Agenda Date: 1/17/07 Agenda Item: IA



# STATE OF NEW JERSEY Board of Public Utilities Two Gateway Center Newark, NJ 07102 www.bpu.state.nj.us

		TELECOMMUNICATIONS
IN THE MATTER OF THE PETITION OF HOTWIRE COMMUNICATIONS, LTD. D/B/A GETHOTWIRED, LTD. FOR AUTHORITY TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES THROUGHOUT THE STATE OF NEW JERSEY	) ) ) )	ORDER
		DOCKET NO. TE06120844

(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 December 4, 2006, Hotwire Communications, Ltd. d/b/a GetHotwired, Ltd. ("Petitioner" or "Hotwire") filed a Petition with the New Jersey Board of Public Utilities ("Board") requesting authority to provide resold and facilities-based local exchange 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.

Hotwire is a limited partnership organized under the laws of the Commonwealth of Pennsylvania. Hotwire Communications, LLC is the principal owner and general partner of Hotwire. Petitioner's principal offices are located at 300 East Lancaster Avenue, Suite 208, Wynnewood, Pennsylvania 19096-2142.

Petitioner has submitted copies of its Certificate of Limited Partnership from the Commonwealth of Pennsylvania and its New Jersey Certificate of Authority to Operate as a Foreign Limited Partnership. According to the Petition, Hotwire was formed to provide resold and facilities-based local exchange and interexchange telecommunications services within the State of New Jersey. Petitioner states that at this time it does not seek authority to provide local exchange telecommunications services in the service areas of small or rural local exchange carriers in New Jersey that qualify for rural exemption outlined in Section 251(f)(1) of the Federal Act. Petitioner states that it is currently authorized to provide service in New Jersey as a reseller and

that in July 2004 it filed a letter of acknowledgement with Verizon – New Jersey to provide resold interexchange services. Petitioner is also currently authorized to provide facilities-based local exchange and interexchange telecommunications services in the States of Florida, New York and Pennsylvania. 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 criminal proceedings. Petitioner intends to request an interconnection agreement with Verizon – New Jersey.

Petitioner seeks authority to provide resold and facilities-based local exchange and interexchange telecommunications services to residential customers in Verizon's service territory within the State of New Jersey. Petitioner states that initially it plans to offer facilities-based local exchange and interexchange services to residential customers located in the State of New Jersey through a combination of its own facilities and facilities leased from Verizon – New Jersey. Petitioner intends to offer full-feature communications services to multi-dwelling unit buildings, condominium and homeowner associations and student housing. Petitioner's services will include but will not be limited to basic local, optional or vertical calling which includes call waiting and caller identification, 911, directory and operator assistance and intra and inter local access and transport area services in New Jersey. Petitioner states that neither Hotwire nor its affiliate currently own or control any telephone network facilities in the State of New Jersey. Petitioner also states that it will file a proposed tariff with the Board and that it maintains a toll-free number for customer service inquiries.

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 Wynnewood, Pennsylvania. Petitioner also 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, Hotwire 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 Hotwire, 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>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)].

Therefore, Board approval of Petitioner's entry into the telecommunications marketplace is required, assuming Petitioner is in compliance with the Board's filing requirements to provide telecommunications services in New Jersey.

In considering this Petition, the Board recognizes its obligation not to prohibit entry into intrastate telecommunications markets. 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 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 Hotwire's Petition and the information supplied in support thereof, the Board <u>FINDS</u> that the Petitioner is in compliance with the Board's filing requirements to provide telecommunications services in New Jersey. Accordingly, the Board <u>HEREBY AUTHORIZES</u> the Petitioner to provide local exchange and interexchange telecommunications services throughout New Jersey. The Board also <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> 52:27E-61 and 52:27E-62, the Petitioner is subject to an annual assessment by both the Board and 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 <u>HEREBY ORDERS</u> that:

- 1) Petitioner 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<sup>st</sup> 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

1/17/07

BOARD OF PUBLIC UTILITIES

BY:

FREDERICK F. BUTLER COMMISSIONER

JOSEPH L. FIORDALISO COMMISSIONER CONNIE O. HUGHES COMMISSIONER

CHRISTINE V. BATOR 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

BPU Docket No. TE06120844

Utilities

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#### **DOCKET NO. TE06120844**

#### **SERVICE LIST**

#### 1. Petitioner's Contact Person:

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### 2. <u>Petitioner's Attorney:</u>

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