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KIM GUADAGNO
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STEFANIE A. BRAND
Director

Via Electronic and Regular Mail

June 11, 2014

Kristi Izzo, Board Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th floor
P.O. Box 350
Trenton, New Jersey 08625-0350

Re: I/M/O the Joint Verified Petition of Network Billings Systems, LLC and Cypress Communications Operating Company, LLC., for Approval for the assignment of Certain Retail Telecommunications Services and Customers of Cypress Communications Operating Company, LLC to Network Billing Systems, LLC. **BPU Docket No. TM14060541**

Dear Secretary Izzo:

The Division of the Rate Counsel ("Rate Counsel") has reviewed the above-captioned Joint Verified Petition ("Petition") of Network Billing Systems, LLC ("NBS") and Cypress Communications Operating Company, LLC ("Cypress"), (NBS and Cypress jointly "Petitioners") for authority to complete an assignment of retail telecommunications services and customers from Cypress to NBS. Rate Counsel submits the within comments for consideration by the New Jersey Board of Public Utilities ("Board") on this matter. Enclosed with this original please find ten copies, kindly return a time/date stamp filed copy to Rate Counsel. Upon review of this filing, Rate Counsel is satisfied that the Joint Verified Petition meets the regulatory requirements and is consistent with the public interest, convenience, and necessity. For the reasons that follow, Rate Counsel does not object to approval of Petitioners' requests in their Joint Verified Petition.

NBS is a New Jersey limited liability company, located in Wayne, New Jersey and authorized to provide local exchange and interexchange telecommunications services throughout New Jersey.¹ NBS is a wholly owned subsidiary of FNAC a Delaware corporation and a wholly owned subsidiary of Fusion Telecommunications International, Inc., a publicly-held Delaware corporation headquartered in New York, New York. Cypress is Delaware limited liability company, headquartered in Atlanta, Georgia, authorized to provide facilities-based competitive interexchange and local exchange services throughout New Jersey.²

Under the Asset Purchase and Sale Agreement, NBS will acquire Cypress' regulated retail business services and customers.³ Petitioners assert that the transaction will have no adverse impact on the provision of service in New Jersey, and ensure continuity of seamless

¹ / See BPU Docket TE08070466. Petition at p. 2.

² / See BPU Docket TE00060418. Petition at p. 3.

³ / Petition, Section III. at p. 4.

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uninterrupted service to existing customers under the same terms of service and rates.⁴ Petitioners note that the transaction will have no impact on company employees in New Jersey.⁵ The transaction is intended to increase the company's focus on the wholesale communications market to business customers.⁶

Board approval is required in order to effectuate a transfer pursuant to *N.J.S.A. 48:2-51.1*, such as the Asset Purchase and Sale Agreement, contemplated by Joint Petitioners herein. Prior approval is important and vital in these transactions as it affords the Board the only opportunity to evaluate the impact of the transaction on rates, employees of the utilities involved and to ensure that services to New Jersey ratepayers remain adequate and safe. Joint Petitioners have stated that the transaction will have no adverse impact on company employees in New Jersey, that the transfer will be seamless, and that service will continue to be provided under the same terms, rates and conditions. Petitioners further submit that the transaction is intended to increase the company's effectiveness and competitive footing within the business wholesale communications market.

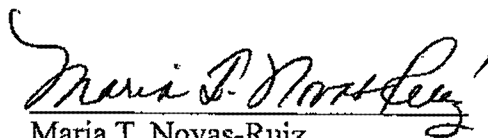
Rate Counsel hopes that the Asset Purchase and Sale Agreement effectuated between the Joint Petitioners further strengthens the financial security of the company, and leads to enhanced and innovative services that will further promote and strengthen competition in the New Jersey telecommunications market to the benefit of all customers in this State. Accordingly, Rate Counsel submits that the Verified Petition meets the regulatory requirements and is consistent with the public interest, convenience, and necessity and has no objection to the Board's grant of Petitioners' requests under their Verified Petition.

Thank you for your attention to this matter.

Very truly yours,

STEFANIE A. BRAND, DIRECTOR
NEW JERSEY DIVISION OF RATE COUNSEL

By:



Maria T. Novas-Ruiz,
Assistant Deputy Rate Counsel

MNR/gp

cc: Service List (*via regular mail*)

⁴ / Petition, Section III, at pp. 4-5. Petitioners note that NBS is expected to rebrand itself in a few months under the name "Fusion". Petitioners have provided a sample customer notice under Exhibit B as well as an Application for Mass Migration of Customers under Exhibit C, attached to the Joint Petition.

⁵ / *Id.*, Section IV. at p. 5 and 6.

⁶ / *Id.*, at p. 5.

IMO Joint Petition Network
Billing Systems and Cypress
Communications for Approval for
the Assignment of Retail Telecom
Svcs and Customers
Docket No. TM14060541

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