

February 5, 2021

Via Electronic Filing

Patricia Van Gerpen, Executive Director
South Dakota Public Utilities Commission
500 East Capital Avenue
Pierre, South Dakota 57501

RE: Notification Regarding the Transfer of Indirect Control of CBTS Technology Solutions LLC to Red Fiber Parent LLC

Dear Ms. Van Gerpen:

Red Fiber Parent LLC ("Red Fiber Parent" or "Transferee"), Cincinnati Bell Inc. ("Cincinnati Bell" or "Transferor"), and CBTS Technology Solutions LLC ("CBTS") (collectively, the "Parties"), by undersigned counsel, notify the Commission of the proposed transfer of indirect control of CBTS to Transferee (the "Transaction"). Pursuant to SDCL § 49-31-20, prior Commission action is not required for the Transaction. Accordingly, the Parties submit this letter for informational purposes.

Description of the Parties

A. Red Fiber Parent LLC

Red Fiber Parent is a Delaware limited liability company that has been established as an acquisition vehicle for purposes of the Transaction (defined below). At closing of the Transaction, Red Fiber Parent will be majority owned indirectly by MIP V RF Partners, L.P., a Delaware limited partnership ("MIP V RF Partners"). MIP V RF Partners will, in turn, be controlled by its general partner Macquarie Infrastructure Partners V GP, LLC ("MIP V GP"). MIP V GP is also the general partner of MIP V (FCC) AIV, L.P., a Delaware limited partnership ("MIP V"), which holds a direct interest in MIP V RF Partners. MIP V GP is an entity within Macquarie Infrastructure and Real Assets ("MIRA"), which is a division of Macquarie Asset Management, an operating group within Macquarie Group Limited ("MGL"). MIRA is a global alternative asset manager with experience investing in the communications infrastructure industry. For more than two decades, MIRA has partnered with investors, governments, and communities to manage, develop, and enhance assets relied on by more than 100 million people each day. As of June 30, 2020, MIRA managed \$141.90 billion in assets under management (based on proportionate enterprise value), of which \$111.58 billion were invested in infrastructure assets. MIRA's ultimate parent is MGL, a publicly traded company incorporated in Australia. MGL is a diversified financial group providing clients with asset management and finance, banking, advisory, and risk and capital solutions across debt, equity, and commodities.

At closing of the Transaction, Red Fiber Parent will also be minority owned indirectly by (i) certain alternative investment vehicles managed by the Private Equity Group of Ares Management Corporation ("Ares Management"), and (ii) Retail Employees Superannuation Trust ("REST"), an

Australian superannuation fund managed by Retail Employees Superannuation Pty Limited ("Rest Trustee"), as trustee of the fund.¹

Ares Management is a global alternative investment manager operating three integrated businesses across Credit, Private Equity, and Real Estate. Ares Management's global platform had \$149 billion of assets under management as of March 31, 2020 and employs approximately 1,200 employees in over 20 offices in more than 10 countries. The interests in Red Fiber Parent indirectly held by Ares Management will be held by (i) alternative investment vehicles (the "SSF AIVs") controlled by ASSF Management IV, L.P., a Delaware limited partnership, as the general partner of the SSF AIVs, (ii) alternative investment vehicles (the "ASOF AIVs") controlled by ASOF Management, L.P., a Delaware limited partnership, as the general partner of the ASOF AIVs, and (iii) alternative investment vehicles (the "Ares Co-Invest AIVs", and together with the SSF AIVs and the ASOF AIVs, the "Ares AIVs") controlled by Ares PE Co-Invest GP LLC, a Delaware limited partnership, as the general partner of the Ares Co-Invest AIVs.

REST is a widely held Australian public offer pension fund managing over AUD 52 billion (USD \$36 billion) on behalf of approximately 1.7 million members. REST's indirect interest in Red Fiber Parent will be held by Rest Nominees No. 2 Pty Ltd as trustee for the REST US Infrastructure No. 2 Trust ("Rest Immediate Entity"). The Rest Immediate Entity is a special purpose investment vehicle whose sole beneficiary is REST Nominees No. 1 Pty Ltd as trustee for REST International Infrastructure Investments Holding Trust ("Rest Intermediate Entity"). The sole beneficiary of the Rest Intermediate Entity is REST, which is managed by the Rest Trustee, in its capacity as the trustee of REST.

B. Cincinnati Bell Inc. and CBTS Technology Solutions LLC

CBTS is a Delaware limited liability company, with its principal business address at 221 East 4th Street, 103-1080, Cincinnati, OH 45201. In South Dakota, CBTS is authorized to provide local exchange services pursuant to Certificate of Authority granted in TC 94-430 granted on December 30, 2003.²

CBTS is an indirect wholly owned subsidiary of Cincinnati Bell (NYSE: CBB), an Ohio corporation. Cincinnati Bell is a publicly traded company, trading under the ticker symbol CBB on the New York Stock Exchange. Through its various subsidiaries, Cincinnati Bell provides high-speed data, video and voice solutions to residential customers and businesses over an expanding fiber network and legacy copper network. More detail about Cincinnati Bell can be found at www.cincinnati-bell.com.

¹ A superannuation fund is a form of regulated pension plan established under Australian law where the employer makes statutory contributions on behalf of its employees to provide for the employees' retirement, where contributions to the fund, earnings on fund investments, and withdrawals from the fund may attract certain tax concessions.

² The Certificate of Authorization was initially granted to Cincinnati Bell Any Distance Inc. Cincinnati Bell Any Distance Inc. changed its name to CBTS which the Commission took notice on November 16, 2017. See *Notification of Cincinnati Bell Any Distance Inc. regarding Name Change to CBTS Technology Solutions LLC*, 2017 Info TC 1162.

Designated Contacts

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

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Description of the Transaction

Pursuant to the Agreement and Plan of Merger (the "Agreement"), dated March 13, 2020, by and among Red Fiber Parent, RF Merger Sub Inc. ("Merger Sub"), and Cincinnati Bell, Merger Sub will merge with and into Cincinnati Bell (the "Transaction"), and, as a result of such merger, Red Fiber Parent will acquire all of the outstanding shares of common stock of Cincinnati Bell, which shares will be converted into the right to receive \$15.50 per share in cash at closing of the Transaction.³

Merger Sub, an Ohio corporation formed for the purposes of the Transaction, is a direct, wholly owned subsidiary of Red Fiber Parent, a Delaware limited liability company. More specifically, upon closing of the Transaction, Merger Sub will merge with and into Cincinnati Bell, whereupon the separate existence of Merger Sub will cease and Cincinnati Bell will be the surviving corporation in the merger. Cincinnati Bell will then be a direct wholly owned subsidiary of Red Fiber Parent. As a result of the Transaction, CBTS will become an indirect subsidiary of Red Fiber Parent. The corporate structure of Cincinnati Bell will otherwise not change.

Following the proposed Transaction, Red Fiber Parent will own directly 100% of the stock of Cincinnati Bell. The sole member of Red Fiber Parent is RF Topco LLC ("TopCo"), a Delaware limited liability company formed at the direction of MIP V. The sole member of TopCo is Red Fiber Holdings LLC ("RF Holdings"), a Delaware limited liability company. At the closing of the Transaction, RF Holdings will be majority owned by MIP V RF Partners, which is controlled by a member of MIRA as described above. RF Holdings will also be minority owned indirectly by (i) the Ares AIVs, and (ii) REST.

The respective expected membership interests owned at closing of the Transaction by MIP V RF Partners, the Ares AIVs, and Rest Immediate Entity may be subject to change prior to or shortly after closing of the Transaction based on additional equity investment by affiliates of one or more of these entities resulting from passive indirect investments as provided in the next paragraph.

Additionally, passive investors will hold indirect equity interests through limited partnership interests in MIP V RF Partners or MIP V (or an affiliate entity) or the Ares AIVs, or membership interests in REST. Passive investors holding indirect equity interests through limited partnership interests will have usual and customary minority investor rights and protections, but will have no voting or control rights regarding Red Fiber Parent, Cincinnati Bell, or CBTS. Passive investors holding membership interests in REST will also have no voting or control rights regarding Red Fiber Parent, Cincinnati Bell, or CBTS.

For the Commission's reference, diagrams depicting the pre- and post-Transaction corporate ownership structures are provided in **Exhibit A**.

Public Interest Considerations

The Parties submit that the Transaction is in the public interest. Red Fiber Parent and its owners are managerially, technically, and financially well-qualified to complete the Transaction and

³ On May 7, 2020, at a virtual special meeting, Cincinnati Bell's shareholders approved the Transaction and all related proposals. For further details please see <https://d18rn0p25nwr6d.cloudfront.net/CIK-0000716133/451aab4d-c329-4118-b36a-9be39271f976.pdf>.

assume indirect ownership and control of CBTS, which will continue to be a subsidiary of Cincinnati Bell under the ownership of Red Fiber Parent. CBTS is expected to continue to be managed and operated by the same officers and key personnel. CBTS will continue to have the managerial, technical, and financial qualifications to provide high quality telecommunications services to customers in South Dakota. Cincinnati Bell's existing management team would be supplemented with the managerial capabilities and resources of Red Fiber Parent and its owners. MIRA and its affiliates are experienced asset managers and operators of comparable companies with a focus on utilities and energy, transportation, and communications infrastructure in the U.S. and globally. Through its predecessor funds, MIRA has held investments in various communications infrastructure and utilities companies, and will be able to leverage its considerable track-record to effectively manage the investment in Cincinnati Bell.

The Transaction will strengthen the financial position of the Cincinnati Bell enterprise as a whole by providing access to capital from new funding sources, and enabling accelerated investment in the company's strategic products that is not presently available to Cincinnati Bell as a standalone company. The Transaction is expected to allow the enterprise to drive growth and maximize value over the long term. With the substantial financial resources of the investors in Red Fiber Parent, Cincinnati Bell and CBTS will be better positioned to deliver next generation, integrated communications for its customers. The financial, management, and other resources made available to Cincinnati Bell and CBTS will enhance its networks and services to the benefit of their customers.

The Transaction is structured only as a change of ownership at the holding company level and will not affect any of the operations or legal identity of CBTS. The proposed Transaction will not result in a change of carrier for any customers or any assignment of existing Commission authorizations. Further, Red Fiber Parent has no immediate plans to change CBTS's current rates or terms and conditions of services in connection with the Transaction. Therefore, the Transaction will be seamless to customers, as they will not experience any immediate changes in services, or rates, terms and conditions of service. Any future changes will be executed with careful planning and implementation in the normal course of business operations.

Further, there will be no need to change any billing systems or operational support systems before closing the Transaction. Since no system cutovers are required upon implementation of the combination, CBTS's existing customer-facing systems will remain in place after the closing. Any future information technology upgrades to Cincinnati Bell's systems will be executed with careful planning and execution in the normal course of business operations.

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Patricia Van Gerpen, Executive Director
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Please acknowledge receipt and acceptance of this electronic filing. Please do not hesitate to contact us if you have any questions.

Respectfully submitted,

/s/ Andrew D. Lipman

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EXHIBIT A

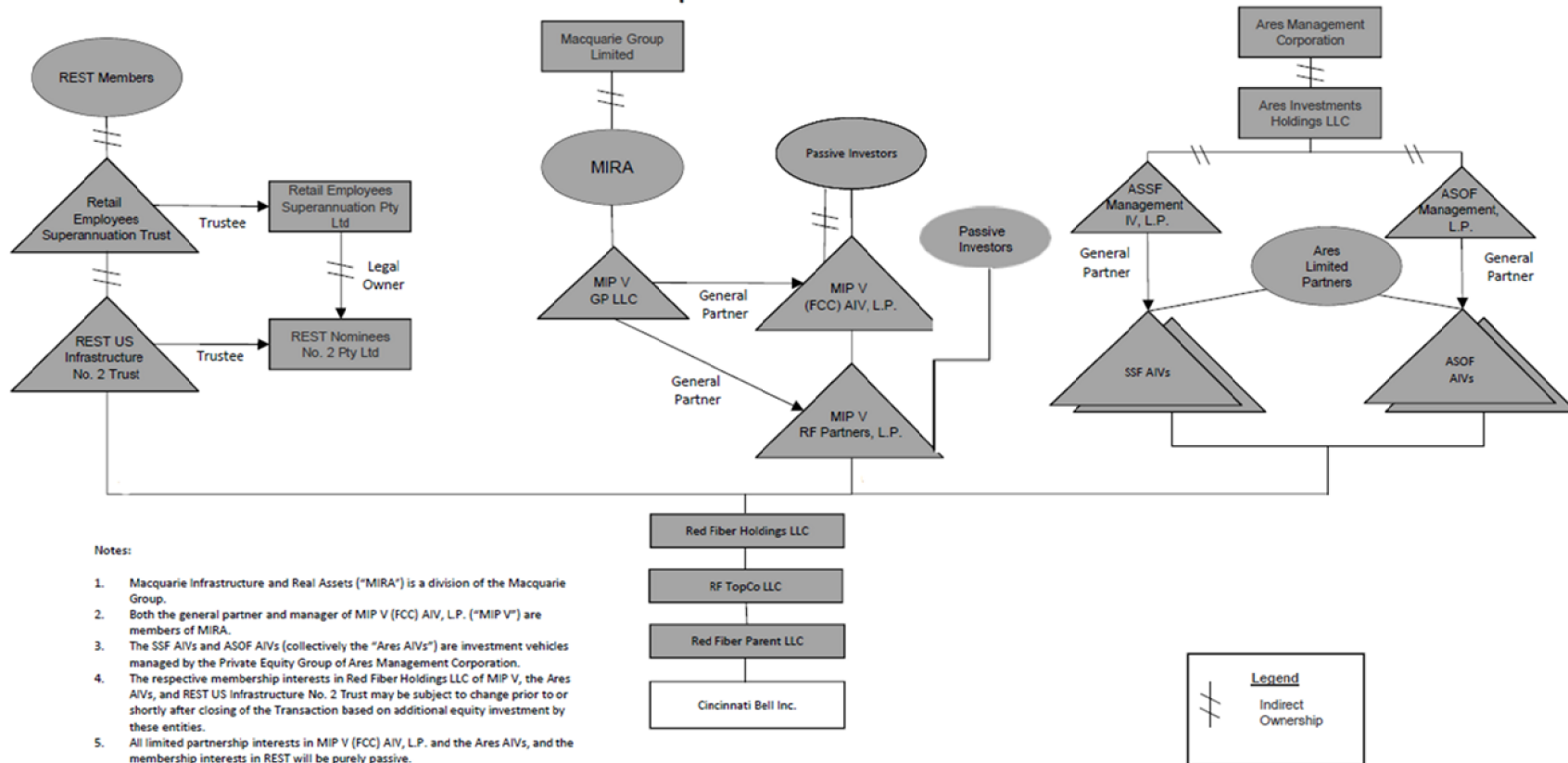
Current and Post-Transaction Corporate Ownership Structure Charts

CBTS Technology Solutions LLC Current Corporate Structure Chart



The entities listed here only include those affiliates of Cincinnati Bell that hold authorization from the Commission to provide intrastate, telecommunications services, or are in the chain of ownership of such entities. The chart excludes all other subsidiaries of Cincinnati Bell Inc.

Post-Transaction Corporate Structure Chart



Verifications

VERIFICATION

I, Christopher J. Wilson, state that I am Vice President and General Counsel 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 regarding 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
5th day of February, 2021.

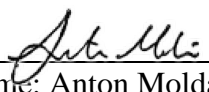


Name: Christopher J. Wilson
Title: Vice President and General Counsel
Cincinnati Bell Inc.
CBTS Technology Solutions LLC

VERIFICATION

I, Anton Moldan, state that I am Vice President of Red Fiber Parent 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 regarding 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 2nd day of February, 2021.



Name: Anton Moldan
Title: Vice President
Red Fiber Parent LLC