Agenda Date: 7/15/26
Agenda Item: IC

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

DIVISION OF AUDITS AND OFFICE OF CABLE TELEVISION AND TELECOMMUNICATIONS

IN THE MATTER OF THE PETITION OF BRIGHTSPEED FIBER SERVICES LLC FOR AUTHORIZATION TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES IN THE STATE OF NEW JERSEY	)	ORDER DOCKET NO. TE25100580

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Pamela Sherwood, VP of Regulatory Compliance, For Brightspeed Fiber Services LLC

BY THE BOARD:[1]

On October 24, 2025, Brightspeed Fiber Services LLC ("Brightspeed" or "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 et seq. ("1992 Act"), and the Federal Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996) ("Federal Act"), seeking authorization to provide local exchange and interexchange telecommunications services in the state of New Jersey ("Petition"). Additionally, the Petitioner 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 the 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 office located at 1120 S. Tryon St, Charlotte, NC 28203. Brightspeed was initially formed as Brightspeed Midwest Capital, Inc., a Delaware Corporation, on May 10, 2006. Petitioner was subsequently reorganized as Brightspeed on June 2, 2025.

The Petitioner is an indirect, wholly owned subsidiary of Connect Holding II LLC ("Connect

[1] President Hertz-Shargel has abstained from voting on this matter.

Holding II"), a Delaware limited liability company. Connect Holding II, through its subsidiaries, provides voice and data services to enterprise, government, wholesale, and retail customers in twenty (20) states, including New Jersey, under the "Brightspeed" brand name. Connect Holding II's subsidiaries providing services in New Jersey include: Brightspeed Broadband, LLC and Brightspeed of New Jersey, LLC ("Brightspeed of NJ").

The Petitioner seeks this authorization in connection with a proposed financing transaction involving Brightspeed and certain other Connect Holding II subsidiaries. The Petitioner plans to transfer certain assets, including communications optical fiber, customer contracts, and associated telecommunications equipment from Brightspeed of NJ to Brightspeed ("Pro Forma Transfer"). Brightspeed will separately seek the Board's approval regarding this transaction. The Petitioner indicated that it would commence operations in New Jersey upon the completion of the Pro Forma Transfer.

During the first year of operations and over the next five (5) years, the Petitioner stated that it intends to provide fiber-based transport services such as private line, ethernet, and optical wavelength to enterprise and wholesale customers, as well as unregulated services such as broadband and Voice Over Internet Protocol, in areas currently served by the Brightspeed of NJ & its affiliates. Petitioner indicated that it will provide these services subject to Board's regulations. The Petitioner stated that it does not plan to provide retail or switched access services and therefore has not included illustrative tariffs with the Petition. Instead, the Petitioner stated that it will offer its service on a nondiscriminatory basis and at competitive rates through individual case-based contracts. The Petitioner will provide information regarding the general rates, terms, and conditions of its services on its website. The Petitioner will enter interconnection agreements with incumbent local exchange carriers as necessary to support the proposed services.

Currently, the Petitioner does not seek to terminate any small or rural exemptions existing under Section 251(f)(1) of the Federal Telecommunications Act of 1996. However, the Petitioner seeks statewide authority so that it may expand its service areas as those areas become open to competition. The Petitioner is a newly formed entity and does not currently own or lease facilities in New Jersey. Upon completion of Pro Forma Transfer, the Petitioner will receive optical fiber and associated telecommunications equipment from Brightspeed of NJ and its affiliates and will own and operate such facilities to provide the proposed services. Though the Petitioner has no current plans to construct additional facilities and does not intend to directly provide regulated services to residential customers, Petitioner will seek the authority to do so should future market conditions warrant. The Petitioner will continuously monitor and maintain a high level of control over its network twenty-four (24) hours a day and seven (7) days a week. The Petitioner maintains a toll-free number for customer service inquiries.

The Petitioner claimed that it possesses sound financial, technical, and managerial resources, as well as the experience of providing the proposed services. The Petitioner will have assets and associated cash flow upon completion of the Pro Forma Transfer and will operate under the strong financial position of its parent, Connect Holding II.

The Petitioner requested 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. The Petitioner currently maintains its books and records in accordance with Generally Accepted Accounting Principles.

The Petitioner also requested a waiver of N.J.A.C. 14:1-5.15(a). The Petitioners' activities in the State of New Jersey will be managed from its principal place of business at Charlotte, North Carolina. Upon a written request from the Board, Petitioner indicated that it would produce such books and records at such time and place within New Jersey, as the Board may designate.

By letter dated April 14, 2026, the New Jersey Division of Rate Counsel ("Rate Counsel") indicated that it supported the introduction and expansion of competition in the New Jersey telecommunications market because competition encourages lower prices, technological advances and deployment of enhanced telecommunications services for consumers which is consistent with public interest, convenience and necessity. Accordingly, Rate Counsel indicated that it does not oppose a Board grant of the Petitioner's waiver requests and issuance of a certificate of authority allowing Brightspeed to provide telecommunications services throughout New Jersey.

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 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.[2] 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."[3] Consistent with State and federal law, the Board is empowered to grant CLEC authority to telecommunications companies seeking to provide service in New Jersey.[4]

Pursuant to N.J.A.C. 14:1-1.2(b), the Board shall, in accordance with the general purposes and intent of its rules, waive a specific provision where full compliance would adversely affect ratepayers, the ability of a utility to provide safe, adequate, and proper service, or the interests of the general public.

The Petitioner has demonstrated they possess the requisite financial, technical, and managerial resources, and the experience necessary to provide facilities based and resold interexchange and local exchange services in compliance with New Jersey laws and Board regulations and requirements, thus aligning their ability and interest with the interest of the State and general public. Further, requiring the Petitioner to maintain its books and records in New Jersey in the present instance would likely create an undue financial and administrative burden for the Petitioner as it competes with other out-of-state carriers, negatively impacting the Petitioner's ability to efficiently provide competitive services for New Jersey ratepayers. Lastly, the Petitioner

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[2] 47 U.S.C. § 253(a).

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

[4] N.J.S.A. 48:2-13 and 48:2-21.20(d).

has assured the Board that its GAAP-compliant records will allow reliable oversite of its financial fitness and operations. Given the State's and Board's interest in reducing burdens on New Jersey ratepayers, requiring strict compliance with USOA standards in this instance may impede the Petitioner's ability to provide competitive services for New Jersey ratepayers. Additionally, the added benefits that the Petitioner's ability to provide local exchange and interexchange services in New Jersey will have on promoting efficiency, reducing regulatory delay, and fostering productivity and innovation, ultimately reducing ratepayer's burden, further supports a waiver.

Therefore, Staff having reviewed the Petition and the information supplied, the Board **HEREBY FINDS** that, with respect to its request for approval to provide local exchange and interexchange services in New Jersey, the Petitioner meets the Board's filing requirements. Accordingly, the Board **HEREBY AUTHORIZES** the Petitioner to provide local exchange and interexchange telecommunications services throughout 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.

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, the Petitioner must post the terms and conditions of its retail competitive services on its website in a publicly available location and must also provide a printed copy of those terms and conditions to a customer upon the customer's request.

2) The Petitioner must 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 must notify the Board within ten (10) days from the date it begins providing such services to New Jersey customers. The Petitioner must 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 the Petitioner intends to provide or provides services requiring the provision of 9-1-1 or E-9-1-1 services under Federal law, the Petitioner must 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 the 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 must 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, the Petitioner must 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 the 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 the 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 the Petitioner fails to file an annual report by the due date, the Petitioner will be subject to a penalty of five-dollars ($5.00) for each day thereafter until such report is filed.

5) 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, the Petitioner is subject to an annual assessment by both the Board and Rate Counsel, respectively.

6) 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.

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 **HEREBY FINDS** 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 **HEREBY GRANTS** the 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 22, 2026.

DATED: July 15, 2026

BOARD OF PUBLIC UTILITIES
BY:

ABSTAINED
BEN HERTZ-SHARGEL
PRESIDENT

CHRISTINE GUHL-SADOVY
COMMISSIONER

MICHAEL BANGE
COMMISSIONER

EMMA REBHORN
COMMISSIONER

JOSEPH COVIELLO
COMMISSIONER

ATTEST:

SHERRI 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 THE PETITION OF BRIGHTSPEED FIBER SERVICES LLC FOR APPROVAL TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES IN THE STATE OF NEW JERSEY

DOCKET NO. TE25100580

SERVICE LIST

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