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LA Public Service Commission

March 19, 2024

Via Overnight Courier

Brandon Frey, Executive Secretary
Louisiana Public Service Commission
Galvez Building, 12th Floor
602 North Fifth Street
Baton Rouge, Louisiana 70821
lpsc.records@la.gov

RE: Section 301.M Request Regarding the Proposed Transfer of Indirect Control of CBTS Technology Solutions LLC to CBTS Borrower, LLC

Dear Mr. Frey:

CBTS Borrower, LLC ("CBTS Borrower"), Cincinnati Bell Inc. ("Cincinnati Bell"), and CBTS Technology Solutions LLC ("CBTS-TS," and collectively with CBTS Borrower and Cincinnati Bell, the "Parties"), by undersigned representatives and pursuant to Section 301.M of the Local Competition Regulations and the Louisiana Public Service Commission's ("Commission") December 14, 2006 General Order,¹ to the extent required, request approval for CBTS Borrower to acquire ownership and indirect control of CBTS-TS (the "Transaction"). In support of this filing, the Parties provide the following information:

Description of the Parties

A. CBTS Borrower, LLC ("CBTS Borrower")

CBTS Borrower is a Delaware limited liability company, located in care of TowerBrook Capital Partners L.P. ("TowerBrook"), Park Avenue Tower, 65 East 55th Street, 19th Floor, New York, New York 10022, that was recently formed for the purpose of the Transaction. CBTS Borrower is an indirect subsidiary of TowerBrook's Fund VI fund family and is ultimately controlled by TowerBrook Investors, Ltd.²

TowerBrook, formed on February 4, 2005 and a registered investment advisor with the U.S. Securities and Exchange Commission, is a Delaware limited partnership with headquarters in London and New York City and offices in Madrid and Paris. Having raised more than \$23.2 billion to date for investments in private equity, structured opportunities and impact opportunities through its family of funds, TowerBrook has active investments in a variety of sectors including

¹ In re: *Telephone Service Provider Applications Procedures and Local Competition Regulations*, General Order (Dec. 14, 2006).

² TowerBrook Investors, Ltd. currently has two owners with 49.9% of the vote each: Neal Moszkowski (a United States citizen) and Ramez Sousou (a United Kingdom citizen). However, planned future ownership changes during the pendency of this application will have additional individuals own more than 10% of TowerBrook Investors, Ltd. These are Jonathan Bilzin (a United States Citizen) and Karim Saddi (a France Citizen).

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consumer products, financial services, healthcare, industrial, technology, and media. More information about TowerBrook can be found on its website at www.towerbrook.com.

B. Cincinnati Bell, Inc. ("Cincinnati Bell")

Cincinnati Bell, the indirect parent of CBTS-TS, is an Ohio corporation headquartered at 221 East Fourth Street, Cincinnati, OH 45202. Cincinnati Bell (doing business as "altafiber" in Ohio, Indiana and Kentucky), through its subsidiaries, delivers integrated communications solutions to residential and business customers over its fiber-optic network including high-speed internet, video, voice and data. Cincinnati Bell also provides service in Hawaii under the brand Hawaiian Telcom. More detail about Cincinnati Bell can be found at www.cincinnati-bell.com.

Cincinnati Bell is wholly owned by Red Fiber Parent LLC, a Delaware limited liability company. Red Fiber Parent LLC is majority owned indirectly by MIP V (FCC) AIV, L.P., a Delaware limited partnership, a fund managed by a member of Macquarie Infrastructure and Real Assets Inc. Red Fiber Parent LLC is also minority owned indirectly by certain alternative investment vehicles ("AIVs") managed by (i) the Private Equity Group of Ares Management Corporation and (ii) REST US Infrastructure No. 2 Trust.

C. CBTS Technology Solutions LLC ("CBTS-TS")

CBTS-TS, an indirect subsidiary of Cincinnati Bell, is a Delaware limited liability company headquartered at 25 Merchant St., Cincinnati, OH 45246. In Louisiana, CBTS-TS, formerly known as Cincinnati Bell Any Distance, Inc., is authorized by the Commission to provide competitive local exchange and resold interexchange telecommunications services pursuant to Docket No. S-27692, Certificate Number TSP00082-F.³

³ The Certificate was originally issued to Cincinnati Bell Any Distance, Inc. ("CBAD"). Subsequently, CBAD notified the Commission of its name change to CBTS Technology Solutions LLC, and the Commission issued the Certificate reflecting the name change on December 6, 2017. See *Cincinnati Bell Any Distance, Inc. – Notification of Name Change, Letter*, Docket No. S-34702 (December 6, 2017).

Designated Contacts

Questions, correspondence or other communications concerning this filing should be directed to:

For Cincinnati Bell and CBTS-TS:

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For CBTS Borrower:

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With a copy for Cincinnati Bell and CBTS-TS to: *With a copy for CBTS Borrower to:*

Heather Cameron
Vice President & General Counsel
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CBTS Borrower, LLC
c/o TowerBrook Capital Partners L.P.
Park Avenue Tower
65 East 55th Street
New York, New York 10022
Tel: 212-699-2218
glenn.miller@towerbrook.com

Description of the Transaction

Pursuant to the Equity Purchase Agreement (the "Agreement"), dated February 2, 2024, by and among CBTS Borrower, Cincinnati Bell, and CBTS LLC (a Delaware limited liability company and a direct subsidiary of Cincinnati Bell and the direct parent of CBTS-TS), Cincinnati Bell will sell to CBTS Borrower, and CBTS Borrower will purchase from Cincinnati Bell, all of the issued and outstanding limited liability company interests of CBTS LLC. Thus, as a result of the Transaction, CBTS LLC and CBTS-TS will no longer be wholly owned subsidiaries of Cincinnati Bell, and instead will become wholly owned subsidiaries of CBTS Borrower. For the Commission's reference, diagrams depicting the current and post-Transaction corporate ownership structures are provided in **Exhibit A**.

Public Interest Considerations

Applicants submit that the Transaction is in the public interest. The Transaction facilitates CBTS-TS's growth into a stand-alone IT Services Company focused on supporting enterprise business customers with solutions and services including Application Modernization, Cybersecurity, IT Consulting, Cloud, Unified Communications, and Infrastructure Solutions. CBTS Borrower and its

owners are managerially, technically, and financially well-qualified to complete the Transaction and assume indirect ownership and control of CBTS-TS and accelerate its growth prospects as a stand-alone IT services company. The transaction is also expected to provide CBTS-TS access to new markets and expand its portfolio of products and services.

CBTS Borrower will be able to call on TowerBrook's expertise as it acquires ownership of CBTS-TS. As explained above, TowerBrook has raised more than \$23.2 billion to date for investments in private equity, structured opportunities and impact opportunities through its family of funds; it has investments in a variety of sectors including consumer products, financial services, healthcare, industrial, technology, and media. Thus, TowerBrook possesses substantial and valuable experience and will bring to bear its full managerial expertise and extensive industry relationships in directing the operations of CBTS-TS.

CBTS Borrower's acquisition of CBTS-TS will not diminish competition because the Transaction will not eliminate any telecommunications service provider in any geographic area. CBTS-TS will continue to provide services to existing customers without interruption or changes to the rates, terms and conditions of service, and will continue to face vigorous competition in each of the markets it serves.

Thus, the Transaction promotes the public interest by providing significant benefits to Louisiana customers and should therefore be approved by the Commission.

Conclusion

For the foregoing reasons, the Parties submit that the public interest, convenience, and necessity would be furthered by publishing notice in the Commission's next available Official Bulletin, with a 15-day intervention period, so that this filing will be deemed approved as soon as possible.

An original and two (2) copies of this filing are enclosed. Please date-stamp the extra copy and return it in the envelope provided. Please do not hesitate to contact us if you have any questions.

Respectfully submitted,

/s/ Danielle Burt

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Joshua M. Bobeck
Danielle Burt
Leetal Weiss
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Counsel to Cincinnati Bell and CBTS-TS

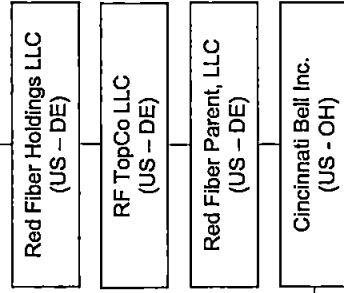
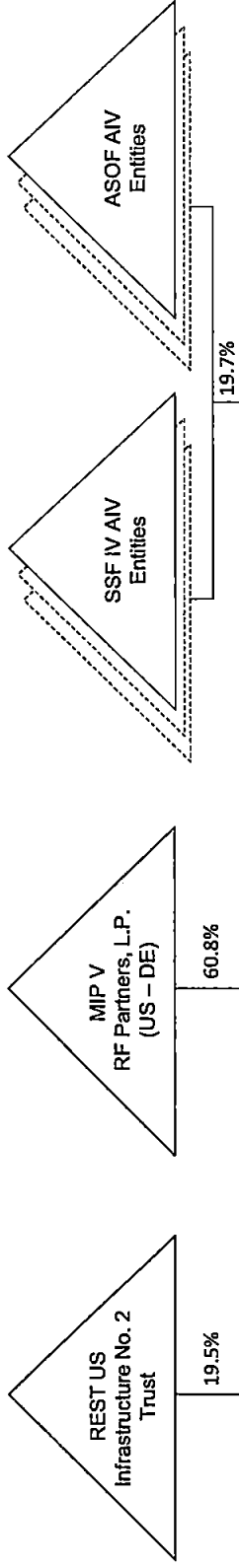
/s/ Marc A. Korman

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mkorman@sidley.com

Counsel to CBTS Borrower

EXHIBIT A

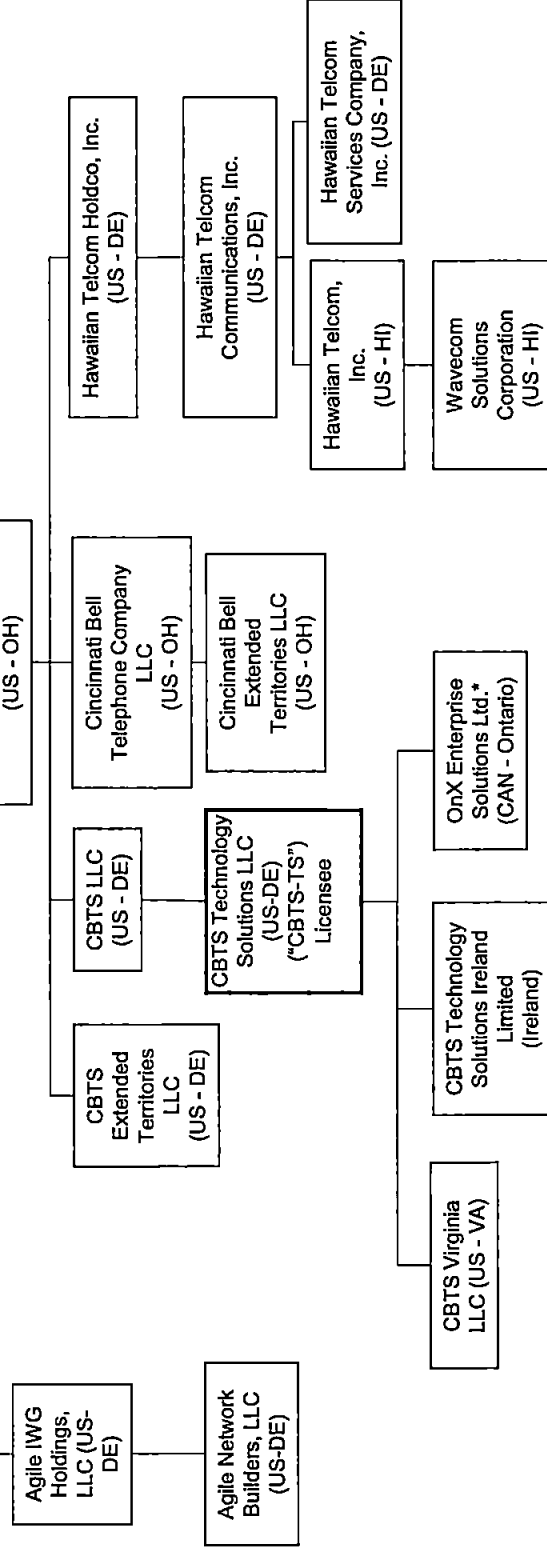
Current and Post-Transaction Corporate Ownership Structures



CBTS-Technology Services LLC ("CBTS-TS")

Pre-Close Ownership Chart

(Percentages identified are equity interests directly held in the entity below.)



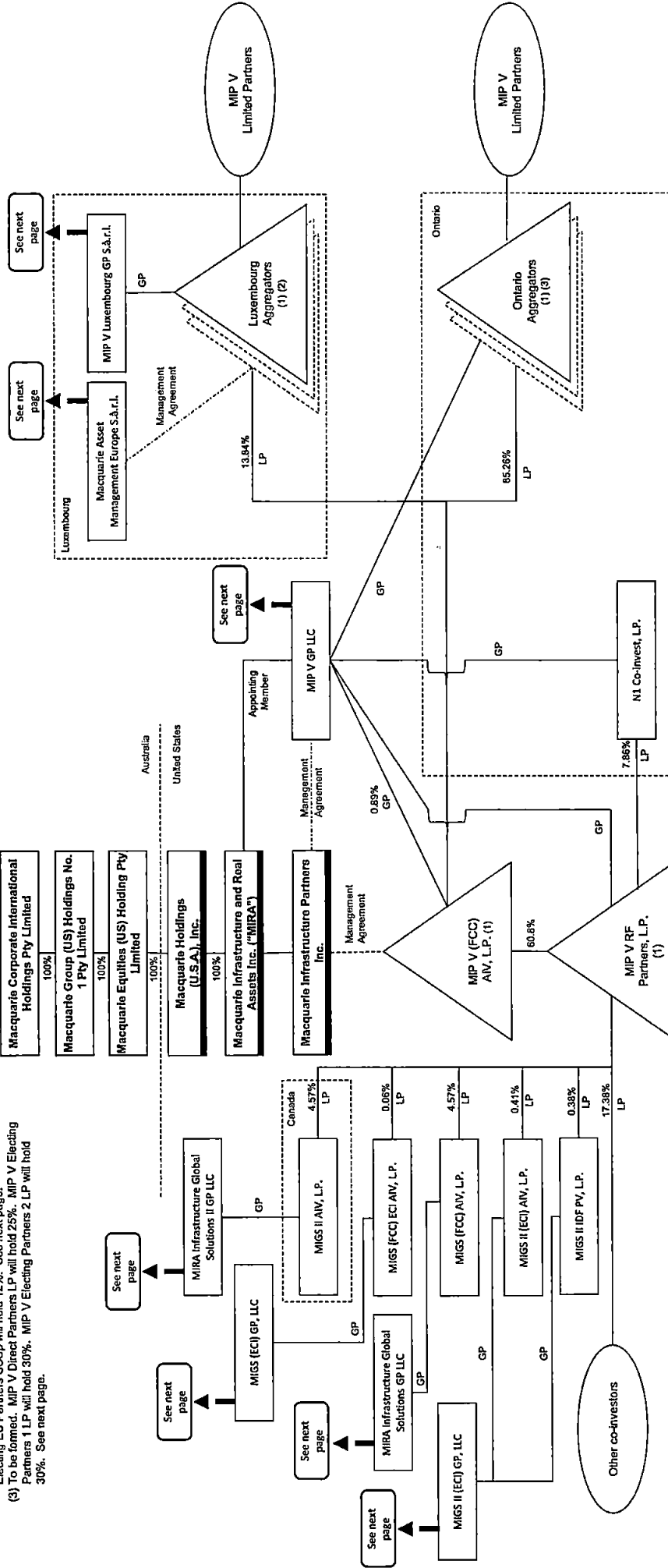
The entities listed herein only include those affiliates of Cincinnati Bell that (1) hold authorization to provide intrastate, interstate or international telecommunications services, or (2) are in the chain of ownership of those entities described in (1).

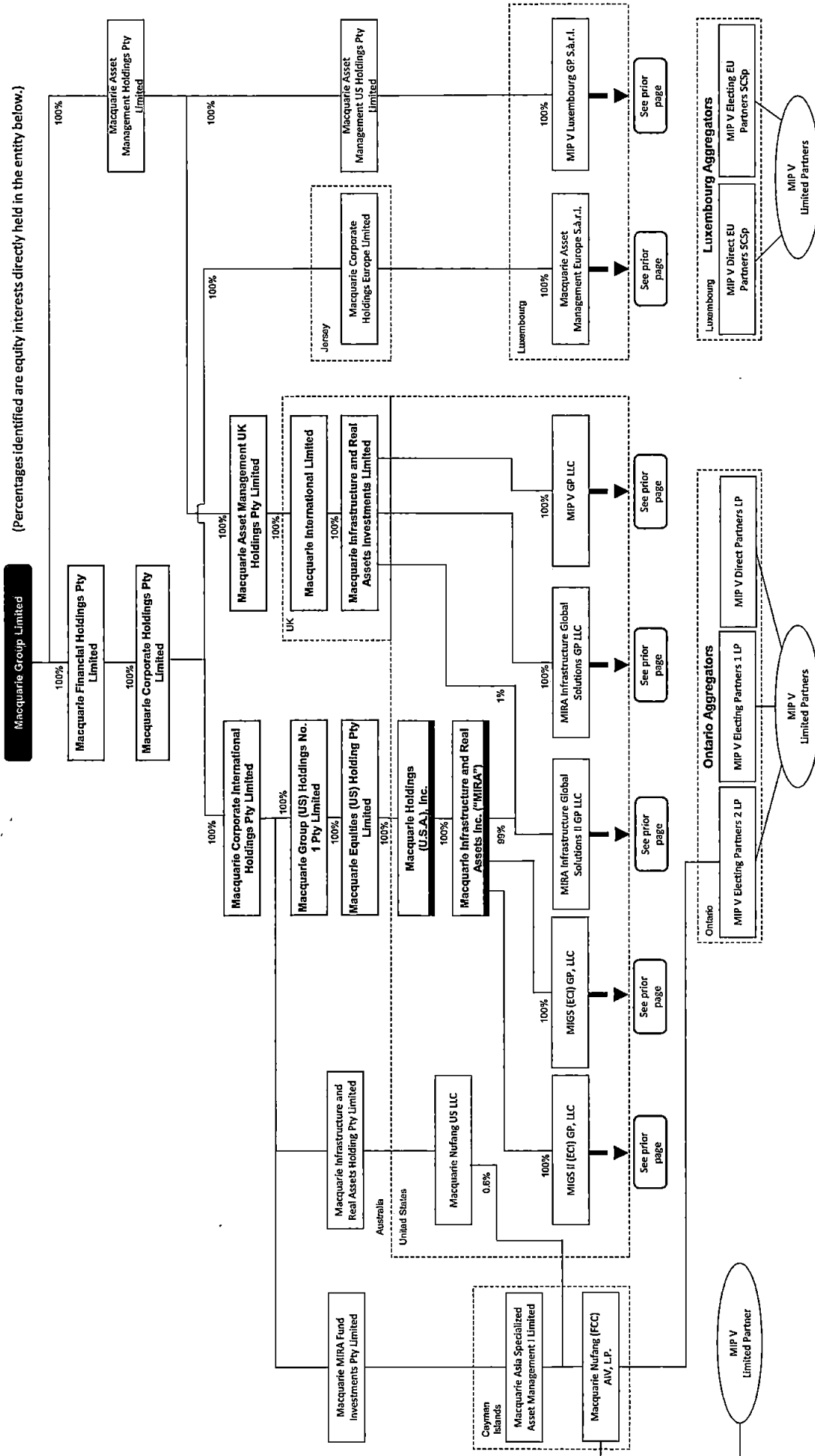
*Licensed by the Canadian Radio-television and Telecommunications Commission (CRTC) to provide Basic International Telecommunications Services, as a Reseller of Telecommunications Services, and as a Reseller of High Speed Retail Internet Service.

Macquarie Group Limited	100%
Macquarie Financial Holdings Pty Limited	100%
Macquarie Corporate Holdings Pty Limited	100%
Macquarie Corporate International Holdings Pty Limited	100%
Macquarie Group (US) Holdings No. 1 Pty Limited	100%
Macquarie Equities (US) Holding Pty Limited	100%

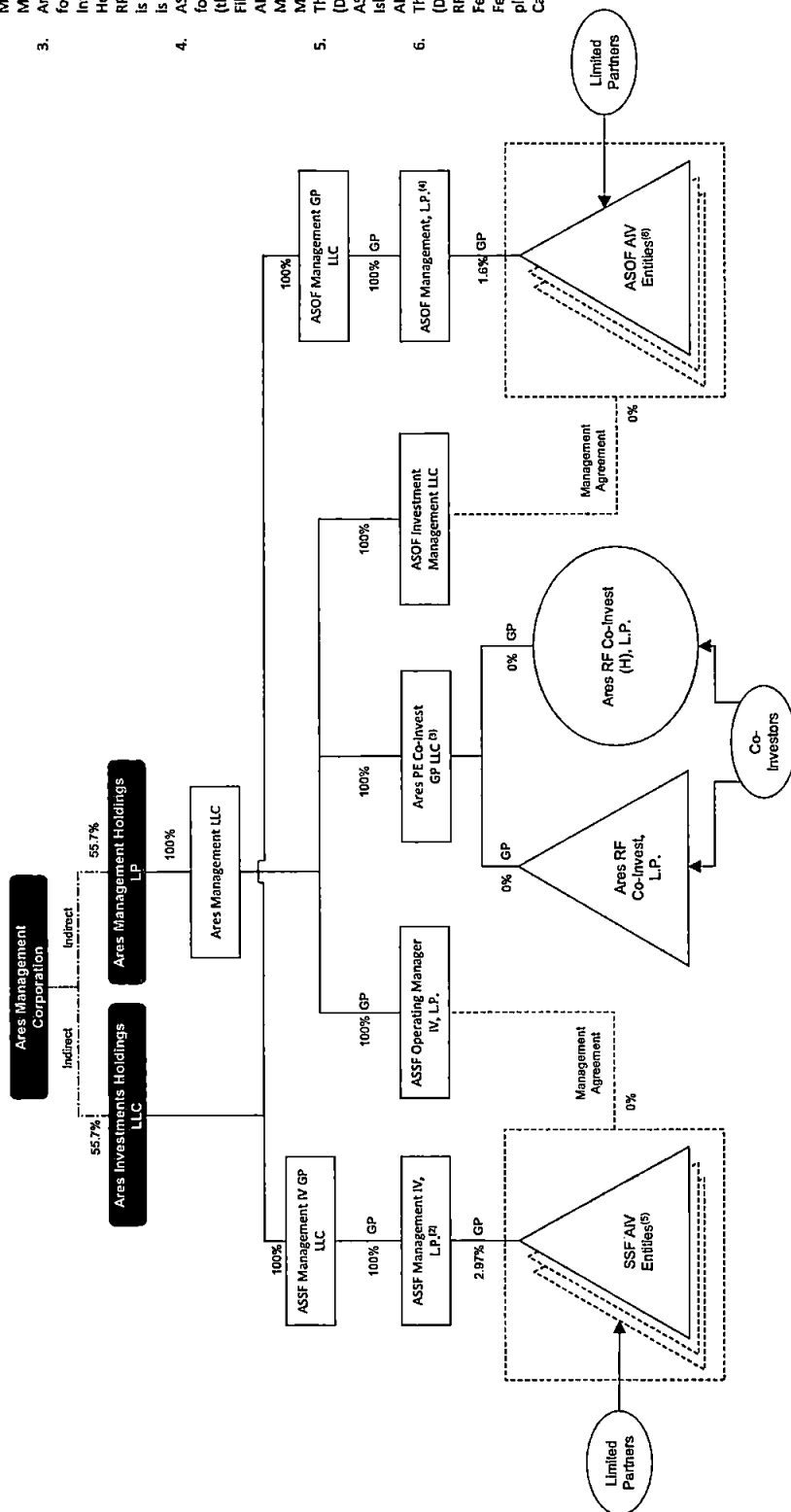
(Percentages identified are equity interests directly held in the entity below.)

- (1) Third-party limited partners hold insulated interests in this entity. These limited partners have investor protections consistent with insulation criteria in Section 1.5003 of the FCC's rules, with the Macquarie-owned general partner retaining control of such partnership.
- (2) To be formed. MIP V Direct EU Partners SCSp will hold 3% and MIP V Electing EU Partners SCSp will hold 12%. See next page.
- (3) To be formed. MIP V Direct Partners LP will hold 25%. MIP V Electing Partners 1 LP will hold 30%. MIP V Electing Partners 2 LP will hold 30%. See next page.

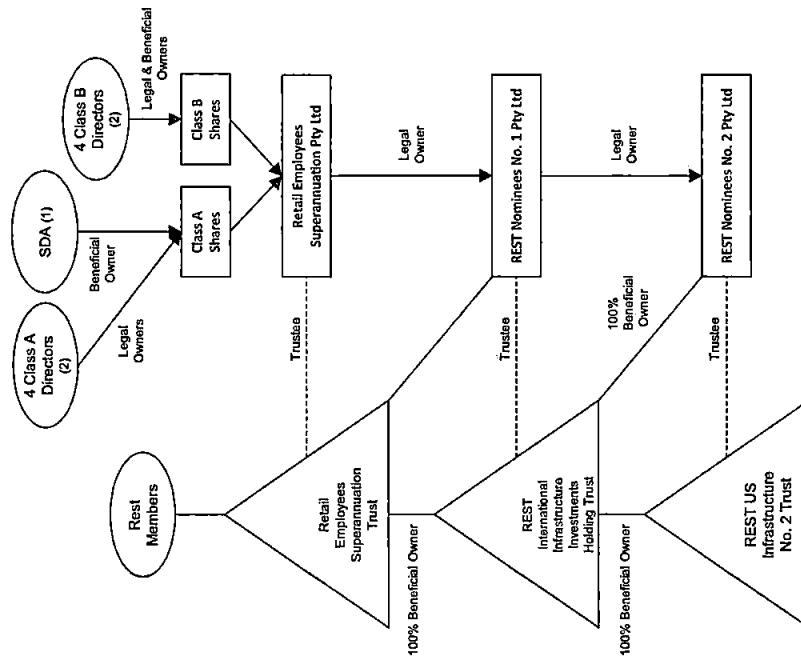




(Percentages identified are equity interests directly held in the entity below. Interests are approximate and subject to change based on additional passive investment.)



1. Note that for all entities shown, except for the SSF AIV Entities and ASOF AIV Entities, the place of incorporation/formation is Delaware and the principal place of business is California.
2. ASOF Management LP, L.P. formed or caused to be formed multiple alternative investment vehicles (the "SSF AIV Entities") to hold interests in Red Fiber Holdings LLC. The management of the SSF AIVs is delegated to ASOF Operating Manager LP, L.P., whose general partner is Ares Management LLC.
3. Ares PE Co-Invest GP LLC formed or caused to be formed Ares RF Co-Invest, L.P. and Ares RF Co-Invest (H), L.P. to hold interests in Red Fiber Holdings LLC. The general partner of each of Ares RF Co-Invest, L.P. and Ares RF Co-Invest (H), L.P., is Ares PE Co-Invest GP LLC, whose sole member is Ares Management LLC.
4. ASOF Management, L.P. formed or caused to be formed multiple alternative investment vehicles (the "ASOF AIV Entities") to hold interests in Red Fiber Holdings LLC. The management of the ASOF AIVs is delegated to ASOF Investment Management LLC, whose sole member is Ares Management LLC.
5. The SSF AIV Entities are: ASOF IV RF AIV 1, L.P. (Delaware); ASOF IV RF AIV B1, L.P. (Delaware); ASOF IV RF Cayman Feeder 1, L.P. (Cayman Islands); the principal place of business of the SSF AIVs is California.
6. The ASOF AIV Entities are: ASOF RF AIV 1, L.P. (Delaware); ASOF RF AIV 2, L.P. (Delaware); ASOF RF AIV B1, L.P. (Delaware); ASOF RF Cayman Feeder 1, L.P. (Cayman Islands); ASOF RF Cayman Feeder 2, L.P. (Cayman Islands). The principal place of business of the ASOF AIV Entities is California.



(1) SDA is the Shop, Distributive and Allied Employees' Association
 (2) Refer to list of Rest Board of Directors for Class A and Class B Directors Identified in the Application in response to 47 C.F.R. § 63.18(i)

(Percentages identified are equity interests directly held in the entity below.)

The organizational chart illustrates the corporate structure of TowerBrook Investors, Ltd. (Cayman Islands) and its various subsidiaries. At the top is TowerBrook Investors, Ltd. (Cayman Islands), which is the General Partner (GP) of three entities: TowerBrook Investors GP VI, L.P. (Cayman Islands), TowerBrook Investors GP VI (Alberta), L.P. (Alberta, Canada), and TowerBrook Investors VI (Onshore), L.P. (Cayman Islands). TowerBrook Investors GP VI, L.P. (Cayman Islands) is the GP of TowerBrook Investors VI (Onshore), L.P. (Cayman Islands). TowerBrook Investors GP VI (Alberta), L.P. (Alberta, Canada) is the GP of TI VI Project Armstrong Co-Invest, L.P. (DE). TowerBrook Investors VI (Onshore), L.P. (Cayman Islands) is a 30.5% Equity, LP of TI VI Armstrong Investment Aggregator, L.P. (DE). TI VI Project Armstrong Co-Invest, L.P. (DE) is a 39.6% Equity, LP of TI VI Armstrong Investment Aggregator, L.P. (DE). TowerBrook Investors VI (892), L.P. (Cayman Islands) is a 12.3% Equity, LP of TI VI Armstrong Investment Aggregator, L.P. (DE). TI VI Armstrong Investment Aggregator, L.P. (DE) is a 89.5% Equity and 100% Voting, GP of CBTS TopCo, L.P. (DE). CBTS TopCo, L.P. (DE) is a 100% Owner of CBTS IntermediateCo, Inc. (DE). CBTS IntermediateCo, Inc. (DE) is a 100% Member of CBTS Intermediate HoldingCo, LLC (DE). CBTS Intermediate HoldingCo, LLC (DE) is a 100% Member of CBTS HoldingCo, LLC (DE). CBTS HoldingCo, LLC (DE) is a 100% Member of CBTS FinanceCo, LLC (DE). CBTS FinanceCo, LLC (DE) is a 100% Member of CBTS Borrower, LLC (DE). CBTS Borrower, LLC (DE) is a 100% Member of CBTS LLC (DE). CBTS LLC (DE) is a 100% Member of CBTS Technology Solutions LLC (DE).

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graph TD
    TB[TowerBrook Investors, Ltd.  
(Cayman Islands)] -- GP --> TBGPVI[TowerBrook Investors GP VI, L.P.  
(Cayman Islands)]
    TB -- GP --> TBGPVIAlberta[TowerBrook Investors GP VI (Alberta), L.P.  
(Alberta, Canada)]
    TB -- GP --> TBVIOnshore[TowerBrook Investors VI (Onshore), L.P.  
(Cayman Islands)]
    
    TBGPVI -- GP --> TBGPVIOnshore
    TBGPVIAlberta -- GP --> TIVIPAC[TI VI Project Armstrong Co-Invest, L.P.  
(DE)]
    
    TBGPVIOnshore -- GP --> TBVIOnshore
    TBGPVIOnshore -- 30.5% Equity, LP --> TIVI[TI VI Armstrong Investment Aggregator, L.P. (DE)]
    TIVIPAC -- 39.6% Equity, LP --> TIVI
    TBVI892[TowerBrook Investors VI (892), L.P. (Cayman Islands)] -- 12.3% Equity, LP --> TIVI
    
    TIVI -- "89.5% Equity and 100% Voting, GP" --> CBTSTopCo[CBTS TopCo, L.P. (DE)]
    CBTSTopCo -- 100% Owner --> CBTSIntermediateCo[CBTS IntermediateCo, Inc. (DE)]
    CBTSIntermediateCo -- 100% Member --> CBTSIntermediateHoldingCo[CBTS Intermediate HoldingCo, LLC (DE)]
    CBTSIntermediateHoldingCo -- 100% Member --> CBTSHoldingCo[CBTS HoldingCo, LLC (DE)]
    CBTSHoldingCo -- 100% Member --> CBTSFinanceCo[CBTS FinanceCo, LLC (DE)]
    CBTSFinanceCo -- 100% Member --> CBTSBorrower[CBTS Borrower, LLC (DE)]
    CBTSBorrower -- 100% Member --> CBTSLLC[CBTS LLC (DE)]
    CBTSLLC -- 100% Member --> CBTSTechnologySolutions[CBTS Technology Solutions LLC (DE)]
  
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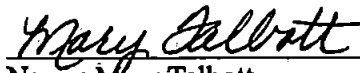
*These are the current and planned 10% or greater interest holders. The names in *italics* are expected to acquire their ownership during the pendency of the application.

VERIFICATIONS

VERIFICATION

I, Mary Talbott, state that I am Chief Legal Officer of Cincinnati Bell Inc. and its subsidiary CBTS Technology Solutions LLC (the "Company"); that I am authorized to make this Verification on behalf of the Company; that the foregoing filing was prepared under my direction and supervision; and that the contents thereof and the certifications contained therein with respect to the Company are true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 19th day of March, 2024.



Name: Mary Talbott
Title: Chief Legal Officer
Cincinnati Bell Inc.
CBTS Technology Solutions LLC

VERIFICATION

I, Glenn Miller, state that I am Vice President and Secretary of CBTS Finance Co, LLC, the Managing Member of CBTS Borrower, LLC; that I am authorized to make this Verification on behalf of CBTS Borrower, LLC; that the foregoing filing was prepared under my direction and supervision; and that the contents thereof and the certifications contained therein with respect to CBTS Borrower, LLC are true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 14th day of March, 2024.



Name: Glenn Miller
Vice President and Secretary of CBTS Finance Co,
LLC, Managing Member of CBTS Borrower, LLC