Agenda Date: 11/30/11 Agenda Item: IVB



STATE OF NEW JERSEY **Board of Public Utilities** 44 South Clinton Ave., P.O. Box 350 Trenton, New Jersey 08625-0350 www.nj.gov/bpu

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IN THE MATTER OF AN ADMINISTRATIVE INVESTIGATION INTO ALLEGED FAILURE) OF 360networks (USA) Inc. TO COMPLY WITH THE LAW REQUIRING PAYMENT OF ANNUAL ASSESSMENTS

TELECOMMUNICATIONS

ORDER ACCEPTING OFFER OF SETTLEMENT DOCKET NO: TO11110795

Parties of Record

Dennis C. Linken, Esq., Scarinci & Hollenbeck, LLC, for Petitioners

BY THE BOARD

On October 7, 2011, 360networks (USA) inc. ("360networks"), together with 360networks Corporation, and Zayo Group, LLC ("Zayo"), filed a Verified Joint Petition ("Petition") with the Board of Public Utilities ("Board"), requesting Board approval (1) to complete the transfer of indirect control of 360 networks to Zayo; (2) for 360 networks to participate in new and existing financing arrangements of Zayo; and (3) to the extent necessary, for Zayo to enter into new financing arrangements (see Docket No. TM11100635). 360networks was authorized by the Board on February 20, 2001, to provide local exchange and interexchange telecommunications services in New Jersey (see I/M/O the Petition for an Order authorizing Worldwide Fiber Networks, Inc. to Provide Local Exchange and Interexchange Telecommunications Services Throughout New Jersey, Docket No. TE00040271, Order of Approval dated February 20, 2001 ("Order of Approval")¹.

360networks has never provided any intrastate telecommunications services in New Jersey. During the course of its review of the Petition, the Staff of the Board ("Staff") determined that 360networks had not filed Annual Reports with the Board following issuance of the Order of Approval or paid annual assessments to the Board in connection therewith as required by N.J.S.A. 48:2-59 and N.J.S.A. 48:2-16. 360networks sought to amicably resolve the issues raised by Staff

¹ Worldwide Fiber Networks. Inc. subsequently changed its name to 360 networks.

in connection therewith without the need for time-consuming and expensive investigations or proceedings, and therefore submitted and eventually executed an Offer of Settlement in order to resolve all issues concerning the alleged violations.

The Board has reviewed the matter and <u>HEREBY</u> <u>FINDS</u> that the Offer of Settlement represents a reasonable settlement of the alleged violations. Therefore, the Board <u>HEREBY</u> <u>ACCEPTS</u> the Offer of Settlement proffered by 360networks, subject to the following conditions:

- 1 Within seven (7) days of the date of approval by the Board of the Offer of Settlement and the Petition, 360networks will pay to the State of New Jersey the sum of Ten Thousand Dollars (\$10,000.00) in full settlement of any violations or alleged violations of the Public Utilities Act, <u>N.J.S.A.</u> 48:2-1 <u>et seq.</u> ("Act"), the regulations of the Board, <u>N.J.A.C.</u> 14:1-1.1 <u>et seq.</u> ("Regulations"), and/or Board Orders, stemming from or related to the non-filing by 360networks of Annual Reports with the Board and/or the non-payment of annual assessments by 360networks in connection therewith. Upon approval by the Board of this Offer of Settlement and payment as required hereinabove, the Board releases 360networks and its current and future parents, affiliates, subsidiaries and successors, from any and all liability with respect to such alleged violations.
- 2. Neither the execution nor acceptance of this Offer of Settlement shall be deemed an admission by 360networks of any violation of the Act, the Regulations and/or any Board Orders, or a determination by the Board that any such violation has occurred.
- 3. The execution of this Offer of Settlement shall not be relied upon by 360networks or its current and future parents, affiliates, subsidiaries or successors in an attempt to mitigate any future repeated violation of the Act, the Regulations or any Board Orders.
- 4. As used in this Order, "360networks" shall mean any of its principals, directors, officers, parent corporations, subsidiaries, affiliates, shareholders, employees, representatives, agents, assigns, successors, independent contractors/third party distributors, any trustee in bankruptcy or other trustee, and/or any receiver appointed pursuant to proceedings in law or equity.
- 5 360networks shall comply with all effective and applicable New Jersey statutes, laws, rules and regulations as now constituted or as may hereafter be adopted or amended regarding telecommunication service providers, including, but not limited to, the Public Utilities Laws, <u>N.J.S.A.</u> 48:2-1 et seq. and <u>N.J.A.C.</u> 14:10-1 et seq. and <u>N.J.A.C.</u> 14:1-1 et. seq.
- 360networks shall pay to the State of New Jersey the sum of ten thousand dollars (\$10,000), within one week of the issuance of this Order, payable to "Treasurer, State of New Jersey" and delivered to the following address:

Kristi Izzo, Secretary Board of Public Utilities 44 South Clinton Trenton, New Jersey

- 7 The Offer of Settlement and this Order do not include the Division of Rate Counsel or any other state entity and thus does not impact in any way upon the rights and obligations of other state agencies.
- 8. The Board's acceptance of the Offer of Settlement is for purposes of this proceeding only, addresses only alleged violations in the Offer of Settlement, and shall not be construed as limiting the Board's authority in any other matter affecting 360networks.

9. This Offer of Settlement does not relieve 360networks, its parents, affiliates, subsidiaries, and successors from any liability for violations of any Board Order in rate, franchising, or other docket not specifically enumerated herein.

DATED: 11/30/11 BOARD OF PUBLIC UTILITIES BY: 1 LEE A. SOLOMON PRESIDENT ANNE M. FOX JOSEPH L. FIORDALISO OMMISSIONER COMMISSIONER

NICHOLAS ASSELTA COMMISSIONER

ATTEST:

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KRISTI IZZO SECRETARY

HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public

Utilities

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