

Agenda Date: 10/25/19

Agenda Item: IA

TELECOMMUNICATIONS

## STATE OF NEW JERSEY

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

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IN THE MATTER OF THE PETITION OF TALKIE COMMUNICATIONS, INC. FOR AN ORDER OF APPROVAL TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATION SERVICES THROUGHOUT THE STATE OF NEW JERSEY	) ) ) )	ORDER  DOCKET NO. TE19070863

#### Parties of Record:

David H. Roberson, CEO ABC Compliance 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 Telecommunications Act of 1996, 47 U.S.C. § 151 et seq., and by letter dated July 17, 2019, Talkie Communications, Inc. ("Petitioner" or "Talkie") filed a petition with the New Jersey Board of Public Utilities ("Board") for an order of approval and authority to provide facilities-based competitive intrastate local exchange and interexchange telecommunication services to residential and business customers 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.

#### BACKGROUND

Talkie is a privately held corporation organized under the laws of the State of Maryland on January 26, 2015. The Petitioner was initially incorporated as a close corporation under the name of Sonic Systems, Inc. The Petitioner filed Articles of Amendment to the Articles of Incorporation changing its legal name to Talkie on January 26, 2015. Petitioner's principal offices are located at 141 Grays Pond Lane, Centreville, Maryland 21620.

Petitioner has submitted copies of its Articles of Incorporation and Articles of Amendment to Articles of Incorporation and a Certificate of Good Standing from the State of Maryland and its New Jersey Certificate of Registration to Conduct Business in New Jersey as a Foreign Corporation. Petitioner is currently authorized to provide telecommunications services in Florida.

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Kentucky, Maryland, New York, Texas, Wisconsin and from Federal Communications Commission. 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 will negotiate and finalize an interconnection agreement with Verizon New Jersey, Inc. upon approval of its petition. And, Petitioner also will negotiate with other Competitive Local Exchange Carriers ("CLEC") for access to unbundled network elements and other resold services.

Petitioner seeks authority to provide resold and facilities-based competitive interstate and intrastate local exchange and interexchange telecommunications services to business and residential customers at both single and multiple locations throughout the State of New Jersey. Petitioner will facilitate the availability of broadband and related services providing fully integrated last mile broadband solutions on an individual case by case basis. The Petitioner proposes to provide data private line and data network services, managed virtual private network configuration, backhaul and transport connectivity as well as digital voice services to both business and residential customers in the State of New Jersey. Additionally, Petitioner will offer its customers a full-service solution which combines local dial tone, long distance, voice over internet protocol, internet access, telephone equipment (including PBX) and professional product management. Petitioner will design and integrate all of the elements of the communications infrastructure to deliver a seamless interoperable solution for all customers. Petitioner will coordinate with incumbent local exchange carriers for the provisioning emergency 9-1-1 services as well as directory publication in the State of New Jersey. Based on five years business plans, Petitioner expects to provide services to 100 business customers and 100 residential customers by the end of the 1st year. And, by the end of the 5th year, Petitioner anticipates providing services to 250 business customers and 650 residential customers. Petitioner will not construct any facilities but may lease facilities in or on existing buildings, conduits, ducts, and other facilities and structures of other entities.

Petitioner maintains a toll-free number for customer service inquiries and will post its terms, conditions and rates of providing telecommunications services on its website at <a href="https://www.talkiecommunications.com/tariffs">www.talkiecommunications.com/tariffs</a> following approval of its petition.

Petitioner requests a waiver of N.J.S.A. 48:3-7.8 which require that books and records be kept within the State of New Jersey. In accordance with N.J.A.C. 14:1-5.15(a) and for administrative efficiencies, Petitioner requests permission to keep all financial 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 Centreville, Maryland.

By letter dated September 10, 2019, the New Jersey Division of Rate Counsel ("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. Rate Counsel does not object to granting the waiver requests in connection with record-keeping by Petitioner, nor does Rate Counsel oppose Petitioner's request to treat its financial information as confidential and placed under seal. Accordingly, Rate Counsel does not oppose a grant of authority or approval of Petitioner's request to provide local exchange and interexchange telecommunications services throughout the State of New Jersey.

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### DISCUSSION

On February 8, 1996, the 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, promoting competition and removing barriers to entry in telecommunications markets 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). The Board, as the State regulatory authority, may impose requirements necessary to protect the public safety and welfare, ensure the continued quality of telecommunications services, and safeguard the rights of consumers on a competitively neutral basis and consistent with universal service. 47 U.S.C. § 253(b).

In considering this petition for CLEC authority to provide telecommunication services, the Board recognizes its obligation not to prohibit entry into intrastate telecommunications markets by qualified applicants. 47 U.S.C. § 253(a). The Board additionally notes the State policy to "[p]rovide diversity in the supply of telecommunications services" and the Legislative 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" pursuant to the New Jersey Telecommunications Act of 1992. N.J.S.A. 48:2-21.16(a)(4), and N.J.S.A. 48:2-21.16(b)(1) and (3).

Therefore, having reviewed Talkie's petition and the information supplied, the Board FINDS that Petitioner with respect to its request to provide facilities-based competitive intrastate local exchange and interexchange telecommunications services, is in compliance with the Board's filing requirements to provide landline facilities-based competitive local exchange telecommunications landline services in New Jersey. Accordingly, the Board HEREBY AUTHORIZES Petitioner to provide local exchange and interexchange telecommunications services in the State of New Jersey. These findings and authorization do not pertain to non-CLEC services. Pursuant to N.J.S.A. 48:2-21.19(a)(2) and N.J.A.C. 14:10-5.2, Petitioner must make the terms and conditions of said service publicly available on its website and must provide a printed copy of those terms and conditions to a customer upon request.

The granting of such authority conveys certain rights and privileges upon the Petitioner, in its designation as a CLEC in New Jersey, which are reserved for the provision of facilities-based landline services. While CLECs may also provide other telecommunications services, such as wireless, small cell or distributed antenna systems, these service offerings are beyond the scope of Board jurisdiction and the granting of CLEC authority in this Order and generally. Specifically, the Board granting of CLEC authority is limited to the provision of competitive facilities-based local and interexchange services. To the extent that a CLEC provides non-regulated telecommunications services, the CLEC benefits, rights or privileges are not applicable to those non-regulated services.

Regarding Talkie's request that its information be treated confidentially, the Board makes no finding and directs that the information be considered in accordance with the Board's rules at N.J.A.C. 14:1-12 et seq.

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## The Board **HEREBY ORDERS**:

1) Pursuant to N.J.S.A. 48:2-21.19(a)(2) and N.J.A.C. 14:10-5.2, Petitioner must post the terms and conditions of its retail competitive services on its website in a publically-available location, and must also provide a printed copy of those terms and conditions to a customer upon request of the customer.

- 2) Petitioner shall provide notice to the Board of its website link described above that contains the terms and conditions of its competitive local exchange and interexchange telecommunications services to end-use subscribers before commencing/offering retail local exchange services to end-use subscribers. To ensure service quality, Petitioner shall notify the Board within 10 days from the date it begins providing such services to New Jersey customers;
- 3) Petitioner shall provide notice to the Board of its website link which contains the terms and conditions of 9-1-1 and E-9-1-1 service when Petitioner begins offering retail local exchange services to end-use subscribers to ensure that Petitioner's owned/leased facilities are equipped to provide reliable and functional access to 9-1-1 and E-9-1-1 services to end-use subscribers. To ensure service quality, Petitioner shall notify the Board within 10 days from the date it begins providing such services to New Jersey customers;
- 4) Pursuant to N.J.S.A. 48:2-16(2)(b) and N.J.A.C. 14:3-6.3 and, N.J.S.A. 48:2-62, Petitioner shall file an annual report and a statement of gross intrastate revenues from operations form (AR3-1) as of December 31 of each year, which is due on or before March 31 and June 1 of the following year, respectively. If Petitioner does not receive the Board's annual report package from the Division of Audits on or before February 1 of each year, it is Petitioner's responsibility to obtain them from the Board. It is also Petitioner's responsibility to ensure timely filing of these reports. 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;
- 5) Failure to comply with this order may result in monetary penalties pursuant to N.J.S.A. 48:2-42, suspension of CLEC authority, and/or revocation of CLEC authority; and
- 6) 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 Rate Counsel, respectively.

Petitioner additionally requests a waiver of N.J.S.A. 48:3-7.8. Petitioner seeks authority to keep its books and records outside the State of New Jersey. The request was noticed and unopposed. Upon review, the Board <u>FINDS</u> that the Petitioner demonstrated good cause why relief should be granted. Subject to the Petitioner's continuing responsibility to produce such records at such time and place within this State as the Board may designate, in the manner requested, and to pay all expenses or charges incurred for any investigation or examination of these books and records, the Board <u>GRANTS</u> its permission to keep records, books, accounts, documents and other writings outside the State of New Jersey pursuant to N.J.A.C. 14:1-5.15 (a).

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This Order shall be effective November 4, 2019.

DATED: 10/25/19

**BOARD OF PUBLIC UTILITIES** 

BY:

PRESIDENT

COMMISSIONER

COMMISSIONER

UPENDRA J. CHIVUKULA

COMMISSIONER

ROBERT M. GORDON COMMISSIONER

ATTEST:

AIDA CAMACHO-WELCH

**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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#### **DOCKET NO. TE19070863**

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