



Agenda Date: 7/11/07  
Agenda Item: IVG

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**Two Gateway Center**  
**Newark, NJ 07102**  
**[www.bpu.state.nj.us](http://www.bpu.state.nj.us)**

TELECOMMUNICATIONS

IN THE MATTER OF THE JOINT PETITION	)	ORDER OF APPROVAL
FOR EXPEDITED APPROVAL OF THE	)	
TRANSFER OF CONTROL OF	)	
INTER-TEL NETSOLUTIONS, INC.	)	DOCKET NO. TM07060360

(SERVICE LIST ATTACHED)

BY THE BOARD:

On June 1, 2007, Inter-Tel NetSolutions, Inc., (ITNS) Inter-Tel, Inc. (Inter-Tel) and Mitel Networks Corporation (Mitel) (collectively, Petitioners) filed a petition pursuant to N.J.S.A. 48:2-51.1 and 48:3-10 seeking the Board's approval of the transfer of control of ITNS. Following the proposed transfer, Arsenal Acquisition Corporation (Arsenal), a wholly owned subsidiary of Mitel, will merge with and into Inter-Tel. ITNS will remain a wholly owned subsidiary of Inter-Tel, and Mitel will become the new ultimate parent of both Inter-Tel and ITNS. Upon consummation of the transfer, ITNS will continue to offer services at the same terms, rates and conditions that it currently provides such services in the State.

BACKGROUND

ITNS is a Texas corporation whose principal office is located in Phoenix, Arizona. ITNS is a wholly-owned subsidiary of Inter-Tel, a publicly held Delaware corporation, whose principal offices are located in Tempe, Arizona. In New Jersey, ITNS is authorized to provide local exchange services. See, I/M/O the Petition for an Order Authorizing Sunesys, Inc., to Provide Local Exchange Services throughout New Jersey, Docket No. TE05050456, dated August 1, 2005. According to the petition, some of the services that ITNS provides are local and long distance calling services, voice and data network design and traffic provisioning. ITNS is also authorized to provide telecommunications services in the states of Alabama, Arizona, Arkansas, California, Colorado, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nevada, New Mexico, New York, Ohio, Oregon, Pennsylvania, Tennessee and Washington. ITNS's customers include business enterprises, government agencies and non-profit organizations. In New Jersey, ITNS provides service to 160 business customers.

Mitel is a corporation organized and existing under the laws of Canada, and according to the petition is a provider of integrated communications services for business customers. Mitel's services include Internet Protocol, communications platforms and software applications that integrate voice, video and data communications with business applications and processes. Mitel's customers include hotel chains, governmental agencies, retail chains and healthcare providers worldwide and, according to the petition, it operates from over 40 locations around the world. Arsenal, a wholly owned subsidiary of Mitel, is a Delaware corporation that was organized solely for the purpose of this transaction.

## DISCUSSION

Pursuant to an Agreement and Plan of Merger (Agreement), dated April 26, 2007, entered into among Inter-Tel, Arsenal and Mitel, Arsenal will merge with and into Inter-Tel, with Inter-Tel surviving. Upon consummation of the transaction, Mitel will own 100% of the issued and outstanding capital stock of Inter-Tel which will remain the 100% shareholder of ITNS. Each shareholder of Inter-Tel shall receive cash in exchange for his stock. Petitioners note that the transaction will be transparent to customers who will continue to be offered the same services under the same name, pursuant to the rates, terms and conditions of ITNS's tariff on file with the Board.

Petitioners state that the proposed transaction will provide ITNS with greater flexibility to pursue operating purposes, including, (a) expansion of its telecommunications infrastructure; (b) improvement of customer service, billing, financial reporting and other management information systems; and (c) possible acquisitions, future investments or strategic alliances.

## FINDINGS AND CONCLUSIONS

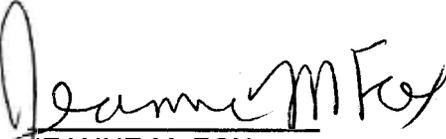
After a thorough review of the petition and all related documents, the Board concludes that there will be no negative impact on rates or service quality since ITNS's New Jersey customers will continue to receive the same services from the same entity at the same rates and under the same terms and conditions; nor will there be a negative impact on employees. Moreover, a positive benefit may be expected from the strengthening of the Petitioners posture in the telecommunications market as a result of the combined companies' enhanced financial position and ITNS's access to Mitel's expertise in business communications systems

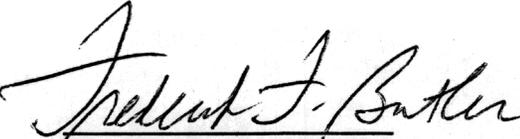
Accordingly, after careful review of this matter, the Board FINDS that the change of control will have no material negative impact on competition, the rates of current customers, or on employees. The Board also FINDS that the transfer will have no negative impact on the provision of safe, adequate and proper service, and will positively benefit competition.

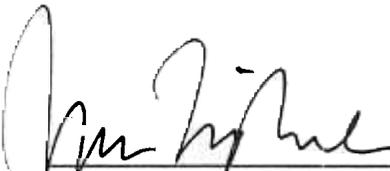
Therefore, after investigation, having considered the record and exhibits submitted in this proceeding, the Board FINDS that the proposed transfer is in accordance with the law and public interest. The Board HEREBY ORDERS that the Petitioners shall notify the Board of the closing of the proposed transactions within 7 days of the consummation of the transfer.

DATED: 7/12/07

BOARD OF PUBLIC UTILITIES  
BY:

  
JEANNE M. FOX  
PRESIDENT

  
FREDERICK F. BUTLER  
COMMISSIONER

  
JOSEPH L. FIORDALISO  
COMMISSIONER

  
CHRISTINE V. BATOR  
COMMISSIONER

ATTEST:

  
CARMEN DIAZ  
ACTING SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities

