



Agenda Date: 11/19/18  
Agenda Item: IB

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

TELECOMMUNICATIONS

IN THE MATTER OF VERIFIED PETITION OF TELIAX, )  
INC. FOR AUTHORITY TO PROVIDE COMPETITIVE )  
FACILITIES-BASED LOCAL EXCHANGE SERVICES, )  
INTEREXCHANGE SERVICES, AND EXCHANGE )  
ACCESS SERVICES THROUGHOUT THE STATE OF )  
NEW JERSEY )

ORDER

DOCKET NO. TE18080898

**Parties of Record:**

**James H. Laskey, Esq.**, Norris, McLaughlin & Marcus, P.A. 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 Telecommunications Act of 1996, 47 U.S.C. § 151 et seq., and by letter dated August 13, 2018, Teliix, Inc. ("Petitioner" or "Teliix") filed a verified petition with the New Jersey Board of Public Utilities ("Board") for authority to provide all forms of facilities-based competitive local exchange, exchange access and facilities-based interexchange 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.

**BACKGROUND**

Teliix is a privately held corporation organized under the laws of the State of Colorado on October 6, 2004. Petitioner's principal offices are located at 1001 16<sup>th</sup> Street, B-180 # 102, Denver, Colorado 80265.

Petitioner has submitted copies of its Amended and Restated Articles of Incorporation and a Certificate of Good Standing from the State of Colorado and its New Jersey Certificate of Authority to Transact Business as a Foreign For-Profit Corporation. Petitioner has been granted local and interexchange authority certified in the State of Colorado, Florida, Montana, Nevada and Washington. Petitioner states that it has not been denied authority to provide telecommunications services, its authority has not been revoked in any jurisdiction and it has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 yet executed an Interconnection Agreement for New Jersey operations. The Company intends to negotiate an Interconnection Agreement with Verizon New Jersey upon approval of its petition for authority.

Petitioner seeks authority to provide retail local exchange services to enterprise customers and wholesale local exchange services, including switched access services, using its own facilities and services available from other facilities-based carriers. Petitioner seeks statewide authority so that it may expand its service areas as market conditions warrant. Petitioner will provide services by using its own switching facilities and by leasing switching and transport from other entities. Petitioner will provide service to Voice over Internet Protocol enabled business customers and Telephony Applications providers on retail, wholesale, carrier level, including Public Switch Telephone Network ("PSTN") connectivity and intermediate carrier functions. Petitioner intends to rely upon facilities of Incumbent Local Exchange Carriers ("ILECs"), Competitive Local Exchange Carriers ("CLECs"), Competitive Access Providers and potentially other carriers located in New Jersey.

Petitioner's principal retail service will be Integrated Services Digital Network ("ISDN") which is a digital standard that provides an integrated voice or data capability to the customer premises facility, utilizing the public switched telephone network. Petitioner's ISDN service delivers voice, data and video by two standard methods of access which is Primary Rate Interface ("PRI") service and Basic Rate Interface Service. PRI service has a capacity of 1.544 megabits per second and has multiple channels: 23 B-channels, and one D-Channel, and is also known as 23 B+D access. The 64 kilobits per second ("Kbps") B-channel carry user information such as voice calls, circuit-switched data or video while D-channel carries the call-control signaling information. The B-channels may be provisioned on the same facility as the D-channel or on other PRI T1 facilities. Each B-channel is dedicated to inward, outward or 2-way traffic. The customer may use customer premise equipment to bond together 64 Kbps B-channels for the transmission of circuit-switched data or video. Petitioner will use a combination of its own facilities and facilities leased from other carriers to provide the above mentioned services. Petitioner expects to offer a single telephone directory number with each PRI service ordered, and one primary directory listing per PRI service per customer. Petitioner's Emergency 911 services will be provided for all voice calls and on PRI Service which will be routed to the appropriate Public Safety Answering Point by the underlying carrier.

Petitioner maintains a toll-free number for customer service inquiries and plans to post its terms and condition on its website at [www.teliix.com](http://www.teliix.com) following approval of its petition.

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. For administrative efficiencies, Petitioner requests permission to maintain its books and records in accordance with Generally Accepted Accounting Principles ("GAAP") and to keep all financial 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 Denver, Colorado.

By letter dated September 4, 2018, the New Jersey Division of Rate Counsel ("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. Rate Counsel does not object to granting the waiver requests in connection with record-keeping by Petitioner, nor does Rate Counsel oppose Petitioner's request to treat its financial information as confidential and place under seal.

Accordingly, Rate Counsel does not oppose a grant of authority or approval of Petitioner's request to provide local exchange, exchange access and interexchange telecommunications services throughout the State of New Jersey.

## **DISCUSSION**

On February 8, 1996, the 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, promoting competition and removing barriers to entry in telecommunications markets 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). The Board, as the State regulatory authority, may impose requirements necessary to protect the public safety and welfare, ensure the continued quality of telecommunications services, and safeguard the rights of consumers on a competitively neutral basis and consistent with universal service. 47 U.S.C. § 253(b).

In considering this petition for CLEC authority to provide telecommunication services, the Board recognizes its obligation not to prohibit entry into intrastate telecommunications markets by qualified applicants. 47 U.S.C. § 253(a). The Board additionally notes the State policy to "[p]rovide diversity in the supply of telecommunications services" and the Legislative 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" pursuant to the New Jersey Telecommunications Act of 1992. N.J.S.A. 48:2-21.16(a)(4), and N.J.S.A. 48:2-21.16(b)(1) and (3).

Therefore, having reviewed Teliix' s petition and the information supplied, the Board **FINDS** that Petitioner with respect to their request to provide all forms of facilities-based competitive local exchange, exchange access and facilities-based interexchange services to enterprise customers only, is in compliance with the Board's filing requirements to provide landline facilities-based competitive local exchange telecommunications landline services in New Jersey. Accordingly, the Board **HEREBY AUTHORIZES** Petitioner to provide local exchange, exchange access and interexchange telecommunications services in the State of New Jersey. These findings and authorization do not pertain to non-CLEC services. Pursuant to N.J.S.A. 48:2-21.19(a)(2) and N.J.A.C. 14:10-5.2, Petitioner must make the terms and conditions of said service publicly available on its website and must provide a printed copy of those terms and conditions to a customer upon request.

The granting of such authority conveys certain rights and privileges upon the Petitioner, in its designation as a CLEC in New Jersey, which are reserved for the provision of facilities-based landline services. While CLECs may also provide other telecommunications services, such as wireless, small cell or distributed antenna systems, these service offerings are beyond the scope of Board jurisdiction and the granting of CLEC authority in this Order and generally. Specifically, the Board granting of CLEC authority is limited to the provision of competitive facilities-based local and interexchange services. To the extent that a CLEC provides non-regulated telecommunications services, the CLEC benefits, rights or privileges are not applicable to those non-regulated services.

Regarding Teliix's request that its information be treated confidentially, the Board makes no finding and directs that the information be considered in accordance with the Board's rules at N.J.A.C. 14:1-12 et seq.

The Board **HEREBY ORDERS:**

- 1) Petitioner shall provide notice to the Board of its website link or file tariffs which contain the terms and conditions of all forms of facilities-based competitive local exchange services including E-9-1-1 service offering to end users, exchange access and interexchange telecommunications services offerings within five (5) days from the effective date of a Board Order. To ensure service quality, Petitioner shall notify the Board within 10 days from the date it begins service to New Jersey customers;
- 2) Petitioner shall provide notice to the Board of its website link or file initial tariff which contains the terms and conditions of its competitive local exchange and interexchange telecommunications services to end-use subscribers before commencing/offering retail local exchange services to end-use subscribers. To ensure service quality, Petitioner shall notify the Board within 10 days from the date it begins providing such services to New Jersey customers;
- 3) Petitioner shall provide notice to the Board of its website link or file initial tariff which contains the terms and conditions of offering 9-1-1 and E-9-1-1 services when Petitioner begins offering retail local exchange services to end-use subscribers to ensure that Petitioner's owned/leased facilities is equipped with providing reliable and functional access to 9-1-1 and E-9-1-1 services to end-use subscribers. To ensure service quality, Petitioner shall notify the Board within 10 days from the date it begins providing such services to New Jersey customers;
- 4) Pursuant to N.J.S.A. 48:2-16(2)(b) and N.J.A.C. 14:3-6.3 and, N.J.S.A. 48:2-62, Petitioner shall file an annual report and a statement of gross intrastate revenues from operations form (AR3-1) as of December 31 of each year, which is due on or before March 31 and June 1 of the following year, respectively. If Petitioner does not receive the Board's annual report package from the Division of Audits on or before February 1 of each year, it is Petitioner's responsibility to obtain them from the Board. It is also Petitioner's responsibility to ensure timely filing of these reports. 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;
- 5) Failure to comply with this order may result in monetary penalties pursuant to N.J.S.A. 48:2-42, suspension of CLEC authority, and/or revocation of CLEC authority; and
- 6) In accordance with N.J.S.A. 48:2-59 and 48:2-60 and N.J.S.A. 52:27EE-52, Petitioner is subject to an annual assessment by both the Board and the Division of Rate Counsel, respectively.

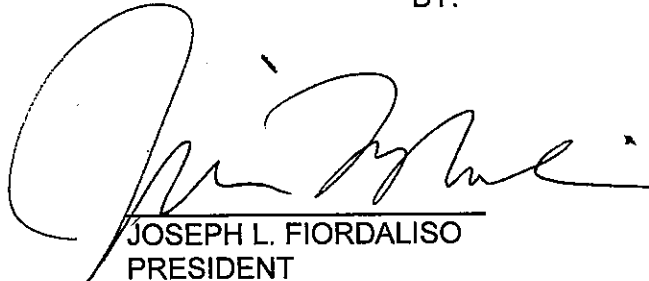
Petitioner additionally requests a waiver of N.J.S.A. 48:3-7.8 and N.J.A.C. 14:1-4.3. Petition seeks authority to keep its books and records outside the State of New Jersey and in accordance with GAAP. The request was noticed and unopposed. Upon review, the Board **FINDS** that the Petitioner demonstrated good cause why relief should be granted. Subject to the Petitioner's continuing responsibility to produce such records at such time and place within this State as the Board may designate, in the manner requested, and to pay all expenses or charges incurred for any investigation or examination of these books and records, the Board **GRANTS** its permission to keep records, books, accounts, documents and other writings outside the State

of New Jersey pursuant to N.J.A.C. 14:1-15 and waives the USOA requirement at N.J.A.C. 14:1-4.3.

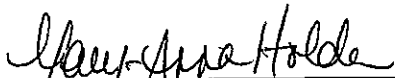
This Order shall be effective November 29, 2018.

DATED: 11/19/18

BOARD OF PUBLIC UTILITIES  
BY:



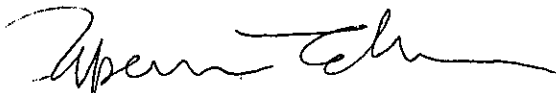
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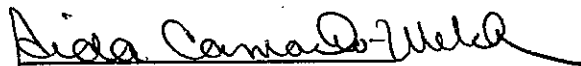
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ATTEST:   
AIDA CAMACHO-WELCH  
SECRETARY

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 VERIFIED PETITION OF TELIAX, INC. FOR AUTHORITY TO  
PROVIDE COMPETITIVE FACILITIES-BASED LOCAL EXCHANGE SERVICES,  
INTEREXCHANGE SERVICES, AND EXCHANGE ACCESS SERVICES  
THROUGHOUT THE STATE OF NEW JERSEY**

**DOCKET NO. TE18080898**

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