Agenda Date: 7/15/26
Agenda Item: LSA

STATE OF NEW JERSEY

Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

OFFICE OF CABLE TELEVISION AND TELECOMMUNICATIONS

IN THE MATTER OF THE VERIFIED JOINT PETITION OF EXTENET TELECOM SOLUTIONS, INC., ASSIGNOR, AND PILOT FIBER NJ LLC, ASSIGNEE, FOR APPROVAL TO TRANSFER CERTAIN ASSETS FROM ASSIGNOR TO ASSIGNEE, INCLUDING A WAIVER OF MASS MIGRATION RULES	)	ORDER DOCKET NO. TM26030049

Parties of Record:

Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel
James Laskey, Esq., on behalf of Petitioners

BY THE BOARD:[1]

On February 27, 2026, ExteNet Telecom Solutions, Inc. ("ETSI" or "Assignor") and Pilot Fiber NJ LLC ("Pilot NJ" or "Assignee") (together, "Petitioners") filed a joint petition with the New Jersey Board of Public Utilities ("Board"), pursuant to N.J.S.A. 48:3-7. The Petitioners requested approval, to the extent necessary, of the transfer of certain assets, including certain customer contracts and related telecommunications and other network infrastructure, from ETSI to Pilot NJ ("Transaction"), in addition to waiver of the Board's mass migration rules at N.J.A.C. 14:10-12.1, et seq. On June 12, 2026, the Petitioners submitted an amendment to the petition ("Amendment to Petition") (the petition and "Amendment to Petition", collectively "Petition").

BACKGROUND

ETSI is a New Jersey corporation and direct, wholly owned subsidiary of ExteNet Telecom Holdings, Inc. ("ETH"), a Delaware corporation. ETH is a direct, wholly owned subsidiary of ExteNet Systems, LLC ("ESL"), which is a privately held Delaware limited liability company and a direct, wholly owned subsidiary of Odyssey Acquisition, LLC ("Odyssey"), a Delaware limited liability company. Odyssey is an indirect, wholly owned subsidiary of Mount Royal Holdings, LLC ("Parent"), a Delaware limited liability company. Petitioners asserted that Parent has no majority

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[1] President Hertz-Shargel has abstained from voting on this matter.

owner, but is owned by an insurance company, multiple private equity firms, and certain individuals in management of ESL.

ETSI provides private lines or Internet Protocol-based transport services to other communications providers and enterprise customers. In New Jersey, ETSI is authorized to provide resold and facilities-based competitive local exchange access and interexchange telecommunications services.[2] ETSI also is authorized by the Federal Communications Commission ("FCC") to provide domestic (interstate) and international telecommunications services.

Pilot NJ is a Delaware limited liability company and direct, wholly owned subsidiary of Pilot Fiber, Inc. ("Pilot" and collectively with its subsidiaries, "Pilot Fiber"). Pilot is owned by Joseph Fasone, who is also its founder and Chief Executive Officer, plus several investment funds, none of which own more than twenty percent (20%) of Pilot's equity. Pilot Fiber owns a fiber optic network, primarily in the New York metro area, that it uses to provide broadband internet and associated services to commercial customers. In New Jersey, Pilot NJ is authorized to provide facilities-based local exchange, interexchange and private line telecommunications services.[3] Pilot is authorized by the FCC to provide domestic (interstate) telecommunications services.

PETITION

The Petitioners stated that, pursuant to an asset purchase agreement dated January 22, 2026, ETSI will assign substantially all of its contracts and related network assets, including customer accounts and contracts, fiber, and other telecommunications equipment, to Pilot Fiber. The New Jersey intrastate customers and assets of ETSI ultimately will become assets of Pilot NJ. According to the Petition, the Transaction will be seamless to ETSI's customers and, immediately following the transfer, Pilot Fiber will continue to provide customers service at the same rates and terms. Petitioners asserted that none of the affected customers are residential end users and that all affected customers are communications carriers and enterprise customers.

According to the Petition, all of the affected ETSI customers in New Jersey are sophisticated carriers or commercial entities that receive non-voice service under individually negotiated contracts and therefore would not be considered mass market service customers, and that in accordance with the terms of their service contracts, Petitioners will advise (and in some cases consent will be requested from) the affected customers of the proposed Transaction and the change in such customers' telecommunications provider from ETSI to Pilot Fiber, as applicable.

[2] In re thePetition of Hudson Fiber Network Inc. for Approval to Provide Local Exchange and Interexchange Telecommunications Services Throughout the State of New Jersey, BPU Docket No. TE10050365, Order dated August 18, 2010.

[3] In re Verified Petition of Pilot Fiber NJ LLC for Authorization to Provide Facilities-Based Local Exchange, Interexchange and Private Line Telecommunications Services in the State of New Jersey. BPU Docket No. TE25030109, Order dated July 16, 2025.

While Petitioners asserted that the Board's mass migration rules were not intended to cover a change in the provider for such customers, especially in a transaction where the terms of service and rates will remain the same, to the extent required, nevertheless, the Petitioners requested a waiver of the Board's mass migration rules at N.J.A.C. 14:10-12.1 et seq. According to the Petitioners, it would be unduly burdensome, unnecessary and potentially confusing to customers for Petitioners to comply with the Board's mass migration rules without modification or waiver because, from their customers' point of view, the Transaction will simply result in a change in the legal name of their provider rather than a discontinuance or other change in their services.

Petitioners asserted that the proposed Transaction serves the public interest and will allow ETSI to focus its resources and operation on its primary business of designing, building, owing and operating wireless infrastructure, specifically its distributed networks that use fiber-fed distributed antenna systems, small cells, Wi-Fi and other technologies to enhance coverage and capacity and enable superior wireless service for national and regional wireless service providers. Petitioners stated that Pilot Fiber has a qualified management team that already operates a similar network in the New York City metro area, including in New Jersey, to provide services similar to those received by the affected customers and further stated that the Transaction will enhance Pilot Fiber's ability to serve its existing customers while maintaining services for the affected ETSI customers. Additionally, as stated in the Petition, Pilot Fiber will continue to provide communications services to assigned customers without interruption at the same rates and on the same terms and conditions as previously provided by ETSI (subject to future changes pursuant to applicable law and contract provisions).

As provided in the Amendment to the Petition, Petitioners stated that they anticipate the Transaction will have a positive impact on employment because Pilot Fiber expects the Transaction would lead to expansion of its operations and create additional employment opportunities for New Jersey residents. Petitioners further stated that ETSI does not have any employees. An affiliate of ETSI, Extenet Services, LLC ("Extenet Services"), has eight (8) employees that reside in New Jersey, all of whom are remote workers. Three (3) of these employees currently are assigned to ETSI's business who reside in New Jersey and may be impacted by the Transaction, depending on whether they are offered and accept a position with Pilot. The employees of Extenet Services do not have a pension plan. The Transaction will not impact the retirement benefits of employees of Extenet Services.

Petitioners further stated that Pilot NJ does not have any employees. Pilot has twenty-one (21) employees that reside in the state of New Jersey, however, all of those employees are classified as New York employees since they work out of Pilot's New York office. Pilot is providing an opportunity for the three (3) employees of Extenet Services that are assigned to ETSI's business to apply for a position with Pilot.

By letter dated July 14, 2026, the New Jersey Division of Rate Counsel ("Rate Counsel") submitted comments on the Petition. Rate Counsel stated that it did not have any objection to the Petitioners' request, in this matter should the Board, after its review, grant approval.

DISCUSSION AND FINDINGS

Pursuant to N.J.S.A. 48:2-51.1(a), the Board shall evaluate the impact of a transfer of control of a public utility on competition, on the rates of ratepayers affected by the transfer 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, and N.J.A.C. 14:1-5.14(c) as set forth above.

After investigation, and having considered the record in this proceeding, the Board is satisfied that the Transaction will not have any adverse impact on competition, pricing, or the terms and conditions of service. Petitioners have confirmed that the Transaction will be seamless to ETSI's customers, and immediately following the transfer, Pilot Fiber will continue to provide customers with the same rates and terms. None of the affected customers are residential end users; rather the affected customers are communications carriers and enterprise customers. The Board **HEREBY FINDS** that Petitioners have satisfied all requirements as stipulated in N.J.S.A. 48:2-51.1(a), and N.J.A.C. 14:1-5.14(c).

Pursuant to N.J.S.A. 48:3-7, a utility shall not dispose of its property or consolidate its property with that of any other public utility without the approval of the Board. Where the disposition of all, or a substantial portion of, a utility's property is proposed, the Board shall not approve of the proposed Transaction if it appears that the public utility or a wholly owned subsidiary thereof may be unable to fulfill its pension obligations to its employees. Petitioners anticipate that completion of the proposed Transaction will have a positive impact on employment because Pilot Fiber expects the Transaction will lead to expansion of its operations and create additional employment opportunities for New Jersey residents. Upon review of the record in this matter, including the employment information concerning the Petitioners and associated entities, the Board **HEREBY FINDS** that Petitioners have satisfied all requirements under N.J.S.A. 48:3-7.

Regarding Petitioners' request for a waiver of the Board's mass migration rules, the Board **HEREBY FINDS** that Petitioners have shown good cause in supporting a waiver of its mass migration rules N.J.A.C. 14:10-12.1, et seq., pursuant to N.J.A.C. 14:1-1.2(d) and N.J.A.C. 14:1-1.2(b). Petitioners serve sophisticated carriers or commercial entities that receive non-voice service under individually negotiated contracts and therefore would not be considered mass market service customers. In accordance with the terms of their service contracts, Petitioners will advise (and in some cases consent will be requested from) the affected customers of the proposed Transaction and the change in such customers' telecommunications provider from ETSI to Pilot Fiber, as applicable. Accordingly, Petitioners' request for a waiver of N.J.A.C. 14:10-12.1 et seq., is **HEREBY GRANTED**.

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 positive benefits to customers. The Board further **FINDS** that the Transaction will have no material adverse impact on competition or rates. The Board **FINDS** that the Transaction will have no material impact on the Petitioners' employees, or their pensions. Therefore, the Board **HEREBY AUTHORIZES** the Petitioners to complete the Transaction.

This Order is issued subject to the following provision:

1. The Petitioners shall provide notification to the Board and Rate Counsel on the status of any impact on employees' employment six (6) months after the Transaction.

2. The Petitioners shall also submit to the Board Secretary, a copy of the notice sent to affected customers.

This Order shall be effective on July 22, 2026.

DATED: July 15, 2026

BOARD OF PUBLIC UTILITIES
BY:

ABSTAINED

BEN HERTZ-SHARGEL
PRESIDENT

CHRISTINE GUHL-SADOVY
COMMISSIONER

MICHAEL BANGE
COMMISSIONER

EMMA REBHORN
COMMISSIONER

JOSEPH COVIELLO
COMMISSIONER

ATTEST:

SHERRI L. LEWIS
BOARD 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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DOCKET NO. TM26030049

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