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State of New Jersey  
DIVISION OF RATE COUNSEL  
140 EAST FRONT STREET, 4<sup>TH</sup> FL  
P.O. Box 003  
TRENTON, NEW JERSEY 08625

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TRENTON, NJ

STEFANIE A. BRAND  
Director

**Via Electronic and Regular Mail**

October 16, 2019

Aida Camacho-Welsh, Secretary  
New Jersey Board of Public Utilities  
44 South Clinton Avenue, 9<sup>th</sup> Fl.  
P.O. Box 350  
Trenton, New Jersey 08625-0350

Re: I/M/O the Verified Joint Petition of DSCI, LLC, U.S. TelePacific Holdings Corp., and Tango Private Holdings II, LLC, for Approval to Transfer Indirect Control of DSCI, LLC to Tango Private Holdings II, LLC. **BPU Docket No.: TM19091153**

Dear Secretary Camacho-Welsh:

The New Jersey Division of Rate Counsel (“Rate Counsel”) has reviewed the above referenced Verified Joint Petition of DSCI, LLC (“DSCI”), U.S. TelePacific Holdings Corp., (“TPx Holdings”) and Tango Private Holdings II, LLC (“Tango” or “Transferee”) (collectively, the “Petitioners”), filed with the New Jersey Board of Public Utilities (“Board”) seeking Board approval to acquire indirect control of DSCI (the “Transaction”).<sup>1</sup> Rate Counsel submits the within comments on this matter for the Board’s consideration and encloses with this original 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 Board approval of Petitioners’ requests in this matter.

**Petitioners and Transaction**

DSCI is a Delaware limited liability company, authorized to provide resold and facilities-based local and long distance telecommunications services pursuant to Board Order in Docket No. TE14091038, and a wholly-owned indirect subsidiary of TPx Holdings, headquartered in Los Angeles, California, and is itself a provider of facilities-based business communications services to small and medium sized businesses.<sup>2</sup> Tango, a Delaware limited liability company, (created for the sole purpose of acquiring TPx Holdings) has principal offices in New York, New York and is a direct, wholly-owned subsidiary of Tango Private Holdings I, LLC, which in turn is wholly and directly-owned subsidiary of Tango Private Investments, LLC, as well as an affiliate of Siris Capital Group, LLC, a technology and telecommunications investment firm.<sup>3</sup> Petitioners note that the investment vehicles that indirectly invested in Tango are held by numerous limited partners none of which owns more than 10% of the indirect equity of Tango.<sup>4</sup>

<sup>1</sup> Petitioners have requested expedited treatment and request that the Board consider the Petition no later than at its December 20, 2019, Agenda Meeting. Petition, pp. 1-3. In addition, Petitioners assert that post Transaction, DSCI will continue to participate as a guarantor and pledge assets as security for the financing arrangements of TPx Holdings in the aggregate amount of \$680 million as approved by the Board under Order dated August 23, 2017 in Docket No. TF17050556. Id., p. 5.

<sup>2</sup> Petition, p. 3.

<sup>3</sup> Id.

<sup>4</sup> Petition, pp. 3-4.

*Case Mgmt*  
*Just Copies*

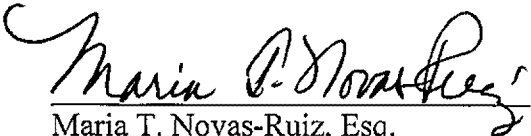
Petitioners state that pursuant to the Agreement and Plan of Merger dated August 17, 2019, Merger Sub will merge with TPx Holdings, with TPx Holdings surviving the merger, resulting in DSCI as an indirect wholly-owned subsidiary of Tango (“Transaction”).<sup>5</sup> Petitioners assert that the Transaction will be transparent and have absolutely no impact on customer service, rates, terms and conditions as customers will remain DSCI customers or company employees, nor detrimentally affect competition, as Transferee does not provide telecommunications services in New Jersey.<sup>6</sup> Petitioners assert that the Transaction as planned is in the public interest as it will allow Petitioners to offer to customers a wider array of expanded services and products.<sup>7</sup> In addition, Petitioners assert that the Transaction is not subject to the Board’s Mass Migration regulations as customers are not being transferred to another carrier and will remain as DSCI customers.<sup>8</sup> Rate Counsel agrees that mass migration regulations are not implicated in this Transaction. Petitioners note that while DSCI has no employees in New Jersey, DSCI employee’s existing rights and pension obligations will not be affected and will continue to be honored post Transaction.

Rate Counsel supports the contemplated continued provision of innovative, high quality telecommunications services to the public and the promotion of increased competition in the New Jersey telecommunications market for the benefit of both residential and business customers in this state. Accordingly, Rate Counsel would not oppose Board approval of Joint Petitioner’s proposed transfer of indirect control of DSCI, LLC to Tango Private Holdings II, LLC as discussed herein.

Thank you for your attention to this matter.

Very truly yours,

STEFANIE A. BRAND, ESQ.  
DIRECTOR  
DIVISION OF RATE COUNSEL

  
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Maria T. Novas-Ruiz, Esq.  
Assistant Deputy Rate Counsel

MNR/td  
c: Service List

<sup>5</sup> Id., p. 5. See also Exhibit A, pre and post transactional chart.

<sup>6</sup> Id. pp. 5-6

<sup>7</sup> Id.

<sup>8</sup> Id., p. 5, footnote 2.

**I/M/O Verified Joint Petition of  
DSCI, LLC, U.S. TelePacific Holdings  
Corp., and Tango Private Holding II,  
LLC for Approval to transfer  
Indirect Control of DSCI, LLC to  
Tango Private Holding II, LLC**

**BPU Docket No. TM19091153  
Service List**

Aida Camacho, Board Secretary  
New Jersey Board of Public Utilities  
44 S. Clinton Ave., 3<sup>rd</sup> Fl., Ste. 314  
P.O. Box 350  
Trenton, NJ 08625

Stefanie A. Brand, Director  
NJ Division of Rate Counsel  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625

Lawanda Gilbert, Esq.  
Director, Office of Telco & Cable  
New Jersey Board of Public Utilities  
44 S. Clinton Ave., 3<sup>rd</sup> Fl., Ste. 314  
P.O. Box 350  
Trenton, NJ 08625

Harold Bond, Bureau Chief  
Office of Telco & Cable  
New Jersey Board of Public Utilities  
44 S. Clinton Ave., 3<sup>rd</sup> Fl., Ste. 314  
P.O. Box 350  
Trenton, NJ 08625

Carol Artale, Esq.  
Deputy Chief Counsel  
New Jersey Board of Public Utilities  
44 S. Clinton Ave., 3<sup>rd</sup> Fl., Ste. 314  
P.O. Box 350  
Trenton, NJ 08625

Rocco Della-Serra, Administrative  
Analyst, Accounting  
New Jersey Board of Public Utilities  
44 S. Clinton Ave., 3<sup>rd</sup> Fl., Ste. 314  
P.O. Box 350  
Trenton, NJ 08625

Christine Lin  
Administrative Analyst, Accounting  
New Jersey Board of Public Utilities  
44 S. Clinton Ave., 3<sup>rd</sup> Fl., Ste. 314  
P.O. Box 350  
Trenton, NJ 08625

Geoffrey R. Gersten  
Deputy Attorney General  
Division of Law  
124 Halsey Street  
P.O. Box 45029  
Newark NJ 11714-3581

Matko Ilic, DAG  
Attorney General's Office  
Division of Public Safety  
124 Halsey Street, 2nd Floor  
POB 45029-5029  
Newark, NJ 07101

Caroline Vachier, Chief, DAG  
NJ Attorney General's Office  
Division of Public Safety  
124 Halsey Street, 2nd Floor  
POB 45029-5029  
Newark, NJ 07101

Maria Novas-Ruiz  
Assistant Deputy Rate Counsel  
NJ Division of Rate Counsel  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625

Dennis C. Linken  
Scarinci Hollenbeck  
1100 Valley Brook Avenue  
P.O. Box 790  
Lyndhurst, New Jersey 07071

Laura M. Miller  
Scarinci Hollenbeck  
1100 Valley Brook Avenue  
P.O. Box 790  
Lyndhurst, New Jersey 07071

Devi Partab  
Scarinci Hollenbeck  
1100 Valley Brook Avenue  
P.O. Box 790  
Lyndhurst, New Jersey 07071