



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**Two Gateway Center**  
**Newark, NJ 07102**  
**[www.nj.gov/bpu/](http://www.nj.gov/bpu/)**

TELECOMMUNICATIONS

IN THE MATTER OF THE PETITION OF NETWORK )	ORDER
BILLING SYSTEMS, LLC FOR APPROVAL TO )	
PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE )	
TELECOMMUNICATIONS SERVICES THROUGHOUT )	
THE STATE OF NEW JERSEY )	DOCKET NO. TE08070466

(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 July 1, 2008, Network Billing Systems, LLC ("Petitioner" or "NBS") filed a Petition with the New Jersey Board of Public Utilities ("Board") requesting authority to provide facilities-based and resold competitive local exchange, exchange access and interexchange telecommunications services throughout the State of New Jersey. Petitioner has submitted its financial information under seal and has filed a Motion for Confidentiality along with 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.

NBS is a privately held limited liability company organized under the laws of the State of New Jersey. Jonathan Kaufman, Managing Member and LK Trust, Managed by Mr. Kaufman are the principal owners of NBS and each hold a 15% and 85% ownership interest in the company, respectively. NBS is affiliated by common ownership with Interconnect Services, Group, LLC, an administrative support services company that does not provide telecommunications services. Petitioner's principal offices are located at 155 Willowbrook Boulevard, Wayne, New Jersey 07470.

Petitioner has submitted copies of its Certificate of Formation and a Certificate of Good Standing from the State of New Jersey. On April 17, 2002, Petitioner has filed a Resale Carrier Letter of Acknowledgement to provide resold local exchange and interexchange

telecommunications services in the State of New Jersey with Verizon New Jersey, Inc. f/n/a Bell Atlantic – New Jersey, Inc. Petitioner has since successfully provided resold local exchange and interexchange telecommunications services in New Jersey and also provides such services in the State of New York, Arizona, California, Connecticut, Georgia, Missouri, New Mexico, North Carolina, Oklahoma, Pennsylvania, South Carolina and Texas. 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 is engaged in negotiations with Verizon New Jersey to assume the interconnection agreement of Simlab Communications, LLC (“Simlab”), another facilities-based local exchange telecommunications service provider in New Jersey upon certification.

Petitioner seeks authority to provide facilities-based and resold competitive local exchange, exchange access and interexchange telecommunications services to both residential and commercial customers in the State of New Jersey. Petitioner plans to operate as a facilities-based carrier and will provide services via newly acquired equipment and the leasing of facilities from underlying carriers. Petitioner will maintain specialized switching equipment and attendant functionalities used in the provision of the proposed services which is interconnected to high-speed broadband facilities leased primarily from Verizon New Jersey. Petitioner will also lease network elements and obtain unassigned telephone numbers for subsequent assignment to new and existing subscribers. NBS states that its services will include but will not be limited to, local exchange services such as direct inward and outward dialing, 911 & E911, directory listing & assistance, Operator Assistance and interexchange services such as Dial access, 1-800 toll free number, calling card and any other switched and non-switched local services including private line services. Petitioner states that currently, it does not propose to construct or deploy facilities in New Jersey. 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.A.C. 14:1-4.3, which requires that books and records be maintained in accordance with the Uniform System of Accounts (“USOA”). 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.

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, NBS 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 NBS are well qualified to execute its business plans and have extensive managerial and technical experience in the telecommunications industry.

## **ASSOCIATED ACQUISITION OF ASSETS:**

Petitioner's request for facilities-based operating authority is predicated upon the acquisition of the telecommunications assets of Simlab, facilities-based provider of telecommunications services in New Jersey. On June 7, 2006, pursuant to Docket No. TE06020114, the Board granted Simlab, a facilities-based telecommunications service provider, authority to provide local exchange and interexchange telecommunications services within the State of New Jersey. Upon Certification, Petitioner has agreed to purchase all the tangible and intangible assets owned by Simlab. These assets consist of: existing contracts and files, assigned telephone numbers, internet protocol addresses and domain names, trademarks, trade names, and service marks used in the operations of business and accounts receivable of Simlab. Petitioner states that Simlab currently maintains no New Jersey subscribers.

Pursuant to New Jersey Administrative Code § 14:1-5.6(d), Petitions for the approval of the sale or lease of property, "The sale of personal property having a net book cost and sale price not in excess of \$100,000 and which is no longer used by or useful to the utility; may be consummated without petition to the Board for approval, provided, however, that the utility shall have given written notice thereof to the Board, to be received not less than 30 days prior to the effective date of the proposed sale, lease, encumbrance or other disposition of such property."

According to the Petition, the agreed upon acquisition of Simlab's assets is valued at a net book cost and sale price significantly below the \$100,000 threshold established under the above referenced New Jersey Code, and is exempt from Board approval, accordingly. However, Petitioner shall ensure that Simlab gives written notice to the Board 30 days prior to the effective date of the proposed sale of Simlab's assets pursuant to N.J.A.C. 14:1-5.6(d)(1).

## **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 NBS' 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) Petitioner shall ensure that Simlab gives written notice to the Board 30 days prior to the effective date of the proposed sale of Simlab's assets pursuant to N.J.A.C. 14:1-5.6(d)(1).
- 3) 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.
- 4) 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 .Therefore, the Board APPROVES the Petitioner's request for the exemptions from maintaining its books and records in accordance with USOA.

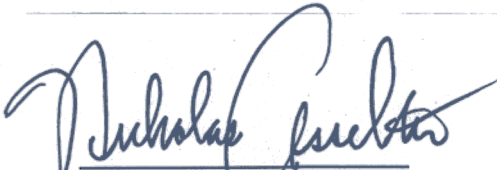
DATED: 9/15/08

BOARD OF PUBLIC UTILITIES  
BY:

  
JEANNE M. FOX  
PRESIDENT


  
FREDERICK F. BUTLER  
COMMISSIONER

  
JOSEPH L. FIORDALISO  
COMMISSIONER

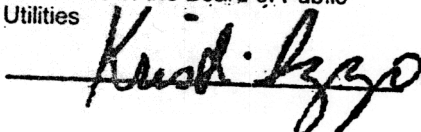
  
NICHOLAS ASSELTA  
COMMISSIONER

  
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 NETWORK BILLING SYSTEMS, LLC  
FOR AUTHORITY TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE  
TELECOMMUNICATIONS SERVICES THROUGHOUT  
THE STATE OF NEW JERSEY - DOCKET NO. TE08070466

SERVICE LIST

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