



PUBLIC NOTICE

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APPLICATIONS GRANTED FOR THE TRANSFER OF CONTROL OF CINCINNATI BELL INC. AND HAWAIIAN TELCOM, INC. TO RED FIBER PARENT LLC

WC Docket No. 20-146
AU Docket No. 20-34

By this Public Notice, the Wireline Competition Bureau, International Bureau, and Wireless Telecommunications Bureau (Bureaus) grant a series of applications filed by Cincinnati Bell Inc. (Cincinnati Bell), CBTS Technology Solutions LLC (CBTS), Cincinnati Bell Telephone Company LLC (CBT), Cincinnati Bell Extended Territories LLC (CBET), Hawaiian Telcom, Inc. (HTI), Hawaiian Telcom Services Company, Inc. (HTSC), and Wavecom Solutions Corporation (Wavecom) (CBTS, CBT, CBET, HTI, HTSC, and Wavecom, collectively, Licensees) for the transfer of Licensees to Red Fiber Parent LLC (Red Fiber Parent) (Licensees, together with Red Fiber Parent and Cincinnati Bell, Applicants), pursuant to sections 214 and 310(d) of the Communications Act of 1934, as amended (Act),¹ the Cable Landing License Act of 1921,² and sections 1.767, 1.948, 63.03-04, 63.18, and 63.24 of the Commission's rules.³ We also grant a petition filed by Red Fiber Parent for declaratory ruling (Petition) to permit foreign investment above the 25% benchmarks in section 310(b)(4) of the Act and section 1.5000(a)(1) of the Commission's rules.⁴

¹ 47 U.S.C. §§ 214, 310(d).

² 47 U.S.C. §§ 34-39; *see also* Exec. Ord. No. 10530, Sec. 5(a), reprinted as amended at 3 U.S.C. § 301 (delegating the President's authority under the Cable Landing License Act to the Commission).

³ 47 CFR §§ 1.767, 1.948, 63.03-04, 63.18, 63.24; Application for Consent to Transfer Indirect Control of Domestic and International Authorization Holders to Red Fiber Parent LLC, WC Docket No. 20-146 (filed May 15, 2020) (Lead Application, together with applications listed in Attachment A, Applications). On July 28, 2020, Applicants filed a supplement to the Lead Application. Letter from James H. Barker, Counsel to Red Fiber Parent, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 20-146 (July 28, 2020) (Supplement). On February 11, 2021, Applicants filed a supplement stating that on January 22, 2021, HTI filed a separate application with the Commission seeking consent to assign the cable landing license of the Paniolo Cable System from Paniolo Cable Company, LLC to HTI, and further stating that the proposed transaction in WC Docket No. 20-146 is not contingent upon HTI's acquisition of the Paniolo Cable System. Letter from Joshua M. Bobeck, Counsel for Cincinnati Bell, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 20-146 (filed Feb. 11, 2021). *See Accepted For Filing, Non-Streamlined Cable Landing License Applications*, Report No. SCL-00303NS, Public Notice (IB Feb. 18, 2021).

⁴ 47 U.S.C. § 310(b)(4); 47 CFR § 1.5000(a)(1); Red Fiber Parent LLC, Petition for Declaratory Ruling Under Section 310(b)(4) of the Communications Act of 1934, as amended, IBFS File No. ISP-PDR-202000515-00003 (filed May 15, 2020) (Petition); Red Fiber Parent LLC, Petition for Declaratory Ruling Under Section 310(b)(4) of the Communications Act of 1934, as amended, IBFS File No. ISP-PDR-202000515-00003 (filed Aug. 26, 2020) (Restated Petition). Petitioner filed three supplements to the Restated Petition. Letter from Elizabeth R. Park, Counsel to Red Fiber Parent, to Marlene H. Dortch, Secretary, FCC, IBFS File No. ISP-PDR-20200515-00003 (December 21, 2020) (December 2020 Supplement); Letter from Elizabeth R. Park, Counsel to Red Fiber Parent, to Marlene H. Dortch, Secretary, FCC, IBFS File No. ISP-PDR-20200515-00003 (March 30, 2021) (March 2021

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In addition, in connection with Cincinnati Bell's participation in the Rural Digital Opportunity Fund Phase I Auction (Auction 904), the Office of Economics and Analytics (OEA) and the Wireline Competition Bureau (WCB) conditionally grant a waiver of section 54.804(b)(6)(iv) of the Commission's rules, which prohibits major modifications to a post-auction long-form application.⁵ Cincinnati Bell, along with two of its wholly-owned subsidiaries, CBT and HTI, sought waiver of the major modification prohibition in order to complete the transfer of control prior to the Commission's authorization of Rural Digital Opportunity Fund Phase I support won in Auction 904.⁶

On October 8, 2020, the Bureaus released a public notice seeking comment on the Applications.⁷ We did not receive comments or petitions in opposition to the Applications. On March 26, 2021, the National Telecommunications and Information Administration (NTIA), on behalf of the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector (Committee), submitted a Petition to Adopt Conditions to Authorizations and Licenses (Committee Petition).⁸ We grant the Committee Petition and condition grant of the Applications on compliance by the Applicants with the commitments and undertakings set out in the two Letters of Agreement filed with the Committee Petition.

Applicants and Services Provided

Cincinnati Bell, a publicly traded Ohio corporation, through the Licensees provides voice, data, and video services over fiber optic and copper networks.⁹ CBT, an incumbent local exchange carrier

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Supplement); Letter from Elizabeth R. Park, Counsel to Red Fiber Parent, to Marlene H. Dortch, Secretary, FCC, IBFS File No. ISP-PDR-20200515-00003 (April 19, 2021).

⁵ 47 CFR § 54.804(b)(6)(iv).

⁶ *Petition of Cincinnati Bell Inc. et al.*, AU Docket No. 20-34 et al., Petition for Expedited Waiver (filed Jan. 13, 2021) (Auction 904 Petition). Cincinnati Bell filed the Auction 904 Petition in various Rural Digital Opportunity Fund (RDOF) dockets, including AU Docket No. 20-34, and CBT and HTI also attached it to their respective Auction 904 long-form applications.

⁷ *Applications Filed for the Transfer of Control of Cincinnati Bell Inc. and Hawaiian Telcom, Inc. to Red Fiber Parent LLC*, WC Docket No. 20-146, Public Notice, 35 FCC Rcd 11320 (WCB/IB/WTB 2020) (2020 Public Notice); but see *Accepted For Filing, Assignment of License Authorization Applications and Transfer of Control of Licensee Applications*, Report No. 15877, Public Notice (WTB, May 5, 2021). On May 5, 2021, the Wireless Telecommunications Bureau released a public notice seeking comment on the transfer of indirect control of a group of common carrier Priority Access Licenses that the Commission granted to Cincinnati Bell on March 12, 2021, a transaction that is incidental to the larger transaction described in the Applications. We did not receive comments or petitions in opposition to this application.

⁸ National Telecommunications and Information Administration, Petition to Adopt Conditions to Authorizations and Licenses, WC Docket No. 20-146, File Nos. ITC-T/C-20200515-00070; ITC-T/C-20200515-00071; ITC-T/C-20200515-00072; SCL-T/C-20200520-00020; SCL-T/C-20200520-00021; ISP-PDR-20200515-00003 (filed Mar. 26, 2021) (citing (1) the Letter of Agreement from Christopher J. Wilson, Vice President and General Counsel, Hawaiian Telcom Inc., to Assistant Secretary for Trade and Economic Security, Office of Strategy, Policy, and Plans, U.S. Department of Homeland Security; Chief, Foreign Investment Review Section (FIRS), Deputy Chief, Compliance and Enforcement (FIRS) on behalf of the Assistant General for National Security, United States Department of Justice National Security Division; and, Mark Hakun, Principal Director of Chief Information Officer for Cybersecurity, U.S. Department of Defense (dated Mar. 12, 2021) (HTI LOA) and (2) the Letter of Agreement from Christopher J. Wilson, Vice President and General Counsel, Cincinnati Bell Inc., Anton Moldan, Vice President, Red Fiber Parent, LLC, and John H. Kim, Secretary, Red Fiber Parent, LLC, to the Chief, Foreign Investment Review Section (FIRS), Deputy Chief, Compliance and Enforcement (FIRS) on behalf of the Assistant Attorney General for National Security, United States Department of Justice National Security Division (dated Mar. 12, 2021) (Cincinnati Bell LOA). A copy of the HTI LOA and a copy of the Cincinnati Bell LOA are attached to the Committee Petition.

⁹ Lead Application at 3-4.

(LEC), serves portions of Ohio, Kentucky, and Indiana;¹⁰ CBET provides competitive LEC services in contiguous areas in Ohio and video service in portions of Ohio, Kentucky, and Indiana;¹¹ CBTS provides nationwide long distance, competitive LEC, and Voice over Internet Protocol (VoIP) service;¹² HTI, an incumbent LEC, serves Hawaii, and holds submarine cable landing licenses for interisland network facilities and various wireless licenses for fixed microwave radio facilities;¹³ HTSC provides interstate services, wireless service, and other services in Hawaii, holds a submarine cable landing license for interisland network facilities, and has an ownership interest in the SEA-US fiber optic submarine cable system between the continental United States, Indonesia, Philippines, Guam, and Hawaii;¹⁴ and Wavecom (formerly known as Pacific Lightnet, Inc.) operates as a competitive LEC in Hawaii.¹⁵

Red Fiber Parent, a Delaware limited liability company, was established as an acquisition vehicle for the purposes of the proposed transaction and does not itself provide telecommunications services.¹⁶ Red Fiber Parent is affiliated with Bluebird Network, LLC, which has the following subsidiaries: Missouri Network Alliance, LLC d/b/a Bluebird Network, providing transport and other services to wholesale and enterprise customers in Missouri, Illinois, Iowa, Oklahoma, Kansas, Kentucky, Tennessee, and Nebraska, and tandem switching and transport services in Missouri; Illinois Network Alliance, LLC providing transport services to wholesale customers in Illinois, Kentucky, and Tennessee; and PEG Bandwidth IL, LLC providing competitive interexchange services in Illinois, Indiana, Iowa, and Missouri.¹⁷ Applicants further state that none of Red Fiber Parent's affiliates have services that overlap Cincinnati Bell's incumbent LEC service areas, and they have only minimal overlap for other services.¹⁸

Red Fiber Parent would directly acquire at closing 100% of the stock of Cincinnati Bell.¹⁹ The sole member of Red Fiber Parent is RF Topco LLC (TopCo), a Delaware limited liability company formed at the direction of MIP V (FCC) AIV, L.P. (MIP V), a Delaware limited partnership.²⁰ The sole member of TopCo is Red Fiber Holdings LLC (RF Holdings), a Delaware limited liability company.²¹ At the time of closing, RF Holdings would be majority owned (64.4% equity) and controlled by MIP V RF Partners, L.P. (MIP V Member), a Delaware limited partnership, which, in turn, would be majority owned

¹⁰ *Id.* at 4-5, 20. In Ohio, CBT operates the following exchanges: Bethany, Bethel, Cincinnati, Clermont, Hamilton, Harrison, Little Miami, Newtonsville, Reily, Seven Mile, Shandon, and Williamsburg. In Kentucky, CBT operates the following exchanges: Alexandria, Boone, Butler, Falmouth, Glencoe, Independence, Kentucky Metropolitan, Walton, Warsaw, and Williamstown. In Indiana, CBT operates the following exchanges: Peoria and West Harrison. *Id.* at 20, n.20.

¹¹ *Id.* at 5.

¹² *Id.*

¹³ *Id.* at 5, 11, n.11. In Hawaii, HTI operates the following exchanges associated with the following islands: Hawaii - Hilo, Honokaa, Honomu, Kamuela, Kau, Kohala, Kona, Laupahoehoe, Puna, and Volcano; Kauai - Hanapepe, Kapaa, Kilauea, Koloa, Lihue, and Waimea; Lanai - Lanai; Maui - Hana, Kula, Lahaina, Paia, and Wailuku; Molokai - Kaunakakai, Maunaloa, and Ualapue; Oahu - Honolulu, Kailua, Laie, Nanakuli, Wahiawa, Waiialua, and Waipahu. *Id.* at 21, n.21.

¹⁴ *Id.* at 6, 12, n.12.

¹⁵ *Id.* at 6.

¹⁶ *Id.* at 2; Restated Petition at 2.

¹⁷ Lead Application at 19-20.

¹⁸ *Id.*, Exh. B (Public Interest Statement) at 3-4.

¹⁹ Lead Application at 6; Supplement at 2.

²⁰ Lead Application at 14; Supplement at 2.

²¹ *Id.*

(64.77% equity) and controlled by MIP V.²² Both MIP V and MIP V Member are funds managed by Macquarie Infrastructure Partners Inc. pursuant to agreement with the funds' general partner, Macquarie Infrastructure Partners V GP, LLC (MIP V GP), which is controlled by Macquarie Infrastructure and Real Assets Inc. (MIRA).²³ MIRA is ultimately wholly owned and controlled by Macquarie Group Limited (MGL), a publicly-traded Australian company that provides banking and investment services.²⁴

RF Holdings would be indirectly minority owned by (i) certain U.S.-organized alternative investment vehicles (Ares AIVs) and certain U.S.-organized co-invest entities, all managed by the Private Equity Group of Ares Management Corporation (Ares Management), a Delaware entity (an aggregate 21.2% equity interest);²⁵ and (ii) Retail Employees Superannuation Trust (REST), a widely held Australian public offer pension fund managed by Retail Employees Superannuation Pty Limited (Rest Trustee), as trustee of the fund (17.3% equity).²⁶ REST's indirect interest in Red Fiber Parent will be held by Rest Nominees No. 2 Pty Ltd as trustee for REST US Infrastructure No. 2 Trust (Rest Immediate Entity).²⁷ MIP V Member, the Ares AIVs, and Rest Immediate Entity would have the right to appoint directors of RF Holdings and Cincinnati Bell based on their equity interests in RF Holdings.²⁸

While the Applications were pending, Cincinnati Bell participated in Auction 904 to bid for Rural Digital Opportunity Fund Phase I support. In its short-form application seeking qualification to bid in the auction, Cincinnati Bell disclosed that it had entered into a merger agreement and referenced the pending applications with the Commission for consent to the transaction.²⁹ On October 13, 2020, Commission staff released a public notice announcing that Cincinnati Bell was among the applicants that had been qualified to bid in Auction 904.³⁰ On December 7, 2020, Commission staff released a public notice

²² Supplement at 2; Restated Petition at 2-3, 7.

²³ Supplement at 2.

²⁴ The Lead Application provides the post-transaction corporate structure for Red Fiber Parent, LLC and lists MGL's board of directors and senior management, all citizens of Australia. Lead Application at Exh. A (Pre- and Post-Transaction Corporate Ownership Structure Charts) and Exh C.

²⁵ The interests in Red Fiber Parent that would be held indirectly by Area Management will be held by (i) alternative investment vehicles (the SSF AIVs) controlled by ASSF Management IV, L.P., a Delaware limited partnership (SSF IV), as the general partner of the SSF AIVs, and (ii) alternative investment vehicles (the ASOF AIVs) controlled by ASOF Management, L.P., a Delaware limited partnership (ASOF), as the general partner of the ASOF AIVs (which, together with the SSF AIVs, are referred to collectively as the Ares AIVs). Lead Application at 3 and Exh. C at 9-13; Restated Petition at 3-4, 10 and Exh. B at 23-24.

²⁶ Applicants state that the respective membership interests owned at closing in RF Holdings by MIP V Member, the Ares IVs, and the Rest Immediate Entity may be subject to change prior to or shortly after closing of the proposed transaction based on additional equity investment by these entities. Letter from James H. Barker, Elizabeth R. Park, and Alexander L. Stout, Counsel to Red Fiber Parent, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 20-146 (filed July 28, 2020).

²⁷ Supplement at 2 and Exh. A 1-2.

²⁸ Restated Petition at 6-7. As of the effective time of the merger, MIP V Member will have five votes, Ares Management will have two votes, and REST will have one vote on the boards of RF Holdings and Cincinnati Bell. Additionally, there will be two independent and/or non-member appointed directors of each of RF Holdings and Cincinnati Bell. Restated Petition at 6-7.

²⁹ FCC Form 183 of Cincinnati Bell, Inc., Agreements Exhibit "Red-Fiber-Cincinnati Bell Merger Agreement," File No. 0009149530 (filed July 15, 2020) (Auction 904 Short-Form Application).

³⁰ 386 Applications Qualified to Bid in the Rural Digital Opportunity Fund Phase I Auction (Auction 904); Bidding to Begin on October 29, 2020, AU Docket No. 20-34 et al., Public Notice, 35 FCC Rcd 11356, Attach. A (OEA/WCB 2020) (Auction 904 Qualified Bidders Public Notice).

announcing that Cincinnati Bell was a winning bidder in Auction 904.³¹ As a winning bidder, Cincinnati Bell assigned its winning bids to its subsidiaries CBT and HTI during the Divide Winning Bids process, and thus CBT and HTI filed long-form applications, which remain pending.³²

National Security, Law Enforcement, Foreign Policy, and Trade Policy Concerns

When analyzing a transfer of control or assignment application that includes foreign investment, we also consider public interest issues related to national security, law enforcement, foreign policy, or trade policy concerns.³³ As part of our public interest analysis, the Commission coordinates with the relevant Executive Branch agencies that have expertise in these particular issues.³⁴ The Commission accords deference to the expertise of these Executive Branch agencies in identifying issues related to national security, law enforcement, foreign policy, or trade policy concerns raised by the relevant Executive Branch agencies.³⁵ The Commission, however, ultimately makes an independent decision on the applications based on the record in the proceedings.³⁶

Pursuant to Commission practice, the Applications were referred to the relevant Executive Branch agencies for their reviews on any national security, law enforcement, foreign policy, or trade

³¹ See *Rural Digital Opportunity Fund Phase I Auction (Auction 904) Closes; Winning Bidders Announced; FCC Form 683 Due January 29, 2021*, AU Docket No. 20-34 et al., Public Notice, 35 FCC Rcd 13888, 13909-10, Attach. A (2020) (*Auction 904 Closing Public Notice*).

³² See *id.* at 13890-91, paras. 9-14 (explaining the Divide Winning Bids process and stating that any winning bidder that intends to assign some or all its winning bids to related entities must do so by submitting the Divide Winning Bids portion of the FCC Form 683); *417 Long-Form Applicants in the Rural Digital Opportunity Fund Phase I Auction (Auction 904)*, AU Docket 20-34 et al., Public Notice, DA 21-170, Long-Form Applicants Spreadsheet (WCB/OEA Feb. 18, 2021).

³³ See *Process Reform for Executive Branch Review of Certain FCC Applications and Petitions Involving Foreign Ownership*, IB Docket 16-155, Report and Order, 35 FCC Rcd 10927 (2020) (setting rules and procedures for referring applications for Executive Branch review consistent with Executive Order No. 13913) (*Executive Branch Review Order*); *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market; Market Entry and Regulation of Foreign-Affiliated Entities*, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891, 23918-21, paras. 59-66 (1997) (*Foreign Participation Order*), *recon. denied*, 15 FCC Rcd 18158 (2000) (in opening the U.S. telecommunications market to foreign entry in 1997, the Commission affirmed that it would consider national security, law enforcement, foreign policy, and trade policy concerns related to reportable foreign ownership as part of its overall public interest review of applications for international section 214 authority, submarine cable landing licenses, and declaratory rulings to exceed the foreign ownership benchmarks of section 310(b) of the Act). See also *Applications of T-Mobile US, Inc. and Sprint Corporation for Consent to Transfer Control of Licenses and Authorizations, et al.*, WT Docket 18-197, Memorandum Opinion and Order, Declaratory Ruling, and Order of Proposed Modification, 34 FCC Rcd 10578, 10732-33, para. 349 (2019) (*T-Mobile/Sprint Order*).

³⁴ See *Executive Branch Review Order*, 35 FCC Rcd at 10935-36, paras. 17, 24.

³⁵ *Id.* at 10930, para. 7 (citing *Foreign Participation Order*, 12 FCC Rcd at 23920-21, paras. 65-66; *Amendment of the Commission's Regulatory Policies to Allow Non-U.S. Licensed Space Stations to Provide Domestic and International Satellite Service in the United States; Amendment of Section 25.131 of the Commission's Rules and Regulations to Eliminate the Licensing Requirement for Certain International Receive-Only Earth Stations*, IB Docket No. 96-111, CC Docket No 93-23, RM-7931, Report and Order, 12 FCC Rcd 24094, 24171-72, paras. 179, 182 (1997)). See also *T-Mobile/Sprint Order*, 34 FCC Rcd at 10733, paras. 349; *Review of Foreign Ownership Policies for Broadcast, Common Carrier and Aeronautical Radio Licensees under Section 310(b)(4) of the Communications Act of 1934, as Amended*, Report and Order, 31 FCC Rcd 11271, 11277, para. 6 (2016) (*2016 Foreign Ownership Order*), *Pet. for recon. dismissed*, 32 FCC Rcd 4780 (2017).

³⁶ 47 CFR § 1.40001(b) (“The Commission will consider any recommendations from the [E]xecutive [B]ranch on pending application(s) . . . that may affect national security, law enforcement, foreign policy, and/or trade policy as part of its public interest analysis. The Commission will evaluate concerns raised by the [E]xecutive [B]ranch and will make an independent decision concerning the pending matter.”).

policy concerns related to the foreign ownership of the Applicants.³⁷ On October 16, 2020, the Committee notified the Commission that it was reviewing the Applications and requested that the Commission defer action on the Applications.³⁸ We deferred action in response to this request from the Committee. On December 3, 2020, the Committee notified the Commission that the Applicants had provided complete responses to the Committee's initial questions and that the Committee was conducting an initial review to assess whether granting the Applications would pose a risk to the national security or law enforcement interests of the United States.³⁹ On March 26, 2021, NTIA filed the Committee Petition which advised the Commission that the Committee has no objection to the Commission granting the Application provided that the Commission conditions its approval on the assurances of Cincinnati Bell and Red Fiber Parent to abide by the commitments and undertakings set forth in the HTI LOA and Cincinnati Bell LOA.⁴⁰

In accordance with the request of NTIA and in the absence of any objection from the Applicants, we grant the Committee Petition, and, accordingly, we condition grant of the Applications on compliance by the Applicants with the commitments and undertakings set out in the HTI LOA and the Cincinnati Bell LOA.⁴¹ A failure to comply with and/or remain in compliance with any of the provisions of the LOAs shall constitute a failure to meet a condition of this authorization and thus grounds for declaring the underlying authorizations and licenses terminated without further action on the part of the Commission. Failure to meet a condition of this authorization may also result in monetary sanctions or other enforcement action by the Commission.

Petition for Declaratory Ruling Under Section 310(b)(4)

Section 310(b)(4) of the Act establishes 25% benchmarks for investment by foreign individuals, governments, and corporations in the U.S.-organized entities that directly or indirectly control U.S. common carrier wireless licensees.⁴² This section of the Act also grants the Commission discretion to allow higher levels of foreign ownership in a licensee's controlling U.S.-organized parent unless the Commission finds that the public interest would be served by refusing to permit such foreign ownership.⁴³

³⁷ See *2020 Public Notice*, 35 FCC Rcd at 11327 (citing *Executive Branch Review Order*, 35 FCC Rcd at 10935-36, paras. 17, 24; *Foreign Participation Order*, 12 FCC Rcd 23891, 23191, paras. 61-63).

³⁸ Letter from Christopher R. Clements, U.S. Department of Justice, to Marlene H. Dortch, FCC, WC Docket No. 20-146, File Nos. ITC-T/C-20200515-00070; ITC-T/C-20200515-00071; ITC-T/C-20200515-00072; SCL-T/C-20200520-00020; SCL-T/C-20200520-00021; ISP-PDR-20200515-00003 (filed Oct. 16, 2020).

³⁹ Letter from Christopher R. Clements, Department of Justice, to Marlene H. Dortch, FCC, WC Docket No. 20-146, File Nos. ITC-T/C-20200515-00070; ITC-T/C-20200515-00071; ITC-T/C-20200515-00072; SCL-T/C-20200520-00020; SCL-T/C-20200520-00021; ISP-PDR-20200515-00003 (filed Dec. 3, 2020).

⁴⁰ Committee Petition at 1.

⁴¹ *T-Mobile/Sprint*, 34 FCC Rcd at 10732-33, para. 349; *Foreign Participation Order*, 12 FCC Rcd at 23918-21, paras. 59-66 (in opening the U.S. telecommunications market to foreign entry in 1997, the Commission affirmed that it would consider national security, law enforcement, foreign policy, and trade policy concerns related to reportable foreign ownership as part of its overall public interest review of applications for international section 214 authority, submarine cable landing licenses, and declaratory rulings to exceed the foreign ownership benchmarks of section 310(b) of the Act).

⁴² 47 U.S.C. § 310(b)(4) ("No broadcast or common carrier or aeronautical en route or aeronautical fixed radio station license shall be granted to or held by . . . any corporation directly or indirectly controlled by any other corporation of which more than one-fourth of the capital stock is owned of record or voted by aliens, their representatives, or by a foreign government or representatives thereof, or by any corporation organized under the laws of a foreign country, if the Commission finds that the public interest will be served by the refusal or revocation of such license.").

⁴³ 47 U.S.C. § 310(b)(4). Under Commission's secondary market rules, spectrum lessees (and spectrum sublessees) providing common carrier service are subject to the same foreign ownership requirements that apply to common carrier licensees under section 310(a) and (b) of the Act. 47 CFR §§ 1.9020(d)(2)(ii), 1.9030(d)(2)(ii), 1.9035(e)(1).

The Commission's public interest analysis under section 310(b)(4) also considers national security, law enforcement, foreign policy, or trade issues that may be raised by the foreign ownership.⁴⁴

As noted above, Red Fiber Parent (Petitioner) has filed a petition for declaratory ruling pursuant to section 310(b)(4) of the Act and section 1.5000(a)(1) of the Commission's rules,⁴⁵ to permit post-closing foreign ownership of Cincinnati Bell to exceed the 25% benchmarks specified in section 310(b)(4) of the Act. Cincinnati Bell would remain the controlling U.S. parent of the Licensees after closing of the proposed transaction, including Hawaiian Telcom Inc., which holds common carrier microwave licenses subject to review under section 310(b)(4). Petitioner asserts that the proposed foreign ownership of Cincinnati Bell would serve the public interest.⁴⁶

The Petition states that, upon completion of the proposed transaction, Cincinnati Bell would be majority owned (64.4% equity) and controlled by MIP V Member, a Delaware limited partnership. MIP V Member, in turn, would be majority owned (64.77% equity) and controlled by MIP V, also a Delaware limited partnership.⁴⁷ MIP V and MIP V Member are controlled by their general partner, Macquarie Infrastructure Partners V GP LLC, and managed by Macquarie Infrastructure Partners Inc., both of which ultimately are controlled by MGL, a publicly-traded Australian company, through a series of intermediate holding companies organized in the United States and Australia.⁴⁸ Cincinnati Bell, therefore, would be ultimately controlled by MGL.⁴⁹ According to the March 2021 Supplement, entities formed under Cayman Islands and Australian law hold indirect ownership interests in Cincinnati Bell through limited partnership interests in MIP V.⁵⁰ The limited partnership interests in or through MIP V Member and MIP V are insulated in accordance with section 1.5003 of the rules.⁵¹

According to the Petition, several U.S. and Cayman Islands alternative investment vehicles (collectively, Ares AIVs) and U.S. co-investment vehicles ultimately controlled by Ares Management, a Delaware corporation, and managed by its Private Equity Group would hold an aggregate 18.3% equity interest in Cincinnati Bell.⁵² Petitioner states that there are no non-U.S. holders of Ares Management or the Ares AIVs for which specific approval under section 1.5001(i) of the rules is required or sought in the Petition.⁵³

The remaining 17.3% of Cincinnati Bell's equity investment would be held indirectly by Rest Nominees No. 2 Pty Limited as trustee for the REST US Infrastructure No. 2 Trust (Rest Immediate

⁴⁴ *T-Mobile/Sprint Order*, 34 FCC Rcd at 10736, para. 355; *Foreign Participation Order*, 12 FCC Rcd at 23918-21.

⁴⁵ 47 CFR § 1.5000(a)(1).

⁴⁶ Restated Petition at 1, 12-13.

⁴⁷ *Id.* at 2-3, 7.

⁴⁸ *Id.* at 2-3.

⁴⁹ *Id.* at 9. According to the Petition, the voting interest of MIP V Member and its affiliates in Red Fiber Parent and, in turn, in Cincinnati Bell is 50%, based on the five of ten board seats of each company appointed by MIP V Member. Petitioner states that MIP V Member's (and, in turn, MGL's) voting interest in Cincinnati Bell is deemed to be 100% for purposes of calculating Cincinnati Bell's foreign voting interests under the Commission's foreign ownership rules. *Id.* at 7 (citing 47 CFR § 1.5002(b)(2)(i)).

⁵⁰ Supplement at 1-3. March 2021 Supplement, Exh. A.

⁵¹ Restated Petition at 3; March 2021 Supplement at 2-3.

⁵² Restated Petition at 3 and Exh. B; December 2020 Supplement at 2-4. The December Supplement notes that equity interests are based on equity commitments finalized as of December 9, 2020, and may be subject to change prior to closing. December 2020 Supplement at 4. March 2021 Supplement at 3. The March 2021 Supplement states that the respective percentages of the indirect owners of Red Fiber Parent may change prior to closing, but any such changes are not expected to be material. March 2021 Supplement at 5.

⁵³ Restated Petition at 11.

Entity).⁵⁴ The sole beneficiary of Rest Immediate Entity is REST Nominees No. 1 Pty Ltd, as trustee for the Rest International Infrastructure Investments Holding Trust (Rest Intermediate Entity).⁵⁵ The sole beneficiary of the Rest Intermediate Entity is the Retail Employees Superannuation Trust (REST), an Australian superannuation fund managed by Retail Employees Superannuation Pty Ltd (Rest Trustee), as trustee of the fund.⁵⁶ The ultimate beneficial owners of Rest Trustee are Shop, Distributive and Allied Employees' Association (SDA), an Australian entity, with 50% of the beneficial interest, and the following foreign individuals, each with 12.5% of the legal and beneficial interest, as nominees of employer sponsors: Steven John Priestly (Australia and United Kingdom), John Vincent Edstein (Australia), Vaughn Nigel Richtor (Australia and United Kingdom), and Sally Louise Evans (Australia and New Zealand).⁵⁷

Pursuant to section 1.5000(i) of the rules, Petitioner requests that the Commission specifically approve foreign equity and/or voting interests that would be held indirectly in Cincinnati Bell upon completion of the proposed transaction by foreign-organized entities ultimately controlled by MGL at the ownership percentages specified below. Petitioner also requests, pursuant to section 1.5001(k) of the rules, advance approval for all such entities to hold indirect equity and/or voting interests in Cincinnati Bell up to and including 100%.

Macquarie Group Limited Entities:

Macquarie Infrastructure and Real Assets Investments Limited (U.K.) (5.55% equity, 100% voting);

Macquarie International Limited (U.K.) (5.55% equity, 100% voting);

Macquarie Asset Management UK Holdings Pty Limited (Australia) (5.55% equity, 100% voting);

Macquarie Asset Management Holdings Pty Limited (Australia) (5.55% equity, 100% voting);

MIGS II AIV, L.P. (2.94% equity, 100% voting) (Canada);⁵⁸

N1 Co-invest, L.P. (5.07% equity, 100% voting) (Canada);⁵⁹

MIP V Direct Partners LP (11.16% equity, 100% voting) (Canada);⁶⁰

MIP V Electing Partners 1 LP (11.51% equity, 100% voting) (Canada);⁶¹

MIP V Electing Partners 2 LP (12.91% equity, 100% voting) (Canada);⁶²

MIP V Direct EU Partners SCSp (0.77% equity, 100% voting) (Luxembourg);⁶³

⁵⁴ *Id.* at 11.

⁵⁵ *Id.* at 4.

⁵⁶ *Id.*

⁵⁷ *Id.* at 30-31.

⁵⁸ March 2021 Supplement at 4.

⁵⁹ *Id.*

⁶⁰ *Id.*

⁶¹ *Id.*

⁶² *Id.*

⁶³ *Id.*

MIP V Electing EU Partners SCSp (5.0% equity, 100% voting) (Luxembourg);⁶⁴
MIP V Luxembourg GP S.à.r.l. (<5% equity, 100% voting) (Luxembourg);
Macquarie Asset Management Europe S.à.r.l. (<5% equity, 100% voting) (Luxembourg);
Macquarie Asset Management US Holdings Pty Limited (<5% equity, 100% voting)
(Australia);
Macquarie Corporate Holdings Europe Limited (<5% equity, 100% voting) (Jersey);
Macquarie Equities (US) Holding Pty Limited (<5% equity, 100% voting) (Australia);
Macquarie Group (US) Holdings No. 1 Pty Limited (<5% equity, 100% voting) (Australia);
Macquarie Corporate International Holdings Pty Limited (<5% equity, 100% voting)
(Australia);
Macquarie Corporate Holdings Pty Limited (<5% equity, 100% voting) (Australia);
Macquarie Financial Holdings Pty Limited (<5% equity, 100% voting) (Australia);
Macquarie Group Limited (<5% equity, 100% voting) (Australia);
Macquarie Nufang (FCC) AIV, L.P. (2.3% equity, 100% voting) (Cayman Islands);
Macquarie Asia Specialized Asset Management I Limited (0% equity, 100% voting) (Cayman
Islands);
Macquarie MIRA Fund Investments Pty Limited (0% equity, 100% voting) (Australia); and
Macquarie Infrastructure and Real Assets Holdings Pty Limited (0% equity, 100% voting)
(Australia).

In addition, pursuant to section 1.5001(i) of the rules, Petitioner requests that the Commission specifically approve foreign equity and/or voting interest that would be held indirectly in Cincinnati Bell upon completion of the proposed transaction by foreign-organized entities ultimately controlled by Ares Management at the ownership percentages specified below.⁶⁵ Petitioner also requests, pursuant to section 1.5001(k) of the rules, advance approval for all such entities to increase equity and /or voting interests in Cincinnati Bell for an aggregate of up to a 49.99% non-controlling interest.⁶⁶

Ares Management Corporation Entities:

ASSF IV RF Cayman Feeder 1, L.P. (2.04% equity, 2.04% voting) (Cayman Islands);
ASOF RF Cayman Feeder 1, L.P. (1.83% equity, 1.83% voting) (Cayman Islands); and
ASOF RF Cayman Feeder 2, L.P. (0.91% equity, 0.91% voting) (Cayman Islands).

Finally, pursuant to section 1.5001(i) of the rules, Petitioner requests that the Commission specifically approve foreign equity and/or voting interests that would be held indirectly in Cincinnati Bell upon completion of the proposed transaction by foreign-organized entities and foreign individuals that would hold equity and/or voting interests through REST US infrastructure No. 2 Trust at the ownership percentages specified below. Pursuant to section 1.5001(k), Petitioner also seeks advance approval for each REST entity to increase its indirect equity and/or voting interests in Cincinnati Bell up to a 49.99% non-controlling interest.

⁶⁴ *Id.*

⁶⁵ December 2020 Supplement at 1-5.

⁶⁶ *Id.* at 3.

REST Entities:

REST Nominees No. 2 Pty Ltd (17.3% equity, 10% voting) (Australia);
REST International Infrastructure Investments Holding Trust (17.3%, 10% voting)
(Australia);
REST Nominees No. 1 Pty Ltd (17.3% equity, 10% voting) (Australia);
Retail Employees Superannuation Pty Ltd (REST Trustee) (17.3% equity, 10% voting)
(Australia);
Retail Employees Superannuation Trust (REST) (17.3% equity, 10% voting) (Australia);
Shop, Distributive and Allied Employees' Association (SDA) (8.65% equity, 8.65% voting)
(Australia);
Steven John Priestly (2.16% equity, 2.16% voting) (Australia and United Kingdom);
Catriona Noble (2.16% equity, 2.16% voting) (Australia);⁶⁷
Vaughn Nigel Richtor (2.16% equity, 2.16% voting) (Australia and United Kingdom); and
Sally Louise Evans (2.16% equity, 2.16% voting) (Australia and New Zealand).

The following four citizens of Australia each legally hold SDA's 50% interest in REST Trustee for the benefit of and as nominees of SDA, which is a REST member sponsor: Helen Cooney; Michael Ward Tehan; Adam Neil Walk; and Julia Fox.⁶⁸

We received no comments regarding foreign ownership, and, as discussed above, NTIA, on behalf of the Committee, advised the Commission that the Committee has no objection to the Commission approving the authority sought, provided that the Commission conditions its approval on the assurance of Cincinnati Bell and Red Fiber Parent to abide by the commitments and undertakings set forth in the LOAs.

Based on our review of the record, under section 310(b)(4) of the Act and the Commission's foreign ownership rules and policies, we find that the public interest would not be served by prohibiting foreign ownership of Cincinnati Bell, the controlling U.S. parent, in excess of the 25% benchmarks in section 310(b)(4) of the Act. We, therefore, grant the Petition subject to the conditions set out herein. This ruling authorizes, first, 100% aggregate foreign ownership of Cincinnati Bell, as the controlling U.S. parent of the Licensees, subject to the terms and conditions set forth in the section 1.5004 of the Commission's rules.⁶⁹

⁶⁷ March 2021 Supplement at 3.

⁶⁸ *Id.*

⁶⁹ 47 CFR § 1.5004. A few of the terms and conditions set forth in section 1.5004 of the Commission's rules are as follows: (1) where a previously unapproved foreign-organized entity is inserted into the vertical ownership chain of a licensee, or its controlling U.S.-organized parent, without prior Commission approval, the licensee shall file a letter to the attention of the Chief, International Bureau, within 30 days after the insertion of the new, foreign-organized entity; (2) a licensee that has received a foreign ownership ruling, including a U.S.-organized successor-in-interest to such licensee as part of a pro forma reorganization, or any subsidiary or affiliate relying on such licensee's ruling, shall file a new petition for declaratory ruling under § 1.5000 to obtain Commission approval before its foreign ownership exceeds the routine terms and conditions of this section, and/or any specific terms of conditions of its rulings; and (3) if at any time the licensee, including any successor-in interest and any subsidiary or affiliate knows, or has reason to know, that it is no longer in compliance with its foreign ownership rulings or the Commission's rules relating to foreign ownership, it shall file a statement with the Commission explaining the circumstances within 30 days of the date it knew, or had reason to know, that it was no longer in compliance.

In addition, pursuant to section 1.5001(i) of the rules, we approve the foreign equity and voting interests that would be held in Cincinnati Bell, the controlling U.S. parent, by each of the above-listed foreign entities and individuals in the amounts specified above. We also approve Petitioner's request for advance approval, pursuant to section 1.5001(k), permitting the above-listed foreign entities to increase their equity and voting interests in Cincinnati Bell up to the amounts specified above.

Finally, under this ruling, Petitioner has an affirmative duty to monitor its foreign equity and voting interests, calculate its interests consistent with the principles enunciated by the Commission, including the standards and criteria set forth in sections 1.5002 through 1.5003 of the rules,⁷⁰ and otherwise ensure continuing compliance with the provisions of section 310(b) of the Act.⁷¹ Failure to comply and/or remain in compliance with a condition of this declaratory ruling shall constitute grounds for declaring the ruling and the underlying licenses terminated without further action on the part of the Commission. Failure to meet a condition of this ruling may also result in monetary sanctions or other enforcement action by the Commission.

Rural Digital Opportunity Fund Phase I Auction (Auction 904)

As noted above, in connection with its participation in Auction 904, Cincinnati Bell, together with two of its subsidiaries, CBT and HTI, request a waiver of section 54.804(b)(6)(iv) of the Commission's rules, which prohibits major modifications to a post-auction long-form application.⁷² Because consummation of the Cincinnati Bell-Red Fiber Parent proposed merger would result in a transfer of control while CBT's and HTI's Auction 904 long-form applications are pending, absent the requested waiver, the long-form applications would be denied, which would prevent the petitioners from receiving Auction 904 support to build-out voice and broadband services to unserved areas. Denial would also subject Cincinnati Bell to default liabilities and possible disqualification from participating in future Commission auctions.⁷³

The Commission's rules may be waived for good cause shown.⁷⁴ Good cause may be found when the particular facts render strict compliance of the rule inconsistent with the public interest.⁷⁵ To make such a public interest determination, the waiver cannot undermine the purposes of the rule and there must be a stronger public interest benefit in granting the waiver than in applying the rule.⁷⁶

We find that grant of the waiver requested by Cincinnati Bell, CBT, and HTI is appropriate in this case and that waiver of the prohibition of major modifications will serve the public interest. As we have noted in similar circumstances, the prohibition on major modifications is part of the Commission's efforts to ensure transparency in the auction process, which is also promoted by requiring auction applicants' ownership structures be fully disclosed and assessed prior to the start of bidding. This also ensures that

⁷⁰ 47 CFR §§ 1.5002-1.5003.

⁷¹ 47 CFR § 1.5004, note to paragraph (a).

⁷² The prohibition includes any changes in ownership that would constitute transfer of control of the applicant after the long-form application filing deadline. 47 CFR § 54.804(b)(6)(iv).

⁷³ See 47 CFR §§ 1.21004(c)-(d), 54.804(b)(6); *Auction 904 Closing Public Notice*, 35 FCC Rcd at 13898, para. 26. See also *Rural Digital Opportunity Fund; Connect America Fund*, Report and Order, 35 FCC Rcd 686, 720-21, para. 77 (2020) (barring CAF Phase II auction participants that subsequently defaulted on their entire CAF Phase II auction award from participating in RDOF).

⁷⁴ 47 CFR § 1.3.

⁷⁵ *Ne. Cellular Tel. Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990).

⁷⁶ See *id.* See also *WAIT Radio v. FCC*, 418 F.2d 1153, 1157 (D.C. Cir. 1969); *Network IP, LLC v. FCC*, 548 F.3d 116, 125-28 (D.C. Cir. 2008).

auction applicants have consistent information about the identity of other applicants.⁷⁷ The Cincinnati Bell-Red Fiber Parent merger was already pending when the Commission adopted final procedures for Auction 904.⁷⁸ As noted above, in addition to disclosing its current ownership, Cincinnati Bell also described the merger in its short-form auction application and included references to its pending section 214 applications.⁷⁹ Thus, from the outset of the auction process, Cincinnati Bell's current and potential future ownership was disclosed to the Commission and all other Auction 904 participants. Moreover, the new owners of Cincinnati Bell have committed to fulfilling any obligations incurred by Cincinnati Bell and its subsidiaries regarding Auction 904, a factor in the grant of similar requests for waiver of the major modification prohibition.⁸⁰ Accordingly, consistent with those circumstances in which we have previously granted similar requests, we find grant of the requested waiver will not undermine the purpose of the rule.

Granting this waiver also offers potential public interest benefits that would not be realized through strict application of the rule. The purpose of Auction 904—identifying qualified applicants that are willing and able to compete to provide a specified level of service in eligible unserved areas in exchange for the lowest possible subsidy—will be promoted by encouraging participation and avoiding unnecessary disqualification.⁸¹ In this case, because the transfer of control applications are granted during the period during which this prohibition applies, absent a waiver, CBT and HTI would be prevented from receiving support through Auction 904. Consequently, the areas for which Cincinnati Bell won support would likely remain unserved with voice and broadband services in the immediate future.

Based on these findings of good cause, OEA and WCB grant Cincinnati Bell's request to waive section 54.804(b)(6)(iv) of the Commission's rules. This waiver will allow Cincinnati Bell to consummate its long-pending transaction without violating the rule prohibiting major modifications. This will enable Cincinnati Bell's subsidiaries, CBT and HTI, to participate in the post-auction application process for any support won by Cincinnati Bell in Auction 904, conditioned upon consummation of the

⁷⁷ See *Applications Filed for the Transfer of Control of Authorizations Held by Frontier Communications Corporation, Debtor-in-Possession and its Wholly Owned Subsidiaries et al.*, WC Docket No. 20-197 et al., Memorandum Opinion and Order and Declaratory Ruling, DA 21-63, at paras. 47-48 (WCB/OEA Jan. 14, 2021) (*Frontier Order*); *Connect America Fund, Petition of Hawaiian Telecom et al.*, AU Docket No. 17-182 et al., Order, 33 FCC Rcd 6208, 6210-11, paras. 8-9 (WCB/WTB 2018) (*Hawaiian Telecom Order*); *Connect America Fund, Petition of Sunset Digital Communications, Inc.*, AU Docket No. 17-181 et al., Order, 34 FCC Rcd 7010, 7013-15, paras. 10-13 (WCB/OEA 2019) (*Sunset Digital Order*); *Applications Granted for the Transfer of Control of Windstream Holdings, Inc., Debtor-In-Possession, and Subsidiaries*, WC Docket No. 20-151 et al., Public Notice, 35 FCC Rcd 10076, 10082 (WCB/IB/WTB/OEA 2020).

⁷⁸ The Lead Application was filed with the Commission on May 15, 2020. See Lead Application. Procedures for Auction 904 were adopted by the Commission on June 9, 2020. See *Rural Digital Opportunity Fund Phase I Auction Scheduled for October 29, 2020; Notice and Filing Requirements and Other Procedures for Auction 904*, AU Docket No. 20-34 et al., Public Notice, 35 FCC Rcd 6077 (2020). The deadline for submitting long-form applications was established in the *Auction 904 Closing Public Notice* released on December 7, 2020. See *Auction 904 Closing Public Notice*, 35 FCC Rcd 13888.

⁷⁹ See Auction 904 Short-Form Application. OEA and WCB concluded that Cincinnati Bell had adequately disclosed its ownership structure in its short-form application and determined that Cincinnati Bell was eligible to bid in Auction 904. See *Auction 904 Qualified Bidders Public Notice*, 35 FCC Rcd at Attach. A.

⁸⁰ Specifically, Cincinnati Bell, CBT, and HTI have indicated that Red Fiber Parent and its shareholders, as the new ultimate owners of Cincinnati Bell, will be bound by Cincinnati Bell's actions in Auction 904 and "all attendant representations and certifications will remain effective and enforceable notwithstanding the Transaction." Auction 904 Petition at 9-10. See *Frontier Order*, DA 21-63 at para. 47; *Hawaiian Telecom Order*, 33 FCC Rcd at 6209, 6211, paras. 5, 9; *Sunset Digital Order*, 34 FCC Rcd at 7014-15, paras. 12-13.

⁸¹ *Frontier Order*, DA 21-63, at para. 48 (citing *Hawaiian Telecom Order*, 33 FCC Rcd at 6211, para. 9; *Sunset Digital Order*, 34 FCC Rcd at 7015, para. 13).

transaction and Cincinnati Bell and its subsidiaries, under new ownership, meeting all of its auction-related obligations and all qualifications to receive support.

Grant of Applications, Petitions, and Waiver

After a review of the Applications and record in this proceeding, we find that the proposed transfer will serve the public interest, convenience, and necessity.⁸² We also find that the public interest would not be served by prohibiting the foreign ownership of Cincinnati Bell, the controlling U.S. parent, in excess of the 25% benchmarks in section 310(b)(4) of the Act. We, therefore, grant the Applications and Petition subject to the conditions set out herein. We further find that the public interest would not be served by strictly applying the prohibition on major modifications to a Rural Digital Opportunity Fund long-form application in these particular circumstances.

Therefore, pursuant to sections 4(i) and (j), 5(c), 214(a), 214(c), 303(r), 309, and 310(d) of the Act, 47 U.S.C. §§ 154(i), 154(j), 155(c), 214(a), 214(c), 303(r), 309, 310(d), the Cable Landing License Act of 1921, 47 U.S.C. §§ 34-39, and sections 1.767, 1.948, 1.5001-04, 63.04, and 63.24 of the Commission's rules, 47 C.F.R. §§ 1.767, 1.948, 1.5001-04, 63.04, 63.24, and pursuant to the authority delegated under sections 0.51, 0.91, 0.131, 0.261, 0.291, and 0.331 of the Commission's rules, 47 CFR §§ 0.51, 0.91, 0.131, 0.261, 0.291, 0.331, we grant the Applications and Petition for Declaratory Ruling listed in Attachment A as conditioned in this Public Notice.

Pursuant to Sections 4(i)-(j), 214(a), 310(b) and (310(d) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i)-(j), 214(a), 310(b), 310(d), and the Cable Landing License Act of 1921, 47 U.S.C. §§ 34-39, and sections 1.767, 1.948, 1.5001-04; 1.40001-04, 63.04, and 63.24 of the Commission's rules, 47 C.F.R. §§ 1.767, 1.948, 1.5001-04; 1.40001-04, 63.04, 63.24, we grant the Petition to Adopt Conditions to Authorizations and Licenses filed by the National Telecommunications and Information Administration. Grant of the Applications and Petition for Declaratory Ruling is conditioned upon compliance with (1) the Letter of Agreement from Christopher J. Wilson, Vice President and General Counsel, Hawaiian Telcom Inc., to Assistant Secretary for Trade and Economic Security, Office of Strategy, Policy, and Plans, U.S. Department of Homeland Security; Chief, Foreign investment Review Section (FIRS), Deputy Chief, Compliance and Enforcement (FIRS) on behalf of the Assistant General for National Security, United States Department of Justice National Security Division; and, Mark Hakun, Principal Director of Chief Information Officer for Cybersecurity, U.S. Department of Defense, dated Mar. 12, 2021, and (2) the Letter of Agreement from Christopher J. Wilson, Vice President and General Counsel, Cincinnati Bell Inc., Anton Moldan, Vice President, Red Fiber Parent, LLC, and John H. Kim, Secretary, Red Fiber Parent, LLC, to the Chief, Foreign Investment Review Section (FIRS), Deputy Chief, Compliance and Enforcement (FIRS) on behalf of the Assistant Attorney General for National Security, United States Department of Justice National Security Division, dated Mar. 12, 2021.

Pursuant to section 4(i) of the Communications Act of 1934, as amended, 47 U.S.C. § 154(i), we grant the conditional waiver of section 54.804(b)(6)(iv), 47 C.F.R. § 54.804(b)(6)(iv), with respect to the Auction 904 long-form applications filed by Cincinnati Bell Telephone Company LLC and Hawaiian Telcom, Inc. to the extent provided in this Public Notice.

Any failure to comply and/or remain in compliance with any of the conditions set out in the Public Notice shall constitute a failure to meet a condition of the underlying authorizations and licenses, waiver and declaratory ruling and thus grounds for declaring the authorizations and licenses terminated without any further action on the part of the Commission. Failure to meet a condition of the

⁸² See *Applications of Level 3 Communications, Inc. and CenturyLink, Inc. for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 32 FCC Rcd 9581, 9594, 9605, paras. 26 and 52 (2017) (finding no harm to competition in CenturyLink's incumbent LEC territory, nor outside of CenturyLink's incumbent LEC territory, where applicants operate as competitive LECs).

authorizations, licenses, waiver or declaratory ruling may also result in monetary sanctions or other enforcement action by the Commission.

Pursuant to section 1.103 of the Commission's rules, 47 CFR § 1.103, the consent granted herein is effective upon the release of this Public Notice. Petitions for reconsideration under section 1.106 or applications for review under section 1.115 of the Commission's rules, 47 CFR §§ 1.106, 1.115, may be filed within 30 days of the date of this Public Notice.

For further information, please contact Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, at (202) 418-0809; Linda Ray, Broadband Division, Wireless Telecommunications Bureau, at (202) 418-0257; Leah Kim, Telecommunications & Analysis Division, International Bureau, at (202) 418-0722; Jonathan Campbell, Office of Economics and Analytics, at (202) 418-0605.

ATTACHMENT A**SECTION 214 AUTHORIZATIONS****A. International**

<u>File Number</u>	<u>Authorization Holder</u>	<u>Authorization Number</u>
ITC-T/C-20200515-00070	CBTS Technology Solutions LLC	ITC-214-19950101-00007 ITC-214-20010921-00492 ITC-214-20010921-00493 ITC-214-20071024-00434
ITC-T/C-20200515-00071	Hawaiian Telcom, Inc.	ITC-214-20040630-00512
ITC-T/C-20200515-00072	Hawaiian Telcom Services Company, Inc.	ITC-214-20040630-00513

B. Domestic

The Wireline Competition Bureau grants the application to transfer control of domestic section 214 authority in connection with the proposed transaction – WC Docket No. 20-146.⁸³

CABLE LANDING LICENSES

<u>File Number</u>	<u>Licensee</u>	<u>License Number</u>
SCL-T/C-20200520-00021	Hawaiian Telcom, Inc.	SCL-LIC-19921015-00008 SCL-MOD-20190305-00007 SCL-LIC-19950627-00024 SCL-MOD-20131114-00012
SCL-T/C-20200520-00020	Hawaiian Telcom Services Company Inc.	SCL-LIC-19921015-00008 SCL-MOD-20190305-00007 SCL-LIC-19950627-00024 SCL-MOD-20131114-00012 SCL-LIC-20150626-00016

⁸³ 47 CFR § 63.03.

SECTION 310(d) APPLICATIONS

<u>File Number</u>	<u>Licensee</u>	<u>Lead Call Sign</u>
0009033032	Hawaiian Telcom, Inc.	KCG66
0009466407	Cincinnati Bell Inc. ⁸⁴	WRLA641

PETITION FOR DECLARATORY RULING UNDER SECTION 310(b)(4)

The International Bureau grants the Petition, File No. ISP-PDR-20200515-00003.

-FCC-

⁸⁴ In connection with this transfer of control transaction, the licenses associated with this file number will be assigned on a pro forma basis from Cincinnati Bell Inc. to one of three of its wholly-owned subsidiaries at closing: Hawaiian Telecom Inc., Cincinnati Bell Extended Territories LLC, or Cincinnati Bell Telephone Company LLC.