



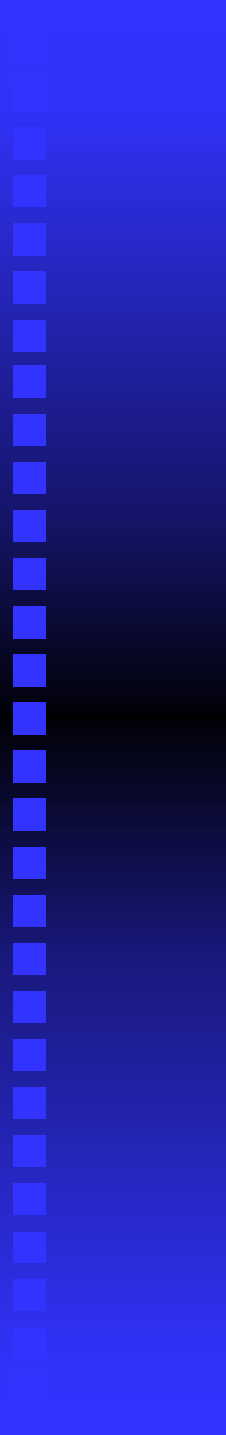
Division of Telecommunications

Anthony Centrella, Director

The Division of Telecommunications oversees the performance of the telephone companies, under the Board's jurisdiction. The Division is comprised of three Bureaus: **Competitive Services and Mergers, Policy and Planning and Technical Development and Deployment.**

Its Bureau of Competitive Services and Mergers executes the Board's regulatory policies for the implementation of local phone competition.

- The Bureau reviews the application for authority to provide service, tariff filings, and proposed mergers and acquisitions.
- It monitors the overall development of local exchange competition in New Jersey, and conducts inter-carrier coordination activities including issues that arise between competing telephone companies.



Its Bureau of Policy and Planning
develops regulatory practices and rules to
insure the availability of universal telephone
services at affordable rates.

Its Bureau of Technical Development and Deployment examines the facilities deployment of telephone companies and ensures that the companies provide reliable, safe and high quality service to consumers at reasonable prices, terms and conditions



TELEPHONE COMPETITION AND DEREGULATION

- In 1984, the Divestiture of the AT&T system set forth separate telephone entities and restricted New Jersey Bell to provide only local and in region toll service and AT&T to provide long distance service.

- In 1994, the Board authorized competition in the in-region toll market, permitting carriers such as AT&T to compete for short distance toll services.

- In 1996, the Federal Telecommunications Act required that local telephone markets be opened to competition and allowed companies such as New Jersey Bell, now known as Verizon, to provide long distance services after they prove the local market was open to competitors.

- To date, the Board has authorized more than 100 companies to provide local telephone service, and nearly 200 contracts, known as interconnection agreements, between Verizon and their competitors, have been approved by the Board.

- Today, competitors are providing service to about 1.3% of the residential market; and about 17.4% of the total business local exchange market. The total lines served by competitors represents about 7.8% of all lines in Verizon's service area.

- The Board has removed barriers to competitive entry identified by competitors. We will continue to monitor the marketplace and address any valid concerns raised by competitors or consumers.

- On a going forward basis, the Board's regulatory oversight will continue, in order to ensure safe, adequate and proper service. Verizon submitted a proposed plan for Alternative Regulation on February 15, 2001. The request did not contain any proposed rate changes. Therefore, the residential basic exchange rate will remain unchanged and continue to be regulated by the Board.

- The Board held hearings and has received legal position papers from Verizon and several other parties. A decision by the Board on how to regulate Verizon into the future, is expected in the next couple of months.