") initiate a review of the current state of competition in the telecommunications market in New Jersey as to mass market retail services provided by incumbent local exchange carriers ("ILECs"), which led to a proceeding in In the Matter of the Board Investigation Regarding the Reclassification of Incumbent Local Exchange Carrier (ILEC) Services As Competitive, BPU Docket No. TX07110873; and I/M/O the Application of United Telephone Company of New Jersey Inc. d/b/a Embarq for Approval of a Plan for Alternative Regulation, BPU Docket No. T008060451 ("ILEC Proceeding").

Following extensive discovery, testimony and hearings in the ILEC Proceeding, on May 30, 2008, Verizon, on behalf of itself, Board Staff and Rate Counsel, submitted a proposed stipulated settlement to the Board for approval. A similar agreement was filed by CenturyLink, on June 27, 2008. By Order dated August 20, 2008, the Board accepted both stipulations. The key provisions of the agreements are as follows:

 With the exception of residential basic exchange service including usage, single-line business basic exchange service, non-recurring charges for installation of residential services, and residential DA service, the remainder of CenturyLink's and Verizon NJ's mass market retail services were classified as competitive. The companies were permitted to adjust rates for the four rate regulated services on an annual basis for three years as follows:

- (a) Residential basic exchange service: Verizon NJ's rate of \$8.95 per month could rise to no more than \$16.45 per month in the third year. CenturyLink's rate of \$7.95 could rise to more than \$15.45 per month in the third year.
- (b) Single-line business basic exchange service: Verizon NJ's rate of \$15.00 could rise to no more than the multi-line business rate or \$25.50 per month (whichever is lower) in the third year. CenturyLink's rate of \$16.40 could rise to more than \$25.50 per month in the third year.
- (c) Non-recurring charges for installation of residential services: Verizon NJ's rate of \$42.35 could rise to no more than \$50.00 in the third year. CenturyLink's rate of \$25.00 could rise to no more than \$30.00 in the third year.
- (d) Residential DA service: Callers receive two (2) free call(s) per month. Once the monthly free call allowance has been exceeded, CenturyLink and Verizon NJ could charge no more than \$1.50 per chargeable DA call for the third year.

In addition, the agreement called for a further proceeding to re-evaluate the competitiveness of retail services. Specifically the Parties agreed to the following:

The Board shall initiate a proceeding to re-evaluate the competitiveness of the [four rate regulated] services...within ninety (90) days after the third anniversary of the effective date of the appropriate tariffs reflecting the first year increases. The rate caps shall remain in effect until the conclusion of that proceeding. As part of that proceeding, Rate Counsel may seek reclassification of any retail mass market competitive services...

[see ILEC Proceeding Order at 43].

Based upon the above, the Board at this time will conduct a full investigation and initiate hearings in this regard as described in the Stipulation, pursuant to N.J.S.A. 48:2:21.19(b), to review the necessary criteria. Specifically, the Board seeks to determine if ILEC services satisfy the necessary elements of ease of market entry, presence of other competitors, and availability of like or substitute services in the relevant geographic area.

In order to provide a full record and to allow for an inclusive and transparent process, the Board proposes to conduct this hearing with the input of any and all interested parties. ILEC providers in the State that seek such competitive status are invited to intervene in this matter. Additionally, the Board welcomes the input of Rate Counsel, and any other interested parties with the intent of providing insight into the process. Because of the possibility of significant participation and the number and complexity of the issues that must be examined, the Board HEREBY DIRECTS Board Staff, with the Attorney General's Office, to convene a Pre-Hearing Conference with any and all interested parties. Among other things, parties should be prepared to discuss the issues to be addressed and an appropriate schedule.

Based upon the nature of the issues in question and the scope of these proceedings, the Board HEREBY DETERMINES that it will retain jurisdiction over this matter. Finally, the Board HEREBY DIRECTS Staff to provide an electronic copy of this Order to registered telecommunications providers in the State, as well as to any other parties the Staff believes may have an interest in this matter, and to post this Order on the Board's website.

DATED: 10/13/11

BOARD OF PUBLIC UTILITIES

BY:

LEE A. SOLOMON **PRESIDENT**

NNE M. FOX MMISSIONER COMMISSIONER

NICHOLAS ASSELTA COMMISSIONER

ATTEST:

KRISTI IZZO SECRETARY

IN THE MATTER OF THE BOARD INVESTIGATION REGARDING THE RECLASSIFICATION OF INCUMBENT LOCAL EXCHANGE CARRIER (ILEC) SERVICES AS COMPETITIVE

DOCKET NO. TX11090570

SERVICE LIST

Aggie Gainer regulatory@telecomgroup.com
Alex Gertsburg agertsburg@infotelecom.com
Alex Moreau alex.moreau@dol.lps.state.nj.us
Alfred Mayerhoff
Alfred West awest@xchangetele.com

Alfred West

Amy Lawlor

Andre Simone

awest@xchangetele.com
a.lawlor@wvtc.com
asimone@intelepeer.com

Andrew Schwantner

Anthony Centrella

Ava Marie Madeam

as@bigrivertelephone.com
anthony.centrella@bpu.state.nj.us
avamarie.p.madeam@verizon.com

Barbara Horwitz

Benjamin Aron

Beth Choroser

Bonita Bailey

Brod Jakon

Barbara Horwitz

bhorwitz@digitalspeed.com

benjamin.aron@sprint.com

beth_choroser@comcast.com

bbailey@pelzercom.com

brad@confiber.com

Brad Ickes brad@ocgfiber.com
Bradford M. Bono info@magellanhill.com
Brian Twomey btwomey@tncii.com

Carol Artale <u>carol.artale@bpu.state.nj.us</u>

Carol Lisowski <u>carol@xyn.com</u>

Carroll Wallace cwallace@momentumtelecom.com
Caryn Gerczak gerczakc@corp.netcarrier.com
Chris Barton cbarton@wcs.com

Chris Gambino cgambino@optimumlightpath.com

Chris P. Yost cyost@zayo.com
Christopher J. White cwhite@rpa.state.nj.us
Chris Vandeverg chris@coretel.net
Collen A. Foley cfoley@saul.com

Collen A. Foley

Courtney Garrett

Cortney Schroeder

Craig Pizer

Colley@saul.com

cgarrett@broadvox.com

cschroeder@closecall.com

cpizer@hotwiremail.com

Cynthia Firstman <u>cat@airespring.com</u>

Daniel Meldazis dmeldazis@peerlessnetwork.com

Daniel E. Spivey <u>dan@spivey1.com</u>

Dave Bailey

David Bonsick

Debbie Crawford

Deni Dakhi

Dennis M. Packer

Diana Aminimatical debbie.crawford@ttmi.us

deni@mcctelco.com
dpacker@pngmail.com

Diana Aguirre

Diane Clark

Diane Peters <u>diane_peters@globalcrossing.com</u>
Donald Walsh <u>information@cornerstonetelephone.com</u>

Douglas Deny Brown dougd@rnktel.com

Gregory Romano <u>gregory.m.romano@verizon.com</u>
Harold Bond <u>harold.bond@bpu.state.nj.us</u>

Heather Gibbs Isaac Fajerman Israel Max

Jack Greenberg James F. Murphy James Mackenzie Janae Walker Bronson

Jason Brown
Jeff Korn
Jennifer Haas
Jerimie Smuckler
Jessica Renneker
Jessie Russell
Jill Sandford
Jim Meyer
Jim Scheltema
Joe Kahl
John DeLuca
John Ivanuska

Joseph Isaacs
Jose Rivera-Benitez
Joyce Stoeberl
Judith Messenger
Julie Adams
Julie P. Laine
Kade Ross
Kap S. Chang
Karen M. Hyde
Karin McDine

Kelly Faul

Kelly Whitehead Kenneth W. Leland Kimm Partridge Kim Robert Scovill

Katherine Mudge

Kyle Coats
Lakisha Taylor
Lawanda Gilbert
Lee Miragliotta
Leslie Brown
Leslie Ellis
Linda Hunt
Liz Murray
Liz Sorino

Lorrane Esposito
Lynne Martinez
Manahem Perets
Marc Sellouk
Margaret Ring

Maria T. Novas-Ruiz

Mark A. Keffer

heather.gibbs@deltacom.com

ifajerman@dnetit.com israel@maxsip.com

jackgreenberg@litecall.net james.murphy@bpu.state.nj.us

james.mackenzie@quortechequities.com janae.walkerbronson@americantower.com

jason.brown@accesspointinc.com

sales@crexendo.com

regulatory@publicwireless.com

jsmuckle@acninc.com jrenneker@nos.com jerussell@ureach.com jsandford@above.net jmeyer@riker.com jscheltema@gnaps.com joseph.kahl@rcn.net

john.deluca@bpu.state.nj.us john.ivanuska@xo.com isaacs@isg-telecom.com jrivera@rpa.state.nj.us i.stoeberl@wtc.com

judy.messenger@paetec.com

jadams@fibertech.com julie.laine@twcable.com kross@bandwidth.com colin.kim@hellodepot.com karen.hyde@level3.com kmcdine@cpvcom.net kmudge@covad.com kelly.faul@xo.com

kwhitehead@cordiacorp.com kwleland@monmouth.com kimm.partridge@ucn.net kscovill@telecomsys.com coats@everycall.com

lakishat@budgetphone.com lawanda.gilbert@bpu.state.nj.us

lee@simlab.net

leslie.brown@lightower.com regulatory@matrixbt.com linda.hunt@lightyear.net

elizabeth murray@cable.comcast.com

Isorino@xtel.net

I.esposito@profitecinc.com Imartin@pacwest.com talkspan@talkspan.com marc@transbeam.com mhring@cavtel.com

mnovas-ruiz@rpa.state.nj.us

mkeffer@att.com

Mark I. Hayes
Mary Cedgelski
Matthew Brown
Menahem Perets
Mendel Birnbaum
Michael Basile
Michael Berg
Michael McAlister
Michael Ruziska
Michelle Salisbury
Mike Tenore

Mike Tyler Murray E. Bevan Nick Kyriakides Norm Brandinger

Pamela Hill
Patricia Campbell
Paul Bradshaw
Paula W. Foley
Paul Flanagan
Penny H. Bewick
Peter Chevalier

Peter Russo

Philip Shapiro

Rachel Bulman Raymond M. LaChance

Rene Bellerud Richard Monto Richard Kelly Rich Nacchio Rick Choinski Robert A. Millar Robert McCausland

Robin Hicks
Rochelle Jones
Rolando Rivera
Ron Cassel
Russell Markman
Sadia Mendez
Sam Vogel
Sandra Forquer
Schula Hobbs
Scott E. Beer
Scott Sommerer
Sean Dandley
Stan George
Stefanie A. Brand

Stephen Yodice

Steve Boodan

Tara Jackson

Terry Ray

mhayes@alec.net

mcegelski@firstcomm.com

brown@jacod.com
talkspan@talkspan.com
mendel@dynalinktel.com
mike@americanpayphone.com
mberg@vodanetworks.net

mike@navtel.com

michael.ruziska@entelegent.com michelle.salisbury@crowncastle.com

mtenore@rnktel.com miket@itltd.net mbevan@ckclaw.com nick@nettalk.com norm@goes.com phill@usacsp.com

patricia.campbell@bpu.state.nj.us paul.bradshaw@infrasourceinc.com pfoley@onecommunications.com

pflanagan@rpa.state.nj.us

pbewick@newedgenetworks.com

pchevalier@zayo.com saamcopete@aol.com psshapiro@att.com rbulman@ibctelecom.com rlachance@lexent.net

rbellerud@bellerudtel.com rmonto@neutraltandem.com rich@reynwood.com rnacchio@bcntele.com

rchoinski@lightower.com rmillar@nextgnetworks.net robert.mccausland@H3net.com robin.hicks@dpiteleconnect.com rochelle.jones@twtelecom.com

rrivera@ec-eye.net

rcassel@millenniuminc.com russellm@nbsvoice.com smendez@mcgrawcom.net

svogel@mettel.net sforquer@covista.com shobbs@megapath.com

sbeer@zayo.com

s.sommerer@wvtc.com sdandley@dscicorp.com sqeorge@bbcentric.com sbrand@rpa.state.nj.us syodice@syoptics.com sbogdan@broadviewnet.com tara.jackson@birch.com tray@extenetsystems.com Thomas Haluskey
Tim French
Timothy A. Hausman
Timothy Bachert
Todd Horton
Vanessa Leon
Veronica Honor
Vincenzo Clemente
Wayne Foster
William Mosca
William Quinlan
William Weber
Yvonne Schroeder de Orr
Zsuzanna E. Benedek

thomas.haluskey@ecntel.com
tfrench@granitenet.com
thausman@ironton.com
tbachert@nxgt.com
toddh@advanzasystems.com
vanessa.leon@spectrotel.com
veronicahonor@sterlingtelco.com
vclemente@crossriverfiber.com
wayne_foster@mitel.com
wmosca@ckclaw.com
bquinlan@expertta.com
william.weber@cbeyond.net
yvonne@mobilitie.com
sue.e.benedek@embarg.com