



Agenda Date: 7/23/14
Agenda Item: IA

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 VERIFIED PETITION OF) ORDER
GLOBAL INTER XCHANGE, LLC, FOR APPROVAL TO)
PROVIDE RESOLD AND FACILITIES-BASED)
COMPETITIVE LOCAL EXCHANGE AND)
INTEREXCHANGE TELECOMMUNICATIONS) DOCKET NO. TE14040345
SERVICES TO BUSINESS CUSTOMERS)
THROUGHOUT THE STATE OF NEW JERSEY

Parties of Record:

Edward Fradkin, Esq., Law Office of Edward Fradkin, LLC, Freehold, 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 letters dated April 9, 2014 and May 27, 2014, Global Inter Xchange, LLC ("Petitioner" or "GIX") filed an initial verified Petition and a revised verified Petition, respectively, with the New Jersey Board of Public Utilities ("Board") requesting approval to provide resold and facilities-based competitive local exchange and interexchange telecommunications services to business customers 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.

GIX is a privately held limited liability company organized under the laws of the State of New Jersey. GIX owners also own and operate the Law Office of Edward Fradkin, LLC and Royal Rental Properties, LLC which are both located in New Jersey. GIX's principal offices are located at 11 Broad Street, Freehold, New Jersey 07728.

Petitioner has submitted copies of its Certificate of Good Standing and Certificate of Formation to operate as a limited liability company in the State of New Jersey. Petitioner has not filed a

Petitioner for local exchange authority in any other State except New Jersey. 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Petitioner states that it has not been denied authority to provide telecommunications services, its authority has not been revoked in any jurisdiction, and it has not been the subject of any civil or criminal proceedings.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 plans to enter into an interconnection agreement with incumbent local exchange carrier in the State of New Jersey upon approval of its petition.

Petitioner seeks authority to provide resold and facilities-based competitive local exchange and interexchange telecommunications services to business and enterprise customers throughout the State of New Jersey. Petitioner seeks to build a unique and diverse dark fiber network in New Jersey. Initially, the Petitioner will provide a complete Dark Fiber Network, which will be maintained and managed by the company, to business and enterprise customers in New Jersey. Petitioner will build 280 fiber miles in New Jersey that will service multiple local, domestic and International organizations such as carriers, data centers, municipalities, government buildings, universities, healthcare and financial institutions. Petitioner states that it will take approximately 24-36 months to complete the construction of the targeted dark fiber network. As market conditions warrant, Petitioner will eventually light the dark fiber to provide resold and facilities-based competitive local exchange and interexchange telecommunications services to business customers throughout the State of New Jersey.

Petitioner is the premier provider of diversified fiber networking solutions that provides global access to underserved markets. Petitioner possess the flexibility to deliver these solutions to customers in the State of New Jersey by: Solving problems with the existing infrastructure; Capitalizing on the emerging opportunities in the carrier, data center, media, online gaming and enterprise markets; Filling the void left by dwindling network capacities connecting major infrastructure junction points; Providing diversely built connectivity along common paths to provide for alternative infrastructure solutions; Delivering solutions flexibly to connect network facilities and resources where there has historically been limitations; Taking advantage of newly constructed infrastructure where available to ensure longevity and to mitigate capital and operational costs; Continuing to deliver innovative solutions that compliment any infrastructure and enhance the revenue position of the company and its shareholders. Petitioner combines the said business plans with the expertise to deliver a new network solution to solve the corridor's issues to truly become an Integrated World-Wide Network.

GIX'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.

GIX will keep all books, records, documents and other writings incident to the conduct of its business at its corporate offices located in Freehold, New Jersey. Petitioner will provide to the Board its 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.

By letter dated June 3, 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 competitive local exchange carrier

telecommunications services through a dark fiber network throughout the State New Jersey. Id. In addition, Rate Counsel does not object to Petitioner's request to treat its financial information as confidential and placed under seal. Id. at 1.

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 GIX'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.

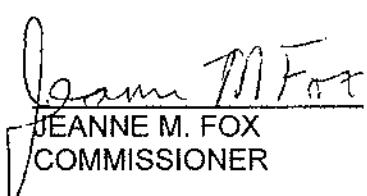
This Order shall be effective July 31, 2014.

DATED: 7/23/14

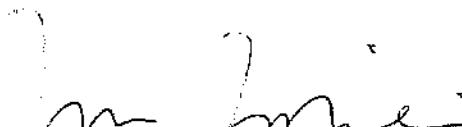
BOARD OF PUBLIC UTILITIES
BY:



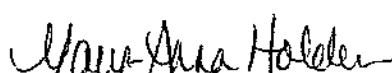
DIANNE SOLOMON
PRESIDENT



JEANNE M. FOX
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JOSEPH L. FIORDALISO
COMMISSIONER



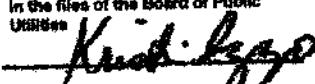
MARY-ANNE HOLDEN
COMMISSIONER

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 VERIFIED PETITION OF GLOBAL INTER XCHANGE, LLC FOR
APPROVAL TO PROVIDE RESOLD AND FACILITIES-BASED COMPETITIVE LOCAL
EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES TO BUSINESS
CUSTOMERS THROUGHOUT THE STATE OF NEW JERSEY
DOCKET NO. TE14040345

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