



Agenda Date: 6/18/14
Agenda Item: IB

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

TELECOMMUNICATIONS

IN THE MATTER OF THE PETITION OF VODAFONE)
US, INC. FOR AUTHORITY TO PROVIDE FACILITIES-)
BASED COMPETITIVE INTRASTATE LOCAL)
EXCHANGE AND INTEREXCHANGE)
TELECOMMUNICATIONS SERVICES THROUGHOUT)
THE STATE OF NEW JERSEY)

ORDER

DOCKET NO. TE14040384

Parties of Record:

Geoffrey W. Castello, Esq., Kelley Drye & Warren LLP, Parsippany, New Jersey, for Petitioner
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 Federal Telecommunications Act of 1996, 47 U.S.C. § 151 et seq., and by letter dated April 24, 2014, Vodafone US, Inc. ("Petitioner" or Company "VUSI") filed a verified Petition with the New Jersey Board of Public Utilities ("Board") requesting authority to provide competitive intrastate facilities-based local exchange and interexchange telecommunications services 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.

VUSI is a privately held company organized under the laws of the State of Delaware. VUSI is a wholly-owned subsidiary of Vodafone Global Enterprise Ltd. of United Kingdom, which in turn is wholly-owned by Vodafone Group Plc, a British multinational telecommunications company based in London. The Company was initially incorporated as Vodafone Global Enterprise Inc. on March 26, 2008. It subsequently filed a Certificate of Amendment of Certificate of Incorporation on December 23, 2013, changing its legal name to VUSI. VUSI's principal offices are located at 500 Lexington Avenue, 9th Floor, New York, New York 10022.

Petitioner has submitted copies of its Certificate of Amendment of Certificate of Incorporation and Certificate of Good Standing from the State of Delaware and its Amended New Jersey Certificate of Authority to operate as a Foreign Corporation. Petitioner is currently authorized to

provide local exchange services in Massachusetts, New York, Pennsylvania and Washington; and Petitioner is currently authorized to provide interexchange telecommunications services in Connecticut, Delaware, Georgia, Illinois, Maryland, Massachusetts, Mississippi, Missouri, New York, North Carolina, Pennsylvania, Tennessee, Texas and Washington. Petitioner is currently filing applications for additional authority to provide local exchange services as well as facilities-based interexchange services in approximately fifteen jurisdictions. Petitioner is not currently providing local exchange or interexchange telecommunications services in New Jersey.

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 pursue negotiations to enter into an interconnection agreement with Verizon New Jersey Inc., CenturyLink, and other Facilities-Based Carriers upon approval of its petition. The Petitioner also may negotiate such agreement with other competitive carriers for leased and resold services.

Petitioner seeks authority to provide facilities-based competitive local exchange, switched exchange access, and inter and intra Local Access Transport Area ("LATA") interexchange telecommunications services to commercial customers in the State of New Jersey. Initially, Petitioner will provide retail switched and dedicated local exchange and interexchange services to commercial subscribers as set forth in the Company's proposed local exchange tariff. Petitioner will serve local exchange and interexchange subscribers utilizing a combination of local exchange carrier unbundled network elements and resold services. The Company will provide local exchange services and related custom calling features, directory assistance and intra and inter LATA toll services. In conjunction with its local services, the Company may provide switched exchange access telecommunications services to interconnecting carriers under a separate tariff to be filed for approval prior to service initiation. Petitioner will coordinate with incumbent local exchange carriers for the provision of emergency 911 services, directory publication, and directory distribution to local customers. Petitioner will not offer alternative operator services to the transient public. Initially, Petitioner expects to provide interexchange services solely on a resale basis.

Currently, neither Petitioner nor its parent or subsidiary provides telecommunications services or owns telephone network facilities in New Jersey. An affiliate of Petitioner, Cable & Wireless Americas Operations, owns certain communications facilities in New Jersey; however, these are not used for the provision of regulated intrastate telecommunications services. VUSI's services will be available to subscribers twenty-four hours a day, seven days a week, at rates, terms and conditions established in its tariff. Petitioner maintains a toll-free number for customer service inquiries. Petitioner will file an initial 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 require 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. Petitioner, instead, 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 offices located in Denver, Colorado.

By letter dated May 21, 2014, the New Jersey Division of Rate Counsel submitted comments with 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." Id. at 2. Accordingly, Rate Counsel does not oppose a grant of

authority or approval of Petitioner's request to provide telecommunications services in New Jersey. Id. at 3. In addition, Rate Counsel does not object to a grant of the waivers requested by Petitioner, nor does Rate Counsel oppose Petitioner's request to treat its financial information as confidential and placed under seal. Ibid.

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).

Any grant of authority is subject to the right of the Board as the state regulatory authority to impose requirements necessary to protect the public safety and welfare, ensure the continued quality of telecommunications services, and safeguard the rights of consumers. 47 U.S.C. § 253(c).

In considering this Petition, the Board recognizes its obligation not to prohibit entry into intrastate telecommunications markets of qualified applicants. 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 VUSI'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 and interexchange telecommunications services throughout the State of New Jersey. Pursuant to N.J.A.C. 14:3-1.3(a), the Board notes that the Petitioner will not be permitted to provide telecommunications services until a tariff is filed with the Board. Additionally, Petitioner is not relieved from its responsibility to file an Annual Report and a Statement of Gross Intrastate Revenues from Operations form for the preceding calendar year.

Furthermore, the Board **FINDS** that in accordance with N.J.S.A. 48:2-59 and 48:2-60 and N.J.S.A. 52:27EE-52, the Petitioner is subject to an annual assessment by both the Board and the Division of Rate Counsel, respectively.

The Board **HEREBY ORDERS:**

- 1) Petitioner shall file its tariff with the Board.
- 2) 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.

- 3) 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 31st of each year. The annual report and a statement of gross intrastate revenues from operations form are due on or before March 31st and June 1st 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 maintain 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 all 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.

This Order shall be effective June 30, 2014.

DATED: 6/18/14

BOARD OF PUBLIC UTILITIES
BY:



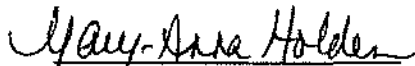
DIANNE SOLOMON
PRESIDENT



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JOSEPH L. FIORDALISO
COMMISSIONER



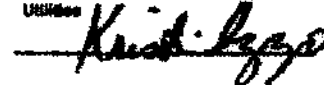
MARY-ANNA HOLDEN
COMMISSIONER

ATTEST:



KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within
documents is a true copy of the original
in the files of the Board of Public
Utilities



**IN THE MATTER OF THE PETITION OF VODAFONE US, INC. FOR AUTHORITY
TO PROVIDE FACILITIES-BASED COMPETITIVE INTRASTATE LOCAL EXCHANGE
AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES THROUGHOUT THE
STATE OF NEW JERSEY - DOCKET NO. TE14040384**

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