

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
MCI Inc. and) WC Docket No. 05-75
Verizon Communications, Inc.,)
Applications for Approval of)
Transfer of Control)

COMMENTS OF THE
NEW JERSEY BOARD OF PUBLIC UTILITIES

The New Jersey Board of Public Utilities (“Board”) submits the following comments in response to the Federal Communications Commission’s (“FCC”) Public Notice in the above captioned docket, released on March 24, 2005. In the aforementioned notice the FCC invited interested parties to file written comments regarding the proposed merger of MCI, Inc. (“MCI”) and Verizon Communications, Inc. (“Verizon”), thereby becoming full parties to the FCC proceeding in which said merger is being reviewed. These comments have been delayed due to the uncertainty regarding which telecommunications carrier would succeed in securing MCI’s blessing for a merger.

The Board has a substantial interest in the outcome of this proceeding. MCI currently provides interstate long distance services, intrastate toll services and competitive local exchange services throughout New Jersey by way of Board-authorized, wholly owned subsidiaries: MCImetro Access Transmission Services LLC, MCI WorldCom Communications, Inc., MCI WorldCom Network Services, Inc., TT National, Inc. and Teleconnect Long Distance Services and

Systems Co., d/b/a Telecom USA. Verizon is the parent corporation of Verizon New Jersey Inc. ("VNJ"), which provides regulated telecommunications services in New Jersey, including switched local residential and business services, intraLATA, interLATA toll and interexchange services. VNJ is also the incumbent local exchange carrier covering the majority of the State of New Jersey, and employs a significant number of people in this State. Therefore, the outcome of the merger could have a significant impact on the state of telecommunications competition and economic development in New Jersey.

Since New Jersey's institution of alternative forms of regulation for certain telecommunications carriers under State law in 1992, the Board has sought to promote diversity, competition and consumer choice in the telecommunications service markets in this state. Furthering these goals has also been an important policy goal of the FCC's, and should be a significant objective of the FCC in its review of the proposed MCI/Verizon merger. The Board urges the FCC to place these policies at the forefront of its analysis of the issues presented by the parties in its merger proceeding. In this way, the FCC can promote the Congressional goals of opening local exchange markets to competition, fostering deployment of advanced services and securing lower prices and higher quality services, as set forth in, among other places, the Telecommunications Act of 1996. Preamble, *Telecommunications Act of 1996*, Pub. L. No. 104-104, 110 Stat. 56 (1996).

On March 3, 2005, MCI and Verizon jointly filed a petition requesting Board approval of the aforementioned merger. Pursuant to state law, the

Board's review includes, but is not limited to, consideration of the impact of the merger on competition, the rates to be paid by ratepayers affected by the acquisition of control, the employees of the affected utilities, and the provision of safe and adequate service at just and reasonable rates. *See N.J.S.A. 48:2-51.1; N.J.S.A. 48:3-10.* The Board intends to carefully review the petition in accordance with these guidelines. The Board will likely hold hearings to consider the positions and input of interested parties and the public. The Board requests the opportunity to submit further comments to the FCC as it considers the proposed merger in its own proceeding.

There is obvious overlap in the pro-competition, pro-consumer federal policy scheme and the policy framework set forth under New Jersey state law. Therefore, we urge the FCC to adopt a stance with regard to the merger that adheres to these principles and benefits consumers in the new competitive marketplace.

Respectfully submitted,

New Jersey Board of Public Utilities
Two Gateway Center
Newark, New Jersey 07102

DATED: May 19, 2005 {seal}

_____/s/_____
JEANNE M. FOX
PRESIDENT

_____/s/_____
FREDERICK F. BUTLER
COMMISSIONER

_____/s/_____
CONNIE O. HUGHES
COMMISSIONER

_____/s/_____
JACK ALTER
COMMISSIONER