

STATE OF NEW JERSEY

Board of Public Utilities
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OFFICE OF CABLE
TELEVISION AND
TELECOMMUNICATIONS

IN THE MATTER OF VERIZON NEW JERSEY INC.) ORDER
TARIFF REVISIONS SWITCHED ACCESS SERVICES –)
TARIFF B.P.U.-No. 6 DOCKET NO. TT22060383

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel Sylvia Del Vecchio, Manager, State Government Relations, Verizon New Jersey, Inc.

BY THE BOARD:1

BACKGROUND

On June 1, 2022, Verizon New Jersey, Inc. ("Verizon"), filed a letter filing with the New Jersey Board of Public Utilities ("Board") revising Verizon Tariff B.P.U.-N.J.-No. 6 – Switched Access Services. The purpose of the filing is to implement a Federal Communications Commission ("FCC") Order regarding the compensation of carriers for toll free or 8YY calls.²

Calls to 8YY numbers differ from other calls carried over the public switched telephone network in that the party receiving the call, not the party placing the call, pays the toll charge. Routing of 8YY calls also requires that carriers send queries to an industrywide database operated by the Toll Free Number Administrator ("8YY Database") to determine the 8YY provider for the dialed number. 8YY traffic includes interstate and intrastate calls including wireless 8YY calls, intended to terminate at a telephone number for which there is no charge to the calling party by an interexchange carrier for making and completing the calls. When long distance calls were expensive, 8YY services allowed the consumers to call businesses and other institutions without worrying about the cost of toll services. This was a benefit to consumers and to the companies receiving their calls. Although the rise of unlimited calling plans have largely eliminated separate toll charges for 8YY services, there continues to be a high demand. This is attributed to

² In the Matter of 8YY Access Charge Reform, Report and Order, WC Docket No. 18-156 (October 9, 2020) (hereinafter "8YY Reform Order"). 8YY is a generic reference to series of prefixes associated with 800 toll free calling.

¹ Commissioner Zenon Christodoulou abstained from voting on this matter.

businesses and other institutions using 8YY numbers to provide customer service, heighten brand awareness, and track the effectiveness of individual advertising campaigns. The increased demand for these 8YY numbers resulted in the FCC authorizing additional toll free codes beyond the original 800 code, including the 888, 877, 866, 855, 844, and 833 codes. However, arbitrage and fraudulent calling schemes, such as unnecessary multiple database queries or improper steering of traffic where higher rates are assessed have been raising costs for 8YY providers and increasingly undermining the system of intercarrier compensation.

The rules adopted by the FCC under the 8YY Reform Order aimed to curtail the abuse of 8YY intercarrier compensation regimes and preserve the value of toll free services. Under the rules, the FCC: 1) instituted a cap on all originating 8YY end office, tandem switching and transport, and database query charges at their current rates as of the effective date of the 8YY Access Order; 2) reduced originating 8YY end office charges to bill-and-keep over a three year period, beginning July 1, 2021 and ending July 1, 2023; 3) adopted a single uniform nationwide rate cap of \$0.001 per minute for originating 8YY tandem switching and transport access charges as of July 1, 2021; 4) reduced database query charges to a cap of \$0.0002 per query over a three year period, ending July 1, 2023, and 5) prohibited carriers from charging for more than one database query per call.³

DISCUSSION AND FINDINGS

The Board has reviewed Verizon's June 1, 2022 letter filing and supporting documents revising its Switched Access Services tariff consistent with the requirements of the 8YY Reform Order requiring carriers to reduce its interstate and intrastate rates for all originating End Office Access Service and rate elements for Toll Free calls in each state and Toll Free Database Query Charges in which it provides such services. The Board <u>FINDS</u> that the proposed tariff changes are consistent with the applicable law and in the public interest. Therefore, after investigation, having considered the record and exhibits submitted by Verizon, the Board <u>HEREBY AUTHORIZES</u> Petitioner to effectuate the tariff changes.

³ See 8YY Reform Order, ¶ 25.

This Order shall be effective August 24, 2022.

DATED: August 17, 2022

BOARD OF PUBLIC UTILITIES

BY:

JOSEPH L. FIORDALISO

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MARY-ANNA HOLDEN COMMISSIONER

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ATTEST:

CARMEN D. DIAZ
ACTING 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. TARIFF REVISIONS SWITCHED ACCESS SERVICES – TARIFF B.P.U.-No. 6 DOCKET NO. TT22060383

SERVICE LIST

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