



State of New Jersey
 DIVISION OF RATE COUNSEL
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BOARD OF PUBLIC UTILITIES
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CHRIS CHRISTIE
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STEFANIE A. BRAND
 Director

Via Electronic and Regular Mail

June 22, 2015

Irene K. Asbury, Board Secretary
 New Jersey Board of Public Utilities
 44 South Clinton Avenue, 3rd Fl., Ste. 314
 P.O. Box 350
 Trenton, New Jersey 08625-0350

**Re: I/M/O the Verified Petition of Network Billing Systems, LLC for Approval to Participate in Additional Financing Arrangements of Fusion NBS Acquisition Corp.
BPU Docket No. TF16050442**

Dear Secretary Asbury:

The New Jersey Division of Rate Counsel (“Rate Counsel”) has reviewed the above referenced Verified Petition of Network Billing Systems, LLC (“Petitioner” or “NBS”) for approval by the New Jersey Board of Public Utilities (“Board”) to act as guarantor in a financing arrangement on behalf of Fusion NBS Acquisition, Corp., (“Parent” or “FNAC”). Rate Counsel submits the within comments on this matter for the Board’s consideration. Enclosed with this original please find ten copies. Kindly return a date/stamped “Received” and/or “Filed” copy to Rate Counsel. For the reasons that follow, Rate Counsel does not object to the Board’s approval of the Petitioner’s requests in the Verified Petition.

Petitioner is a New Jersey limited liability company headquartered in Wayne, New Jersey and a directly owned subsidiary of FNAC a Delaware corporation and a directly owned subsidiary of Fusion Telecommunications International, Inc., (“Fusion” together with its subsidiaries, the “Company”) is a publicly held Delaware corporation (NASDAQ:FSNN) headquartered in New York, NY and provides various telecommunications services primarily to businesses world-wide.¹ Petitioner provides facilities-based local exchange and interexchange telecommunications services in New Jersey by Board approval under docket TE08070466 (Order dated September 15, 2008).² Petitioner seeks Board approval to expand its authority granted by the Board under Docket No. TF15101145, and be guarantor on \$150 million in the aggregate to restructure existing debt and enter into new and amended financing arrangements.³ The restructured debt will extend the maturity date by no more than ten years after issuance. The

¹/ Verified Petition at p. 2.

²/ *Id.*

³/ *Id.*, at pp. 3-4.

*Case Mgmt
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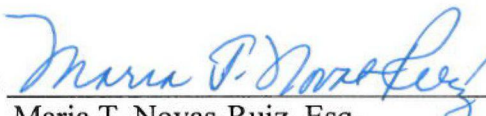
additional financing is intended to strengthen the company and enable Petitioner to continue to provide high-quality services to customers and strengthen competition for these services in New Jersey.⁴

Prior Board approval of any encumbrance or mortgage of a telecommunications service provider is required; otherwise, the transaction is void under New Jersey law.⁵ As the Petitioner's assets will secure the debt, in part, the Board's approval must be based on its satisfaction that the debt is made according to law and that the debt serves a beneficial purpose.⁶ Petitioner has provided all the information required by *N.J.S.A. 48:3-7, 48:3-9* and *N.J.A.C. 14:1-5.9* regarding a petition for approval of debt. Petitioner asserts that the financing contemplated is not contrary to the public interest and will serve a beneficial purpose and will enable them to provide safe, adequate and proper service to subscribers in New Jersey and will not adversely affect Petitioner's ability to continue to provide high-quality service to its customers without interruption, change in rates, terms and conditions and will not adversely affect Petitioner's ability to fulfill its employee pension obligations.⁷

Rate Counsel supports innovative, high quality telecommunications services to the public and thereby will promote increased competition in the New Jersey telecommunications market hopefully for the benefit of both residential and business customers in this state. Accordingly, Rate Counsel has no objection to the Board's grant of Petitioner's requests under the 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, Esq.
Assistant Deputy Rate Counsel

MNR/ld
c: Service List

RPAPROD-#93826

⁴/ *Id.*, at pp. 4.

⁵/ *N.J.S.A. 48:3-9, et seq.* If the Board finds that after investigation there is doubtful benefit to the petitioner, the Board may withhold approval. See, *Interstate Telephone & Telegraph Co. v. Board of Public Utility Commissioners*, 84 NJL 184 (Sup. Ct. 1913), wherein the court interpreted the 'approval of the purpose' provision to empower the Board with the authority to withhold approval if in its judgment the purpose of the debt incurred will have doubtful benefit to the applicant.

⁶/ *Id.* See also, the Verified Petition at p. 4.

⁷/ *Id.*

**Network Billing Systems, LLC,
Petition to Participate in Financing
- BPU Docket No.
TF16050442**

Doc #93280

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