



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)
NETWORKIP, L.L.C., D/B/A ELITE TELECOM, FOR) ORDER
AUTHORIZATION TO PROVIDE FACILITIES-BASED)
INTEREXCHANGE TELECOMMUNICATIONS)
SERVICES IN NEW JERSEY) DOCKET NO. TE15080977

Parties of Record:

Dennis C. Linken, Esq., Scarinci & Hollenbeck, LLC, for Petitioner
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 August 20, 2015, NetworkIP, L.L.C., d/b/a Elite Telecom (“Petitioner” or “Elite Telecom”) filed a verified Petition with the New Jersey Board of Public Utilities (“Board”) requesting authority to provide facilities-based interexchange telecommunications services in 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.

Elite Telecom is a privately held limited liability company organized under the laws of the State of Texas and is a wholly-owned subsidiary of Network Enhanced Telecom, LLP, authorized to provide local exchange telecommunications services throughout New Jersey under Docket No. TE14070819, Order dated September 30, 2014. Petitioner’s principal offices are located at 119 West Tyler Street, Suite 100, Longview, Texas 75601.

Petitioner has submitted copies of its Certificate of Organization from the State of Texas and its New Jersey Certificate of Authority to Transact Business as a Foreign Limited Liability Company. Petitioner is currently authorized to provide interexchange telecommunications services in all states except Arkansas, Montana, Ohio, Rhode Island 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 Petitioner states that it has not been denied authority to provide telecommunications services, its authority has not been revoked in any jurisdiction, and it has not been the subject of any civil or criminal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 not entered into an interconnection agreement with incumbent local exchange carriers because the carriers NetworkIP uses in New Jersey all have interconnection agreement in place.

Petitioner seeks authority to provide facilities-based interexchange telecommunications services in the State of New Jersey. Petitioner is a retailer of prepaid calling products, utilizing a number of carriers to provide high quality, low cost calling both domestically and internationally. Petitioner also provides monthly unlimited calling plans to various international destinations. Petitioner's services are utilized via an access number, or via direct integration with a contracted carrier or retailer. Petitioner's services and revenues are not based on a per line fee. Instead, its services are designed and provisioned on an Individual Case Basis ("ICB") pursuant to contracts with retailers. All contracted retailers and requesting end users shall have non-discriminatory access to ICB services and facilities at non-discriminatory rates, terms and conditions. Petitioner will be responsible for all customer inquiries and complaints. Petitioner maintains a toll-free number for customer service inquiries and complaints which is provided on the back of calling cards for which Petitioner is the service provider. Petitioner also makes its customer service number available to the end-user through the terms and conditions sections of the websites maintained by Petitioner's retailers. Petitioner's customer service will be available twenty-four hours a day, seven days a week. Petitioner will file an initial tariff upon approval of its petition.

Petitioner requests a waiver of N.J.S.A. 48:3-7.8 and N.J.A.C. 14:1-4.3, which require 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. Petitioner, instead, requests permission to maintain its books and records in accordance with American Institute of Certified Public Accountant Financial Reporting Framework for Small and Medium Sized Entities 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 Longview, Texas.

By letter dated August 31, 2015, the New Jersey Division of Rate Counsel submitted comments to the Board stating that, based on its review, "Rate Counsel is satisfied that the Verified Petition meets the regulatory requirements and is consistent with the public interest, convenience, and necessity." Id. at 1. Accordingly, Rate Counsel does not oppose a grant of authority or approval of Petitioner's request to provide telecommunications services in New Jersey. Id. at 3. 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. Id. at 2.

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 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 Elite Telecom's Petition and the information supplied in support thereof, the Board **FINDS** that Petitioner is in compliance with the Board's filing requirements to provide telecommunications services in New Jersey. Accordingly, the Board **HEREBY AUTHORIZES** Petitioner to provide interexchange telecommunications services in the State of New Jersey. Pursuant to N.J.A.C. 14:3-1.3(a), the Board notes that Petitioner will not be permitted to provide telecommunications services until a tariff is filed with the Board. 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 and 48:2-60 and N.J.S.A. 52:27EE-52, 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, 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 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 Petitioner's responsibility to ensure timely filing of these reports.

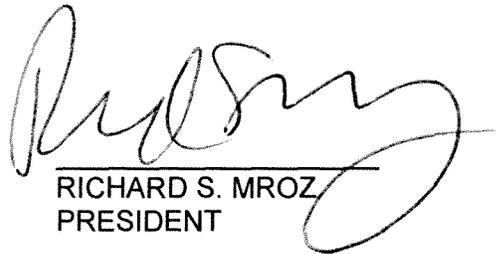
Regarding Petitioner's request for waivers of the Board rules, the Board **FINDS** that Petitioner has demonstrated good cause why the Board should grant relief from its requirements that Petitioner maintain its books and records in accordance with USOA and within New Jersey. Therefore, subject to Petitioner's 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** Petitioner's request for the exemptions from maintaining its books and records in accordance with USOA and in New Jersey.

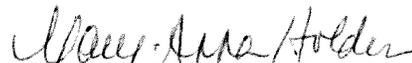
This Order shall be effective October 25, 2015.

DATED: *October 15, 2015*

BOARD OF PUBLIC UTILITIES
BY:

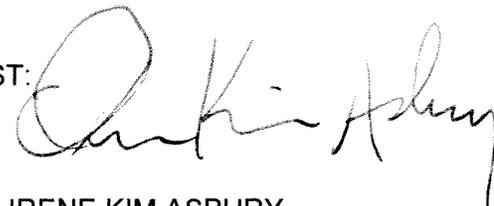

RICHARD S. MROZ
PRESIDENT


JOSEPH L. FIORDALISO
COMMISSIONER

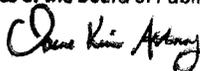

MARY-ANNA HOLDEN
COMMISSIONER


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



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