



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

TELECOMMUNICATIONS

IN THE MATTER OF THE PETITION OF TNCI)
OPERATING COMPANY, LLC FOR AUTHORITY TO) ORDER
PROVIDE LOCAL EXCHANGE, EXCHANGE ACCESS)
AND INTEREXCHANGE TELECOMMUNICATIONS)
SERVICES IN THE STATE OF NEW JERSEY) DOCKET NO. TE13040265

Parties of Record:

Dennis C. Linken, Esq., Scarinci & Hollenbeck, LLC Lyndhurst, New Jersey, for Petitioner
Stefanie A. Brand, Esq., Director, Division of Rate Counsel

BY THE BOARD:

Pursuant to N.J.S.A. 48:2-1 et seq. and Section 253 of the Federal Telecommunications Act of 1996, 47 U.S.C. §151 et seq., and by letter dated March 28, 2013, TNCI Operating Company LLC ("Petitioner" or "TNCI-OpCo") filed a Petition with the New Jersey Board of Public Utilities ("Board") requesting authority to provide both resold and facilities-based local exchange, exchange access and interexchange telecommunications services throughout the State of New Jersey. Petitioner has submitted its financial information under seal and has filed a sworn affidavit with substantiation for confidential treatment in accordance with the Board's rules for determining confidentiality, N.J.A.C. 14:1-12 et seq. and in compliance with the Open Public Records Act, N.J.S.A. 47:1A-1 et seq.

TNCI-OpCo is a limited liability company organized under the laws of the State of Delaware and is a wholly owned subsidiary of TNCI Holdings LLC ("TNCI Holdings") with principal offices located at 114 E. Haley Street, Suite A, Santa Barbara, California 93101. TNCI Holdings is wholly owned by investment funds managed by Garrison Investment Group, a leading middle market investor.

The Petitioner has concurrently filed a separate petition under Docket No. TM13040350 to acquire certain assets, including customer accounts and contracts and telecommunications equipment of Trans National Communications International Inc. (Debtor-In-Possession) ("TNCI-DIP") through a sale pursuant to Section 363 of the United States Bankruptcy Code that was

approved by the Bankruptcy Court on March 13, 2013. TNCI-DIP is currently authorized to provide local exchange service in the State of New Jersey pursuant to Docket No. TE03121005.

Petitioner has submitted copies of its Certificate of Formation from the State of Delaware and its New Jersey Certificate of Authority to operate as a Foreign Limited Liability Company. Petitioner is in the process of obtaining authority to provide intrastate telecommunications services in all of the contiguous United States, Hawaii and District of Columbia. Petitioner states that it has not been denied authority to provide telecommunications services, its authority has not been revoked in any jurisdiction and it has not been the subject of any civil or criminal proceedings.

Petitioner has not commenced negotiations to enter into an interconnection agreement with any Incumbent Local Exchange Carriers ("ILECs"), but has made arrangement with underlying carriers to assume the existing interconnection/resale agreement of TNCI-DIP as part of the bankruptcy process. Petitioner does not currently provide telecommunications services or hold any authorization to do so, but is requesting the same authorization as are currently held by TNCI-DIP to provide the same services to TNCI-DIP customers.

Petitioner seeks authority to provide both resold and facilities-based local exchange, exchange access and interexchange telecommunications services to business customers in the Verizon New Jersey telephone exchange throughout the State of New Jersey. These services include basic local exchange and various ancillary services such as custom calling features, dedicated internet protocol enabled, integrated voice and data services and private line, frame relay and other non-voice services. Petitioner's network will primarily consist of leased facilities provided by others carriers, but where appropriate it may deploy its own facilities. Petitioner has no current plans to construct any new facilities in New Jersey. Petitioner plans to use the existing local exchange boundaries and established local calling scope of the ILECs in New Jersey. Petitioner does not intend to provide any prepaid month-by-month service to credit challenged subscribers in New Jersey. The Company maintains a toll-free number for customer service inquiries. Pursuant to N.J.A.C. 14:10-5.6(b), Petitioner has filed an initial Local and Switched Access tariff concurrently with its petition under Docket Nos. TT13040320 and TT13040336 respectively which will become effective 30 days after the Board approves its petition for local exchange, exchange access and interexchange authority.

Petitioner requests a waiver of N.J.S.A. 48:3-7.8 and N.J.A.C. 14:1-4.3, which require that books and records be kept within the State of New Jersey and be maintained in accordance with the Uniform System of Accounts ("USOA"), respectively. Petitioner, instead, requests permission to maintain its books and records in accordance with Generally Accepted Accounting Principles and to keep all books, records, documents and other writings incident to the conduct of Petitioner's business in the State of New Jersey at Petitioner's corporate offices located in Santa Barbara, California.

By letter dated May 6, 2013, the Division of Rate Counsel submitted comments with the Board recommending that the Board approve the Verified Petition.

DISCUSSION

On February 8, 1996, the Federal Telecommunications Act of 1996, P.L. 104-104, 110 Stat. 56, codified in scattered sections of 47 U.S.C. §151 et seq., was signed into law, removing barriers to competition by providing that "[n]o State or local statute or regulation, or other State or local legal requirement, may prohibit or have the effect of prohibiting the ability of any entity to provide any interstate or intrastate telecommunications service." 47 U.S.C. §253(a).

Any grant of authority is subject to the right of the Board as the state regulatory authority to impose requirements necessary to protect the public safety and welfare, ensure the continued quality of telecommunications services, and safeguard the rights of consumers. 47 U.S.C. §253(c).

In considering this Petition, the Board recognizes its obligation not to prohibit entry into intrastate telecommunications markets of qualified applicants. 47 U.S.C. §253(a). The Board also considers the New Jersey State Legislature's declaration that it is the policy of the State to provide diversity in the supply of telecommunications services and the Legislature's findings that "competition will promote efficiency, reduce regulatory delay, and foster productivity and innovation" and "produce a wider selection of services at competitive market-based prices." N.J.S.A. 48:2-21.16(a)(4); N.J.S.A. 48:2-21.16(b)(1) and (3).

Therefore, having reviewed TNCI-OpCo's Petition and the information supplied in support thereof, the Board **FINDS** that the Petitioner is in compliance with the Board's filing requirements to provide telecommunications services in New Jersey. Accordingly, the Board **HEREBY AUTHORIZES** the Petitioner to provide local exchange, exchange access and interexchange telecommunications services throughout the State of New Jersey.

Furthermore, the Board **FINDS** that in accordance with N.J.S.A. 48:2-59 and 48:2-60 and N.J.S.A. 52:27EE-52 the Petitioner is subject to an annual assessment by both the Board and the Division of Rate Counsel, respectively.

The Board **HEREBY ORDERS**

- 1) Pursuant to N.J.S.A. 48:2-16(2)(b) and N.J.A.C. 14:3-6.3, Petitioner shall file an annual report as of December 31 of each year, which is due on or before March 31 of the following year. Pursuant to N.J.S.A. 48:2-16.3, if Petitioner fails to file an annual report by the due date, Petitioner shall be subject to a penalty of \$5.00 for each day thereafter until such report is filed.
- 2) Pursuant to N.J.S.A. 48:2-62, Petitioner shall file a statement of gross intrastate revenues from operations form (AR3-1) as of December 31 of each year, which is due on or before June 1 of the following year.

On or before February 1 of each year, the Petitioner will receive from the Division of Audits an annual report package and a Statement of Gross Intrastate Revenues from Operations form for the preceding calendar year. The purpose of these documents is to report the Petitioner's financial information and gross intrastate revenues from operations as of December 31 of each year. The annual report and a statement of gross intrastate revenues from operations form are due on or before March 31 and June 1 of the following year, respectively. If Petitioner does not receive these documents, it is Petitioner's responsibility to obtain them from the Board. It is also the Petitioner's responsibility to ensure timely filing of these reports.

Regarding the Petitioner's request for waivers of the Board rules, the Board **FINDS** that the Petitioner has demonstrated good cause why the Board should grant relief from its requirements that the Petitioner maintains its books and records in accordance with USOA and within New Jersey. Therefore, subject to the Petitioner's continuing responsibility to provide the Board books and records upon 48 hours' notice, and in the manner requested, and to pay to the Board all expenses or charges incurred by the Board for any investigation or examination of these

books and records, the Board **APPROVES** the Petitioner's request for the exemptions from maintaining its books and records in accordance with USOA and in New Jersey.

DATED: 5/31/13

BOARD OF PUBLIC UTILITIES
BY:


ROBERT M. HANNA
PRESIDENT


JEANNE M. FOX
COMMISSIONER

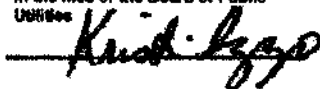

JOSEPH L. FIORDALISO
COMMISSIONER


MARY ANNA HOLDEN
COMMISSIONER

ATTEST:

KRISTI IZZO
SECRETARY

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



IN THE MATTER OF THE VERIFIED PETITION OF TNCI OPERATING COMPANY LLC
FOR AUTHORITY TO PROVIDE LOCAL EXCHANGE, EXCHANGE ACCESS AND
INTEREXCHANGE TELECOMMUNICATIONS SERVICES IN THE
STATE OF NEW JERSEY

DOCKET NO. TE13040265

SERVICE LIST

Jeff Compton
President and Regulatory Contact
TNCI Operating Company, LLC
114 E. Haley Street, Suite A
Santa Barbara, California 93101

Dennis C. Linken, Esq.
Scarinci & Hollenbeck, LLC
1100 Valley Brook Avenue
Post Office Box 790
Lyndhurst, New Jersey 07071

Stefanie A. Brand, Esq., Director
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, New Jersey 08625

Ayelet Hirschhorn, DAG
Department of Law & Public Safety
Division of Law
Post Office Box 45029
Newark, New Jersey 07101

Kristi Izzo
Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350

Dennis J. Moran, Director
Division of Audits
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350

Anthony Centrella, Director
Division of Telecommunications
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350

Valerie Haynes, Bureau Chief
Office of the Secretary
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350