



Agenda Date: 8/19/15
Agenda Item: IA

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

TELECOMMUNICATIONS

IN THE MATTER OF THE VERIFIED PETITION OF)
SQF, LLC D/B/A TILSON FOR AUTHORIZATION TO)
PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE)
TELECOMMUNICATIONS SERVICES THROUGHOUT)
THE STATE OF NEW JERSEY) ORDER

DOCKET NO. TE15060727

Parties of Record:

Joshua Broder, President, SQF, LLC d/b/a Tilson, Portland ME
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 Federal Telecommunications Act of 1996, 47 U.S.C. § 151 et seq., and by letter dated June 16, 2015, SQF, LLC d/b/a Tilson (“Petitioner” or “SQF”) filed a verified petition with the New Jersey Board of Public Utilities (“Board”) requesting authority to provide competitive intrastate facilities-based switched and dedicated local exchange, exchange access, interexchange and private line telecommunications services throughout the State of New Jersey. Petitioner submitted its financial information under seal and 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.

SQF is a privately held limited liability company organized under the laws of the State of Maine and is a wholly owned subsidiary of Tilson Technology Management, Inc. (“Tilson”). Tilson Government Services, LLC, Information Technology Consulting Company, Tilson Wireless Services, LLC, a wireless site acquisition providing small cell outdoor distributed antenna systems, and Tilson Fiber Technology, LLC, a fiber construction company, are affiliates of SQF and are operated, owned, and controlled by Tilson. Petitioner’s principal office is located at 245 Commercial Street, Suite 203, Portland, Maine 04101.

Petitioner submitted copies of its Certificate of Formation from the State of Maine and its New Jersey Certificate of Authority to operate as a Foreign Limited Liability Corporation. Petitioner is currently authorized to provide facilities-based and resold local exchange and interexchange telecommunications services as a Competitive Local Exchange Carrier (“CLEC”) in the State of Maine and is currently pursuing authority to provide facilities-based interexchange and facilities in the State of Pennsylvania. Additionally, Petitioner will consider seeking authorization to operate as a CLEC in other states as the opportunity to support wireless telecommunications

infrastructure deployment continues to grow. 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 entered into and currently does not have any plans to enter into an interconnection agreement with an incumbent local exchange carrier.

Petitioner seeks authorization to provide local exchange and interexchange telecommunications services throughout the State of New Jersey. Petitioner will provide radio frequency (“RF”) transport and backhaul services to commercial mobile radio service providers using a system of fiber optic cables and small antennas and conversion equipment attached to poles and other structures. Petitioner also may transport and distribute its wireless customer’s data services. Petitioner will provide both interstate and intrastate wholesale wireless services to commercial customers. Tilson is currently managing small cell wireless deployment for Verizon Wireless in New Jersey and elsewhere along the eastern seaboard, facilitating the proliferation of distributed antenna systems in the region. Tilson and SQF have particular expertise in regulatory work surrounding the zoning, permitting, and siting of wireless telecommunications facilities. The furnishing of RF transport services requires certain physical arrangements of Petitioner’s and other entities’ equipment and is subject to the availability and the economic feasibility of providing such necessary equipment and facilities. Hence, Petitioner will reserve the right not to provide service to or from a location where the necessary facilities or equipment are not available and/or some specific limitations applicable to RF transport services exist. Additionally, Petitioner intends to reserve the right to discontinue furnishing the service upon its written notice, when necessitated by conditions beyond its control or when the customer is using the service in violation of the law. At this time, Petitioner does not intend to furnish traditional residential or business local telephone services or switched, interexchange telephone service. However, should it choose to do so in the future, Petitioner will provide either directly or through an arrangement with others, access to 911 and E911 services, telecommunications relay services, directory assistance, operator services, and non-discriminatory interconnection with other local exchange carriers. Petitioner generally will provide services on a monthly basis and its service will be available twenty-four hours per day and seven days per week, subject to availability of necessary service, equipment and facilities. Upon certification, and prior to commencing service, Petitioner will file the relevant rates, terms and conditions as required by the Board’s rules and regulations. Petitioner 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 maintained in accordance with the Uniform System of Accounts (“USOA”), respectively. 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 offices located in Portland, Maine.

By correspondence dated June 30 and July 10, 2015, the New Jersey Division of Rate Counsel submitted comments with the Board providing that, based upon its review, “Rate Counsel is satisfied that the Verified Petition meets the regulatory requirements and is consistent with the public interest, convenience, and necessity. . . .” Letter from Rate Counsel dated June 30, 2015 at 1. In addition, Rate Counsel does not object to a grant of the waivers requested by Petitioner, nor does Rate Counsel oppose Petitioner’s request to treat its financial information as confidential and placed under seal. Letter from Rate Counsel dated June 30, 2015 at 1; Letter from Rate Counsel dated July 10, 2015 at 1. Accordingly, Rate Counsel “does not oppose the

Board's grant of authority or approval of the requests contained in the Verified Petition." June 30, 2015 letter at 2; July 10, 2015 letter at 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(b).

In considering this Petition, the Board recognizes its obligation not to prohibit entry into intrastate telecommunications markets by 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 "[p]rovide 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 SQF's Petition and the information supplied in support thereof, the Board **HEREBY 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 in the State of New Jersey. Pursuant to N.J.A.C. 14:3-1.3(a), the Board notes that the Petitioner will not be permitted to provide telecommunications services until Petitioner files the relevant rates, terms and conditions as required by the Board's rules and regulations. Additionally, Petitioner is not relieved from its responsibility to file an Annual Report and a Statement of Gross Intrastate Revenues from Operations form for the preceding calendar year.

Furthermore, the Board **FINDS** that in accordance with N.J.S.A. 48:2-59, 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 **HEREBY ORDERS:**

- 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.

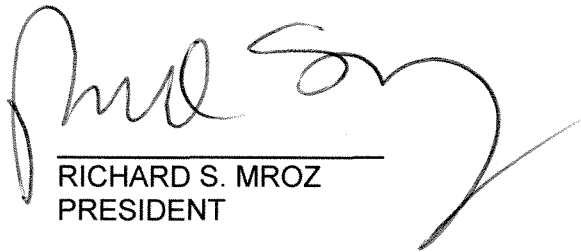
On or before February 1 of each year, the Petitioner will receive from the Division of Audits an annual report package and a Statement of Gross Intrastate Revenues from Operations form for the preceding calendar year. The purpose of these documents is to report the Petitioner's financial information 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 **HEREBY FINDS** that the Petitioner demonstrated good cause why the Board should grant relief from its requirements that the Petitioner maintain 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 all 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.

This Order shall be effective August 29, 2015.

DATED: 8/19/15

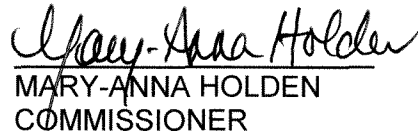
BOARD OF PUBLIC UTILITIES
BY:



RICHARD S. MROZ
PRESIDENT



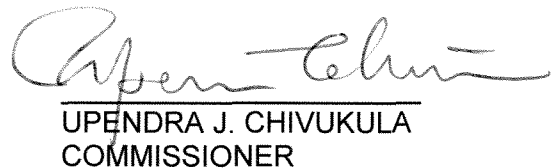
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MARY-ANNA HOLDEN
COMMISSIONER

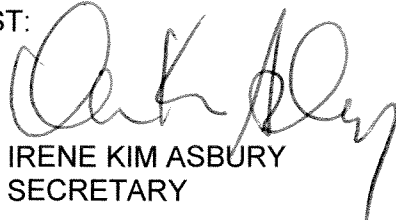


DIANNE SOLOMON
COMMISSIONER



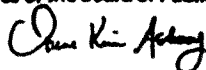
UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST:



IRENE KIM ASBURY
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 VERIFIED PETITION OF SQF, LLC D/B/A TILSON FOR
AUTHORIZATION TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE
TELECOMMUNICATIONS SERVICES IN THE STATE OF NEW JERSEY

DOCKET NO. TE15060727

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