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Via Electronic Mail

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

May 25, 2021

Re: I/M/O the Joint Petition of Wholesale Carrier Services, Inc., and BCM One Group Holdings, Inc., for Approval of a Transfer of Control and for Authorization for Wholesale Carrier Services, Inc., to Become a Co-Borrower with Respect to Certain Debt Financing Previously Approved by the Board of Public Utilities. **BPU Docket No.: TM21030674**

Supplemental Comments

Dear Secretary Camacho-Welsh:

On April 19, 2021, the New Jersey Division of Rate Counsel (“Rate Counsel”) filed comments (“Rate Counsel April 19 Filing”) in the above referenced verified joint petition of Wholesale Carrier Services, Inc. (“WCS,” “Company,” or “Transferor”) and BCM One Group Holdings, Inc. (“BCM One Group Holdings” or “Transferee”) (collectively “Petitioners”) filed with the New Jersey Board of Public Utilities (“Board”) seeking the Board’s approval to 1) effectuate a transfer of control of WCS to BCM One Group Holdings, and for authorization, pursuant to N.J.S.A. 48:3-9; and 2) allow WCS to become a co-borrower in connection with financing previously approved by the Board in Docket No. TF19020149.¹ In this electronic filing Rate Counsel hereby incorporates its April 19 comments by reference and submits the supplemental comments herein. Kindly acknowledge receipt of the electronic filing for Rate Counsel’s record.

¹ Petition at pp 1 and 4-5.

In the April filing, Rate Counsel did not oppose Board approval of Petitioners' transfer of control request. However, Rate Counsel respectfully recommended that Petitioner's request to participate as a co-borrower in previously Board approved BCM One Group Holdings financial arrangements be handled under a separate filing and Board review post transfer noting:

Generally, when reviewing a petition seeking approval of financing arrangements the Board will evaluate several distinct points to determine the feasibility and ability of a petitioner to be a guarantor on the proposed financing. For example, the Board will review the borrower's current financial statements, current and pro-forma capital structure, including but not limited to the debt-to-equity ratio, the estimated cost of capital, and a schedule of all outstanding debt of the borrower (herein, WCS) among other items to ascertain and ensure the guarantor's security pledge is in the public interest and does not jeopardize or detrimentally affect services to customers. *N.J.S.A. 48:3-9* and *N.J.A.C. 14:1-5.9*. Rate Counsel opines that without a review of WCS's financial information the Board would be unable to make certain findings of fact to support a solid determination and decision regarding this request. The Board should not circumvent its review process. Notwithstanding, this recommendation, Rate Counsel defers to the Board's decision in connection with Petitioner's request to *sua sponte* post transaction become a co-borrower on previously Board approved BCM One Group Holdings financial arrangements, if the Board considers it efficient, and that it will not harm services to customers and is in the public interest. *Rate Counsel April 19 Filing, p. 5*.

Subsequently, Board Staff served additional data requests on Petitioners specific to and in connection with the financial review portion of Petitioner's filing. Petitioners provided responses to the Board's data requests on May 20, 2021.²

Rate Counsel relies on the responses provided by Petitioners and Board Staff's review of same in confirmation the contemplated action by Petitioners in this matter is in the public interest; will promote competition; and ensure continued quality service offerings in the New

² Petitioner's filed confidential responses under seal, accompanied by a public redacted version of same.

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Jersey telecommunications market for the benefit of both residential and business customers. 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
DIVISION OF RATE COUNSEL

/s/ Maria Novas-Ruiz

Maria T. Novas-Ruiz,
Assistant Deputy Rate Counsel

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