

**PUBLIC NOTICE REGARDING
INCUMBENT LOCAL EXCHANGE COMPANY (ILEC)
RECLASSIFICATION PROCEEDING**

On November 28, 2007, the New Jersey Board of Public Utilities ("Board") initiated a proceeding to investigate the appropriate regulatory treatment of ILEC-provided retail mass market services in New Jersey (BPU Docket No.: TX07110873).

On June 24, 2008 at 10:00 a.m., the Board will conduct a public hearing to gather input from the public concerning the stipulation and agreement regarding this matter at:

New Jersey Board of Public Utilities
Two Gateway Center – 8th Floor
Newark, New Jersey 07102

A copy of the stipulation and agreement is available for inspection at the Board's Newark offices during regular business hours and also can be found on the Board's website at www.bpu.state.nj.us. Pursuant to the stipulation and agreement, Verizon NJ's retail mass market services, with the exception of residential basic exchange service, single-line business basic exchange service, residential installation service, and residential DA service, would be deemed competitive and thus no longer subject to rate regulation by the Board. The services that remain rate regulated services would be subject to the following rate caps:

- (1) Residential basic exchange service: The current statewide price of this service is \$8.95 per month. Under the stipulation and agreement, Verizon NJ shall charge no more than \$11.95 per month for the first year after approval of the stipulation and agreement ("Year 1"); no more than \$14.45 per month for the second year after approval of the stipulation and agreement ("Year 2"); and no more than \$16.45 per month for the third year after approval of the stipulation and agreement ("Year 3").
- (2) Single-line business basic exchange service: The current statewide price of this service is \$15.00 per month. Under the stipulation and agreement, Verizon NJ shall charge no more than \$18.50 per month in Year 1; no more than \$22.00 per month in Year 2; and no more than \$25.50 per month in Year 3.
- (3) Residential installation service: The current statewide price of this service is \$42.35. Under the stipulation and agreement, Verizon NJ shall charge no more than \$45.00 in Year 1; no more than \$47.50 in Year 2; and no more than \$50.00 in Year 3.
- (4) Residential DA service: Verizon currently offers (4) four free DA calls per month, and charges \$.50 cents per call after the monthly call allowance has been exceeded. Under the stipulation and agreement, callers shall receive two free

calls per month. For calls in excess of the free call allowance, Verizon NJ shall charge no more than \$1.25 per call in Year 1; no more than \$1.50 per call in Year 2; and no more than \$1.50 per call in Year 3.

Regardless of whether a customer attends the public hearing, he or she may file written comments regarding this matter. The written comments should: (1) be filed on or before June 24, 2008; (2) be addressed to Kristi Izzo, Secretary of the Board of Public Utilities, at the address provided above; and (3) reference docket number TX07110873.