



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

TELECOMMUNICATIONS

IN THE MATTER OF THE VERIFIED PETITION OF )  
MANHATTAN TELECOMMUNICATIONS ) ORDER  
CORPORATION OF NEW JERSEY FOR APPROVAL )  
TO PARTICIPATE IN CERTAIN FINANCING )  
ARRANGEMENTS ) DOCKET NO. TF19091206

**Parties of Record:**

**Amy Blumenthal, Esq.**, Kutak Rock LLP, on behalf of Manhattan Telecommunications Corporation of New Jersey  
**Stefanie A. Brand, Esq.**, Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On September 11, 2019, Manhattan Telecommunications Corporation of New Jersey ("Manhattan Telecommunications" or the "Petitioner"), filed a petition pursuant to N.J.S.A. 48:3-7 and N.J.S.A. 48:3-9, requesting approval from the New Jersey Board of Public Utilities ("Board"), to the extent necessary, to participate in a financing transaction ("Proposed Transaction") whereby Petitioner would guarantee debt in an amount of up to approximately \$130 million.

**BACKGROUND:**

Manhattan Telecommunications is a privately held Delaware corporation whose principal business is telecommunications. Manhattan Telecommunications is a wholly owned subsidiary of Manhattan Telecommunications Corporation and indirect subsidiary of Metropolitan Telecommunications Holding Company ("MetTel Holding"), a privately held Delaware holding company. MetTel Holding, through its subsidiaries, provides voice and data solutions as well as telecommunications consulting services to businesses nationwide. MetTel Holding's service offerings cover traditional voice services, MPLS networks, and Voice over IP technologies. Manhattan Telecommunications, Manhattan Telecommunications Corporation, and MetTel Holding have their principal offices located at 55 Water Street, 32<sup>nd</sup> Floor, New York, New York 10041. In New Jersey, Manhattan Telecommunications is authorized to provide local exchange telecommunications services pursuant to authority granted by the Board in a Certificate of Public Convenience and Necessity (the "NJ CPCN"). I/M/O the Verified Petition of Manhattan Telecommunications Corporation of New Jersey for Authority to Provide Local Exchange Telecommunications Services Throughout New Jersey, BPU Docket No. TE99120922 (June 22, 2000).

In addition to the services provided by Manhattan Telecommunications to New Jersey consumers, Manhattan Telecommunications' affiliates are authorized by the various state public service commissions to provide facilities-based and/or resold interexchange telecommunications services, and competitive local exchange services in 49 other states, the District of Columbia, Puerto Rico, and Canada, pursuant to certification, registration or tariff requirements, or on a deregulated basis.

Pursuant to Manhattan Telecommunications' request, the Board takes notice of information contained in Manhattan Telecommunications' initial application for authority to provide local exchange telecommunications services in New Jersey, including details on Petitioner's legal, technical, financial and managerial qualifications to provide telecommunications service to consumers in New Jersey.

### **DISCUSSION**

Petitioner requests Board approval for MetTel Holding, and certain of its direct and indirect subsidiaries, including Manhattan Telecommunications, to enter into a Third Amended and Restated Credit Agreement ("Agreement"), with certain such subsidiaries also entering into a related Security Agreement with JPMorgan Chase Bank, N.A. ("JP Morgan"). JP Morgan Chase Bank, N.A. will serve as the Administrative Agent under the Agreement for a series of lenders.

Pursuant to the Agreement, MetTel Holding expects to receive a revolving credit facility and additional term loan capacity. Specifically, MetTel Holding will receive a revolving credit facility of \$60,000,000 (with the ability to increase by up to an additional \$30,000,000 to \$90,000,000) and additional term loan capacity of up to \$40,000,000 under a Senior Secured Term Loan. The obligations of the revolving credit facility and the additional term loan capacity will be secured by a security interest in all of the assets of MetTel Holding and certain of its subsidiaries. While Manhattan Telecommunications will not be a Borrower under the Agreement, it will act as a Guarantor of MetTel Holding and the other Borrowers. As such, Manhattan Telecommunications will be jointly and severally liable for the full amount of the proceeds of the credit facility and term loan. Manhattan Telecommunications' assets, including the NJ CPCN, will not be collateralized to secure the debt unless and until it should join the Agreement as a Borrower. The proceeds of the credit facility will be used for general corporate purposes, dividends and/or acquisitions.

Petitioner asserts that the Agreement is intended to sustain Manhattan Telecommunications' provisioning of competitive services and to enable Manhattan Telecommunications and its owners to improve the operational and cost efficiencies of its business. Petitioner further states that the transaction will directly benefit New Jersey consumers by facilitating the continued provision of innovative, high-quality telecommunications services to the public, thereby promoting competition in the New Jersey telecommunications market.

Petitioner asserts that approval of the Proposed Transaction will serve the public interest. According to the Petitioner, the Proposed Transaction provides Manhattan Telecommunications with the opportunity to strengthen its competitive position by providing additional working capital and the ability to finance acquisitions to enhance the company's services. Petitioner further states that the financing arrangements are necessary and appropriate, will not impair Manhattan Telecommunications' ability to perform such services to the public, and will promote the corporate purposes of Petitioner.

Petitioner advises that the Proposed Transaction will not involve an assignment of the NJ CPCN or a change in the day-to-day operations of the certificated company. In addition, Petitioner confirms that there will be no change in the services offered to Manhattan Telecommunications' customers or the rates for Manhattan Telecommunications' regulated services. In other words, Petitioner confirms that the Proposed Transaction will be transparent to Manhattan Telecommunications' customers.

The Division of Rate Counsel ("Rate Counsel") has reviewed this matter and, by letter dated November 8, 2019, stated that it does not object to approval of the Petition. Specifically, Rate Counsel notes Petitioner has asserted the financing arrangements contemplated are not contrary to the public interest and will serve a beneficial purpose for New Jersey subscribers.

### **FINDINGS AND CONCLUSIONS**

After careful review of this matter, the Board **FINDS** that the Proposed Transaction will have no negative impact on competition or the rates of current customers. Therefore, the Board after investigation, having considered the record and exhibits submitted in this proceeding, **FINDS** that the financing transaction is in accordance with law and in the public interest, and **HEREBY AUTHORIZES** Manhattan Telecommunications Corporation of New Jersey to participate in the financing transaction described herein.

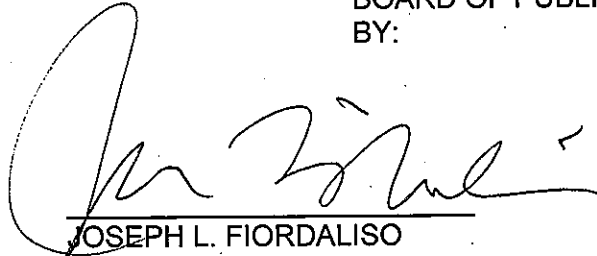
The Order is issued subject to the following provisions:

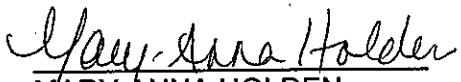
1. This Order shall not affect or in any way limit the exercise of the authority of the Board or the State of New Jersey in any future petition or in any proceeding regarding rates, costs of service, franchises, service, financing, accounting, capitalization, depreciation or any other matters affecting Petitioner.
2. Petitioner shall notify the Board, within five (5) business days, of any material changes in the proposed financing arrangements and shall provide complete details of such changes including any anticipated effects upon service in New Jersey.
3. Petitioner shall notify the Board of any material default in the terms of the proposed financing arrangements with in five (5) business days of such occurrence.
4. Notwithstanding anything to the contrary in the documents executed pursuant to the financing transactions or other supporting documents (the "Financing Documents"), a default or assignment under such Financing Documents shall not constitute an automatic transfer of Petitioner's assets. Board approval must be sought pursuant to N.J.S.A. 48:1-1 et seq., where applicable.
5. This Order shall not be construed as directly or indirectly fixing for any purpose whatsoever any value of tangible or intangible assets now owned or hereafter to be owned by Petitioner.


This Order shall become effective on December 16, 2019.


DATED: 12/6/19

BOARD OF PUBLIC UTILITIES  
BY:


  
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JOSEPH L. FIORDALISO  
PRESIDENT

  
\_\_\_\_\_  
MARY-ANNA HOLDEN  
COMMISSIONER

  
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DIANNE SOLOMON  
COMMISSIONER

  
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UPENDRA J. CHIVUKULA  
COMMISSIONER

  
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ROBERT M. GORDON  
COMMISSIONER

ATTEST:   
\_\_\_\_\_  
AIDA CAMACHO-WELCH  
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 PETITION OF MANHATTAN TELECOMMUNICATIONS  
CORPORATION OF NEW JERSEY FOR APPROVAL TO PARTICIPATE IN CERTAIN  
FINANCING ARRANGEMENTS - DOCKET NO. TF19091206

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