

# SECRETARY'S RECORD, PUBLIC SERVICE COMMISSION

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## BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of )	Application No. C-5355
GTT Communications, Inc., GTT )	
Americas, LLC, and GC Pivotal, LLC )	
d/b/a Global Capacity, McLean, )	
Virginia, seeking approval of a )	
transfer of control associated with )	ORDER GRANTING APPLICATION
the Joint Prepackaged Chapter 11 )	
Plan of Reorganization of GTT )	
Communications, Inc. and its Debtor )	
Affiliates. )	Entered: January 4, 2022

BY THE COMMISSION:

On November 19, 2021, an application was filed by GTT Communications, Inc. ("GTT Parent"), GTT Americas, LLC ("GTTA"), and GC Pivotal, LLC d/b/a Global Capacity ("GC Pivotal") (collectively the "Applicants") seeking approval of a transfer of control to effectuate Applicants' prepackaged plan of reorganization ("The Plan") under chapter 11 of title 11 of the United States Code ("Chapter 11").<sup>1</sup>

Notice of the application was published by the Nebraska Public Service Commission ("Commission") in The Daily Record, Omaha, Nebraska, on November 26, 2021. No protests were filed; therefore, this application is processed pursuant to the Commission's Rule of Modified Procedure.

## O P I N I O N   A N D   F I N D I N G S

### Description of the Parties:

GTT Parent is a corporation organized under the laws of the State of Delaware. GTT Parent, through its subsidiaries, is a global provider of cloud networking services and provides its customers with a wide variety of services including internet, email, instant messaging, videoconferencing, and teleconferencing. GTT Parent, along with GTTA and GC Pivotal, has its headquarters at 7900 Tysons One Place, Suite 1450, McLean, Virginia 22102.

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<sup>1</sup> On October 31, 2021, GTT Parent and a certain number of its direct and indirect subsidiaries (collectively, the "Debtors") filed voluntary petitions (the "Bankruptcy Petitions") for relief under Chapter 11 in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), commencing pre-packaged chapter 11 cases (the "Chapter 11 Cases"). The Chapter 11 Cases are being jointly administered under the Case No. 21-11880 (MEW).

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GTTA is a limited liability company organized under the laws of the State of Delaware. GTTA is ultimately owned and controlled by GTT Parent.<sup>2</sup>

GC Pivotal is a limited liability company organized under the laws of the State of Delaware. GC Pivotal is authorized to provide local exchange and interexchange telecommunications services in the state of Nebraska pursuant to a Certificate of Public Convenience and Necessity granted by the Commission in Docket No. C-4714.<sup>3</sup> GC Pivotal is a subsidiary of GTT Parent.

### Description of the Chapter 11 Proceeding:

On October 31, 2021 the Debtors filed the Bankruptcy Petitions in the Bankruptcy Court. The resulting Plan of reorganization set forth by Applicants will result in a change in ownership of GTT Parent. All existing equity interests in GTT Parent will be cancelled and extinguished upon emergence from Chapter 11 proceedings ("Emergence"). New equity interests representing 100% of the voting and equity ownership in reorganized GTT Parent will be issued at Emergence to the Debtors' funded debt creditors. It is anticipated that only one of the funded debt creditors, Anchorage Capital Group, LLC ("Anchorage"), will hold a 10% or greater indirect equity and voting interest in reorganized GTT Parent. Anchorage will not have any management role in reorganized GTT Parent.

The new organizational structure of GTT Parent and its subsidiaries will not change substantially as a result of The Plan. Prior to the Chapter 11 proceedings, Spruce House Partnership LLC was the only shareholder holding more than 10% interest in GTT Parent, holding 25.01%. After the Chapter 11 proceedings, Anchorage Capital Group, LLC will be the only shareholder holding more than 10% interest in GTT Parent, holding 12.25%.

Applicants have stated in their application that all regulatory authorizations currently held by GC Pivotal will continue to be held by GC Pivotal. The Chapter 11 Cases will not result in any change

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<sup>2</sup> GTTA is a direct, wholly-owned subsidiary of GTT Apollo, LLC, a Delaware limited liability company. GTT Apollo, LLC is a direct, wholly-owned subsidiary of GTT Apollo Holdings, LLC, a Delaware limited liability company. Ninety-five percent of the membership of GTT Apollo Holdings, LLC is owned directly by GTT RemainCo, LLC, a Delaware limited liability company. GTT RemainCo, LLC is a direct, wholly-owned subsidiary of GTT Parent.

<sup>3</sup> See *In the Matter of the Application of GC Pivotal, LLC d/b/a Global Capacity, Chicago, Illinois seeking authority to provide resold and facilities-based local exchange and interexchange services in the state of Nebraska*, Order, granted (entered Nov. 24, 2014).

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to the current operations of GC Pivotal or the terms and conditions of the services it is providing in Nebraska during the pendency of the Chapter 11 Cases or after the implementation of The Plan.

Applicants have further clarified that The Plan will not reduce the number of competitors in Nebraska's market and will enhance GC Pivotal's ability to provide communications services in Nebraska. GC Pivotal expects that it will be in a better position to continue providing services and be a stronger competitor in Nebraska as a result of the Chapter 11 proceedings. In addition, GC Pivotal will continue to comply with its existing regulatory requirements under the State of Nebraska's statutes and rules.

Applicants stated that their Plan will be seamless for customers and will not adversely affect operations, management, or employees. GC Pivotal does not expect any changes to rates or terms of service provided to customers or offered to prospective customers in the normal course of business as a result of the Chapter 11 Cases. Applicants will remain bound by any existing tariffs and contracts, and existing arrangements will remain undisturbed. For the foregoing reasons, Applicants stated their application is consistent with the public interest.

Based on the evidence, we find the application to be fair and reasonable and in the public interest. The application should be granted.





### O R D E R


IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-5355 be, and it is hereby, granted.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 4th day of January, 2022.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

  
Chair

ATTEST:

  
Executive Director