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State of Utah

Department of Commerce Division of Public Utilities

CHRIS PARKER
Executive Director

ARTIE POWELL
Director, Division of Public Utilities

Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Artie Powell, Director

Brenda Salter, Utility Technical Consultant Supervisor

Ron Slusher, Utility Technical Consultant

Date: September 30, 2020

Re: **Docket No. 20-2548-01**, In the Matter of the Joint Application of Red Fiber Parent LLC, Cincinnati Bell Inc. and CBTS Technology Solutions LLC for Approval of a Transfer of Indirect Control of CBTS Technology Solutions LLC to Red Fiber Parent LLC.

Recommendation (Approve)

The Division of Public Utilities (“Division”) has reviewed the joint application between Red Fiber Parent LLC (“Red Fiber”), Cincinnati Bell Inc. (“CBI”), and CBTS Technology Solutions LLC (“CBTS”). The public interest will be promoted by the Public Service Commission (“Commission”) allowing 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 requests that this docket be adjudicated informally in accordance with Commission Rule R746-110-1.

Discussion

On or about September 09, 2020, Red Fiber, CBI, and CBTS (collectively, the “Applicants”) notified the Commission of a transaction, which will result in a transfer of control of CBI to Red Fiber.

Red Fiber is a Delaware limited liability company that has been established as an acquisition vehicle for purposes of this transaction. At the closing of the transaction Red Fiber will own directly 100% of the stock of CBI.

CBTS is a Delaware limited liability company, headquartered at 221 East 4th Street, 103-1080, Cincinnati, OH 45202. In Utah, CBTS is authorized to provide interexchange services and local exchange services pursuant to a Certificate of Public Convenience and Necessity No. 2548 issued in Docket No. 11-2548-01 on February 27, 2012. CBTS is an indirect wholly owned subsidiary of CBI.

The Applicants have entered into an agreement where Red Fiber will acquire all the outstanding shares of common stock of CBI. CBI will then be a direct wholly owned subsidiary of Red Fiber. As a result of the transaction, CBTS will become an indirect subsidiary of Red Fiber.

In accordance with Commission Rule R746-349-7, the Applicants provided reasonable documentation of the following:

1. The CLEC shall submit an application which includes but is not limited to:
 - a. Identification that it is not an ILEC,
 - b. Identification that it seeks approval of the application pursuant to this rule,
 - c. A reasonably detailed description of the transaction for which approval is sought,
 - d. A copy of any filings required by the Federal Communications Commission or any other state utility regulatory agency in connection with the transaction, and,

- e. Copies of any notices, correspondence or orders from any federal agency or any other state utility regulatory agency reviewing the transaction which is the subject of the application.

The Applicants submit that the transaction described herein will serve the public interest. The Applicants expect that the merger 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.

Conclusion

The Division has reviewed the request for transfer of indirect control and believes it is in the public interest, therefore the Division recommends the Commission approve the application.

Cc: William J. Evans, Parsons Behle & Latimer, Counsel for Applicants
Andrew D. Lipman, Counsel for Cincinnati Bell, Inc.
Theodore W. Heckmann, Senior Director – Regulatory & Government Affairs, CBTS
Technology Solutions LLC
James H. Barker, Counsel for Red Fiber Parent LLC
Anton Moldan, VP, Red Fiber Parent LLC
Justin Jetter, Assistant Attorney General, State of Utah
Office of Consumer Services, State of Utah