

Agenda Date: 12/12/16 Agenda Item: 4D

STATE OF NEW JERSEY

Board of Public Utilities 44 South Clinton Avenue, 3rd Floor, Suite 314 Post Office Box 350 Trenton, New Jersey 08625-0350 <u>www.ni.gov/bpu/</u>

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OFFICE OF CABLE TELEVISION AND TELECOMMUNICATIONS

IN THE MATTER OF VERIZON NEW JERSEY DISCONTINUANCE OF LAND LINE TELECOMMUNICATIONS MAINTENANCE, FACILITIES AND INFRASTRUCTURE ORDER DESIGNATING COMMISSIONER

DOCKET NO. TO15121325

Parties of Record:

Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel **Theodore E. Baker, Esq.**, County Counsel, County of Cumberland **Richard C. Fipphen, Esq.**, on behalf of Verizon New Jersey

BY THE BOARD:

On November 24, 2015 the County of Cumberland ("Petitioner") filed a Verified Petition with the Board of Public Utilities ("Board") on behalf of 16 rural communities in southern New Jersey¹ seeking an order from the Board to investigate and rectify Verizon New Jersey's ("Verizon") discontinuance of maintenance of copper landline facilities and infrastructure instrumental to the continued provision of adequate landline telephone and data services to New Jersey customers who are without fiber optic service. The Petition asserts that Verizon has failed to comply with its obligations to maintain and repair its service to ensure that safe and adequate landline telephone and data transmission are provided throughout New Jersey.

The Petitioner seeks an investigation and a Board Order directing Verizon to maintain landline facilities. In addition, the Petitioner contends that there is a lack of measurable performance standards. Furthermore, they seek reclassification of Verizon's basic telephone service due to a lack of meaningful competition in the Petitioner's communities. Lastly, the Petitioner argues that Verizon, by its failure to maintain its landline service, has violated <u>N.J.S.A.</u> 48:2-21.18(c) by misdirecting funds from its rate regulated business to subsidize its competitive services.

¹ City of Estell Manor, Weymouth Township, Alloway Township, Lower Alloways Creek, Mannington Township, Pilesgrove Township, Upper Pittsgrove Township, South Harrison Township, Commercial Township, Downe Township, Hopewell Township, Lawrence Township, Maurice River Township, City of Millville, Upper Deerfield Township, Fairfield Township.

Following the submission of the Petition, Verizon filed a reply on January 19, 2016 refuting the claims alleged in the petition. Petitioner filed its reply to Verizon's filing on February 3, 2016, and added supplemental documentation on February 26, 2016.

Letters in support of the Petition were filed by the NJ League of Municipalities and AARP. In addition, on February 15, 2016 NJ State Senator Jeff Van Drew filed a letter in support of the filing and sought hearings.

After reviewing the Petition and subsequent filings, the Board announced on February 24, 2016 that it would hold public hearings to gather information from the public regarding the allegations in the Petition.

On March 11, 2016 Verizon responded to the Petitioner's previous replies and supplemental documentation. Thereafter, on March 15, 2016 the Petitioner replied to the assertions made in Verizon's response to the supplemented petition. In addition, on April 14, 2016 the County of Cumberland submitted a letter to the Board requesting that Washington Township be added to the Petition.²

Two public hearings were held on August 4, 2016 in the City of Estell Manor, where approximately 200 people spoke and 151 written comments were received thereafter. Rate Counsel commented during the proceedings and filed written comments on August 8, 2016. Resolutions in support of the Petition were also filed by the City of Atlantic City and the Borough of Elmer.

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 to the claims of the Petitioner and Rate Counsel, and detailed the steps it has taken to remedy the service quality issues and pledged to continue its efforts by upgrading the facilities in Lower Alloways Creek to fiber optics and relieve DSL congestion throughout Estell Manor, Weymouth, Maurice River and other communities where lack of capacity was at issue. In addition, Verizon's plan calls for continued copper infrastructure maintenance and improvements.

On September 30, 2016 Rate Counsel replied to the Verizon submission seeking a procedural schedule for the proposed work outlined in the Verizon Plan. The Petitioner also responded on October 3, 2016, to the proposal filed by Verizon and argued the plan is insufficient to address the needs of the area and renewed their request for a hearing to explore and resolve the matter.

The Board is empowered to ensure that regulated public utilities provide safe, adequate and proper service to the citizens of New Jersey. <u>N.J.S.A.</u> 48:2-23. Pursuant to <u>N.J.S.A.</u> 48:2-13, the Board has been vested by the Legislature with the general supervision and regulation of

² Subsequent to the initial filing, the petition was also supplemented on May 12, 26, and July 19, 2016. A letter renewing their request for an investigation and hearing was submitted by the Petitioner on August 31st.

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and jurisdiction and control over all public utilities "so far as may be necessary for the purpose of carrying out the provisions of [Title 48]." The courts of this State have held that the grant of power by the Legislature to the Board is to be read broadly and that the provisions of the statute governing public utilities are to be construed liberally. <u>See, e.g., In re Woodbury Terrace Sewerage and Gas Company</u>, 35. <u>N.J.</u> 358, 371 (1961), <u>Twp. of Deptford v. Woodbury Terrace</u> <u>Sewerage Corp.</u> 54 <u>N.J.</u> 418, 424 (1969), <u>Bergen County v Dept. of Public Utilities</u> 117 <u>N.J.</u> <u>Super.</u> 304 (App. Div. 1971).

The Board has determined that the petition seeking an investigation of Verizon as described above should be retained by the Board and, pursuant to <u>N.J.S.A</u>. 48:2-32, <u>HEREBY</u> <u>DESIGNATES</u> President Richard S. Mroz as the presiding Commissioner to establish and modify schedules, decide all motions, and otherwise control the conduct of this case, without the need for full Board approval, subject to subsequent Board ratification.

The Board <u>HEREBY</u> <u>DIRECTS</u> staff to post this Order on the Board's website.

In addition, in the interests of economy, all parties are <u>HEREBY</u> <u>DIRECTED</u> to serve all documents in this matter electronically, while still providing hard copies to the Board for those documents which must be filed with the Board, and hard copies to each party upon request.

This Order shall be effective on December 22, 2016.

in the files of the Board of Public Utilities

BOARD OF PUBLIC UTILITIES DATED: BY: RICHARD S. PRESIDENT IÓSEPH L. FIORDALISO COMMISSIONER COMMISSIONER DIANNE SOLOMON UPENDRA J. CHIVUKULA COMMISSIONER COMMISSIONER ATTEST: SECRETARY I HEREBY CERTIFY that the within document is a true copy of the original

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