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Lt. Governor

STEFANIE A. BRAND
Director

Via Electronic Mail Only

March 18, 2021

Ms. Aida Camacho-Welch, Board Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, New Jersey 08625-0350
aida.camacho@bpu.nj.gov

Re: In the Matter of the Petition of Xchange Telecom, LLC for Designation as
an Eligible Telecommunications Carrier in the State of New Jersey.
BPU Docket No. TO20090615

Dear Secretary Camacho-Welch:

The New Jersey Division of Rate Counsel (“Rate Counsel”) has reviewed the petition filed by Xchange Telecom, LLC (“Xchange” and/or “Petitioner”) seeking approval and designation as an Eligible Telecommunications Carrier (“ETC”) in the State of New Jersey by the New Jersey Board of Public Utilities (“Board”) for the purpose of offering lifeline service to qualified households pursuant to 47 U.S.C. § 214(e). Rate Counsel submits the comments below for the Board’s consideration and requests acknowledgment of its electronic filing for its record.¹ As discussed below, Rate Counsel does not object to a Board grant of Xchange’s request for designation as an ETC in the state of New Jersey.

Petitioner

Xchange is a Delaware limited liability company, Competitive Local Exchange Carrier (“CLEC”) headquartered in Brooklyn, New York providing telecommunications services over 18,000 residential lines in several states including New Jersey as authorized under Board docket

¹ Pursuant to e-filing procedures approved by the Board under Docket No. Docket No. EO20030254, dated March 19, 2020.

TE02050299, on February 20, 2003.² Xchange states it provides several tiers of affordable wireless calling plans and high-speed broadband services using T-Mobile's and Verizon's underlying wireless networks and currently has 7700 lifeline customers as an ETC in New York.³ Xchange states its operates as a "Mobile Virtual Network Operator ("MVNO"), similar to TracFone Wireless, Inc. ("TracFone"), and Virgin Mobile USA, L.P. ("Virgin Mobile"), each of which has been granted ETC status in New Jersey."⁴

Qualifications, Services and Plan Enrollment

Xchange asserts it is both a CLEC and is a resale-based Commercial Mobile Radio Service ("CMRS") provider and qualifies as a common carrier to provide prepaid mobile phone service.⁵ It possesses the requisite technical, managerial and financial ability to provide the Lifeline-supported services and as it will be providing resold wireless service, it will also rely upon the managerial and technical expertise of its Underlying Carriers in the provision of services.⁶ Service Plan includes calling/voice telephony, text messaging, and broadband Internet access service ("BIAS"), along with user-friendly handsets, tablet or hotspot devices, and high-quality customer service.⁷ In its application Xchange provides the basis of its qualifications for satisfaction of the requisites for ETC designation to enable it to provide wireless Lifeline services in portions of New Jersey.⁸ It proposes to offer significant cost saving advantages to

² Petition, pp. 2-3.

³ Id., pp. 3-4.

⁴ Id., p. 4.

⁵ Id., p. 12.

⁶ Id., p. 18.

⁷ Id., pp. 5-6, p. 13 and at Exhibit 2.

⁸ Id., pp. 15-16, and Exhibit 4, service area.

eligible customers, for voice and broadband service.⁹ The Lifeline service proposal will provide qualifying low-income customers free monthly service consisting of “1,000 voice minutes, unlimited text and picture messages, and 3 GB of data per month at a net cost of \$5.00 after application of Lifeline support.”¹⁰ Petitioner notes that although “customers will also be able to purchase additional minutes or data as needed.”¹¹ Additionally, prepaid Lifeline customers will receive: a free handset or SIM card, and at no additional charge access to voice mail; caller I.D.; call forwarding; 3-way calling, and call waiting features; nationwide long distance calls; calls to the Company’s customer service and 911 emergency calls as part of standard service.¹² Xchange further notes that “Wireline Broadband customers will receive 20/3Mbps, without a cap, and the ability to optionally add voice services.”¹³

Petitioner states it “recognizes the importance of safeguarding the USF and has implemented measures and procedures to prevent duplicate Lifeline benefits being awarded to the same household and complies with the requirements of the National Lifeline Accountability Database (“NLAD”) and section 54.404 of the FCC’s rules.”¹⁴ Xchange notes that prospective New Jersey customers “can apply to the National Verifier through a service provider like Xchange, or on their own by mail or online.”¹⁵ Additionally, Xchange states it utilizes the

⁹ Petition, pp. 4-6, and Exhibit 2 and Exhibit 3, p. 37.

¹⁰ Id.

¹¹ Id., and pp. 14-16.

¹² Id., pp. 5-6.

¹³ Id., p. 5.

¹⁴ Id., pp. 6-7.

¹⁵ Id.

standard Lifeline application/certification forms as required by FCC rules, and complies with the disclosure and information collection requirements under 47 C.F.R. § 54.410(d).¹⁶

Commitments and Public Interest

Petitioner asserts it is financially and technically capable of providing the services to be rendered to New Jersey customers.¹⁷ In particular, Xchange states Petitioner commits to the provision of quality services and consumer protection throughout the designated service territory and asserts it will adhere to standards under the Cellular Telecommunications and Internet Association's ("CTIA") Consumer Code for Wireless Service and commits to satisfactorily resolve complaints filed with the Board's Telecommunications Division and provide a Company point of contact through which all Lifeline complaints may be transmitted.¹⁸ Additionally Xchange asserts it will comply with certification and verification requirements, with federal reporting requirements and Board rules and regulations.¹⁹ Lastly, Petitioner asserts approval of its application is in the public interest noting the myriad of services to be provided and the benefits flowing from the expansion of competitive choice for New Jersey low-income customers.²⁰ Petitioner states "Xchange's Lifeline service is uniquely suited to meet the needs of consumers now faced with rising data needs to account for telemedicine as well as enable working and schooling from home due to the COVID-19 pandemic. Introducing Xchange into the market as both a wireline and wireless ETC provider in New Jersey will help to close the

¹⁶ Petition, p. 7.

¹⁷ Id., pp. 19-20.

¹⁸ Id. pp. 18-19.

¹⁹ Id., pp. 20-21.

²⁰ Id., pp. 19-22.

widening gap for wireless and broadband services and quicken the ability to ensure Lifeline-eligible New Jersey residents have the safety net they need during this national emergency.”²¹

On February 22, 2021 Xchange provided additional information in response to Board Staffs’ data requests. The information provided by Xchange provides additional details and confirms Petitioner’s compliance with regulatory requirements.²²

Rate Counsel relies on the assertions and commitments provided by Xchange in its petition and follow up information provided to the Board by Xchange in the determination that the terms of service proposed by Xchange should benefit eligible subscribers in New Jersey. Accordingly, Rate Counsel believes approval would be in the public interest and does not oppose Board action designating Xchange Telecom, LLC as an eligible telecommunications carrier in the State of New Jersey.

Respectfully submitted,

STEFANIE A. BRAND,
DIRECTOR
NJ DIVISION OF RATE COUNSEL

By: /s/ Maria T. Novas-Ruiz
Maria T. Novas-Ruiz,
Assistant Deputy Rate Counsel

MNR/td
c: Service List

²¹ Petitioner’s initial filing cover letter accompanying the Petition, dated September 24, 2020.

²² Petitioner provided responses to information requests from the Board concerning terms of service and customer satisfaction/complaints among other data confirming regulatory compliance.

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**BPU Docket No. TO20090615
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