

Agenda Date: 7/16/25 Agenda Item: IB

STATE OF NEW JERSEY Board of Public Utilities 44 South Clinton Avenue, 1st Floor Post Office Box 350 Trenton, New Jersey 08625-0350 <u>www.nj.gov/bpu/</u>

> DIVISION OF AUDITS AND OFFICE OF CABLE TELEVISION AND TELECOMMUNICATIONS

IN THE MATTER OF VERIFIED PETITION OF PILOT FIBER NJ LLC FOR AUTHORIZATION TO PROVIDE FACILITIES-BASED LOCAL EXCHANGE, INTEREXCHANGE AND PRIVATE LINE TELECOMMUNICATIONS SERVICES IN THE STATE OF NEW JERSEY ORDER

DOCKET NO. TE25030109

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel Jim J. Creech, Esq., for Pilot Fiber NJ LLC

BY THE BOARD:

On March 7, 2025, Pilot Fiber NJ LLC ("Petitioner") filed a verified petition with the New Jersey Board of Public Utilities ("Board") pursuant to the New Jersey Telecommunications Act of 1992, N.J.S.A. 48:2-21.16 <u>et seq.</u> ("1992 Act"), and the Federal Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 ("Federal Act"), seeking authorization to provide facilities-based local exchange, interexchange, and private line services throughout the State of New Jersey ("Petition"). In support of its Petition, the Petitioner submitted its financial statements subject to a claim of confidentiality pursuant to the Board's rules, N.J.A.C. 14:1-12.1 <u>et seq.</u>, and consistent with the Open Public Records Act, N.J.S.A. 47:1A-1 <u>et seq.</u> ("OPRA"). Petitioner also sought a waiver of N.J.A.C. 14:10-1A.13, which requires financial material to comply with the Uniform System of Accounts ("USOA"), and of N.J.A.C. 14:1-5.15(a), pertaining to the requirement under N.J.S.A. 48:3-7.8 that all books and records incident to Petitioner's operations be maintained in the State of New Jersey. By this Order, the Board considers the Petition.

BACKGROUND

Petitioner is a Delaware based limited liability company with a principal place of business at 1115 Broadway, Floor 12, New York, NY 10010. According to the Petition, Petitioner has not been denied authority to provide telecommunications services in any state, nor has any state revoked the authority of Petitioner to operate therein. Moreover, neither Petitioner nor any of its officers has been or is currently the subject of any civil or criminal proceedings pending before any state or federal regulatory commission, administrative agency, or law enforcement agency that could adversely affect its ability to provide telecommunications services in New Jersey.

Petitioner has submitted its financial information under seal and has filed a sworn affidavit with substantiation for confidential treatment, as allowed by OPRA, in accordance with the Board's rules for determining confidentiality, N.J.A.C. 14:1-12 et seq.

Petitioner represented that it possesses sufficient financial, managerial, and technical resources and abilities to provide competitive telecommunications services in the State of New Jersey. In addition, Petitioner stated that the granting of the Petition would provide significant benefits to business customers in terms of choice, price, increased reliability, responsiveness, and the introduction of new services, and will also stimulate investment in New Jersey's telecommunications infrastructure, resulting directly in increased employment opportunities. Petitioner has not entered into an interconnection agreement with an Incumbent Local Exchange Carrier because presently, it does not intend to offer services that require an interconnection agreement.

Petitioner requested authorization to provide facilities-based local exchange, interexchange, and private line services to and from all points throughout the State of New Jersey. Upon certification, and prior to commencing service, the Petitioner indicated that it would post on its website the relevant rates, terms, and conditions as required by the Board's rules. Petitioner maintains a toll-free number for customer services.

On April 23, 2025, the Petitioner submitted a letter of clarification regarding its proposed service offerings. Petitioner stated that it has no definitive plans at the present time to provide facilitiesbased landline voice services but seeks to maintain flexibility to serve customer needs as they arise.

Pursuant to N.J.A.C. 14:1-1.2(b), Petitioner sought a waiver of N.J.A.C. 14:10-1A.13, to the extent such regulation would require Petitioner's financial material to comply with the USOA. Petitioner submitted that the Board will have a reliable means by which to evaluate Petitioner's operations and assess its financial fitness with records kept in accordance with Generally Accepted Accounting Principles ("GAAP").

Petitioner also requests a waiver of N.J.A.C. 14:1-5.15(a), which requires that all books and records incident to Petitioner's operations be maintained in the State of New Jersey. The Petitioner's activities in the State of New Jersey would be managed from its principal place of business in New York, New York. Petitioner stated that maintaining its books and records in the State of New Jersey would place an undue financial burden on Petitioner as it competes with other carriers that maintain their books and records outside of the State of New Jersey. According to the Petitioner, the ability to maintain its books and records out-of-state will reduce its administrative and financial burden, increase the efficiency of its operations, and thereby enable Petitioner to offer its services in a more competitive manner. Upon a written request from the Board, Petitioner would produce such books and records at such time and place within New Jersey, as the Board may designate.

By letter dated June 6, 2025, the New Jersey Division of Rate Counsel ("Rate Counsel") indicated that it did not oppose the Petitioner's service authorization or waiver requests, and suggested that the Board require the Petitioner to submit a verified statement to the Board when it commences providing facilities-based local exchange, interexchange, and/or private line

telecommunications services in the State, with copy to Rate Counsel, so that both agencies may update their records accordingly.

DISCUSSION AND FINDINGS

On February 8, 1996, the Federal Act was signed into law to promote competition and remove barriers to entry into telecommunications markets. To that end, 47 U.S.C. § 253(a) provides 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." However, pursuant to 47 U.S.C. § 253(b), the Board, as the State's 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 that is consistent with universal service.

In considering the instant Petition for Competitive Local Exchange Carrier ("CLEC") authority to provide local exchange and interexchange telecommunication services, the Board recognizes its obligation to not prohibit entry into intrastate telecommunications markets by qualified applicants.¹ The Board additionally notes that, pursuant to the 1992 Act and based on 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," State policy is to "[p]rovide diversity in the supply of telecommunications services."² Consistent with State and federal law, the Board is empowered to grant CLEC authority to telecommunications companies seeking to provide service in New Jersey.³

Therefore, having reviewed the Petition and the information supplied, the Board <u>HEREBY</u> FINDS that, with respect to its request for approval to provide local exchange and interexchange services in New Jersey, Petitioner meets the Board's filing requirements. Accordingly, the Board <u>HEREBY</u> <u>AUTHORIZES</u> Petitioner to provide facilities-based local exchange, interexchange, and private line telecommunications services in the State of New Jersey. The granting of such authority conveys certain rights and privileges upon the Petitioner in its designation as a CLEC in New Jersey. To the extent that a CLEC entity provides unregulated services, CLEC benefits, rights, and privileges granted by the Board are not applicable to those unregulated services.

Pursuant to N.J.S.A. 48:2-21.19(a)(2) and N.J.A.C. 14:10-5.2, Petitioner shall make the rates, terms, and conditions of said service publicly available on its website and shall provide a printed copy of those terms and conditions to a customer upon request and the link to the CLEC website with this information for inclusion on the Board's website.

The Board **HEREBY ORDERS**:

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

¹ 47 U.S.C. § 253(a).

² N.J.S.A. 48:2-21.16(a)(4), (b)(1), and (b)(3).

³ N.J.A. 48:2-13 and 48:2-21.20(d).

- 2) Petitioner shall provide the Board and Rate Counsel with a link to the page of the website described above that contains the terms and conditions of its competitive local exchange and interexchange telecommunications services no later than five (5) days after the effective date of this Order. To ensure service quality, the Petitioner shall notify the Board within ten (10) days from the date it begins providing such services to New Jersey customers. Petitioner shall otherwise comply with N.J.A.C. 14:10-5.1 to -5.8 with respect to any initial offerings of service or revisions to rate, terms and conditions.
- 3) In the event Petitioner intends to provide or provides services requiring the provision of 9-1-1 or E-9-1-1 services under Federal law, Petitioner shall provide the Board with a link to the page of its website that contains the terms and conditions of 9-1-1 and E-9-1-1 services 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 subscribers. To ensure service quality, the Petitioner shall notify the Board within ten (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), 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 the annual report package from the Board. It is also the 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 five-dollars (\$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.
- 6) In accordance with N.J.S.A. 48:2-59, N.J.S.A. 48:2-60, and N.J.S.A. 52:27EE-52, Petitioner is subject to an annual assessment by both the Board and Rate Counsel, respectively.

The Petitioner additionally requested a waiver of N.J.A.C. 14:10-1A.13 and N.J.A.C. 14:1-5.15(a). Upon review, the Board <u>HEREBY</u> <u>FINDS</u> that the Petitioner demonstrated requisite good cause for the Board to grant such relief pursuant to N.J.A.C. 14:1-1.2. Accordingly, the Board <u>HEREBY</u> <u>GRANTS</u> Petitioner's request to adhere to the GAAP and waives both the USOA requirements at N.J.A.C. 14:10-1A.13 and bookkeeping requirements at N.J.A.C. 14:1-5.15(a).

This Order shall be effective July 23, 2025.

DATED: July 16, 2025

BOARD OF PUBLIC UTILITIES BY:

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PRESIDENT

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DR. ZENON CHRISTODOULOU COMMISSIONER

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MICHAEL BANGE COMMISSIONER

ATTEST: SHÈRRI L LEWIS **BOARD 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 VERIFIED PETITION OF PILOT FIBER NJ LLC FOR AUTHORIZATION TO PROVIDE FACILITIES-BASED LOCAL EXCHANGE, INTEREXCHANGE AND PRIVATE LINE TELECOMMUNICATIONS SERVICES THROUGHOUT THE STATE OF NEW JERSEY

DOCKET NO. TE25030109

SERVICE LIST

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