



STATE OF NEW JERSEY
Board of Public Utilities
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Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

TELECOMMUNICATIONS

VERIFIED JOINT PETITION OF ONVOY, LLC,)
TRANSFEEE, ANPI, LLC, AND COMMON POINT)
LLC, LICENSEES, AND ANPI HOLDING, INC., AND)
ZONE USA, INC., TRANSFERORS, FOR APPROVAL)
(1) FOR THE TRANSFER OF INDIRECT CONTROL OF)
ANPI, LLC TO ONVOY, LLC; AND (2) FOR THE)
TRANSFER OF DE FACTO INDIRECT CONTROL OF)
COMMON POINT LLC TO ONVOY, LLC)

ORDER

DOCKET NO. TM16040386

Parties of Record:

Dennis C. Linken, Esq., Scarinci & Hollenbeck, LLC, on behalf of Petitioners
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On April 29, 2016, Onvoy, LLC ("Onvoy" or "Transferee"); ANPI, LLC; Common Point LLC ("Common Point" and together with ANPI, LLC, the "Licensees"); ANPI Holding, Inc. ("ANPI Holding"); and Zone USA, Inc. ("Zone" and together with ANPI Holding, the "Transferors") (collectively, "Petitioners") submitted a Joint Verified Petition to the New Jersey Board of Public Utilities ("Board") pursuant to N.J.S.A. 48:2-51.1 and N.J.S.A. 48:3-10 requesting Board authorization to complete the transfer of indirect control of ANPI, LLC to Transferee¹ and the transfer of indirect control of ANPI, LLC's interest in Common Point to Transferee (the "ANPI Transaction"). Following the proposed transaction, Licensees will continue to offer the same services in New Jersey at the same rates, terms, and conditions.

¹ In connection with the ANPI Transaction, a separate Joint Petition was simultaneously filed in Docket No. TF16040385, seeking approval for ANPI, LLC to participate in financing arrangements in an aggregate amount of up to \$150 million.

BACKGROUND

Onvoy is a Minnesota limited liability company with a principal office at 10300 6th Avenue North, Plymouth, Minnesota 55441. Pursuant to authorization set forth in the Board's Order in I/M/O the Verified Joint Petition of Communications Infrastructure Investments, LLC, Transferor, Onvoy, LLC, Broadvox-CLEC, LLC and GTCR Holdings LLC for Approval of the Transfer of Control of Onvoy, LLC and Broadvox-CLEC, LLC to GTCR Onvoy Holdings, LLC, Docket No. TM16010041, Order dated March 18, 2016, on April 29, 2016, Onvoy became an indirect wholly owned subsidiary of GTCR Onvoy Holdings LLC ("Parent") (the "GTCR Transaction"). Onvoy has provided telecommunications services since 1988. Onvoy provides primarily wholesale local exchange and long distance services, switched access, transit and other services to other carriers and communications providers. Onvoy is authorized to provide intrastate telecommunications services in the District of Columbia and in every U.S. state except Alaska, Arkansas (application pending), Hawaii, Mississippi, Tennessee and Vermont (application pending). In New Jersey, Onvoy is authorized to provide resold and facilities-based local exchange, interexchange, exchange access and private line telecommunications services. See I/M/O the Verified Petition of Onvoy, Inc. for Authorization to Provide Resold and Facilities-Based Local Exchange, Interexchange, Exchange Access and Private Line Telecommunications Services Throughout the State of New Jersey, Docket No. TE13100935, Order dated December 18, 2013. Onvoy is also authorized by the FCC to provide domestic and international telecommunications services. In addition, Onvoy's wholly owned direct subsidiary, Broadvox-CLEC, LLC ("BV-CLEC"), is authorized to provide local exchange telecommunications services. See I/M/O the Petition of Broadvox-CLEC, LLC for Authority to Provide Local Exchange Services In New Jersey, Docket No. TE09020172, Order dated April 27, 2009. Onvoy and BV-CLEC are also authorized by the FCC to provide domestic and international telecommunications services.

Parent is a Delaware limited liability company with its principal office in Chicago, Illinois. Parent is an investment vehicle created to aggregate the ownership of various investment funds managed by GTCR LLC in connection with the acquisition by such funds of Onvoy and its subsidiaries. Founded in 1980, GTCR LLC is a private equity firm focused on investing in growth companies in the Financial Services & Technology, Healthcare, Technology, Media & Telecommunications and Growth Business Services industries. Petitioners state that since its inception, GTCR LLC has invested more than \$12 billion in over 200 companies.

ANPI, LLC is a Delaware limited liability company and direct, wholly owned subsidiary of ANZ Communications, LLC ("ANZ"), a Delaware limited liability company.² ANPI, LLC and ANZ have a principal office in Springfield, Illinois. ANZ is a holding company and does not directly hold any authorizations or provide any telecommunications services. ANPI, LLC provides wholesale interexchange service throughout the United States, and is authorized to provide competitive local exchange service in a limited number of states. In New Jersey, ANPI, LLC is authorized to provide facilities-based competitive local exchange and interexchange telecommunications services pursuant to the Order. See I/M/O the Petition of ANPI, LLC for Authority to Provide Local Exchange and Interexchange Telecommunications Services in the State of New Jersey,

² An affiliate of ANPI, LLC, ANPI Business, LLC, also is registered in New Jersey to provide resold local exchange, interexchange and VoIP services pursuant to letters of notification dated September 19, 2000 and September 7, 2012. ANPI Business, LLC is a Delaware limited liability company and direct, wholly owned subsidiary of ANZ.

Docket No. TE12080759, Order dated December 19, 2012.³ ANPI, LLC is also authorized by the FCC to provide interstate and international telecommunications services.

Common Point is an Illinois limited liability company with a principal office in Springfield, Illinois. Common Point is 25 percent owned by ANPI, LLC, which also manages Common Point's operations as a management company contracted by its members. The other members of Common Point each hold a 25 percent membership interest. They are: Egyptian Internet Services, Inc., Cass Switch, Inc., and MTCO Communications, Inc. Common Point provides tandem access to local exchange carriers and wireless carriers. In New Jersey, Common Point is authorized to provide facilities-based competitive local exchange and interexchange telecommunications services. See I/M/O the Petition of Common Point LLC for Authority to Provide Local Exchange Telecommunications Services in the State of New Jersey, Docket No. TE12090882, Order dated December 19, 2012. Common Point is also authorized by the FCC to provide interstate telecommunications services.

Zone is a Delaware corporation with a principal office in Philadelphia, Pennsylvania. ANPI Holding is an Illinois corporation with a principal office in Springfield, Illinois. Zone and ANPI Holding are holding companies, each owning 50 percent of ANZ, and neither directly provides any telecommunications service.

DISCUSSION

The Petition states that pursuant to transactions arising from the Membership Interest Contribution and Purchase Agreement by and among ANPI Holding, Zone, Onvoy, and Parent, dated as of April 13, 2016, Onvoy and Parent will acquire all of the outstanding membership interests in ANZ and Parent will transfer all of the membership interests it receives in ANZ to Onvoy. As a result, ANZ will be a direct, wholly owned subsidiary of Onvoy; and ANPI, LLC will be an indirect, wholly owned subsidiary of Onvoy. Following closing, ANPI, LLC will be ultimately wholly owned by Parent.⁴

Petitioners also explain that ANPI, LLC is one of four members of Common Point, and pursuant to a Management Agreement also has certain management responsibilities for the operation of Common Point that could be deemed to constitute *de facto* control over Common Point. The Petition states that after the ANPI Transaction, ANPI, LLC, as a subsidiary of Onvoy, will continue to hold an ownership interest in, and perform its responsibilities under the Management Agreement with, Common Point; therefore, to the extent the performance by ANPI, LLC under the Management Agreement is deemed to constitute *de facto* control over Common Point, the ANPI Transaction would result in an indirect transfer of control of Common Point.

Petitioners state that the ANPI Transaction will be conducted in a manner that will be transparent to Licensees' customers and will not result in any immediate change of carrier for customers or any assignment of authorizations, and in no event will it result in the discontinuance, reduction, loss, or impairment of service to customers.

³ ANPI, LLC also operates as a reseller of telecommunications services on a wholesale, carrier-to-carrier basis pursuant to a letter of registration dated April 12, 2012.

⁴ The Petition states that as part of the consideration for the ANPI Transaction, ANPI Holding and Zone will obtain an ownership interest in Parent of collectively less than 6 percent.

Pursuant to N.J.S.A. 48:2-51.1(a), "the [B]oard shall evaluate the impact of [an] acquisition [of control of a public utility] on competition, on the rates of ratepayers affected by the acquisition of control, on the employees of the affected public utility or utilities, and on the provision of safe and adequate utility service at just and reasonable rates." In evaluating this Petition, the Board must be "satisfied that positive benefits will flow to customers and the State of New Jersey and, at a minimum, that there are no adverse impacts on any of the criteria delineated in N.J.S.A. 48:2-51.1" as set forth above. N.J.A.C. 14:1-5.14(c). Also, pursuant to N.J.S.A. 48:3-7 and N.J.S.A. 48:3-10, the Board must determine whether the public utility, or a wholly owned subsidiary thereof, may be unable to fulfill its pension obligations to any of its employees.

Petitioners assert that the ANPI Transaction is in the public interest and will bring together two successful enterprises that have demonstrated a long-standing commitment to excellence in a highly competitive marketplace. Petitioners contend that the financial, technical, and managerial resources that Onvoy and GTCR LLC will bring to Licensees are expected to enhance the ability of Licensees to compete in the telecommunications marketplace and that the existing network of Licensees will enhance the ability of Onvoy and its subsidiaries to serve their customers. Petitioners assert that the ANPI Transaction will have no adverse impact on the customers of Licensees and that immediately following the ANPI Transaction, Licensees will continue to provide high-quality services at the same rates and on the same terms and conditions as are currently in effect. Petitioners also claim that since the ANPI Transaction will occur at the holding company level, it will be completely transparent and seamless from a customer's perspective.

Petitioners have indicated that ANZ and ANPI have two employees in New Jersey. Petitioners assert ANZ and ANPI do not offer an employee pension plan, but that their employees do have other retirement benefits that they will retain upon completion of the financing arrangements.

Petitioners also note that the acquisition will be conducted in a manner that will be transparent to customers and will not result in any immediate change of carrier for customers and in no event will result in the discontinuance, reduction, loss, or impairment of service to customers. Also, petitioners state that there are no anticipated economic impacts related to jobs and facilities in New Jersey as a result of the proposed transfer.

By letter to the Board dated May 11, 2016, the New Jersey Division of Rate Counsel ("Rate Counsel") submitted comments indicating that it "has no objection to the Board's grant of Petitioners' requests under the Verified Joint Petition." (Letter from Rate Counsel to the Board at 2.)

FINDINGS AND CONCLUSIONS

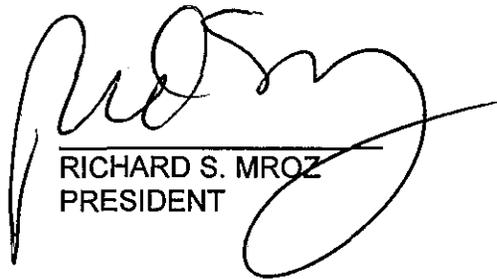
After careful review of this matter and all related documents, the Board concludes that there will be no negative impact on rates or service quality since Petitioners' New Jersey customers will continue to receive the same services from the same entities at the same rates and under the same terms and conditions. Also, the Board is satisfied that positive benefits will flow to customers based on the record presented by Petitioners as the transactions will strengthen Petitioners' competitive posture in the telecommunications market by giving the Petitioners access to additional resources. In addition, the Board is persuaded that there will not be any adverse impact to employees in New Jersey.

Accordingly, the Board **FINDS** that the proposed ANPI Transaction is consistent with the applicable law, is not contrary to the public interest, and will have no material impact on the rates of current customers. The Board also **FINDS** that the proposed transaction 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 **HEREBY AUTHORIZES** Petitioners to complete the proposed ANPI Transaction.

This Order shall be effective July 9, 2016.

DATED: 6/29/14

BOARD OF PUBLIC UTILITIES
BY:



RICHARD S. MROZ
PRESIDENT



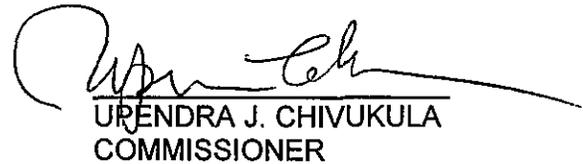
JOSEPH L. FIORDALISO
COMMISSIONER



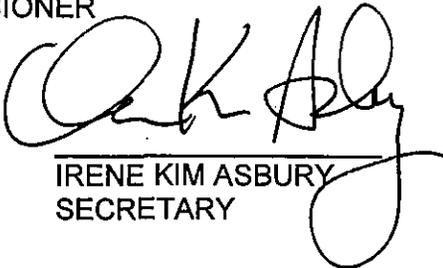
MARY-ANNA HOLDEN
COMMISSIONER



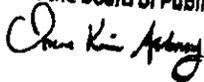
DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST: 
IRENE KIM ASBURY
SECRETARY

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



**VERIFIED JOINT PETITION OF ONVOY, LLC, TRANSFEREE, ANPI, LLC, AND COMMON POINT LLC, LICENSEES, AND ANPI HOLDING, INC., AND ZONE USA, INC., TRANSFERORS, FOR APPROVAL (1) FOR THE TRANSFER OF INDIRECT CONTROL OF ANPI, LLC TO ONVOY, LLC; AND (2) FOR THE TRANSFER OF DE FACTO INDIRECT CONTROL OF COMMON POINT LLC TO ONVOY, LLC
DOCKET NO. TM16040386**

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