



State of Utah

Department of Commerce Division of Public Utilities

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Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Manager

Brenda Salter, Utility Technical Consultant Supervisor

Ron Slusher, Utility Technical Consultant

Date: March 15, 2021

Re: **Docket No. 21-2581-01**, In the Matter of the Joint Application of Clear Rate Holdings, Inc. and Clear Rate Communications, Inc. for Approval of a Transfer of Control of Clear Rate Communications, Inc. to Clear Rate Holdings, Inc.

Recommendation (Approve)

The Division of Public Utilities (“Division”) has reviewed the joint application between Clear Rate Communications, Inc. (“CRC”) and Clear Rate Holdings, Inc. (“CRH”)(together “the Applicants”) and recommends that the Public Service Commission (“Commission”) approve the application for the transfer of control. The public interest will be promoted by the Commission approving this transfer of control.

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

Discussion

On or about February 25, 2021, CRC and CRH filed a joint application with the Commission indicating CRC will be transferring control to CRH.

CRC is a Michigan corporation organized under the laws of the State of Michigan. Headquartered at 2600 West Big Beaver Road, Suite 450, Troy, MI. 48084. CRC was issued a CPCN on June 10, 2015 in Docket No. 15-2581-01.

CRH is a Delaware corporation and was established as an acquisition vehicle solely for purposes of this transaction.

The Division concludes that the Applicants are in compliance with Commission Rule R746-349-7, and have 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. CRC will continue to provide robust communications solutions to its customers and to better compete in the Utah telecommunications marketplace. CRH is managerially, technically, and financially well qualified to complete the transaction and assume ownership and control of CRC, which is expected to continue to be managed and operated by the same officers and key personnel.

The Applicants further submit that the transaction will be conducted in a manner that will be largely transparent to 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 notice filed by the Applicants for the transfer of control and concludes that it is in the public interest; therefore, the Division recommends the Commission approve this notice.

Cc: William J. Evans, Counsel, Parsons Behle & Latimer
Joshua M. Bobeck, Counsel for Clear Rate Holdings
Giny Mullins, C/o L Four, LLC
Rodrick S. Coy, Counsel for Clear Rate Communications, Inc.
Sam H. Namy, CFO, Clear Rate Communications, Inc.
Justin Jetter, Assistant Attorney General, State of Utah
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