



NEW JERSEY

DIVISION

OF THE RATEPAYER ADVOCATE

The Ratepayer Advocate Represents
Consumers in Current Telecommunications
Proceedings at the Board of Public Utilities

*Supports Competition in the Local Exchange
Telecommunications Market*



Customer choice, lower rates, and reliability are the bottom line for consumers when it comes to deregulation of essential telecommunications, gas, and electric services in New Jersey. A current proceeding at the Board of Public Utilities (“Board”) will determine the future of the telecommunications marketplace in the State of New Jersey.

In May 2000, Bell Atlantic-New Jersey (“Bell Atlantic”) asked the Board to eliminate regulation of most Bell Atlantic rate-regulated telephone services. Bell Atlantic also sought authorization for a plan to restructure telephone service that would, if approved, result in two-fold and three-fold increases in the basic service rates for most New Jersey citizens by offering mandatory “bundled services.” In other words, customers would no longer be able to order only basic dialtone service. Instead, consumers would be required to purchase a more expensive package of phone services that must include additional features, such as call waiting. Plain Old Telephone Service (“POTS”) will no longer be an option for customers who want only basic service.

The New Jersey Division of the Ratepayer Advocate, a state agency devoted to protecting the interests of all utility consumers, has urged the Board to carefully investigate all aspects of the state of local telephone service in New Jersey before it rules on Bell Atlantic’s request. At the outset, the Ratepayer Advocate opposes *any* measure that would result in the doubling and tripling of residential phone rates. The Ratepayer

Advocate intends to gather information related to the actual cost of providing telephone service in order to determine rates which are “just and reasonable.” The Ratepayer Advocate is committed to the establishment of a truly competitive marketplace in which consumers can shop for and find the best deal from many telecommunications service providers. Competition encourages lower prices and technological development and deployment, and provides consumers with a greater number of alternatives.

The Ratepayer Advocate is committed, as well, to the establishment of a New Jersey Universal Service Fund. A Universal Service Fund will ensure that all low-income customers, as well as customers in geographic areas that are more expensive to serve than others, have access to affordable telecommunications services. The creation of such a State fund would permit New Jersey consumers to receive the maximum amount of Federal matching dollars for low-income and high-cost customers. The Ratepayer Advocate will also work toward securing discounted telecommunications data services for schools and libraries, including a fund to pay for electronics and telecommunications equipment. This goal is consistent with Ratepayer Advocate’s intent to ensure upgraded access to broadband telecommunications facilities throughout the State.

Lastly, the Ratepayer Advocate is intent on ensuring that the State’s ratepayers receive their fair share of savings that any telecommunications company may achieve when it merges with another. Accordingly,

the Ratepayer Advocate will work vigilantly to ensure Bell Atlantic's compliance with past Board orders in order to share with the consumers savings realized through mergers with NYNEX and GTE.

The ever-changing world of telecommunications demands fresh and innovative approaches to regulatory and business models. The interest of the Ratepayer Advocate in protecting and ensuring the rights of consumers, however, never changes. That is why the Ratepayer Advocate is determined to ensure that any restructuring of regulatory models, whether applicable to Bell Atlantic or to any other telecommunications company, is effected in a logical and rational manner that considers the benefits to ratepayers in providing affordable access to all of the new technologies of the telecommunications superhighway.

Our Policy Goals

1. The creation of a truly competitive marketplace for all telecommunications services and for all classes of consumers, including business, residential, and educational entities.
2. Residential consumers should not be required to take any additional services, such as call waiting or call forwarding, as part of their basic service package.
3. The establishment of standards with which to determine whether specific telecommunications services are competitive.
4. The rational regulation of pricing, regardless of whether a service has been deemed "competitive," including cost-based rates that are just and reasonable.



Governor Christine Todd Whitman,

5. The establishment of goals and milestones for the deployment of regular and advanced telecommunications services throughout the state.
6. The creation of a State Life-Line program that provides low-income subscribers with affordable telephone service, and which permits these consumers to receive the maximum amount of support available under Federal law.
7. The provision of discounted telecommunications data services to schools and libraries, including premises electronics.
8. The creation of a mechanism to ensure that customers share the benefits of telecommunications companies' merger savings.

We urge you to take in part in the remainder of the Board's public hearings, the schedule for which is provided below. As always, our staff is available to discuss these matters with you at the telephone numbers and e-mail addresses provided below.

Public Hearing

Wednesday, October 18, 2000 1 p.m.
Marlboro Township Administration Building
1979 Township Drive
Marlboro Township, Monmouth County

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