

Agenda Date: 6/29/16 Agenda Item: IC

TELECOMMUNICATIONS

STATE OF NEW JERSEY

Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

		TELECOMMONICATIONS
IN THE MATTER OF THE PETITION OF MOBILITIE MANAGEMENT, LLC FOR AUTHORITY TO PROVIDE COMPETITIVE LOCAL EXCHANGE CARRIER)))	ORDER
SERVICES)) .	DOCKET NO. TE16040304

Parties of Record:

Jeffrey Blumenfield, Esq., Kutak Rock LLP, for Petitioner Stefanie A. Brand, Esq., Director, New Jersey 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 April 13, 2016, Mobilitie Management, LLC ("Petitioner" or "Mobilitie Management") filed a petition with the New Jersey Board of Public Utilities ("Board") requesting authority to provide facilities-based and resold competitive local exchange telecommunications services to commercial business customers 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.

Mobilitie Management is a privately held limited liability company organized under the laws of the State of Delaware and is a wholly owned subsidiary of Mobilitie Holdings, LLC which has ownership of 99.9% and Mobilitie Holdings, Inc. which has ownership of 00.1%. Mobilitie, LLC d/b/a NYFI, an affiliate of Petitioner and another wholly owned subsidiary of Mobilitie Holdings, LLC was granted authority to provide local exchange and interexchange telecommunications services in the State of New Jersey per Docket No TE10100771 on April 27, 2011. Petitioner's principal offices are located at 2220 University Drive, Newport Beach, California 92660.

Petitioner has submitted copies of its Certificate of Formation from the State of Delaware and its New Jersey Certificate of Authority to Transact Business as a Foreign Limited Liability Company. Petitioner is currently registered to provide telecommunications services in North Dakota and Montana and is in the process of obtaining authority to provide intrastate telecommunications services in all fifty states, Puerto Rico, U.S. Virgin Islands, and the District

of Columbia. Petitioner states that it has not been denied authority to provide telecommunications services nor has its authority been revoked in any jurisdiction. Moreover, Mobilitie states that it has not been the subject of any civil or criminal proceedings. At present, Petitioner has not entered into an interconnection agreement with any Incumbent Local Exchange Carriers (ILECs). However, upon approval of its petition, Petitioner will initiate negotiations to enter into interconnection agreements with appropriate ILECs.

Petitioner seeks authority to provide facilities-based and resold competitive local exchange telecommunications services to commercial and business customers in the State of New Jersey. Petitioner will provide transport, backhaul, and broadband data and other voice and data services as well as other infrastructure used by carriers, emergency responders, public safety agencies, backhaul providers, and other companies. These services will be provided using a combination of fixed lines and microwave links to ensure resiliency. Initially, Petitioner will provide these services to a small number of customers, including: wireless carriers and other service providers, the hospitality industry, large-scale sports and entertainment venues and college campuses. Over the next one to five years, Petitioner plans to expand its service offering to self-driving vehicle providers, remote weather monitoring station, rural communities, and healthcare facilities. Petitioner intends to solicit customers for its telecommunications services from its existing customer base, and through business-to-business marketing such as professional trade shows. Neither Petitioner nor its Parent currently own or operate any facility in New Jersey. However, Petitioner's affiliate, Mobilitie, LLC currently owns and/or controls facilities in New Jersey. Petitioner intends to deploy network facilities as and where market and customer demands dictate and, plans to maintain, expand, and upgrade its network as necessary to meet the evolving needs and expectations of its New Jersey customers. Petitioner maintains a toll-free number for customer service inquiries. Petitioner will file an initial tariff upon approval of its petition.

Petitioner requests a waiver of N.J.S.A. 48:3-7.8 which require that books and records be kept within the State of New Jersey. Pursuant to N.J.A.C. 14:1-5.15(a)(2), Petitioner requests permission 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 Newport Beach, California.

By letter dated May 11, 2016, the New Jersey Division of Rate Counsel submitted comments to the Board stating that, based on its review, Rate Counsel is satisfied that the Verified Petition meets the regulatory requirements and is consistent with the public interest, convenience, and necessity, and does not object to a grant of the waiver requested in connection with record-keeping by Petitioner, nor does Rate Counsel oppose Petitioner's request to treat its financial information as confidential and placed under seal. Accordingly, Rate Counsel does not oppose a grant of authority or approval of Petitioner's request to provide telecommunications services in New Jersey.

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>U.S.C.</u> § 151 <u>et seq.</u>, 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>U.S.C.</u> § 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>U.S.C.</u> § 253(b).

In considering this petition, the Board recognizes its obligation not to prohibit entry into intrastate telecommunications markets by qualified applicants. 47 <u>U.S.C.</u> § 253(a). The Board also considers the New Jersey State Legislature's declaration that it is the policy of the State to "[p]rovide 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 Mobilitie Management's petition and the information supplied in support thereof, the Board <u>FINDS</u> that Petitioner is in compliance with the Board's filing requirements to provide telecommunications services in New Jersey. Accordingly, the Board <u>HEREBY AUTHORIZES</u> Petitioner to provide local exchange telecommunications services in the State of New Jersey. Pursuant to <u>N.J.A.C.</u> 14:3-1.3(a), the Board notes that Petitioner will not be permitted to provide telecommunications services until a tariff is filed with the Board. Additionally, Petitioner is not relieved from its responsibility to file an Annual Report and a Statement of Gross Intrastate Revenues from Operations form for the preceding calendar year.

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

The Board **HEREBY ORDERS**:

- 1) Petitioner shall file its tariff with the Board.
- 2) 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.
- 3) 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, Petitioner will receive from the Division of Audits an annual report package and a Statement of Gross Intrastate Revenues from the Operations Form for the preceding calendar year. The purpose of these documents is to report 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 Petitioner's responsibility to ensure timely filing of these reports.

Regarding the Petitioner's request for waiver of the Board rules, the Board <u>FINDS</u> that the Petitioner demonstrated good cause why the Board should grant relief from its requirements

that the Petitioner keep its books and records 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 keeping its books and records in New Jersey.

This Order shall be effective July 9, 2016.

DATED: 6 29 16

BOARD OF PUBLIC UTILITIES BY:

RICHARD S. MRO

JOSÉPH L. FIORDALISO COMMISSIONER MARY-ANNA HOLDEN COMMISSIONER

DIANNE SOLOMON COMMISSIONER

ATTEST:

TRENE KIM ASBURY SECRETARY UPENDRA J. CHIVUKULA COMMISSIONER

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

IN THE MATTER OF THE VERIFIED PETITION OF MOBILITIE MANAGEMENT, LLC FOR AUTHORITY TO PROVIDE COMPETITIVE LOCAL EXCHANGE CARRIER SERVICES IN THE STATE OF NEW JERSEY

DOCKET NO. TE16040304

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