

Agenda Date: 10/11/23 Agenda Item: IB

STATE OF NEW JERSEY Board of Public Utilities 44 South Clinton Avenue, 1st Floor Post Office Box 350 Trenton, New Jersey 08625-0350 www.nj.gov/bpu/

TELECOMMUNICATIONS

IN THE MATTER OF THE PETITION OF PLANET FIBER NJ LLC FOR AUTHORIZATION TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES THROUGH THE STATE OF NEW JERSEY ORDER

DOCKET NO.TE23030140

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel Edward W. Purcell, Esq. for Petitioner

BY THE BOARD:

On March 15, 2023, Planet Fiber NJ LLC ("Petitioner" or "Planet Fiber") filed a petition with the New Jersey Board of Public Utilities ("Board"), pursuant to the New Jersey Telecommunications Act of 1992 ("1992 Act"), N.J.S.A. 48:2-21.16 *et seq.*, and the Federal Telecommunications Act of 1996 ("Federal Act"), Pub. L. No. 104-104,110 Stat. 56 (1996), requesting authorization from the Board to provide facilities-based and resold competitive local exchange access and non-dominant interexchange telecommunications services throughout the State of New Jersey ("Petition").

BACKGROUND

Planet Fiber is a privately held limited liability company organized under the laws of the State of New Jersey.¹ Petitioner is owned in its entirety by Planet Capital LLC ("PC"), a Delaware limited liability company, whose principal place of business is 4 Park Place, Newton, New Jersey 07860. PC is a wholly owned subsidiary of Planet Networks, Inc. ("PNI"), a New Jersey corporation, whose principal place of business is 4 Park Place, Newton, New Jersey 07860. PNI has been granted Competitive Local Exchange Carrier ("CLEC") authority by the Board to provide local exchange and interexchange telecommunications services throughout the State of New Jersey.²

¹ Petitioner has submitted copies of its Certificate of Incorporation from the State of New Jersey and its New Jersey Certificate of Authority to Transact Business as a Domestic For-Profit Corporation.

² In re the Application of Planet Networks, Inc. for Authorization to Provide Local Exchange and Interexchange Telecommunications Services Throughout the State of New Jersey, BPU Docket No. TE19020198, order dated May 28, 2019.

Petitioner seeks approval for authority as part of a corporate reorganization of its indirect parent company, PNI. Petitioner stated that, if approved, PNI intends to transfer its unregulated assets to Petitioner. Petitioner stated that it intends to continue providing the services that are currently provided by PNI in 32 municipalities in New Jersey. At present, PNI provides no regulated services in the State of New Jersey and Petitioner will not inherit any customers of regulated services. If Petitioner is granted CLEC authority, PNI intends to relinquish its CLEC authority.

Petitioner has no other pending applications in any jurisdiction. Petitioner asserted that it has not had a certification or authorization denied in any jurisdiction. According to the Petitioner, there are no pending civil or criminal proceedings against the Petitioner in any jurisdiction, including settlements of any proceeding. The Petitioner has not initiated negotiation of an interconnection agreement with any incumbent local exchange carrier because it may not be required to do so if it primarily provides local transport service.

Petitioner seeks authority to provide competitive facilities-based and resold local exchange, access as well as facilities-based and resold interexchange services to both residential and business customers and all other carriers throughout the State of New Jersey. Petitioner seeks authority to provide Competitive Local Transport Services ("CLTS"). Petitioner indicated that its initial plan is to deploy its networks by using a combination of its own network infrastructure, equipment, and services, and long-haul connectivity purchased from other telecommunications companies. Petitioner asserted that it also installs and operates equipment to support backhaul services for other wireline and Voice over Internet Protocol ("VoIP") voice service providers. Petitioner contended that it would provide its CLTS using fiber optic cables and equipment attached to poles, fiber termination equipment, and other structures and equipment. As set forth above, Petitioner intends to expand upon the unregulated assets that will be transferred from PNI.

Petitioner indicated that its services are designed, in part, to use wire line telecommunications to fill in gaps in data coverage without requiring the construction of major facilities. Petitioner asserted that, although it does not initially intend to provide voice service to end-use-subscribers, should it do so in the future, Petitioner will provide, either directly or through arrangements with others, access to 911 and E911, telecommunications relay, directory assistance and operator services and non-discriminatory interconnection with other local exchange carriers. Petitioner maintained that its plan for the next year and five (5) years consists of providing services to large business customers and other carriers for data circuits. Petitioner maintained a toll-free number for customer service inquiries, which is available 24 hours a day, 7 days a week.

Pursuant to N.J.A.C. 14:1-1.2, Petitioner also requested a waiver of N.J.A.C. 14:1-4.3, which requires Petitioner to maintain its books and records in accordance with the Uniform System of Accounts ("USOA"). For administrative efficiencies, Petitioner requested permission to instead maintain its books and records in accordance with Generally Accepted Accounting Principles ("GAAP"). However, Petitioner stated that it will comply with N.J.A.C. 14:10-1A.13 if the Board does not grant the waiver.

By letter dated June 20, 2023, the New Jersey Division of Rate Counsel ("Rate Counsel") submitted comments to the Board stating that, based on its review, it is satisfied that the Petition meets the regulatory requirements and is consistent with the public interest, convenience, and necessity. Rate Counsel did not object to granting the waiver requests in connection with maintenance of books and records per the GAAP as opposed to the USOA. Accordingly, Rate Counsel did not oppose a grant of authority or approval of Petitioner's request to provide local and interexchange telecommunications services throughout the State of New Jersey.

DISCUSSION AND FINDINGS

On February 8, 1996, the Federal Act was signed into law to promote competition and remove barriers to entry into telecommunications markets. To that end, 47 U.S.C. § 253(a) provides 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." However, pursuant to 47 U.S.C. § 253(b), the Board, as the State's regulatory authority, may impose requirements necessary to protect the public safety and welfare, ensure the continued quality of telecommunications services, and safeguard the rights of consumers on a competitively neutral basis that is consistent with universal service.

In considering the instant Petition for CLEC authority to provide telecommunication services, the Board recognizes its obligation to not prohibit entry into intrastate telecommunications markets by qualified applicants. 47 U.S.C. § 253(a). The Board additionally notes, pursuant to the 1992 Act, that State policy is to "[p]rovide diversity in the supply of telecommunications services", and the Legislative 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), (b)(1) and (b)(3). Consistent with State and federal law, the Board is empowered to grant CLEC authority to telecommunications companies wishing to provide service in New Jersey. See N.J.S.A. 48:2-13 and 48:2-21.20(d).

Therefore, having reviewed the Petition and the information supplied, the Board <u>HEREBY FINDS</u> that, with respect to its request for approval to provide local exchange and interexchange services, Petitioner is in compliance with the Board's filing requirements to provide landline facilities-based competitive local exchange telecommunications landline services in New Jersey. Accordingly, the Board <u>HEREBY</u> <u>AUTHORIZES</u> Petitioner to provide local exchange and interexchange services throughout the State of New Jersey. These findings and authorization do not pertain to non-CLEC services. Pursuant to N.J.S.A. 48:2-21.19(a)(2) and N.J.A.C. 14:10-5.2, Petitioner shall make the rates, terms, and conditions of said service publicly available on its website and shall provide a printed copy of those terms and conditions to a customer upon request and the link to the CLEC website with this information for inclusion on the Board's website.

The granting of such authority conveys certain rights and privileges upon the Petitioner, in its designation as a CLEC in New Jersey, which are reserved for the provision of facilities-based landline services. While CLECs may also provide other telecommunications services, such as wireless, small cell or distributed antenna systems, these service offerings are beyond the scope of Board jurisdiction and the granting of CLEC authority in this Order and generally. Specifically, the Board granting of CLEC authority is limited to the provision of competitive facilities-based local and interexchange services. To the extent that a CLEC provides non-regulated telecommunications services, the CLEC benefits, rights or privileges are not applicable to those non-regulated services.

The Board HEREBY ORDERS:

- 1) Pursuant to N.J.S.A. 48:2-21.19(a)(2) and N.J.A.C. 14:10-5.2, Petitioner shall post the terms and conditions of its retail competitive services on its website in a publicly available location, and shall also provide a printed copy of those terms and conditions to a customer upon the customer's request.
- 2) Petitioner shall provide the Board and Rate Counsel with a link to the page of the website described above that contains the terms and conditions of its competitive local exchange

and interexchange telecommunications services no later than five (5) days after the effective date of this Order. To ensure service quality, Petitioner shall notify the Board within 10 days from the date it begins providing such services to New Jersey customers;

- 3) Petitioner shall provide the Board with a link to the page of its website that contains the terms and conditions of 9-1-1 and E-9-1-1 services to ensure that Petitioner's owned/leased facilities are equipped to provide reliable and functional access to 9-1-1 and E-9-1-1 services to subscribers. To ensure service quality, Petitioner shall notify the Board within 10 days from the date it begins providing such services to New Jersey customers.
- 4) Pursuant to N.J.S.A. 48:2-16(2)(b), N.J.A.C. 14:3-6.3, and N.J.S.A. 48:2-62, Petitioner shall file an annual report and a statement of gross intrastate revenues from operations form (AR3-1) as of December 31 of each year, which is due on or before March 31 and June 1 of the following year, respectively. If Petitioner does not receive the Board's annual report package from the Division of Audits on or before February 1 of each year, it is Petitioner's responsibility to obtain them from the Board. It is also Petitioner's responsibility to ensure timely filing of these reports. 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;
- 5) Failure to comply with this order may result in monetary penalties pursuant to N.J.S.A. 48:2-42, suspension of CLEC authority, and/or revocation of CLEC authority; and
- 6) In accordance with N.J.S.A. 48:2-59, N.J.S.A. 48:2-60 and N.J.S.A. 52:27EE-52, Petitioner is subject to an annual assessment by both the Board and Rate Counsel, respectively.

The Petitioner additionally requested a waiver of N.J.A.C. 14:1-4.3. Upon review, the Board **<u>FINDS</u>** that the Petitioner demonstrated requisite good cause for the Board to grant such relief pursuant to N.J.A.C. 14:1-1.2. Accordingly, the Board <u>**HEREBY**</u> <u>**GRANTS**</u> Planet Fiber permission to adhere to the GAAP and waives the USOA requirements at N.J.A.C. 14:1-4.3.

This Order shall be effective October 21, 2023.

DATED: October 11, 2023

BOARD OF PUBLIC UTILITIES BY:

CHRISTINE GUHL-SADOVY PRESIDENT

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MARY-ANNA HOLDEN COMMISSIONER

DR. ZENON CHRISTODOULOU COMMISSIONER

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MARIAN ABDOU COMMISSIONER

SHERRI L. GOLDEN

SECRETARY

ATTEST:

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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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