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March 10, 2021

**Via Electronic Filing**

Ms. Aida Camacho-Welch, Board Secretary  
New Jersey Board of Public Utilities  
44 South Clinton Avenue, 9th  
P.O. Box 350  
Trenton, New Jersey 08625-0350

Re: BCM One, Inc. – Referred to as (“BCM”) Petition for Approval to Obtain  
Debt Financing. **BPU Docket No.: TF21010036**

Dear Board Secretary:

The New Jersey Division of Rate Counsel (“Rate Counsel”) has reviewed the above referenced Petition of BCM One, Inc., (“BCM”), requesting approval from the New Jersey Board of Public Utilities (“Board”), to obtain additional debt financing in the amount of \$100 million.<sup>1</sup> Rate Counsel submits the comments below for the Board’s consideration and requests acknowledgment of its electronic filing for its record.<sup>2</sup> For the reasons that follow, Rate Counsel does not object to Board approval of Petitioners’ requests in the Petition.

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<sup>1</sup> Petition, pp. 1-2. Petitioner notes that the Board previously approved financing in connection with *I/M/O BCM One, Inc.’s Notification for a Change in Stock Ownership Resulting in a Transfer of Control and Related Financing*, filed under Board Docket No. TM18070796, Order dated December 12, 2018; and approved additional debt financing in the amount of \$50 million in 2019 under Docket TF19020149, and \$200 million in 2020 in Docket TF20020136. See Petition, paragraph 3.

<sup>2</sup> Pursuant to e-filing procedures approved by the Board under Docket No. Docket No. EO20030254, dated March 19, 2020.

## Discussion

BCM is a New York corporation providing competitive local exchange and interexchange telecommunications services to carriers in New Jersey since 2002.<sup>3</sup> The current request extends financing in the aggregate amount up to an additional \$100 million, (on similar terms and conditions to the prior financial arrangements) in order to effectuate “measured growth for BCM in the telecommunications market, while also developing improved operating efficiencies.”<sup>4</sup> The financing is not intended to be used to refinance outstanding credit facilities but rather is intended to “preserving and enhancing competition in the market, thereby benefiting BCM’s customers with access to integrated, global voice, video and IM services” in New Jersey.<sup>5</sup> Petitioner has two employees in New Jersey, does not offer a pension plan, noting employees have other retirement benefits and affirms the proposed debt financing will not have any adverse effect on employees’ employment.<sup>6</sup>

Prior Board approval of any encumbrance or mortgage of a telecommunications service provider is required; otherwise, the transaction is void under New Jersey law.<sup>7</sup> 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.<sup>8</sup> *N.J.S.A. 48:3-9* and *N.J.A.C. 14:1-5.9* Petitioners assert that the financing contemplated is not contrary to the public interest, will not affect customer service, or the current New Jersey non-pensioned employee’s

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<sup>3</sup> Petition, paragraph 1, noting Board authorization dated June 10, 2002, under Docket No.: TE01050329. Petitioner notes it currently provides service to 117 New Jersey customers. *Id.*, at paragraph 10.

<sup>4</sup> *Id.*, paragraph 7.

<sup>5</sup> *Id.*, paragraphs 8 and 16.

<sup>6</sup> *Id.*, paragraph 9.

<sup>7</sup> *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 *N.J.L.* 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.

<sup>8</sup> *Id.*, and Petition, paragraph 8.

employment or the employee's other retirement benefits, and will serve a beneficial purpose increasing Petitioners ability to effectively compete in the market by improving operating efficiencies.<sup>9</sup>

Rate Counsel relies on the assertions provided by Petitioner that the funds generated by the enhanced financing will promote increased service offerings and competition in the New Jersey telecommunications market ultimately for the benefit of both residential and business customers in this state. Accordingly, Rate Counsel has no objection should the Board determine after it concludes its financial review that approval is prudent and warranted.

Thank you for your attention to this matter.

Very truly yours,

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

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

MNR/td  
c: Service List

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<sup>9</sup> Petition, paragraphs 7-10. Rate Counsel notes that Board Staff reviewed additional information in connection with the contemplated financing requested on February 15, 2021.

**BCM One, Inc.- Referred to as (BCM One) Petition for Approval to Obtain Debt Financing**

**BPU Docket No. TF21010036  
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