Agenda Date: 2/1/08 Agenda Item: IB



STATE OF NEW JERSEY

Board of Public Utilities Two Gateway Center Newark, NJ 07102 www.bpu.state.nj.us

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IN THE MATTER OF THE PETITION OF SYNIVERSE)	
TECHNOLOGIES, INC. FOR AUTHORITY TO PROVIDE)	
LOCAL EXCHANGE TELECOMMUNICATIONS)	ORDER
SERVICES WITHIN THE STATE OF NEW JERSEY	í	

DOCKET NO. TE07110855

(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 November 6, 2007, Syniverse Technologies, Inc. ("Petitioner" or "Syniverse"), filed a Petition with the New Jersey Board of Public Utilities ("Board") requesting authority to provide competitive facilities-based local exchange telecommunications services within the State of New Jersey.

Syniverse is a privately held corporation organized under the laws of the State of Delaware. Syniverse is a wholly owned subsidiary of Syniverse Holdings, Inc., a Delaware corporation listed on the New York Stock Exchange under the symbol "SVR". Syniverse was initially incorporated in the State of Delaware on November 8, 1993 as GTE Telecommunications Services, Inc. On November 21, 2000, the company changed its corporate legal name to TSI Telecommunications Services, Inc. On March 1, 2004, the company changed its corporate legal name to Syniverse Technologies, Inc. On February 9, 2005, Syniverse Finance, Inc. and Syniverse Networks, Inc., two wholly owned subsidiaries of the Petitioner were merged with and into Syniverse. Petitioner's principal offices are located at 8125 Highwoods Palm Way, Tampa, Florida 33647.

Petitioner has submitted copies of its Certificate of Amendment of Restated Certificate of Incorporation along with its Certificate of Merger from the State of Delaware and a certified copy of its New Jersey Certificate of Authority to Conduct Business in New Jersey as a Foreign Corporation. According to the Petition, Syniverse was formed to provide competitive facilities-based local exchange telecommunications services to large business users, including other telecommunications carriers within the State of New Jersey. Petitioner is currently authorized to provide competitive telecommunications services in thirty-six (36) States, including Florida, Indiana, Massachusetts, New Hampshire, North Carolina, Virginia, Wisconsin and the State of 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 entered into a standard interconnection agreement with Verizon New Jersey, Inc. subject to Board approval.

Petitioner began its operations in the State of Texas in 1987 and has since expanded to provide telecommunications services in many other states. Petitioner is a global communications technology company specializing in innovative and network engineering solutions that manage and interconnect voice and data systems in approximately 50 countries throughout North America, Central and Latin America, Asia Pacific and Europe. Petitioner provides technology interoperability, network services and call processing to more than 350 customers representing mobile operators, wire lines carriers and emerging telecom market entrants. Its product includes switched signaling intelligent network solutions, clearing and settlement services, voice and data roaming facilitation, fraud management, revenue enhancement solutions and more than 35 other integrated services.

Petitioner seeks authority to provide competitive facilities-based local exchange telecommunications services in the State of New Jersey. Petitioner initially intends to provide local exchange services in those areas that are currently served by Verizon New Jersey, Inc. Petitioner plans to provide switched transport, switched signaling and dedicated transport services and call related database to business users and other telecommunications carriers in New Jersey. In five years Petitioner plans to serve as a telecommunications carrier, supplier of broadband wire-line & wireless services and provider of telecommunications application service. The Company currently owns Signaling Transfer Points, with facilities in the States of Arizona, Atlanta, Missouri, Philadelphia, Texas and Washington. Petitioner maintains a toll-free number for customer service inquiries and 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 Tampa, Florida. 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, Syniverse 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 Syniverse, 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.S.C. §253(a).

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

In considering this Petition, the Board recognizes its obligation not to prohibit entry into intrastate telecommunications markets of 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 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." <u>N.J.S.A.</u> 48:2-21.16(a)(4); <u>N.J.S.A.</u> 48:2-21.16(b)(1) and (3).

Therefore, having reviewed Syniverse'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 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> 52:27EE-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 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 <u>FINDS</u> 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:

2/4/08

BOARD OF PUBLIC UTILITIES BY:

PRESIDENT

COMMISSIONER

COMMISSIONER

CHRISTINE V. BATOR COMMISSIONER

Christine V. Bater

ATTEST:

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 SYNIVERSE TECHNOLOGIES, INC. FOR AUTHORITY TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES WITHIN THE STATE OF NEW JERSEY

DOCKET NO. TE07110855

SERVICE LIST

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