Agenda Date: 8/12/26
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
www.nj.gov/bpu/

DIVISION OF AUDITS AND OFFICE OF CABLE TELEVISION AND TELECOMMUNICATIONS

IN THE MATTER OF THE PETITION OF SQFNJ, LLC FOR AUTHORIZATION TO PROVIDE FACILITIES-BASED AND RESOLD LOCAL EXCHANGE AND INTEREXCHANGE SERVICES, AND FACILITIES-BASED DEDICATED AND PRIVATE LINE COMMUNICATIONS THROUGHOUT THE STATE OF NEW JERSEY	)	ORDER DOCKET NO. TE26010007

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
Joshua M. Bobeck, Esq., Counsel for SQFNJ, LLC

BY THE BOARD:

On January 12, 2026, SQFNJ, LLC ("SQFNJ" or "Petitioner"), d/b/a Verta, filed a petition with the New Jersey Board of Public Utilities ("Board") pursuant to the New Jersey Telecommunications Act of 1992 ("1992 Act"), N.J.S.A 48:2-21.16 et seq., and the Federal Telecommunications Act of 1996 ("Federal Act"), Pub. L. No. 104-104, 110 stat. 56 (1996), requesting Board authorization to provide facilities-based and resold local exchange and interexchange services, and facilities-based dedicated and private line communications throughout 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 Petitioner's operations be maintained in the State of New Jersey. By this Order, the Board considers the Petition.

BACKGROUND

The Petitioner is a Delaware based limited liability company formed on November 7, 2025, with a principal office located at 16 Middle Street, Suite 201, Portland, Maine 04101.

The Petitioner is indirectly majority owned by SDC Tilson Investor, LLC ("SDC Tilson") through a series of intervening Delaware limited liability companies that are purely holding companies. SDC

Tilson is wholly owned by funds managed by SDC Capital Partners, LLC, a New York City-based private investment firm focused on information technology and communications infrastructure. Petitioner is an affiliate of SQF, LLC ("SQF") and both are majority owned by SDC Tilson. SQF is authorized to provide local exchange and interexchange telecommunications services in New Jersey pursuant to Board Order issued on August 29, 2015.[1] At present, SQF provides no regulated services in the State of New Jersey, and the Petitioner will not inherit any customers of regulated services. Petitioner stated in the Petition that, should it be granted Competitive Local Exchange Carrier ("CLEC") authority, SQF intends to relinquish its CLEC authority.

While the Petitioner is a newly formed company, neither the Petitioner nor any of its affiliates have been denied requested certification in any jurisdiction, nor has any permit, license, or certificate been permanently revoked by any authority. The Petitioner is not, nor has it ever been, the subject of any civil or criminal proceedings in any jurisdiction.

The Petitioner seeks authority to provide facilities-based and resold local exchange and interexchange services, and facilities-based dedicated and private line communications, throughout the State of New Jersey. SQFNJ will provide services primarily to other communications providers and does not intend to directly serve residential customers. The Petitioner's service offerings will consist primarily of dedicated backhaul transmission services to other communications companies. Petitioner indicated that it expects that it will provide services primarily using its own facilities and thus seeks the authority to deploy such facilities where future market conditions warrant. The Petitioner may also use facilities leased from other carriers and thus seeks authority to provide resale services. The Petitioner will use existing network infrastructure, including fiber optic lines, poles, conduits, ducts and other access methods, where appropriate to provide its services. The Petitioner requests authority to operate throughout the State of New Jersey.

According to the Petition, SQFNJ plans to: 1) provide facilities-based and resold dedicated backhaul transmission services to other carriers, primarily radio frequency 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; 2) provide both interstate and intrastate wholesale wireless services to commercial customers; and 3) potentially transport and distribute its wireless customers' data services. Additionally, although Petitioner does not currently intend to furnish switched voice services or dial tone, Petitioner seeks authority to do so should future market conditions warrant the same.

At this time, the Petitioner does not seek to terminate any small or rural exemptions existing under Section 251(f)(1) of the Federal Act; however, Petitioner seeks statewide authority so that it may expand its service areas as those areas become open to competition. The Petitioner indicated that it would offer interexchange telecommunications services and dedicated and private line communications statewide. The Petitioner initially does not plan to provide retail or switched access services and therefore has not included illustrative tariffs with the Petition and has not entered into an interconnection agreement. Instead, the Petitioner stated that it would offer its service on a non-discriminatory basis and at competitive rates through individual case-based contracts negotiated at arm's length with its customers.

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[1] In re 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, BPU Docket No. TE15060727, Order dated August 19, 2015.

The Petitioner asserted that it is managed by a highly skilled team with substantial expertise and experience. Specifically, Petitioner's operations will be directed by its indirect parent's existing corporate management, technical, and operations staff responsible for the telecommunications operations of Petitioner and its affiliates.

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 ("GAAP").

The Petitioner also requested a waiver of N.J.A.C. 14:1-5.15(a). Petitioner's activities in the State of New Jersey will be managed from its principal place of business in Portland, Maine. Upon a written request from the Board, the 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 July 8, 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 SQFNJ 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 CLEC authority to provide local exchange and interexchange telecommunication services, the Board recognizes its obligation to not prohibit qualified applicants from entering intrastate telecommunications markets.[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]

[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).

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 it possesses the requisite financial, technical, and managerial resources, and 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 its abilities and interests with the interests of the State and general public to provide these CLEC services.

With regard to Petitioner's request for a waiver of the requirement that books and records be maintained in New Jersey, in the present instance the requirement would likely create an undue financial and administrative burden for the Petitioner to keep books and records in a state other than its headquarters as it currently operates in multiple states, in a competitive marketplace competing with other out-of-state carriers, negatively impacting the Petitioner's ability to efficiently provide competitive services for New Jersey ratepayers.

Lastly, the Petitioner has assured the Board that its GAAP-compliant records will allow reliable oversight 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, following review of the Petition and record in this matter, 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 facilities-based and resold local exchange and interexchange services, and facilities-based dedicated and private line communications throughout 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.

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 August 19, 2026.

DATED: August 12, 2026

BOARD OF PUBLIC UTILITIES
BY:

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.

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DOCKET NO. TE26010007

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