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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Joint Application of TeleQuality Communications, Inc. and Education Networks of America, Inc. for Informal Adjudication of Indirect Transfer of Control	Joint Application of TeleQuality Communications, Inc. and Education Networks of America, Inc. for Informal Adjudication of Indirect Transfer of Control Docket No. 17-2500-01
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JOINT APPLICATION

TeleQuality Communications, Inc. (“TeleQuality, Inc.”) and Educations Networks of America, Inc. (“ENA”), through their undersigned counsel and pursuant to Utah Code Ann. §§ 54-4-28, 54-4-29, and rules of the Public Service Commission of Utah (“Commission”), including R746-349-7, hereby request that Commission approve the transfer of indirect control of TeleQuality, Inc., a Utah competitive local exchange carrier, from its parent company, TQCI Holdco, Inc. (“TQCI Holdco”) to ENA (the “Transaction”) (TeleQuality, Inc. and ENA are jointly referred to herein as the “Applicants”). TeleQuality currently has no customers in Utah.

Applicants submit that the Transaction described in this Application is in the public interest and request that the Commission grant approval as soon as possible. The parties are scheduled to

close the Transaction within approximately 60 days of execution of the Agreement (as defined below).

In support of this Joint Application, Applicants provide the following information:

I. DESCRIPTION OF THE APPLICANTS

A. TeleQuality Communications, Inc.

TeleQuality, Inc. is a privately-held Texas corporation with its primary office at 21202 Gathering Oak, San Antonio, TX 78260. TeleQuality, Inc., through its Rural Health Telecom sales division, has been designing and providing rural health care organizations with cost-effective, custom network solutions to connect multiple business locations to each other, business partners, and the Internet since 1999.

TeleQuality, Inc. combines high-quality Internet access and data network products and services with a high-touch customer service experience, and focuses on serving the needs of health care providers in unserved and underserved rural areas across the country. TeleQuality, Inc. offers voice over internet protocol, virtual private networks, private line transport, multi-protocol label switching, and other telecommunications service offerings, which are custom-designed to meet the specific needs of its customers.

In Utah, TeleQuality, Inc. is authorized to provide resold and facilities-based intrastate interexchange and non-switched local exchange telecommunications services, pursuant to Certificate No. 2500 granted in Docket No. 08-2500-01 on February 25, 2009. Currently, TeleQuality, Inc. is not serving any customers in the State of Utah. TeleQuality, Inc. is also authorized by the Federal Communications Commission (“FCC”) to provide domestic

telecommunications services. In addition to Utah, TeleQuality, Inc. is authorized by fifteen state public utility commissions to provide telecommunications services.¹

B. Education Networks of America, Inc.

ENA, a Delaware corporation with headquarters at 618 Grassmere Park Drive, Suite 12, Nashville, TN 37211, provides high-capacity broadband, Wi-Fi/LAN, voice over internet protocol, and video solutions to the K-12 education community, higher education institutions and libraries. ENA's managed networks include information solutions, instructional and productivity tools, and third party applications that are used in tandem with its proprietary products. ENA currently provides non-regulated communications services primarily to school districts and libraries that participate in the FCC's Schools and Libraries universal service support program, commonly known as the E-rate program. ENA currently serves no customers in the state of Utah.

II. DESIGNATED CONTACTS

Questions, correspondence or other communications concerning this Application should be directed to the following:

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¹ TeleQuality, Inc. maintains state utility commission certification in: Arkansas, Arizona, California, Georgia, Indiana, Kansas, Minnesota, Missouri, Montana, New Mexico, Oklahoma, Oregon, Texas, Washington, and West Virginia. Currently, TeleQuality provides services in a total of twenty-six states.

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III. DESCRIPTION OF THE TRANSACTION

On October 13, 2017, TeleQuality, Inc., ENA, and other related entities entered into a Unit Purchase Agreement (“Agreement”) pursuant to which ENA ultimately will acquire control of TeleQuality, Inc.

Prior to the closing of the Transaction that is the subject of this Application, TeleQuality, Inc. will be redomiciled and converted into a Delaware limited liability company, becoming TeleQuality Communications, LLC (hereafter, “TeleQuality”), and all of its outstanding limited liability company interests will be held by TQCI Holdco, Inc. (“TQCI Holdco”).² Upon approval of the FCC, this Commission, and other state PUCs, TQCI Holdco will contribute approximately 40 percent of its equity interests in TeleQuality to ENA’s indirect parent company, Commodore Parent, LLC (“Commodore Parent”), in exchange for equity in Commodore Parent, which will in turn contribute the equity interests in TeleQuality to ENA. TQCI Holdco will contribute the remaining approximately 60 percent of its equity interests in TeleQuality to ENA in exchange for cash. After the closing of this Transaction, TeleQuality will operate as a wholly-owned subsidiary of ENA. TeleQuality will continue to operate under its existing certificate and the indirect change of control will not change the daily management or operations of TeleQuality. TeleQuality, Inc.’s

² This reorganization is a *pro forma* transfer because it involves no substantial change in the beneficial ownership of TeleQuality Inc.

existing management team will continue to manage the company following the Transaction. Thus, the Transaction will be transparent in the marketplace.

Exhibit A includes diagrams showing the pre- and post-closing ownership structure of TeleQuality, Inc. and TeleQuality.

IV. INFORMATION REQUIRED BY R746-349-7

Pursuant to R746-349-7, Applicants provide the following information:

A. Identification that it is not an ILEC,

Applicants confirm that none of the Applicants or their affiliates is an ILEC in Utah.

B. Identification that it seeks approval of the application pursuant to this rule,

Applicants confirm that they seek approval of the Application, pursuant to the informal adjudication process set forth in R746-349-7. Applicants further request that the Commission issue a report and order granting this Application without a hearing consistent with Utah Code Ann. § 54-8b-3 and R746-110, if Applicants' request for informal adjudication is uncontested.

C. A reasonably detailed description of the transaction for which approval is sought,

A detailed description of the Transaction is provided in Section III, above.

D. A copy of any filings required by the Federal Communications Commission or any other state utility regulatory agency in connection with the transaction,

Contemporaneous with or subsequent to this filing, Applicants and/or their affiliates will file an application with the FCC seeking authority for a transfer of control of TeleQuality's domestic Section 214 authorization. A copy of this Section 214 application will be filed with the Utah Commission after it is submitted to the FCC.

In connection with this Transaction, Applicants and/or their affiliates will also request approval of the Transaction from the public utility regulatory agencies ("PUCs") in the following states, in addition to Utah: California, Georgia, Minnesota, Texas, and West Virginia. Due to the

voluminous nature of these state filings, most of which contain the same basic information, Applicants have attached as **Exhibit B** only a copy of the Georgia filing requesting approval. Applicants will also provide notice of the Transaction to the PUCs in the following jurisdictions: Arkansas, Kansas, Montana, New Mexico, and Washington. Applicants will provide copies of notices or any additional filings at the request of the Commission or the parties to this docket.

E. Copies of any notices, correspondence or orders from any federal agency or PUC reviewing the Transaction which is the subject of the application.

Applicants have not yet received any notices, correspondence or orders from any federal agency or PUC reviewing the Transaction. Applicants will forward any order or similar actions approving or denying approval of the Transaction as they become available during the pendency of this proceeding.

V. PUBLIC INTEREST CONSIDERATIONS

The proposed transaction serves the public interest, convenience and necessity. ENA will continue to serve schools and libraries under the E-Rate Program and TeleQuality will continue to serve rural health care providers under the Rural Health Care Program. The combined resources of ENA and TeleQuality will allow them to innovate and offer new products and services to consumers. The transaction will allow both companies to benefit from economies of scale in the procurement of equipment and services, enabling them to reduce costs, increase efficiency, and become more competitive. The companies will also be better positioned to leverage their expertise to maintain and improve their networks.

The proposed transaction will have no adverse impact on customers and will be transparent to customers in terms of the service they now receive. ENA and TeleQuality will continue to provide services at the same rates and on the same terms and conditions as are currently in effect. The transaction also raises no competitive issues. The companies will continue to provide the

services they currently provide and there will be no reduction in competitors because they will continue to focus on their respective industries. Moreover, ENA's and TeleQuality's share of the telecommunications market is very small, and consumers will continue to have a wide range of competitive choices.

VI. CONCLUSION

For the foregoing reasons, Applicants submit that the public interest, convenience and necessity would be furthered by the Transaction described herein, and request that the Commission grant this Application and authorize Applicants to complete the Transaction.

Respectfully submitted this 20th day of October, 2017.



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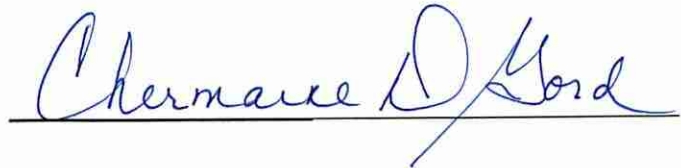
LIST OF EXHIBITS

- EXHIBIT A** Pre- and Post- Ownership Structure of TeleQuality Communications, Inc.
- EXHIBIT B** Georgia Public Service Commission Application [Redacted Version]
- Verifications**

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 20th day of October, 2017, a true and correct copy of the foregoing **JOINT APPLICATION OF TELEQUALITY COMMUNICATIONS, INC. AND EDUCATION NETWORKS OF AMERICA, INC. FOR INFORMATION ADJUDICATION OF INDIRECT TRANSFER OF CONTROL**, along with this Certificate of Service, was electronically served upon the following:

<p>Patricia Schmidt Justin Jetter ASSISTANT ATTORNEYS GENERAL Attorneys for the Division of Public Utilities Division of Public Utilities 500 Heber Wells Building 160 East 300 South Salt Lake City, UT 84111 pschmid@utah.gov jjetter@utah.gov</p>	<p>Robert J. Moore ASSISTANT ATTORNEY GENERAL Attorney for the Office of Consumer Services 500 Heber Wells Building 160 East 300 South Salt Lake City, UT 84111 rmoore@utah.gov</p>
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Cherraine D. Ford