



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

TELECOMMUNICATIONS

IN THE MATTER OF THE PETITION OF MOSAIC) ORDER
NETWORKX LLC FOR APPROVAL TO PROVIDE)
LOCAL EXCHANGE AND INTEREXCHANGE)
TELECOMMUNICATIONS SERVICES THROUGHOUT)
THE STATE OF NEW JERSEY) DOCKET NO. TE12020136

Dennis C. Linken, Esq., Scarinci & Hollenbeck, LLC Lyndhurst, New Jersey, for Petitioner
Stefanie A. Brand, Esq., Director, 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 February 14, 2012, Mosaic Networkx LLC ("Petitioner" or "Mosaic") filed a Verified Petition with the New Jersey Board of Public Utilities ("Board") requesting authority to provide facilities-based and resold private line dedicated point to point and point to multipoint 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. 14:1-12.1 et seq. and in compliance with the Open Public Records Act, N.J.S.A. 47:1A-1 et seq.

Mosaic is a limited liability company organized under the laws of Delaware. Brian Erickson, President, and Matt Hiles, Chief Executive Officer, are the principal owners and have 68% and 24% ownership interest in the Mosaic, respectively. Petitioner's principal offices are located at 454 Las Gallinas Avenue, Suite 145, San Rafael, California 94903.

Petitioner has submitted copies of its Certificate of Incorporation from the State of Delaware and its New Jersey Certificate of Authority to Operate as a Foreign Limited Liability Company. Petitioner is authorized to provide competitive local exchange and interexchange telecommunications services in Arizona, California, Colorado, Florida, Georgia, Illinois, Massachusetts, Minnesota, Nevada, New York, Oregon, Pennsylvania, Texas, Washington and Wisconsin. Petitioner has filed an Resale Carrier Letter of Acknowledgement with Verizon New Jersey Inc. ("VNJ") to provide resale of high capacity digital services and private line services in

New Jersey; however, to date, it has no customers in New Jersey. Petitioner intends to request negotiation for an interconnection agreement with VNJ.

Petitioner plans to offer facilities-based and resold private line dedicated point to point and point to multipoint local exchange and interexchange telecommunications services to carriers and large enterprise customers throughout New Jersey. Petitioner presently does not intend to offer any outbound dial tone services to residential end user customers. Petitioner does not currently have any telecommunications transmission facilities in New Jersey, however, it intends to provide above reference services by purchasing the services of other facilities-based carriers and through the resale of the services of Incumbent Local Exchange Carriers ("ILECs"). And, as market conditions warrant, Petitioner will place its state-of-the-art telecommunications equipment within the existing facilities of other carriers, central offices of local exchange carriers, or other structures. Petitioner will use the existing conduits, ducts, right-of-way and facilities of other telecommunications carriers and utilities and will not construct new or extend existing, outside plant.

The Company 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 requests a waiver of N.J.S.A. 48:3-7.8, which requires that books and records be kept within the State of New Jersey. Petitioner requests permission 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 San Rafael, California. Petitioner also states, upon written notice from the Board and/or Board Staff, 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 records.

Petitioner does not request a waiver of N.J.A.C. 14:10-1A.16, which requires that certain telecommunications carriers maintain their books and records in accordance with the Uniform System of Accounts ("USOA") if those carriers are required by the Federal Communications Commission to use the USOA. Petitioner is a non-ILEC and non-dominant carrier and therefore is not subject to the obligation otherwise imposed by N.J.A.C. 14:10-1A.16.

Petitioner asserts that approval of its Petition will further the public interest by expanding the availability of competitive telecommunications services in the State of New Jersey. Petitioner also asserts that approval of this Petition will provide New Jersey customers with access to new technologies and service choices and will permit customers to achieve increased efficiencies and cost savings.

With regard to its technical and managerial qualifications, Mosaic states that it possesses the technical capability and managerial qualifications to operate and manage its telecommunications operations in the State of New Jersey. Petitioner has submitted the professional biographies of its key personnel, who, according to Mosaic, are well qualified to execute its business plans and have extensive managerial and technical experience in the telecommunications industry.

By letter dated March 14, 2012, Division of Rate Counsel submitted comments with the Board stating that it does not object to Board approval of the Petition.

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 Mosaic’s Petition and the information supplied in support thereof, as well as Rate Counsel’s comments, 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.

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

The Board HEREBY ORDERS that:

- 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 31 of each

year. The annual report and a 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 waiver 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 keep its books and records 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 keeping its books and records in New Jersey.

DATED: 5/1/12

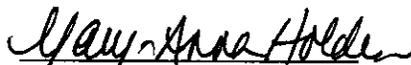
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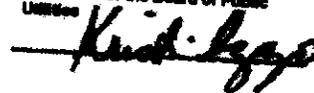

NICHOLAS ASSELTA
COMMISSIONER


MARY ANNA 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 MOSAIC NETWORKX LLC FOR
AUTHORITY TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE
TELECOMMUNICATIONS SERVICES IN THE STATE OF NEW JERSEY

DOCKET NO. TE12020136

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