



New Jersey Board of Public Utilities

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NJBPU ANNOUNCES DECISION TO SPUR COMPETITION **IN NEW JERSEY'S LOCAL TELEPHONE MARKET**

The Board of Public Utilities (BPU) today set new wholesale rates for competitors who utilize parts of Verizon's telephone network to provide local service to New Jersey consumers. The BPU decision reduces the cost for competitors to lease Verizon facilities that connect customers to the telephone network, also known as the "local loop," from \$16.21 to \$9.52, a reduction of approximately forty-one percent.

"The Board is extremely pleased with today's decision to establish dramatically reduced Unbundled Network Element rates," said President Connie O. Hughes. "One of the immediate benefits that this decision brings is a pro-competitive environment for local service as well as advanced services such as DSL in the residential market, an area previously lacking it."

The Board's decision includes:

- Dramatically reduced non-recurring charges to take advantage of modern automated systems and streamline installation procedures.
- Establishment of pro-competitive practices to encourage the introduction of advanced services such as DSL, used for high speed Internet access.

The BPU decision will serve as the basis for a long-term strategy that provides Competitive Local Exchange Carriers (CLEC) with the incentive to build facilities to serve the local telecommunications market for both basic and advanced telephone services.

Today's decision also establishes an Unbundled Network Elements Platform (UNE-P) rate of \$13.93. The rate is thirty-eight percent lower than the existing rate of \$22.42. The Incumbent Local Exchange Carrier (ILEC) makes UNE-P available by combining the "loop" and switching elements in one package as mandated by an earlier Board Order.

The availability of UNE-P has taken on additional importance as larger facilities-based carriers have indicated that this will be their primary strategy for entrance into the residential local service market. The utilization of UNE-P presents CLECs immediate access to the entire landline customer base of the ILEC, without the need to buy and install separate equipment in every ILEC central office.

The BPU decision sets in motion the framework necessary to effectively “jumpstart” local competition in the state. It addresses the recurring rates, non-recurring rates, and technical and policy issues associated with the provision of unbundled network elements.

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