

STATE CORPORATION COMMISSION

2024 JUL -2 P 2: 14

AT RICHMOND, JULY 1, 2024

JOINT APPLICATION OF

CBTS BORROWER, LLC,  
CINCINNATI BELL INC.,  
and  
CBTS VIRGINIA LLC

CASE NO. PUR-2024-00059

For approval of transfer of indirect control  
of CBTS-VA to CBTS Borrower

ORDER GRANTING APPROVAL

On May 7, 2024, CBTS Borrower, LLC ("CBTS Borrower"), Cincinnati Bell Inc., ("Cincinnati Bell") and CBTS Virginia LLC ("CBTS-VA") (collectively, "Applicants"),<sup>1</sup> completed the filing of a Joint Application ("Application") with the State Corporation Commission ("Commission"), pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"),<sup>2</sup> for approval of a transfer of indirect control of CBTS-VA to CBTS Borrower ("Transfer"). The Applicants also filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure.<sup>3</sup>

CBTS-VA is authorized to provide local exchange telecommunications services in Virginia pursuant to its certificate of public convenience and necessity issued by the

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<sup>1</sup> CBTS FinanceCo, LLC; CBTS HoldingCo, LLC; CBTS Intermediate HoldingCo, LLC; CBTS IntermediateCo, Inc.; CBTS TopCo, L.P.; TI VI Armstrong Investment Aggregator, L.P.; TowerBrook Investors VI (Onshore), L.P.; TI VI Project Armstrong Co-Invest, L.P.; MIP V RF Partners L.P.; MIP V (FCC) AIV, L.P.; Macquarie Infrastructure Partners V GP LLC; Macquarie Infrastructure Partners, Inc.; Macquarie Infrastructure and Real Assets Inc.; Red Fiber Holdings LLC; RF TopCo LLC; Red Fiber Parent LLC; Neal Moszkowski; Ramez Sousou; TowerBrook Investors Ltd.; and TowerBrook Investors GP VI, L.P. are also considered Applicants in this proceeding and have provided the statutorily required verifications.

<sup>2</sup> Code § 56-88 *et seq.*

<sup>3</sup> 5 VAC 5-20-10 *et seq.*

Commission.<sup>4</sup> Pursuant to an Equity Purchase Agreement dated February 2, 2024, Cincinnati Bell will transfer indirect control of CBTS-VA to CBTS Borrower and its owners.

The Applicants state that CBTS Borrower and its owners are managerially, technically, and financially well-qualified to complete the Transfer and assume indirect ownership and control of CBTS-VA. The Applicants state that the Transfer will neither jeopardize nor impair the provision of adequate services to the public at just and reasonable rates, and that following the completion of the Transfer, CBTS-VA will continue to offer service with no change in the rates or terms and conditions of service to its customers, other than those occurring in the ordinary course of business. Lastly, information provided with the Application indicates that CBTS-VA will continue to have the financial, managerial, and technical resources necessary to provide telecommunications services in Virginia following completion of the proposed Transfer.

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Staff of the Commission ("Staff") through Staff's Action Brief, is of the opinion and finds that the above-described Transfer should be approved. The Commission also finds that the Applicants' Motion is moot, therefore, the Motion should be denied.<sup>5</sup>

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-88.1 and 56-90, the Applicants hereby are granted approval of the Transfer as described herein.

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<sup>4</sup> *Application of Cincinnati Bell Any Distance of Virginia LLC, For amended and reissued certificate of public convenience and necessity to provide local exchange telecommunications services to reflect a company name change, Case No. PUR-2017-00136, Doc. Con. Cen. No. 171120098, Order Reissuing Certificate (Nov. 8, 2017).*

<sup>5</sup> The Commission has not received a request for leave to review the confidential information submitted in this proceeding. Accordingly, we deny the Motion as moot, but direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(2) The Applicants shall file a report of action with the Commission's Document Control Center within thirty (30) days after closing of the Transfer, which shall note the date the Transfer occurred.

(3) The Applicants' Motion is denied; however, we direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(4) This case is dismissed.

A COPY hereof shall be sent electronically by the Clerk of the Commission to all persons on the official Service List in this matter. The Service List is available from the Clerk of the Commission.

KIMBERLY B. PATE  
DIRECTOR

PATRICK W. CARR  
DEPUTY DIRECTOR

SCOTT C. ARMSTRONG  
DEPUTY DIRECTOR

ANDREA B. MACGILL  
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## STATE CORPORATION COMMISSION DIVISION OF UTILITY ACCOUNTING AND FINANCE

### ACTION BRIEF

Application Filed: 5/7/24

Report Date: 6/17/24

Order Due Date: 7/5/24

Case No.: PUR-2024-00059

**Application:** CBTS Borrower, LLC ("CBTS Borrower"), Cincinnati Bell Inc. ("Cincinnati Bell"), and CBTS Virginia LLC ("CBTS-VA") (collectively " Applicants"), filed a Joint Application ("Application") for approval of a transfer of indirect control of CBTS-VA to CBTS Borrower (the "Transfer"), pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Code").<sup>1</sup>

**Analysis:** Upon review of the Application and the representations of the Applicants, as described in Staff's analysis in the attached Appendix, Staff believes that CBTS-VA will retain the financial, managerial, and technical resources necessary to render telecommunications services in Virginia. Therefore, the Transfer appears to meet the standard of the Utility Transfers Act.

**Recommendation:** Staff recommends approval of the Application with a report of action due within thirty (30) days of the closing of the Transaction. The Division of Public Utility Regulation has reviewed the Application and does not object to approval of the Transfer.

Dorothy Raju, Utility Specialist

Karen Robinson, Senior Utilities Analyst

<sup>1</sup> Code § 56-88 *et seq.* ("Utility Transfers Act").

## APPENDIX

### STAFF ANALYSIS

#### APPLICATION:

On May 7, 2024, the Applicants<sup>2</sup> completed the filing of the Application with the State Corporation Commission ("Commission"), pursuant to the Utility Transfers Act, requesting approval of the proposed Transfer, which will result in the sale of CBTS LLC<sup>3</sup> (the indirect parent of CBTS-VA)<sup>4</sup> from Cincinnati Bell to CBTS Borrower.<sup>5</sup>

The Applicants assert that the Transfer will not involve any change to the operations of CBTS-VA. CBTS-VA will continue to provide services to customers without interruption or changes to the rates, terms, and conditions of service.<sup>6</sup> The Applicants further state that CBTS-VA will continue to provide services to the public at just and reasonable rates and that the Transfer will not impede competition.<sup>7</sup> The Applicants assert that CBTS Borrower and its owners will have the financial, managerial, and technical resources to provide to CBTS-VA necessary to provide telecommunications services in Virginia.<sup>8</sup>

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<sup>2</sup> CBTS Borrower, LLC, CBTS FinanceCo, LLC, CBTS HoldingCo, LLC, CBTS Intermediate HoldingCo, LLC, CBTS IntermediateCo, Inc., CBTS TopCo, L.P., TI VI Armstrong Investment Aggregator, L.P., TowerBrook Investors VI (Onshore), L.P., TI VI Project Armstrong Co-Invest, L.P. are also considered Applicants in this proceeding and have provided the statutorily required verifications. *See* Application at 4, n.3. On May 7, 2024, the Applicants provided statutorily required verifications for MIP V RF Partners L.P., MIP V (FCC) AIV, L.P., Macquire Infrastructure Partners Inc., Macquire Infrastructure and Real Assets Inc., Red Fiber Holdings LLC, RF TopCo LLC, Red Fiber Parent, LLC, Neal Moszkowski, Ramez Sousou, TowerBrook Investors LTD., TI VI Armstrong Investment Aggregator, L.P., TowerBrook Investors VI (Onshore), L.P., TowerBrook Investors GP VI, L.P., and TI VI Project Armstrong Co-Invest, L.P., in the Supplement to the Application ("Supplemental Filing"). *See* Supplemental Filing at 1, n.2. These entities are also considered Applicants in this proceeding.

<sup>3</sup> *See* Application at 4.

<sup>4</sup> *See Application of Cincinnati Bell Any Distance of Virginia LLC, For amended and reissued certificate of public convenience and necessity to provide local exchange telecommunications services to reflect a company name change*, Case No. PUR-2017-00136, Doc. Con. Cen. No. 171120098, Order Reissuing Certificate (Nov. 8, 2017) (granting Certificate No. T-699a). *See also Application of Cincinnati Bell Any Distance of Virginia LLC, For a certificate of public convenience and necessity to provide local exchange telecommunications services*, Case No. PUC-2010-00005, 2010 S.C.C. Ann. Rept. 237, Final Order (Jun. 1, 2010) (granting Certificate No. T-699).

<sup>5</sup> The Applicants provided a second supplemental filing with updated pre- and post-transaction charts to reflect the upstream pro forma restructuring completed as of April 4, 2024.

<sup>6</sup> *See* Application at 5.

<sup>7</sup> *See id.*; Exhibit B (Transaction Summary) at 2.

<sup>8</sup> *See* Application at 5.

**CONCLUSION/RECOMMENDATION:**

Upon review of the Application and the representations of the Applicants, Staff believes CBTS-VA will retain the financial, managerial, and technical resources necessary to render telecommunications services in Virginia following the completion of the Transfer. Therefore, the Transfer appears to meet the standard of the Utility Transfers Act. Accordingly, Staff recommends approval of the Application with a report of action due within thirty (30) days of the effective date of the Transfer. The Division of Public Utility Regulation has reviewed the Application and does not object to approval.