



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

TELECOMMUNICATIONS

IN THE MATTER OF THE VERIFIED JOINT PETITION) ORDER
OF ONVOY, LLC; NEUTRAL TANDEM-NEW JERSEY,)
LLC; AND INTELIGENT, INC. FOR APPROVAL FOR)
THE TRANSFER OF INDIRECT CONTROL OF)
NEUTRAL TANDEM-NEW JERSEY, LLC TO ONVOY,)
LLC) DOCKET NO. TM16111078

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 November 14, 2016, Onvoy, LLC ("Onvoy" or "Transferee"), Neutral Tandem-New Jersey, LLC ("Neutral Tandem"), and Inteligent, Inc. ("Inteligent")(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 approval for the transfer of indirect control of Neutral Tandem to Transferee.¹ Following the proposed transaction, Neutral Tandem will continue to offer the same services in New Jersey at the same rates, terms, and conditions.

¹ A joint petition, bearing BPU Docket No. TF16111079, requesting approval for Onvoy, LLC ("Onvoy"), Broadvox-CLEC, LLC ("BV-CLEC"), ANPI, LLC ("ANPI"), and Neutral Tandem-New Jersey ("Neutral Tandem") (collectively the "Licensees") to participate in financing arrangements in an aggregate amount of up to \$800 million was approved by the Board. I/M/O the Verified Joint Petition of Onvoy, LLC, Broadvox-CLEC, LLC, ANPI, LLC, and Neutral Tandem-New Jersey, LLC for (1) Onvoy, LLC, Broadvox-CLEC, LLC, and ANPI, LLC to Expand Their Financing Arrangements and (2) for Neutral Tandem-New Jersey, LLC to Participate in Certain Financing Arrangements Upon Completion of the Transfer of Indirect Control of Neutral Tandem-New Jersey, LLC to Onvoy, LLC, Order dated January 25, 2017.

BACKGROUND

Onvoy is a Minnesota limited liability company with a principal office at 10300 6th Avenue North, Plymouth, Minnesota 55441. Onvoy is an indirect, wholly owned subsidiary of GTCR Onvoy Holdings LLC ("Parent"). According to the petition, 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. 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. 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. The petition states that collectively, Onvoy and its subsidiaries have one employee located in New Jersey.

Neutral Tandem, a Delaware limited liability company, is a direct, wholly-owned subsidiary of Inteliquent with a principal office located at 550 W Adams St., 9th Floor, Chicago, Illinois 60661. The petition states that Neutral Tandem and its affiliates provide intrastate telecommunications services throughout the United States. In New Jersey, Neutral Tandem is authorized to provide facilities-based competitive local exchange, interexchange telecommunications services, See In the Matter of the Petition of Neutral Tandem-New Jersey, LLC for Authority to Provide Local Exchange and Interexchange Telecommunications Services throughout the State of New Jersey, Docket No. TE04010010, Order dated March 3, 2004. The Petition states that together, Inteliquent and Neutral Tandem have one employee whose residence is located in New Jersey but works outside the state.

DISCUSSION

The Petition states that pursuant to the Agreement and Plan of Merger (the "Agreement") dated November 2, 2016, by and among Onvoy, Onvoy Igloo Merger Sub, Inc. (a wholly-owned direct subsidiary of Onvoy created for purposes of the merger)("Merger Sub"), and Inteliquent, Onvoy will acquire all of the outstanding equity interest in Inteliquent (the "Inteliquent Merger"). Specifically, Merger Sub will merge with and into Inteliquent, whereupon the separate existence of Merger Sub will cease and Inteliquent will be the surviving corporation. As a result, Inteliquent will become a wholly owned direct subsidiary of Onvoy and Neutral Tandem will remain a direct subsidiary of Inteliquent and, therefore, will become an indirect subsidiary of Onvoy.

Following the proposed transaction, Neutral Tandem customers will remain customers of Neutral Tandem and will continue to receive services under the same rates, terms and conditions. As a result, the transaction will be virtually transparent to Neutral Tandem customers. The only change resulting from the transaction will be that Neutral Tandem will be a direct, wholly-owned subsidiary of Onvoy, which is well qualified to control the continuing operations of Neutral Tandem.

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. The petition states that Inteliquent and Neutral Tandem do not have an employee pension plan and that employees' existing rights in any other retirement benefit plan offered by Inteliquent and Neutral Tandem will be retained upon completion of the Inteliquent Merger. The petition also states that in the future, their employees may be able to rollover pre-closing contributions to their existing retirement benefits plan into another qualified benefit plan, such as an Individual Retirement Rollover Account or an Onvoy retirement benefits plan.

Petitioners assert that the proposed transaction will serve the public interest by promoting competition among telecommunications providers. Petitioners state that the combining of the existing networks of Onvoy and Inteliquent will enhance the ability of Petitioners and their regulated subsidiary Licensees, to serve their customers effectively and efficiently.

Petitioners also note that the Inteliquent Merger will have no adverse impact on the customers of Neutral Tandem. The only change immediately following closing of the Inteliquent Merger will be that Neutral Tandem's ownership will change, with Onvoy, and ultimately GTCR Onvoy Holdings LLC, the indirect parent of Onvoy, being the new owners.

By letter to the Board dated December 23, 2016, the New Jersey Division of Rate Counsel ("Rate Counsel") submitted comments indicating that it had no objection to the Board's grant of Petitioners' request under the Verified Joint Petition.

FINDINGS AND CONCLUSIONS

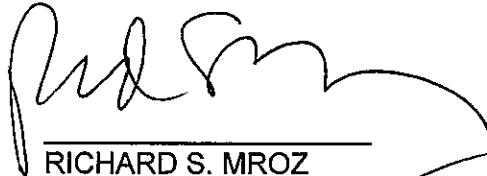
After a thorough review of the Joint Petition and all related documents, the Board concludes that there will be no negative impact on rates or service quality since Petitioners' New Jersey customers will continue to receive the same services at the same rates and under the same terms and conditions. Also, the Board is satisfied that positive benefits will flow to customers based upon the record, and that the transaction will strengthen Petitioners' competitive posture in the telecommunications market due to their access to additional resources.

Accordingly, the Board **FINDS** that the Proposed Transaction is consistent with applicable law, is not contrary to the public interest and will have no material impact on the rates of current customers, or on New Jersey employees. The Board also **FINDS** that the Proposed Transaction will have no 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 transaction.

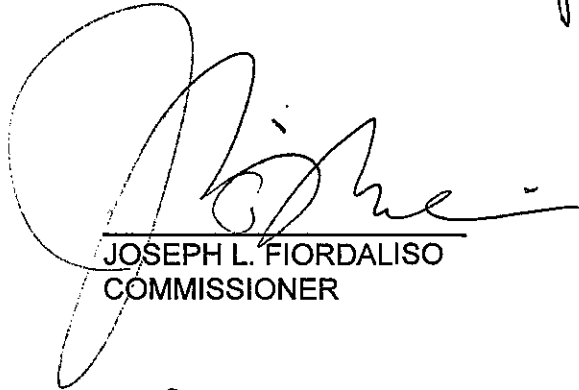
This Order shall be effective February 4, 2016.

DATED: 1/25/17

BOARD OF PUBLIC UTILITIES
BY:



RICHARD S. MROZ
PRESIDENT




JOSEPH L. FIORDALISO
COMMISSIONER




MARY-ANNA HOLDEN
COMMISSIONER



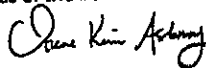
DIANNE SOLOMON
COMMISSIONER



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



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NEW JERSEY, LLC, AND INTELIGENT, INC. FOR APPROVAL FOR THE TRANSFER OF
INDIRECT CONTROL OF NEUTRAL TANDEM-NEW JERSEY, LLC TO ONVOY, LLC
DOCKET NO. TM16111078**

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