

BACKGROUND

GTT Parent is a Delaware corporation with no majority stockholder. GTT Parent, through its subsidiaries, including GC Pivotal, provides customers cloud network services along with internet, email, instant messaging, videoconferencing and teleconferencing. GTT Parent, along with GTTA and GC Pivotal, has its headquarters located in McLean, Virginia. GTTA is a Delaware limited liability company which is ultimately owned and controlled by GTT Parent.

GC Pivotal, a Delaware limited liability company, is a direct, wholly-owned subsidiary of GTTA. In New Jersey, Global Capacity is authorized to provide facilities-based local exchange and interexchange telecommunications services.³ The Petition states that GC Pivotal provides service to business and enterprise customers in New Jersey. GC Pivotal has no employees located in New Jersey.

On September 1, 2021, the debtors (including GTT Parent) entered into a restructuring support agreement (“RSA”) with stakeholders including holders of a majority of their secured and unsecured debt, to implement a restructuring of GTT Parent’s balance sheet following completion of the sale of its infrastructure division. The Petition states that under the RSA, GTT Parent’s sale of its infrastructure division repaid a large portion of its existing secured debt, approximately \$1.673 billion, reducing its \$3.695 billion of secured debt to \$2.015 billion. Through the combination of the distribution of proceeds from the sale of their infrastructure business and the balance sheet deleveraging contemplated by the Plan, the debtors will reduce their funded debt burden from approximately \$2.015 billion to a projected \$929 million upon emergence from Chapter 11 (“Emergence”). The Plan and associated Disclosure Statement were filed with the Bankruptcy Court on October 31, 2021.

Petitioners state the Restructuring will result in a change in ownership of GTT Parent upon emergence from the Restructuring pursuant to the Plan. Under the Plan, following Emergence, one of the funded debt creditors, Anchorage Capital Group, LLC (“Anchorage”) will hold greater than 10% indirect new equity and voting interests (holding 12.25% interest) in reorganized GTT Parent.⁴ Petitioners state that it is not anticipated that the Restructuring will change the management team of GTT Parent, GTTA or GC Pivotal, as the change will occur above GTT Parent and will only result in an indirect change of control for Petitioners.

Petitioners state the Restructuring will improve GC Pivotal’s financial and operational status enhancing its ability to serve its customers and provide communications services in New Jersey. Services will continue to be provided by experienced and qualified personnel. GC Pivotal will continue to provide services to existing customers in New Jersey at the same rates, terms, and conditions and in the same geographic areas as currently provided. Petitioners state that the proposed transaction will not harm, but will instead enhance, competition in New Jersey as there will be no consolidation in the marketplace as a result of this transfer of control, and only a small percentage of the communications services available in the state are provided by GC Pivotal. Moreover, the market for the services that GC Pivotal provides are competitive and the

³ See In the Matter of the Petition of GC Pivotal, LLC d/b/a Global Capacity for Authorization to Provide Resold and Facilities-Based Local Exchange Telecommunications Services in the State of New Jersey, Docket No. TE14091076 (November 21, 2014).

⁴ Anchorage is a New York-based registered investment adviser which manages private investment funds across the credit, special situations and illiquid investment markets of North America and Europe.

Restructuring will enhance competition in New Jersey. The Restructuring will allow GTT Parent and its subsidiaries, including GC Pivotal, to emerge from bankruptcy with a significantly deleveraged balance sheet. Petitioners state that this in turn, will allow GC Pivotal to be a stronger competitor in New Jersey.

By letter dated December 14, 2021, the New Jersey Division of Rate Counsel submitted comments stating it does not oppose a Board grant of approval, following the Board's determination that the contemplated Restructuring yields positive benefits to New Jersey customers and is in the public interest.

FINDINGS AND CONCLUSIONS

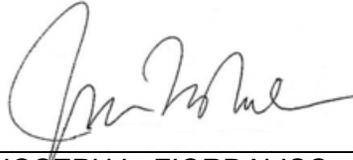
In considering a request for transfer of control, the Board shall evaluate the impact of the acquisition on competition, on the rates of ratepayers affected by the acquisition of control, on the employees of the affected public utility or utilities, and on the provision of safe and adequate utility service at just and reasonable rates. N.J.S.A. 48:2-51.1(a). 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; 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.

After a careful review of this matter, the Board **FINDS** that the proposed transfer of control 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 or on New Jersey employees. The Board also **FINDS** that the proposed transfer of control 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 Restructuring.

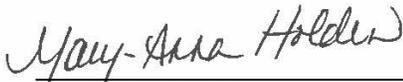
This Order shall be effective January 19, 2022.

DATED: January 12, 2022

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER

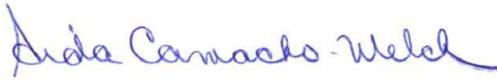


DIANNE SOLOMON
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

IN THE MATTER OF VERIFIED JOINT PETITION OF GTT COMMUNICATIONS, INC.; GTT AMERICAS, LLC; AND GC PIVOTAL, LLC d/b/a GLOBAL CAPACITY FOR GRANT OF AUTHORITY TO TRANSFER INDIRECT CONTROL OF GC PIVOTAL, LLC d/b/a GLOBAL CAPACITY

DOCKET NO. TM21111231

SERVICE LIST

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