



State of Utah
Department of Commerce
Division of Public Utilities

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MEMORANDUM

To: Public Service Commission

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

Date: December 01, 2016

Re: In the Matter of the Joint Application of Onvoy, LLC; Neutral Tandem-Utah, LLC; and Inteliquent, Inc. for Approval to Transfer Indirect Control of Neutral Tandem-Utah, LLC to Onvoy, LLC, Docket Number 16-2546-02 and 16-2478-01.

RECOMMENDATION (Allow):

The Division of Public Utilities (“Division”) has reviewed the joint application between Neutral Tandem-Utah, LLC and Onvoy, LLC and believes that the public interest will be promoted by recommending that the Public Service Commission (“Commission”) allow the this Transfer of Control. As a result of the acquisition, the Companies should be in a better position to provide expanded and advanced telecommunications services in the State of Utah.

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 November 15, 2016, Neutral Tandem-Utah, LLC (“Neutral Tandem-Utah”) and Onvoy, LLC (“Onvoy”) notified the Commission of a transaction, which will result in a transfer of control of Neutral Tandem-Utah to Onvoy.

Neutral Tandem-Utah, LLC is a Delaware corporation headquartered at 550 West Adams Street, 9th Floor, Chicago, IL 60661. They are a wholly-owned subsidiary of Inteliquent, Inc. Neutral

Tandem-Utah is authorized to provide public telecommunications services in the State of Utah by the Commission on May 08, 2007, Docket Number 07-2478-01.

Onvoy, LLC is a Minnesota Limited Liability Company headquartered at 10300 6th Avenue North, Plymouth, Minnesota 55441. They are wholly-owned subsidiary of GTCR Onvoy Holdings, LLC. Onvoy is authorized to provide public telecommunications services in the State of Utah by the Commission on January 04, 2012, Docket Number 12-2546-01.

Neutral Tandem-Utah and Onvoy have entered into an agreement pursuant to which Onvoy will acquire all of the outstanding equity interest in Inteliquent, Inc. As a result, Inteliquent, Inc. will become a wholly owned direct subsidiary of Onvoy. Neutral Tandem will remain a direct subsidiary of Inteliquent and, therefore, will become an indirect subsidiary of Onvoy.

The Applicants submit that the transaction described herein will serve the public interest. The transaction will bring together two successful carrier organizations that have proven themselves in a highly competitive marketplace. The transaction will help create a stronger competitor by bringing together each organization's respective strengths. Operating as an integrated company will allow each of the operating companies to be more competitive and to deliver greater value and variety of services to their customers than they do individually.

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.

Applicants have filed a Domestic and International Section 214 Application with the FCC, which is under review.

Cc. William J. Evans, Counsel for Applicants

Brett P. Ferenchak, Morgan, Lewis & Bockius LLP

Scott Sawyer, General Counsel for Onvoy, LLC

John Harrington, Senior Vice President, Inteliquent, Inc.

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Cheryl Murray, Utility Analyst, Office of Consumer Services, State of Utah