



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.nj.gov/bpu

TELECOMMUNICATIONS

IN THE MATTER OF THE PETITION OF CORETEL)
NEW JERSEY, INC. FOR APPROVAL TO PROVIDE)
LOCAL EXCHANGE AND INTEREXCHANGE)
TELECOMMUNICATIONS SERVICES THROUGHOUT)
THE STATE OF NEW JERSEY)

ORDER

DOCKET NO. TE08050364

(SERVICE LIST ATTACHED)

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 May 27, 2008, CoreTel New Jersey, Inc. ("Petitioner" or "CoreTel New Jersey") filed a Petition with the New Jersey Board of Public Utilities ("Board") requesting authority to provide resold and facilities-based competitive local exchange and intrastate 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.

CoreTel New Jersey, Inc. is a privately held corporation organized under the laws of the State of New Jersey. CoreTel New Jersey is a wholly owned subsidiary of CoreTel Communications, Inc. ("CoreTel"), a privately held Delaware Corporation located in Annapolis, Maryland. CoreTel is a holding company of CoreTel New Jersey, Core Communications, Inc., CoreTel New York, Inc., CoreTel Massachusetts, Inc., CoreTel West Virginia, Inc., CoreTel Delaware, Inc., CoreTel Kentucky, Inc., CoreTel Florida, Inc. and CoreTel Virginia, LLC. Petitioner's principal offices are located at 209 West Street, Suite 302, Annapolis, Maryland, 21041.

Petitioner has submitted a copy of its Certificate of Incorporation filed with the State of New Jersey. CoreTel's subsidiaries were established to operate as facilities-based competitive local exchange carriers that provide telecommunications services to primarily business customers. These subsidiaries are authorized to provide telecommunications services in Maryland, Pennsylvania, New York, Massachusetts, Delaware, Kentucky, West Virginia, Florida, and Virginia and are operational in Maryland, Pennsylvania, New York, and Virginia. Petitioner states that it has not been denied authority to provide telecommunications services, its authority has not been revoked in any jurisdiction and it has not been the subject of any civil or criminal proceedings.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 an interconnection agreement with Verizon – New Jersey, Inc. that was approved by the Board under Docket No. TO00120993 on April 24, 2003. Petitioner plans to deploy its own telecommunications

equipment and establish its own network independent of the Incumbent Local Exchange Carriers (“ILECs”).

According to the Petition, CoreTel New Jersey was formed and seeks authority to operate as a resold and facilities-based competitive local exchange and interexchange high-speed telecommunications service provider primarily to business customers in the State of New Jersey. Petitioner plans to provide service to business, governmental agencies and Internet Service Providers (“ISPs”) with the goal of enabling small and medium-sized ISPs to provide internet connectivity to their end users. Petitioner’s primary product offering, Managed Port Services (“MPS”) provides managed ports that allow ISPs to expand their service offerings to new markets with no telecommunications infrastructure investment on their part and, it also meets the specialized telecommunications needs of its ISP and other Enhanced Service Provider (“ESP”) customers. Thus, Petitioner not only allows ISPs and ESPs to port their existing numbers and offers billing on per port or per hour basis, but it also allows ISPs & ESPs customers to manage their requirements more cost effectively and focus on other aspects of their business. Petitioner states that ISPs are able to grow faster and better by taking advantage of its local exchange, switched access and MPS. Petitioner intends to offer a variety of dedicated and switched services including, but not limited to local exchange, switched access, exchange access, standard MTS, 1+800, ATM base, dedicated and switched point-to-point and IP protocol. As a facilities-based carrier, Petitioner will provide its own network, equipment and infrastructure. Petitioner primarily requires interconnection with ILECs to allow its customers to exchange calls with ILEC end user customers. Petitioner states that it may also purchase special access and rely on facilities leased from other carriers, but plans to establish its own wire centers and generally does not purchase unbundled network elements. Petitioner does not currently have any customers in New Jersey, however, it expects to have 15 ISPs and ESPs and 100 ISPs and ESPs customers over one and five year periods, respectively. Neither CoreTel, Petitioner or any of its affiliates currently own or control network facilities nor have any network facilities under construction in New Jersey. Petitioner maintains a toll-free number for customer service inquiries. Petitioner will file a proposed tariff with the Board.

Petitioner requests a waiver of N.J.S.A. 48:3-7.8 and N.J.A.C. 14:1-4.3, which requires 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. In the interest of efficiency and to prevent undue burden, Petitioner 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 office located in Annapolis, Maryland. Petitioner states, upon written notice from the Board and/or Board Staff, it will provide its books and records at such time and place within New Jersey as the Board may designate and will pay any reasonable expenses for examination of the records.

Petitioner asserts that approval of its Petition will further the public interest by expanding the availability of competitive telecommunications services in the State of New Jersey. Petitioner also asserts that approval of this Petition will provide New Jersey customers with access to new technologies and service choices and will permit customers to achieve increased efficiencies and cost savings.

With regard to its technical and managerial qualifications, CoreTel New Jersey states that it possesses the technical capability and managerial qualifications to operate and manage its telecommunications operations in the State of New Jersey. Petitioner has submitted the professional biographies of its key personnel, who according to CoreTel New Jersey are well qualified to execute its business plans and have extensive managerial and technical experience in the telecommunications industry.

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 CoreTel New Jersey’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 and interexchange telecommunications services throughout New Jersey.

The Board also 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 notes that the Petitioner will not be permitted to provide telecommunications services until a tariff is filed with the Board.

The Board HEREBY ORDERS that:

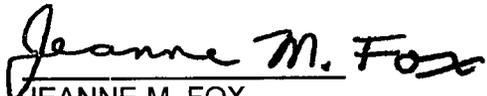
- 1) Petitioner shall file its tariff with the Board.
- 2) Pursuant to N.J.S.A. 48:2-16(2)(b) and N.J.A.C. 14:3-6.3, Petitioner shall file an annual report as of December 31 of each year, which is due on or before March 31 of the following year. Pursuant to N.J.S.A. 48:2-16.3, if Petitioner fails to 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.

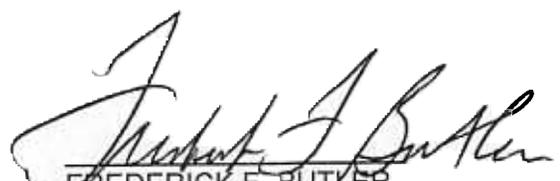
On or before February 1st of each year, the Petitioner will receive from the Division of Audits an annual report package and a statement of gross intrastate revenues from operations form for the preceding calendar year. The purpose of these documents is to report the Petitioner’s financial information 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 any reasonable 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.

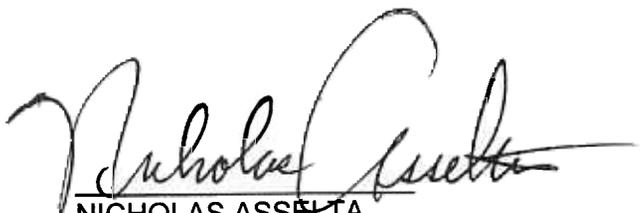
DATED: 7/31/08

BOARD OF PUBLIC UTILITIES
BY:

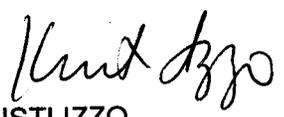

JEANNE M. FOX
PRESIDENT


FREDERICK F. BUTLER
COMMISSIONER

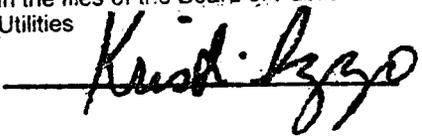

JOSEPH L. FIORDALISO
COMMISSIONER


NICHOLAS ASSELTA
COMMISSIONER


ELIZABETH RANDALL
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 PETITION OF CORETEL NEW JERSEY, INC. FOR
AUTHORITY TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE
TELECOMMUNICATIONS SERVICES THROUGHOUT
THE STATE OF NEW JERSEY

DOCKET NO. TE08050364

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