Agenda Date: 3/12/12 Agenda Item: 4B



## STATE OF NEW JERSEY

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

		<u>TELECOMMUNICATIONS</u>
IN THE MATTER OF VERIZON NEW JERSEY, INC.'S ALLEGED FAILURE TO COMPLY WITH OPPORTUNITY NEW JERSEY COMMITMENTS	)	ORDER TO SHOW CAUSE
	)	DOCKET NO. TO12020155

#### Parties of Record:

Gregory M. Romano, Esq., for Verizon New Jersey, Newark, NJ Stefanie A. Brand, Esq., Director, Division of Rate Counsel, Newark, NJ

#### BY THE BOARD:

The New Jersey Board of Public Utilities ("Board"), an agency within a principal department of the Executive Branch of State Government, with principal offices at 44 South Clinton Avenue, P.O. Box 350, Trenton, New Jersey, by way of Order to Show Cause, alleges:

- 1) The Board, pursuant to N.J.S.A. 48:2-13 and N.J.S.A. 48:2-1 et seq., has been granted general supervision and regulation of and jurisdiction and control over all public utilities, including individuals, co-partnerships, associations and corporations, that own, manage or control telecommunications facilities that operate in New Jersey as well as their property, property rights, equipment, facilities and franchises.
- 2) The Board, pursuant to N.J.S.A. 48:2-1 et seq., is vested with the authority to regulate all aspects of public utilities in the State of New Jersey, and to adopt rules and regulations concerning such activities, and, pursuant to N.J.S.A. 48:2-19, to investigate any matter involving a public utility.
- 3) Pursuant to N.J.S.A. 48:2-21.16 (a) (5), the Board also has the authority to approve alternative forms of regulation to address changes in technology and the structure of the telecommunications industry and to modify the regulation of competitive services and to promote economic development.

- 4) Pursuant to N.J.S.A. 48:2-21.18, the Board is empowered to review the plan for alternative regulation and approve the same after notice and hearing provided certain specifically enunciated criteria have been met.
- 5) Respondent Verizon N.J. Inc. (formerly known as New Jersey Bell Telephone) ("Verizon") is a public utility in the State of New Jersey and a provider of telecommunications services subject to the jurisdiction of the Board with an address of record at 540 Broad Street, Newark, NJ 07102.
- 6) On March 31, 1992, Verizon filed a petition with the Board and was later granted a modified plan for alternative regulation ("PAR") by Order dated May 6, 1993 in Docket No. TO92030358 ("PAR Order"). The petition filed included a plan for accelerated deployment of advanced switching and transmission technologies for its network, known as Opportunity New Jersey ("ONJ"), and provided for the monitoring of Verizon's progress regarding deployment.
- 7) Pursuant to the PAR Order, Verizon was required to achieve ONJ in its entirety, including full broadband capability, by the year 2010, specifically, switching technologies matched with transmission capabilities to support data rates up to 45,000,000 bits per second and higher, which enables services, for example, that will allow residential and business customers to receive high definition video and to send and receive interactive video signals with complete deployment in 2010.
- 8) The Board reviewed implementation of ONJ, particularly (1) the status of ONJ and relevant deployment strategies; (2) the business as usual benchmarks established to gauge ONJ's progress to date; (3) the economic development impacts that ONJ has had on the State; and (4) the impact of the proposed acquisition by Bell Atlantic Corporation of NYNEX Corporation, in a proceeding initiated in 1996, In the Matter of the Board's Inquiry into Bell Atlantic-New Jersey, Inc.'s Progress and Compliance with Opportunity New Jersey, Its Network Modernization Program, Dkt. No. TX96100707, October 18, 1996.
- 9) A Stipulation, in Dkt. No. TX96100707 was executed on April 18, 1997, and memorialized by Order dated June 10, 1997. That Order accelerated ONJ through the establishment of Access New Jersey ("ANJ"), a program established to provide advanced communications services to all schools and libraries. Nothing therein disturbed the existing ONJ broadband commitments made by Verizon.
- 10) By Order dated March 30, 2001 in Docket No. TX99020050, the Board concluded a second review of ONJ, finding that Bell Atlantic-NJ met, or was on track to meet, its ANJ commitments, which was the focus of that review.
- 11) By Order dated August 19, 2003 in Docket No. TO01020095, the Board approved a second plan for alternative regulation ("PAR-2") that replaced PAR-1. PAR-2 further enhanced ANJ, but did not disturb the existing ONJ broadband commitments made by Verizon.
- 12) Based upon information and belief, residents of Greenwich and Stow Creek, Cumberland County, are not being provided broadband capabilities consistent with ONJ.
- 13) To date, full deployment of broadband has not been achieved.

## The Board HEREBY ORDERS:

- 1) Verizon to show cause before the Board why the Board should not find that Verizon failed to comply with the PAR Order in providing full broadband capability by 2010.
- 2) Verizon to file an Answer to this Order to Show Cause, and any and all documents or other written evidence upon which Verizon relies in responding to the within Order to Show Cause, no later than April 12, 2012.

The Board <u>HEREBY</u> <u>DIRECTS</u> that a certified copy of this Order be served upon Respondent pursuant to N.J.S.A. 48:2-40.

DATED:

3/12/2012

BOARD OF PUBLIC UTILITIES

ROBERT M. HANNA

FANNE M. FOX

NICHOLAS ASSELTA COMMISSIONER JOSEPH L. FIORDALISO COMMISSIONER

MARY-ANNA HOLDEN COMMISSIONER

ATTEST:

KRISTI IZZO SECRETARY I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public

Utilities

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

### **SERVICE LIST**

Gregory M. Romano, Esq. General Counsel Mid Atlantic Region One Verizon Way, VC54S204 Basking Ridge, NJ 07920-109

Stefanie A. Brand, Esq., Director Division of Rate Counsel Christopher White, Esq. Maria Novas-Ruiz, Esq. 31 Clinton Street, 11th Floor P.O. Box 46005 Newark, NJ 07101

Alex Moreau, Deputy Attorney General Department of Law & Public Safety Division of Law 124 Halsey Street, 5th Floor P.O. Box 45029 Newark, NJ 07101

Anthony Centrella
Carol Artale
John DeLuca
Board of Public Utilities
44 So. Clinton Avenue, 9<sup>th</sup> Floor
Post Office Box 350
Trenton, New Jersey 08625