



STATE OF NEW JERSEY

Board of Public Utilities

Two Gateway Center

Newark, NJ 07102

www.bpu.state.nj.us

TELECOMMUNICATIONS

IN THE MATTER OF THE PETITION OF MATRIX)
TELECOM, INC. D/B/A MATRIX BUSINESS)
TECHNOLOGIES FOR A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY TO PROVIDE)
LOCAL EXCHANGE TELECOMMUNICATIONS)
SERVICES WITHIN THE STATE OF NEW JERSEY)

ORDER

DOCKET NO. TE06120898

(SERVICE LIST ATTACHED)

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 December 29, 2006, Matrix Telecom, Inc. d/b/a Matrix Business Technologies ("Petitioner" or "Matrix") filed a Petition with the New Jersey Board of Public Utilities ("Board") requesting a Certificate of Public Convenience and Necessity to provide facilities-based competitive local exchange telecommunications services throughout the State of New Jersey. Petitioner has submitted its financial information under seal and has filed a Motion for Confidentiality along with 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.

Matrix is a privately held corporation organized under the laws of the State of Texas. Matrix is a wholly owned subsidiary of Platinum Equity, LLC. Americatel Corporation, a telecommunications company located in Miami Florida, is controlled by Platinum Equity, LLC. Matrix was initially incorporated as Miga, Inc. in the State of Texas on June 13, 1990. On January 21, 1992, Matrix filed a Certificate of Amendment and changed its corporate name to Matrix Telecom, Inc. On June 8, 1999, Best Connection, Inc., a business corporation organized under the laws of the State of Texas and a wholly owned subsidiary of Matrix was merged with and into Matrix. On December 31, 2003, Matrix Acquisition Holdings Corporation, a foreign business corporation from the State of Delaware, was merged with and into Matrix. Petitioner's principal offices are located at 7171 Forest Lane, Suite 700, Dallas, Texas 75230.

Petitioner has submitted copies of its Amended Certificate of Incorporation and Articles of Incorporation from the State of Texas and a certified copy of the Certificate of Authority to Conduct Business in New Jersey as a Foreign Corporation. According to the Petition, Matrix was formed to provide facilities-based competitive local exchange telecommunications services within the State of

New Jersey. Matrix was established in 1990 as a long distance provider. In 2005, Matrix acquired Global Crossing's Small Business Group's customer base, and is now the largest wholesaler of Global Crossing products which provides communications services to over 30,000 small and medium business customers. Petitioner states that it is currently authorized to operate as a reseller of local services in forty-four (44) states including New Jersey and the District of Columbia and intends to file applications to provide local service in the States of Alaska, Delaware, Idaho, Iowa, Louisiana and South Dakota. Petitioner further states that it operates as a reseller of long distance services on a nationwide basis but to date, has not provided facilities-based local services in any jurisdiction. 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 criminal proceedings. Petitioner intends to request an interconnection agreement with Verizon – New Jersey.

Petitioner seeks authority to provide facilities-based competitive local exchange telecommunications services to both residential and business customers within the State of New Jersey. Petitioner states that in addition to resale, it plans to offer facilities-based competitive local exchange services through its own facilities, leased unbundled network elements from Incumbent Local Exchange Carriers ("ILECs") and via commercial and wholesale agreements similar to the unbundled network element platform (replacement agreements) that ILECs have recently reached with other competitive local exchange carriers or any combination thereof. Petitioner states that initially it intends to obtain wholesale arrangements from ILECs to include access to provide 911, white page directory listing, telephone directory assistance, operator access, equal access to inter-local access and transport area long distance carriers and free blocking of 900 and 700 services to residential and business customers in the State of New Jersey. Petitioner states that currently it does not own telephone network facilities in the State of New Jersey. Petitioner further states that it maintains a toll-free number for customer service inquiries and under Docket No. TT06110809 has filed a proposed tariff with the Board.

Petitioner requests a waiver of N.J.S.A. 48:3-7.8 and N.J.A.C. 14:1-4.3, which requires 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. In the interest of efficiency and to prevent undue burden, Petitioner requests permission to maintain its books and records in accordance with Generally Accepted Accounting Principles 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 office located in Dallas, Texas. Petitioner also states, upon written notice from the Board and/or Board Staff, it will provide its books and records at such time and place within New Jersey as the Board may designate and will pay any reasonable expenses for examination of the records.

Petitioner asserts that approval of its Petition will further the public interest by expanding the availability of competitive telecommunications services in the State of New Jersey. Petitioner also asserts that approval of this Petition will provide New Jersey customers with access to new technologies and service choices and will permit customers to achieve increased efficiencies and cost savings.

With regard to its technical and managerial qualifications, Matrix states that it possesses the technical capability and managerial qualifications to operate and manage its telecommunications operations in the State of New Jersey. Petitioner has submitted the professional biographies of its key personnel who, according to Matrix, are well qualified to execute its business plans and have extensive managerial and technical experience in the telecommunications industry.

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)].

Therefore, Board approval of Petitioner's entry into the telecommunications marketplace is required, assuming Petitioner is in compliance with the Board's filing requirements to provide telecommunications services in New Jersey.

In considering this Petition, the Board recognizes its obligation not to prohibit entry into intrastate telecommunications markets. 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 Matrix's Petition and the information supplied in support thereof, the Board FINDS that the Petitioner is in compliance with the Board's filing requirements to provide telecommunications services in New Jersey. Accordingly, the Board HEREBY AUTHORIZES the Petitioner to provide local exchange telecommunications services throughout New Jersey. The Board also FINDS that in accordance with N.J.S.A. 48:2-59 and 48:2-60 and N.J.S.A. 52:27E-61 and 52:27E-62, the Petitioner is subject to an annual assessment by both the Board and Division of Rate Counsel, respectively. The Board notes that per Docket No. TT06110809, the Petitioner has filed a proposed tariff with the Board.

The Board HEREBY ORDERS that:

- (1) 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.
- 2) 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 1st of each year, the 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 the 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 the Petitioner's responsibility to ensure timely filing of these reports.

Regarding the Petitioner's request for waivers of the Board rules, the Board FINDS that the Petitioner has demonstrated good cause why the Board should grant relief from its requirements that the Petitioner maintains its books and records in accordance with USOA and within New Jersey. Therefore, subject to the 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 any reasonable expenses or charges incurred by the Board for any investigation or examination of these books and records, the Board APPROVES the Petitioner's request for the exemptions from maintaining its books and records in accordance with USOA and in New Jersey.


DATED:

4/13/07

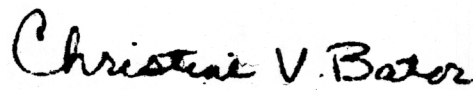
BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
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FREDERICK F. BUTLER
COMMISSIONER


CONNIE O. HUGHES
COMMISSIONER

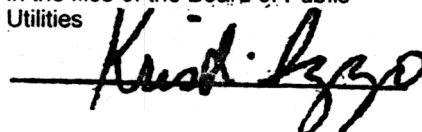

JOSEPH L. FIORDALISO
COMMISSIONER


CHRISTINE V. BATOR
COMMISSIONER

ATTEST:


KRISTI IZZO
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 MATRIX TELECOM, INC. D/B/A MATRIX TECHNOLOGIES
FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE LOCAL
EXCHANGE TELECOMMUNICATIONS SERVICES THROUGHOUT
THE STATE OF NEW JERSEY

DOCKET NO. TE06120898

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