



New Jersey Board of Public Utilities

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Board OKs Verizon Request to Enter Long-Distance Market

NEWARK, NJ. – The New Jersey Board of Public Utilities (Board) today took action to recommend to the Federal Communications Commission (FCC) that Verizon New Jersey, Inc. (Verizon) be allowed to provide long-distance service to New Jersey customers, provided the company ensures compliance with certain conditions necessary to confirm that its' market is fully open to competition.

"After a comprehensive and extensive study, Verizon demonstrated its compliance with the Federal Telecommunications Act," said Board President Connie O. Hughes. "However, Verizon must verify that it implemented new wholesale rates, to demonstrate to the FCC and the Board that the market in New Jersey is completely and irreversibly open to competition. Today's action is a significant step towards ensuring consumer choice is available to New Jerseyans. "

Connie O. Hughes continued, "The wholesale rates, which are the lowest in the region, are necessarily low enough to encourage competitors to enter the residential market."

To fully satisfy its obligations under law, Verizon must verify that it is charging new wholesale rates set by the Board in December 2001, some of which were reduced by more than 40 percent.

"Without the assurance that the rates are being charged, and will continue to be charged, the Board would not be in a position to recommend approval of Verizon's long distance request to the FCC," said Board Commissioner Frederick F. Butler. "We also believe that allowing Verizon to compete in the long distance market will provide additional benefits by giving customers greater choices in long distance service and spurring competition in the local market."

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Verizon is obligated to pay penalties to competitors when it fails to meet performance standards established by the Board. Under today's decision, Verizon must apply these performance standards to its electronic billing system, which is used to bill competitors using its network, and pay penalties every time it violates any standard. Billing penalties are paid in full to every competitor affected by a violation.

Today's ruling doesn't give Verizon the authority to enter the long-distance market. The FCC has the final authority and will use the Board's recommendation before making its decision on Verizon's application. The FCC requires any local phone company to meet a 14-point checklist outlined in the Federal Telecommunications Act of 1996 before it can enter the long-distance market. It looks to state utility commissions to determine if the companies have met the checklist. The Board must issue its recommendations to the FCC by January 14, 2002, at which time a full report will be available to the public.

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