



SIDLEY AUSTIN LLP
1501 K STREET, N.W.
WASHINGTON, D.C. 20005
+1 202 736 8000
+1 202 736 8711 FAX

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May 5, 2023

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[Information asserted to be confidential is deleted]

FILED VIA EMAIL

Sherri L. Golden
Secretary of the Board
New Jersey Board of Public Utilities
44 S. Clinton Avenue
Trenton, NJ 08625

Re: Joint Petition of BCM One, Inc. – Referred to as (“BCM”) and Wholesale Carrier Services, Inc. (“WCS”) for Approval to Obtain Debt Financing; Docket No. TF22090554

Dear Secretary Golden:

Pursuant to provisions three and four of the Board’s December 7, 2022 order in Joint Petition of BCM One, Inc. – Referred to as (“BCM”) and Wholesale Carrier Services, Inc. (“WCS”) for Approval to Obtain Debt Financing; Docket No. TF22090554 (“Order”), BCM and WCS hereby submit this semi-annual letter statement pursuant to N.J.A.C. 14:1-5.9(b).¹

In the Order, BCM obtained permission to increase its debt financing to an aggregate amount of \$805 million. BCM and WCS are co-borrowers with their parent, BCM One Group

¹ Similar requirements were included in prior Board decisions. *See* BCM One, Inc. – Referred to as (“BCM”) Petition for Approval to Obtain Debt financing; Docket No. TF19020149 (April 18, 2019) (Provision 3); BCM One, Inc. – Referenced to as (“BCM One”) Petition for Approval to Obtain Debt Financing; Docket No. TF20020136 (April 7, 2021) (Provisions 3 and 4); Verified 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; Docket No. TM21030647 (June 24, 2021) (Provision 4).

Holdings, Inc., and other complementary entities owned by BCM One Group Holdings, Inc. but that are not certificated by the Board.

Provision three of the Order requires BCM and WCS to file a statement setting forth (1) the amount of indebtedness issued under the order; and (2) the extent to, and in detail, the manner in which the proceeds thereof have been disbursed. As of the date of this statement, BCM One Group Holdings, Inc. has drawn down _____ of the available debt commitments. Since the most recent information provided to the Board in a semi-annual letter filed on July 22, 2021,² these funds have been used to acquire CoreDial, LLC and the assets of Flowroute. Neither CoreDial, LLC or Flowroute are regulated telecommunications providers in the state of New Jersey. Furthermore, it is anticipated that in the first half of 2023, BCM One Group Holdings, Inc. will draw down an additional _____ of the available debt commitments for the acquisition of Pure IP Holdings Ltd. The entity is not a regulated telecommunications provider in New Jersey.

Provision four of the Order requires BCM One to file additional term sheets and amendments for the indebtedness. The senior financing agreement is unaltered from the last submission to the Board filed on October 28, 2022. The mezzanine facility has two amendments not yet submitted to the Board. The first amendment is dated March 8, 2022 and should have been included with a prior submission but was excluded because of an administrative oversight. The amendment increased the mezzanine financing by \$10 million to an \$85 million total, all within the overall approved level of debt by the Board. The second amendment is dated April 27, 2023 and refinanced existing notes in the amount of \$6.5 million. Copies of the amendments are included herein as Ex. 1.

In addition, BCM and WCS wish to call the Board's attention to a small error in the Order. The Order refers to certain LIBOR adjustments to the senior facility on page 3, but as the parties explained in the response to Board Staff Discovery Request 8 (filed on October 28, 2022), the agreement was amended to use SOFR to reflect the industry-wide change in benchmarks as a result of the anticipated expiration of LIBOR. A copy of the discovery response is included here as Ex. 2.³

² BCM and WCS provide significant and in some cases duplicative information as the semi-annual letters when it seeks increases in the debt authorization as well. BCM and WCS last received approval for an increase in the Order at the end of 2022.

³ The referenced exhibit in the discovery response is not included herein but can be provided upon request.

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Please contact counsel below if any questions arise concerning the letter statement or if you require any additional information.

Sincerely,

A handwritten signature in black ink that reads "Marc Korman". The signature is written in a cursive, slightly slanted style.

Marc Korman
SIDLEY AUSTIN LLP
1501 K Street N.W.
Washington, DC 20005
(202) 736-8417
mkorman@sidley.com

Counsel for BCM One, Inc. and Wholesale Carrier Services, Inc.

EXHIBIT 1

PRELIMINARY PUBLIC COPY

[Information asserted to be confidential is deleted]

(Exhibit 1 withheld in its entirety)

EXHIBIT 2

PRELIMINARY PUBLIC COPY

**[Information asserted to be
confidential is deleted]**

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

**Joint Petition of BCM One, Inc. and Wholesale Carrier Services, Inc. for Approval
to Obtain Debt Financing**

BPU Docket No. TF22090554

Board Staff Discovery Request 8, Directed to Petitioners

S-BCMONE-8 Referencing point #15 of the Petition, it is stated that the interest rate will be calculated on "...LIBOR plus a margin equal to 4.25%." Based on recent communication, the Petitioner informed Staff that the interest rate calculation is being changed from a LIBOR to a SOFR calculation. Please explain why this is being changed to SOFR instead of LIBOR, and when this decision was made.

Person Responsible for Response: Liz Borow, Managing Director at BCM One, Inc.'s indirect majority owner, TSCP CV I, L.P.

Response:

The senior agreement was amended on September 29, 2022—after Petitioners responded to the initial discovery requests—to reflect the industry-wide change in benchmarks as a result of the anticipated expiration of LIBOR. The updated credit agreement is included herein as Ex. 5.

For the avoidance of doubt, the quoted language in S-BCMONE-8 from paragraph 15 of the petition applies only to the senior facility and the full explanation of the SOFR (previously LIBOR) rate "plus a margin equal" is in the definition of "Applicable Rate" in Ex. 5, page 4 of the amended credit agreement.

The Petitioners will continue to furnish updated credit agreements to the Board as part of the semi-annual update process.