

**Statement of
Commissioner Michael J. Copps**

Re: Application by Verizon New Jersey, Inc., Bell Atlantic Communications, Inc. (d/b/a Verizon Long Distance), NYNEX Long Distance (d/b/a Verizon Enterprise Solutions) Verizon Global Networks Inc., and Verizon Select Services Inc., for Authorization to Provide In-Region InterLATA Services in New Jersey (WC Docket No. 02-67)

Just last week, we granted Verizon's application to provide long-distance services in Maine. That application was a strong one that raised relatively few issues and I commend Verizon and the Maine Public Utilities Commission for their efforts to open the local markets to competition. That decision demonstrated yet again that consumers in rural states benefit as greatly as anyone from the expanded competition contemplated by the Telecommunications Act of 1996.

Today, we grant Verizon's application to provide long-distance services in New Jersey. This application raised several more significant issues, focusing primarily on the pricing of network elements, and in particular the rates for unbundled switching, and on the operations support systems. It is thus a more difficult call.

In fact, the Commission recognized serious questions about the calculation of switching costs. For example, the Commission found there were serious concerns about calculating switch costs based on 251 business days. Although we approve this application due to a comparison to a benchmark rate from another state, I expect that the New Jersey Board will examine these pricing issues and correct any errors that were made in calculating the rates. For the operations support systems, our expectation is that Verizon will continue to work cooperatively with other carriers to reconcile data and to address any issues that develop. To the extent that backsliding occurs or evidence of systemic problems surfaces, the Commission and our state colleagues must be prepared to take action to ensure that carriers continue to meet their statutory market-opening obligations.

Finally, I was troubled by Verizon's actions to market its long-distance services prior to the grant of this application in violation of the law. We note that Verizon has taken steps to communicate its error to every customer that received the announcement. I caution other applicants not to jump the gun or to presume to predict a decision of this Commission.