



Agenda Date: 8/17/22  
Agenda Item: IVE

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 1<sup>st</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

OFFICE OF CABLE  
TELEVISION AND  
TELECOMMUNICATIONS

IN THE MATTER OF THE VERIFIED PETITION OF BAI )  
COMMUNICATIONS US HOLDINGS NJ LLC FOR )  
APPROVAL OF A RESTRUCTURING AND INTERNAL )  
MERGER ) DOCKET NO. TM22060375

**Parties of Record:**

**Brian O. Lipman, Esq., Director**, New Jersey Division of Rate Counsel  
**Michael Gruin, Esq., Stevens & Lee**, on behalf of BAI Communications US Holdings NJ, LLC.

BY THE BOARD:<sup>1</sup>

**BACKGROUND**

On June 7, 2022, BAI Communications US Holdings NJ LLC (“Licensee” or “BAI NJ”) submitted a Verified Petition (“Petition”) with the New Jersey Board of Public Utilities (“Board”) requesting approval to complete an internal restructuring pursuant N.J.S.A. 48:2-51.1 and N.J.A.C. 14:1-5.14. The proposed internal restructuring would merge BAI NJ into an existing affiliate entity, Mobilitie, LLC (“Mobilitie”) resulting in the change of intermediate ownership and control of the Licensee (“Restructuring”).

Both BAI NJ and Mobilitie are majority owned and controlled indirectly by Frequency Infrastructure Australia Holdings Pty Ltd (“FIAHPL”), a proprietary limited liability company incorporated in the State of Victoria, Australia. FIAHPL is majority owned and controlled by the Canada Pension Plan Investment Board, a Canadian corporation.

The BAI Communications Group has multiple intermediate holding companies in its corporate structure, several of which are indirect owners of both BAI NJ and Mobilitie.<sup>2</sup> Through the Restructuring, certain existing intermediate entities’ assets and equity interests beneath the

<sup>1</sup> Commissioner Zenon Christodoulou abstained from voting on this matter.

<sup>2</sup> The organizational charts submitted with the Petition provide summaries of the ownership structure which includes: Canada Pension Plan Investment Board, FIAHPL, BAI Communications Holdings Pty Ltd, BAI Communications US Holdings Corporation, BAI Communications US Holdings II LLC, BAI US HoldCo LLC, BAI, Communications US Holdings III LLC, Mobilitie, LLC, and BAI NJ.

Canada Pension Plan Investment Board (as the ultimate majority owner and controller of the BAI Communications Group) will be transferred to newly formed entities. In addition, as part of a corporate streamlining initiative of the BAI Communications Group, BAI NJ will be merged into Mobilitie, with Mobilitie being the surviving entity.

Mobilitie is a Nevada limited liability company authorized by the Board to provide local exchange and interexchange telecommunications services in New Jersey.<sup>3</sup> By letter dated July 1, 2021, Mobilitie requested the cancellation of its authority to provide telecommunications services in New Jersey, but retained its New Jersey business registration.

On September 3, 2021, Mobilitie was acquired by BAI Communications US Holdings II, LLC, a subsidiary in the BAI Communications Group. Mobilitie is currently managing BAI NJ's operations, however, BIA NJ does not have any customers, does not provide telecommunications services in New Jersey, has not issued any tariffs, and is not party to any interconnection agreements.

BAI NJ is a Delaware limited liability company and maintains its principle place of business in Newport Beach, California. On March 9, 2022 BAI NJ was authorized by the Board to provide facilities-based and resold competitive local exchange telecommunications services.<sup>4</sup>

Pursuant to the Restructuring, Mobilitie will exercise all of the rights, powers and authorizations currently possessed by BAI NJ, and at the time it commences the provision of services in New Jersey, it would do so under the name Mobilitie, LLC. According to the Licensee, the proposed Restructuring is part of a multi-state initiative to re-organize certain intermediate entities in the BAI Communications Group. The Licensee represents that the Restructuring will not impact New Jersey customers; will not change the services provided under the Licensee's operating authority; will not result in any change in the Licensee's managerial, technical, or financial qualifications to provide the services covered in its authorization; and will not result in a change to the ultimate ownership or control of the Licensee. The Petition states that competition will not be adversely affected, as there will not be a reduction in the number of competitors serving the market. New Jersey's customers will continue to have access to the same competitive alternatives that they have today.

The New Jersey Division of Rate Counsel ("Rate Counsel") submitted comments by letter dated June 21, 2022. Rate Counsel acknowledged New Jersey's long-standing public policy to promote robust competition in the telecommunications market and to promote competition that yields positive benefits. Accordingly, Rate Counsel does not oppose a Board grant of approval, following the Board's determination that the contemplated Restructuring plan yields positive benefits to New Jersey customers and is in the public interest.

## **DISCUSSION AND FINDINGS**

In considering a request for transfer of control, the Board shall evaluate the impact of the

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<sup>3</sup> In the Matter of the Petition of Mobilitie, LLC for Approval to Provide Local Exchange and Interexchange Telecommunications Services Throughout the State of New Jersey, Docket No. TE10100771 (Order dated April 27, 2011).

<sup>4</sup> In the Matter of the Petition of BAI Communications US Holdings NJ LLC For Authority to Provide Competitive Local Exchange Telecommunications Services in the State of New Jersey, Docket No. TE21121250 (Order dated March 9, 2022).

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 and 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 Restructuring 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 Restructuring 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 ORDERS** the Licensee to complete the proposed Restructuring as described in the Petition.

This Order shall be effective on August 24, 2022.

DATED: August 17, 2022

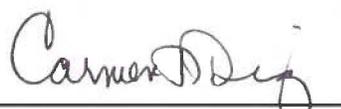
BOARD OF PUBLIC UTILITIES  
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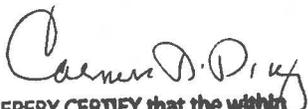
  
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JOSEPH L. FIORDALISO  
PRESIDENT

  
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MARY-ANNA HOLDEN  
COMMISSIONER

  
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DIANNE SOLOMON  
COMMISSIONER

  
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ROBERT M. GORDON  
COMMISSIONER

ATTEST:   
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CARMEN D. 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.

IN THE MATTER OF THE VERIFIED JOINT PETITION OF BAI COMMUNICATIONS US HOLDINGS NJ  
LLC. FOR APPROVAL OF A RESTRUCTURING AND INTERNAL MERGER.  
DOCKET NO. TM22060375

SERVICE LIST

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