



Agenda Date: 12/7/22  
Agenda Item: IVB

**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 JOINT PETITION OF BCM )  
ONE, INC. – REFERRED TO AS (“BCM”) AND )  
WHOLESALE CARRIER SERVICES, INC. (“WCS”) FOR )  
APPROVAL TO OBTAIN DEBT FINANCING ) DOCKET NO. TF22090554

**Parties of Record:**

**Brian O. Lipman, Esq., Director**, New Jersey Division of Rate Counsel  
**Marc A. Korman, Esq., Sidley Austin LLP**, on behalf of Petitioners

BY THE BOARD:

On September 2, 2022, BCM One, Inc. (“BCM One”) and Wholesale Carrier Services, Inc. (“WCS”)(collectively, “Companies” or “Petitioners”) submitted a petition to the New Jersey Board of Public Utilities (“Board”) pursuant to N.J.S.A. 48:3-9, requesting approval to obtain debt financing (“Petition”).

**BACKGROUND**

BCM One is a corporation organized under the laws of the State of New York with principal offices located in New York, New York. BCM One, formerly known as McGraw Communications, Inc., is authorized by the Board to provide local exchange and interexchange telecommunications services.<sup>1</sup> BCM One currently has 18 employees in New Jersey.

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<sup>1</sup> In re the Petition for an Order Authorizing McGraw Communications. Inc. to Provide Local Exchange and Interexchange Telecommunications Services Throughout New Jersey, BPU Docket No. TE01050329, Order dated June 10, 2002.

WCS is a corporation organized under the laws of the State of Delaware with principal offices in Coral Springs, Florida. WCS is authorized by the Board to provide resold and facilities-based Unbundled Network Element local exchange telecommunications services.<sup>2</sup> WCS currently has no employees in New Jersey.

The Board previously approved a transfer of control petition and supplemental approval to obtain debt financing submitted by BCM One and BCM One Group Holdings, Inc. by order dated December 18, 2018.<sup>3</sup> The debt financing approval was for an aggregate amount of \$105 million. BCM One subsequently sought and received Board approval for additional debt financing in the amount of \$50 million by order dated April 18, 2019.<sup>4</sup> Pursuant to that order, BCM One submitted a semi-annual letter on January 31, 2020 updating the Board on the use of the debt financing. On May 5, 2020, BCM One again received Board approval for additional debt financing in the amount of \$200 million.<sup>5</sup> BCM One submitted another semi-annual letter on December 29, 2020, further updating the Board on the use of the debt financing and providing updated loan documentation. BCM One sought—and received Board approval—for additional debt financing in the amount of \$100 million by order dated April 7, 2021.<sup>6</sup> BCM One submitted another semi-annual letter on November 22, 2021, providing an update to the Board on the use of the debt financing and providing updated loan documentation.

The Board previously approved a transfer of control petition for BCM One Group Holdings, Inc., parent company of BCM One, to obtain control of WCS and for WCS to become a co-borrower on the same debt authorizations as BCM One.<sup>7</sup> Subsequently, BCM One and WCS jointly sought additional debt financing in the amount of \$200 million, which was approved by Board order dated February 23, 2022.<sup>8</sup>

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<sup>2</sup> In re the Petition of Wholesale Carrier Services, Inc. for Approval to Provide Local Exchange Telecommunications Services Throughout the State of New Jersey, BPU Docket No. TE08030171, Order dated June 16, 2008.

<sup>3</sup> In re BCM One, Inc.'s Notification For A Change In Stock Ownership Resulting In a Transfer of Control and Related Financing, BPU Docket No. TM18101120, Order dated December 18, 2018.

<sup>4</sup> In re BCM One, Inc. – Referred To As (“BCM”) Petition for Approval to Obtain Debt Financing, BPU Docket No. TF19020149, Order dated April 18, 2019.

<sup>5</sup> In re BCM One, Inc. – Referenced To As (“BCM One”) Petition for Approval to Obtain Debt Financing, BPU Docket No. TF20020136, Order dated May 5, 2020.

<sup>6</sup> In re BCM One, Inc. – Referenced To As (“BCM ONE”) Petition for Approval to Obtain Debt Financing, BPU Docket No. TF21010036, Order dated April 7, 2021.

<sup>7</sup> In re the Verified Joint Petition of Wholesale Carrier Services, Inc. and BCM One Group Holdings, Inc. for Approval of a Transfer of Control and for Authorization for Wholesale Carrier Services, Inc. to Become a Co-Borrower With Respect to Certain Debt Financing Previously Approved by the Board of Public Utilities, BPU Docket No. TM21030647, Order dated June 24, 2021.

<sup>8</sup> In re the Joint Petition of BCM One, Inc. (“BCM”) and Wholesale Carrier Services, Inc. (“WCS”) for Approval to Obtain Debt Financing, BPU Docket No. TF21121252, Order dated February 23, 2022.

In the Petition, the Petitioners now seek approval and authority, pursuant to N.J.S.A. 48:3-9, to obtain debt financing in the amount of \$150 million. Specifically, BCM One and WCS are wholly owned by BCM One Group Holdings, Inc., which will take on the additional indebtedness, the proceeds of which will be used to effectuate the acquisition of complementary entities engaged in similar business activities to BCM One and WCS. Should such complementary entities be regulated by the Board, approval of such acquisitions would be necessary and undertaken at a later time.

After the loan proceeds are disbursed to BCM One Group Holdings, Inc., the Companies would become co-borrowers with respect to the debt financing along with the other complementary entities that would also become co-borrowers of the debt financing. The proposed debt financing is contemplated to be on terms and conditions similar to those proposed in BPU Docket Nos. TM18101120, TF19020149, TF20020136, and TF21010036.

Specifically, the \$150 million in additional financing will be secured by: 1) substantially all of the assets of BCM One Group Holdings, Inc., BCM One and the other complementary entities; and 2) a pledge by BCM One Group Holdings, Inc. of its equity interests in BCM One and the other complementary entities. The debt financing is expected to include a combination of senior secured financing consisting of a term loan, revolving credit-facility, and certain other incremental and other loans. The maturity date of the senior facility is November 17, 2027. The maturity date of the mezzanine facility is November 17, 2028. The maturity date of the current loans under the mezzanine facility is November 17, 2028. The interest rate for the senior facility is based on a senior secured net leverage ratio determined quarterly. If the senior secured leverage ratio equals or exceeds 3.50 to 1.00, loans bear interest at a rate per annum equal to the base rate plus a margin equal to 3.50% or LIBOR plus a margin equal to 4.50%, as applicable. If the senior secured leverage ratio is less than 3.50 to 1.00, loans bear interest at a rate per annum equal to the base rate plus a margin equal to 3.25% or LIBOR plus a margin equal to 4.25%, as applicable. The interest rate for loans under the mezzanine facility is 10.25% per annum. BCM One and WCS intend to notify the Board of any changes to these terms and submit new term sheets or amendments for its additional debt.

The New Jersey Division of Rate Counsel (“Rate Counsel”) reviewed this matter and, by letter dated October 14, 2022, indicated that it does not object to Board approval of the Petition.

### **DISCUSSION AND FINDINGS**

As to the proposed financing arrangements, the Board has reviewed information provided by Petitioners in accordance with N.J.A.C. 14:1-5.9. The Board, after investigation, having considered the Petition, Petitioner’s responses to discovery, and the comments of Rate Counsel and Board Staff, **HEREBY FINDS** that the proposed financing arrangements are in accordance with the law and in the public interest, and will not have a negative impact on competition, the rates of current customers, or New Jersey employees. Therefore, pursuant to N.J.A.C. 14:1-5.9A and N.J.S.A. 48:3-9, the Board, approving of the purposes of the financing arrangements, **HEREBY AUTHORIZES** the Companies to participate in additional financing arrangements up to an aggregate amount of \$150 million, and to effectuate such financing arrangements.

This Order is issued subject to the following provisions:

1. This Order shall not affect or in any way limit the exercise of the authority of the Board or the State of New Jersey in any future petition or in any proceeding regarding rates, costs

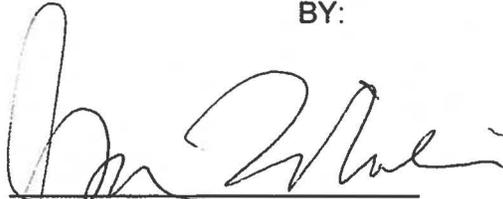
of service, franchises, service, financing, accounting, capitalization, depreciation, financing or any other matters affecting Petitioners.

2. Petitioners shall notify the Board, within five (5) business days, of any material changes in the proposed financing and shall provide complete details of such transactions, including any anticipated effects upon service in New Jersey.
3. Petitioners shall continue to semiannually file with the Board a statement setting forth: 1) the amount of indebtedness issued under this order of approval; and 2) the extent to, and in detail, the manner in which the proceeds thereof have been disbursed, pursuant to N.J.A.C. 14:1- 5.9(b).
4. Petitioners shall file with the Board any additional term sheets and amendments for the indebtedness.

This Order shall become effective on December 14, 2022.

DATED: December 7, 2022

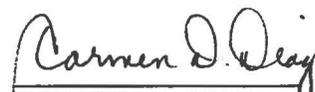
BOARD OF PUBLIC UTILITIES  
BY:



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PRESIDENT

  
MARY-ANNA HOLDEN  
COMMISSIONER  
DIANNE SOLOMON  
COMMISSIONER  
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DR. ZENON CHRISTODOULOU  
COMMISSIONER

ATTEST:

  
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 JOINT PETITION OF BCM ONE, INC. – REFERRED TO AS  
("BCM") AND WHOLESALE CARRIER SERVICES, INC. ("WCS") FOR APPROVAL TO  
OBTAIN DEBT FINANCING

DOCKET NO. TF22090554

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