



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 UCN, INC.)
FOR A CERTIFICATE OF PUBLIC CONVENIENCE)
TO OFFER RESOLD AND FACILITIES-BASED)
LOCAL EXCHANGE TELECOMMUNICATIONS)
SERVICES THROUGHOUT THE STATE OF NEW)
JERSEY)

ORDER

DOCKET NO. TE04101370

(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 Amended Petition dated December 6, 2004, UCN, Inc. ("Petitioner" or "UCN") filed a Petition with the Board of Public Utilities ("Board") requesting a Certificate of Public Convenience and Necessity to offer resold and facilities-based local exchange telecommunications services throughout the State of New Jersey.

UCN is a publicly-traded corporation organized under the laws of the State of Delaware on June 30, 2004. UCN stock trades on the OTC board under the ticker symbol – UCNN.OB. Petitioner's principal offices are located at 14870 South Pony Express Road, Bluffdale, UT 84065. In June 2004, Petitioner changed its name from Buyers United, Inc., d/b/a Buyersonline, to UCN, Inc. d/b/a United Carrier Networks.

Petitioner submitted copies of its Articles of Incorporation, New Jersey Certificate of Good Standing and its New Jersey Certificate of Authority to operate as a Foreign Corporation. According to the Petition, Petitioner seeks additional authority to provide existing and prospective customers resale and/or limited facilities-based competitive local exchange telecommunications services throughout the State of New Jersey.

Petitioner states that it is an aggregator and provider of telecommunications services and currently provides resold long distance to business and residential consumers in New Jersey. Petitioner states that it contracts with a number of third party providers for the right to resell the various telecommunication services and products they provide and then offers all of these various services to its customers. According to the competitive exchange carrier questionnaire filled out by the Petitioner, Petitioner states that it is authorized to provide interexchange resale services in the 48 contiguous states plus Hawaii.

Petitioner states that it is currently authorized to provide resold and facilities based local exchange telecommunications services in Colorado, Florida, Illinois, Massachusetts, Missouri, New York, Ohio, Oregon, Texas, Washington and Wisconsin. Petitioner claims that there are no civil or

criminal proceedings instituted against it in any jurisdiction. Petitioner states that it is not presently engaged in an interconnection negotiation with any incumbent local exchange carrier, such as Verizon.

Petitioner seeks authority to provide basic local exchange telecommunications services in the zone and exchange areas throughout the State of New Jersey in which Verizon is the incumbent local exchange carrier. Petitioner states that it intends to provide all forms of facilities-based and resold local exchange services to business customers in New Jersey. Petitioner further states that these services include two-way local lines/trunks including 2-wire, DS-1 DS-3 and OCN local loops/trunks, Centrex, ISDN, and DSL services and that it plans to provide associated local calling for these access lines, including message rate service for business customers and the required calling options for residential customers. Petitioner states that it will offer, also on a resold basis, operator assistance services, lifeline, hearing impaired services, directory assistance and directories, free 900 prefix call blocking and switched access services. Petitioner states that it will offer intraLATA and interLATA toll services on a 1+ and 0+ basis. Petitioner says that it operates a dedicated VOIP Network, and advanced customer contact handling/management software applications that enable it to offer enhanced services to customers. Petitioner states that it will provide a variety of services and products that will allow customers to buy only those telecommunications services needed from one source, combine those services in a customized package, receive one bill for those services, and make one call to the Petitioner if a service problem or billing issue arises. Petitioner further states that these services will initially be provided through commercial resale or leasing agreements with facilities-based competitive suppliers, including AT&T, MCI and Level 3. Petitioner states that it reserves the ability to resell or lease network elements from incumbent local exchange carriers in the future, as the market for its services dictates. Petitioner's toll free phone number is 1-800-669-3319 and its local phone number is 1-866-541-0000. Petitioner's registered agent and registered office are: National Registered Agents, Inc. of NJ. 100 Canal Pointe Blvd. Suite 108, Princeton, New Jersey 08540.

Petitioner requests a waiver of N.J.S.A. 48:3-7.8 and N.J.A.C. 14:1-4.3 and N.J.A.C. 14:10 -1.16, 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. 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 offices located at 14870 South Pony Express Road, Bluffdale, Utah 84065. Petitioner states, upon written notice from the Board, 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 expedited approval of its Petition will augment the competitive telecommunications services which it can offer to all New Jersey customers, including an enhanced range of telecommunications services and an increase in consumer choices. Petitioner states approval of Petition will serve the public interest.

Petitioner states that as evident from the information contained in Exhibit 3, UCN is managed by persons with substantial technical expertise in designing, constructing and operating telecommunications networks. Petitioner states that this wealth of expertise will enable UCN to provide telecommunications services to its local exchange customers using state-of-the-art technology. Petitioner also states that it has all qualified personnel, including individuals specializing in accounting, engineering and sales, to provide competitive local exchange services.

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 meets all other requirements, including, but not limited to, a demonstration of financial, technical, and managerial integrity.

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 UCN'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 subject to approval of its tariff and submission of pro forma financials for its New Jersey operations. 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 the Division of Ratepayer Advocate, respectively. The Board notes that the Petitioner will not be able to provide telecommunications services until a tariff is approved by the Board and the required financial statements have been provided.

The Board HEREBY ORDERS that:

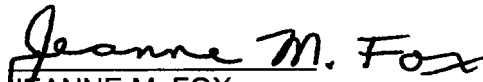
- 1) Petitioner file its tariff for Board approval.
- 2) Pursuant to N.J.S.A. 48:2-16(2)(b) and N.J.A.C. 14:3-6.3, Petitioner shall file an annual report as of December 31 of each year, which is due on or before March 31 of the following year. Pursuant to N.J.S.A. 48:2-16.3, if Petitioner fails to file 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. 48:2-59 and 48:2-60, 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 the following year.

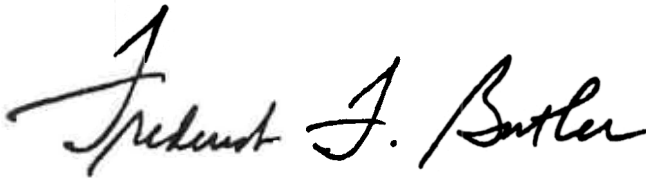
On or before February 1st of each year, the Petitioner will receive from the Division of Audits an annual report package and a statement of gross intrastate revenues from operations form for the preceding calendar year. The purpose of these documents is to report the company's financial information and gross intrastate revenues from operations as of December 31 of each year. The annual report and 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 maintain its books and records under the USOA and within New Jersey. Therefore, subject to the Petitioner's continuing responsibility to provide the Board its 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 New Jersey and under the USOA.

DATED: 3/24/05

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT



FREDERICK F. BUTLER
COMMISSIONER

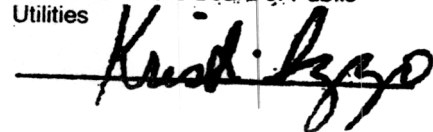

CONNIE O. HUGHES
COMMISSIONER


JACK ALTER
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 UCN, INC. FOR A
CERTIFICATE OF PUBLIC CONVENIENCE NECESSITY TO
OFFER RESOLD AND FACILITIES-BASED
LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES
THROUGHOUT THE STATE OF NEW JERSEY
DOCKET NO. TE04101370

SERVICE LIST

Serial No.	<u>Name and Address</u>	Serial No.	<u>Name and Address</u>
1	Petitioner's Contact Person: Paul Jarman, President UCN, INC. 14870 South Pony Express Road Bluffdale, Utah 84065	4	Board's Staff: Walter Szymanski, Director Division of Audits Board of Public Utilities Two Gateway Center Newark, New Jersey 07102
2	Petitioner's Attorney: Gregory D. Miller, Esq. Podvey, Sachs, Meanor, Catenacci, Hildner & Cocozziello The Legal Center One Riverfront Plaza Newark, New Jersey 07102	5	Board's Staff: Anthony Centrella, Director Division of Telecommunications Board of Public Utilities Two Gateway Center Newark, New Jersey 07102
3	Ratepayer Advocate: Seema M. Singh, Esq. Acting Director and Ratepayer Advocate Division of Ratepayer Advocate 31 Clinton Street, 11 th Floor P.O. Box 46005 Newark, New Jersey 07101	6	Deputy Attorney General: Alex Moreau Department of Law & Public Safety Division of Law 124 Halsey Street, 5 th floor P.O. Box 45029 Newark, New Jersey 07102