



Verizon Communications
1300 I Street NW, Suite 400W
Washington, DC 20005

March 18, 2002

Ex Parte

Mr. William Caton
Acting Secretary
Federal Communications Commission
445 12th St., S.W. – Portals
Washington, DC 20554

*RE: Application by Verizon-New Jersey Inc. for Authorization To Provide In-Region,
InterLATA Services in State of New Jersey, Docket No. 01-347*

Dear Mr. Caton:

On Friday, March 15, 2002, D. May, D. Evans, K. Zacharia and M. Glover of Verizon met with Commissioner Copps and J. Goldstein to discuss the above application. The material provided at the meeting is enclosed. Please let me know if you have any questions. The twenty-page limit does not apply as set forth in DA 01-2746.

Sincerely,

A handwritten signature in cursive script that reads "Clint E. Odom" followed by a stylized monogram "AD".

Clint E. Odom

Enclosure

cc: A. Johns
S. Pie
J. Goldstein

Verizon Entry Leads to More Local Competition

New York:

In first two years since Verizon's entry:

- Total CLEC lines tripled, from one million to over three million
- 90% increase in facilities-based lines
- 345% increase in UNE-P
- CLEC market share is 155 percent above the national average. FCC, *Local Telephone Competition Report 2002*.

Massachusetts:

In the first 17 months from when Verizon filed MA I application:

- Total CLEC lines grew from 700,000 to 1.1 million
- 86% increase in facilities-based lines
- 380% increase in UNE-P

Pennsylvania:

In the first eight months from when Verizon filed application:

- Total CLEC lines grew from 1.1 million to 1.3 million
- 30% increase in facilities-based lines
- 13% increase in UNE-P

Independent consumer groups confirm benefits of Verizon entry:

TRAC: NY consumers already saving up to \$416 million per year in local service

Consumer Federation of America/Consumers Union: NY consumers have seen rate reductions of 20 percent for local and long distance services.

Verizon Entry Leads to More Long Distance Competition

The surest sign of increased competition is that consumers are switching to Verizon:

- 2.3 million customers have switched in NY; 600,000 in MA; 250,000 in PA

Independent consumer groups and economists confirm that Verizon offers lower rates:

- *TRAC*: consumers in NY have saved up to \$284 million annually by switching to VZ; savings in NJ estimated at \$167 million per year.
- *CFA/CU*: 20 percent local and long distance rate reductions in NY
- *Jerry Hausman, MIT*: 10-20% long distance savings in first year after BOC entry.

Long distance incumbents respond to BOC entry with unique service offerings.

- MCI One Company Advantage New York & Texas; AT&T Local One Rate New York & Texas.
- AT&T has given customers in Kansas, Oklahoma, Massachusetts, Pennsylvania, and Rhode Island 30 free long-distance minutes.

Long distance incumbents are raising rates.

- Consumers Action (Fall 2001): "Since last year, basic rates at AT&T and MCI-WorldCom increased during evening and weekends by up to 13%," and AT&T, WorldCom, and Sprint "have significantly increased charges, surcharges and fees in other areas."
- January 2002: All three long distance incumbents raised their rates in lockstep again, with increases as high as 10 to 20 percent.

ON TIME INSTALLATION PERFORMANCE

CHECKLIST ITEM	NEW YORK		MASSACHUSETTS		PENNSYLVANIA	
	When 271 App. Filed	Jan. 2002	When 271 App. Filed	Jan. 2002	When 271 App. Filed	Jan. 2002
Trunks	98.5%	99.3%	100%	100%	99%	100%
Collocation	95%	97.1%	96%	100%	100%	*
POTs Loops	98 – 99%	98.7%	96.8%	98.4%	96%	97%
Hot Cuts	91%	97.7%	99.1%	99.3%	96.9%	98.7%
DSL Loops	93%	97.6%	97% **	100%	97%	99%
UNE-Platform	99%	99.7%	99.9%	99.4%	99%	99.9%
Resale	93 – 99%	96.4 - 99.9%	95 – 99%	95.5 - 100%	95 – 99%	92.2 -99.9%

*Not reported on Carrier-to-Carrier Performance Reports

** Based on MA 271 Refiling