



New Jersey Board of Public Utilities

NEWS RELEASE

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N. J. Board of Public Utilities Appoints Presiding Commissioner for Verizon Copper Line Service Quality Case

– Board President Mroz to preside in matter filed by 16 towns and the County of Cumberland –

Trenton, N.J. – The New Jersey Board of Public Utilities (Board) today appointed Board President Richard S. Mroz to serve as Presiding Commissioner in the case filed by 16 southern New Jersey municipalities and the County of Cumberland, which alleges Verizon New Jersey's (Verizon) service quality is poor due to the company's failure to properly maintain its copper landline facilities that provide landline telephone and data services to New Jersey customers in those communities.

The Board's action comes as ongoing settlement talks among the parties have currently not reached a stipulation of settlement among the parties. The presiding commissioner will rule on the motions, issue a procedural schedule and preside over any hearings.

On November 24, 2015, 16 southern New Jersey municipalities and the County of Cumberland filed a petition with the Board alleging that Verizon has failed to properly maintain its copper landline facilities. The petition asserts that Verizon has failed to comply with its obligations to maintain and repair its services to ensure safe and satisfactory landline telephone and data transmission is provided throughout the service territory covering those communities. In addition, the petitioners contend that there is a lack of measurable performance standards. Furthermore, the petitioners seek reclassification of Verizon's basic telephone services as noncompetitive due to an alleged lack of competition in those communities. Lastly, the petitioner alleges that the company has violated N.J.S.A. 48:2-21.18(c) by misdirecting funds from its rate regulated business to subsidize its competitive services.

Verizon filed a reply on January 19, 2016, refuting the claims alleged in the petition. The New Jersey League of Municipalities and AARP submitted letters in support of the petition on January 20 and January 25, 2016, respectively. Two public hearings were held on August 4, 2016, in the City of Estell Manor, at which approximately 200 people spoke; 151 written comments were received thereafter.

On August 8, 2016, New Jersey Division of Rate Counsel filed comments that supplemented public statements provided at the public hearings. On August 31, 2016, the petitioner filed a letter requesting

that the Board conduct evidentiary hearings. On September 7, 2016, Rate Counsel filed comments requesting that the Board conduct a full investigation and hold evidentiary hearings.

On September 19, 2016, Verizon filed its response that detailed steps taken to remedy the service quality issues and pledged to continue its efforts by upgrading facilities. As part of its response, Verizon offered a plan to improve facilities to relieve DSL congestion throughout Estell Manor, Weymouth, Maurice River and other communities where lack of capacity is alleged; install fiber optic cable in Lower Alloways Creek; and continue copper infrastructure maintenance and improvements. On September 30, 2016, Rate Counsel replied to Verizon's submission seeking a procedural schedule for the proposed work. The petitioner responded on October 3, 2016, to the recent proposal filed by Verizon and argued the plan is insufficient in addressing the needs of the area and renewed their request for evidentiary hearings.

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