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State of Utah
Department of Commerce
Division of Public Utilities

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Executive Director

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Deputy Director

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Director, Division of Public Utilities

MEMORANDUM

To: Public Service Commission

From: Division of Public Utilities
Chris Parker, Director
Bill Duncan, Telecommunications / Water Manager
Ron Slusher, Utility Technical Consultant

Date: February 11, 2016

Re: In the Matter of the Joint Application of Communications Infrastructure Investments, LLC, Transferor, Onvoy, LLC, Broadvox-CLEC, LLC, Licensees and GRCR Onvoy Holdings LLC, Transferee for Approval to Transfer of Control of Onvoy, LLC and Broadvox-CLEC, LLC to GTCR Onvoy Holdings, LLC, Docket No.16-2515-01 and Docket no. 16-2546-01.

RECOMMENDATION (Approve):

The Division of Public Utilities (“Division”) has reviewed the joint application between Communications Infrastructure Investments, LLC, Onvoy, LLC, Broadvox-CLEC, LLC, and GRCR Onvoy Holdings LLC, for Approval to Transfer of Control of Onvoy, LLC (together “The Parties” or “Companies”) and believes that the public interest will be promoted by recommending that the Public Service Commission (“Commission”) allow the this Transfer of Control.

The Division expects that based on history that a filing of this type and with the information submitted by the company there will be no objections or opposition to this recommendation. Therefore, the Division request that this docket be adjudicated informally in accordance with R746-110-1.

EXPLANATION:

On or about January 15, 2016, Communications Infrastructure Investments, LLC, Transferor, Onvoy, LLC, Broadvox-CLEC, LLC, Licensees and GRCR Onvoy Holdings LLC, Transferee for Approval to Transfer of Control of Onvoy, LLC and Broadvox-CLEC, LLC to GTCR Onvoy Holdings, LLC.

Communications Infrastructure Investments, LLC, (“CII”) a Delaware limited liability company with a principal office at 1805 29th Street, Boulder, Colorado 80301. CII was formed in 2007 to acquire and support long-term development of fiber-based bandwidth, solutions-oriented businesses. Through its subsidiaries, CII acquired indirect ownership and control of Onvoy in 2007. Following various pro forma reorganizations, Onvoy became a direct subsidiary of CII in 2014. CII has no majority owner, but certain entities, including an affiliate of Transferee, own 10% or more of CII.

Onvoy, LLC, (“Onvoy”) is a Minnesota limited liability company with a principal office at 10300 6th Avenue North, Plymouth, Minnesota 55441. Onvoy is currently a direct, wholly owned subsidiary of CII. Onvoy is authorized to provide public telecommunications services in the State of Utah by the Commission on January 04, 2012, Docket No. 11-2546-01.

Broadvox-CLEC, LLC, (“Broadvox”) is a Delaware limited liability company with a principal office at 75 Erieview Plaza, Suite 400, Cleveland, Ohio 44114. BV-CLEC is a direct, wholly owned subsidiary of Onvoy. Broadvox is authorized to provide public telecommunications services in the State of Utah by the Commission on February 09, 2010, Docket No. 09-2515-01.

GTCR Onvoy Holding, LLC, (“GTCR”) is a Delaware limited liability company with its principal executive office at 300 N. LaSalle Street, Suite 5600, Chicago, Illinois 60654. GTCR is an investment vehicle created to aggregate the ownership of various investment funds managed by GTCR, LLC in connection with the acquisition by such funds of Onvoy and its subsidiaries.

Under this transaction, the Parties, will redistribute their ownership from the other subsidiaries to GTCR. GTCR will now own approximately 61% of the companies. The Applicants submit that the transaction described herein will serve the public interest. The Applicants expect that the transaction will enable the combined entities to better meet the needs of enterprises, wholesale buyers, and other customers. The transaction will help create a stronger competitor by bringing together each organization’s respective strengths.

The Applicants further submit that the transaction will be conducted in a manner that will be largely transparent their customers. The transaction will not result in a change of carrier for customers or any assignment of authorizations, and in no event will it result in the discontinuance, reduction, loss, or impairment of service to customers.

Cc. William J. Evans, Counsel for Applicants
Brett P. Ferenchak, Counsel for Applicants
Christopher P. Yost, Communications Infrastructure Investment, LLC.
Scott Sawyer, General Counsel for Onvoy, LLC.
Jeffery Wright, GTCR, LLC.
Stephen Master, GTCR, LLC.
Justin Jetter, Assistant Attorney General, State of Utah
Cheryl Murray, Utility Analyst, Office of Consumer Services, State of Utah