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UTAH DEPARTMENT OF COMMERCE

Division of Public Utilities

MARGARET W. BUSSE
Executive Director

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Division Director

Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director
Brenda Salter, Assistant Director
Abdinasir Abdulle, Utility Technical Consultant Supervisor
Ron Slusher, Utility Technical Consultant

Date: March 25, 2024

Re: **Docket No. 24-2548-02**, Notice of CBTS Borrower, LLC, Cincinnati Bell Inc., and CBTS Technology Solutions LLC of a Transfer of Indirect Control of CBTS Technology Solutions LLC to CBTS Borrower, LLC.

Recommendation (Acknowledge)

The Division of Public Utilities (“Division”) has reviewed the notification of the indirect transfer of control of CBTS Technology Solutions LLC (“CBTS”) to CBTS Borrower, LLC (“CBTS Borrower”) (together the “Applicants”). The public interest will be promoted by the Public Service Commission (“Commission”) acknowledging this Indirect Transfer of Control. As a result of the transfer, 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 R746-110-1.

Division of Public Utilities

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Discussion

On or about March 18, 2024, Cincinnati Bell, Inc. (“Cincinnati Bell”) and CBTS Borrower notified the Commission of a transaction, which will result in Cincinnati Bell selling all issued and outstanding interest of CBTS to CBTS Borrower. As a result of this transaction CBTS will become a wholly-owned subsidiary of CBTS Borrower.

CBTS is a Delaware limited liability company, headquartered at 25 Merchant Street, Cincinnati, OH 45246. CBTS received authorization to provide public telecommunications services in the State of Utah by the Commission on February 27, 2012, Docket No.11-2548-01.

Cincinnati Bell is an Ohio corporation, headquartered at 221 East Fourth Street, Cincinnati, OH, 45202. CBTS is an indirect subsidiary of Cincinnati Bell.

CBTS Borrower is a Delaware limited liability company, headquartered at 65 East 55th Street, 19th Floor, New York, New York 10022, that was formed for the purpose of this transaction.

On or about February 2, 2024, the Applicants entered into an equity purchase agreement where, CBTS Borrower will purchase from Cincinnati Bell all of the issued and outstanding interests of CBTS. As a result of this transaction, CBTS will no longer be a wholly-owned subsidiary of Cincinnati Bell.

The Applicants submit that the transaction 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. 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.

Conclusion

The Division has reviewed the notice filed by the Applicants for the transfer of control and 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 Division recommends the Commission acknowledge this notice.

cc: Danielle Burt, Morgan, Lewis, & Bockius LLP, Counsel for Cincinnati Bell, Inc. and CBTS Technology Solutions LLC
Heather Cameron, Vice President & General Counsel, CBTS Technology Solutions LLC
Marc A. Korman, Sidley Austin LLP, Counsel for CBTS Borrowers, LLC
Glenn Miller, Vice President and Secretary of CBTS Finance CO. LLC
Patricia Schmid, Assistant Attorney General, State of Utah
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