



Agenda Date: 12/18/24  
Agenda Item: IVA

**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 JOINT PETITION )  
OF UNITED FIBER & DATA, LLC, TRANSFEROR AND )  
CABLEVISION LIGHTPATH LLC, TRANSFEREE FOR )  
APPROVAL TO TRANSFER ULTIMATE CONTROL OF )  
UNITED FEDERAL DATA OF NEW JERSEY, LLC, )  
LICENSEE )

ORDER

DOCKET NO. TM24060405

**Parties of Record:**

**Brian O. Lipman, Esq., Director**, New Jersey Division of Rate Counsel  
**Christopher Lodge, Chief Executive Officer & Operating Officer**, for United Federal Data of New Jersey, LLC  
**Rachel Wolkowits, Esq., and Phillip Marchesiello, Esq.**, for Cablevision Lightpath LLC

**BY THE BOARD:**

On June 12, 2024, United Fiber & Data, LLC ("UFD"), which wholly owns and controls its licensee subsidiary, United Federal Data of New Jersey, LLC ("United" or "Licensee"), and transferee, Cablevision Lightpath, LLC ("Lightpath" and collectively with UFD, "Joint Petitioners"), filed a petition with the New Jersey Board of Public Utilities ("Board") pursuant to N.J.S.A. 48:2-51.1, N.J.S.A. 48:3-7, and N.J.S.A. 48:3-10 requesting Board approval for the transfer of control of United to Lightpath ("Transaction") ("Petition"). According to the Petition, the Transaction is a component of Lightpath's acquisition of substantially all the assets of UFD's telecommunications business ("Business"), including all the Licensee's equity.

## **BACKGROUND**

United is a direct wholly owned licensee subsidiary of UFD. UFD and United are both Pennsylvania limited liability companies with a principal place of business located in York, Pennsylvania. UFD operates a low-latency fiber network consisting of 400 miles of fiber linking major cities from New York to Virginia. United was granted authority by the Board to provide resold and facilities based local exchange and interexchange telecommunications services in the State of New Jersey.<sup>1</sup> United indicated that it does not currently serve any customers in New Jersey.

Lightpath is a Delaware limited liability company with its headquarters located in Bethpage, New York. Lightpath supplies enterprise-grade fiber connectivity, bandwidth, and managed services to customers. Services provided by Lightpath include Ethernet, data transport, dark fiber, cloud connectivity, IP-based virtual private networks, internet access, and voice over internet protocol (i.e., VoIP) services. Lightpath also provides managed services to businesses, such as hosted telephony services, managed Wi-Fi, and managed collaboration services, including audio and web conferencing. Additionally, Lightpath offers fiber to-the-tower services to wireless carriers. In New Jersey, Lightpath subsidiaries, 4Connections, LLC, and Cablevision Lightpath-NJ, Inc, have been granted authority to provide local exchange and interexchange services by the Board.<sup>2</sup> Lightpath operates a network that spans New York City (primarily Manhattan, the Bronx, and Brooklyn), as well as northeastern New Jersey, southern New York State, Nassau and Suffolk Counties (Long Island), and southern Connecticut. As of December 31, 2023, approximately 15,100 locations were connected to Lightpath's fiber network, which currently includes approximately 21,300 miles of fiber sheaths (i.e., route miles), composed of approximately 12,200 owned route miles and approximately 9,100 route miles pursuant to an infeasible right of use. Lightpath also leases approximately 900 route miles from third parties.

Altice USA, Inc. ("Altice USA") indirectly holds a controlling 50.01 voting and equity interest in Lightpath, and Morgan Stanley Infrastructure Partners ("MSIP") indirectly holds the remaining 49.99 percent minority, non-controlling interest in Lightpath. Altice USA is a publicly traded Delaware corporation which, through its subsidiaries, principally provides broadband communications and video services in the United States and markets its services primarily under the Optimum brand. Altice USA delivers broadband, video, telephony, and mobile services to approximately 4.7 million residential and business customers throughout twenty-one (21) states through a fiber and hybrid-fiber coaxial broadband network and a fiber-to-the-home network with approximately 9.6 million total passings as of December 31, 2023. Founded in 2006, minority interest holder MSIP is involved in infrastructure equity investing, targeting assets that provide essential public goods and services.

The Joint Petitioners stated that on June 8, 2024, Lightpath, as the purchaser; UFD, as the seller; and each of UFD's licensee and non-licensee subsidiaries, including United, entered into an Asset Purchase Agreement ("Agreement"). Pursuant to the Agreement, UFD agreed to sell to Lightpath,

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<sup>1</sup> In re the Petition of United Federal Data of New Jersey, LLC for Authority to Provide Local Exchange and Interexchange Telecommunications Services in the State of New Jersey, BPU Docket No. TE13050372, Order dated July 19, 2013.

<sup>2</sup> In re the Petition for an Order Authorizing 4Connections, LLC to Provide Local Exchange and Inter-Exchange Telecommunications Services throughout New Jersey, BPU Docket No. TE02010035, Order dated March 22, 2002; and In re the Petition of Cablevision Lightpath-NJ, Inc. for the Authority to Provide Local Exchange and Interexchange Services, BPU Docket No. TE97120883, Order dated March 26, 1998.

and Lightpath agreed to acquire, substantially all of UFD's assets, including all of the issued and outstanding membership interests of United. According to the Petition, the Transaction will serve the public interest by providing the Business with new sources of capital and enabling the Business and its customers to benefit from Lightpath's experienced telecommunications professionals. This, in turn, will enhance the ability of the Business to offer, deploy, and sell competitive services in New Jersey's telecommunications marketplace. Upon consummation of the Transaction, the Business' customers and network assets will be transferred to Lightpath, which will integrate the Business' network with Lightpath's fiber network and provide the Business' customers with access to a greater variety of advanced communications services with a much larger geographic footprint. As stated previously, United does not serve any customers in New Jersey.

The Joint Petitioners stated that the Transaction will not result in any harm to the public interest. United currently does not serve any customers in New Jersey, and therefore no United customers will be assigned to Lightpath as a result of the proposed transaction. Although United holds authority to provide resold and facilities-based local exchange and interexchange telecommunications services throughout New Jersey, United currently does not provide such regulated services to any New Jersey customers.

Further, the Joint Petitioners asserted that the Transaction also will benefit competition in New Jersey's telecommunications market because Lightpath will integrate UFD's fiber network and Lightpath's much larger existing fiber network to provide enterprises throughout New Jersey with access to enhanced low-latency fiber services provided over the Joint Petitioners' combined networks. Accordingly, the Joint Petitioners contended that the Transaction will improve the competitive profile of the Business in New Jersey. Further, the Joint Petitioners asserted that the New Jersey market will continue to be served by a wide variety of telecommunications competitors. The Joint Petitioners further stated that United does not have any employees located in New Jersey.

On October 9, 2024, the New Jersey Division of Rate Counsel ("Rate Counsel") submitted comments on the Petition. Rate Counsel stated that it did not oppose Board approval of the Petition.

## **DISCUSSION AND FINDINGS**

Pursuant to N.J.S.A. 48:2-51.1(a), the Board 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. The Board must be satisfied that positive benefit 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 benefits obligations to any of its employees.

After investigation, and having considered the record in this proceeding, the Board **FINDS** that the Transaction is consistent with applicable law and is not contrary to the public interest. The Board also **FINDS** that the Transaction will have no material adverse impact on the provision of safe, adequate and proper service at just and reasonable rates, and is likely to provide benefits to customers. The Board also **FINDS** that the Transaction will have no material impact on the United's employees, or their pensions. The Board further **FINDS** that the Transaction will have

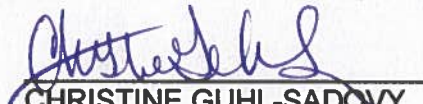
no material adverse impact on competition or rates. Therefore, the Board **HEREBY AUTHORIZES** the Joint Petitioners to complete the Transaction.


The Board also **FINDS** that, in accordance with N.J.S.A. 48:2-59 and 48:2-60, following consummation of the Transaction, United is responsible for the filing of its annual report with the Board and for the payment of any outstanding assessment liabilities to the Board and to Rate Counsel.

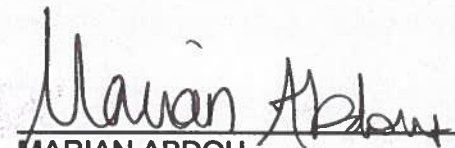
This Order shall be effective on December 26, 2024.

DATED: December 18, 2024

BOARD OF PUBLIC UTILITIES  
BY:

  
CHRISTINE GUHL-SADOVY  
PRESIDENT

  
DR. ZENON CHRISTODOULOU  
COMMISSIONER

  
MARIAN ABDOU  
COMMISSIONER

  
MICHAEL BANGE  
COMMISSIONER

ATTEST:   
SHERRI L. GOLDEN  
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 UNITED FIBER & DATA, LLC FOR  
APPROVAL OF A CHANGE OF CONTROL OF UNITED FEDERAL DATA OF NEW JERSEY,  
LLC

DOCKET NO. TM24060405

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