



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
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[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

TELECOMMUNICATIONS

IN THE MATTER OF THE VERIFIED JOINT PETITION )  
OF SPECTROTEL, INC. AND SPECTROTEL OF NEW ) ORDER  
JERSEY, LLC FOR APPROVAL OF A TRANSFER OF )  
ASSETS )  
DOCKET NO. TM12100947

Parties of Record:

**James H. Laskey, Esq., Norris McLaughlin & Marcus, P.A.**, on behalf of Petitioners  
**Stefanie A. Brand, Esq., Director**, New Jersey Division of Rate Counsel

BY THE BOARD:

On October 22, 2012, Spectrotel, Inc. ("Spectrotel") and Spectrotel of New Jersey, LLC ("Spectrotel NJ" and together with Spectrotel, "Petitioners"), by their counsel and pursuant to N.J.S.A. 48:3-7, filed a verified petition with the Board of Public Utilities ("Board") requesting authority to consummate a transaction involving the transfer of certain assets, customers, customer contracts, customer deposits, and associated customer account information from Spectrotel to Spectrotel NJ. Petitioners assert that, following the proposed transfer, Spectrotel NJ will offer services to Spectrotel's current customers at existing terms, rates and conditions and that Spectrotel will surrender its authority to provide services in New Jersey.

**BACKGROUND**

Spectrotel is a privately held Delaware corporation with principal offices in Neptune, New Jersey. Spectrotel holds authority to operate as a Competition Local Exchange Carrier (CLEC) and Intel Exchange Carrier (IXC) reseller in 45 other states and has applications pending in two states. In New Jersey, Spectrotel, f/k/a ADVAMTEL, LLC, d/b/a Plan B Communications is authorized to provide facilities-based local exchange and exchange services pursuant to authority granted by the Board. See Order, In the Matter of the Petition for an Order Authorizing ADVAMTEL, LLC d/b/a Plan B Communications, Inc. to Provide Local Exchange and Exchange Access Telecommunications Services, Docket No. TE00020117, dated December 19, 2000. According to the Petition, Spectrotel is transferring approximately 5,300

business customers in New Jersey to Spectrotel NJ as a result of this transaction. Spectrotel NJ is a newly formed privately held limited liability company organized under the laws of the State of Delaware, with offices at the same location as its parent company, Spectrotel. In New Jersey, Spectrotel NJ is authorized to provide facilities-based local exchange and exchange access services pursuant to authority granted by the Board. See Order, In the Matter of the Petition of Spectrotel of New Jersey, LLC for Authority to Provide Local Exchange and Exchange Access Telecommunications Services in the State of New Jersey, Docket No. TE12100948. According to the petition, Spectrotel NJ was formed specifically for the purpose of providing telecommunications services to Spectrotel's, current customer base and to future customers in New Jersey.

## **DISCUSSION**

As described in the petition, Spectrotel, is undergoing an internal corporate reorganization. As part of that reorganization, Spectrotel created Spectrotel NJ to serve its customers in New Jersey. Petitioners point out that the ultimate ownership and control of Spectrotel NJ will remain the same as Spectrotel's management. Spectrotel NJ is a member managed LLC with Spectrotel Holding Company, LLC, as its sole member. Spectrotel Holding Company, LLC is also a member managed LLC, with Spectrotel, Inc. as its sole member. Spectrotel, Inc., the ultimate parent company of Spectrotel of New England, LLC, will continue to be 100% privately owned by Jack Dayan. The Petitioners state that upon completion of the reorganization, there will be no change to the management, corporate ownership, employees, rates services or other contract rights and obligations of the company. The current managerial, technical and financial and financial resources available to Spectrotel, Inc. will remain available to Spectrotel of New Jersey LLC, since the ultimate ownership will not change. Further, the Petitioners state that the only change that customers will see as a result of the transaction is that the name of the entity providing service will be Spectrotel of New Jersey, LLC instead of Spectrotel, Inc.

In evaluating this petition, the Board must be satisfied that positive benefits will flow to customers and the State of New Jersey and, at a minimum, that there are no adverse impacts on any of the criteria delineated in N.J.S.A. 48:2-51.1; N.J.A.C. 14:1-5.14(c). Also, under N.J.S.A. 48:3-7 and N.J.S.A. 48:3-10, the Board is required to determine whether the public utility or a wholly owned subsidiary thereof may be unable to fulfill its pension obligations to any of its employees. According to the petition, Petitioners will continue to maintain the technical, managerial, and financial qualifications to operate and provide telecommunications services in New Jersey following the proposed transaction. Petitioners state that the proposed internal corporate reorganization will enhance Petitioner's competitive position by enabling them to develop a more modern business structure that will improve its potential to attract capital in the future and thereby enhance its service options and compete more effectively in the telecommunications market, to the benefit of consumers.

The Division of Rate Counsel has reviewed this matter and by letter dated November 8, 2012, states that it does not object to Board approval of the Petition.

## **FINDINGS AND CONCLUSIONS**

After a thorough review of the petition and all related documents, the Board concludes that there will be no negative impact on rates or service quality since Spectrotel's New Jersey customers will continue to receive the same services at the same rates, through the same

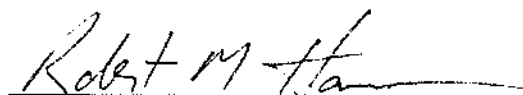
assets, provided by the same employees and under the same terms and conditions. Also, the Board is satisfied that positive benefits will flow to customers based on the record presented by Petitioners as the transaction will strengthen Petitioner's competitive posture in the telecommunications market due to its access to additional resources. In addition, the Board is persuaded that Petitioners will make every effort to minimize any potential adverse impact to employees in New Jersey.

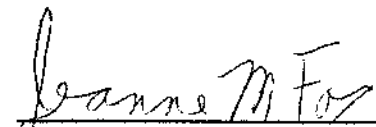
The Board also FINDS that, in accordance with N.J.S.A. 48:2-59 and 48:2-60 and N.J.S.A. 52:27E-52, following the closing Spectrotel NJ is responsible for the filing of Spectrotel's final annual report with the Board, and for the payment of any outstanding assessment liabilities to the Board and to the Division of Rate Counsel. Spectrotel NJ shall also fill a tariff with the Board that will mirror the tariff of Spectrotel with its new name, and following the closing and once all customers have been transferred to Spectrotel NJ, Spectrotel shall surrender its authority to the Board.

Accordingly, the Board FINDS that the internal corporate reorganization will have no material impact on the rates of current customers, or on employees. The Board also FINDS that the transactions will have no negative impact on the provision of safe, adequate and proper service, and will positively benefit competition. Therefore, after investigation, having considered the record and exhibits submitted in this proceeding, the Board FINDS that the proposed transaction is in accordance with the law and in the public interest, and HEREBY ORDERS that Petitioners shall notify the Board of the closing of the proposed transaction within 7 days of consummation.


DATED: 12/19/12

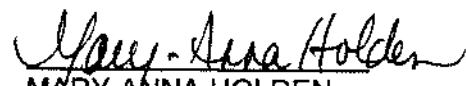
BOARD OF PUBLIC UTILITIES  
BY:


  
ROBERT M. HANNA  
PRESIDENT

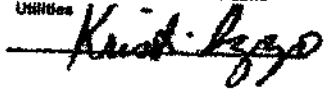
  
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COMMISSIONER

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  


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SPECTROTEL OF NEW JERSEY, LLC FOR APPROVAL OF A TRANSFER OF ASSETS  
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