FCC 394

APPLICATION FOR FRANCHISE AUTHORITY CONSENT TO ASSIGNMENT OR TRANSFER OF CONTROL OF CABLE TELEVISION FRANCHISE

FOR FRANCHISE AUTHORITY USE ONLY

SECTION I. GENERAL INFORMATION

DATE **7/17/2020**	1. Community Unit Identification Number: **HI0112**

2. Application for: ☐ Assignment of Franchise ☒ Transfer of Control

3. Franchising Authority: **Hawaii Department of Commerce and Consumer Affairs, Cable Television Division**	
4. Identify community where the system/franchise that is the subject of the assignment or transfer of control is located: **Island of Oahu, City and County of Honolulu, State of Hawaii**	
5. Date system was acquired or (for system's constructed by the transferor/assignor) the date on which service was provided to the first subscriber in the franchise area:	**24-Jun-11**
6. Proposed effective date of closing of the transaction assigning or transferring ownership of the system to transferee/assignee:	**As soon as closing conditions are satisfied**

7. Attach as an Exhibit a schedule of any and all additional information or material filed with this application that is identified in the franchise as required to be provided to the franchising authority when requesting its approval of the type of transaction that is the subject of this application.

Exhibit No. **N/A**

PART I - TRANSFEROR/ASSIGNOR

1. Indicate the name, mailing address, and telephone number of the transferor/assignor.

Legal name of Transferor/Assignor (if individual, list last name first) **Franchisee: Hawaiian Telcom Services Company, Inc.; Transferor: Cincinnati Bell Inc.**			
Assumed name used for doing business (if any)			
Mailing street address or P.O. Box **1177 Bishop Street**			
City **Honolulu**	State **HI**	ZIP Code **96813**	Telephone No. (include area code) **(808) 546-4511**

2.(a) Attach as an Exhibit a copy of the contract or agreement that provides for the assignment or transfer of control (including any exhibits or schedules thereto necessary in order to understand the terms thereof). If there is only an oral agreement, reduce the terms to writing and attach. (Confidential trade, business, pricing or marketing information, or other information not otherwise publicly available, may be redacted).

Exhibit No. **1**

(b) Does the contract submitted in response to (a) above embody the full and complete agreement between the transferor/assignor and the transferee/assignee? ☐ Yes ☒ No

If No, explain in an Exhibit.

Exhibit No. **1**

PART II - TRANSFEREE/ASSIGNEE

1.(a) Indicate the name, mailing address, and telephone number of the transferee/assignee.

Legal name of Transferee/Assignee (if individual, list last name first)			
Red Fiber Parent LLC			
Assumed name used for doing business (if any)			
Mailing street address or P.O. Box **c/o Macquarie Infrastructure and Real Assets Inc., 125 West 55th Street**			
City **New York**	State **NY**	ZIP Code **10019**	Telephone No. (include area code) **(212) 231-1000**

(b) Indicate the name, mailing address, and telephone number of person to contact, if other than transferee/assignee.

Name of contact person (list last name first)			
Anton Moldan			
Firm or company name (if any) **Red Fiber Parent LLC**			
Mailing street address or P.O. Box **c/o Macquarie Infrastructure and Real Assets Inc., 125 West 55th Street, Level 15**			
City **New York**	State **NY**	ZIP Code **10019**	Telephone No. (include area code) **(212) 231-1000**

(c) Attach as an Exhibit the name, mailing address, and telephone number of each additional person who should be contacted, if any.

Exhibit No. **2**

(d) Indicate the address where the system's records will be maintained.

Street address		
1177 Bishop Street		
City **Honolulu**	State **HI**	ZIP Code **96813**

2. Indicate on an attached exhibit any plans to change the current terms and conditions of service and operations of the system as a consequence of the transaction for which approval is sought.

Exhibit No. **3**

SECTION II. TRANSFEREE'S/ASSIGNEE'S LEGAL QUALIFICATIONS

1. Transferee/Assignee is:

☐ Corporation

a. Jurisdiction of incorporation:	d. Name and address of registered agent in jurisdiction:
b. Date of incorporation:	
c. For profit or not-for-profit:	

☐ Limited Partnership

a. Jurisdiction in which formed:	c. Name and address of registered agent in jurisdiction:
b. Date of formation:	

☐ General Partnership

a. Jurisdiction whose laws govern formation:	b. Date of formation:

☐ Individual

☒ Other. Describe in an Exhibit.

Exhibit No. **4**

2. List the transferee/assignee, and, if the transferee/assignee is not a natural person, each of its officers, directors, stockholders beneficially holding more than 5% of the outstanding voting shares, general partners, and limited partners holding an equity interest of more than 5%. Use only one column for each individual or entity. Attach additional pages if necessary. (Read carefully - the lettered items below refer to corresponding lines in the following table.)

(a) Name, residence, occupation or principal business, and principal place of business. (If other than an individual, also show name, address and citizenship of natural person authorized to vote the voting securities of the applicant that it holds.) List the applicant first, officers, next, then directors and, thereafter, remaining stockholders and/or partners.
(b) Citizenship.
(c) Relationship to the transferee/assignee (e.g., officer, director, etc.).
(d) Number of shares or nature of partnersihp interest.
(e) Number of votes.
(f) Percentage of votes.

(a) **See Exhibit No. 5.**		
(b)		
(c)		
(d)		
(e)		
(f)		

3. If the applicant is a corporation or a limited partnership, is the transferee/assignee formed under the laws of, or duly qualified to transact business in, the State or other jurisdiction in which the system operates? ☒ Yes ☐ No

If the answer is No, explain in an Exhibit. Exhibit No. **6**

4. Has the transferee/assignee had any interest in or in connection with an applicant which has been dismissed or denied by any franchise authority? ☐ Yes ☒ No

If the answer is Yes, describe circumstances in an Exhibit. Exhibit No. **N/A**

5. Has an adverse finding been made or an adverse final action been taken by any court or administrative body with respect to the transferee/assignee in a civil, criminal or administrative proceeding, brought under the provisions of any law or regulation related to the following: any felony; revocation, suspension or involuntary transfer of any authorization (including cable franchises) to provide video programming services; mass media related antitrust or unfair competition; fraudulent statements to another government unit; or employment discrimination? ☐ Yes ☒ No

If the answer is Yes, attach as an Exhibit a full description of the persons and matter(s) involved, including an identification of any court or administrative body and any proceeding (by dates and file numbers, if applicable), and the disposition of such proceeding. Exhibit No. **N/A**

6. Are there any documents, instruments, contracts or understandings relating to ownership or future ownership rights with respect to any attributable interest as described in Question 2 (including, but not limited to, non-voting stock interests, beneficial stock ownership interests, options, warrants, debentures)? ☒ Yes ☐ No

If Yes, provide particulars in an Exhibit. **See Exhibit No. 7**

7. Do documents, instruments, agreements or understandings for the pledge of stock of the transferee/assignee, as security for loans or contractual performance, provide that: (a) voting rights will remain with the applicant, even in the event of default on the obligation; (b) in the event of default, there will be either a private or public sale of the stock; and (c) prior to the exercise of any ownership rights by a purchaser at a sale described in (b), any prior consent of the FCC and/or of the franchising authority, if required pursuant to federal, state or local law or pursuant to the terms of the franchise agreement will be obtained? ☒ Yes ☐ No

If No, attach as an Exhibit a full explanation. Exhibit No. **N/A**

SECTION III. TRANSFEREE'S/ASSIGNEE'S FINANCIAL QUALIFICATIONS

1. The transferee/assignee certifies that it has sufficient net liquid assets on hand or available from committed resources to consummate the transaction and operate the facilities for three months. ☒ Yes ☐ No

2. Attach as an Exhibit the most recent financial statements, prepared in accordance with generally accepted accounting principals, including a balance sheet and income statement for at least one full year, for the transferee/assignee or parent entity that has been prepared in the ordinary course of business, if any such financial statements are routinely prepared. Such statements, if not otherwise publicly available, may be marked CONFIDENTIAL and will be maintained as confidential by the franchise authority and its agents to the extent permissible under local law. Exhibit No. **8**

SECTION IV. TRANSFEREE'S/ASSIGNEE'S TECHNICAL QUALIFICATIONS

Set forth in an Exhibit a narrative account of the transferee's/assignee's technical qualifications, experience and expertise regarding cable television systems, including, but not limited to, summary information about appropriate management personnel that will be involved in the system's management and operations. The transferee/assignee may, but need not, list a representative sample of cable systems currently or formerly owned or operated. Exhibit No. **9**

SECTION V - CERTIFICATIONS

Part I - Transferor/Assignor

All the statements made in the application and attached exhibits are considered material representations, and all the Exhibits are a material part hereof and are incorporated herein as if set out in full in the application.

I CERTIFY that the statements in this application are true, complete and correct to the best of my knowledge and belief and are made in good faith.	Signature
WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT. U.S. CODE, TITLE 18, SECTION 1001.	Date July 16, 2020 Print full name Christopher J. Wilson, Vice President & General Counsel

Check appropriate classification:

[ ] Individual	[ ] General Partner	[X] Corporate Officer (Indicate Title)	[ ] Other. Explain:

Part II - Transferee/Assignee

All the statements made in the application and attached Exhibits are considered material representations, and all the Exhibits are a material part hereof and are incorporated herein as if set out in full in the application.

The transferee/assignee certifies that he/she:

(a) Has a current copy of the FCC's Rules governing cable television systems.

(b) Has a current copy of the franchise that is the subject of this application, and of any applicable state laws or local ordinances and related regulations.

(c) Will use its best efforts to comply with the terms of the franchise and applicable state laws or local ordinances and related regulations, and to effect changes, as promptly as practicable, in the operation system, if any changes are necessary to cure any violations thereof or defaults thereunder presently in effect or ongoing.

I CERTIFY that the statements in this application are true, complete and correct to the best of my knowledge and belief and are made in good faith.	Signature
WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT. U.S. CODE, TITLE 18, SECTION 1001.	Date July 17, 2020 Print full name Anton Moldan, Vice President

Check appropriate classification:

[ ] Individual	[ ] General Partner	[X] Corporate Officer (Indicate Title)	[ ] Other. Explain:

EXHIBIT 1

Merger Agreement

2.(a) Attach as an Exhibit a copy of the contract or agreement that provides for the assignment or transfer of control (including any exhibits or schedules thereto necessary in order to understand the terms thereof). If there is only an oral agreement, reduce the terms to writing and attach. (Confidential trade, business, pricing or marketing information, or other information not otherwise publicly available, may be redacted).

(b) Does the contract submitted in response to (a) above embody the full and complete agreement between the transferor/assignor and the transferee/assignee?

If No, explain in an Exhibit.

Attached hereto is a copy of the Agreement and Plan of Merger, dated as of March 13, 2020 (the "Agreement"). This is a full and complete agreement between Transferor and Transferee except that the Schedules referenced in the Agreement are not provided due to their volume and confidential nature.

Merger Agreement

Execution Version

AGREEMENT AND PLAN OF MERGER

Dated as of March 13, 2020,

Among

CINCINNATI BELL INC.,

RED FIBER PARENT LLC

and

RF MERGER SUB INC.

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AGREEMENT AND PLAN OF MERGER (this "Agreement") dated as of March 13, 2020, among Cincinnati Bell Inc., an Ohio corporation (the "Company"), Red Fiber Parent LLC, a Delaware limited liability company ("Parent"), and RF Merger Sub Inc., an Ohio corporation and a directly wholly owned subsidiary of Parent ("Merger Sub").

WHEREAS each of the Board of Directors of the Company, the Board of Directors of Parent and the Board of Directors of Merger Sub has approved and declared advisable this Agreement and determined that the Merger on the terms provided for in this Agreement is advisable and in the best interests of the Company, Parent or Merger Sub, as applicable, and its respective stockholders or shareholders, as applicable;

WHEREAS the Board of Directors of the Company and the Board of Directors of Merger Sub each has resolved to recommend that its shareholders adopt this Agreement;

WHEREAS concurrently with the execution and delivery of this Agreement and as a condition and inducement to the Company's willingness to enter into this Agreement, MIP V, Ares Special Situations Fund IV, L.P. and ASOF Holdings I, L.P. (each, a "Guarantor") are each entering into a Guarantee with respect to certain obligations of Parent and Merger Sub under this Agreement; and

WHEREAS the Company, Parent and Merger Sub desire to make certain representations, warranties, covenants and agreements in connection with the Merger and also to prescribe various conditions to the Merger.

NOW, THEREFORE, in consideration of the foregoing, the parties hereto agree as follows:

ARTICLE I

The Merger

SECTION 1.01. The Merger. Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with the provisions of the Ohio General Corporation Law (the "OGCL"), at the Effective Time, Merger Sub shall be merged with and into the Company (the "Merger"), the separate corporate existence of Merger Sub shall thereupon cease, and the Company shall be the surviving corporation in the Merger. The Company, as the surviving corporation after the Merger, is hereinafter referred to as the "Surviving Corporation".

SECTION 1.02. Closing. The closing (the "Closing") of the Merger shall take place at the offices of Cravath, Swaine & Moore LLP, Worldwide Plaza, 825 Eighth Avenue, New York, New York 10019 at 10:00 a.m., New York City time, on a date to be specified by the Company and Parent, which shall be (a) no later than the 12th Business Day following the satisfaction or (to the extent permitted by Law) waiver by the party or parties entitled to the benefits thereof of the conditions set forth in Article VII (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or (to the extent permitted by Law) waiver of those conditions), or (b) at such other place, time and date as shall be agreed in writing between the Company and Parent; provided, however, that if all the conditions set forth in Article VII do not remain satisfied or (to the extent permitted by Law) have not been waived on such 12th Business Day, then the Closing shall take place on the first Business Day thereafter on which all such conditions shall have been satisfied or (to the extent permitted by Law) waived; provided, that in no event shall Parent or Merger Sub be obligated to consummate the Closing if the Marketing Period has not ended at least three Business Days prior to the time that the Closing would otherwise have occurred, in which case the Closing shall not occur until (i) the earlier to occur of (A) a Business Day before or during the Marketing Period specified by Parent on at least two Business Days' prior written notice to the Company and (B) the third Business Day immediately following the final day of the Marketing Period, subject to, in each case, the satisfaction or waiver of the conditions set forth in Article VII (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or (to the extent permitted by Law) waiver of those conditions) or (ii) such other time and date as shall be agreed to in writing between the Company and Parent. The date on which the Closing occurs is referred to in this Agreement as the "Closing Date".

SECTION 1.03. Effective Time. Subject to the provisions of this Agreement, as soon as practicable on the Closing Date, the Company shall cause the Merger to be consummated by filing a certificate of merger that is reasonably acceptable to Parent and executed in accordance with, and in such form as is required by, the relevant provisions of the OGCL (the "Certificate of Merger"), and shall make all other filings, recordings or publications required under the OGCL in connection with the Merger. The Merger shall become effective at the time that the Certificate of Merger is filed with the Secretary of State of the State of Ohio (the "Secretary of State") or, to the extent permitted by applicable Law, at such later time as is agreed to by the parties hereto prior to the filing of such Certificate of Merger and specified in the Certificate of Merger (the time at which the Merger becomes effective is herein referred to as the "Effective Time").

SECTION 1.04. Effects of the Merger. The Merger shall have the effects provided in this Agreement and as set forth in the applicable provisions, including Section 1701.82, of the OGCL.

SECTION 1.05. Organizational Documents of the Surviving Corporation. At the Effective Time, the articles of incorporation of the Company, as in effect immediately prior to the Effective Time, shall be the articles of incorporation of the Surviving Corporation until thereafter changed or amended as provided therein or by applicable Law (and subject to Section 6.05 hereof). The code of regulations of the Surviving Corporation in effect from and after the Effective Time and until thereafter changed or amended as provided therein or by applicable Law shall be in the form of the code of regulations of Merger Sub as in effect immediately prior to the Effective Time, except that references to the name of Merger Sub shall be replaced by references to the name of the Surviving Corporation.

SECTION 1.06. Board of Directors and Officers of the Surviving Corporation. The directors of Merger Sub immediately prior to the Effective Time shall become the directors of the Surviving Corporation as of the Effective Time until the earlier of their resignation or removal in accordance with the articles of incorporation and code of regulations of the Surviving Corporation or until their respective successors have been duly elected and qualified, as the case may be. The officers of the Company immediately prior to the Effective Time shall continue as the officers of the Surviving Corporation immediately following the Effective Time until their respective successors are duly appointed and qualified or until their earlier death, resignation or removal in accordance with the articles of incorporation and code of regulations of the Surviving Corporation. The parties acknowledge and agree that following the Effective Time Parent shall cause the board of directors of the Surviving Corporation to include at least two (2) individuals who are "domiciled" (such persons must have resided in Hawaii no less than five (5) years and otherwise be domiciled within the meaning of Section 18-235-1.03 of the Hawaii Administrative Rules) in Hawaii.

SECTION 1.07. Brookfield Termination Fee. Concurrently with the execution hereof by the Company, the Company shall terminate the Agreement and Plan of Merger, dated as of December 21, 2019, by and among Brookfield, Charlie Merger Sub, Inc. and Cincinnati Bell, Inc. (as amended, the "Brookfield Agreement"), in accordance with Section 8.01(c)(ii) thereof and shall pay to Charlie AcquireCo Inc. ("Brookfield") the $24,800,000 termination fee (the "Brookfield Termination Fee") payable pursuant to Section 6.06(b) and Section 8.01(c)(ii) of the Brookfield Agreement.

ARTICLE II

Effect on the Stock of the
Constituent Corporations; Exchange of Certificates

SECTION 2.01. Effect on Stock. At the Effective Time, by virtue of the Merger and without any action on the part of the Company, Parent, Merger Sub or any holder of any shares of common stock, par value $0.01 per share, of the Company (the "Company Common Shares") or any shares of capital stock of Merger Sub:

(a) Capital Stock of Merger Sub. Each issued and outstanding share of capital stock of Merger Sub shall be converted into and become one validly issued, fully paid and nonassessable share of common stock, par value $0.01 per share, of the Surviving Corporation.

(b) Cancelation of Certain Shares. All Company Common Shares that are owned by the Company as treasury shares immediately prior to the Effective Time shall be canceled and shall cease to exist and no consideration shall be delivered in exchange therefor. All Company Common Shares held by Parent or Merger Sub immediately prior to the Effective Time shall be canceled and shall cease to exist and no consideration shall be delivered in exchange therefor. Each Company Common Share that is owned by any direct or indirect wholly owned Subsidiary of the Company or of Parent (other than Merger Sub) shall not represent the right to receive the Merger Consideration and shall be, at the election of Parent, either (i) converted into shares of common stock of the Surviving Corporation or (ii) canceled. Each Excluded Share shall be canceled at the Effective Time and, subject to Section 2.03, no consideration shall be delivered in exchange therefor.

(c) Conversion of Company Common Shares. Subject to Section 2.01(b), each Company Common Share issued and outstanding immediately prior to the Effective Time (other than Common Appraisal Shares to be treated in accordance with Section 2.03 (collectively, the "Excluded Shares")) shall be converted at the Effective Time into the right to receive an amount of cash equal to $15.50 per share, without interest (the "Merger Consideration"). As of the Effective Time, all such Company Common Shares, when so converted pursuant to this Section 2.01(c), shall no longer be outstanding and shall automatically be canceled and shall cease to exist, and each holder of a certificate that immediately prior to the Effective Time represented any such Company Common Shares (each, a "Certificate") (other than any Excluded Shares) and each holder of Company Common Shares held in book-entry form (other than any Excluded Shares) shall, in each case, cease to have any rights with respect thereto, except the right to receive the Merger Consideration to be paid in consideration therefor. The right of any holder of Company Common Shares to receive the Merger Consideration shall be subject in all cases to the provisions of Section 2.02.

(d) 6 3/4% Preferred Shares. Each 6 3/4% Preferred Share issued and outstanding immediately prior to the Effective Time shall remain issued and outstanding immediately following the Effective Time as one 6 3/4% Cumulative Convertible Preferred Share, without par value, of the Surviving Corporation, and shall not be affected by the Merger (except for the effects specifically set forth in Article Fourth of the Company Articles).

SECTION 2.02. Exchange of Certificates; Book-Entry Shares. (a) Paying Agent. Parent shall appoint a bank or trust company reasonably acceptable to the Company to act as agent (the "Paying Agent") for the payment of the Merger Consideration in accordance with this Article II and, in connection therewith, prior to the Closing Date shall enter into an agreement with the Paying Agent in a form reasonably acceptable to the Company. At or prior to the Effective Time, Parent shall deposit with the Paying Agent, for the benefit of the holders of Company Common Shares, for exchange in accordance with this Article II through the Paying Agent, an amount of cash sufficient to pay the aggregate Merger Consideration (such cash being hereinafter referred to as the "Exchange Fund").

(b) Letter of Transmittal. As promptly as practicable after the Effective Time, and in any event not later than the third Business Day thereafter, Parent shall cause the Paying Agent to mail to each holder of record of Company Common Shares (other than Excluded Shares) a form of letter of transmittal (the "Letter of Transmittal") (which shall specify that delivery shall be effected, and risk of loss and title to any Certificates shall pass, only upon delivery of such Certificates to the Paying Agent and shall be in such form and have such other provisions (including customary provisions with respect to delivery of an "agent's message" with respect to shares held in book-entry form) as Parent may specify subject to the Company's reasonable approval), together with instructions thereto.

(c) Merger Consideration Received in Connection with Exchange. Upon (i) in the case of Company Common Shares represented by a Certificate, the surrender of such Certificate for cancellation to the Paying Agent, or (ii) in the case of Company Common Shares held in book-entry form, the receipt of an "agent's message" by the Paying Agent, in each case together with the associated Letter of Transmittal, duly, completely and validly executed in accordance with the instructions thereto, and such other documents as may reasonably be required by the Paying Agent, the holder of such shares shall be entitled to receive in exchange therefor the Merger Consideration for each Company Common Share formerly represented by such Certificate or held in book-entry form, as applicable, and the shares so surrendered shall forthwith be canceled. If payment of the Merger Consideration is to be made to a Person other than the Person in whose name the surrendered Certificate or share held in book-entry form is registered, it shall be a condition of payment that (x) such Certificate or share held in book-entry form so surrendered shall be properly endorsed or shall otherwise be in proper form for transfer and (y) the Person requesting such payment shall have paid any transfer and other Taxes required by reason of the payment of the Merger Consideration to a Person other than the registered holder of such Certificate or share held in book-entry form surrendered and shall have established to the reasonable satisfaction of the Surviving Corporation that such Tax has either been paid or is not applicable. Until surrendered as contemplated by this Section 2.02(c), each Company Common Share, and any Certificate with respect thereto shall be deemed at any time from and after the Effective Time to represent only the right to receive upon such surrender the Merger Consideration which the holders of Company Common Shares were entitled to receive in respect of such shares pursuant to Section 2.01. No interest shall be paid or shall accrue on the cash payable upon surrender of any Certificate (or any Company Common Shares held in book-entry form).

(d) No Further Ownership Rights in Company Common Shares. The Merger Consideration paid upon the surrender of Certificates (or Company Common Shares held in book-entry form) in accordance with the terms of this Article II shall be deemed to have been paid in full satisfaction of all rights pertaining to the Company Common Shares formerly represented by such Certificates (or Company Common Shares held in book-entry form). From and after the Effective Time, there shall be no further registration of transfers on the stock transfer books of the Surviving Corporation of Company Common Shares that were outstanding immediately prior to the Effective Time. If, after the Effective Time, any Certificates formerly representing Company Common Shares (or Company Common Shares held in book-entry form) are presented to Parent or the Paying Agent for any reason, they shall be canceled and exchanged as provided in this Article II.

(e) Termination of Exchange Fund. Any portion of the Exchange Fund (including any interest received with respect thereto) that remains undistributed to the holders of Company Common Shares for one year after the Effective Time shall be delivered to Parent, upon demand, and any holder of Company Common Shares (other than Excluded Shares) who has not theretofore complied with this Article II shall thereafter look only to Parent for payment of its claim for Merger Consideration to which such holder is entitled pursuant to this Article II.

(f) No Liability. None of the Company, Parent, Merger Sub or the Paying Agent shall be liable to any Person in respect of any portion of the Exchange Fund delivered to a public official in compliance with any applicable abandoned property, escheat or similar Law. Any portion of the Exchange Fund which remains undistributed to the holders of Company Common Shares immediately prior to such date on which the Exchange Fund otherwise would be required to escheat to, or become the property of, any Governmental Entity, shall, to the extent permitted by applicable Law, become the property of Parent, free and clear of all claims or interest of any Person previously entitled thereto.

(g) Investment of Exchange Fund. Pending its disbursement in accordance with this Section 2.02, the Exchange Fund shall be invested by the Paying Agent as directed by Parent. Any interest and other income resulting from such investments shall be paid to Parent. Parent shall or shall cause the Surviving Corporation to promptly replace or restore the cash in the Exchange Fund so as to ensure that the Exchange Fund is at all times maintained at a level sufficient for the Paying Agent to make all payments of Merger Consideration in accordance herewith. No investment losses resulting from investment of the funds deposited with the Paying Agent shall diminish the rights of any holder of Company Common Shares to receive the Merger Consideration as provided herein.

(h) Withholding Rights. Each of Parent, the Surviving Corporation and the Paying Agent (without duplication) shall be entitled to deduct and withhold from the consideration otherwise payable to any holder of Company Common Shares pursuant to this Agreement such amounts as may be required to be deducted and withheld with respect to the making of such payment under the Code, or any other applicable state, local or non-U.S. Tax Law. To the extent that amounts are so withheld and remitted to the applicable Governmental Entity, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of Company Common Shares in respect of which such deduction and withholding was made.

(i) Lost Certificates. If any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed and, if required by Parent, the posting by such Person of a bond, in such reasonable and customary amount as Parent may direct, as indemnity against any claim that may be made against it with respect to such Certificate, the Paying Agent shall pay, in exchange for such lost, stolen or destroyed Certificate, the Merger Consideration deliverable in respect thereof pursuant to this Article II.

SECTION 2.03. Dissenters' Rights. (a) Notwithstanding anything in this Agreement to the contrary (but subject to this Section 2.03), any Company Common Shares that are issued and outstanding immediately prior to the Effective Time and held by a shareholder who is entitled to demand, and has properly demanded, appraisal for such Company Common Shares in accordance with, and who complies in all respects with, Section 1701.85 of the OGCL (such shares, "Common Appraisal Shares"), shall not be converted into the right to receive the Merger Consideration as provided in Section 2.01(c), but at the Effective Time shall be converted into the right to receive such consideration as may be determined to be due to such shareholder pursuant to the procedures set forth in Section 1701.85 of the OGCL; provided that if any such shareholder withdraws its demand for appraisal or fails to perfect or otherwise loses its right of appraisal pursuant to the OGCL, then the right of such shareholder to be paid the fair cash value of such Common Appraisal Shares shall cease, and such Common Appraisal Shares shall instead be deemed to have been converted into the right to receive the Merger Consideration as provided in Section 2.01(c), without interest thereon.

(b) Subject to any redemption made in accordance with the Company Articles, any 6 3/4% Preferred Shares that are issued and outstanding immediately prior to the Effective Time and held by a shareholder who is entitled to demand, and has properly demanded, appraisal for such 6 3/4% Preferred Shares in accordance with, and who complies with, Section 1701.85 of the OGCL (such shares, "Preferred Appraisal Shares" and, together with the Common Appraisal Shares, the "Appraisal Shares"), shall not remain outstanding as provided in Section 2.01(d), but instead shall be converted into the right to receive such consideration as may be determined to be due to such shareholder pursuant to the procedures set forth in Section 1701.85 of the OGCL; provided that if any such shareholder withdraws its demand for appraisal or fails to perfect or otherwise loses its right of appraisal pursuant to the OGCL, then the right of such shareholder to be paid the fair cash value of such Preferred Appraisal Shares shall cease, and such Preferred Appraisal Shares shall be deemed to have remained outstanding in accordance with Section 2.01(d).

(c) The Company shall give prompt notice to Parent of any demands received by the Company for appraisal of any shares of Company Capital Stock, and Parent shall have the right to participate in and direct all negotiations and Actions with respect to such demands. Prior to the Effective Time, the Company shall not, without the prior written consent of Parent, make any payment with respect to, or settle or offer to settle, any such demands, or agree to do any of the foregoing. Parent shall not, except with the prior written consent of the Company, require the Company to make any payment with respect to any demands for appraisal or offer to settle or settle any such demands.

SECTION 2.04. Adjustments. If between the date hereof and the Effective Time the outstanding Company Common Shares shall have been changed into a different number of shares or a different class by reason of the occurrence or record date of any share split, reverse share split, share dividend (including any dividend or other distribution of securities convertible into Company Common Shares), reorganization, recapitalization, reclassification, combination, exchange of shares or other like change, the Merger Consideration and any other amounts payable pursuant to this Article II shall be appropriately adjusted to reflect such share split, reverse share split, share dividend (including any dividend or other distribution of securities convertible into Company Common Shares), reorganization, recapitalization, reclassification, combination, exchange of shares or other like change.

ARTICLE III

Representations and Warranties of Parent and Merger Sub

Parent and Merger Sub jointly and severally represent and warrant to the Company that the statements contained in this Article III are true and correct except as set forth in the disclosure letter delivered by Parent to the Company before the execution and delivery by Parent of this Agreement (the "Parent Disclosure Letter"). The Parent Disclosure Letter shall be arranged in numbered and lettered sections corresponding to the numbered and lettered sections contained in this Article III, and the disclosure in any section shall be deemed to qualify other sections in this Article III to the extent that it is reasonably apparent from the face of such disclosure that such disclosure also qualifies or applies to such other sections.

SECTION 3.01. Organization, Standing and Power. Each of Parent and Merger Sub is duly organized, validly existing and in good standing under the Laws of the jurisdiction in which it is organized (in the case of good standing, to the extent such jurisdiction recognizes such concept). Each of Parent and Merger Sub has all requisite corporate or similar power and authority and possesses all governmental franchises, licenses, permits, authorizations, variances, exemptions, orders and approvals (collectively, "Permits") necessary to enable it to own, lease, operate or otherwise hold its properties and assets and to conduct its businesses as presently conducted (the "Parent Permits"), except where the failure to have such power or authority or to possess Parent Permits, individually or in the aggregate, has not had and would not reasonably be expected to have a Parent Material Adverse Effect. Each of Parent and Merger Sub is duly qualified or licensed to do business in each jurisdiction where the nature of its business or the ownership, operation or leasing of its properties and assets makes such qualification necessary, other than in such jurisdictions where the failure to be so qualified or licensed, individually or in the aggregate, has not had and would not reasonably be expected to have a Parent Material Adverse Effect.

SECTION 3.02. Authority; Execution and Delivery; Enforceability. Each of Parent and Merger Sub has all requisite corporate or similar power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the Transactions, subject, in the case of the Merger, to the adoption of this Agreement by Parent as the sole shareholder of Merger Sub. The Parent Board has adopted resolutions, by a vote at a meeting duly called at which a quorum of directors of Parent was present, approving the execution, delivery and performance by Parent of this Agreement and the consummation of the Merger. Such resolutions have not been amended or withdrawn as of the date of this Agreement. The Board of Directors of Merger Sub has adopted resolutions, by unanimous written consent, (A) approving this Agreement, (B) declaring advisable this Agreement and the Merger on substantially the terms and conditions set forth in this Agreement and determining that the Merger is fair to, and in the best interests of, Merger Sub and Parent, as its sole shareholder, and (C) recommending that Parent, as sole shareholder of Merger Sub, adopt this Agreement and directing that this Agreement be submitted to Parent, as sole shareholder of Merger Sub, for adoption. Such resolutions have not been amended or withdrawn as of the date of this Agreement. Except for the adoption of this Agreement by Parent as the sole shareholder of Merger Sub, no other corporate or similar proceedings on the part of Parent or Merger Sub are necessary to authorize, adopt or approve, as applicable, this Agreement or to consummate the Transactions. Each of Parent and Merger Sub has duly executed and delivered this Agreement and, assuming the due authorization, execution and delivery by the Company, this Agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except that such enforceability (i) may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other similar Laws of general application affecting or relating to the enforcement of creditors' rights generally and (ii) is subject to general principles of equity, whether considered in a proceeding at law or in equity (the "Bankruptcy and Equity Exception").

SECTION 3.03. No Conflicts; Consents. (a) The execution and delivery by each of Parent and Merger Sub of this Agreement does not, and the performance by it of its obligations hereunder and the consummation of the Transactions will not, (i) conflict with or result in any violation of any provision of the organizational documents of Parent or Merger Sub, (ii) conflict with, or result in any breach or violation of or default (with or without notice or lapse of time, or both) under, terminate or give rise to a right of termination, vesting, cancellation, amendment, notification, purchase or sale (including any purchase option, option to sell, right of first refusal, right of first offer, right of first negotiation or similar option or right) under, or acceleration of, give rise to any obligation to make an offer to purchase or redeem any Indebtedness or capital stock, voting securities or equity interests or any loss of a material benefit under, or result in the creation of any Lien upon any of the properties or assets of Parent or Merger Sub under, any contract, lease, license, indenture, note, bond, agreement, concession, franchise, mortgage, arrangement, commitment, deed of trust, loan, easement, right of way, permit or other instrument or obligation (each, a "Contract") to which Parent or Merger Sub is a party or by which any of their respective properties or assets is bound or any Parent Permit or (iii) subject to the filings and other matters referred to in Section 3.03(b), conflict with or result in any violation of any judgment, order, writ, injunction, arbitration award or decree ("Judgment") or federal, state, territorial, provincial, municipal, regional, tribal, local or foreign statute, law (including common law), ordinance, standard, agency requirement, rule or regulation ("Law"), in each case, applicable to Parent or any of its Subsidiaries or their respective properties or assets, other than, in the case of clauses (ii) and (iii) above, any matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect.

(b) No consent, approval, clearance, waiver, authorization, waiting period expiration, Permit or order ("Consent") of or from, or registration, declaration, notice or filing made to or with, or any other action by any federal, national, state, provincial or local, whether domestic or foreign, government or any court of competent jurisdiction, administrative agency or commission, arbitrator or other governmental authority or instrumentality, whether domestic, foreign or supranational (a "Governmental Entity"), is required to be obtained or made by or with respect to Parent or Merger Sub in connection with the execution and delivery of this Agreement or its performance of its obligations hereunder or the consummation of the Transactions, other than (i) compliance with and filings under the applicable requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), (ii) compliance with and filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), (iii) such Consents from, or such filings and submissions as may be necessary or advisable to or with, CFIUS in connection with the Transactions, (iv) the filing of the Certificate of Merger with the Secretary of State as required by the OGCL and appropriate documents with the relevant authorities of the other jurisdictions in which Parent and the Company are qualified to do business, (v) such Consents from, or registrations, declarations, notices or filings made to or with, the U.S. Federal Communications Commission or any successor Governmental Entity (the "FCC") (including any review by Team Telecom Agencies in connection with any FCC filing) as are required in connection with the Transactions (the "Parent FCC Consents"), (vi) such Consents from, or registrations, declarations, notices or filings made to or with, state public service or state public utility commissions (collectively, "State Regulators") as are required in connection with the Transactions (the "Parent PSC Consents"), (vii) such Consents from, or registrations, declarations, notices or filings made to or with, foreign regulatory agencies (collectively, "Foreign Regulatory Agencies") as are required in connection with the Transactions, (viii) such Consents from, or registrations, declarations, notices or filings made to or with, governments of counties, municipalities and any other subdivisions of a United States state (collectively, "Localities") in connection with the provision of telecommunication and media services as are required in connection with the Transactions (the "Parent Local Consents") and (ix) such other matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect.

SECTION 3.04. Information Supplied. None of the information supplied or to be supplied by Parent or Merger Sub for inclusion or incorporation by reference in the Proxy Statement will, at the date it is first mailed to the Company's shareholders or at the time of the Company Shareholders Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. Notwithstanding the foregoing, no representation is made by Parent or Merger Sub with respect to statements made or incorporated by reference in the Proxy Statement based on information supplied by the Company for inclusion or incorporation by reference therein.

SECTION 3.05. Litigation. There is no civil, criminal or administrative suit, action, investigation, claim, enforcement action, hearing, arbitration, mediation, investigation or other proceeding (formal, informal, public or non-public) (each, an "Action") pending or, to the Knowledge of Parent, threatened against or affecting Parent or any of its Subsidiaries that, individually or in the aggregate, has had or would reasonably be expected to have a Parent Material Adverse Effect, nor is there any Judgment outstanding against or, to the Knowledge of Parent, any investigation by any Governmental Entity involving Parent or any of its Subsidiaries or any of their respective properties or assets that, individually or in the aggregate, has had or would reasonably be expected to have a Parent Material Adverse Effect.

SECTION 3.06. Brokers' Fees and Expenses. No broker, investment banker, financial advisor or other Person, other than such Persons the fees and expenses of which will be paid by Parent, is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the Transactions based upon arrangements made by or on behalf of Parent.

SECTION 3.07. Financing. Parent has provided the Company true and complete copies of (a) fully executed commitment letters dated on or prior to the date hereof (together with all exhibits, annexes, schedules and term sheets attached thereto, each, an "Equity Funding Letter" and, collectively, the "Equity Funding Letters") from each Guarantor providing for an equity investment in Parent, subject to the terms and conditions therein, in cash in the aggregate amounts set forth therein (the "Equity Financing") and (b) fully executed commitment letters and Redacted Fee Letters dated on or prior to the date hereof (together with all exhibits, annexes, schedules and term sheets attached thereto, each a "Debt Commitment

Letter" and, collectively, the "Debt Commitment Letters" and, together with the Equity Funding Letters, the "Financing Letters"), from the financial institutions identified therein (the "Commitment Parties"), providing, subject to the terms and conditions therein, for debt financing, in each case, in the amounts set forth therein (being collectively referred to as the "Debt Financing" and, together with the Equity Financing, collectively referred to as the "Financing"). Each of the Financing Letters is valid, binding and, to the Knowledge of Parent, enforceable by Parent against the other parties thereto in accordance with its terms, subject to the Bankruptcy and Equity Exception. As of the date hereof, each of the Financing Letters is in full force and effect and the respective obligations and commitments therein have not been withdrawn, rescinded or terminated or otherwise amended or modified in any respect. As of the date hereof, no event has occurred which (with or without notice, lapse of time, or both) would reasonably be expected to constitute a breach in any material respect or default on the part of Parent or, to the Knowledge of Parent, any of the other parties thereto under the Financing Letters or otherwise result in any portion of the Financing contemplated thereby, as applicable, to be unavailable or delayed. Subject to the satisfaction of the conditions contained in Section 7.01 and Section 7.03 hereof, as of the date hereof, Parent has no reason to believe that any of the conditions in any of the Financing Letters will not be satisfied or that any of portion of the Financing will not be made available thereunder on a timely basis in order to consummate the Transactions. As of the date hereof, none of the Guarantors or the Commitment Parties has notified Parent of its intention to terminate any of its obligations under the applicable Financing Letter or not to provide the applicable Financing. Assuming (A) the satisfaction of the conditions in Sections 7.01 and 7.03 hereof and (B) that the Financing is funded in accordance with the terms of the Financing Letters, the net proceeds contemplated by the Financing Letters (after netting out applicable fees, expenses, original issue discount and similar premiums and charges and after giving effect to the maximum amount of flex (including original issue discount flex) provided under the Debt Commitment Letter), will be sufficient to pay the Merger Consideration, the refinancing of any credit facility or other Indebtedness of the Company or any Company Subsidiary that will not continue after the Effective Time, the payment of any fees and expenses of or payable by Parent, and any other amounts required to be paid by Parent in connection with the consummation of the Transactions. Parent has paid in full any and all commitment or other fees required by the Financing Letters that are due as of the date hereof, and will pay, after the date hereof, all such fees as they become due. There are no side letters or other Contracts, arrangements or understandings to which Parent, any Guarantor or any of their respective Affiliates is a party related to the Financing (other than as expressly contained in the Financing Letters and delivered to the Company prior to the date of this Agreement) that would permit the Commitment Parties to reduce the total amount of the Financing, or that would affect the availability or conditionality of the Financing in any material respect.

SECTION 3.08. Guarantee. Concurrently with the execution of this Agreement, Parent has delivered to the Company the duly executed guarantee of each Guarantor, dated as of the date of this Agreement, in favor of the Company in respect of certain of Parent's obligations under, or in connection with, this Agreement, the Merger and the other Transactions (each, a "Guarantee"). Each Guarantee is (a) a legal, valid and binding obligation of the applicable Guarantor, (b) enforceable against the applicable Guarantor in accordance with its terms, except as such enforceability may be limited by the Bankruptcy and Equity Exception and (c) in full force and effect. As of the date of this Agreement, no event has occurred which (with or without notice, lapse of time, or both), would or would reasonably be expected to constitute a default or breach on the part of the applicable Guarantor under any Guarantee.

SECTION 3.09. Solvency. Neither Parent nor Merger Sub is entering into this Agreement (and the Guarantors are not entering into the Guarantees) with the actual intent to hinder, delay or defraud either present or future creditors of the Company or any of the Company Subsidiaries. Assuming (a) satisfaction or waiver of the conditions to Parent's obligation to consummate the Merger in all material respects, (b) the accuracy of the representations and warranties of the Company set forth in Article IV hereof and (c) the compliance by the Company with its obligations in Section 5.01 hereof in all material respects, after giving effect to the Merger and the payment of the aggregate Merger Consideration, any other repayment or refinancing of debt contemplated in this Agreement or the Financing Letters, payment of all amounts required to be paid in connection with the consummation of the Merger and the other Transactions, and payment of all related fees and expenses, each of Parent and the Surviving Corporation will be Solvent as of the Effective Time and immediately after the consummation of the applicable transactions. For the purposes of this Agreement, the term "Solvent", when used with respect to any Person, means that, as of any date of determination, (a) the amount of the "fair saleable value" of the assets of such Person and its Subsidiaries, taken as a whole, will, as of such date, exceed the sum of (i) the value of all "liabilities of such Person and its Subsidiaries, taken as a whole, including contingent and other liabilities", as of such date, as such quoted terms are generally determined in accordance with applicable Laws governing determinations of the insolvency of debtors, and (ii) the amount that will be required to pay the probable liabilities of such Person and its Subsidiaries, taken as a whole, as of such date, on its existing debts (including contingent and other liabilities) as such debts become absolute and mature, (b) such Person and its Subsidiaries, taken as a whole, will not have, as of such date, an unreasonably small amount of capital for the operation of the businesses in which they are engaged or proposed to be engaged following such date and (c) such Person and its Subsidiaries, taken as a whole, will be able to pay their liabilities, including contingent and other liabilities, as they mature. For purposes of this definition, "not have an unreasonably small amount of capital for the operation of the businesses in which it is engaged or proposed to be engaged" and "able to pay its liabilities, including contingent and other liabilities, as they mature" means that such Person will be able to generate enough cash from operations, asset dispositions or refinancing, or a combination thereof, to meet its obligations as they become due.

SECTION 3.10. Certain Arrangements. As of the date of this Agreement, there are no Contracts or other arrangements or understandings (whether oral or written and whether or not legally binding) or commitments to enter into Contracts or other arrangements or understandings (whether oral or written and whether or not legally binding) (a) between Parent, Merger Sub, the Guarantors or any of their respective Affiliates, on the one hand, and (x) any member of the Company's management or Board of Directors or (y) any beneficial owner of any shares of Company Capital Stock, on the other hand, that relate in any way to the Company or any of its businesses or Subsidiaries (including those businesses and Subsidiaries following the Closing) or the Transactions (including as to continuing employment or equity roll-over) or (b) pursuant to which any shareholder of Company Common Shares would be entitled to receive value or consideration of a different amount or nature than the Merger Consideration or pursuant to which any shareholder of the Company agrees to vote to adopt this Agreement or the Merger or agrees to vote against or otherwise oppose any Superior Company Proposal.

SECTION 3.11. Merger Sub. Parent is the sole shareholder of Merger Sub. Since its date of incorporation, Merger Sub has not carried on any business nor conducted any operations other than the execution of this Agreement, the performance of its obligations hereunder and matters ancillary thereto.

SECTION 3.12. Ownership of Company Stock. Neither Parent nor Merger Sub nor any of their respective "affiliates" or "associates" (as such terms are defined in Section 1704.01 of the OGCL) is, or at any time during the past three years has been, an "interested shareholder" of the Company as defined in Section 1704.01 of the OGCL, nor do any of them currently own any Company Common Shares, 6 3/4% Preferred Shares or any other shares of Company Capital Stock.

SECTION 3.13. No Other Representations or Warranties. Except for the representations and warranties contained in this Article III, the Company acknowledges that none of Parent, any Subsidiary of Parent or any other Person on behalf of Parent makes any other express or implied representation or warranty in connection with the Transactions, and that the Company has not relied on any such other representation or warranty.

ARTICLE IV

Representations and Warranties of the Company

The Company represents and warrants to Parent and Merger Sub that the statements contained in this Article IV are true and correct except as set forth in the Company SEC Documents filed and publicly available prior to the date of this Agreement (the "Filed Company SEC Documents") (excluding any disclosures in the Filed Company SEC Documents under the heading "Risk Factors" (other than any statement of historical fact) and any other disclosures of risks that are predictive or forward-looking in nature) or in the disclosure letter delivered by the Company to Parent before the execution and delivery by the Company of this Agreement (the "Company Disclosure Letter"). The Company Disclosure Letter shall be arranged in numbered and lettered sections corresponding to the numbered and lettered sections contained in this Article IV, and the disclosure in any section shall be deemed to qualify other sections in this Article IV to the extent that it is reasonably apparent from the face of such disclosure that such disclosure also qualifies or applies to such other sections.

SECTION 4.01. Organization, Standing and Power. Each of the Company and each of the Company's Subsidiaries (the "Company Subsidiaries") is duly organized, validly existing and in good standing under the Laws of the jurisdiction in which it is organized (in the case of good standing, to the extent such jurisdiction recognizes such concept), except, in the case of the Company Subsidiaries, where the failure to be so organized, existing or in good standing, individually or in the aggregate, has not had and would not reasonably be expected to have a Company Material Adverse Effect. Each of the Company and the Company Subsidiaries has all requisite corporate or similar power and authority and possesses all Permits necessary to enable it to own, lease, operate or otherwise hold its properties and assets and to conduct its businesses as presently conducted (the "Company Permits"), except where the failure to have such power or authority or to possess the Company Permits, individually or in the aggregate, has not had and would not reasonably be expected to have a Company Material Adverse Effect. Each of the Company and the Company Subsidiaries is duly qualified or licensed to do business in each jurisdiction where the nature of its business or the ownership, operation or leasing of its properties and assets makes such qualification necessary, other than in such jurisdictions where the failure to be so qualified or licensed, individually or in the aggregate, has not had and would not reasonably be expected to have a Company Material Adverse Effect. The Company has made available to Parent, prior to execution of this Agreement, true and complete copies of the Amended and Restated Articles of Incorporation of the Company in effect as of the date of this Agreement, together with all amendments thereto in effect as of the date of this Agreement (the "Company Articles"), and the Amended and Restated Regulations of the Company in effect as of the date of this Agreement, together with all amendments thereto in effect as of the date of this Agreement (the "Company Regulations"). Each of the Company Articles and the Company Regulations were duly adopted and is in full force and effect as of the date of this Agreement. Neither the Company nor any Company Subsidiary is in violation in any material respect of any provision of such documents.

SECTION 4.02. Company Subsidiaries. (a) All the outstanding shares of capital stock or voting securities of, or other equity interests in, each Company Subsidiary have been validly issued and are fully paid and nonassessable and are wholly owned by the Company, by another Company Subsidiary or by the Company and another Company Subsidiary, free and clear of all pledges, liens, claims, charges, mortgages, deeds of trust, encumbrances, judgments, options, rights of first refusal or offer, defects in title, limitations in voting rights and security interests of any kind or nature whatsoever (collectively, "Liens"), and free of any other restriction (including any restriction on the right to vote, sell or otherwise dispose of such capital stock, voting securities or other equity interests), except for restrictions imposed by applicable securities Laws. The Company has provided to Parent a true and complete list of all the Company Subsidiaries as of the date of this Agreement.

(b) Except for the capital stock and voting securities of, and other equity interests in, the Company Subsidiaries, neither the Company nor any Company Subsidiary owns, directly or indirectly, any capital stock or voting securities of, or other equity interests in, or any interest convertible into or exchangeable or exercisable for, any capital stock or voting securities of, or other equity interests in, any firm, corporation, partnership, company, limited liability company, trust, joint venture, association or other entity.

SECTION 4.03. Capital Structure. (a) The authorized capital stock of the Company consists of 96,000,000 Company Common Shares, 1,357,299 shares of voting preferred shares, without par value ("Company Voting Preferred Shares"), and 1,000,000 shares of non-voting preferred shares, without par value ("Company Non-Voting Preferred Shares" and, together with the Company Common Shares and the Company Voting Preferred Shares, the "Company Capital Stock"). At the close of business on February 21, 2020 (the "Capitalization Date"), (i) 50,547,331 Company Common Shares were issued and outstanding, (ii) no Company Common Shares were held in the treasury of the Company, (iii) 155,250 Company Voting Preferred Shares designated as 6 3/4% Cumulative Convertible Preferred Shares ("6 3/4% Preferred Shares") were issued and outstanding, (iv) no Company Non-Voting Preferred Shares were issued and outstanding, (v) 3,210,081 Company Common Shares were reserved and available for issuance pursuant to the Company Stock Plans, of which (A) 867,573 Company Common Shares were subject to outstanding Company RSUs (other than Company PSUs), (B) 1,037,435 Company Common Shares were subject to outstanding Company PSUs (assuming settlement of outstanding awards based on maximum achievement of applicable performance goals), (C) 143,545 Company Common Shares were subject to outstanding Company Stock Options and (D) 10,389 Company Common Shares were subject to outstanding Company SARs, and (vi) 10,800 Company Common Shares were subject to Company Phantom Shares, of which all were cash-settled Company Phantom Shares. Except as set forth in this Section 4.03(a), at the close of business on the Capitalization Date, no shares of capital stock or voting securities of, or other equity interests in, the Company were issued, reserved for issuance or outstanding. From the close of business on the Capitalization Date to the date of this Agreement, there have been no issuances by the Company of shares of capital stock or voting securities of, or other equity interests in, the Company, other than the issuance of Company Common Shares (x) upon the exercise of Company Stock Options and Company SARs outstanding at the close of business on the Capitalization Date or (y) upon the vesting and settlement of Company RSUs, Company PSUs and Company Phantom Shares outstanding at the close of business on the Capitalization Date, in each case, in accordance with their terms in effect on the Capitalization Date.

(b) All outstanding shares of Company Capital Stock are, and, at the time of issuance, all such shares that may be issued upon the vesting, exercise or settlement, as applicable, of Company Stock-Based Awards will be, duly authorized, validly issued, fully paid and nonassessable and not subject to, or issued in violation of, any purchase option, call option, right of first refusal, preemptive right, subscription right or any similar right under any provision of the OGCL, the Company Articles, the Company Regulations or any Contract to which the Company is a party or otherwise bound.

(c) Except as set forth in this Section 4.03, as of the close of business on the Capitalization Date, there are not issued, reserved for issuance or outstanding, and there are not any outstanding obligations of the Company or any Company Subsidiary to issue, deliver or sell, or cause to be issued, delivered or sold, (i) except as required by the terms of the 6 3/4% Preferred Shares, any capital stock or voting securities of, or other equity interests in, the Company or any Company Subsidiary or any securities of the Company or any Company Subsidiary convertible into or exchangeable or exercisable for shares of capital stock or voting securities of, or other equity interests in, the Company or any Company Subsidiary, (ii) any warrants, calls, options or other rights to acquire from the Company or any Company Subsidiary, or any other obligation of the Company or any Company Subsidiary to issue, deliver or sell, or cause to be issued, delivered or sold, any capital stock or voting securities of, or other equity interests in, the Company or any Company Subsidiary, or (iii) any rights issued by or other obligations of the Company or any Company Subsidiary that are linked in any way to the price of any class of Company Capital Stock or any shares of capital stock or voting securities of, or other equity interests in, any Company Subsidiary, the value of the Company, any Company Subsidiary or any part of the Company or any Company Subsidiary or any dividends or other distributions declared or paid on any shares of capital stock or voting securities of, or other equity interests in, the Company or any Company Subsidiary. Except as set forth above in this Section 4.03 or in connection with Company Stock-Based Awards, as of the close of business on the Capitalization Date, there are not any outstanding obligations of the Company or any of the Company Subsidiaries to repurchase, redeem or otherwise acquire any shares of capital stock or voting securities or other equity interests of the Company or any Company Subsidiary or any securities, interests, warrants, calls, options or other rights referred to in clause (i), (ii) or (iii) of the immediately preceding sentence. There are no debentures, bonds, notes or other Indebtedness of the Company that have or by their terms may have at any time the right to vote (or which are convertible into, or exchangeable for, securities having the right to vote) on any matters on which shareholders of the Company may vote ("Company Voting Debt"). Neither the Company nor any of the Company Subsidiaries is a party to any voting agreement with respect to the voting of any capital stock or voting securities of, or other equity interests in, the Company. Except for this Agreement, neither the Company nor any of the Company Subsidiaries is a party to any agreement pursuant to which any Person is entitled to elect, designate or nominate any director of the Company or any of the Company Subsidiaries.

SECTION 4.04. Authority; Execution and Delivery; Enforceability. (a) The Company has all requisite corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the Merger and the Transactions, subject, in the case of the Merger, to the receipt of the Company Shareholder Approval. The Company Board, by a unanimous vote at a meeting duly called on or prior to the date of this Agreement at which a quorum of directors of the Company was present, adopted resolutions (i) approving this Agreement, the Merger and the Transactions, (ii) determining that entering into this Agreement, the Merger and the Transactions are fair to, and in the best interests of, the Company and its shareholders, (iii) declaring this Agreement, the Merger and the Transactions advisable and (iv) recommending that the Company's shareholders adopt this Agreement, the Merger and the Transactions (such recommendation, the "Company Board Recommendation") and directing that this Agreement and the Merger be submitted to the Company's shareholders at a duly held meeting of such shareholders for such purpose (the "Company Shareholders Meeting"), and such resolutions remain in full force and effect and have not been amended or withdrawn (except as, and only to the extent, expressly permitted by Section 5.02(c)). Except for the adoption of this Agreement by the affirmative vote of the holders of two-thirds of the outstanding Company Common Shares and Company Voting Preferred Shares, voting as a single class, in each case entitled to vote at the Company Shareholders Meeting (the "Company Shareholder Approval"), no other corporate proceedings on the part of the Company are necessary to authorize, adopt or approve this Agreement or to consummate the Merger and the Transactions (except for the filing of the Certificate of Merger with the Secretary of State pursuant to the OGCL). The Company has duly executed and delivered this Agreement and, assuming the due authorization, execution and delivery by each of Parent and Merger Sub, this Agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to the Bankruptcy and Equity Exception.

(b) Assuming the accuracy of Parent's representation in Section 3.12, the Company has taken all necessary action such that the provisions of Chapter 1704 of the OGCL are not applicable to the Company, Parent, Merger Sub, this Agreement, the Merger or the Transactions, and no other Takeover Laws or any anti-takeover provision in the Company Articles or the Company Regulations are, or at the Effective Time will be, applicable to the Company, Parent, Merger Sub, this Agreement or any of the Merger Transactions. For purposes of this Agreement, "Takeover Laws" means any "moratorium", "control share acquisition", "fair price", "supermajority", "affiliate transactions" or "business combination statute or regulation" or other similar state anti-takeover Laws.

(c) Neither the Company nor any Company Subsidiary has in effect a "poison pill", shareholder rights plan or other similar plan or agreement.

SECTION 4.05. No Conflicts; Consents. (a) The execution and delivery by the Company of this Agreement does not, and the performance by it of its obligations hereunder and the consummation of the Merger Transactions will not, (i) conflict with or result in any violation of any provision of the Company Articles, the Company Regulations or the comparable charter, bylaws or other organizational documents of any Company Subsidiary (assuming that the Company Shareholder Approval is obtained), (ii) conflict with, result in any breach or violation of or default (with or without notice or lapse of time, or both) under, terminate or give rise to a right of termination, vesting, cancellation, amendment, notification, purchase or sale (including any purchase option, option to sell, right of first refusal, right of first offer, right of first negotiation or similar option or right) under, or acceleration of, give rise to any obligation to make an offer to purchase or redeem any Indebtedness or capital stock, voting securities, or other equity interests or any loss of a material benefit under, or result in the creation of any Lien upon any of the properties or assets of the Company or any Company Subsidiary under, any Contract to which the Company or any Company Subsidiary is a party or by which any of their respective properties or assets is bound or any Company Permit or (iii) subject to the filings and other matters referred to in Section 4.05(b), conflict with or result in any violation of any Judgment or Law, in each case, applicable to the Company or any Company Subsidiary or their respective properties or assets (assuming that the Company Shareholder Approval is obtained), other than, in the case of clauses (ii) and (iii) above, any matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect.

(b) No Consent of or from, or registration, declaration, notice or filing made to or with, or any other action by, any Governmental Entity is required to be obtained or made by or with respect to the Company or any Company Subsidiary in connection with the execution and delivery of this Agreement or its performance of its obligations hereunder or the consummation of the Merger Transactions, other than (i) (A) the filing with the Securities and Exchange Commission (the "SEC") of the Proxy Statement in definitive form and (B) the filing with the SEC of such reports and other filings under, and such other compliance with, the Exchange Act and the Securities Act of 1933, as amended (the "Securities Act"), and the rules and regulations thereunder, as may be required in connection with this Agreement and the Transactions, (ii) compliance with and filings under the HSR Act, (iii) such Consents from, or such filings and submissions as may be necessary or advisable to or with, CFIUS in connection with the Transactions, (iv) the filing of the Certificate of Merger with the Secretary of State as required by the OGCL and appropriate documents with the relevant authorities of the other jurisdictions in which Parent and the Company are qualified to do business, (v) such Consents from, or registrations, declarations, notices or filings made to or with, the FCC (including any review by Team Telecom Agencies in connection with any FCC filing) as are required in connection with the Transactions (the "Company FCC Consents" and, together with the Parent FCC Consents, the "FCC Consents"), (vi) such Consents from, or registrations, declarations, notices or filings made to or with, State Regulators as are required in connection with the Transactions (the "Company PSC Consents" and, together with the Parent PSC Consents, the "PSC Consents"), (vii) such Consents from, or registrations, declarations, notices or filings made to or with, Foreign Regulatory Agencies as are required in connection with the Transactions, (viii) such Consents from, or registrations, declarations, notices or filings made to or with, governments of Localities in connection with the provision of telecommunication and media services as are required in connection with the Transactions (the "Company Local Consents" and, together with the Parent Local Consents, the "Local Consents") and (ix) such other matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect.

SECTION 4.06. SEC Documents; Undisclosed Liabilities. (a) The Company has furnished or filed all reports, schedules, forms, statements and other documents (including exhibits and other information incorporated therein) required to be furnished or filed by the Company with the SEC since January 1, 2017 (such documents, together with any documents filed with or furnished to the SEC during such period by the Company on a voluntary basis on a Current Report on Form 8-K, but excluding the Proxy Statement, being collectively referred to as the "Company SEC Documents").

(b) Each Company SEC Document (i) at the time filed, complied in all material respects with the requirements of requirements of the Sarbanes-Oxley Act of 2002 and the Exchange Act or the Securities Act, as the case may be, and the rules and regulations of the SEC promulgated thereunder applicable to such Company SEC Document and (ii) did not at the time it was filed (or if amended or superseded by a filing or amendment prior to the date of this Agreement, then at the time of such filing or amendment) contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Each of the consolidated financial statements of the Company included in the Company SEC Documents complied at the time it was filed as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, was prepared in accordance with United States generally accepted accounting principles ("GAAP") (except, in the case of unaudited statements, as permitted by Form 10-Q of the SEC or other rules and regulations of the SEC) applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto) and fairly presented in all material respects the consolidated financial position of the Company and its consolidated Subsidiaries as of the dates thereof and the consolidated results of their operations and cash flows for the periods shown (subject, in the case of unaudited statements, to normal year-end audit adjustments).

(c) Neither the Company nor any Company Subsidiary has any liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) that, individually or in the aggregate, have had or would reasonably be expected to have a Company Material Adverse Effect.

(d) The Company maintains a system of "internal control over financial reporting" (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) sufficient to provide reasonable assurance (i) that transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP, consistently applied, (ii) that transactions are executed only in accordance with the authorization of management and (iii) regarding prevention or timely detection of the unauthorized acquisition, use or disposition of the Company's properties or assets.

(e) The "disclosure controls and procedures" (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) utilized by the Company are reasonably designed to ensure that all information (both financial and non-financial) required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and that all such information required to be disclosed is accumulated and communicated to the management of the Company, as appropriate, to allow timely decisions regarding required disclosure and to enable the chief executive officer and chief financial officer of the Company to make the certifications required under the Exchange Act with respect to such reports.

(f) Neither the Company nor any of the Company Subsidiaries is a party to, or has any commitment to become a party to, any joint venture, off-balance sheet partnership or any similar Contract (including any Contract or arrangement relating to any transaction or relationship between or among the Company and any of the Company Subsidiaries, on the one hand, and any unconsolidated Affiliate, including any structured finance, special purpose or limited purpose entity or Person, on the other hand, or any "off-balance sheet arrangements" (as defined in Item 303(a) of Regulation S-K under the Exchange Act)), where the result, purpose or intended effect of such Contract is to avoid disclosure of any material transaction involving, or material liabilities of, the Company or any of the Company Subsidiaries in the Company's or such Company Subsidiary's published financial statements or other Company SEC Documents.

(g) Since January 1, 2019, none of the Company, the Company's independent accountants, the Company Board or the audit committee of the Company Board has received any oral or written notification of any (i) "significant deficiency" in the internal controls over financial reporting of the Company, (ii) "material weakness" in the internal controls over financial reporting of the Company or (iii) fraud, whether or not material, that involves management or other employees of the Company who have a significant role in the internal controls over financial reporting of the Company.

(h) None of the Company Subsidiaries is, or has at any time since January 1, 2019 been, subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act.

SECTION 4.07. Information Supplied. None of the information supplied or to be supplied by the Company for inclusion or incorporation by reference in the Proxy Statement will, at the date it is first mailed to the Company's shareholders or at the time of the Company Shareholders Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. Notwithstanding the foregoing, no representation is made by the Company with respect to statements made or incorporated by reference in the Proxy Statement based on information supplied by Parent or Merger Sub for inclusion or incorporation by reference therein.

SECTION 4.08. Absence of Certain Changes or Events. From January 1, 2019 to the date of this Agreement, (i) there has not occurred any state of facts, change, effect, condition, development, event or occurrence that, individually or in the aggregate, has had or would reasonably be expected to have a Company Material Adverse Effect, (ii) neither the Company nor any of the Company Subsidiaries has taken any action which, if taken after the date of this Agreement and prior to the Closing Date without the prior written consent of Parent, would constitute a breach of Section 5.01(a)(i), 5.01(a)(ii), 5.01(a)(iii), 5.01(a)(iv), 5.01(a)(v), 5.01(a)(vii), 5.01(a)(viii), 5.01(a)(ix) or 5.01(a)(xx) (with respect to Sections 5.01(a)(ii), 5.01(a)(iii), 5.01(a)(iv), 5.01(a)(v), Section 5.01(a)(vii), Section 5.01(a)(viii) and 5.01(a)(ix)) and (iii) each of the Company and the Company Subsidiaries has conducted its respective business in the ordinary course in all material respects.

SECTION 4.09. Taxes. (a) (i) Each of the Company and each Company Subsidiary has timely filed (or caused to be filed), taking into account any extensions, all material Tax Returns required to have been filed and such Tax Returns are accurate and complete in all material respects; (ii) each of the Company and each Company Subsidiary has paid all material Taxes required to have been paid by it other than Taxes that are not yet due or that are being contested in good faith in appropriate proceedings; and (iii) no material deficiency for any Tax has been asserted or assessed by a taxing authority against the Company or any Company Subsidiary which deficiency has not been paid or is not being contested in good faith in appropriate proceedings.

(b) No material Tax Return of the Company or any Company Subsidiary is under audit or examination by any taxing authority, and no written notice of a pending audit or examination has been received by the Company or any Company Subsidiary. No deficiencies for any material Taxes have been proposed, asserted or assessed against the Company or any Company Subsidiary that were not finally resolved in full prior to the date of the most recent Company SEC Documents. No requests for extensions or waivers of any statute of limitation or other time to assess any material Taxes are pending. No other procedure, proceeding or contest of any refund or deficiency in respect of material Taxes is pending in or on appeal from any Governmental Entity.

(c) No written claim has been made by any Governmental Entity in a jurisdiction where the Company or any Company Subsidiary does not file Tax Returns that the Company or any Company Subsidiary is subject to taxation by that jurisdiction.

(d) Each of the Company and each Company Subsidiary has complied in all material respects with all applicable Laws relating to the collection, payment and withholding and remittances of Taxes.

(e) Neither the Company nor any Company Subsidiary is a party to or is otherwise bound by any material Tax sharing, allocation or indemnification agreement or arrangement (other than such an agreement or arrangement exclusively between or among the Company and the Company Subsidiaries or customary Tax payment or indemnification provisions in Contracts the primary purpose of which does not relate to Taxes).

(f) Neither the Company nor any Company Subsidiary has been included in any "consolidated," "unitary" or "combined" Tax Return provided for under the Laws of the United States, any non-U.S. jurisdiction or any state or locality with respect to Taxes for any taxable period for which the statute of limitations has not expired (other than a group the common parent of which is or was the Company and/or any Company Subsidiary).

(g) Within the past three years, neither the Company nor any Company Subsidiary has been a "distributing corporation" or a "controlled corporation" in a distribution intended to qualify for tax-free treatment under Section 355 of the Code.

(h) Neither the Company nor any Company Subsidiary has participated in a "reportable transaction" or a "transaction of interest" within the meaning of Treasury Regulation Section 1.6011-4(b).

(i) Neither the Company nor any Company Subsidiary will be required to include any material item of income or gain in, or exclude any material item of deduction or loss from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of (i) any installment sale or open transaction disposition made on or prior to the Closing Date, (ii) any prepaid amount received on or prior to the Closing Date, (iii) any "closing agreement" as described in Section 7121 of the Code (or any corresponding provision of applicable Laws) executed on or prior to the Closing Date, (iv) to the Knowledge of the Company, an intercompany item under Treasury Regulation Section 1.1502-13 or an excess loss account under Treasury Regulation Section 1.1502-19, (v) a change in the method of accounting made on or prior to the Closing Date or (v) an election under Section 108(i) of the Code (or any corresponding provision of applicable Laws) made on or prior to the Closing Date.

SECTION 4.10. Benefits Matters; ERISA Compliance. (a) The Company has delivered or made available to Parent true and complete copies of (i) all material Company Benefit Plans or, in the case of any unwritten material Company Benefit Plan, a description thereof, including any amendment thereto, (ii) the most recent annual report on Form 5500 or such similar report, statement or information return required to be filed with or delivered to any Governmental Entity, if any, in each case, with respect to each material Company Benefit Plan, (iii) each trust, insurance, annuity or other funding Contract relating to any material Company Benefit Plan and (iv) the most recent financial statements and actuarial or other valuation reports for each Company Benefit Plan (if any). For purposes of this Agreement, "Company Benefit Plans" means, collectively (A) all "employee pension benefit plans" (as defined in Section 3(2) of ERISA) ("Company Pension Plans"), "employee welfare benefit plans" (as defined in Section 3(1) of ERISA) and all other bonus, pension, profit sharing, retirement, deferred compensation, incentive compensation, equity or equity-based compensation, severance, retention, termination, change in control, disability, vacation, death benefit, hospitalization, medical or other material compensation or benefit plans, arrangements, policies, programs or understandings providing compensation or benefits (other than foreign or domestic statutory programs), in each case, sponsored, maintained, contributed to or required to be maintained or contributed to by the Company, any Company Subsidiary or any other person or entity that, together with the Company is treated as a single employer under Section 414(b), (c), (m) or (o) of the Code (each, a "Company Commonly Controlled Entity") for the benefit of any current or former directors, officers, employees, independent contractors or consultants of the Company or any Company Subsidiary (each a "Company Participant") and (B) all employment, consulting, bonus, incentive compensation, deferred compensation, equity or equity-based compensation, indemnification, severance, retention, change of control or termination agreements or arrangements between the Company or any Company Subsidiary and any Company Participant. Section 4.10 of the Company Disclosure Letter contains a true and complete list, as of the date of this Agreement, of all material Company Benefit Plans.

(b) All Company Pension Plans have been the subject of, have timely applied for or have not been eligible to apply for, as of the date of this Agreement, determination letters or opinion letters (as applicable) from the U.S. Internal Revenue Service (the "IRS") or a non-U.S. Governmental Entity (as applicable) to the effect that such Company Pension Plans and the trusts created thereunder are qualified and exempt from Taxes under Sections 401(a) and 501(a) of the Code or other applicable Law, and no such determination letter or opinion letter has been revoked nor, to the Knowledge of the Company, has revocation been threatened, nor has any such Company Pension Plan been amended since the date of its most recent determination letter or opinion letter (or application therefor) in any respect that would reasonably be expected to result in the loss of its qualification.

(c) Except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to result in any material liability to the Company, other than a Company Pension Plan that is a "multiemployer" plan within the meaning of Section 4001(a)(3) of ERISA, in the case of each Company Pension Plan, (i) no Company Pension Plan had, as of the respective last annual valuation date for each such Company Pension Plan, an "unfunded benefit liability" (within the meaning of Section 4001(a)(18) of ERISA), based on actuarial assumptions made available to Parent, (ii) none of the Company Pension Plans has failed to meet any "minimum funding standards" (as such term is defined in Section 302 of ERISA or Section 412 of the Code), whether or not waived and no such plan is, or is expected to be, considered an at-risk plan within the meaning of Section 430 of the Code or Section 303 of ERISA, (iii) none of such Company Benefit Plans or related trusts is the subject of any proceeding or investigation by any Person, including any Governmental Entity, that could be reasonably expected to result in a termination of such Company Benefit Plan or trust or any other material liability to the Company or any Company Subsidiary, and (iv) there has not been any "reportable event" (as that term is defined in Section 4043 of ERISA and as to which the notice requirement under Section 4043 of ERISA has not been waived) with respect to any Company Benefit Plan during the last six years. None of the Company, any Company Subsidiary or any Company Commonly Controlled Entity has, or within the past six years had, contributed to, been required to contribute to, or has any liability (including "withdrawal liability" within the meaning of Title IV of ERISA) with respect to, any Company Pension Plan that is a "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA.

(d) With respect to each material Company Benefit Plan that is an employee welfare benefit plan, (i) such Company Benefit Plan (including any Company Benefit Plan covering retirees or other former employees) may be amended to reduce benefits or limit the liability of the Company or the Company Subsidiaries or terminated, in each case, without material liability to the Company and the Company Subsidiaries on or at any time after the Effective Time and (ii) no such Company Benefit Plan is unfunded or self-insured or funded through a "welfare benefit fund" (as defined in Section 419(e) of the Code) or other funding mechanism.

(e) Except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect, no Company Benefit Plan provides health, medical or other welfare benefits after retirement or other termination of employment (other than for continuation coverage required under Section 4980(B)(f) of the Code or applicable Law).

(f) Except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect, (i) each Company Benefit Plan and its related trust, insurance contract or other funding vehicle has been administered in accordance with its terms and is in compliance with ERISA, the Code and all other Laws applicable to such Company Benefit Plan and (ii) the Company and each of the Company Subsidiaries is in compliance with ERISA, the Code and all other Laws applicable to the Company Benefit Plans.

(g) Except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect, all contributions or other amounts payable by the Company or any Company Subsidiary with respect to each Company Benefit Plan have been paid or accrued in accordance with the terms of such Company Benefit Plan, GAAP and Section 412 of the Code (or any comparable provision under applicable non-U.S. Laws). Except as fully accrued or reserved against on the Company's financial statements in accordance with GAAP, there are no material unfunded liabilities, solvency deficiencies or wind-up liabilities, where applicable, with respect to any Company Benefit Plan.

(h) Except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect, there are no pending or, to the Knowledge of the Company, threatened claims or Actions by or on behalf of any participant in any of the Company Benefit Plans, or otherwise involving any such Company Benefit Plan or the assets of any Company Benefit Plan, other than routine claims for benefits payable in the ordinary course.

(i) Each Company Stock Option (i) was validly issued and properly approved by the Company Board (or compensation committee thereof) in accordance with the applicable Company Stock Plan, (ii) has an exercise price per Company Common Share equal to or greater than the fair market value of a Company Common Share at the close of business on the date of such grant, and (iii) qualifies for the tax and accounting treatment afforded to such Company Stock Option in the Company's tax returns and the Company's financial statements, respectively.

(j) None of the execution and delivery of this Agreement, the obtaining of the Company Shareholder Approval or the consummation of any of the Merger Transactions (alone or in conjunction with any other event, including any termination of employment on or following the Effective Time) will (i) entitle any Company Participant to any compensation or benefit, (ii) accelerate the time of payment or vesting, or trigger any payment or funding, of any compensation or benefits or trigger any other material obligation under any Company Benefit Plan, (iii) result in any breach or violation of, default under or limit the Company's right to amend, modify or terminate any Company Benefit Plan or (iv) result in any "excess parachute payment" (within the meaning of Section 280G of the Code) becoming due to any Company Participant. No Company Participant is entitled to receive any gross-up or additional payment in respect of any Taxes (including, without limitation, the Taxes required under Section 409A or Section 4999 of the Code) being imposed on such Person.

SECTION 4.11. Litigation. There is no Action pending or, to the Knowledge of the Company, threatened against or affecting the Company or any Company Subsidiary that, individually or in the aggregate, has had or would reasonably be expected to have a Company Material Adverse Effect, nor is there any Judgment outstanding against or, to the Knowledge of the Company, any investigation by any Governmental Entity involving the Company or any Company Subsidiary or any of their respective properties or assets that, individually or in the aggregate, has had or would reasonably be expected to have a Company Material Adverse Effect.

SECTION 4.12. Compliance with Applicable Laws. Except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect, the Company and the Company Subsidiaries are in compliance with all applicable Laws and the Company Permits. To the Knowledge of the Company, except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect, no material action, demand or investigation by or before any Governmental Entity is pending or threatened alleging that the Company or a Company Subsidiary is not in compliance with any applicable Law or Company Permit or which challenges or questions the validity of any rights of the holder of any Company Permit. This section does not relate to Tax matters, employee benefits matters, labor matters, environmental matters or Intellectual Property matters.

SECTION 4.13. Environmental Matters. Except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect:

(a) the Company and the Company Subsidiaries have complied with all Environmental Laws, and are in compliance with all Environmental Laws, and neither the Company nor any Company Subsidiary has received any written communication that alleges that the Company or any Company Subsidiary is in violation of, or has liability under, any Environmental Law and, except as reflected in the most recent audited financial statements of the Company included in the Company SEC Documents, to the Knowledge of the Company, no known capital or other expenditure is required for the Company or the Company Subsidiaries to achieve or maintain compliance with Environmental Law;

(b) the Company and the Company Subsidiaries have obtained and complied with, and are in compliance with, all Permits issued pursuant to Environmental Law necessary for their respective operations as currently conducted, all such Permits are valid and in good standing and neither the Company nor any Company Subsidiary has been advised in writing by any Governmental Entity of any actual or potential change in the status or terms and conditions of any such Permits;

(c) there are no Environmental Claims pending or, to the Knowledge of the Company, threatened against the Company or any of the Company Subsidiaries;

(d) there have been no Releases of any Hazardous Material that could reasonably be expected to form the basis of any Environmental Claim against, or obligation pursuant to Environmental Law to conduct any Remedial Action on the part of, the Company or any of the Company Subsidiaries;

(e) neither the Company nor any of the Company Subsidiaries is conducting or undertaking any Remedial Action relating to any Release or threatened Release of any Hazardous Material; and

(f) neither the Company nor any of the Company Subsidiaries has retained or assumed, either contractually or by operation of Law, any liabilities or obligations that could reasonably be expected to form the basis of any Environmental Claim against the Company or any of the Company Subsidiaries.

SECTION 4.14. Contracts. (a) As of the date of this Agreement, neither the Company nor any Company Subsidiary is a party to or bound by any Contract that:

(i) is required to be filed by the Company pursuant to Item 601(b) of Regulation S-K under the Securities Act (other than any Company Benefit Plan);

(ii) relates to any partnership, joint venture, co-investment, limited liability, strategic alliance or similar agreement involving the Company or any of the Company Subsidiaries (other than any such agreement solely between or among the Company and the Company Subsidiaries);

(iii) contains any non-compete, exclusivity, "most favored nations" or other similar provision that limits or purports to limit, in any material respect, either the type of business in which the Company or any of the Company Subsidiaries (or, after giving effect to the Merger, Parent or its Subsidiaries) may engage, the terms or conditions the Company or any of the Company Subsidiaries (or, after giving effect to the Merger, Parent or its Subsidiaries) can offer to any other Person, or the geographic area in which the Company or any of the Company Subsidiaries (or, after giving effect to the Mergers, Parent or its Subsidiaries) may so engage;

(iv) provides for the acquisition or disposition by the Company or any Company Subsidiary of any properties or assets (except for acquisitions and dispositions of properties, assets and inventory in the ordinary course of business consistent with past practice), in each case with a fair market value in excess of $15,000,000;

(v) involves any pending or contemplated merger, consolidation or similar business combination transaction;

(vi) by its terms obligates the Company or any of the Company Subsidiaries to make expenditures (other than principal and/or interest payments or the deposit of other reserves with respect to debt obligations) or entitles the Company or any of the Company Subsidiaries to payments (A) in excess of $10,000,000 in any 12 month period or (B) in excess of $50,000,000, in the aggregate over the term of such Contract; provided that expenditures and payments under hardware reseller arrangements will be measured on a net basis; provided further that customer Contracts entered into in the ordinary course of business are not required to be scheduled until 45 calendar days after the date of this Agreement;

(vii) relates to the settlement or proposed settlement of any dispute or Action in which the amount to be paid in settlement involves (A) the issuance of any securities by the Company or any of the Company Subsidiaries, or (B) the payment of any cash or other consideration having a value, in each case, of more than $1,000,000;

(viii) contains a standstill or similar Contract pursuant to which the Company or any of the Company Subsidiaries has agreed not to acquire assets or securities of any other Person;

(ix) was entered into with any of the Company Subsidiaries or any other Person in which the Company holds, directly or indirectly, any equity interest, which relates to the rights of the Company with respect to voting, rights of first offer, rights of first refusal or other similar rights regarding such equity interests in such Person;

(x) evidences a capitalized lease obligation in excess of $10,000,000, or that is an indenture, credit agreement, loan agreement, security agreement, guarantee, note, mortgage, suretyship, "keep well" or other agreement providing for or guaranteeing indebtedness of any Person in excess of $10,000,000 (other than surety or performance bonds, letters of credit or similar agreements entered into in the ordinary course of business consistent with past practice in each case to the extent not drawn upon), except for any Contract solely among or between the Company and any of the Company Subsidiaries;

(xi) contains restrictions on the ability of the Company or any of the Company Subsidiaries to pay dividends or other distributions (other than pursuant to the Company Articles and the Company Regulations);

(xii) contains a put, call or similar right pursuant to which the Company or any of the Company Subsidiaries could be required to purchase or sell, as applicable, any equity interests of any Person or assets that have a fair market value or purchase price of more than $5,000,000, or constitutes an interest rate cap, interest rate collar, interest rate swap or other Contract relating to a hedging transaction;

(xiii) is (A) material license (by or to the Company or any Company Subsidiary), covenant not to sue, escrow, or other Contract that grants rights in or to any material Intellectual Property rights and (B) an exclusive license or other Contract affecting the Company's or any of the Company Subsidiaries' ability to disclose, own, enforce, use, or license any material Intellectual Property (provided, however, that the following are not required to be scheduled but shall constitute Material Contracts solely for purposes of Section 4.14(b) and the last sentence of Section 4.14(c) if they otherwise qualify: (w) non-exclusive licenses granted to customers in the ordinary course of business consistent with past practice; (x) non-exclusive licenses implied by the sale of a product and (y) licenses of commercially available, unmodified, off-the-shelf Software licensed pursuant to click-through, click-wrap, or standard terms and conditions for less than $10,000,000 annually); or

(xiv) would prohibit or materially delay the consummation of the Merger or the Transactions.

Each such Contract described in clauses (i) through (xiv) above is referred to herein as a "Material Contract".

(b) Except for matters which, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect, (i) each Material Contract (including, for purposes of this Section 4.14(b), any Contract entered into after the date of this Agreement that would have been a Material Contract if such Contract existed on the date of this Agreement) is a valid, binding and legally enforceable obligation of the Company or one of the Company Subsidiaries, as the case may be, and, to the Knowledge of the Company, of the other parties thereto, subject to the Bankruptcy and Equity Exception, (ii) each such Material Contract is in full force and effect and (iii) none of the Company or any of the Company Subsidiaries is (with or without notice or lapse of time, or both) in breach or default under any such Material Contract and, to the Knowledge of the Company, no other party to any such Material Contract is (with or without notice or lapse of time, or both) in breach or default thereunder.

(c) The Company has made available to Parent prior to the date of this Agreement, accurate and complete copies of all written Material Contracts, including all amendments thereto as in effect as of the date of this Agreement. Neither the Company nor any of the Company Subsidiaries has given or received notice of any violation or default under any Material Contract.

SECTION 4.15. Properties. (a) Section 4.15(a) of the Company Disclosure Letter sets forth a true and complete list, as of the date hereof, of all of the real property owned in fee simple by the Company or any of the Company Subsidiaries (the "Company Owned Real Property"). Except in respects that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect, either the Company or the Company Subsidiaries: (i) has good and valid fee simple title to all of the Company Owned Real Property, free and clear of all Liens other than Permitted Liens; (ii) is in sole and exclusive possession of the Company Owned Real Property and there are no leases, licenses, occupancy agreements or any other similar arrangement (the "Real Property Leases") pursuant to which any third party is granted the right to use any Company Owned Real Property, other than Permitted Liens; (iii) has sufficient right of ingress and egress to the Company Owned Real Property in all material respects and enjoys peaceful and quiet possession thereof; and (iv) there are no outstanding options or rights of first offer or refusal to purchase the Company Owned Real Property.

(b) Section 4.15(b) the Company Disclosure Letter sets forth a true and complete list, as of the date hereof, of all of the real property leased by Company or any of the Company Subsidiaries for which the annual rental value exceeds $5,000,000 pursuant to a Real Property Lease (the "Company Leased Real Property" and, together with the Company Owned Real Property, the "Company Real Property"). Except in respects that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect, with respect to the Company Leased Real Property and each Real Property Lease: (i) each Real Property Lease is in full force and effect, and the Company or a Company Subsidiary holds a valid and existing leasehold interest under each Real Property Lease; (ii) the possession and quiet use and enjoyment of the Company Leased Real Property under such Real Property Lease has not been disturbed and there are no disputes with respect to any such Real Property Lease; (iii) none of the Company or any Company Subsidiary has given or received any written notice of default pursuant to any such Real Property Lease; (iv) none of the Company or any Company Subsidiary or, to the Knowledge of the Company, any other party to such Real Property Lease, is in breach or violation of, or in default under, such Real Property Lease, and no event has occurred or circumstance exists which, with the delivery of notice, the passage of time or both, would constitute such a breach, violation or default, or permit the termination, modification or acceleration of rent under such Real Property Lease on the part of the Company or any Company Subsidiary, nor, to the Knowledge of the Company, on the part of the other party thereto; (v) no security deposit or portion thereof deposited with respect to such Real Property Lease has been applied in respect of a breach or default under such Real Property Lease which has not been re-deposited in full; (vi) neither the Company nor any Company Subsidiary owes, or will owe in the future based on arrangements currently in existence, any brokerage commissions or finder's fees with respect to any Real Property Lease; (vii) none of the Company or any Company Subsidiary has collaterally assigned or granted any other security interest in such Real Property Lease or any interest therein, other than Permitted Liens; (viii) there are no Liens on the estate or interest created by such Real Property Lease, other than Permitted Liens; and (ix) none of the Company or any Company Subsidiary has subleased, licensed or otherwise granted any person the right to use or occupy any Company Leased Real Property or any portion thereof.

SECTION 4.16. Intellectual Property. Except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect:

(a) Section 4.16(a) of the Company Disclosure Letter sets forth a true and complete list of (i) all (A) issued patents and patent applications, (B) trademark registrations and applications, (C) copyright registrations and applications, and (D) domain name registrations, in each case, included in the Owned IP, all of which is valid, enforceable, and subsisting and (ii) all material unregistered trademarks and material unregistered Proprietary Software included in the Owned IP;

(b) the Company and the Company Subsidiaries solely and exclusively own, free and clear of all Liens, other than Permitted Liens, all Owned IP or are validly licensed or otherwise have the valid right to use, all Intellectual Property used in or necessary for the operation of their business as currently conducted, and none of the foregoing will be adversely impacted by the execution of this Agreement or the consummation of any of the Transactions (including that no payment of any additional consideration or third party consent will be due or required as a result thereof);

(c) neither the Company nor any of the Company Subsidiaries has received in the six (6) years prior to the date of this Agreement any written notice from any Person, and there are no pending or, to the Knowledge of the Company, threatened, Actions, against the Company or any of the Company

Subsidiaries, (i) asserting the infringement, misappropriation or violation of any Intellectual Property rights by the Company or any of the Company Subsidiaries or (ii) challenging the validity, enforceability, priority or registrability of, or any right, title or interest of the Company or any of the Company Subsidiaries with respect to, any Intellectual Property owned or purported to be owned, in whole or in part, by the Company or any of the Company Subsidiaries (collectively, "Owned IP");

(d) none of the Owned IP is subject to any outstanding Judgment, contract Action or consent, or settlement of or with any Governmental Entity or other Person restricting the use, ownership, or disposition thereof;

(e) neither the Company nor any of the Company Subsidiaries has sent any written notice in the three (3) years prior to the date of this Agreement to any Person, and there are no pending Actions, by the Company or any of the Company Subsidiaries, (i) asserting the infringement, misappropriation or violation of any Intellectual Property owned by or exclusively licensed to the Company or any of the Company Subsidiaries or (ii) challenging the validity, enforceability, priority or registrability of, or any right, title or interest of any Person with respect to, any Intellectual Property owned by such Person;

(f) (i) to the Knowledge of the Company, no Person is infringing, misappropriating or violating any Intellectual Property owned by or exclusively licensed to the Company or any of the Company Subsidiaries and (ii) the Company, the Company Subsidiaries and the conduct of the businesses of the Company and the Company Subsidiaries as currently conducted did not in the past four (4) years and do not currently infringe upon, misappropriate or violate the Intellectual Property rights of any Person;

(g) (i) all current or former employees of the Company or one of the Company Subsidiaries who have created or developed (in whole or in part) any material Owned IP have entered into enforceable assignment agreements pursuant to which such Persons have presently assigned all rights therein to the Company or a Company Subsidiary (or all such rights vest therein by operation of Law) and (ii) to the Knowledge of the Company, no such Person has claimed any ownership interest in any material Owned IP;

(h) none of the source code for any Proprietary Software is subject to any Copyleft License Terms, and to the Knowledge of the Company, no Person other than the Company or any of the Company Subsidiaries is in possession of the source code for any Proprietary Software, excluding independent contractors and consultants of Company or any of the Company Subsidiaries who use such source code for the sole benefit of the Company or any of the Company Subsidiaries;

(i) the Company and the Company Subsidiaries have taken commercially reasonable measures to protect the confidentiality, security and integrity of their material trade secrets, and the security, integrity and continuous operation of (i) the IT Assets and (ii) the personal information collected, stored, processed, gathered, used, held for use or accessed by the Company or the Company Subsidiaries in the course of the operations of their respective businesses. The Company and the Company Subsidiaries are in compliance in all material respects with all applicable privacy, data security and data protection laws, regulations, written Company policies, and written contractual requirements in all relevant jurisdictions;

(j) to the Knowledge of the Company, the IT Assets (i) meet the needs of the Company's or any of the Company Subsidiaries' business as currently conducted and, (ii) are owned or validly accessed and used by Company or any of the Company Subsidiaries, (iii) operate and perform in accordance with their documentation and functional specifications, (iv) do not contain any virus, malicious code, damaging devices or other routine or components designed to materially adversely impact the functionality of or permit unauthorized access or to disable or otherwise harm any computer, systems, or Software, and (v) have not materially malfunctioned or failed in the three (3) years prior to the date of this Agreement in a manner that has had a material impact on the businesses of the Company and the Company

Subsidiaries. The Company and the Company Subsidiaries have not experienced any security incident that has compromised the integrity or availability of the IT Assets, or resulted in a loss, damage, or unauthorized access, disclosure, use, or breach of security of any personal information, Intellectual Property and confidential, proprietary business information used, held for use, maintained or processed by the Company or any of the Company Subsidiaries, nor has there been any other compromise of the security, confidentiality, availability or integrity of such information or data or of the IT Assets upon which such information resides; and

(k) the Company and the Company Subsidiaries have not received any written notice of claims, investigations, or alleged violations of law, regulation, or contract with respect to personal data or information security-related incidents, nor have the Company and the Company Subsidiaries notified in writing, or been required by applicable law, regulation, or contract to notify in writing, any person or entity of any personal data or information security-related incident.

SECTION 4.17. Labor Matters. (a) Section 4.17 of the Company Disclosure Letter sets forth a true and complete list, as of the date hereof, of all Company Collective Bargaining Agreements. The Company has made available to Parent copies of such Company Collective Bargaining Agreements, including with respect to employees based outside the United States. Neither the Company nor any of the Company Subsidiaries has breached or otherwise failed to comply with any provision of any Company Collective Bargaining Agreement, except for any breaches, failures to comply or disputes that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect.

(b) Except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect, (i) there is not any, and during the past three years there has not been any, labor strike, dispute, work stoppage or lockout pending, or, to the Knowledge of the Company, threatened, against or affecting the Company or any Company Subsidiary; (ii) to the Knowledge of the Company, no union organizational campaign is in progress with respect to the employees of the Company or any Company Subsidiary and no question concerning representation of such employees exists; (iii) neither the Company nor any Company Subsidiary is engaged in any unfair labor practice; (iv) there are not any unfair labor practice charges or complaints against the Company or any Company Subsidiary pending, or, to the Knowledge of the Company, threatened, before the National Labor Relations Board; (v) there are not any pending, or, to the Knowledge of the Company, threatened, union grievances against the Company or any Company Subsidiary that reasonably could be expected to result in an adverse determination; (vi) the Company and each Company Subsidiary is in compliance with all applicable Laws with respect to labor relations, employment and employment practices, occupational safety and health standards, terms and conditions of employment, payment of wages, classification of employees, immigration, visa, work status, pay equity and workers' compensation; and (vii) neither the Company nor any Company Subsidiary has received written communication during the past three years of the intent of any Governmental Entity responsible for the enforcement of labor or employment Laws to conduct an investigation of or affecting the Company or any Company Subsidiary and, to the Knowledge of the Company, no such investigation is in progress.

(c) Except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect, (i) all individuals who are or were performing consulting or other services for the Company or any Company Subsidiary are or were correctly classified under all applicable Laws by the Company or such Company Subsidiary as either "independent contractors" (or comparable status in the case of a non-U.S. entity) or "employees" as the case may be and (ii) all individuals who are or were classified as "employees" of the Company or any Company Subsidiary are or were correctly classified under all applicable Laws by the Company or such Company Subsidiary, as exempt or non-exempt, as the case may be.

SECTION 4.18. Brokers' Fees and Expenses. No broker, investment banker, financial advisor or other Person, other than Moelis & Co. and Morgan Stanley & Co. LLC (the "Company Financial Advisors"), the fees and expenses of which will be paid by the Company, is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the Merger or the Transactions based upon arrangements made by or on behalf of the Company. The Company has furnished to Parent true and complete copies of all agreements between the Company and the Company Financial Advisors relating to the Merger or the Transactions, subject to redactions of the portions of such agreement relating to the calculation of the fees payable to such Company Financial Advisors. The Company has separately provided Parent with the result of a calculation of the approximate amount of the fees that will be payable to the Company Financial Advisors as a result of the Merger and the transactions contemplated by the Brookfield Agreement. No amounts will be payable to the Company Financial Advisors in connection with the Brookfield Agreement or the transactions contemplated thereby, except as are credited to any amounts payable in connection with the Merger or the Transactions.

SECTION 4.19. Opinion of Financial Advisors. The Company has received the opinions of each of the Company Financial Advisors, to the effect that, as of the date of such opinions and subject to the assumptions made, procedures followed, matters considered and qualifications and limitations set forth therein, the Merger Consideration to be received by the holders of Company Common Shares other than holders of Excluded Shares and Company Common Shares held immediately prior to the Effective Time by (a) the Company as treasury shares, (b) Parent or Merger Sub and (c) any direct or indirect wholly owned Subsidiary of the Company or of Parent (other than Merger Sub), is fair, from a financial point of view, to such holders.

SECTION 4.20. Communications Regulatory Matters.

(a) The Company and each of the Company Subsidiaries hold all approvals, authorizations, certificates and licenses issued by the FCC or State Regulators and all other material regulatory permits, approvals, licenses and other authorizations, including franchises, ordinances and other agreements granting access to public rights of way, issued or granted to the Company or any of the Company Subsidiaries by a Governmental Entity that are required for the Company and each of the Company Subsidiaries to conduct its business, as presently conducted (collectively, the "Company Licenses").

(b) Each Company License is valid and in full force and effect and has not been suspended, revoked, canceled or adversely modified. No Company License is subject to (i) any conditions or requirements that have not been imposed generally upon licenses in the same service, unless such conditions or requirements are set forth on the face of the applicable authorization or (ii) any pending Action by or before the FCC or any State Regulator to suspend, revoke or cancel, or any judicial review of a decision by the FCC or any State Regulator with respect thereto. There is no (A) to the Knowledge of the Company, event, condition or circumstance attributable specifically to the Company that would preclude any Company License from being renewed in the ordinary course (to the extent that such Company License is renewable by its terms), (B) pending or, to the Knowledge of the Company, threatened FCC or State Regulator regulatory Action relating specifically to one or more of the Company Licenses or (C) event, condition or circumstance attributable specifically to the Company that would materially impair, delay or preclude the ability of the Company or the Company Subsidiaries to obtain any Consents from any Governmental Entity. No Company License, order or other agreement, obtained from, issued by or concluded with any State Regulator imposes or would impose restrictions on the ability of any Company Subsidiary to make payments, dividends or other distributions to the Company or any other Company Subsidiary that limits, or would reasonably be expected to limit, the cash funding and management alternatives of the Company on a consolidated basis in a manner disproportionate to restrictions applied by such State Regulators to similarly situated companies.

(c) The Company, with respect to any Company License and any activity regulated by the FCC or any State Regulator but not requiring a License ("Unlicensed Activity"), and each licensee of each Company License and each Company Subsidiary engaged in Unlicensed Activity (each, an "Unlicensed Subsidiary") is, and since December 31, 2016, has been, in compliance with each Company License and has fulfilled and performed all of its obligations with respect thereto and with respect to any Unlicensed Activity required by the Communications Act of 1934, as amended (the "Communications Act"), or the rules, regulations, written policies and orders of the FCC (the "FCC Rules") or similar rules, regulations, written policies and orders of State Regulators, and the payment of all regulatory fees and contributions, except for exemptions, waivers or similar concessions or allowances and except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect. The Company and each licensee of each Company License and each of its Unlicensed Subsidiaries is in good standing with the FCC and all other Governmental Entities, and neither the Company nor any such licensee or any of its Unlicensed Subsidiaries is, to the Knowledge of the Company, the respondent with respect to any formal complaint, investigation, audit, inquiry, subpoena, forfeiture, or petition to suspend before the FCC, the Universal Service Administrative Company (the "USAC") or any other Governmental Entity and except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect. The Company or a Company Subsidiary owns one hundred percent (100%) of the equity and controls one hundred percent (100%) of the voting power and decision-making authority of each licensee of the Company Licenses and each of its Unlicensed Subsidiaries.

(d) Neither the Company nor any of the Company Subsidiaries is subject to any currently effective cease-and-desist order or enforcement action issued by, or is a party to any consent agreement or memorandum of understanding with, or has been ordered since December 31, 2016, to pay any civil money penalty by, the FCC, USAC or any other Governmental Entity (other than a taxing authority, which is covered by Section 4.09), other than those of general application that apply to similarly situated providers of the same services or their Subsidiaries and that, individually or in the aggregate, have not had or would not reasonably be expected to have a Company Material Adverse Effect (each item in this sentence, whether or not set forth in the Company Disclosure Letter, a "Company Regulatory Agreement"), nor has the Company or any of the Company Subsidiaries been advised in writing since December 31, 2016 by any Governmental Entity that it is considering issuing, initiating, ordering or requesting any such Company Regulatory Agreement.

SECTION 4.21. Insurance. The Company has made available to Parent all material insurance policies maintained by the Company or any Company Subsidiary (each, an "Insurance Policy"). Except as would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect, (a) all Insurance Policies are in full force and effect, (b) all premiums due and payable thereon have been paid, (c) neither the Company nor any Company Subsidiary is in breach or default under any Insurance Policy and (d) neither the Company nor any of the Company Subsidiaries has taken any action or failed to take any action which, with notice or the lapse of time, would constitute such a breach or default, or permit the termination or modification, of any Insurance Policy.

SECTION 4.22. Certain Business Practices. The Company, the Company Subsidiaries and, to the Knowledge of the Company, their respective directors, officers, employees, consultants and agents, in each case acting on behalf of the Company, have complied in all material respects at all times since January 1, 2017, and are in compliance in all material respects with (a) the provisions of the U.S. Foreign Corrupt Practices Act of 1977, as amended (15 U.S.C. § 78dd1, et seq.) ("FCPA"), and (b) the provisions of all anti-bribery, anti-corruption and anti-money laundering Laws of each jurisdiction in which the Company and the Company Subsidiaries operate and in which any agent thereof is conducting or has conducted business involving the Company or any of the Company Subsidiaries. None of the Company, any of the Company Subsidiaries and/or, to the Knowledge of the Company, any of the Company's and the Company Subsidiaries' respective directors, officers, employees, consultants and agents in each case acting on behalf of the Company have paid, offered or promised to pay, or authorized or ratified the payment, directly or indirectly, of any monies or anything of value to any national, provincial, municipal or other Government Official or any political party or candidate for political office for the purpose of influencing any act or decision of such official or of any Governmental Entity to obtain or retain business, or direct business to any person or to secure any other improper benefit or advantage in each case in violation in any material respect of the FCPA and any Laws described in clause (b) of the immediately preceding sentence, except as, individually or in the aggregate, would not reasonably be expected to be material to the Company and the Company Subsidiaries, taken as a whole. As used in this Section 4.22, the term "Government Official" means any official, officer, employee, or Representative of, or any Person acting in an official capacity for or on behalf of, any Governmental Entity, and includes any official or employee of any entity directly or indirectly owned or controlled by any Governmental Entity, and any officer or employee of a public international organization, as well as any Person acting in an official capacity for or on behalf of any such Governmental Entity, or for or on behalf of any such public international organization. The Company and the Company Subsidiaries maintain policies and procedures reasonably designed to ensure compliance with the FCPA and other anti-bribery, anti-corruption and anti-money laundering Laws in each jurisdiction in which the Company or any of the Company Subsidiaries operates.

SECTION 4.23. Affiliate Transactions. No officer, director or Affiliate of the Company, or any of the Company Subsidiaries is a party to any Material Contract with or binding upon the Company or any of the Company Subsidiaries or any of their respective properties or assets or has any material interest in any material property used by the Company or any of the Company Subsidiaries or, since January 1, 2017, has engaged in any material transaction with the Company or any of the Company Subsidiaries that would be required to be disclosed under Item 404 under Regulation S-K under the Securities Act and that has not been so disclosed in the Company SEC Documents.

SECTION 4.24. Brookfield Agreement. The termination of the Brookfield Agreement effected in accordance with Section 1.07 was duly authorized and validly effected in accordance with the terms thereof. No termination fee is payable to Brookfield other than the Brookfield Termination Fee and the Company has no other liability or obligation under the Brookfield Agreement, including with respect to the payment of any other termination fees or (other than as contemplated by Section 4.18) any other fees and expenses. As of the date of this Agreement, the Company has not received notice of any breach of the Brookfield Agreement.

SECTION 4.25. No Other Representations or Warranties. Except for the representations and warranties contained in this Article IV, Parent and Merger Sub acknowledge that none of the Company, the Company Subsidiaries or any other Person on behalf of the Company makes any other express or implied representation or warranty in connection with the Transactions, and that neither Parent nor Merger Sub has relied on any such other representation or warranty.

ARTICLE V

Covenants Relating to Conduct of Business

SECTION 5.01. Conduct of Business. (a) Conduct of Business by the Company. Except for matters set forth in the Company Disclosure Letter, required by applicable Law or otherwise expressly permitted or expressly contemplated by this Agreement or with the prior written consent of Parent (which shall not be unreasonably withheld, conditioned or delayed), from the date of this Agreement to the Effective Time, the Company shall, and shall cause each Company Subsidiary to, conduct its business in the ordinary course in all material respects and use commercially reasonable efforts to preserve intact its business organization and business relationships. In addition, and without limiting the generality of the foregoing, except for matters set forth in the Company Disclosure Letter, required by applicable Law or otherwise expressly permitted or expressly contemplated by this Agreement or with the prior written consent of Parent (which shall not be unreasonably withheld, conditioned or delayed), from the date of this Agreement to the Effective Time, the Company shall not, and shall cause each Company Subsidiary not to, do any of the following:

(i) (A) amend the Company Articles, (B) amend the Company Regulations or (C) amend the charter or organizational documents of any Company Subsidiary;

(ii) (A) authorize, declare, set aside or pay any dividends on, or make any other distributions (whether in cash, stock or property or any combination thereof) in respect of, any of its capital stock, other equity interests or voting securities, other than (1) regular quarterly cash dividends payable by the Company to holders of its 6 3/4% Preferred Shares and (2) dividends and distributions by a direct or indirect wholly owned Company Subsidiary to its stockholders or other equity holders, (B) other than with respect to any wholly owned Company Subsidiary, split, combine, subdivide or reclassify any of its capital stock, other equity interests or voting securities or securities convertible into or exchangeable or exercisable for capital stock or other equity interests or voting securities or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for its capital stock, other equity interests or voting securities, other than as permitted by Section 5.01(a)(iii), or (C) repurchase, redeem or otherwise acquire, or offer to repurchase, redeem or otherwise acquire, any capital stock or voting securities of, or equity interests in, the Company or any Company Subsidiary or any securities of the Company or any Company Subsidiary convertible into or exchangeable or exercisable for capital stock or voting securities of, or equity interests in, the Company or any Company Subsidiary, or any warrants, calls, options or other rights to acquire any such capital stock, securities or interests, except pursuant to (1) the Company Stock-Based Awards, in each case, pursuant to their terms in effect on the date hereof or thereafter granted as permitted by the provisions of Section 5.01(a)(iii) or (2) any such transaction by the Company or a wholly owned Company Subsidiary in respect of such capital stock, securities or interests in a wholly owned Company Subsidiary;

(iii) authorize for issuance, issue, deliver, sell, grant, pledge or otherwise encumber or subject to any Lien (A) any shares of capital stock of the Company or any Company Subsidiary, other than (1) upon conversion of any 6 3/4% Preferred Shares outstanding at the close of business on the date of this Agreement into Company Common Shares in accordance with the Company Articles and (2) the issuance of Company Common Shares upon the vesting, exercise or settlement, as applicable, of Company Stock-Based Awards outstanding at the close of business on the date of this Agreement and in accordance with their terms in effect at such time or thereafter granted as permitted by the provisions of this Section 5.01(a)(iii), or the issuance of shares of capital stock of a wholly owned Company Subsidiary to the Company or another wholly owned Company Subsidiary (B) any other equity interests or voting securities of the Company or any Company Subsidiary, other than in the case of a Company Subsidiary, an issuance, delivery or sale to the Company or any wholly owned Company Subsidiary, (C) any securities convertible into or exchangeable or exercisable for capital stock or voting securities of, or other equity interests in, the Company or any Company Subsidiary, other than in the case of a Company Subsidiary, an issuance, delivery or sale to the Company or any wholly owned Company Subsidiary, (D) any warrants, calls, options or other rights to acquire any capital stock or voting securities of, or other equity interests in, the Company or any Company Subsidiary, other than in the case of a Company Subsidiary, an issuance, delivery or sale to the Company or any wholly owned Company Subsidiary, (E) any rights issued by the Company or any Company Subsidiary that are linked in any way to the price of any class of the Company Capital Stock or any shares of capital stock of any Company Subsidiary, the value of the Company, any Company Subsidiary or any part of the Company or any Company Subsidiary or any dividends or other distributions declared or paid on any shares of capital stock of the Company or any Company Subsidiary, other than in the case of a Company Subsidiary, an issuance, delivery or sale to the Company or any wholly owned Company Subsidiary, or (F) any Company Voting Debt;

(iv) except as required to comply with applicable Law or to comply with any Company Benefit Plan as in effect as of the date of this Agreement, (A) establish, adopt, enter into, terminate or materially amend, or take any action to accelerate the vesting or payment of, any compensation or benefits under, any Company Benefit Plan (or any award thereunder), (B) grant or increase in any manner the salaries, bonuses, or incentive-based compensation or benefits of or pay any bonus to, or grant any loan to any Company Participant other than increases in annual salary or benefits made in the ordinary course of business consistent with past practice to Company Participants who have an annual base salary of less than $250,000, (C) grant, amend or modify any equity or equity-based awards of any Company Participant, (D) grant or pay any change in control, retention, severance, termination or similar compensation or benefits to, or increase in any manner the change in control, retention, severance, termination or similar compensation or benefits of, any Company Participant, (E) take any action to fund or in any other way secure the payment of compensation or benefits under any Company Benefit Plan, (F) change any actuarial or other assumption used to calculate funding obligations with respect to any Company Pension Plan, except to the extent required by applicable Law or GAAP, (G) change the manner in which contributions to any Company Pension Plan are made or the basis on which such contributions are determined or (H) hire or terminate without cause any Company Participant, other than in the ordinary course of business with respect to any such Company Participant who is not an "executive officer" as defined in Rule 3b-7 of the Exchange Act;

(v) make any material changes in financial accounting methods, principles or practices, except insofar as may be required (A) by GAAP (or any interpretation thereof), (B) by any applicable Law, including Regulation S-X under the Securities Act, or (C) by any Governmental Entity or quasi-governmental authority (including the Financial Accounting Standards Board or any similar organization);

(vi) other than in the ordinary course of business, (A) make any Tax election that results in a material amount of Taxes of the Company or any Company Subsidiary, (B) make any changes to any existing Tax election that results in a material amount of Taxes of the Company or any Company Subsidiary, (C) settle or compromise any Tax claim or assessment or surrender any right to claim a Tax refund with respect to a material amount of Taxes, (D) file an amendment to any Tax Return if such amendment results in a material amount of Taxes, (E) fail to pay any material Taxes that are due and payable or (F) prepare any Tax Return in a manner which is materially inconsistent with past practice;

(vii) except as permitted under Section 5.01(a)(x), make or agree to make any acquisition of, or investment in, any properties, assets, securities or business (including by merger, sale of stock, sale of assets or otherwise) if the amount of consideration paid or transferred by the Company and the Company Subsidiaries in connection with (A) any single such transaction would exceed $1,000,000 or (B) all such transactions would exceed $10,000,000 in the aggregate, except in each case for the acquisitions of supplies, inventory, merchandise or products in the ordinary course of business consistent with past practice; provided, that in no event shall the Company or any of the Company Subsidiaries make any acquisition or investment which would reasonably be expected to prevent or materially impede, interfere with, hinder or delay the consummation of the Merger or the Transactions;

(viii) sell or lease to any Person, in a single transaction or series of related transactions, any of its properties or assets having a value in excess of $1,000,000 individually or $10,000,000 in the aggregate, except (A) ordinary course dispositions of inventory and dispositions of obsolete, surplus or worn out assets or assets that are no longer used or useful in the conduct of the business of the Company or any of the Company Subsidiaries or (B) transfers among the Company and its wholly owned Subsidiaries;

(ix) (A) incur any Indebtedness, except for (1) Indebtedness incurred under (x) the Company's revolving credit facility or (y) the Company's accounts receivable securitization facility, each as existing on the date of this Agreement (including, in each case, the aggregate amount of commitments in effect thereunder on the date of this Agreement) or as amended in the ordinary course of business consistent with past practice (other than amendments to the amount of Indebtedness thereunder) (including, in each case, in respect of letters of credit), in the ordinary course of business consistent with past practice, (2) letters of credit, bank guarantees, security or performance bonds or similar credit support instruments, hardware flooring arrangements, overdraft facilities or cash management programs, in each case issued, made or entered into in the ordinary course of business, (3) intercompany Indebtedness among the Company and its wholly owned Subsidiaries, (4) guarantees by the Company of Indebtedness of the Company Subsidiaries, which Indebtedness is incurred in compliance with this Section 5.01(a)(ix), and (5) capitalized lease obligations in respect of software and equipment and installment obligations in respect of insurance, in each case incurred in the ordinary course of business consistent with past practice, (B) enter into any swap or hedging transaction or other derivative agreements other than in the ordinary course of business or (C) make any loans, capital contributions or advances to, or investments in, any Person other than (x) to the Company or any wholly owned Subsidiary of the Company or (y) as permitted pursuant to Section 5.01(a)(vii) in each case not in excess of $5,000,000 individually or $10,000,000 in the aggregate;

(x) make any capital expenditures in any fiscal year that are in the aggregate in excess of (A) the amounts set forth in the capital expenditure plan set forth on Section 5.01(a)(x) of the Company Disclosure Letter with respect to such fiscal year plus (B) 5% of such amounts;

(xi) (A) except in the ordinary course of business, amend in any material respect, terminate (other than at the end of the term), renew or materially extend, or waive any material noncompliance with the terms of or breaches under, any Material Contract, or enter into any Contract that would have been a Material Contract had it been entered into prior to the date of this Agreement; or (B) enter into any Contract or amend any Contract if the consummation of the Merger or the Transactions would conflict with, result in any violation of or default (with or without notice or lapse of time, or both) under, give rise to a right of termination, cancellation or acceleration of, give rise to an obligation to make an offer to purchase or redeem any Indebtedness or capital stock, voting securities or other equity interests or any loss of a material benefit under, or result in the creation of any Lien (other than Permitted Liens) upon any of properties or assets of the Company or any Company Subsidiary under such new Contract or as a result of such amendment to such existing Contract, as applicable;

(xii) grant any Lien (other than Permitted Liens) on any of its material assets other than (A) to secure Indebtedness and other obligations in existence at the date of this Agreement (and required to be so secured by their terms) or permitted under Section 5.01(a)(ix) or (B) to the Company or to a wholly owned Company Subsidiary;

(xiii) (A) sell, transfer, license, sublicense, covenant not to assert, abandon, permit to lapse or otherwise dispose of any material Owned IP, except for grants of non-exclusive licenses of such material Owned IP to customers in the ordinary course of business consistent with past practice, or (B) disclose to any Person who has not entered into a reasonably protective written agreement to protect the confidentiality of any material trade secrets or other material confidential information (including any source code for any Proprietary Software);

(xiv) compromise, settle or agree to settle any pending or threatened Action, other than settlements of any pending or threatened Action (A) with respect to which there is a specific reserve in the balance sheet (or the notes thereto) of the Company as of September 30, 2019 included in the Filed Company SEC Documents for an amount not materially in excess of the amount so reflected or reserved or (B) that do not involve payment by the Company or the Company Subsidiaries of more than $2,000,000 individually or $5,000,000 in the aggregate; provided that no settlement of any pending or threatened Action may: (1) involve any injunctive or equitable relief, or impose material restrictions, on the business activities of the Company or the Company Subsidiaries, (2) involve any admission of wrongdoing by the Company or the Company Subsidiaries, (3) involve the grant of any license, sublicense, cross-license, covenant not to assert, or similar arrangement by the Company or any of the Company Subsidiaries with respect to any material Intellectual Property owned by or licensed to the Company or any of the Company Subsidiaries or (4) impose any restrictions on the use by the Company or any of the Company Subsidiaries of any material Intellectual Property owned by or licensed to the Company or any of the Company Subsidiaries;

(xv) cancel any Indebtedness owed to the Company or a Company Subsidiary or waive any claims or rights, in each case in an amount not to exceed $5,000,000 individually or $10,000,000 in the aggregate;

(xvi) enter into, modify, amend or terminate any Company Collective Bargaining Agreement, other than (A) the entry into new collective bargaining or other labor union Contracts in the ordinary course of business required to be entered into by any non-US Law or (B) any modification, amendment, renewal or termination of any collective bargaining agreement to the extent required by applicable Law or the terms of any Company Collective Bargaining Agreement as in effect as of the date of this Agreement;

(xvii) assign, transfer, lease, cancel, fail to renew or fail to extend any material Company License issued by the FCC or any State Regulator or discontinue any operations that require prior regulatory approval for discontinuance, other than (A) transfers between the Company and the Company Subsidiaries or between Company Subsidiaries and (B) non-renewal or non-extension of Company Licenses solely related to discontinued businesses of the Company and that do not require regulatory approval for discontinuance;

(xviii) authorize, adopt or implement a plan of complete or partial liquidation, dissolution, restructuring, recapitalization or other reorganization;

(xix) enter into any agreement with respect to the voting of any of their respective share capital, partnership interests or other equity interests; or

(xx) authorize any of, or commit, resolve or agree to take any of, or participate in any negotiations or discussions with any other Person regarding any of, the foregoing actions.

(b) Except as expressly contemplated or permitted by this Agreement or as required by applicable Law, Judgment or a Governmental Entity, during the period from the date of this Agreement to the Effective Time (or such earlier date on which this Agreement is terminated pursuant to Section 8.01), neither Parent nor Merger Sub shall, without the prior written consent of the Company, take any action the result of which would reasonably be expected to materially and adversely impair or materially delay the consummation of the Transactions.

(c) No Control of Parent's Business. The Company acknowledges and agrees that (i) nothing contained in this Agreement is intended to give the Company, directly or indirectly, the right to control or direct the operations of Parent or any of its Subsidiaries prior to the Effective Time and (ii) prior to the Effective Time, Parent shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision over its and its Subsidiaries' respective operations.

(d) No Control of the Company's Business. Parent acknowledges and agrees that (i) nothing contained in this Agreement is intended to give Parent, directly or indirectly, the right to control or direct the operations of the Company or any Company Subsidiary prior to the Effective Time and (ii) prior to the Effective Time, the Company shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision over its and the Company Subsidiaries' respective operations.

(e) Advice of Changes. Parent and the Company shall promptly advise the other orally and in writing of any change or event that, individually or in the aggregate with all past changes and events which have occurred since the date of this Agreement, has had or would reasonably be expected to have, with respect to Parent, a Parent Material Adverse Effect or, with respect to the Company, a Company Material Adverse Effect.

SECTION 5.02. No Solicitation by the Company; Company Board Recommendation. (a) The Company shall not, and shall cause its Affiliates and its and their respective directors, officers and employees and each of its and their respective investment bankers, accountants, attorneys and other advisors, agents or representatives (collectively, "Representatives") not to, (i) directly or indirectly solicit, initiate or knowingly encourage, induce or facilitate any Company Takeover Proposal or any inquiry, discussion or proposal that may reasonably be expected to lead to a Company Takeover Proposal, (ii) directly or indirectly participate in any discussions or negotiations with any Person regarding, or furnish to any Person any information with respect to, or cooperate in any way with any Person (whether or not a Person making a Company Takeover Proposal) with respect to, any Company Takeover Proposal or any inquiry or proposal that may reasonably be expected to lead to a Company Takeover Proposal or (iii) waive, terminate, modify, amend, release or assign any provisions of any confidentiality or standstill agreement (or similar agreement) to which it is a party or fail to enforce, to the fullest extent permitted under applicable Law, the provisions of any such agreement, including by obtaining an injunction to prevent any breach of such agreements and to enforce specifically the terms and provisions thereof in any court having jurisdiction. The Company shall, and shall cause its Affiliates and its and their respective Representatives to, immediately cease and cause to be terminated all existing solicitation, discussions or negotiations with any Person conducted heretofore with respect to any Company Takeover Proposal, or any inquiry or proposal that may reasonably be expected to lead to a Company Takeover Proposal, request the prompt return or destruction of all confidential information previously furnished in connection therewith and immediately terminate all physical and electronic dataroom access previously granted to any such Person or its Representatives.

(b) Notwithstanding the foregoing, if at any time prior to obtaining the Company Shareholder Approval, the Company or any of its Representatives receives a bona fide oral or written Company Takeover Proposal, which Company Takeover Proposal did not result from any breach of this Section 5.02, (i) the Company and its Representatives may contact such Person making the Company Takeover Proposal or its Representatives to request that any bona fide Company Takeover Proposal made orally be made in writing and (ii) in response to a bona fide written Company Takeover Proposal if the Company Board determines in good faith (after consultation with its outside counsel and financial advisor) that the failure to take the following actions would reasonably be expected to be inconsistent with its fiduciary duties under applicable Law, and that such Company Takeover Proposal constitutes or is reasonably likely to lead to a Superior Company Proposal, the Company may (and may authorize and permit its Affiliates and its and their Representatives to), subject to compliance with Section 5.02(e), (A) enter into an Acceptable Confidentiality Agreement with the Person making the Company Takeover Proposal and furnish information pursuant to an Acceptable Confidentiality Agreement (including non-public information and data) with respect to the Company and the Company Subsidiaries to the Person making such Company Takeover Proposal (and its Representatives) (provided that all such information has previously been provided to Parent or is provided to Parent prior to or substantially concurrent with the time it is provided to such Person), and (B) participate in discussions regarding the terms of such Company Takeover Proposal and the negotiation of such terms with, and only with, the Person making such Company Takeover Proposal (and such Person's Representatives). Without limiting the foregoing, it is agreed that any violation of the restrictions set forth in this Section 5.02 by any Representative of the Company or any of its Affiliates shall constitute a breach of this Section 5.02 by the Company.

(c) Except as set forth below, neither the Company Board nor any committee thereof shall (i) (A) withdraw or fail to make when required by this Agreement (or modify in any manner adverse to Parent), or propose or agree to withdraw or fail to make when required by this Agreement (or modify in any manner adverse to Parent), the Company Board Recommendation or (B) adopt, recommend or declare advisable, or propose or agree to adopt, recommend or declare advisable, any Company Takeover Proposal (any action described in this clause (i) being referred to as a "<u>Company Adverse Recommendation Change</u>") or (ii) adopt, recommend or declare advisable, or propose or agree to adopt, recommend or declare advisable, or allow the Company or any of its Affiliates to execute or enter into, any confidentiality agreement (other than an Acceptable Confidentiality Agreement) letter of intent, memorandum of understanding, agreement in principle, merger agreement, acquisition agreement, option agreement, joint venture agreement, alliance agreement, partnership agreement or other similar agreement or arrangement (an "<u>Acquisition Agreement</u>") constituting, or that may reasonably be expected to lead to, a Company Takeover Proposal. Notwithstanding the foregoing, at any time prior to obtaining the Company Shareholder Approval, the Company Board may (I) make a Company Adverse Recommendation Change or (II) cause the Company to enter into an Acquisition Agreement constituting or that may reasonably be expected to lead to a Company Takeover Proposal not obtained in violation of this Section 5.02 and terminate this Agreement pursuant to Section 8.01(c)(ii), in either case if the Company Board determines in good faith (after consultation with outside counsel and a financial advisor of nationally recognized reputation), that (x) in the case of clause (I), where the Company Adverse Recommendation Change is made in response to an Intervening Event, or the consequences thereof, and the failure to take such action would reasonably be expected to be inconsistent with the directors' fiduciary duties under applicable Law and (y) in the case of (A) clause (I) where such Company Adverse Recommendation Change is made in response to a Company Takeover Proposal, or (B) clause (II), such Company Takeover Proposal constitutes a Superior Company Proposal; <u>provided</u>, <u>however</u>, that the Company shall not be entitled to make a Company Adverse Recommendation Change or take any action set forth in clause (II) unless (1) the Company has given Parent at least five Business Days' prior written notice (a "<u>Company Notice of</u>

Recommendation Change") (it being understood and agreed that any amendment to any material term of any Superior Company Proposal shall require a new Company Notice of Recommendation Change and a new notice period (which shall be two Business Days instead of five Business Days)) advising Parent that the Company Board intends to take such action (which notice shall specify the identity of the party making such Superior Company Proposal and the material terms thereof and, in the case of an Intervening Event, specifying the details thereof), (2) the Company has negotiated, and has caused its Representatives to negotiate, in good faith with Parent during such notice period, to the extent Parent wishes to negotiate, to enable Parent to propose in writing a binding offer to effect revisions to the terms of this Agreement such that it would cause such Superior Company Proposal to no longer constitute a Superior Company Proposal or for such Intervening Event to no longer warrant a Company Adverse Recommendation Change, and (3) following the end of such notice period, the Company Board or any committee thereof shall have considered in good faith such binding offer or Intervening Event, and shall have determined that the Superior Company Proposal would continue to constitute a Superior Company Proposal if the revisions proposed in such binding offer were to be given effect or that such Intervening Event continues to warrant a Company Adverse Recommendation Change; and provided, further that any purported termination of this Agreement pursuant to this sentence shall be void and of no force and effect unless the termination is in accordance with Section 8.01 and, to the extent required under the terms of this Agreement, the Company pays or causes to be paid to Parent the applicable Company Termination Fee in accordance with Section 6.06 prior to or concurrently with such termination so long as Parent has provided the Company with wire instructions for such payment.

(d) In addition to the obligations of the Company set forth in paragraphs (a) through (c) of this Section 5.02, the Company shall (i) promptly (and in any event within 24 hours of receipt thereof by an officer or director of the Company) advise Parent orally and in writing of any Company Takeover Proposal or any inquiry or proposal that may reasonably be expected to lead to a Company Takeover Proposal, the material terms and conditions of any such Company Takeover Proposal or inquiry or proposal (including any changes thereto) and the identity of the Person making any such Company Takeover Proposal or inquiry or proposal, (ii) keep Parent informed in all material respects on a reasonably current basis of the status and details (including any change to the terms thereof) of any Company Takeover Proposal, and (iii) provide to Parent as soon as practicable after receipt or delivery thereof copies of all correspondence and other written and electronic material exchanged between the Company or any of the Company Subsidiaries and any Person that describes any of the material terms or conditions of any Company Takeover Proposal.

(e) Nothing contained in this Section 5.02 shall prohibit the Company from (i) issuing a "stop-look-and-listen communication" pursuant to Rule 14d-9(f) promulgated under the Exchange Act or taking and disclosing to its shareholders positions required by Rule 14d-9 or Rule 14e-2 promulgated under the Exchange Act, in each case after the commencement of a tender offer (within the meaning of Rule 14d-2 promulgated under the Exchange Act), (ii) issuing a statement in connection with a Company Takeover Proposal that does not involve the commencement of a tender offer (within the meaning of Rule 14d-2 promulgated under the Exchange Act), so long as the statement includes no more information than would be required for a "stop-look-and-listen communication" under Rule 14d-9(f) promulgated under the Exchange Act if such provision was applicable, or (iii) making any disclosure to the shareholders of the Company if, in the good faith judgment of the Company Board (after consultation with outside counsel) failure to so disclose would reasonably be expected to be inconsistent with its fiduciary duties under applicable Law; provided, however, that in no event shall the Company or the Company Board or any committee thereof take, or agree or resolve to take, any action prohibited by Section 5.02(c).

(f) For purposes of this Agreement:

"Acceptable Confidentiality Agreement" means (x) any confidentiality agreement entered into by the Company from and after the date of this Agreement that contains terms and conditions, taken as a whole, that are at least as restrictive on the Person entering into such confidentiality agreement with the Company as those contained in the Confidentiality Agreement, except that such confidentiality agreement need not include explicit or implicit standstill provisions or otherwise restrict the making of or amendment or modification to Company Takeover Proposals but shall not contain any exclusivity provision or other term that would restrict, in any manner, Parent's ability to consummate the transactions contemplated by this Agreement, or (y) any confidentiality agreement entered into prior to the date of this Agreement.

"Company Takeover Proposal" means any proposal or offer (whether or not in writing), with respect to any (i) merger, consolidation, share exchange, other business combination or similar transaction involving the Company, (ii) sale, lease, contribution or other disposition, directly or indirectly (including by way of merger, consolidation, share exchange, other business combination, partnership, joint venture, sale of capital stock of or other equity interests in a Company Subsidiary or otherwise) of any business or assets of the Company or the Company Subsidiaries representing 15% or more of the consolidated revenues, net income or assets of the Company and the Company Subsidiaries, taken as a whole, (iii) issuance, sale or other disposition, directly or indirectly, to any Person (or the stockholders of any Person) or group of securities (or options, rights or warrants to purchase, or securities convertible into or exchangeable for, such securities) representing 15% or more of the total outstanding voting power of the Company, (iv) transaction in which any Person (or the stockholders of any Person) shall acquire, directly or indirectly, beneficial ownership, or the right to acquire beneficial ownership, or formation of any group which beneficially owns or has the right to acquire beneficial ownership of, 15% or more of the Company Common Shares or (v) any combination of the foregoing (in each case, other than the Merger).

"Superior Company Proposal" means any bona fide written offer made by a third party or group pursuant to which such third party (or, in a merger, consolidation or statutory share-exchange involving such third party, the stockholders of such third party) or group would acquire, directly or indirectly, more than 50% of the Company Common Shares or substantially all of the assets of the Company and the Company Subsidiaries, taken as a whole, which the Company Board determines in good faith (after consultation with outside counsel and a financial advisor of nationally recognized reputation) (i) is on terms more favorable from a financial point of view to the holders of Company Common Shares than the Merger, taking into account all the terms and conditions of such proposal (including the legal, financial, regulatory, timing and other aspects of the proposal and the identity of the Person making the proposal) and this Agreement (including any changes proposed by Parent to the terms of this Agreement), and (ii) is reasonably likely to be completed on the terms proposed, taking into account all legal, financial, regulatory and other aspects of such proposal, and is fully financed or for which financing (if required) is fully committed or, in the good faith determination of the Company Board, is reasonably likely to be obtained.

ARTICLE VI

Additional Agreements

SECTION 6.01. Preparation of the Proxy Statement; Company Shareholders Meeting. (a) As promptly as reasonably practicable following the date of this Agreement (but in any event not more than 45 calendar days following the date of this Agreement), the Company shall prepare and cause to be filed with the SEC a proxy statement in preliminary form to be sent to the shareholders of the Company relating to the Company Shareholders Meeting (together with any amendments or supplements thereto, the "Proxy Statement"). Each of the Company and Parent shall furnish all information concerning such Person and its Affiliates to the other, and provide such other assistance, as may be reasonably requested in connection with the preparation, filing and distribution of the Proxy Statement, and the Proxy Statement shall include all information reasonably requested by such other party to be included therein. Each of the Company and Parent shall promptly notify the other upon the receipt of any comments from the SEC or any request from the SEC for amendments or supplements to the Proxy Statement and shall provide the other with copies of all related correspondence between it and its Representatives, on the one hand, and the SEC, on the other hand. Each of the Company and Parent shall use its commercially reasonable efforts to respond as promptly as practicable to any comments from the SEC with respect to the Proxy Statement. Notwithstanding the foregoing, prior to filing or mailing the Proxy Statement (or any amendment or supplement thereto) or responding to any comments of the SEC with respect thereto, each of the Company and Parent, as applicable, (i) shall provide the other an opportunity to review and comment on such document or response (including the proposed final version of such document or response), (ii) shall include in such document or response all comments reasonably proposed by the other and (iii) shall not file or mail such document or respond to the SEC prior to receiving the approval of the other, which approval shall not be unreasonably withheld, conditioned or delayed.

(b) If prior to the Effective Time, any event occurs with respect to Parent or any of its Subsidiaries, or any change occurs with respect to other information supplied by Parent for inclusion in the Proxy Statement, which Parent in good faith believes is required to be described in an amendment of, or a supplement to, the Proxy Statement, Parent shall promptly notify the Company of such event, and Parent and the Company shall cooperate in the prompt filing with the SEC of any necessary amendment or supplement to the Proxy Statement and, as required by Law, in disseminating the information contained in such amendment or supplement to the Company's shareholders. Nothing in this Section 6.01(b) shall limit the obligations of any party under Section 6.01(a).

(c) If prior to the Effective Time, any event occurs with respect to the Company or any Company Subsidiary, or any change occurs with respect to other information supplied by the Company for inclusion in the Proxy Statement, which the Company in good faith believes is required to be described in an amendment of, or a supplement to, the Proxy Statement, the Company shall promptly notify Parent of such event, and the Company and Parent shall cooperate in the prompt filing with the SEC of any necessary amendment or supplement to the Proxy Statement and, as required by Law, in disseminating the information contained in such amendment or supplement to the Company's shareholders. Nothing in this Section 6.01(c) shall limit the obligations of any party under Section 6.01(a).

(d) The Company shall, as soon as reasonably practicable following the date of this Agreement, duly call, give notice of, convene and hold the Company Shareholders Meeting for the sole purpose of seeking the Company Shareholder Approval. The Company shall use its commercially reasonable efforts to (i) cause the Proxy Statement to be mailed to the Company's shareholders as promptly as practicable after the SEC confirms that it has no further comments on the Proxy Statement (or the date on which the ten-day period referred to in rule 14a-6 under the Exchange Act has expired without receipt of SEC comments or notice from the SEC that it will provide comments) (but in any event no more than 15 Business Days thereafter) and to hold the Company Shareholders Meeting as soon as practicable thereafter and (ii) solicit the Company Shareholder Approval. Subject to Section 5.02(c), the Company shall, through the Company Board, recommend to its shareholders that they give the Company Shareholder Approval and shall include such recommendation in the Proxy Statement. The Company agrees that its obligations pursuant to this Section 6.01 shall not be affected by the commencement, public proposal, public disclosure or communication to the Company of any Company Takeover Proposal or by the making of any Company Adverse Recommendation Change by the Company Board; provided, however, that the Company shall be permitted to postpone convening or to adjourn the Company Shareholders Meeting (but not beyond the End Date) if (x) such postponement or adjournment is required to allow reasonable additional time for the filing and mailing of any supplemental or amended disclosure in accordance with Section 6.01(b) or Section 6.01(c) and to permit such supplemental or amended disclosure to be disseminated and reviewed by the Company's shareholders prior to the Company Shareholders Meeting, (y) such postponement or adjournment is in order to solicit additional proxies for the purpose of obtaining the Company Shareholder Approval or (z) as of the time for which the Company Shareholders Meeting is originally scheduled (as set forth in the Proxy Statement), there are insufficient Company Common Shares and 6 3/4% Preferred Shares represented (either in person or by proxy) to constitute a quorum necessary to conduct the business of the Company Shareholders Meeting.

(e) Nothing in this Section 6.01 shall be deemed to prevent the Company or the Company Board from taking any action they are permitted to take under, and in compliance with, Section 5.02 or required to take under, and in compliance with, applicable Law or Judgment of a Governmental Entity of competent jurisdiction.

SECTION 6.02. Access to Information; Confidentiality. Subject to applicable Law and any applicable Judgment, between the date of this Agreement and the earlier of the Effective Time and the termination of this Agreement pursuant to Section 8.01, upon reasonable notice, the Company shall, and shall cause the Company Subsidiaries to, afford to Parent and Parent's Representatives and Debt Financing Sources reasonable access during normal business hours to the officers, employees, agents, properties, books, Contracts and records of the Company and the Company Subsidiaries (other than any of the foregoing that relate to the negotiation and execution of this Agreement or any similar transaction with a third party or, except as expressly provided in Section 5.02, to any Company Takeover Proposal) and the Company shall, and shall cause the Company Subsidiaries to, furnish promptly to Parent and Parent's Representatives such information concerning its business, personnel, assets, liabilities and properties as Parent may reasonably request; provided that Parent and its Representatives and Debt Financing Sources shall conduct any such activities in such a manner as not to interfere unreasonably with the business or operations of the Company and the Company Subsidiaries; provided further, however, that neither the Company nor any Company Subsidiary shall be obligated to provide such access or information if the Company determines, in its reasonable judgment, that doing so is reasonably likely to (i) violate applicable Law or an applicable Judgment or (ii) jeopardize the protection of an attorney-client privilege, attorney work product protection or other legal privilege held by the Company. In any such event, the Company shall, and shall cause the Company Subsidiaries to, use its reasonable best efforts to communicate, to the extent feasible, the applicable information in a way that would not violate applicable Law, Judgment or obligation or risk waiver of such privilege or protection or risk such liability, including entering into a joint defense agreement, common interest agreement or other similar arrangement. All requests for information made pursuant to this Section 6.02 shall be directed to the executive officer or other Person designated by the Company. Until the Effective Time, all information provided will be subject to the terms of the letter agreement dated as of October 10, 2019, by and among the Company and Macquarie Infrastructure and Real Assets, Inc. (the "Confidentiality Agreement").

SECTION 6.03. Required Actions. (a) Subject to the terms hereof, Parent and the Company shall (and shall cause their respective Affiliates to) each use reasonable best efforts (unless, with respect to any action, another standard of performance is expressly provided for herein) to (i) take, or cause to be taken, all appropriate actions, and do, or cause to be done, and to assist and cooperate with the other party in doing, all things necessary, proper or advisable to consummate and make effective the Transactions as promptly as practicable, (ii) as promptly as practicable, obtain from any Governmental Entity or any other third party any Consents required to be obtained or made by Parent or the Company or any of their respective Affiliates in connection with the authorization, execution and delivery of this Agreement and the consummation of the Transactions, (iii) defend any lawsuits or other Actions, whether judicial or administrative, challenging this Agreement or the consummation of the Transactions, including seeking to have any stay or temporary restraining order entered by any court or other Governmental Entity that would prevent or materially impede, interfere with, hinder or delay the consummation of the Transactions, vacated or reversed, (iv) as promptly as practicable, make all necessary filings, and thereafter make any other required submissions, with respect to this Agreement and the Merger required under (A) the Securities Act and the Exchange Act, and any other applicable Federal or state securities Laws, and (B) any other applicable Law and (v) execute or deliver any additional instruments necessary to consummate the transactions contemplated by, and to fully carry out the purposes of, this Agreement. Parent and the Company shall (and shall cause their respective Affiliates to) cooperate with each other in connection with the making of all such filings, including providing copies of all such documents to the non-filing party and its advisors prior to filing and, if requested, considering in good faith all reasonable additions, deletions or changes suggested in connection therewith. Parent and the Company shall (and shall cause their respective Affiliates to) use their respective reasonable best efforts to furnish to each other all information required for any application or other filing to be made pursuant to any applicable Law in connection with the Transactions.

(b) In connection with and without limiting Section 6.03(a), the Company and the Company Board and Parent and the Parent Board shall (i) take all action reasonably appropriate to ensure that no Takeover Law or similar statute or regulation is or becomes applicable to this Agreement or any of the Transactions and (ii) if any Takeover Law or similar statute or regulation becomes applicable to this Agreement or any of the Transactions, take all action reasonably appropriate to ensure that the Transactions may be consummated as promptly as practicable on the terms contemplated by this Agreement.

(c) In connection with and without limiting Section 6.03(a), upon the terms and subject to the terms and conditions of this Agreement, Parent and the Company agree, and shall cause each of their respective Affiliates, to use their respective reasonable best efforts to cooperate and use their respective reasonable best efforts to (i) obtain any FCC Consents, PSC Consents, and Local Consents and to make any registrations, declarations, notices or filings, if any, in connection therewith necessary for the consummation of the Transactions, (ii) in consultation and cooperation with the other, as promptly as practicable file all applications required to be filed with the FCC (including any submissions required by the Team Telecom Agencies in connection with the FCC Consents) (the "FCC Applications"), any State Regulators (the "PSC Applications") and any Localities to obtain the FCC Consents, PSC Consents and Local Consents, respectively, (iii) respond as promptly as practicable to any requests of the FCC (including requests from the Team Telecom Agencies), any State Regulator, or any Locality for information relating to any FCC Application, PSC Application and/or filing with a Locality, as applicable; provided, that each of Parent and the Company shall (and shall cause their respective Affiliates to) use their reasonable best efforts to consult with the other before communicating with any Governmental Entity or attending any meeting with a Governmental Entity relating to these matters, to consider in good faith all reasonable additions, deletions, or changes suggested in connection with any submissions to any Governmental Entity relating to these matters, and to the extent permitted by applicable Law and reasonably practicable shall notify the other party and enable the other party to participate in each such communication, meeting, or submission; and provided further that neither Parent nor the Company shall have an obligation to share with the other any confidential business information, including to the extent such information is requested by any Governmental Entity, and (iv) cure, not later than the Effective Time, any material violations or defaults under any FCC Rules or rules of any State Regulator or Locality.

(d) In connection with and without limiting Section 6.03(a), upon the terms and subject to the terms and conditions of this Agreement, Parent and the Company agree, and shall cause each of their respective Affiliates, to use their respective reasonable best efforts to cooperate and use their respective reasonable best efforts to obtain the CFIUS Approval, including by (i) submitting, as promptly as practicable, to CFIUS a draft CFIUS Notice with respect to the Transactions, (ii) filing, as promptly as practicable after responding to any comments from CFIUS staff on the draft CFIUS Notice (or as soon as possible after CFIUS staff confirms it has no comments on the draft CFIUS Notice), a CFIUS Notice with respect to the Transactions and (iii) supplying, as promptly as practicable, any additional information and documentary material that may be requested in connection with the CFIUS review process; provided that each of Parent and the Company shall (and shall cause their respective Affiliates to) use their reasonable best efforts to consult with the other before communicating with any applicable Governmental Entity or attending any meetings with a Governmental Entity relating to these matters, to consider in good faith all reasonable additions, deletions, or changes suggested in connection with any submissions to any Governmental Entity relating to these matters, and to the extent permitted by applicable Law and reasonably practicable shall notify the other party of and enable the other party to participate in each such communication, meeting, or submission; and provided further that neither Parent nor the Company shall have an obligation to share with the other any confidential business information, including to the extent such information is requested by any Governmental Entity.

(e) In connection with and without limiting Section 6.03(a), upon the terms and subject to the terms and conditions of this Agreement, Parent and the Company agree, and shall cause each of their respective Affiliates, to cooperate and to use their respective reasonable best efforts to obtain any Consents of any Governmental Entity, and to make any registrations, declarations, notices or filings, if any, necessary for Closing, under the HSR Act, Competition Act, and any other Federal, state or foreign Law designed to prohibit, restrict or regulate actions for the purpose or effect of monopolization, restraint of trade or regulation of foreign investment (collectively, "Antitrust Laws"), to respond to any requests of any Governmental Entity for information under any Antitrust Law, to secure the expiration or termination of any applicable waiting period, to resolve any objections asserted with respect to the Transactions raised by any Governmental Entity and to contest and resist any action, including any legislative, administrative or judicial action, and to prevent the entry of any court order and to have vacated, lifted, reversed or overturned any Judgment (whether temporary, preliminary or permanent) that restricts, prevents or prohibits the consummation of the Transactions under any Antitrust Law.

(f) Subject to applicable Law and the instructions of any Governmental Entity, Parent and the Company shall (and shall cause their respective Affiliates to) in good faith cooperate, consult and consider the other's views in order to jointly develop (but subject to Parent's final approval (not to be unreasonably withheld, conditioned or delayed)), (x) the strategy for obtaining any Consents from any Governmental Entity (including the FCC Consents, PSC Consents, Local Consents, CFIUS Approval and Consents under applicable Antitrust Laws) in connection with the Transactions and (y) the positions to be taken and the regulatory actions to be requested in any filing or submission with a Governmental Entity in connection with the Transactions and in connection with any investigation or other inquiry or Action by or before, or any negotiations with, a Governmental Entity relating to the Transactions and of all other regulatory matters incidental thereto.

(g) For the purposes of this Section 6.03, "reasonable best efforts" of Parent and Merger Sub shall include taking any and all actions necessary to obtain the Consents of any Governmental Entity (including the FCC Consents, PSC Consents, Local Consents, CFIUS Approval and Consents under applicable Antitrust Laws), including (i) contesting and resisting any Action instituted (or threatened to be instituted) challenging any of the Transactions as violative of any Law, (ii) attempting to have repealed, rescinded or made inapplicable any applicable Law, and to have vacated, lifted, reversed or overturned any Judgment or temporary, preliminary or permanent injunction or other restraint or prohibition, that is enacted, entered, promulgated or enforced by a Governmental Entity that would make any of the Transactions illegal or would otherwise prohibit or impair or delay the consummation of any of the Transactions, (iii) proposing, negotiating, committing to and effecting, by consent decree, hold separate order, or otherwise, the sale, divestiture or disposition of businesses, product lines, assets or operations of Parent or any of its Affiliates or of the Company or any Company Subsidiary, (iv) conducting its and its Affiliates' businesses or the Company's and the Company Subsidiaries' businesses in a specified manner, or proposing and agreeing or permitting to conduct any of such businesses in a specified manner, including by agreeing to undertakings required by a Governmental Entity that it or any of its Affiliates or the Company or any Company Subsidiary will take, or refrain from taking, any action, including (w) insulating the Company or any Company Subsidiary from any liability for any Indebtedness incurred by Parent or any of its Subsidiaries or the Company or any Company Subsidiary (often referred to as "ring fencing"), (x) restricting the Company or any Company Subsidiary from paying a dividend, distribution or other payment to Parent or any of its Affiliates, (y) restricting Parent from paying a dividend, distribution or other payment to any equity holder of Parent and (z) committing the Company or any Company Subsidiary to invest specific dollar amounts in specific geographic markets, and (v) otherwise taking or committing to take actions that after the Effective Time would limit Parent or any of its Affiliates' ability to retain one or more of the businesses, product lines, assets or operations of Parent or any of its Affiliates or the Company or any Company Subsidiary, in each case, to the extent necessary to obtain any such clearance, resolve any such objections or avoid or eliminate any such impediments (the actions described in clauses (i), (ii), (iii), (iv) and (v), the "Remedy Actions"); provided, however, that the effectiveness of any such Remedy Action shall be conditioned upon the Closing; provided, further, that nothing in this Agreement shall permit the Company or the Company Subsidiaries (without the prior written consent of Parent) or require Parent or its Affiliates to take or refrain from taking, or agree to take or refrain from taking, any Remedy Action or Remedy Actions that, individually or in the aggregate, would be reasonably likely to have a material adverse effect on Parent and its Affiliates (taken as a whole) or the Company and its Subsidiaries (taken as a whole) (a "Burdensome Condition"). For the avoidance of doubt (A) Parent's and Merger Sub's obligations under this Section 6.03 shall be absolute and unconditional and, without limiting the foregoing, no actions taken pursuant to this Section 6.03 shall affect any representation or warranty of the Company under this Agreement or any condition under Section 7.01 or Section 7.03 to the obligation of Parent and Merger Sub to effect the Merger and (B) notwithstanding anything to the contrary in this Section 6.03 or any other provision of this Agreement, neither the Company nor any Company Subsidiary shall sell, divest, dispose of or enter into any other arrangements or take any other Remedy Action with respect to their businesses, product lines, assets or operations pursuant to this Section 6.03 or any other provision of this Agreement, unless such Remedy Action (x) is conditioned in all respects upon the consummation of the Merger and will not be effective for any purpose until after the Effective Time and (y) does not constitute a Burdensome Condition.

(h) All Governmental Filing Fees shall be borne equally between Parent and the Company.

SECTION 6.04. Company Stock-Based Awards. (a) Prior to the Effective Time, the Company Board (or, if appropriate, any committee administering the Company Stock Plans or Company Phantom Shares) shall adopt such resolutions as may be required to provide for the following, effective upon the Effective Time, in each case, except as otherwise agreed by Parent and the holder thereof in writing:

(i) each Company PSU that is outstanding immediately prior to the Effective Time shall, whether vested or unvested, become fully vested, and shall be canceled and converted into the right to receive a lump-sum amount in cash, without interest, equal to the product of (A) the Merger Consideration and (B) the number of Company Common Shares subject to such Company PSU, provided that the number of Company Common Shares subject to such Company PSU shall be determined as if all applicable performance measures have been achieved based on the greater of target performance and actual performance as determined by the Company Board (or appropriate committee thereof) in its reasonable discretion as soon as practicable prior to the Closing Date;

(ii) each Company RSU that is outstanding immediately prior to the Effective Time shall, whether vested or unvested, become fully vested, and shall be canceled and converted into the right to receive a lump-sum amount in cash, without interest, equal to the product of (A) the Merger Consideration and (B) the number of Company Common Shares subject to such Company RSU;

(iii) each Company Stock Option that is outstanding immediately prior to the Effective Time shall, whether vested or unvested, be deemed to be fully vested, and shall be canceled and converted into the right to receive a lump-sum amount in cash, without interest, equal to the product of (A) the excess, if any, of (1) the Merger Consideration, over (2) the per share exercise price of such Company Stock Option, multiplied by (B) the total number of Company Common Shares subject to such Company

Stock Option immediately prior to the Effective Time; provided, that any Company Stock Option with an exercise price per Company Common Share that is equal to or greater than the Merger Consideration shall be canceled for no consideration;

(iv) each Company SAR that is outstanding immediately prior to the Effective Time shall, whether vested or unvested, be deemed to be fully vested, and shall be canceled and converted into the right to receive a lump-sum amount in cash, without interest, equal to the product of (A) the excess, if any, of (1) the Merger Consideration, over (2) the per share base price of such Company SAR, multiplied by (B) the total number of Company Common Shares subject to such Company SAR immediately prior to the Effective Time; provided, that any Company SAR with a base price per Company Common Share that is equal to or greater than the Merger Consideration shall be canceled for no consideration; and

(v) each Company Phantom Share that is outstanding immediately prior to the Effective Time shall, whether vested or unvested, become fully vested, and shall be canceled and converted into the right to receive a lump-sum amount in cash, without interest, equal to the product of (A) the Merger Consideration and (B) the number of Company Common Shares subject to such Company Phantom Share.

(b) Promptly after the Effective Time (but in any event, no later than the end of the first regular payroll cycle commencing following the Effective Time), the Surviving Corporation shall pay to the holders of Company Stock-Based Awards, through its payroll systems, any amounts due, less applicable Tax withholdings, pursuant to Section 6.04(a); provided, however, that to the extent any such payment would cause an impermissible acceleration event under Section 409A of the Code ("Section 409A"), such amounts shall be paid at the earliest time such payment would not cause an impermissible acceleration event under Section 409A, including as provided on Section 6.04(b) of the Company Disclosure Letter.

SECTION 6.05. Indemnification, Exculpation and Insurance. (a) Parent agrees that all rights to indemnification, advancement of expenses and exculpation from liabilities for acts or omissions occurring at or prior to the Effective Time now existing in favor of the current or former directors or officers of the Company and the Company Subsidiaries (each, an "Indemnified Person") as provided in their respective articles of incorporation or code of regulations (or comparable organizational documents) and any indemnification or other similar agreements of the Company or any of the Company Subsidiaries, in each case as in effect on the date of this Agreement, shall be assumed by Parent in the Merger, without further action, as of the Effective Time and shall survive the Merger and shall continue in full force and effect in accordance with their terms for a period of not less than six years following the Effective Time.

(b) In the event that Parent or any of its successors or assigns (i) consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers or conveys all or substantially all of its properties and assets to any Person, then, and in each such case, Parent shall cause proper provision to be made so that the successors and assigns of Parent assume the obligations set forth in this Section 6.05 contemporaneous with the closing of any such consolidation, merger, transfer or conveyance.

(c) At or prior to the Effective Time, the Company shall purchase a fully prepaid, non-cancellable, non-amendable and non- refundable "tail" directors' and officers' liability insurance policy for the Company and the Company Subsidiaries and their current and former directors, officers and employees who are currently covered by the directors' and officers' liability insurance coverage currently maintained by the Company or the Company Subsidiaries in a form reasonably acceptable to the Company that shall provide such directors, officers and employees with coverage for six years following the Effective Time of not less than the existing coverage and have other terms not less favorable to the insured persons than the directors' and officers' liability insurance coverage currently maintained by the Company or the Company Subsidiaries, except that in no event shall the Company pay with respect to such "tail" policy more than 300% of the aggregate annual premium payable by the Company for such insurance policy for the year ended December 31, 2019 (the "Maximum Amount"), and if the Company is unable to obtain the insurance required by this Section 6.05(c) for an amount that is equal to or less than the Maximum Amount, it shall obtain as much comparable "tail" insurance as possible for the years within such six-year period for an amount equal to the Maximum Amount. The "tail" policy obtained pursuant to this Section 6.05(c) shall not be amended, modified, cancelled or revoked by the Company, Parent or the Surviving Corporation.

(d) The provisions of this Section 6.05 (i) shall survive consummation of the Merger, (ii) are intended to be for the benefit of, and will be enforceable by, each indemnified or insured party (including the Indemnified Person), his or her heirs and his or her representatives and (iii) are in addition to, and not in substitution for, any other rights to indemnification or contribution that any such Person may have by contract or otherwise, including under the terms of the respective articles of incorporation or code of regulations or comparable organizational documents of the Company and the Company Subsidiaries.

SECTION 6.06. Fees and Expenses.

(a) Except as provided below, all fees and expenses incurred in connection with the Transactions shall be paid by the party incurring such fees or expenses, whether or not such transactions are consummated.

(b) In the event that:

(i) this Agreement is terminated (A) by Parent pursuant to Section 8.01(d)(ii) or (B) by the Company pursuant to Section 8.01(c)(ii); or

(ii) this Agreement is terminated by the Company or Parent pursuant to Section 8.01(b)(i) or Section 8.01(b)(iii); provided that (A) a Company Takeover Proposal shall have been publicly made, proposed or communicated by a third party after the date of this Agreement and (x) before the time this Agreement is terminated in the case of a termination under Section 8.01(b)(i) or (y) before the completion of the Company Shareholders Meeting (including any adjournment or postponement thereof) in the case of a termination under Section 8.01(b)(iii) and (B) within 12 months of the date this Agreement is terminated, the Company enters into a definitive agreement with respect to a Company Takeover Proposal or a Company Takeover Proposal is consummated (in each case, whether or not such Company Takeover Proposal was the same Company Takeover Proposal referred to in clause (A)); provided that, for purposes of clauses (A) and (B) of this Section 6.06(b)(ii), the references to "15% or more" in the definition of Company Takeover Proposal shall be deemed to be references to "more than 50%";

then, in any such event under clause (i) or (ii) of this Section 6.06(b), the Company shall pay, or cause to be paid, the Company Termination Fee to Parent or its designee by wire transfer of same-day funds (x) in the case of clause (i)(B) above, concurrently with the termination of this Agreement and (y) in the case of clause (i)(A) or clause (ii) above, no later than the second Business Day immediately following the termination of this Agreement, in the case of a termination under clause (i)(A) or the date of the first to occur of the events referred to in clause (ii)(B) above, in the case of a termination under clause (ii); it being understood that in no event shall the Company be required to pay or cause to be paid the Company Termination Fee on more than one occasion.

As used herein, "Company Termination Fee" shall mean a cash amount equal to $7,500,000.

(c) If the Company terminates this Agreement pursuant to Section 8.01(c)(i) or Section 8.01(c)(iii), or Parent terminates this Agreement pursuant to Section 8.01(b)(i) and at such time the Company could have terminated this Agreement pursuant to Section 8.01(c)(i) or Section 8.01(c)(iii), then Parent shall pay, or cause to be paid, to the Company a termination fee of $45,600,000 in cash (the "Parent Termination Fee"), by wire transfer of same-day funds simultaneously with such termination, it being understood that in no event shall Parent be required to pay or cause to be paid the Parent Termination Fee on more than one occasion.

(d) Each of the parties hereto acknowledges and agrees that the agreements contained in this Section 6.06 are an integral part of the Transactions, and that, without these agreements, the other parties hereto would not enter into this Agreement. Accordingly, if a party fails to timely pay any amount due pursuant to this Section 6.06 and, in order to obtain such payment, the other party commences an Action that results in a Judgment in its favor for such payment, the party that failed to make such payment shall pay or cause to be paid to the other party its costs and expenses (including reasonable and documented attorneys' fees and expenses) in connection with such Action, together with interest on the amount of such payment from the date such payment was required to be made until the date of payment at the prime rate as published by *The Wall Street Journal* in effect on the date such payment was required to be made. Each of the parties further acknowledges that the payment of the amounts by the Company or Parent, as applicable, specified in this Section 6.06 is not a penalty, but, in each case, is liquidated damages in a reasonable amount that will compensate Parent or the Company, as applicable, in the circumstances in which such amounts are payable for the efforts and resources expended and the opportunities foregone while negotiating this Agreement and in reliance on this Agreement and on the expectation of the consummation of the transactions contemplated hereby, which amounts would otherwise be impossible to calculate with precision.

(e) Subject in all respects to Parent's injunction, specific performance and equitable relief rights and related rights set forth in Section 9.10 and the obligations of the Company under Section 6.06(d) hereof, in the event that this Agreement is terminated in circumstances for which such fee is payable pursuant to Section 6.06(b), payment of the Company Termination Fee shall be the sole and exclusive monetary damages remedy of Parent, Merger Sub, the Guarantors or any of their respective former, current or future general or limited partners, shareholders, financing sources, managers, members, directors, officers or Affiliates (collectively, the "Parent Related Parties") against the Company and the Company Subsidiaries and any of their respective former, current or future officers, directors, partners, shareholders, managers, members or Affiliates (collectively, "Company Related Parties") for any loss suffered as a result of the failure of the Transactions to be consummated or for a breach or failure to perform (including a willful breach or failure to perform) hereunder or otherwise (so long as, in the event that this Agreement was terminated by the Company, such termination was in accordance with the applicable provisions of this Agreement), and, subject as aforesaid, upon payment of such amount none of the Company Related Parties shall have any further monetary liability or obligation relating to or arising out of this Agreement or any of the Transactions. Subject in all respects to the Company's injunction, specific performance and equitable relief rights and related rights set forth in Section 9.10 and the obligations of Parent under the third and fourth sentences of Section 6.15(c) and Section 6.06(d) hereof, in the event that this Agreement is terminated in circumstances for which the Parent Termination Fee is payable pursuant to Section 6.06(c), payment of the Parent Termination Fee shall be the sole and exclusive monetary damages remedy of the Company and the Company Subsidiaries against the Parent Related Parties for any loss suffered as a result of the failure of the Transactions to be consummated or for a breach or failure to perform (including a willful breach or failure to perform) hereunder or otherwise (so long as, in the event this Agreement was terminated by Parent, such termination was in accordance with the applicable provisions of this Agreement), and, subject as aforesaid, upon payment of such amount none of the Parent Related Parties shall have any further monetary liability or obligation relating to or arising out of this Agreement or any of the Transactions. While each of the Company and Parent may pursue both a grant of specific performance in accordance with Section 9.10 and the payment of the Parent Termination Fee or the Company Termination Fee, as applicable, under this Section 6.06, under no circumstances shall the Company or Parent be permitted or entitled to receive both a grant of specific performance that results in a Closing and any money damages, including all or any portion of the Parent Termination Fee or the Company Termination Fee, as applicable.

(f) In connection with any loss suffered by any Parent Related Party as a result of the failure of the Transactions to be consummated or for a breach or failure to perform hereunder or otherwise, other than in the circumstances in which Parent is entitled to receive the Company Termination Fee in accordance with Section 6.06(b) (in which case Section 6.06(e) shall apply), Parent agrees, on behalf of itself and the Parent Related Parties, that the maximum aggregate monetary liability of the Company and the Company Related Parties, if any, shall be limited to the amount of the Company Termination Fee, and in no event shall Parent or any Parent Related Party seek or be entitled to recover from the Company or any Company Related Parties, and Parent on behalf of itself and the Parent Related Parties hereby irrevocably waives and relinquishes any right to seek or recover, any monetary damages in excess of such amount (including in the event of a willful breach or failure to perform). In connection with any loss suffered by any Company Related Party as a result of the failure of the Transactions to be consummated or for a breach or failure to perform hereunder or otherwise, other than in the circumstances in which the Company is entitled to receive the Parent Termination Fee in accordance with Section 6.06(c) (in which case Section 6.06(e) shall apply), the Company agrees, on behalf of itself and the Company Related Parties, that, without limiting the Company's injunction, specific performance and equitable relief rights set forth in Section 9.10 and the obligations of Parent under the third and fourth sentences of Section 6.15(c) and Section 6.06(d) hereof (but subject to the last sentence of Section 6.06(e)), the maximum aggregate monetary liability of Parent and the Parent Related Parties, if any, shall be limited to the amount of the Parent Termination Fee, and in no event shall the Company or any Company Related Party seek or be entitled to recover from Parent or any Parent Related Parties, and the Company on behalf of itself and the Company Related Parties hereby irrevocably waives and relinquishes any right to seek or recover, any monetary damages in excess of such amount (including in the event of a willful breach or failure to perform).

SECTION 6.07. Transaction Litigation. The Company shall give Parent the opportunity to participate in the defense or settlement of any shareholder litigation against the Company or its directors relating to the Transactions, and no such settlement shall be agreed to without the prior written consent of Parent, which consent shall not be unreasonably withheld, conditioned or delayed.

SECTION 6.08. Section 16 Matters. Prior to the Effective Time, the Company, Parent and Merger Sub each shall take all such steps as may be reasonably required to cause any dispositions of shares of Company Capital Stock (including derivative securities) resulting from the Transactions, by each individual who will be subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to the Company immediately prior to the Effective Time, to be exempt under Rule 16b-3 promulgated under the Exchange Act.

SECTION 6.09. Public Announcements. Unless and until a Company Adverse Recommendation Change has occurred, Parent and the Company shall consult with each other before issuing, and give each other the opportunity to review and comment upon, any press release or other public statements with respect to the Transactions, and shall not issue any such press release or make any such public statement prior to such consultation, except as may be required by applicable Law, Judgment, court process or the rules and regulations of any national securities exchange or national securities quotation system and except for any matters referred to in, and made in compliance with, Section 5.02. The parties hereto agree that the initial press release to be issued with respect to the Transactions following execution of this Agreement shall be in the form heretofore agreed to by the parties hereto (the "Announcement"). Notwithstanding the forgoing, this Section 6.09 shall not apply to any press release or other public statement made by the Company or Parent which is consistent with the Announcement and the terms of this

Agreement and does not contain any information relating to the Company, Parent or the Transactions that has not been previously announced or made public in accordance with the terms of this Agreement.

SECTION 6.10. Employee Matters. (a) Parent agrees that, during the period commencing at the Effective Time and ending on the first anniversary thereof, the employees of the Company and the Company Subsidiaries who remain in the employment of Parent and its Subsidiaries (including the Company and any Company Subsidiary) after the Effective Time (the "Continuing Employees") shall receive (x) base salary or wages (as applicable) and target annual incentive opportunities that are no less favorable in the aggregate than those provided to such Continuing Employees immediately prior to the Effective Time and (y) other employee benefits that are substantially comparable in the aggregate to the benefits provided to such Continuing Employees immediately prior to the Effective Time (excluding, for purposes of determining such comparability, any retention bonus, defined benefit pension or retiree or post-employment welfare benefits, except to the extent required by applicable Law).

(b) Parent shall use commercially reasonable efforts to cause each employee benefit plan or program of Parent or its Affiliates in which Continuing Employees and their eligible dependents are eligible to participate after the Effective Time to take into account for purposes of vesting and eligibility (and for purposes of benefit accrual under each vacation and other paid time off plan or program) the service of such Continuing Employees prior to the Effective Time with the Company or any Company Subsidiary (including any predecessors thereto) as if such service were with Parent or its Affiliates, in each case to the same extent that such service was recognized by the Company or any Company Subsidiary immediately prior to the Effective Time under the comparable Company Benefit Plan; provided that no such crediting of service shall be required to the extent it would result in any duplication of benefits.

(c) Parent shall use commercially reasonable efforts to cause each employee benefit plan or program that is a group health plan of Parent and its Affiliates (including the Company or any Company Subsidiary) in which Continuing Employees are eligible to participate after the Effective Time (each such employee benefit plan or program, a "New Plan") to (i) waive, or cause the waiver of, all limitations as to preexisting conditions, exclusions and waiting periods with respect to participation and coverage requirements, other than limitations or waiting periods that are already in effect prior to the Effective Time with respect to such Continuing Employee under the comparable Company Benefit Plan and that have not been satisfied as of the Effective Time and (ii) provide such Continuing Employee and his or her covered dependents with credit for any co-payments and deductibles paid during the plan year of and prior to any change in coverage from a Company Benefit Plan to such New Plan in satisfying any applicable deductible or out-of-pocket requirements under such New Plan.

(d) In the event that the Closing occurs prior to the Company paying annual incentives in respect of the fiscal year in which the Closing occurs, each participant in a Company Benefit Plan that is an annual cash incentive plan shall receive a cash bonus based on the achievement of the target level of performance, which bonus shall be prorated based on the number of days in the applicable performance period that have elapsed as of the Closing. Any such bonus shall be paid, less any required withholding Taxes, as soon as practicable (and in no event more than five (5) days) after the Closing Date.

(e) Notwithstanding anything herein to the contrary and without limiting the generality of Section 9.07, the parties hereby acknowledge and agree that all provisions contained in this Section 6.10 are included for the sole benefit of the parties, and that nothing in this Agreement, whether express or implied, (i) shall be treated as an amendment or other modification of any Company Benefit Plan, Company Collective Bargaining Agreement, New Plan or other employee benefit plan, program, policy, arrangement or agreement (or an undertaking to amend any such plan or arrangement), (ii) shall limit the right of Parent, the Company or their respective Affiliates to terminate, amend or otherwise modify any Company Benefit Plan, Company Collective Bargaining Agreement, New Plan or other employee benefit plan, program, policy, arrangement or agreement following the Effective Time or (iii) shall create any third-party beneficiary or other right (A) in any other Person, including any Company Participant or any participant in any Company Benefit Plan, Company Collective Bargaining Agreement, New Plan or other employee benefit plan, program, policy, arrangement or agreement (or any dependent or beneficiary thereof) or (B) to continued employment with Parent or the Company or any of their respective Affiliates.

SECTION 6.11. Parent Vote. (a) Parent shall vote, or cause to be voted, any Company Common Shares and 6 3/4% Preferred Shares beneficially owned by it or any of its Subsidiaries or with respect to which it or any of its Subsidiaries has the power (by agreement, proxy or otherwise) to cause to be voted, in favor of the adoption of this Agreement at the Company Shareholders Meeting or any other meeting of shareholders of the Company at which this Agreement shall be submitted for approval and at all adjournments or postponements thereof.

(b) Immediately following the execution and delivery of this Agreement, Parent, in its capacity as the sole shareholder of Merger Sub, will execute and deliver to Merger Sub and the Company a written consent adopting this Agreement in accordance with the OGCL.

SECTION 6.12. Other Investors. Except as would not reasonably be expected to have a Parent Material Adverse Effect, prior to the Effective Time, without the prior written consent of the Company, Parent shall not permit or agree to permit any Person to obtain equity interests (or rights to obtain any equity interests) in Parent or any Person of which Merger Sub is a direct or indirect Subsidiary.

SECTION 6.13. Merger Sub Expenditures. From the date of this Agreement until the Effective Time, Merger Sub shall not expend any funds other than in connection with the Transactions.

SECTION 6.14. Stock Exchange De-Listing. Parent shall use its reasonable best efforts to cause the Company Common Shares to be de-listed from the New York Stock Exchange and de-registered under the Exchange Act as soon as reasonably practicable following the Effective Time.

SECTION 6.15. Financing. (a) Subject to the terms and conditions of this Agreement, Parent shall (and shall cause its Affiliates to) use its commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to consummate and obtain the Financing on the terms and subject only to the conditions (including pursuant to any "flex" provisions in any fee letter relating to the Debt Financing) set forth in the Financing Letters, including using commercially reasonable efforts to (i) comply with its obligations under (A) the Equity Funding Letters and (B) the Debt Commitment Letters and any definitive agreements related thereto, (ii) maintain in effect the Financing Letters (subject to Parent's right to replace, restate, supplement, modify, assign, substitute, waive or amend the Financing Letters in accordance herewith) until the earliest of the consummation of the Transactions, the termination of this Agreement or the time at which any Alternative Debt Financing is available, (iii) negotiate and enter into definitive agreements with respect to the Debt Financing on a timely basis on terms and conditions (including the flex provisions) contained in the Debt Commitment Letters or otherwise not materially less favorable with respect to conditionality to Parent in the aggregate than those contained in the Debt Commitment Letters, (iv) satisfy on a timely basis all conditions contained in the Financing Letters that are applicable to Parent and its Affiliates and the definitive agreements related thereto, including the payment of any commitment, engagement or placement fees required as a condition to the Debt Financing or Equity Financing, as applicable, (v) if all conditions to the Debt Financing and the Equity Financing have been satisfied in accordance with the Debt Commitment Letters and Equity Funding Letters, respectively, cause the Persons committing to fund the applicable Financing to fund such Financing at the Closing and (vi) enforce its rights under the Financing Letters and the definitive agreements relating to the Financing. To the extent reasonably requested by the Company in writing from time to time, Parent shall keep the Company reasonably informed on a reasonably current basis and in reasonable detail of the status of its efforts to arrange the Debt Financing and provide to the Company copies (including material drafts) of the material Debt Financing documents. Parent shall give the Company prompt notice upon having knowledge of any actual or potential breach, default, termination or repudiation by any party to any of the Financing Letters or any of the definitive documents related to the Financing. Other than as set forth in this Section 6.15, Parent shall not, without the prior written consent of the Company, amend, modify, supplement or waive any provision of, or remedies under, any of the Financing Letters or any of the definitive documentation related thereto, in each case to the extent such amendment, modification, supplement or waiver (1) would reasonably be expected to have the effect of (x) adversely affecting the ability of Parent to timely consummate the Transactions or (y) delaying the Closing or (2) contains conditions and other terms that would reasonably be expected to affect the availability of the Financing that are more onerous, taken as a whole, than those conditions and terms contained in the Equity Funding Letters or Debt Commitment Letters, as applicable, as of the date hereof; provided that notwithstanding any other provision of this Agreement, Parent shall be entitled from time to time to amend, restate, replace, supplement or otherwise modify the Debt Commitment Letters for the purpose of (I) adding agents, co-agents, lenders, arrangers, bookrunners or other persons that have not executed the Debt Commitment Letters as of the date hereof or (II) replacing all or any portion of the commitments under one or more Debt Commitment Letters with a dollar-for-dollar increase in the commitments under one or more Equity Funding Letters, in each case subject to subclauses (1) and (2) above. Upon any such amendment, supplement or modification, in accordance with the terms of this Section 6.15(a), the term "Debt Commitment Letter" shall mean, for all purposes of this Agreement, any Debt Commitment Letter as so amended, supplemented or modified and the term "Equity Funding Letter" shall mean, for all purposes of this Agreement, any Equity Funding Letter as so amended to increase the Equity Financing thereunder (as applicable). Parent shall, as promptly as reasonably practicable, deliver to the Company true and complete copies of any such amendment, supplement or modification (subject, in the case of any fee letter or engagement letter, to customary redactions (none of which redacted terms would reasonably be expected to reduce the principal amount or adversely affect the availability or conditionality of the Debt Financing, other than in connection with any customary original issue discount)).

(b) In the event that all or any portion of the Debt Financing becomes unavailable on the terms and conditions (including any applicable flex provisions) of the Debt Commitment Letters (other than as a result of the Company's breach of any provision of this Agreement or failure to satisfy the conditions set forth in Section 7.01 and other than as a result of the Company's voluntary termination or reduction of commitments thereunder as a result of a corresponding increase in the commitments under one or more Equity Funding Letters), Parent shall (and shall cause its Affiliates to) use its commercially reasonable efforts to (i) obtain the Debt Financing or such portion of the Debt Financing from the same or alternative sources in an amount sufficient, when added to any portion of the Debt Financing that is available and the Equity Financing, to pay in cash all amounts required to be paid by Parent in cash in connection with the Transactions ("Alternative Debt Financing") and (ii) obtain a new financing commitment letter (the "Alternative Debt Commitment Letter") that provides for debt financing (A) on terms not materially less favorable, in the aggregate, to Parent (taking into account the flex provisions of the existing Debt Commitment Letter), (B) containing conditions and other terms that would reasonably be expected to affect the availability thereof that (1) are not more onerous, taken as a whole, than those conditions and terms contained in the Debt Commitment Letters as of the date hereof and (2) would not reasonably be expected to delay the Closing and (C) in an amount that is sufficient, when added to any portion of the Debt Financing that is available and the Equity Financing, to pay in cash all amounts required to be paid by Parent in cash in connection with the Transactions. In such event, the term "Debt Financing" as used in this Agreement shall be deemed to include any Alternative Debt Financing, and the term "Debt Commitment Letter" as used in this Agreement shall be deemed to include any Alternative Debt Commitment Letter. For the avoidance of doubt, the parties hereto agree that the Company shall cooperate with Parent to obtain any Alternative Debt Financing in the manner set forth in Section 6.15(c).

(c) Prior to the Effective Time, the Company shall (and shall cause the Company's wholly-owned Subsidiaries to) use commercially reasonable efforts to provide, and shall use its commercially reasonable efforts to cause any Representative retained by the Company to provide, all cooperation reasonably requested by Parent in connection with any debt financing by Parent, including the Debt Financing (including, for purposes of this Section 6.15(c), any debt securities being issued in lieu of any portion of the Debt Financing), including: (i) participating in (including making appropriate officers of the Company and its subsidiaries available for) meetings or conference calls in lieu thereof (including with prospective Debt Financing Sources), drafting sessions, road shows, due diligence sessions and rating agency presentations; (ii) furnishing Parent and Debt Financing Sources with (x) audited consolidated balance sheets and related statements of income and cash flows for the Company for the three most recently completed fiscal years of the Company ended at least 90 days prior to the Closing Date (the "Audited Financial Statements") and (y) unaudited consolidated balance sheets and related statements of income and cash flows for each fiscal quarter (other than the fourth fiscal quarter) after the date of the most recent financial statements delivered pursuant to the foregoing clause (x) and ended at least 45 days prior to the Closing Date (the "Unaudited Financial Statements") (such information, collectively, the "Required Financial Information"); provided, however, that the Required Financial Information shall be deemed to have been furnished to Parent and to the Debt Financing Sources to the extent included in the Company's periodic reports under the Exchange Act as and when filed with the SEC; (iii) cooperating reasonably with the Debt Financing sources' due diligence, to the extent customary and reasonable; (iv) assisting Parent and the Debt Financing Sources in the preparation of (A) a customary bank information memorandum (including delivery of customary representation letters to the extent required by the Debt Commitment Letters) (as well as a public-side version thereof) for the Debt Financing and any other debt financing by Parent, (B) materials for rating agency presentations and (C) prospectuses, offering memoranda, private placement memoranda (including any pro forma financial statements included therein) and other similar and customary marketing material or memoranda relating to the Debt Financing (including any debt securities being issued in lieu of any portion of the Debt Financing) (collectively, the "Debt Marketing Materials"); (v) reasonably cooperating with the marketing and syndication efforts of Parent and the Debt Financing Sources to the extent required in connection with the Debt Financing; (vi) instructing its Affiliates and its and their respective Representatives to reasonably cooperate with Parent in Parent's and its lenders' due diligence investigation in connection with the Debt Financing of the Company; (vii) using its commercially reasonable efforts to cause its current or former independent accountants to provide assistance and cooperation in the Debt Financing (including any offering of debt securities) or any other debt financing by Parent, including (A) participating in a reasonable number of drafting sessions and accounting due diligence sessions, (B) providing any necessary written consents to use their audit reports relating to the Company and the Company Subsidiaries and to be named as an "Expert" in any document related to any Debt Financing (including any offering of debt securities) or any other debt financing by Parent and (C) providing any customary "comfort" letters (including customary "negative assurance" comfort); (viii) assisting Parent with the preparation of any definitive agreements related to the financing contemplated by the Debt Commitment Letters by providing any information related to the Company that is required to be delivered thereunder (including any schedules thereto); (ix) executing and delivering (or using commercially reasonable efforts to obtain) customary certificates, accountants' comfort letters (which shall provide "negative assurance" comfort), consents, legal opinions and negative assurance letters in connection with the Debt Financing or any other debt financing by Parent; (x) using commercially reasonable efforts to pledge collateral and grant guaranties in connection with the Debt Financing or any other debt financing by Parent, including execution of guarantees and pledge and security documents required by the terms of the Debt Financing, certificates and other financing documents that will not be effective prior to the Closing Date, delivery of certificates representing equity interests constituting collateral, intellectual property filings with respect to intellectual property constituting collateral and mortgages with respect to owned real property constituting collateral; (xi) facilitating the receipt of documentation that will evidence the repayment of existing Indebtedness of the Company and the Company Subsidiaries, guarantee releases and releases of any Liens securing existing Indebtedness of the Company and the Company Subsidiaries, in each case upon the repayment of such Indebtedness substantially concurrently with the initial funding of the Debt Financing (including providing executed and customary payoff letters in respect of existing Indebtedness for borrowed money, which provide for the termination of all commitments of the lenders thereof, the payment and satisfaction of all obligations of the Company and the Company Subsidiaries in connection therewith (other than customary indemnity and other obligations that survive the repayment of Indebtedness) and the release of all Liens on the Company's and the Company Subsidiaries' properties and assets securing the Company's and the Company Subsidiaries' obligations in connection therewith); (xii) providing the Debt Financing Sources and any other financing sources in connection with a debt financing by Parent with all customary documentation and other information required by regulatory authorities and as reasonably requested by Parent or the Debt Financing Sources with respect to the Company and the Company Subsidiaries in connection with applicable "know-your-customer" and anti-money laundering rules and regulations, including the USA PATRIOT ACT, Title III of Pub. L. 107-56 (signed into law October 26, 2001); (xiii) consenting to the reasonable use of the Company's and the Company Subsidiaries' trademarks, service marks or logos in connection with the Debt Financing or any other debt financing by Parent prior to the Closing Date; and (xiv) providing customary authorization letters and confirmations to the Debt Financing Sources authorizing the distribution of information to prospective lenders and containing customary representations to the Debt Financing Sources; provided that the Company and the Company Subsidiaries shall not be required to pay any commitment or other similar fee or incur any other liability in connection with the Financing or any other financing by Parent; provided further, that (A) nothing herein shall require any cooperation to the extent it would interfere unreasonably with the business or operations of the Company and the Company Subsidiaries, (B) neither the Company nor any Company Subsidiary shall be required to take any corporate action with respect to any Debt Financing (including with respect to any board approvals) or other financing by Parent that would become effective prior to, and are not conditioned on the occurrence of, the Closing Date, and (C) the effectiveness of any documentation executed by the Company or the Company Subsidiaries with respect thereto (solely in the case of the Company and the Company Subsidiaries) shall be subject to the consummation of the Closing and the Company and the Company Subsidiaries shall not be required to execute any solvency, 10b-5 or other certificates that would become effective prior to, and are not conditioned on the occurrence of, the Closing other than the authorization letters referred to in clause (xiv) above. Parent acknowledges and agrees that none of the Company or any of the Company Subsidiaries or any of their respective managers, directors, officers, employees, representatives and advisors (including legal, financial and accounting advisors) shall incur any liability to any person under or in connection with the Financing or any other financing by Parent prior to the Closing. Except in the case of losses arising or resulting from fraud, intentional or willful misrepresentation, gross negligence, willful misconduct or willful concealment, in each case as determined by a final, non-appealable judgment by a court of competent jurisdiction, Parent shall indemnify and hold harmless the Company and the Company Subsidiaries and their respective managers, directors, officers, employees, representatives and advisors (including legal, financial and accounting advisors) from and against any and all liabilities, costs and expenses suffered or incurred by them in connection with the arrangement of the Financing, any alternative Financing or any other financing by Parent for which cooperation is requested under this Section 6.15 and any information utilized in connection therewith (other than information provided by or on behalf of the Company expressly for use in connection therewith). Parent shall, upon the request of the Company, promptly reimburse the Company for all documented out-of-pocket costs or expenses reasonably incurred by the Company in connection with cooperation provided for in this Section 6.15.

(d) In furtherance of the foregoing, the Company shall, and shall cause its Subsidiaries to, deliver all customary notices and take all other reasonably necessary actions to facilitate the termination on the Closing Date of all commitments in respect of the Indebtedness set forth on Section 6.15(d) of the Company Disclosure Letter, the repayment in full on the Closing Date of all obligations in respect of such Indebtedness, and the release on the Closing Date of any Liens securing such Indebtedness and guarantees in connection therewith. In furtherance and not in limitation of the foregoing, the Company and its Subsidiaries shall use reasonable best efforts to deliver to Parent prior to the Closing executed payoff letters with respect to the Indebtedness set forth on Section 6.15(d) of the Company Disclosure Letter (each, a

"Payoff Letter") in form and substance customary for transactions of this type, from the applicable agents on behalf of the persons to whom such Indebtedness is owed, which Payoff Letters together with any related release documentation shall, among other things, include the payoff amount and provide that Liens (and guarantees), if any, granted in connection with the Indebtedness set forth on Section 6.15(d) of the Company Disclosure Letter relating to the assets, rights and properties of the Company and its Subsidiaries securing or relating to such Indebtedness, shall, upon the payment of the amount set forth in the applicable Payoff Letter at or prior to the Effective Time, be released and terminated. The obligations of the Company pursuant to this Section 6.15(d) shall be subject to Parent or Merger Sub providing or causing to be provided all funds required to effect all such repayments at or prior to the Effective Time; provided that, no such repayment shall be required to be made prior to the Effective Time.

(e) For the avoidance of doubt, Parent and Merger Sub expressly acknowledge and agree that their respective obligations to consummate the Transactions are not subject to any condition or contingency with respect to receipt of the Debt Financing or any financing or funding by any third party.

SECTION 6.16. Notification of Certain Matters. The Company and Parent shall promptly notify each other of (i) any notice or other communication received by such party from any Governmental Entity in connection with the Transactions or from any Person alleging that the consent of such Person is or may be required in connection with the Transactions, or (ii) the discovery of any fact or circumstance that, or the occurrence or non-occurrence of any event the occurrence or non-occurrence of which would reasonably be expected to result in any of the conditions to the Transactions set forth in Article VII not being satisfied or satisfaction of those conditions being materially delayed in violation of any provision of this Agreement; provided, however, that the delivery of any notice pursuant to this Section 6.16 shall not (x) cure any breach of, or non-compliance with, any other provision of this Agreement or (y) limit the remedies available to the party receiving such notice; provided further, that failure to give prompt notice pursuant to clause (ii) shall not constitute a failure of a condition to the Transactions set forth in Article VII except to the extent that the underlying fact or circumstance not so notified would standing alone constitute such a failure.

SECTION 6.17. 2024 Notes and 2025 Notes. If requested by Parent prior to the Closing, the Company shall furnish to the holders of the 2024 Notes and/or the 2025 Notes on such date(s) specified by Parent such notice(s) of change of control offer(s) and/or notice(s) of redemption(s) required by the 2024 Indenture and/or the 2025 Indenture, as applicable, to be furnished to such holders in connection with any change of control offer or redemption specified by Parent, and the Company shall take all other actions reasonably requested by Parent to be taken in connection with (i) such change of control offer(s) and redemption(s), it being understood that each such change of control offer or redemption, as the case may be, provided for in such notice(s) shall be expressly conditioned on the Closing having occurred and (ii) a waiver of the change of control offer(s) and/or any other consent solicitation with respect to the 2024 Indenture and/or 2025 Indenture that would amend or modify covenants that would facilitate the Debt Financing, including execution of supplemental indentures to evidence such waiver, amendment or modification, it being understood that each such waiver, modification, amendment and/or supplemental indenture shall be expressly conditioned on the Closing having occurred.

ARTICLE VII

Conditions Precedent

SECTION 7.01. Conditions to Each Party's Obligation to Effect the Merger. The respective obligation of each party to effect the Merger is subject to the satisfaction or waiver on or prior to the Closing Date of the following conditions:

(a) Company Shareholder Approval. The Company Shareholder Approval shall have been obtained.

(b) Antitrust. Any waiting period applicable to the Merger under the HSR Act shall have been terminated or shall have expired and, if required, Competition Act Compliance shall have been obtained.

(c) CFIUS Approval. The CFIUS Approval shall have been obtained.

(d) FCC, State and Local Approvals. The FCC Consents, the PSC Consents and the Local Consents set forth on Section 7.01(d) of the Company Disclosure Letter shall have been obtained, shall not be subject to agency reconsideration or judicial review, and the time for any person to petition for agency reconsideration or judicial review shall have expired.

(e) No Legal Restraints. No applicable Law and no Judgment, preliminary, temporary or permanent, or other legal restraint and no binding order or determination by any Governmental Entity (collectively, the "Legal Restraints") shall be in effect that prevents, restrains, enjoins, makes illegal or otherwise prohibits the consummation of the Merger and no Action by a Governmental Entity shall be pending that seeks to prevent, restrain, enjoin, make illegal or otherwise prohibit the consummation of the Merger.

SECTION 7.02. Conditions to Obligations of the Company. The obligation of the Company to consummate the Merger is further subject to the following conditions:

(a) Representations and Warranties. The representations and warranties of Parent and Merger Sub contained in this Agreement shall be true and correct (without giving effect to any limitation as to "materiality" or "Parent Material Adverse Effect" set forth therein) at and as of the date of this Agreement and at and as of the Closing Date as if made at and as of such time (except to the extent expressly made as of an earlier date, in which case as of such earlier date), except where the failure of such representations and warranties to be true and correct (without giving effect to any limitation as to "materiality" or "Parent Material Adverse Effect" set forth therein), individually or in the aggregate, has not had and would not reasonably be expected to have a Parent Material Adverse Effect. The Company shall have received a certificate signed on behalf of each of Parent and Merger Sub by an executive officer of each of Parent and Merger Sub, respectively, to such effect.

(b) Performance of Obligations of Parent and Merger Sub. Parent and Merger Sub shall have performed in all material respects all material obligations required to be performed by them under this Agreement at or prior to the Closing Date, and the Company shall have received a certificate signed on behalf of each of Parent and Merger Sub by an executive officer of each of Parent and Merger Sub, respectively, to such effect.

SECTION 7.03. Conditions to Obligation of Parent. The obligation of Parent and Merger Sub to consummate the Merger is further subject to the following conditions:

(a) Representations and Warranties. (i) The representations and warranties of the Company contained in this Agreement (except for the representations and warranties contained in Section

4.01 (other than the second sentence of Section 4.01), Section 4.03, Section 4.04(a), Section 4.08(i) and Section 4.18) shall be true and correct (without giving effect to any limitation as to "materiality" or "Company Material Adverse Effect" set forth therein) at and as of the date of this Agreement and at and as of the Closing Date as if made at and as of such time (except to the extent expressly made as of an earlier date, in which case as of such earlier date), except where the failure of such representations and warranties to be true and correct (without giving effect to any limitation as to "materiality" or "Company Material Adverse Effect" set forth therein), individually or in the aggregate, has not had and would not reasonably be expected to have a Company Material Adverse Effect; (ii) the representations and warranties of the Company contained in Section 4.01 (other than the second sentence of Section 4.01), Section 4.03, Section 4.04(a) and Section 4.18 shall be true and correct in all material respects at and as of the date of this Agreement and at and as of the Closing Date as if made at and as of such time (except to the extent expressly made as of an earlier date, in which case as of such earlier date) and (iii) the representations and warranties of the Company contained in Section 4.08(i) shall be true and correct in all respects at and as of the date of this Agreement. Parent shall have received a certificate signed on behalf of the Company by an executive officer of the Company to such effect.

(b) Performance of Obligations of the Company. The Company shall have performed in all material respects all material obligations required to be performed by it under this Agreement at or prior to the Closing Date, and Parent shall have received a certificate signed on behalf of the Company by an executive officer of the Company to such effect.

(c) Absence of Company Material Adverse Effect. Since the date of this Agreement, there shall not have occurred any event or development that, individually or in the aggregate, has had or would reasonably be expected to have a Company Material Adverse Effect.

(d) Absence of Burdensome Condition. None of the CFIUS Approval, the FCC Consents, the PSC Consents, the Local Consents set forth in Section 7.01(d) of the Company Disclosure Letter or any Remedy Action shall contain any terms, conditions, liabilities, obligations, commitments or sanctions, or any structural or remedial actions, that constitute, individually or in the aggregate, a Burdensome Condition.

ARTICLE VIII

Termination, Amendment and Waiver

SECTION 8.01. Termination. This Agreement may be terminated at any time prior to the Effective Time, whether before or after receipt of the Company Shareholder Approval:

(a) by mutual written consent of the Company and Parent;

(b) by either the Company or Parent:

(i) if the Merger is not consummated on or before the End Date. The "End Date" shall mean the date that is fifteen (15) months after the date hereof; provided, however, that if on the date that is fifteen (15) months after the date hereof the conditions to Closing set forth in any or all of Section 7.01(b), 7.01(c), 7.01(d) or 7.01(e) shall not have been satisfied or waived but all other conditions to Closing shall have been satisfied or waived (or in the case of conditions that by their nature are to be satisfied at the Closing, shall be capable of being satisfied on such date), then the End Date shall be automatically extended to the date that is eighteen (18) months after the date hereof; and provided further that the right to terminate this Agreement under this Section 8.01(b)(i) shall not be available to any party if such failure of the Merger to occur on or before the End Date is the result of a breach of this Agreement by such party (including, in the case of Parent, Merger Sub) or the failure of any representation or warranty of such party (including, in the case of Parent, Merger Sub) contained in this Agreement to be true and correct;

(ii) if the condition set forth in Section 7.01(e) is not satisfied and the Legal Restraint giving rise to such non-satisfaction shall have become final and non-appealable; provided that the terminating party shall have complied with its obligations to use the requisite level of efforts required by it pursuant to Section 6.03; or

(iii) if the Company Shareholder Approval is not obtained at the Company Shareholders Meeting duly convened (unless such Company Shareholders Meeting has been adjourned, in which case at the final adjournment thereof);

(c) by the Company:

(i) if either Parent or Merger Sub shall have breached any of its representations or warranties or failed to perform any of its covenants or agreements contained in this Agreement, which breach or failure (A) would give rise to the failure of a condition set forth in Section 7.02(a) or Section 7.02(b) and (B) is incapable of being cured or, if capable of being cured by the End Date, Parent and Merger Sub (x) shall not have commenced good faith efforts to cure such breach or failure to perform within 30 calendar days following receipt by Parent or Merger Sub of written notice of such breach or failure to perform from the Company stating the Company's intention to terminate this Agreement pursuant to this Section 8.01(c)(i) and the basis for such termination or (y) are not thereafter continuing to take good faith efforts to cure such breach or failure to perform; provided that the Company shall not have the right to terminate this Agreement pursuant to this Section 8.01(c)(i) if the Company is then in material breach of any of its representations, warranties, covenants or agreements hereunder; or

(ii) prior to receipt of the Company Shareholder Approval, in connection with entering into an Acquisition Agreement in accordance with Section 5.02(c)(ii)(II); provided that prior to or concurrently with such termination the Company pays, or causes to be paid, the Company Termination Fee due under Section 6.06(b) so long as Parent has provided the Company with wire instructions for such payment; or

(iii) if (A) the Marketing Period has ended, (B) the conditions set forth in Sections 7.01 and 7.03 have been satisfied or waived (other than those conditions that by their nature are to be satisfied at the Closing) and Parent has failed to consummate the Closing when required pursuant to Section 1.02, (C) the Company has confirmed by notice to Parent that all conditions set forth in Section 7.02 have been satisfied (other than those conditions that by their nature are to be satisfied at the Closing) or that it is willing to waive any unsatisfied conditions in Section 7.02 and (D) the Merger shall not have been consummated within three Business Days after the delivery of such notice; provided that, notwithstanding anything in Section 8.01(b)(i) to the contrary, no party shall be permitted to terminate this Agreement pursuant to Section 8.01(b)(i) during such three-Business Day period following delivery of the notice referred to in clause (B) above;

(d) by Parent:

(i) if the Company shall have breached any of its representations or warranties or failed to perform any of its covenants or agreements contained in this Agreement, which breach or failure (A) would give rise to the failure of a condition set forth in Section 7.03(a) or Section 7.03(b) and (B) is incapable of being cured or, if capable of being cured by the End Date, the Company (x) shall not have commenced good faith efforts to cure such breach or failure to perform within 30 calendar days following receipt by the Company of written notice of such breach or failure to perform from Parent stating Parent's intention to terminate this Agreement pursuant to this Section 8.01(d)(i) and the basis for such termination or (y) is not thereafter continuing to take good faith efforts to cure such breach or failure to perform; provided that Parent shall not have the right to terminate this Agreement pursuant to this Section 8.01(d)(i) if Parent or Merger Sub is then in material breach of any of its representations, warranties, covenants or agreements hereunder; or

(ii) in the event that a Company Adverse Recommendation Change shall have occurred; provided that Parent shall no longer be entitled to terminate this Agreement pursuant to this Section 8.01(d)(ii) if the Company Shareholder Approval is obtained at the Company Shareholders Meeting.

SECTION 8.02. Effect of Termination. In the event of termination of this Agreement by either Parent or the Company as provided in Section 8.01, this Agreement shall forthwith become null and void (other than Section 3.06, Section 4.18, Section 6.06, the expense reimbursement and indemnification provisions of Section 6.15(c), this Section 8.02, Article IX, and the Confidentiality Agreement and the Guarantees, all of which shall survive termination of this Agreement) and there shall be no liability on the part of Parent, Merger Sub or the Company or their respective directors, officers and Affiliates, except, subject to Section 6.06(d), Section 6.06(e) and Section 6.06(f), no such termination shall relieve any party from liability for damages to another party resulting from fraud or any willful and material breach by a party of any representation, warranty, covenant or agreement set forth in this Agreement.

SECTION 8.03. Amendment. This Agreement may be amended by the parties at any time before or after receipt of the Company Shareholder Approval; provided, however, that (i) after receipt of the Company Shareholder Approval, there shall be made no amendment that by Law requires further approval by the shareholders of the Company without the further approval of such shareholders, (ii) no amendment shall be made to this Agreement after the Effective Time and (iii) except as provided above, no amendment of this Agreement shall require the approval of the shareholders of the Company; provided, further, that no amendments or modifications of, or supplements to, Section 6.06(e), this second proviso to this Section 8.03, the final sentence of Section 9.07, Section 9.08(a), Section 9.08(c), Section 9.09, Section 9.11 or Section 9.12 (and no definition set forth in this Agreement to the extent that an amendment, supplement or modification of such definition would amend, supplement or waive the substance of such sections) that adversely affect the Debt Financing Sources shall be effective without the prior written consent of the Debt Financing Parties. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties.

SECTION 8.04. Extension; Waiver. At any time prior to the Effective Time, the parties may (a) extend the time for the performance of any of the obligations or other acts of the other parties, (b) waive any inaccuracies in the representations and warranties contained in this Agreement or in any document delivered pursuant to this Agreement, (c) waive compliance with any covenants and agreements contained in this Agreement or (d) waive the satisfaction of any of the conditions contained in this Agreement. No extension or waiver by Parent shall require the approval of the stockholders of Parent unless such approval is required by Law and no extension or waiver by the Company shall require the approval of the shareholders of the Company unless such approval is required by Law. Any agreement on the part of a party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party. The failure of any party to this Agreement to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of such rights.

SECTION 8.05. Procedure for Termination, Amendment, Extension or Waiver. A termination of this Agreement pursuant to Section 8.01, an amendment of this Agreement pursuant to

Section 8.03 or an extension or waiver pursuant to Section 8.04 shall, in order to be effective, require, in the case of the Company, Parent or Merger Sub, action by its Board of Directors, or the duly authorized designee of its Board of Directors. Termination of this Agreement prior to the Effective Time shall not require the approval of the shareholders of the Company.

ARTICLE IX

General Provisions

SECTION 9.01. Nonsurvival of Representations and Warranties. None of the representations or warranties in this Agreement or in any document or instrument delivered pursuant to or in connection with this Agreement shall survive the Effective Time. This Section 9.01 shall not limit any covenant or agreement contained in this Agreement or in any document or instrument delivered pursuant to or in connection with this Agreement that by its terms applies in whole or in part after the Effective Time.

SECTION 9.02. Notices. All notices, requests and other communications to any party hereunder shall be in writing and shall be deemed given if delivered personally, by facsimile (which is confirmed), emailed (which is confirmed) or sent by Federal Express, UPS, DHL or similar courier service (providing proof of delivery) to the parties at the following addresses:

if to the Company, to:

Cincinnati Bell Inc.
221 East Fourth Street
Cincinnati, OH 45202
Facsimile: (513) 721-7358
Email: christopher.wilson@cinbell.com
Attention: Christopher J. Wilson, Vice President and General Counsel

with a copy (which shall not constitute notice) to:

Cravath, Swaine & Moore LLP
Worldwide Plaza
825 Eighth Avenue
New York, New York 10019
Facsimile: (212) 474-3700
Email: RTownsend@cravath.com
KHallam@cravath.com
Attention: Robert I. Townsend, III, Esq.
O. Keith Hallam, III, Esq.

if to Parent or Merger Sub, to:

c/o Macquarie Infrastructure and Real Assets Inc.
125 West 55th Street
New York, New York 10019
Email: Anton.Moldon@macquarie.com
MIRAlegalnotices@macquarie.com
Attention: Anton Moldon

with a copy (which shall not constitute notice) to:

White & Case LLP
1221 Avenue of the Americas
New York, NY 10020-1095
Facsimile: (212) 354-8113
Email: jwebber@whitecase.com
luke.laumann@whitecase.com
Attention: Jason Webber, Esq.
Luke E. Laumann, Esq.

SECTION 9.03. Definitions. For purposes of this Agreement:

"2024 Indenture" means that certain Indenture, dated as of September 22, 2016 (as amended, supplemented or otherwise modified from time to time), by and among the Company, the subsidiary guarantors party thereto and Regions Bank, as trustee.

"2024 Notes" means the 7.000% Senior Notes due 2024, issued pursuant to the 2024 Indenture.

"2025 Indenture" means that certain Indenture, dated as of October 6, 2017 (as amended, supplemented or otherwise modified from time to time), by and among the Company (as successor to CB Escrow Corp), the subsidiary guarantors party thereto and Regions Bank, as trustee.

"2025 Notes" means the 8.000% Senior Notes due 2025, issued pursuant to the 2025 Indenture.

"Advance Ruling Certificate" means an advance ruling certificate issued by the Commissioner of Competition pursuant to section 102 of the Competition Act with respect to the transactions contemplated by this Agreement.

"Affiliate" of any Person means another Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such first Person; provided, that, in no event shall Parent or Merger Sub be considered to be an Affiliate of (a) any investment fund or other investment vehicle controlled or managed by Parent or any of its Affiliates (other than MIP V), (b) any limited or general partner of such fund or of MIP V (or any Affiliate of such limited or general partners) or (c) any portfolio company of any investment fund or investment vehicle controlled or managed by Parent or any of its Affiliates (other than MIP V).

"Business Day" means any day other than (i) a Saturday or a Sunday or (ii) a day on which banking and savings and loan institutions are authorized or required by Law to be closed in New York City.

"CFIUS" means the interagency Committee on Foreign Investment in the United States, including any successor or replacement thereof.

"CFIUS Approval" means (a) written notification issued by CFIUS that it has determined that the Transactions are not a "covered transaction" pursuant to the CFIUS Statute; (b) Parent and the Company shall have received written notice from CFIUS that CFIUS has concluded all action under the CFIUS Statute with respect to the Transactions, and there are no unresolved national security concerns with respect to the Transactions; or (c) if CFIUS shall have sent a report to the President of the United States requesting the President's decision with respect to the Transactions, then either (i) the President shall have announced a decision not to take any action to suspend, prohibit or place any limitations on the

Transactions, or (ii) the time permitted by the CFIUS Statute for such action shall have expired without any such action being announced or taken.

"CFIUS Notice" means a joint voluntary notice with respect to the Transactions prepared by the parties hereto and submitted to CFIUS in accordance with the requirements of the CFIUS Statute.

"CFIUS Statute" means section 721 of the Defense Production Act of 1950, as amended by the Foreign Investment Risk Review Modernization Act of 2018, as it may be further amended, modified, supplemented or replaced from time to time, and including all applicable regulations and interim rules promulgated thereunder.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commissioner of Competition" means the Commissioner of Competition appointed pursuant to the Competition Act and includes Persons authorized by the Commissioner of Competition.

"Company Board" means the Board of Directors of the Company.

"Company Collective Bargaining Agreement" means any collective bargaining or other labor union Contract applicable to any employees of the Company or any of the Company Subsidiaries.

"Company Material Adverse Effect" means any state of facts, change, effect, condition, development, event or occurrence that, individually or in the aggregate, materially and adversely affects the business, properties, financial condition or results of operations of the Company and the Company Subsidiaries, taken as a whole, excluding any such state of facts, change, effect, condition, development, event or occurrence to the extent arising out of or in connection with (A) any change generally affecting the economic, financial, regulatory or political conditions in the United States or elsewhere in the world, (B) the outbreak or escalation of hostilities or any acts of war, sabotage or terrorism, or any earthquake, hurricane, tornado, tsunami or other natural disaster, (C) any change that is generally applicable to the industries or markets in which the Company and the Company Subsidiaries operate, (D) any change in applicable Laws or applicable accounting regulations or principles or authoritative interpretations thereof, in each case arising after the date hereof, (E) any failure, in and of itself, to meet projections, forecasts, estimates or predictions in respect of revenues, EBITDA, free cash flow, earnings or other financial or operating metrics for any period (it being understood that the underlying facts or occurrences giving rise to or contributing to such failure shall be taken into account in determining whether there has been a Company Material Adverse Effect (except to the extent such underlying facts or occurrences are excluded from being taken into account by clauses (A) through (G) of this definition)), (F) any termination of, reduction in or similar negative impact on relationships, contractual or otherwise, with customers, suppliers, distributors, partners or employees of the Company and the Company Subsidiaries due to the announcement and performance of this Agreement or the identity of the parties to this Agreement, or (G) any action taken by the Company or any Company Subsidiary that is expressly required by this Agreement to be taken by the Company or any Company Subsidiary, or that is taken or not taken with the prior express written consent or at the express written direction of Parent; provided, that any state of facts, change, effect, condition, development, event or occurrence referred to in clause (A), clause (B) or clause (D) may be taken into account in determining whether there has been, or would reasonably be expected to be, a Company Material Adverse Effect to the extent such effect, change, event or occurrence has a disproportionate adverse effect on and the Company and the Company Subsidiaries, taken as a whole, as compared to other participants in the industry in which the Company and the Company Subsidiaries operate (in which case the incremental disproportionate impact or impacts may be taken into account in determining whether there has been, or would reasonably be expected to be, a Company Material Adverse Effect).

"Company Phantom Share" means each notional share, whether payable in Company Common Shares or in cash, granted under the Company Deferred Compensation Plan for Outside Directors (the "Company Deferred Compensation Plan for Outside Directors").

"Company PSU" means any Company RSU that is subject to performance-based vesting or delivery requirements.

"Company RSU" means any restricted stock unit payable in Company Common Shares or whose value is determined with reference to the value of Company Common Shares, whether granted under a Company Stock Plan or otherwise.

"Company SAR" any stock appreciation right, whether settled in stock or in cash, relating to Company Common Shares, whether granted under a Company Stock Plan or otherwise.

"Company Stock-Based Awards" means, collectively, Company RSUs, Company PSUs, Company Stock Options, Company SARs and Company Phantom Shares.

"Company Stock Option" means any option to purchase Company Common Shares, whether settled in stock or in cash and whether granted under a Company Stock Plan or otherwise.

"Company Stock Plans" means the Company 2017 Long-Term Incentive Plan, the Company 2017 Stock Plan for Non-Employee Directors, the Company 2007 Long Term Incentive Plan and the Hawaiian Telcom 2010 Equity Incentive Plan, each as may be amended from time to time.

"Competition Act" means the Competition Act (Canada).

"Competition Act Compliance" means (i) the issuance of an Advance Ruling Certificate; (ii) the Company and Parent have given the notice required under section 114 of the Competition Act with respect to the transactions contemplated by this Agreement and the applicable waiting period under section 123 of the Competition Act has expired or been waived in accordance with the Competition Act; or (iii) the obligation to give the requisite notice has been waived pursuant to subsection 113(c) of the Competition Act; provided, that in the case of clauses (ii) or (iii), the Commissioner of Competition shall have notified Parent in writing that, in effect, that the Commissioner does not, at this time, intend to make an application under section 92 of the Competition Act in respect of the transactions contemplated by this Agreement, and the Commissioner of Competition shall not have rescinded or amended such notice.

"Compliant" means, with respect to the Required Financial Information, that (i) such Required Financial Information, taken as a whole, does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make such Required Financial Information not misleading, in light of the circumstances under which the statements contained in such Required Financial Information were made, (ii) in the case of the Required Financial Information delivered in connection with the offering of any debt securities as part of the Debt Financing and any other debt financing by Parent, such Required Financial Information is, and remains throughout the Marketing Period, compliant in all material respects with all applicable requirements of Regulations S-K and S-X under the Securities Act that are applicable to such Required Financial Information (other than such provisions for which compliance is not customary in a Rule 144A offering of such debt securities, such as the exclusion of "segment reporting", subsidiary financial statements or any information of the type required by Rule 3-09, Rule 3-10 or Rule 3-16 of Regulation S-X), (iii) the Company's independent accountants have not (A) objected to the use of their audit opinions related to any audited financial statements included in such Required Financial Information or (B) withdrawn their audit opinion with respect to any audited financial statements contained in such Required Financial Information, in which case such financial information shall not be deemed to be Compliant unless and until a new unqualified audit opinion is issued with respect to the consolidated financial statements of the Company and the Company Subsidiaries for the applicable periods by the independent accountants or another independent public accounting firm of international standing, (iv) the Company has not indicated its intent to restate any financial statements included in such Required Financial Information, in which case such Required Financial Information shall only be deemed as Compliant on the date (if any) that (A) such restatement has been completed and the applicable financial statements have been amended and delivered to Parent or (B) the Company has provided written notice to Parent that it has concluded that no restatement shall be required in accordance with GAAP, (v) in the case of the Required Financial Information delivered in connection with the offering of any debt securities as part of the Debt Financing contained in the offering memorandum, the Company's independent accountants have confirmed that they are prepared to issue a comfort letter customary for a Rule 144A offering of debt securities, including customary negative assurance and (vi) the Company has not been delinquent in filing any Annual Report on Form 10-K or Quarterly Report on Form 10-Q, in which case the applicable financial information shall be deemed not to be Compliant unless and until all such delinquencies have been cured.

"Copyleft License Terms" means terms of a copyleft or other open source license (e.g., by way of example only, the GNU's General Public License (GPL), Lesser/Library GPL (LGPL), the Mozilla Public License, the Sun Industry Standards License (SISL) and the Affero General Public License (AGPL)) that require, as a condition of use, modification, distribution or other exploitation of the copyleft licensed Software, that any proprietary Software that is integrated or bundled with, linked with, distributed with, used or modified in the development or compilation of, or otherwise used in or with such copyleft licensed Software, be (i) disclosed or distributed in source code form, (ii) licensed for the purpose of making derivative works or distribution, or (iii) made available in connection with any license, sublicense or distribution of such Software at no charge or minimal charge.

"Debt Financing Sources" means each Commitment Party and each other Person that has committed to provide or otherwise entered into any Debt Commitment Letter and/or any other commitment letter, engagement letter, credit agreement, underwriting agreement, purchase agreement, placement agreement, joinder agreement, indenture or other agreement with Parent or Merger Sub or any of their Affiliates in connection with, or that is otherwise acting as an arranger, bookrunner, underwriter, initial purchaser, placement agent, administrative or collateral agent, trustee or a similar representative in respect of, any Debt Financing or any other financing in connection with the transactions contemplated hereby (the "Debt Financing Parties") and, in each case, their respective Affiliates, officers, directors, employees, agents and representatives involved in such Debt Financing and the respective permitted successors and assigns of each of the foregoing; provided, for the avoidance of doubt, that "Debt Financing Sources" and "Debt Financing Parties" shall exclude Parent and any of its Affiliates.

"Environmental Claim" means any suits, orders, demands, directives, claims, liens, investigations, proceedings, actions, Judgments, consent orders, consent agreements or notices of noncompliance, liability or violation by or from any Person arising out of, based on or resulting from (A) the presence or Release of, or exposure to, any Hazardous Materials; or (B) the failure to comply with any Environmental Law or any Permit issued pursuant to Environmental Law.

"Environmental Laws" means all applicable Federal, national, state, provincial or local Laws, Judgments, or Contracts issued, promulgated or entered into by or with any Governmental Entity, relating to pollution, natural resources or the protection of endangered or threatened species, climate, human health or the environment.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Governmental Filing Fees" means all filing fees and other amounts payable to any Governmental Entity in connection with seeking and obtaining any approval, authority, consent, waiver or exemption from any Governmental Entity required to consummate the Transactions, including the filing fees required to be paid in connection with any filing made pursuant to Antitrust Laws or filing made pursuant to the CFIUS Statute.

"Hazardous Materials" means (A) any petroleum or petroleum products, by-products or breakdown products, explosive or radioactive materials or wastes, asbestos, and polychlorinated biphenyls; and (B) any other material, substance or waste that is regulated under any Environmental Law.

"Indebtedness" means, with respect to any Person, without duplication, (i) all obligations of such Person for borrowed money, or with respect to unearned advances of any kind to such Person, (ii) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (iii) all capitalized lease obligations of such Person, (iv) all guarantees and arrangements having the economic effect of a guarantee of such Person of any Indebtedness of any other Person, (v) all obligations or undertakings of such Person to maintain or cause to be maintained the financial position of others or to purchase the obligations of others, (vi) net cash payment obligations of such Person under swaps, options, derivatives and other hedging agreements or arrangements that will be payable upon termination thereof (assuming they were terminated on the date of determination) or (vii) letters of credit, bank guarantees and other similar contractual obligations entered into by or on behalf of such Person.

"Intellectual Property" means all right, title and interest in or relating to intellectual property, whether protected, created or arising under the Laws of the United States or any other jurisdiction, including: (a) patents (including all applications, reissues, divisions, continuations, continuations-in-part, re-examinations, substitutions and extensions thereof) and inventions; (b) trademarks, service marks, trade names and service names, business names, brand names, logos, slogans, trade dress, design rights and other similar designations of source or origin, including any and all goodwill associated with any of the foregoing, along with all applications, registrations, renewals and extensions thereof; (c) internet domain names and social media identifiers, tags and handles; (d) copyrights and copyrightable subject matter and database rights, whether or not registered or published, all registrations and recordations thereof and all applications in connection therewith, along with all reversions, extensions and renewals thereof; (e) trade secrets, know-how and other information of a confidential nature; and (f) computer software programs, including all source code, object code and documentation related thereto and all software modules, tools, algorithms, data, compilations of data and databases, firmware, and middleware (collectively, "Software").

"Intervening Event" means a material event, occurrence, development or state of facts or circumstances that was not known to the Company Board prior to the date of this Agreement (or if known, the consequences of which were not known or reasonably foreseeable), other than the receipt, existence or terms of, or an inquiry, proposal or offer that constitutes or could reasonably be expected to lead to, a Company Takeover Proposal, provided, however, that no state of fact, change, effect, condition, development, event or occurrence that has had or would reasonably be expected to have an adverse effect on the business, properties, financial condition or results of operations of, or the market price of the securities (including Company Common Shares) of, the Company or the Company Subsidiaries shall constitute an "Intervening Event" unless such state of fact, change, effect, condition, development, event or occurrence has had or would reasonably be expected to have a Company Material Adverse Effect and provided, further, that no action taken by any party hereto pursuant to and in compliance with the affirmative covenants set forth in Section 6.03, or the consequences of any such action, shall constitute an "Intervening Event".

"IT Assets" means all communications networks, systems, data centers, computers, Software, servers, workstations, routers, hubs, switches, data communications lines, cable modems, automated networks and control systems, websites, applications, databases, fiber optic systems, all other information and operational technology equipment and assets, including outsourced or cloud computing arrangements, and all associated documentation, in each of the foregoing cases, owned, licensed, used or held for use by or for the Company or the Company Subsidiaries.

"Knowledge" of (a) the Company means the actual knowledge of the individuals listed on Section 9.03(a) of the Company Disclosure Letter after having made reasonable inquiry of those employees of the Company and the Company Subsidiaries primarily responsible for such matters and (b) Parent or Merger Sub means the actual knowledge of the officers or directors of Parent or Merger Sub after having made reasonable inquiry of those employees of Parent and Merger Sub primarily responsible for such matters.

"Marketing Period" means the first period of at least 15 consecutive Business Days, commencing upon the date of receipt of the Required Financial Information and whereon such Required Financial Information is (and remains) Compliant; provided, that the Marketing Period shall be deemed not to have commenced if (a) the conditions set forth in Section 7.01 and Section 7.03(d) shall not have been satisfied or (b) the Required Financial Information ceases to be Compliant or would be required to be updated in order to be Compliant on any day during such 15 consecutive Business Day period, in which case the Marketing Period shall not be deemed to commence until the receipt by Parent of such Compliant updated Required Financial Information; provided, further, that (1) the Marketing Period shall exclude July 3, 2020, November 27, 2020 and July 2, 2021 (which for purposes of such calculation shall not constitute Business Days), (2) if the Marketing Period shall not have been completed by August 21, 2020, then it shall not commence until September 8, 2020 and (3) if the Marketing Period shall not have been completed by December 18, 2020, then it shall not commence until January 4, 2021.

"Merger Transactions" means, collectively, the transactions contemplated by this Agreement, including the Merger, but excluding, in any event, the Equity Financing.

"MIP V" means MIP V (FCC) AIV, L.P.

"Parent Board" means the Board of Directors of Parent.

"Parent Material Adverse Effect" means any state of facts, change, circumstance, effect, condition, development, event or occurrence that would prevent or materially delay, interfere with, hinder or impair (i) the consummation by Parent or Merger Sub of the Transactions or (ii) the compliance by Parent or Merger Sub with its obligations under this Agreement.

"Permitted Liens" means (i) statutory Liens for Taxes not yet delinquent or the amount or validity of which is being contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with GAAP; (ii) mechanics', materialmen's, carriers', workmen's, repairmen's, warehousemen's, landlords' and other similar statutory Liens securing obligations that are not yet due and payable or the validity of which are being contested in good faith by appropriate proceedings and incurred in the ordinary course of business; (iii) zoning, entitlement, building and other land use regulations imposed by Governmental Entities; (iv) covenants, conditions, restrictions, easements, rights-of-way, encroachments and other similar matters of public record affecting title to any Company Real Property that does not materially impair the occupancy or use of such Company Real Property for the purposes for which it is currently used; (v) Liens that, individually or in the aggregate, (A) are not substantial in character, amount or extent in relation to the applicable Company Real Property and (B) do not materially and adversely impact the current or contemplated use, utility or value of any such property or otherwise materially and adversely impair the present or contemplated business operations thereon; (vi) Liens arising under worker's compensation, unemployment insurance, social security, retirement and similar legislation; (vii) purchase money Liens and Liens securing rental payments under capital lease arrangements; (viii) the terms and conditions of Real Property Leases to third party tenants disclosed in Section 4.15 of the Company Disclosure Letter; (ix) the terms and conditions of Real Property Leases to which the Company or any Company Subsidiary is a tenant or occupant disclosed in Section 4.15 of the Company Disclosure Letter; (x) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business consistent with past practice; (xi) non-exclusive licenses granted to third parties in the ordinary course of business and (xii) Liens set forth on Section 9.03(b) of the Company Disclosure Letter.

"Person" means any natural person, firm, corporation, partnership, company, limited liability company, trust, joint venture, association, Governmental Entity or other entity.

"Proprietary Software" means any and all Software owned (or purported to be owned), in whole or in part, by Company or any of the Company Subsidiaries.

"Redacted Fee Letter" means a fee letter from a financing source which is redacted in a manner customary for merger agreements of this type; provided that such redactions do not relate to any terms that could adversely affect the conditionality, enforceability, availability, termination or aggregate principal amount of the debt financing or other funding being made available by such financing source (other than in connection with any customary original issue discount).

"Release" means any release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching, escaping, emptying, seeping, migration, placing into, upon or through the indoor or outdoor environment.

"Remedial Action" means all action to (i) clean up, remove, treat or handle in any other way Hazardous Materials in the environment; (ii) restore or reclaim the environment or natural resources; (iii) prevent the Release of Hazardous Materials so that they do not migrate, endanger or threaten to endanger public health or the environment; or (iv) perform remedial investigations, feasibility studies, corrective actions, closures and postremedial or postclosure studies, investigations, operations, maintenance and monitoring on, about or in any real property.

"Subsidiary" of any Person means another Person, an amount of the voting securities, other voting ownership or voting partnership interests of which is sufficient to elect at least a majority of its Board of Directors or other governing body (or, if there are no such voting interests, more than 50% of the equity interests of which) is owned directly or indirectly by such first Person.

"Tax Return" means all Tax returns, declarations, elections, statements, reports, schedules, forms and information returns and any amended Tax return relating to Taxes.

"Taxes" means all taxes, assessments, charges, duties, fees, levies or other governmental charges, in each case, in the nature of a tax, including all United States federal, state, local, foreign and other income, franchise, profits, gross receipts, capital gains, capital stock, transfer, sales, use, value-added, occupation, property, excise, telecommunications, severance, windfall profits, stamp, license, payroll, social security, withholding and other taxes, assessments, charges, duties, fees, levies or other governmental charges of any kind whatsoever (whether payable directly or by withholding and whether or not requiring the filing of a Tax Return), all estimated taxes, additions to tax, penalties and interest.

"Team Telecom Agencies" means the member agencies of the interagency group of the government of the United States that, among other things, reviews FCC applications for potential national security, law enforcement and public interest concerns, and is comprised of staff from, among others, the Department of Homeland Security, the Department of Justice, including the Federal Bureau of Investigation, and the Department of Defense, as well as any successor group or other group within the government of the United States charged with performing such review.

"Transactions" means, collectively, the transactions contemplated by this Agreement, including the Merger.

SECTION 9.04. Interpretation. When a reference is made in this Agreement to an Article, a Section, Exhibit or Schedule, such reference shall be to an Article of, a Section of, or an Exhibit or Schedule to, this Agreement unless otherwise indicated. The table of contents, index of defined terms and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Any capitalized term used in any Exhibit but not otherwise defined therein shall have the meaning assigned to such term in this Agreement. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation". The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The words "date hereof" when used in this Agreement shall refer to the date of this Agreement. The terms "or", "any" and "either" are not exclusive. The word "extent" in the phrase "to the extent" shall mean the degree to which a subject or other thing extends, and such phrase shall not mean simply "if". The word "will" shall be construed to have the same meaning and effect as the word "shall". The words "made available to Parent" and words of similar import refer to documents (A) posted to the online dataroom by or on behalf of the Company by 5:00 p.m. (New York City time) on March 1, 2020, or (B) delivered in person or electronically to Parent, Merger Sub or their respective Representatives by 5:00 p.m. (New York City time) on March 1, 2020. All accounting terms used and not defined herein shall have the respective meanings given to them under GAAP. All terms defined in this Agreement shall have the defined meanings when used in any document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. Any agreement, instrument or Law defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or Law as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein. Unless otherwise specifically indicated, all references to "dollars" or "$" shall refer to the lawful money of the United States. References to a Person are also to its permitted assigns and successors.

SECTION 9.05. Severability. If any term, condition or other provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or incapable of being enforced by any rule of Law or public policy, all other terms, provisions and conditions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term, condition or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible to the fullest extent permitted by applicable Law.

SECTION 9.06. Counterparts. This Agreement may be executed in one or more counterparts (including by facsimile or electronic mail), each of which shall be deemed to be an original but all of which taken together shall constitute one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to the other parties hereto.

SECTION 9.07. Entire Agreement; No Third-Party Beneficiaries. This Agreement, including the Company Disclosure Letter and the Parent Disclosure Letter, together with the Confidentiality Agreement and the Equity Funding Letter, constitutes the entire agreement, and supersedes all other prior agreements and understandings, both written and oral, among the parties and their Affiliates, or any of them, with respect to the subject matter hereof and thereof. This Agreement is not intended to and does not confer upon any Person other than the parties hereto any rights or remedies hereunder, except for: (i) if the Effective Time occurs, the right of the Company's shareholders to receive the Merger Consideration in accordance with Article II; (ii) if the Effective Time occurs, the right of holders of Company Stock-Based Awards to receive such amounts as provided for in Section 6.04; (iii) if the Effective Time occurs, the rights of the Indemnified Persons set forth in Section 6.05 of this Agreement; (iv) the rights of the Company Related Parties and Parent Related Parties set forth in Section 6.06; (v) the rights of the managers, directors, officers, employees, representatives and advisors of the Company and its Subsidiaries set forth in Section 6.15(c), which are intended for the benefit of the Persons and shall be enforceable by the Persons referred to respectively in clauses (i) through (v) above and (vi) the Debt Financing Sources, who shall be express intended third party beneficiaries of each of Section 6.06(e), the provisos to Section 8.03, this final sentence of Section 9.07, Section 9.08(a), Section 9.08(c), Section 9.09, Section 9.11 and Section 9.12 to the extent applicable thereto (in each case, together with any related definitions and other provisions of this Agreement to the extent a modification or termination would serve to modify the substance or provisions or such sections).

SECTION 9.08. Governing Law. (a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF DELAWARE APPLICABLE TO CONTRACTS EXECUTED IN AND TO BE PERFORMED ENTIRELY WITHIN THAT STATE, REGARDLESS OF THE LAWS THAT MIGHT OTHERWISE GOVERN UNDER ANY APPLICABLE CONFLICT OF LAWS PRINCIPLES (EXCEPT THAT THE PROCEDURES OF THE MERGER AND MATTERS RELATING TO THE FIDUCIARY DUTIES OF THE DIRECTORS OF THE COMPANY AND MERGER SUB SHALL BE SUBJECT TO THE INTERNAL LAWS OF THE STATE OF OHIO); PROVIDED THAT ANY MATTERS RELATING TO THE DEBT FINANCING SHALL BE EXCLUSIVELY GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AND EACH OF THE PARTIES HERETO AGREES THAT THE WAIVER OF JURY TRIAL SET FORTH IN SECTION 9.11 SHALL BE APPLICABLE TO ANY SUCH MATTER IN A MANNER CONSISTENT WITH THE CORRESPONDING PROVISION SET FORTH IN THE DEBT COMMITMENT LETTERS.

(b) All Actions arising out of or relating to this Agreement or the Transactions shall be heard and determined in the Court of Chancery of the State of Delaware or, if the Court of Chancery of the State of Delaware declines to accept jurisdiction over any Action, the Superior Court of the State of Delaware (Complex Commercial Division) or, if subject matter jurisdiction over the matter that is the subject of the Action is vested exclusively in the federal courts of the United States of America, the United States District Court for the District of Delaware, and any appellate court from any thereof (such courts, the "Selected Courts"). The parties hereto hereby irrevocably (i) submit to the exclusive jurisdiction and venue of the Selected Courts in any such Action, (ii) waive the defense of an inconvenient forum or lack of jurisdiction to the maintenance of any such Action brought in the Selected Courts, (iii) agree to not contest the jurisdiction of the Selected Courts in any such Action, by motion or otherwise and (iv) agree to not bring any Action arising out of or relating to this Agreement or the Transactions in any court other than the Selected Courts, except for Actions brought to enforce the judgment of any such court. The consents to jurisdiction and venue set forth in this Section 9.08(b) shall not constitute general consents to service of process in the State of Delaware and shall have no effect for any purpose except as provided in this paragraph and shall not be deemed to confer rights on any Person other than the parties hereto. Each party hereto agrees that service of process upon such party in any Action arising out of or relating to this Agreement shall be effective if notice is given by Federal Express, UPS, DHL or similar courier service to the address set forth in Section 9.02 of this Agreement. The parties hereto agree that a final judgment in any such Action shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable Law; provided, however, that nothing in the foregoing shall restrict any party's rights to seek any post-judgment relief regarding, or any appeal from, a final trial court judgment.

(c) Notwithstanding anything in this Agreement to the contrary, each of the parties hereto agrees that it will not bring, or permit any of its Affiliates to bring, any suit, action or other proceeding of any kind or description, whether in law or in equity, whether in contract or in tort or otherwise, against any Debt Financing Source arising out of or relating to (x) the Debt Financing or (y) this Agreement or any of the Transactions in any forum other than a court of competent jurisdiction located within Borough of Manhattan in the City of New York, New York, whether a state or federal court, and each of the parties hereto agrees that the waiver of jury trial set forth in Section 9.11 shall be applicable to any such suit, action or other proceeding.

SECTION 9.09. Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by operation of Law or otherwise, by any of the parties hereto without the prior written consent of the other parties hereto, except that Parent may assign, in its sole discretion, all of the rights, interests and obligations of Parent under this Agreement to (i) any Affiliate of Parent so long as such assignment would not reasonably be expected to result in a Parent Material Adverse Effect or (ii) pursuant to a collateral assignment of all of its rights hereunder to any of its Debt Financing Sources, but, in each case, no such assignment shall relieve Parent of its obligations under this Agreement. No assignment by any party shall relieve such party of any of its obligations hereunder. Subject to the immediately preceding two sentences, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by, the parties hereto and their respective successors and permitted assigns. Any purported assignment not permitted under this Section 9.09 shall be null and void.

SECTION 9.10. Specific Enforcement. The parties hereto agree that irreparable damage for which monetary relief (including any fees payable pursuant to Section 6.06), even if available, would not be an adequate remedy would occur in the event that any provision of this Agreement is not performed in accordance with its specific terms or is otherwise breached, including if the parties hereto fail to take any action required of them hereunder to consummate this Agreement and the Transactions. Subject to the following sentence, the parties acknowledge and agree that (a) the parties shall be entitled to an injunction or injunctions, specific performance or other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in the courts described in Section 9.08(b) without proof of damages or otherwise, this being in addition to any other remedy to which they are entitled under this Agreement, (b) the provisions set forth in Section 6.06 (i) are not intended to and do not adequately compensate for the harm that would result from a breach of this Agreement and (ii) subject to the limitations contained in Section 6.06, shall not be construed to diminish or otherwise impair in any respect any party's right to specific performance and (c) the right of specific enforcement is an integral part of the Transactions and without that right neither the Company nor Parent would have entered into this Agreement. Notwithstanding the foregoing, it is explicitly agreed that the right of the Company to seek an injunction, specific performance or other equitable remedies in connection with enforcing Parent's obligation to cause the Equity Financing to be funded to fund the Merger Consideration and Parent's and Merger Sub's obligations to effect the Closing (but not the right of the Company to seek such injunctions, specific performance or other equitable remedies for any other reason) shall be subject to the requirements that (A) all conditions in Sections 7.01 and 7.03 were satisfied or waived (other than those conditions that by their nature are to be satisfied at the Closing) at the time when the Closing would have been required to occur pursuant to Section 1.02, but for the failure of the Equity Financing to be funded, (B) the Debt Financing has been funded in accordance with the terms thereof or will be funded in accordance with the terms thereof at the Closing if the Equity Financing is funded at the Closing and (C) the Company has irrevocably confirmed that if the Equity Financing and the Debt Financing are funded, then it would take such actions required of it by this Agreement to cause the Closing to occur. The parties hereto agree not to assert that a remedy of specific enforcement is unenforceable, invalid or contrary to Law, and not to assert that a remedy of monetary damages would provide an adequate remedy or that the parties otherwise have an adequate remedy at law. The parties hereto acknowledge and agree that any party seeking an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in accordance with this Section 9.10 shall not be required to provide any bond or other security in connection with any such order or injunction.

SECTION 9.11. WAIVER OF JURY TRIAL. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS

LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVER, (C) IT MAKES SUCH WAIVER VOLUNTARILY AND (D) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVER AND CERTIFICATIONS IN THIS SECTION 9.11.

SECTION 9.12. No Recourse to Debt Financing Sources. (a) Notwithstanding anything in this Agreement to the contrary, the Company (i) agrees on its behalf and on behalf of its Affiliates that none of the Debt Financing Sources shall have any liability or obligation to the Company and their respective Affiliates relating to this Agreement or any of the Transactions (including the Debt Financing), (ii) waives any rights or claims against any Debt Financing Source in connection with this Agreement (including any of the Transactions), any Debt Commitment Letter, any fee letters related thereto, the definitive agreements with respect thereto or the Debt Financing, whether at law or equity, in contract, in tort or otherwise and (iii) agrees not to, and shall not, (A) seek to enforce this Agreement against, make any claims whether at law or equity, in contract, in tort or otherwise, for breach of this Agreement, or seek to recover monetary damages (including, for the avoidance of doubt, any special, consequential, punitive, indirect, speculative or exemplary damages or damages of a tortious nature) from, any Persons (other than Parent or Merger Sub) that have committed to provide or otherwise enter into Contracts in connection with the Debt Financing, including the Debt Financing Sources or (B) seek to enforce the commitment in respect of any Debt Financing against, make any claims for breach of commitments in respect of any Debt Financing against, or seek to recover monetary damages (including, for the avoidance of doubt, any special, consequential, punitive, indirect, speculative or exemplary damages or damages of a tortious nature) from, or otherwise sue, any Persons (other than Parent or Merger Sub) that have committed to provide or otherwise enter into Contracts in connection with the Debt Financing, including the Debt Financing Sources, for any reason in connection with commitments in respect of any Debt Financing or the obligations of the Debt Financing Sources thereunder, this Agreement, or any of the transactions contemplated by this Agreement or Debt Financing.

(b) Notwithstanding anything in this Agreement or any of the agreements relating to the Financing to the contrary, and without limiting Section 9.12(a), each party hereto agrees, on behalf of itself and its Affiliates and Representatives, that all Actions, obligations, liabilities or causes of action (whether in Contract or in tort, in Law or in equity or otherwise, or granted by statute or otherwise, whether by or through attempted piercing of the corporate, limited partnership or limited liability company veil or any other theory or doctrine, including alter ego or otherwise) that may be based upon, in respect of, arise under, out or by reason of, be connected with, or relate to (i) this Agreement or any other agreement referenced herein or the Transactions (including any financing obtained in connection with the Transactions), (ii) the negotiation, execution or performance of this Agreement or any other agreement referenced herein (including any representation or warranty made in, in connection with, or as an inducement to, this Agreement or such other agreement), (iii) any breach or violation of this Agreement or any other agreement referenced herein or (iv) any failure of the Transactions or any other agreement referenced herein (including any agreement in respect of financing obtained in connection with such transactions) to be consummated, in each case, may be made only against (and are those solely of) the persons that are expressly identified as a party to such agreement or the Guarantors solely as and to the extent specified, and in accordance with, and subject to the terms and conditions of, this Agreement or such agreement, as applicable.

SECTION 9.13. Performance Guaranty. Parent hereby guarantees the due, prompt and faithful performance and discharge by, and compliance with, all of the obligations, covenants, terms, conditions and undertakings of Merger Sub under this Agreement in accordance with the terms hereof, including any such obligations, covenants, terms, conditions and undertakings that are required to be performed, discharged or complied with following the Effective Time by the Surviving Corporation.

[Remainder of page intentionally blank.]

IN WITNESS WHEREOF, the Company, Parent and Merger Sub have duly executed this Agreement, all as of the date first written above.

RED FIBER PARENT LLC

By: KBKuchel
Name: Karl Kuchel
Title: Chief Executive Officer

By: JHKim
Name: John H. Kim
Title: Secretary

RF MERGER SUB INC.

By: KBKuchel
Name: Karl Kuchel
Title: Chief Executive Officer

By: JHKim
Name: John H. Kim
Title: Secretary

CINCINNATI BELL INC.

By: ______
Name: Leigh R. Fox
Title: President and Chief Executive Officer

Annex A
to
Merger Agreement

Index of Defined Terms

EXHIBIT 2

Part II - Transferee/Assignee

1(c) Attach as an Exhibit the name, mailing address, and telephone number of each additional person who should be contacted, if any.

The following persons are authorized to act on behalf of Transferee:

Anton Moldan
Red Fiber Parent LLC
c/o Macquarie Infrastructure and Real Assets
125 W. 55th Street, Level 15
New York, NY 10019
Tel: 212-231-6125
miralegalnotices@macquarie.com
anton.moldan@macquarie.com

Evan Hoole
c/o Ares Management LLC
2000 Avenue of the Stars, 12th Floor
Los Angeles, CA 90067
Tel: 310-201-4116
ehoole@aresmgt.com

Tyson May
c/o Rest Superannuation
Level 31, 140 William Street
Melbourne, Victoria 3000
AUSTRALIA
Tel: +61 427-878-713
notices@superinvestment.com.au
infrastructure.reporting@superinvestment.com.au
tmay@superinvestment.com.au

Kent D. Morihara
Michael H. Lau
Jamie C. Yoshikane
Lianna L. Figueroa
MORIHARA LAU & FONG LLP
841 Bishop Street, Suite 400
Honolulu, Hawaii 96813
Tel: 808-526-2888
Fax: 808-566-0800

kmorihara@moriharagroup.com
mlau@moriharagroup.com
jyoshikane@moriharagroup.com
lfigueroa@moriharagroup.com

James H. Barker
Elizabeth R. Park
Alexander L. Stout
LATHAM & WATKINS LLP
555 Eleventh Street, NW
Suite 1000
Washington, D.C. 20004-1304
Tel: 202-637-2200
Fax: 202-637-2201
james.barker@lw.com
elizabeth.park@lw.com
alexander.stout@lw.com

The following persons are authorized to act on behalf of Transferor and Franchisee:

Jeffrey T. Ono
David Nakashima
WATANABE ING LLP
First Hawaiian Center
999 Bishop Street, Suite #1250
Honolulu, HI 96813
Tel: 808.544.8300
Fax: 808.544.8399
JOno@wik.com

Christopher J. Wilson
Vice President & General Counsel
Cincinnati Bell Inc.
221 East Fourth Street
Cincinnati, OH 45202
Tel: 513-397-0750
christopher.wilson@cinbell.com

Steven Golden
Vice President-External Affairs
Hawaiian Telcom Services Company, Inc.
1117 Bishop Street, Suite 17
Honolulu, HI 96813

Tel: 808-546-3877
steven.golden@hawaiiantel.com

Andrew D. Lipman
Joshua M. Bobeck
Danielle Burt
Morgan, Lewis & Bockius, LLP
1111 Pennsylvania Ave., NW
Washington, DC 20004
Tel: (202) 373-6000
andrew.lipman@morganlewis.com
joshua.bobeck@morganlewis.com
Danielle.burt@morganlewis.com

Su Hwa Meisenzahl
President & General Manager
Hawaiian Telcom Services Company, Inc.
1177 Bishop Street, Suite 17
Honolulu, HI 96813
Tel: 808-546-1278
su.shin@hawaiiantel.com

EXHIBIT 3

Part II - Transferee/Assignee

2. Indicate on an attached exhibit any plans to change the current terms and conditions of service and operations of the system as a consequence of the transaction for which approval is sought.

Transferee does not have any plans at this time to change the current terms and conditions of service and systems operations by Franchisee.

EXHIBIT 4

Part II - Transferee/Assignee

SECTION II. TRANSFEREE'S/ASSIGNEE'S LEGAL QUALIFICATIONS

1. Transferee is a Limited Liability Company

a. Jurisdiction of formation	**Delaware**
b. Date of formation	**February 27, 2020**
c. For Profit/Non-Profit	**For Profit**

d. Name and address of registered agent in jurisdiction

The Corporation Trust Company
1209 Orange Street
Wilmington, DE 19801

EXHIBIT 5

Part II - Transferee/Assignee

SECTION II. TRANSFEREE'S/ASSIGNEE'S LEGAL QUALIFICATIONS

2. List the transferee/assignee, and, if the transferee/assignee is not a natural person, each of its officers, directors, stockholders beneficially holding more than 5% of the outstanding voting shares, general partners, and limited partners holding an equity interest of more than 5%.

Transferee

Name:	Red Fiber Parent LLC
Address:	c/o Macquarie Infrastructure and Real Assets 125 W. 55th Street
City, State, Zip:	New York, NY 10019
Citizenship:	U.S. (Delaware)
Principal Business:	Acquisition Vehicle

Managers and Officers of Transferee

Name	Citizenship	Title
Karl Kuchel	Australia	Manager and Chief Executive Officer
Chris Leslie	United Kingdom & Australia	Manager and President
Anton Moldan	United Kingdom & Australia	Manager and Vice President
Andy Christiansen	United States	Vice President – Tax
Jonathon Laurie	Australia	Treasurer
John H. Kim	United States	Secretary

The managers and officers of Red Fiber Parent LLC are expected to change prior to or contemporaneously with closing of the Transaction

These individuals may be contacted at:

c/o Macquarie Infrastructure and Real Assets
125 W. 55th Street, Level 15
New York, NY 10019

Direct and Indirect Ownership of Transferee

Name:	RF Topco LLC
Address:	c/o Macquarie Infrastructure and Real Assets 125 W. 55th Street
City, State, Zip:	New York, NY 10019
Citizenship:	U.S. (Delaware)
Principal Business:	Holding Company
Percentage of Ownership:	100% (directly in Red Fiber Parent)

Name:	Red Fiber Holdings LLC ("RF Holdings")
Address:	c/o Macquarie Infrastructure and Real Assets 125 W. 55th Street
City, State, Zip:	New York, NY 10019
Citizenship:	U.S. (Delaware)
Principal Business:	Holding Company
Percentage of Ownership:	100% (indirectly as sole member of RF Topco LLC)

Upon the closing of the transaction, the following entities will indirectly own interests in Red Fiber Parent of greater than 5%:

Name:	MIP V RF Partners, L.P.
Address:	c/o Macquarie Infrastructure and Real Assets 125 W. 55th Street
City, State, Zip:	New York, NY 10019
Citizenship:	U.S. (Delaware)
Principal Business:	Investment Fund
Percentage of Ownership:	61.5% (indirectly through RF Holdings)

Name:	MIP V (FCC) AIV, L.P.
Address:	c/o Macquarie Infrastructure and Real Assets 125 W. 55th Street
City, State, Zip:	New York, NY 10019
Citizenship:	U.S. (Delaware)
Principal Business:	Investment Fund
Percentage of Ownership:	45% (indirectly through MIP V RF Partners, L.P.[1])

Name:	ASSF Management IV, L.P. ("SSF IV")

[1] Upon the closing of the transaction, there may be certain investors in MIP V RF Partners, L.P. holding indirect equity interests of greater than 5% in Red Fiber Parent, but these interests will be insulated in accordance with Section 1.5003 of the Commission's rules and will be purely passive.

Address:	c/o Ares Management LLC 2000 Avenue of the Stars, 12th Floor
City, State, Zip:	Los Angeles, CA 90067
Citizenship:	U.S. (Delaware)
Principal Business:	Investment Management

Name:	ASOF Management, L.P. ("ASOF")
Address:	c/o Ares Management LLC 2000 Avenue of the Stars, 12th Floor
City, State, Zip:	Los Angeles, CA 90067
Citizenship:	U.S. (Delaware)
Principal Business:	Investment Management

Ares Percentage: 21.2% in the aggregate (indirectly through RF Holdings[2])

The interests of SSV IV and ASOF in RF Holdings will be held through a number of limited partnership alternative investment vehicles (the "Ares AIVs") that are controlled by either SSF IV or ASOF as general partner.

Name:	REST Nominees No. 2 Pty Ltd
Address:	Level 5, 321 Kent Street
City, State, Zip:	Sydney, New South Wales, Australia
Citizenship:	Australia
Principal Business:	Special Purpose Vehicle
Percentage of Ownership:	17.3% (indirectly through RF Holdings)

The respective expected membership interests owned at the closing of the transaction by MIP V RF Partners, L.P., the Ares AIVs (in the aggregate) and REST Nominees No. 2 Pty Ltd.

Direct and indirect ownership of MIP V (FCC) AIV, L.P., ASSF Management IV, L.P., ASOF Management, L.P., and REST Nominees No. 2 Pty Ltd are provided on the following pages.

[2] The Ares interests in RF Holdings will be held through a number of limited partnership alternative investment vehicles ("AIVs") that are controlled by either ASSF Management IV, L.P. or ASOF Management, L.P. as a general partner.

Ownership of MIP V (FCC) AIV, L.P.

The following entities or individuals hold 5% or greater interest in MIP V (FCC) AIV, L.P. or control/management rights with respect thereto:[3]

Name:	Macquarie Infrastructure Partners V GP LLC ("MIP V GP")[4]
Address:	125 W. 55th Street, Level 15 New York, NY 10019
Citizenship:	Delaware
Principal Business:	Investment Management Company
Interest in MIP V (FCC) AIV, L.P.:	100% (directly in MIP V (FCC) AIV, L.P. as general partner; also general partner of MIP V RF Partners, L.P.)

Name:	Macquarie Infrastructure Partners Inc. ("MIP Inc.")
Address:	125 W. 55th Street, Level 15 New York, NY 10019
Citizenship:	Delaware
Principal Business:	Investment Management Company
Interest in MIP V (FCC) AIV, L.P.:	100% (indirectly through management control of MIP V GP)

Name:	Macquarie Infrastructure and Real Assets Inc. ("MIRA Inc.")
Address:	125 W. 55th Street, Level 15 New York, NY 10019
Citizenship:	Delaware
Principal Business:	Investment Management Company

[3] The limited partnership interests in MIP V (FCC) AIV, L.P. will be insulated in accordance with Section 1.5003 of the Commission's rules. Upon the closing of the proposed transaction, certain insulated investors may hold greater than 5% equity interests in Red Fiber Parent through interests in MIP V RF Partners, L.P. or MIP V (FCC) AIV, L.P., either directly or indirectly through Macquarie-controlled fund aggregators or blockers, but these interests will be purely passive.

[4] 100% of the economic interest in MIP V GP LLC is held by Macquarie Infrastructure and Real Assets Investments Limited, an affiliate of MIRA Inc. and a wholly owned subsidiary of Macquarie (UK) Group Services Limited, which is organized in the United Kingdom and is a wholly owned indirect subsidiary of Macquarie Group Limited.

Interest in MIP V (FCC) AIV, L.P.:	100% (indirectly through ownership of MIP Inc. and as managing member of MIP V GP)

Name:	Macquarie Holdings (U.S.A.), Inc.
Address:	125 W. 55th Street, Level 15 New York, NY 10019
Citizenship:	Delaware
Principal Business:	Holding Company
Interest in MIP V (FCC) AIV, L.P.:	100% (indirectly through ownership of MIRA Inc.)

Name:	Macquarie Equities (US) Holding Pty Limited
Address:	50 Martin Place Sydney, NSW 2000, Australia
Citizenship:	Australia
Principal Business:	Holding Company
Interest in MIP V (FCC) AIV, L.P.:	100% (indirectly through ownership of Macquarie Holdings (U.S.A.), Inc.)

Name:	Macquarie Group (US) Holdings No. 1 Pty Limited
Address:	50 Martin Place Sydney, NSW 2000, Australia
Citizenship:	Australia
Principal Business:	Holding Company
Interest in MIP V (FCC) AIV, L.P.:	100% (indirectly through ownership of Macquarie Equities (US) Holding Pty Limited)

Name:	Macquarie Corporate International Holdings Pty Limited
Address:	50 Martin Place Sydney, NSW 2000, Australia
Citizenship:	Australia
Principal Business:	Holding Company
Interest in MIP V (FCC) AIV, L.P.:	100% (indirectly through ownership of Macquarie Group (US) Holdings No. 1 Pty Limited)

Name:	Macquarie Corporate Holdings Pty Limited
Address:	50 Martin Place Sydney, NSW 2000, Australia
Citizenship:	Australia
Principal Business:	Holding Company
Interest in MIP V (FCC) AIV, L.P.:	100% (indirectly through ownership of Macquarie Corporate International Holdings Pty Limited)

Name:	Macquarie Financial Holdings Pty Limited
Address:	50 Martin Place Sydney, NSW 2000, Australia
Citizenship:	Australia
Principal Business:	Holding Company
Interest in MIP V (FCC) AIV, L.P.:	100% (indirectly through ownership of Macquarie Corporate Holdings Pty Limited)

Name:	Macquarie Group Limited
Address:	50 Martin Place Sydney, NSW 2000, Australia
Citizenship:	Australia
Principal Business:	Investments
Interest in MIP V (FCC) AIV, L.P.:	100% (indirectly through ownership of Macquarie Financial Holdings Pty Limited)

Ownership of ASSF Management IV, L.P. and the SSF AIVs

The following entities or individuals hold 5% or greater interest in ASSF Management IV, L.P. and the alternative investment vehicles (the "SSF AIVs") controlled by ASSF Management IV, L.P.:[5]

Name:	ASSF Management IV GP LLC
Address:	2000 Avenue of the Stars, 12th Floor Los Angeles, CA 90067
Citizenship:	Delaware
Principal Business:	Investment Management
Interest in ASSF Management IV, L.P.:	100% (indirectly as general partner of ASSF Management IV, L.P.)

Name:	Ares Investments Holdings LLC
Address:	2000 Avenue of the Stars, 12th Floor Los Angeles, CA 90067
Citizenship:	Delaware
Principal Business:	Investment Management
Interest in ASSF Management IV, L.P.:	100% (indirectly as the sole member of ASSF Management IV GP LLC)

Name:	Ares Management Corporation ("Ares Management")
Address:	2000 Avenue of the Stars, 12th Floor Los Angeles, CA 90067
Citizenship:	Delaware
Principal Business:	Investment Management
Interest in ASOF Management, L.P.:	100% (indirectly as indirect owner of Ares Investments Holdings LLC)

ASSF Management IV GP LLC is the general partner of the SSF AIVs. The management of the SSF AIVs will be delegated to ASSF Operating Manager IV, L.P., a Delaware limited

[5] The Ares interests in RF Holdings will be held through a number of limited partnership AIVs that are controlled by either ASSF Management IV, L.P. or ASOF Management, L.P. as a general partner. The indirect interests in Red Fiber Parent held by Ares entities will be approximately 21.2% in the aggregate.

partnership, whose general partner is Ares Management LLC, a Delaware limited liability company. Ares Management LLC is controlled by Ares Management Holdings LP.

Ares Investments Holdings LLC and Ares Management Holdings LP are indirectly controlled by Ares Management, which is a Delaware corporation whose shares of Class A common stock, par value $0.01 per share (the "Class A Common Stock"), are publicly traded on the New York Stock Exchange under the ticker symbol "ARES." All intervening controlling holding companies between Ares Investments Holdings LLC and Ares Management LLC, on the one hand, and Ares Management, on the other hand, are Delaware entities. Ares Management has a board of directors that is responsible for the oversight of its business and operations. All of the members of Ares Management's board of directors are U.S. citizens.

Ares Management has three classes of common stock, the Class A Common Stock, Class B common stock, $0.01 par value per share (the "Class B Common Stock"), and Class C common stock, $0.01 par value per share (the "Class C Common Stock"). Pursuant to Ares Management's Certificate of Incorporation in effect as of the date hereof, the holders of the Class B Common Stock and the Class C Common Stock, collectively, will generally have the majority of the votes on any matter submitted to the stockholders of Ares Management if certain conditions are met. Ares Management GP LLC, a Delaware limited liability company ("Ares Management GP"), is the sole holder of the Class B Common Stock. Ares Voting LLC, a Delaware limited liability company ("Ares Voting LLC"), is the sole holder of the Class C Common Stock. Ares Partners Holdco LLC, a Delaware limited liability company ("Ares Partners Holdco"), is the sole member of Ares Management GP and Ares Voting. Ares Partners Holdco is managed by a board of managers, which is composed of Michael J Arougheti, Ryan Berry, R. Kipp deVeer, David B. Kaplan, Michael R. McFerran, Antony P. Ressler and Bennett Rosenthal (collectively, the "Ares Board Managers"). Mr. Ressler generally has veto authority over decisions by the Ares Board Managers. Each of the Ares Board Managers is a U.S. citizen, except for Ryan Berry, who is a citizen of Canada.

Ownership of ASOF Management, L.P. and the ASOF AIVs

The following entities or individuals hold 5% or greater interest in ASOF Management, L.P. and the alternative investment vehicles (the "ASOF AIVs") controlled by ASOF Management, L.P.:[6]

Name:	ASOF Management GP LLC
Address:	2000 Avenue of the Stars, 12th Floor Los Angeles, CA 90067
Citizenship:	Delaware
Principal Business:	Investment Management
Interest in ASOF Management, L.P.:	100% (indirectly as general partner of ASOF Management, L.P.)

Name:	Ares Investments Holdings LLC
Address:	2000 Avenue of the Stars, 12th Floor Los Angeles, CA 90067
Citizenship:	Delaware
Principal Business:	Investment Management
Interest in ASOF Management, L.P.:	100% (indirectly as sole member of ASOF Management GP LLC)

Name:	Ares Management Corporation
Address:	2000 Avenue of the Stars, 12th Floor Los Angeles, CA 90067
Citizenship:	Delaware
Principal Business:	Investment Management
Interest in ASOF Management, L.P.:	100% (indirectly as indirect owner of Ares Investments Holdings LLC)

ASOF Management GP LLC is the general partner of the ASOF AIVs. The management of the ASOF AIVs will be delegated to ASOF Investment Management LLC, a Delaware limited liability company. The sole manager of ASOF Investment Management LLC is Ares Management LLC. Ares Management LLC is controlled by Ares Management Holdings LP.

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[6] The Ares interests in RF Holdings will be held through a number of limited partnership AIVs that are controlled by either ASSF Management IV, L.P. or ASOF Management, L.P. as a general partner. The indirect interests in Red Fiber Parent held by Ares entities will be approximately 21.2% in the aggregate.

Ares Investments Holdings LLC and Ares Management Holdings LP are indirectly controlled by Ares Management, which is a Delaware corporation whose shares of Class A common stock, par value $0.01 per share (the "Class A Common Stock"), are publicly traded on the New York Stock Exchange under the ticker symbol "ARES." All intervening controlling holding companies between Ares Investments Holdings LLC and Ares Management LLC, on the one hand, and Ares Management, on the other hand, are Delaware entities. Ares Management has a board of directors that is responsible for the oversight of its business and operations. All of the members of Ares Management's board of directors are U.S. citizens.

Ares Management has three classes of common stock, the Class A Common Stock, Class B common stock, $0.01 par value per share (the "Class B Common Stock"), and Class C common stock, $0.01 par value per share (the "Class C Common Stock"). Pursuant to Ares Management's Certificate of Incorporation in effect as of the date hereof, the holders of the Class B Common Stock and the Class C Common Stock, collectively, will generally have the majority of the votes on any matter submitted to the stockholders of Ares Management if certain conditions are met. Ares Management GP LLC, a Delaware limited liability company ("Ares Management GP"), is the sole holder of the Class B Common Stock. Ares Voting LLC, a Delaware limited liability company ("Ares Voting LLC"), is the sole holder of the Class C Common Stock. Ares Partners Holdco LLC, a Delaware limited liability company ("Ares Partners Holdco"), is the sole member of Ares Management GP and Ares Voting. Ares Partners Holdco is managed by a board of managers, which is composed of Michael J Arougheti, Ryan Berry, R. Kipp deVeer, David B. Kaplan, Michael R. McFerran, Antony P. Ressler and Bennett Rosenthal (collectively, the "Ares Board Managers"). Mr. Ressler generally has veto authority over decisions by the Ares Board Managers. Each of the Ares Board Managers is a U.S. citizen, except for Ryan Berry, who is a citizen of Canada.

Ownership of REST US Infrastructure No. 2 Trust

The following entities or individuals hold 5% or greater interest in REST US Infrastructure No. 2 Trust:

Name:	REST Nominees No. 2 Pty Ltd
Address:	Level 5, 321 Kent Street Sydney, New South Wales, Australia
Citizenship:	Australia
Principal Business:	Special Purpose Vehicle
Interest in REST US Infrastructure No. 2 Trust:	100% (directly as trustee of REST US Infrastructure No. 2 Trust)

Name:	REST International Infrastructure Investments Holding Trust
Address:	Level 5, 321 Kent Street Sydney, New South Wales, Australia
Citizenship:	Australia
Principal Business:	Investment
Interest in REST US Infrastructure No. 2 Trust:	100% (directly through beneficial ownership of REST US Infrastructure No. 2 Trust; also indirectly through beneficial ownership of REST Nominees No. 2 Pty Ltd)

Name:	REST Nominees No. 1 Pty Ltd
Address:	Level 5, 321 Kent Street Sydney, New South Wales, Australia
Citizenship:	Australia
Principal Business:	Special Purpose Vehicle
Interest in REST US Infrastructure No. 2 Trust:	100% (indirectly through legal ownership of REST Nominees No. 2 Pty Ltd and as trustee of REST International Infrastructure Investments Holding Trust)

Name:	Retail Employees Superannuation Pty Ltd
Address:	Level 5, 321 Kent Street Sydney, New South Wales, Australia

Citizenship:	Australia
Principal Business:	Trustee
Interest in REST US Infrastructure No. 2 Trust:	100% (indirectly through legal ownership of REST Nominees No. 1 Pty Ltd and as trustee of Retail Employees Superannuation Trust)

Name:	Retail Employees Superannuation Trust
Address:	Level 5, 321 Kent Street Sydney, New South Wales, Australia
Citizenship:	Australia
Principal Business:	Superannuation Trust[7]
Interest in REST US Infrastructure No. 2 Trust:	100% (indirectly through beneficial ownership of REST International Infrastructure Investments Holding Trust and of REST Nominees No. 1 Pty Ltd)

The ultimate beneficial owners of Retail Employees Superannuation Pty Ltd (being the trustee) are:

Name (Citizenship)	Share Beneficially Held
Shop, Distributive and Allied Employees' Association ("SDA")[8] (Australia)	50%
Ian John Blandthorn (Australia)	12.5%
Michael Ward Tehan (Australia)	12.5%
Adam Neil Walk (Australia)	12.5%
Julia Fox (Australia)	12.5%

As trustee, Retail Employees Superannuation Pty Ltd is responsible for managing the Retail Employees Superannuation Trust for the benefit of its members. Approximately

[7] 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.

[8] The SDA is a not-for-profit labor union representing over 200,000 members. No member beneficially controls greater than 10% of the SDA.

1.7 million members are the ultimate beneficial owners of Retail Employees Superannuation Trust.

EXHIBIT 6

Part II - Transferee/Assignee

SECTION II. TRANSFEREE'S/ASSIGNEE'S LEGAL QUALIFICATIONS

3. If the applicant is a corporation or a limited partnership, is the transferee/assignee formed under the laws of, or duly qualified to transact business in, the State or other jurisdiction in which the system operates?

Transferee is a holding company formed under Delaware law and is duly qualified to transact business in the state or states where it operates. The system is operated by Hawaiian Telcom Services Company, Inc., which is formed under the laws of Hawaii and is duly qualified to transact business and operate in Hawaii.

EXHIBIT 7

Part II - Transferee/Assignee

SECTION II. TRANSFEREE'S/ASSIGNEE'S LEGAL QUALIFICATIONS

6. Are there any documents, instruments, contracts or understandings relating to ownership or future ownership rights with respect to any attributable interest as described in Question 2 (including, but not limited to, non-voting stock interests, beneficial stock ownership interests, options, warrants, debentures)?

Immediately prior to the merger, MIP V RF Partners, SSF IV, ASOF and Rest Immediate Entity will subscribe for interests in Red Fiber Holdings, LLC ("JVCo") and upon such subscription, the limited liability company agreement of JVCo will be amended and restated in the form attached as **Confidential Exhibit D-2** to the Application for Transfer of Cable Franchise ("JVCo A&R LLCA"), with a request for confidential treatment.

Pursuant to the JVCo A&R LLCA, the boards of JVCo and its subsidiaries (including RF Merger Sub immediately prior to the merger and Cincinnati Bell immediately after the merger) will be comprised of representatives of MIP V RF Partners, SSF IV, ASOF and Rest Immediate Entity, as well as certain independent board members. As a result, contemporaneously with the execution of the JVCo A&R LLCA, the limited liability company agreement of RF Merger Sub will be amended and restated to appoint a board of directors as described above and with specificity below.

Upon completion of the merger, the directors of RF Merger Sub, immediately prior to the effective time of the merger, will become the directors of Cincinnati Bell until the earlier of their resignation or removal in accordance with the Amended Articles of Incorporation and Amended and Restated Regulations of Cincinnati Bell ("Code of Regulations") or until their respective successors have been duly elected and qualified, as the case may be. The Amended Articles of Incorporation of Cincinnati Bell and the form of Code of Regulations, which will be adopted at the effective time of the merger, are provided as **Exhibit E-1** and **Confidential Exhibit E-2**, respectively, to the Application for Transfer of Cable Franchise.

Pursuant to the JVCo A&R LLCA, each member of the JVCo has the right to appoint a director of JVCo for each 14% percentage interest it holds. Notwithstanding the foregoing, MIP V RF Partners will have the right to appoint five members so long as it holds more than 50% of JVCo and Ares will have the right to appoint two members so long as it holds 10% of JVCo. As a result, as of the effective time of the merger, MIP V RF Partners will have five votes, Ares will have two votes, and REST will have one vote. There will be two additional directors, the CEO of Cincinnati Bell (ex officio) and an independent manager. Other than for certain matters reserved to the members, as further described below, actions of the board of JVCo require a simple majority of the votes set forth above. The JVCo A&R LLCA requires that subsidiary boards (including Cincinnati Bell) have the same composition of directors appointed by the members of JVCo.

The Code of Regulations of Cincinnati Bell provide for a board of directors that is appointed by Cincinnati Bell's sole shareholder. In accordance with the JVCo A&R LLCA, MIP V RF Partners will have five votes on the board of Cincinnati Bell, Ares will have two votes, and REST will have one vote. Two independent directors will be appointed at this level who are Hawai'i residents, in compliance with the current and expected future approval of the Public Utility Commission of the State of Hawai'i. The matters reserved to the members of JVCo are reserved to the sole shareholder of Cincinnati Bell.

Certain customary matters have been reserved to the members of JVCo pursuant to the JVCo A&R LLCA. These reserved matters require the approval of minority investors with specified equity holding percentages.

EXHIBIT 8

SECTION III. TRANSFEREE'S/ASSIGNEE'S FINANCIAL QUALIFICATIONS

2. Attach as an Exhibit the most recent financial statements, prepared in accordance with generally accepted accounting principles, including a balance sheet and income statement for at least one full year, for the transferee/assignee or parent entity that has been prepared in the ordinary course of business, if any such financial statements are routinely prepared. Such statements, if not otherwise publicly available, may be marked CONFIDENTIAL and will be maintained as confidential by the franchise authority and its agents to the extent permissible under local law.

As an acquisition vehicle formed for purposes of the instant transaction, Red Fiber Parent LLC ("Red Fiber Parent") does not have financial statements. The transaction involves the acquisition of control of the established and operating business of Hawaiian Telcom Services Company, Inc. ("HTSC"), which has sufficient net liquid assets sufficient to operate the system facilities for three months. HTSC does not maintain financial statements separate from its parent Cincinnati Bell Inc. ("Cincinnati Bell"). Copies of the audited consolidated financial statements of Cincinnati Bell for the fiscal year ending December 31, 2019 are attached.[9] In addition, Red Fiber Parent has received commitments for equity investment and debt financing to fund the consummation of the transaction and business operations. Copies of these commitment letters are being provided with a request for confidential treatment as an exhibit to the corresponding Application for Transfer of Cable Franchise.

The transaction will strengthen the financial position of the HTSC, and 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. The substantial financial resources of the investors in Red Fiber Parent would provide HTSC with the expanded liquidity and capital flexibility it needs to continue growing its business and serving its customer base throughout its service territory.

[9] Also available at https://www.sec.gov/Archives/edgar/data/716133/000156459020006066/0001564590-20-006066-index.htm; https://www.sec.gov/Archives/edgar/data/716133/000156459020019303/0001564590-20-019303-index.htm.

10-K

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______ to

Commission File Number 1-8519

CINCINNATI BELL INC.

Ohio	**31-1056105**
(State of Incorporation)	**(I.R.S. Employer Identification No.)**

221 East Fourth Street, Cincinnati, Ohio 45202
(Address of principal executive offices) (Zip Code)

(513) 397-9900
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares ($0.01 par value)	CBB	New York Stock Exchange
Depository Shares, each representing 1/20 interest in a Share of 6 3/4% Cumulative Convertible Preferred Stock, without par value	CBB.PB	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

The aggregate market value of the voting common shares owned by non-affiliates of the registrant was $0.2 billion, computed by reference to the closing sale price of the common stock on the New York Stock Exchange on June 30, 2019, the last trading day of the registrant's most recently completed second fiscal quarter. The Company has no non-voting common shares.

At January 31, 2020, there were 50,529,765 common shares outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement relating to the Company's 2020 Annual Meeting of Shareholders are incorporated by reference into Part III of this report to the extent described herein.

TABLE OF CONTENTS

This report contains trademarks, service marks and registered marks of Cincinnati Bell Inc., as indicated.

Part I

Item 1. Business

Overview and Strategy

Cincinnati Bell Inc. and its consolidated subsidiaries ("Cincinnati Bell", "we", "our", "us" or the "Company") provide integrated communications and IT solutions that keep consumer and business customers connected with each other and with the world.

On December 21, 2019, the Company entered into an Agreement and Plan of Merger (the “Merger Agreement”) pursuant to which the Company will be acquired by an affiliate of the Brookfield Infrastructure Group (“Brookfield”), the infrastructure investment division of Brookfield Asset Management (the “Merger”). At the effective time of the Merger (the “Effective Time”), each of our issued and outstanding Common Shares will be converted into the right to receive $10.50 in cash per Common Share, without interest, and the 6 3/4% Cumulative Convertible Preferred Shares will remain issued and outstanding as 6 3/4% Cumulative Convertible Preferred Shares of the Company, without par value, following the Effective Time. The consummation of the Merger is subject to customary closing conditions and is expected to close by the end of 2020, although there can be no assurance that the Merger will occur by that date. As a result of the Merger, the Company will cease to be a publicly traded company.

Through its Entertainment and Communications segment, the Company provides high-speed data, video, and voice solutions to consumers and businesses over an expanding fiber network and a legacy copper network. During 2018, the Company acquired Hawaiian Telcom Holdco, Inc. ("Hawaiian Telcom"), the largest full service provider of communication services on all of Hawaii's major islands. This acquisition added operational scale to our business by adding access to both Honolulu, a well-developed, fiber-rich city, as well as the growing neighbor islands. After the acquisition, the Company's combined fiber networks are approximately 17,000 fiber route miles.

Through its IT Services and Hardware segment, business customers across the U.S., Canada and Europe rely on the Company for the sale and service of efficient, end-to-end communications and IT systems and solutions. During 2017, the Company expanded the geographic footprint of its IT Services and Hardware segment as a result of the acquisitions of SunTel Services LLC ("SunTel") and OnX Holdings LLC ("OnX"), transforming the segment into a North American hybrid-cloud services provider. In addition, the acquisition of Hawaiian Telcom in 2018 also expanded the IT Services and Hardware segment to Hawaii.

Our goal is to continue the transformation of Cincinnati Bell from a legacy copper-based telecommunications company into a technology company with state-of-the-art fiber assets servicing customers with data, video, voice and IT solutions to meet their evolving needs. To this end, we believe that, by leveraging our past and future investments, we have created a company with a healthy balance sheet, growing revenue, growing profitability and sustainable cash flows.

In an effort to achieve our objectives, we continue to focus on the following key initiatives:

- expand our fiber network; and
- grow our IT Services and Hardware segment.

Expand our fiber network

We invested $105.9 million of capital in the Entertainment and Communications segment in products that can be categorized as either Fioptics in Cincinnati or Consumer/SMB Fiber in Hawaii (collectively, "Consumer/SMB Fiber") during 2019. Revenue from these high demand products totaled $440.4 million, up 15% over the prior year including the contribution from Hawaii, and up 4% over the prior year in Cincinnati, partially mitigating the decline in legacy products. The primary focus of these investments is the expansion of high-speed internet products which are designed to compete directly with the cable Multiple System Operators, such as Charter Communications, serving the Company’s operating territories. Year-over-year revenue growth in these products is outlined in the table below:

Cincinnati Operating Territory	**2019**	**2018**	**2017**
Consumer / SMB Fiber Revenue (in millions):	$ 353.2	$ 341.2	$ 309.9
Subscribers (in thousands):			
High-speed internet	250.6	239.0	226.6
Video	135.1	139.9	146.5
Voice	106.8	107.6	105.9

Hawaii Operating Territory	2019	2018
Consumer / SMB Fiber Revenue (in millions):	$ 87.2	$ 42.3
Subscribers (in thousands):		
High-speed internet	68.2	65.9
Video	42.7	48.8
Voice	30.0	30.3

During the year, we passed an additional 12,400 addresses in the Greater Cincinnati area with Fioptics, which included a focus on Fiber to the Premise ("FTTP") addresses as FTTP has become a more relevant solution for our customers. As of December 31, 2019, the Fioptics products are now available to approximately 623,400 customer locations or 75% of the Greater Cincinnati operating territory. During 2019, we passed an additional 5,900 addresses in Hawaii. The Consumer/SMB Fiber products are now available to approximately 246,400 addresses, or 50% of the operating territory in Hawaii, including Oahu and the neighbor islands.

In 2019, the Company also invested $24.0 million in Enterprise Fiber products, which includes fiber and IP-based core network technology. These investments position the Company to meet increased business and carrier demand within Greater Cincinnati and in contiguous markets in the Midwest region. In Hawaii, expenditures are for high-bandwidth data transport products, such as metro-ethernet, including the Southeast Asia to United States ("SEA-US") cable. We continue to evolve and optimize network assets to support the migration of legacy products to new technology, and as of December 31, 2019, the Company has:

- increased the total number of commercial addresses with fiber-based services (referred to as a lit address) to 28,800 in Greater Cincinnati and 20,300 in Hawaii by connecting approximately 2,200 additional lit addresses in Greater Cincinnati and 1,200 additional lit addresses in Hawaii during the twelve months ended December 31, 2019;

- expanded the fiber network to span more than 12,500 route miles in Greater Cincinnati and 4,700 route miles in Hawaii; and

- provided cell site back-haul services to approximately 90% of the 1,000 cell sites in the Greater Cincinnati market, of which approximately 97% of these sites are lit with fiber, and 80% of the 1,100 cell sites in Hawaii, all of which are lit with fiber.

As a result of our investments, we have generated year-over-year Entertainment and Communications revenue growth each year since 2013. The Company's expanding fiber assets allow us to support the ever-increasing demand for data, video and internet devices with speed, agility and security. We believe our fiber investments are a long-term solution for our customers' bandwidth needs.

Grow our IT Services and Hardware Segment

Cincinnati Bell continues to grow the IT Services and Hardware segment by developing new products, as well as expanding its reach to new customers. During 2017, the Company completed the acquisitions of SunTel and OnX, which enabled us to extend our geographic footprint across the U.S., Canada and Europe, diversify our customer base, and expand our product portfolio. During 2018, the acquisition of Hawaiian Telcom helped to expand the segment even further across the U.S. to Hawaii. The Company continues to develop high-demand products for business customers through our investments in unified communications and cloud services. Our ability to be innovative and to react to the changing technology demands of our customers is important to the growth of our IT Services and Hardware segment. Our offerings under the Infrastructure Solutions practice provide a platform for buyer engagement and an opportunity for bridging the customer to higher value professional and managed services. In 2019 and 2018, the Company saw significant increases in revenue from Communications solutions, specifically Unified Communications as a Service ("UCaaS"), Software-Defined Wide Area Network ("SD-WAN") and Network as a Service ("NaaS"), to customers that historically have purchased our hardware offerings.

As a company with a long history of managing customers' network and technology needs, we combine the management of the network, whether owned or leased from other carriers out of territory, with integrated voice and IT offerings. We supply the architecture and integration intelligence, labor and hardware as well as any combination of these services. These projects can be established based on hourly billing rates, service-level driven agreements or utility-based managed service models. Customers are attracted to our ability to combine our historic knowledge, unique assets and talented workforce in order to help them improve their operational efficiency, mitigate risk and reduce costs.

Operations

As of December 31, 2019, the Company operated two segments: Entertainment and Communications and IT Services and Hardware.

The Entertainment and Communications segment provides products and services that can be categorized as either Consumer/SMB Fiber, Enterprise Fiber or Legacy. The table below demonstrates how our products and services are categorized:

Entertainment and Communications			
	Consumer / SMB Fiber	**Enterprise Fiber**	**Legacy**
Data	Fiber to the Premise (“FTTP”) Fiber to the Node (“FTTN”) DSL (> 10 Mb) (1)	Ethernet (>10Mb) Dedicated Internet Access Wavelength IRU Small Cell SONET (2)	DSL (< 10 Mb) DS0 (3), DS1, DS3 TDM (4) Ethernet (<10 Mb)
Voice	Voice (Fiber)		Traditional Voice Consumer Long Distance Switched Access Digital Trunking
Video	Television Service		
Other			Maintenance Information Services Connect America Fund support Directory Assistance Advertising Wireless Handsets and Accessories Wireless Services Wiring Projects

(1) Digital Subscriber Line
(2) Synchronous Optical Network
(3) Digital Signal
(4) Time Division Multiplexing

We classify the products and services of our IT Services and Hardware segment into four distinct practices: Consulting, Cloud, Communications and Infrastructure Solutions. The table below demonstrates how our products and services are categorized:

IT Services and Hardware	
Consulting	IT Staffing Application Services
Cloud	Virtual Data Centers Storage Backup Network Management/Monitoring Security Data Center Cloud Consulting
Communications	Unified Communications as a Services ("UCaaS") Contact Center Software Defined Wide Area Networking ("SD-WAN") Networking Solutions Multi-Protocol Label Switching ("MPLS") Network as a Service ("NaaS")
Infrastructure Solutions	Hardware Software Licenses Maintenance

Entertainment and Communications

The Entertainment and Communications segment provides products and services such as high-speed internet, data transport, local voice, video and other services. Cincinnati Bell Telephone Company LLC ("CBT"), a subsidiary of the Company, is the incumbent local exchange carrier ("ILEC") for a geography that covers a radius of approximately 25 miles around Cincinnati, Ohio, and includes parts of northern Kentucky and southeastern Indiana. CBT has operated in this territory for over 145 years. Voice and data services in the Enterprise Fiber and Legacy categories that are delivered beyond the Company's ILEC territory, particularly in Dayton and Mason, Ohio, are provided through the operations of Cincinnati Bell Extended Territories LLC ("CBET"), a subsidiary of CBT. On July 2, 2018, the Company acquired Hawaiian Telcom. Hawaiian Telcom is the ILEC for the State of Hawaii and the largest full service provider of communications services and products in that state. Originally incorporated in Hawaii in 1883 as Mutual Telephone Company, Hawaiian Telcom has a strong heritage of over 135 years as Hawaii’s communications carrier. Its services are offered on all of Hawaii’s major islands, except its video service, which currently is only available on the island of Oahu. The key products and services provided by the Entertainment and Communications segment include the following:

Data

The Company's data products include high-speed internet access, data transport and interconnection services. Consumer demand for increased internet speeds is accelerating, and more customers are opting for higher bandwidth solutions. To address this demand, the Company is focused on building out FTTP addresses, enabling these addresses to receive speeds up to one gigabit per second ("Gbps"). FTTP addresses now cover 59% of the market in Greater Cincinnati and 35% of the market in Hawaii. The Company is now able to provide internet speeds of up to 30 megabits per second ("Mbps") or more to approximately 75% of Greater Cincinnati and up to 20 Mbps or more to approximately 68% of homes and businesses on the island of Oahu, of which approximately 484,800 and 173,500 addresses are capable of receiving speeds up to one Gbps in Greater Cincinnati and Hawaii, respectively.

As business customers migrate from legacy products and copper-based technology, our metro-ethernet product becomes the access method of choice due to its ability to support multiple applications on a single physical connection. We are also expanding our metro-ethernet platform to deliver services across a wider geography to target business customers beyond our ILEC footprint. The Company’s regional network connects Greater Cincinnati, Columbus, and Dayton, Ohio, as well as Indianapolis, Indiana, Chicago, Illinois, and Louisville, Kentucky.

As a result of the acquisition of Hawaiian Telcom, the Company gained access to the SEA-US trans Pacific submarine cable system connecting Indonesia, the Philippines, Guam, Hawaii and the mainland United States. The system provides an initial 20 Terabytes per second ("Tbps") of capacity using state-of-the-art 100 Gbps technology to accommodate the increase in data consumption.

Voice

Voice represents local service over both copper and fiber. It also includes consumer long distance, digital trunking, switched access and other value-added services such as caller identification, voicemail, call waiting and call return.

The Company's voice access lines over copper continue to decrease as our customers have increasingly employed wireless technologies in lieu of wireline voice services ("wireless substitution"), migrated to competitors, or migrated to VoIP services provided by the Company and others.

Customers purchasing traditional long distance service can choose from a variety of long distance plans, which include unlimited long distance for a flat fee, purchase of minutes at a per-minute-of-use rate, or a fixed number of minutes for a flat fee. The Company's long distance lines and related minutes of use have continued to decline as a result of wireless substitution.

Video

In the Greater Cincinnati territory, the Company launched Fioptics in 2009 and initially focused our fiber network investment on densely populated areas, such as apartments and condominiums. Since that time, Fioptics has been deployed over a much broader base and is now available to approximately 75% of Greater Cincinnati. As of December 31, 2019, we have 135,100 video subscribers in Greater Cincinnati. Our Fioptics customers enjoy access to over 400 entertainment channels, including digital music, local, movie and sports programming with over 150 high-definition channels, parental controls, HD DVR and video On-Demand.

In Hawaii, the Company launched its next-generation television service on the island of Oahu in July 2011. The TV service is 100% digital with hundreds of local, national, international and music channels, including high-definition, premium, pay-per-view channels and video on-demand service. TV service has been deployed to 42,700 subscribers in Hawaii as of the end of 2019.

Other

Other revenue consists of revenue generated from wiring projects for business customers, Connect America Fund support (see “Regulatory Matters and Competitive Trends” for further discussion of universal service), advertising, directory assistance, maintenance and information services.

IT Services and Hardware

The IT Services and Hardware segment provides a full range of managed IT solutions, telephony and IT equipment sales, and professional IT staffing services. These services and products are provided through the Company's subsidiaries in various geographic areas throughout the U.S., Canada and Europe. By offering a full range of Infrastructure Solutions in addition to Cloud, Communications and Consulting services, the IT Services and Hardware segment provides end-to-end IT solutions designed to reduce cost and mitigate risk while optimizing performance for its customers.

The key products and services provided by the IT Services and Hardware segment include the following:

Consulting

The Company's consulting services offerings consist of IT staffing and project-based engagements, including engineering and installation of voice, connectivity and IT technologies, development of digital application solutions and staff augmentation by highly skilled and industry-certified technical resources. Engagements can be short-term IT implementation and project-based work as well as longer term staffing and permanent placement assignments. The Company utilizes a team of experienced recruiting and hiring personnel to provide its customers with a wide range of skilled IT professionals.

Communications

The Company offers a complete portfolio of hosted solutions that include converged IP communications platforms of data, voice, video and mobility applications. We offer our customers expert management for all hardware and software components, including maintenance contracts and service level agreement ("SLA") based services. Fully hosted and managed, these voice platforms and applications can also be delivered as a service for a monthly utility fee allowing our customers to scale without a large capital investment.

The solutions offered in the Communications practice include UCaaS, SD-WAN, NaaS, Contact Center and other Networking Solutions. UCaaS provides a portfolio of solutions that includes VoIP, room-based video, mobile solutions, chat/presence, messaging, web conferencing, audio conferencing, social media, contact center solutions, and more in order to serve a customer's collaboration needs. Cloud delivered SD-WAN is a revolutionary, agile platform to deploy, manage and monitor hybrid public, private, wireline and wireless networks. NaaS is a fully managed networking solution with cloud integration, security, switching, Wi-Fi, management, monitoring and SD-WAN. Our Contact Center offering features speech-enabled Interactive Voice Response ("IVR"), call-back services, call analytics and surveys, speech analytics, alerts and notification, and improved customer satisfaction and productivity. Additionally, we manage the maintenance of a large base of customers with traditional voice systems as well as converged VoIP systems under Networking Solutions.

Cloud

Virtual data center ("VDC") is a robust and scalable virtual infrastructure consisting of equipment, security, people and processes. This offering is provided in three different models - private cloud, dedicated cloud or public cloud - and provides customers with either a long-term or a short-term flexible solution that is fully managed by the Company and monitored around the clock from our Enterprise Network Operations Center ("ENOC").

Storage is a flexible, on-demand solution that enables businesses to eliminate capital expenditures and ongoing asset management with SLA-based services. The Company offers Tier I, Tier II and Tier III storage to meet its customers' availability, accessibility, protection, performance and capacity needs.

Backup is a scalable solution that allows businesses to eliminate capital outlay and ongoing equipment management with SLA-based services and includes virtual data center, hardware, software, monitoring and support.

The Company provides SLA-based monitoring and management services utilizing our ENOC. The ENOC includes highly certified engineers and operation experts that proactively monitor and manage our customers’ technology environments and applications. Standalone monitoring services provide customers with scheduled and automatic checks of customers' servers, routers, switches, load balancers and firewalls. We also provide customers with advance trouble shooting, repair and changes of customers' servers, routers, switches, load balancers and other network devices from our ENOC. These services can be provided to customers with equipment provided by the Company or customer-owned equipment and do not have geographical constraints. Services can be purchased individually or bundled by combining multiple products, services, and assets into a utility or service model.

Infrastructure Solutions

The Company maintains premium resale relationships and certifications with a variety of branded technology vendors which allows it to competitively sell, architect and install a wide array of telecommunications and IT infrastructure equipment to meet the needs of its customers.

Sales and Distribution Channels

The Company's Entertainment and Communications segment utilizes a number of distribution channels to acquire customers. As of December 31, 2019, the Company operated eight retail stores in the Cincinnati operating territory to market and distribute our Fioptics suite of products. The Company works to locate retail stores in high traffic but affordable areas, with a distance between each store that considers optimal returns per store and customer convenience. The Company also offers fully-automated, end-to-end web-based sales of various other Company services and accessories for both the Cincinnati operating territory and the Hawaii operating territory. In addition, the Company utilizes a call center, as well as a door-to-door sales force, to target the sale of our consumer products to residents.

For both operating segments, we utilize a business-to-business sales force and a call center organization to reach business customers in our operating territories. Larger business customers are supported by sales account representatives and solution architects located in our branch offices across the U.S., Canada and Europe that understand the customer's technology needs and recommend Company-offered solutions. Smaller business customers are supported through a telemarketing sales force, customer representatives and store locations.

The IT Services and Hardware segment utilizes an indirect distribution channel to sell services, primarily focused on Communications. Compensation to the distributor is success-based and typically involves a residual payment based on revenue from customers.

Suppliers and Product Supply Chain

The Company generally subjects purchases to competitive bids and selects its vendors based on price, service level, delivery terms, quality of product and terms and conditions.

The Entertainment and Communications segment's primary purchases are for video content, network equipment, software, fiber cable and contractors to maintain and support the growth of the fiber network. The Company maintains facilities and operations for storing cable and other equipment, product distribution and customer fulfillment.

The Company purchases some of its programming directly from the program networks by entering into affiliation agreements with the programming suppliers. The Company also benefits from membership with the National Cable Television Cooperative ("NCTC"), which enables us to take advantage of volume discounts. As of December 31, 2019, approximately 65% of CBET's programming was sourced from the NCTC and approximately 55% of Hawaiian Telcom's programming was sourced from the NCTC.

The IT Services and Hardware segment primarily purchases IT and telephony equipment that is either sold to a customer or used to provide service to the customer. The Company is a certified distributor of leading technology and software solutions including, but not limited to, Cisco, EMC, Avaya and Oracle. Most of this equipment is shipped directly to the customer from vendor locations, but the Company does maintain warehouse facilities for replacement parts and equipment testing and staging.

In addition, we have long-term commitments to outsource various services, such as certain information technology functions, cash remittance and accounts payable functions, call center operations and maintenance services.

Competition

The telecommunications industry is very competitive, and the Company competes against larger, well-capitalized national providers.

The Entertainment and Communications segment faces competition from other local exchange carriers, wireless service providers, inter-exchange carriers, as well as cable, broadband, and internet service providers. The Company has lost, and will likely continue to lose, access lines as a portion of the customer base migrates to competitive wireline or wireless providers in lieu of the Company's services. Wireless providers, particularly those that provide unlimited wireless service plans with no additional fees for long distance, offer customers a substitution service for the Company's local voice and long-distance services. The Company believes wireless substitution and competition is the reason for the largest portion of the Company's access line and long-distance line losses.

Our Consumer/SMB Fiber and Enterprise Fiber products also face intense competition from cable operators, other telecom companies and niche fiber companies. Many of our competitors have lower operating costs and access to resources that provide economies of scale that allow them to more aggressively price products, as well as provide products on a much broader scale given their expanded geographic operations. Our competitors continuously upgrade their service quality and offerings which could substantially erode the competitive advantage we currently have with our fiber-based products. These competitive factors could limit the Company's ability to grow revenue and cash flows despite the strategic initiatives implemented.

The Company's video product also faces competition from a number of different sources, including companies that deliver movies, television shows and other video programming over broadband Internet connections. Increasingly, content owners are utilizing Internet-based delivery of content directly to consumers, some without charging a fee for access to the content.

Furthermore, due to consumer electronics innovations, consumers are able to watch such Internet-delivered content on television sets and mobile devices. Increased customer migration to these non-traditional entertainment products could result in increased churn and decreased penetration for video; however, this trend could also drive increased demand for our high-speed internet product.

The IT Services and Hardware segment competes against numerous information technology consulting, web-hosting, and computer system integration companies, many of which are larger in scope and well-financed. The Company believes that participants in this market must grow rapidly and achieve significant scale to compete effectively. Other competitors may consolidate with larger companies or acquire software application vendors or technology providers, enabling them to more effectively compete. This consolidation could affect prices and other competitive factors in ways that could impede the ability of these businesses to compete successfully in the market. In addition, as more customers migrate to the public cloud, we expect to see declines in the demand for Infrastructure Solutions. However, this trend could provide an opportunity in Consulting, Communications and Cloud Services as the Company has IT professionals that can assist customers through this migration to the public cloud.

Customers

The Company had no customers whose revenue comprised greater than 10% of total revenue in 2019, 2018 and 2017.

Employees

At December 31, 2019, the Company had approximately 4,400 employees. Approximately 30% of its employees are covered by collective bargaining agreements. Approximately 15% of total employees are covered by a collective bargaining agreement with the Communications Workers of America ("CWA"), which is affiliated with the AFL-CIO, and approximately 15% of total employees are covered by a collective bargaining agreement with the International Brotherhood of Electrical Workers (IBEW) Local 1357. The collective bargaining agreements with the CWA and IBEW are effective through the second quarter of 2021 and third quarter of 2022, respectively.

Website Access and Other Information

The Company was incorporated under the laws of Ohio in 1983 with its headquarters at 221 East Fourth Street, Cincinnati, Ohio 45202 (telephone number (513) 397-9900 and website address http://www.cincinnatibell.com). The Company files annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC") under the Exchange Act of 1934 (the "Exchange Act"). The SEC maintains an internet site that contains reports, proxy statements, and other information about issuers, like the Company, which file electronically with the SEC. The address of that site is http://www.sec.gov. The Company makes available its reports on Forms 10-K, 10-Q, and 8-K (as well as all amendments to these reports), proxy statements and other information, free of charge, at the Investor Relations section of its website.

Executive Officers

Refer to Part III, Item 10. "Directors, Executive Officers and Corporate Governance" of this Annual Report on Form 10-K for information regarding executive officers of the registrant.

Business Segment Information

The amounts of revenue, intersegment revenue, operating income, expenditures for long-lived assets, and depreciation and amortization attributable to each of the Company's business segments for the years ended December 31, 2019, 2018, and 2017 and assets as of December 31, 2019 and 2018 are set forth in Note 17 to the consolidated financial statements.

Item 1A. Risk Factors

In addition to the other information contained in this Form 10-K, the following risk factors should be considered carefully in evaluating us. Our business, financial condition, liquidity or results of operations could be materially affected by any of these risks.

Risk Factors Related to our Business and Operations

The Company operates in highly competitive industries, and customers may not continue to purchase products or services, which would result in reduced revenue and loss of market share.

The telecommunications industry is very competitive and the Company competes against larger, well-capitalized national providers. Competitors may reduce pricing, create new bundled offerings, or develop new technologies, products or services that they can offer in expanded geographic regions. Our competitors are expected to continuously upgrade their service quality and offerings. If the Company cannot continue to offer reliable, competitively priced, value-added services, or if the Company does not keep pace with technological advances and upgrades, competitive forces could adversely affect it through a loss of market share or a decrease in revenue and profit margins. The Company has lost access lines, and will likely continue to lose them as part of the customer base migrates to competitors or alternative products of the Company. These competitive factors could limit the Company's ability to grow revenue and cash flows despite the strategic initiatives implemented.

The Entertainment and Communications segment faces competition from other local exchange carriers, wireless service providers, inter-exchange carriers, cable, broadband and internet service providers, other telecom companies, niche fiber companies and companies that deliver movies, television shows and other video programming over broadband Internet connections. Wireless providers, particularly those that provide unlimited wireless voice and data plans with no additional fees for long distance, offer customers a substitution for the Company’s services. The Company believes wireless substitution accounts for the largest portion of its access line losses. Also, cable competitors that have existing service relationships with the Company's customers in the Entertainment and Communications segment offer substitution services, such as VoIP and long distance voice services in the Company's operating areas. As a result of wireless substitution and increased competition, legacy voice lines decreased by 13% and 10% in Cincinnati and Hawaii, respectively, in 2019 compared to 2018.

In addition, our strategic products, particularly our fiber-based products, face competition from a number of different sources including cable operators, other telecom companies, niche fiber companies, and companies that deliver movies, television shows and other video programming over broadband Internet connections. Increasingly, content owners are utilizing Internet-based delivery of content directly to consumers, some without charging a fee for access to the content. Furthermore, due to consumer electronics innovations, consumers are able to watch such Internet-delivered content on television sets and mobile devices. Increased customer migration to these non-traditional entertainment products could result in increased churn and decreased penetration in our Consumer/SMB Fiber products. If the Company is unable to effectively implement strategies to attract and retain video and high-speed internet subscribers, retain access lines and long distance subscribers, or replace such customers with other sources of revenue, the Company's Entertainment and Communications segment will be adversely affected.

The IT Services and Hardware segment competes against numerous other information technology consulting, web-hosting, and computer system integration companies, many of which are large in scope and well-financed. Other competitors may consolidate with larger companies or acquire software application vendors or technology providers, which may provide competitive advantages. The Company believes that many of the participants in this market must grow rapidly and achieve significant scale to compete effectively. This consolidation could affect prices and other competitive factors in ways that could impede our ability to compete successfully in the market. The competitive forces described above could adversely affect the Company’s IT Services and Hardware segment and have a material adverse impact on the Company’s business, financial condition, results of operations and cash flows.

The Company may be unable to grow our revenues and cash flows despite the initiatives we have implemented.

We must produce adequate revenues and cash flows that, when combined with cash on hand and funds available under our revolving credit facilities, will be sufficient to service our debt, fund our capital expenditures, fund our pension and other employee benefit obligations and pay preferred dividends pursuant to our dividend policy. We have identified some potential areas of opportunity and implemented several growth initiatives. We cannot be assured that these opportunities will be successful or that these initiatives will improve our financial position or our results of operations.

Failure to anticipate the need to introduce new products and services or to compete with new technologies may compromise the Company’s success in the telecommunications industry.

The Company’s success depends, in part, on being able to anticipate the needs of current and future business, carrier and consumer customers. The Company seeks to meet these needs through new product introductions, service quality and technological improvements. New products and services are important to the Company’s success because its industry is technologically driven, such that new technologies can offer alternatives to the Company’s existing services. The development of new technologies and products could accelerate the Company’s loss of access lines or limit the growth from its strategic products, which would have a material adverse effect on the Company’s revenue, results of operations, financial condition and cash flows.

The Company's access lines, which generate a significant portion of its cash flows and profits, are decreasing in number. If the Company continues to experience access line losses similar to the past several years, its revenues, earnings and cash flows from operations may be adversely impacted.

The Company generates a substantial portion of its revenues by delivering voice and data services over access lines. The Company's local telecommunications subsidiaries have experienced substantial access line losses over the past several years due to a number of factors, including wireless and broadband substitution and increased competition. The Company expects access line losses to continue into the foreseeable future. Failure to retain access lines without replacing such losses with an alternative source of revenue would adversely impact the Company's revenues, earnings and cash flow from operations.

The Company has provided alternative sources of revenue by way of our strategic products; however, these products may generate lower profit margins than our traditional services. In addition, as a larger portion of our customer base has already migrated to these new product offerings, a decreased growth rate of strategic products can be expected. Moreover, we cannot provide assurance that the revenues generated from our new offerings will mitigate revenue losses from the reduced sales of our legacy products or that our new strategic offerings will be as successful as anticipated.

Negotiations with the providers of content for our video programming may not be successful, potentially resulting in our inability to carry certain programming channels, which could result in the loss of subscribers. In addition, due to the influence of some content providers, we may be forced to pay higher rates for some content, resulting in increased costs.

We must negotiate with the content owners of the programming that we carry. These content owners are the exclusive provider of the channels they offer. If we are unable to reach a mutually-agreed upon contract with a content owner, our existing agreements to carry this content may not be renewed, resulting in the blackout of these channels. The loss of content could result in our loss of customers who place a high value on the particular content that is lost. In addition, many content providers own multiple channels. As a result, we typically have to negotiate the pricing for multiple channels rather than one, and carry and pay for content for which customers do not associate much value, in order to have access to other content that customers do associate value. Some of our competitors have materially larger scale than we do, and may, as a result, be better positioned than we are in such negotiations. As a result of these factors, the expense of content may continue to increase and have a material adverse impact on the Company's results of operations and cash flows.

The Company's failure to meet performance standards under its agreements could result in customers terminating their relationships with the Company or customers being entitled to receive financial compensation, leading to reduced revenues and/or increased costs.

The Company's agreements with its customers contain various requirements regarding performance and levels of service. If the Company fails to provide the levels of service or performance required by its agreements, customers may be able to receive financial compensation or may be able to terminate their relationship with the Company. In order to provide these levels of service, the Company is required to protect against human error, natural disasters, equipment failure, power failure, sabotage and vandalism, and have disaster recovery plans available in the event of disruption of service. The failure to address these or other events may result in a disruption of service. In addition, any inability to meet service level commitments or other performance standards could reduce the confidence of customers. Decreased customer confidence could impair the Company's ability to attract and retain customers, which could adversely affect the Company's ability to generate revenues and operating results.

The Company generates a substantial portion of its revenue by serving a limited geographic area.

The Company generates a substantial portion of its revenue by serving customers in Cincinnati, Ohio, Dayton, Ohio and the islands of Hawaii. Furthermore, because of Hawaii's geographic isolation, the successful operation and growth of the business in Hawaii is dependent on favorable economic and regulatory conditions in the state. An economic downturn or natural disaster occurring in any of these limited operating territories would have a disproportionate effect on the Company's business, financial condition, results of operations and cash flows compared to similar companies of a national scope and similar companies operating in different geographic areas.

The customer base for telecommunications services in Hawaii is small and geographically concentrated. The population of Hawaii is approximately 1.4 million, approximately 70% of whom live on the island of Oahu. Any adverse economic conditions affecting Oahu, or Hawaii generally, could materially impair our ability to operate our business. Labor shortages or increased labor costs in Hawaii could also have a material adverse effect on our business. In addition, we may be subject to increased costs for goods and services that the Company is unable to control or defray as a result of operating in this limited territory. Increased expenses including, but not limited to, energy and health care could have a material adverse effect on our business and results of operations.

One large customer accounts for a significant portion of the Company's accounts receivable. The loss or significant reduction in business from this customer would cause operating results to decline and could negatively impact profitability and cash flows.

As of December 31, 2019 and 2018, Verizon Communications Inc. ("Verizon") comprised 25% and 18% of consolidated accounts receivable, respectively. As a result of these concentrations, the Company's results of operations and financial condition could be materially affected if the Company lost this customer or if products and services purchased were significantly reduced. In addition, if Verizon were to default on its accounts receivable obligations, the Company would be exposed to potentially significant losses in excess of the provisions established. This would also negatively impact the available borrowing capacity under the Company's accounts receivable securitization facility ("Receivables Facility").

Maintaining the Company's telecommunications networks requires significant capital expenditures, and the Company's inability or failure to maintain its telecommunications networks could have a material impact on its market share and ability to generate revenue.

Over the past several years, the Company has improved its wireline network through increased capital expenditures for fiber optic cable in areas of its operating network. The Company intends to continue its capital expenditures for fiber optic cable.

In order to provide appropriate levels of service to the Company's customers, the network infrastructure must be protected against damage from human error, natural disasters, unexpected equipment failure, power loss or telecommunications failures, terrorism, sabotage or other intentional acts of vandalism. The Company's networks may not address all of the problems that may be encountered in the event of a disaster or other unanticipated problems, which may result in disruption of service to customers.

The Company may also incur significant additional capital expenditures as a result of unanticipated developments, regulatory changes and other events that impact the business.

Increases in broadband usage may cause network capacity limitations, resulting in service disruptions or reduced capacity for customers.

Video streaming services and peer-to-peer file sharing applications use significantly more bandwidth than traditional Internet activity such as web browsing and email. As utilization rates and availability of these services continue to grow, our high-speed internet customers may use much more bandwidth than in the past. If this occurs, we could be required to make significant capital expenditures to increase network capacity in order to avoid service disruptions or reduced capacity for customers. We may not be able to recover the costs of the necessary network investments. This could result in an adverse impact to our results of operations and financial condition.

We may be liable for the material that content providers distribute over our networks.

The law relating to the liability of private network operators for information carried on, stored or disseminated through their networks is still unsettled. As such, we could be exposed to legal claims relating to content disseminated on our networks. Claims could challenge the accuracy of materials on our network or could involve matters such as defamation, invasion of privacy or copyright infringement. If we need to take costly measures to reduce our exposure to these risks or are required to defend ourselves against such claims, our financial results would be negatively affected.

An IT and/or network security breach or cyber-attack may lead to unauthorized use or disabling of our network, theft of customer data, unauthorized use or publication of our confidential business information and could have a material adverse effect on our business.

Cyber-attacks or other breaches of network or information technology security may cause equipment failures or disruptions to our operations. Our inability to operate our wireline networks as a result of such events, even for a limited period of time, may result in significant expenses and/or loss of market share. In addition, the potential liabilities associated with these events could exceed the insurance coverage we maintain. Cyber-attacks, which include the use of malware, computer viruses and other means for disruption or unauthorized access, have increased in frequency, scope and potential harm in recent years. These risks may be heightened as we expand our managed services, data center services and cloud-based services. While, to date, we have not been subject to cyber-attacks or other cyber incidents which, individually or in the aggregate, have been material to our operations or financial condition, the preventative actions we take to reduce the risk of cyber incidents and protect our information technology and networks may be insufficient to repel a major cyber-attack in the future. Significant security failures could result in the unauthorized use or disabling of our network elements. The costs associated with a major cyber-attack could include material incentives offered to existing customers and business partners to retain their business, increased expenditures on cyber security measures, lost revenues from business interruption, litigation, fines from regulatory authorities and damage to our reputation. If we fail to prevent the theft of valuable information such as financial data, sensitive information about the Company and intellectual property, or if we fail to protect the privacy of customer and employee confidential data against breaches of network or information technology security, it could result in damage to our reputation, which could adversely impact customer and investor confidence. Any of these occurrences could result in a material adverse effect on our results of operations and financial condition.

Weather conditions, natural disasters, terrorist acts or acts of war could cause damage to our infrastructure and result in significant disruptions to our operations.

Our business operations are subject to interruption by natural disasters, power outages, terrorist attacks, other hostile acts and events beyond our control. Such events could cause significant damage to our infrastructure, resulting in degradation or disruption of service to our customers. The potential liabilities associated with these events could exceed the insurance coverage we maintain. Our system redundancy may be ineffective or inadequate and our disaster recovery planning may not be sufficient for all eventualities. These events could also damage the infrastructure of suppliers that provide us with the equipment and services we need to operate our business and provide products to our customers. A natural disaster or other event causing significant physical damage could cause us to experience substantial losses resulting in significant recovery time and expenditures to resume operations. In addition, these occurrences could result in lost revenues from business interruption as well as damage to our reputation.

In particular, from time to time, the islands of Hawaii experience severe weather conditions such as high winds and heavy rainfall and natural disasters such as earthquakes, volcanic eruptions and tsunami, which can overwhelm our employees, disrupt our services and severely damage our property. Such disruptions in service and damage to property could materially harm our business, financial condition, results of operations, liquidity and/or market price of our securities. Moreover, it is impossible to predict the extent to which climate change could cause extreme weather conditions to become more frequent or more extreme.

The regulation of the Company's businesses by federal and state authorities may, among other things, place the Company at a competitive disadvantage, restrict its ability to price its products and services competitively, and threaten its operating licenses.

Several of the Company's subsidiaries are subject to regulatory oversight of varying degrees at both the state and federal levels, which may differ from the regulatory scrutiny faced by the Company's competitors. A significant portion of the Company's revenue is derived from pricing plans that are subject to regulatory review and approval. These regulated pricing plans limit the rates the Company can charge for some services while the competition has typically been able to set rates for services with limited or no restriction. In the future, regulatory initiatives that would put the Company at a competitive disadvantage or mandate lower rates for its services would result in lower profitability and cash flows for the Company. In addition, different regulatory interpretations of existing regulations or guidelines may affect the Company's revenues and expenses in future periods.

At the federal level, the Company's telecommunications services are subject to the Communications Act of 1934 as amended by the Telecommunications Act of 1996 (the "Act"), including rules adopted by the Federal Communications Commission ("FCC"). At the state level, CBT operates as the incumbent local exchange carrier ("ILEC") and carrier of last resort in portions of Ohio, Kentucky, and Indiana, while Hawaiian Telcom, Inc. ("HTI") serves as the ILEC and carrier of last resort in Hawaii. As the ILEC in those states, these entities are subject to regulation by the Public Utilities Commissions in those states. Various regulatory decisions or initiatives at the federal or state level may from time to time have a negative impact on CBT's and HTI's ability to compete in their respective markets. In addition, although less heavily regulated than the Company's ILEC operations, other subsidiaries are authorized to provide competitive local exchange service, long distance, and cable television service in various states, and are consequently also subject to various state and federal telecommunications and cable regulations that could adversely impact their operations.

There are currently many regulatory actions under way and being contemplated by federal and state authorities regarding issues that could result in significant changes to the business conditions in the telecommunications industry. In addition, in connection with our Internet access offerings, we could become subject to laws and regulations as they are adopted or applied to the Internet. There is currently only limited regulation applicable to these services although court decisions and/or legislative action could lead to greater regulation of the Internet (including Internet access services). We cannot provide any assurances that changes in current or future regulations adopted by the FCC or state regulators, or other legislative, administrative, or judicial initiatives relating to the telecommunications industry, will not have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

From time to time, different regulatory agencies conduct audits to ensure that the Company is in compliance with the respective regulations. The Company could be subject to fines and penalties if found to be out of compliance with these regulations, and these fines and penalties could be material to the Company's financial condition.

The Company depends on a number of third-party providers and the loss of or problems with one or more of these providers may impede the Company's growth or cause it to lose customers.

The Company depends on third-party providers to supply products and services. For example, many of the Company's information technology and call center functions are performed by third-party providers, and network equipment is purchased from and maintained by vendors. The loss of or problems with one or more of these third-party providers may result in an adverse effect on our ability to provide products and services to our customers and on our results of operations and financial condition.

A failure of back-office information technology systems could adversely affect the Company's results of operations and financial condition.

The efficient operation of the Company's business depends on back-office information technology systems. The Company relies on back-office information technology systems to effectively manage customer billing, business data, communications, supply chain, order entry and fulfillment and other business processes. A failure of the Company's information technology systems to perform as anticipated could disrupt the Company's business and result in a failure to collect accounts receivable, transaction errors, processing inefficiencies, and the loss of sales and customers, causing the Company's reputation and results of operations to suffer. In addition, information technology systems may be vulnerable to damage or interruption from circumstances beyond the Company's control, including fire, natural disasters, systems failures, security breaches and viruses. Any such damage or interruption could have a material adverse effect on the Company's business.

If the Company fails to extend or renegotiate its collective bargaining agreements with its labor unions when they expire, or if its unionized employees were to engage in a strike or other work stoppage, the Company's business and operating results could be materially harmed.

The Company is a party to collective bargaining agreements with its labor unions in both the Cincinnati and Hawaii operating territories, which represents approximately 30% of its employees. No assurance can be given that the Company will be able to successfully extend or renegotiate its collective bargaining agreements in the future. If the Company fails to extend or renegotiate its collective bargaining agreements, if disputes with its union arise, or if its unionized workers engage in a strike or a work stoppage, the Company could experience a significant disruption of operations or incur higher ongoing labor costs, either of which could have a material adverse effect on the business.

The loss of any of the senior management team or attrition among key sales associates could adversely affect the Company's business, financial condition, results of operations and cash flows.

The Company's success will continue to depend on its senior management team and key sales associates and the Company's ability to retain such key management personnel and other key employees. Senior management has specific knowledge relating to the Company and the industry that would be difficult to replace. The loss of key sales associates could hinder the Company's ability to continue to benefit from long-standing relationships with customers. The loss of any of these individuals could adversely affect the Company's business, financial condition, results of operations and cash flows.

The future results of the Company will suffer if the Company does not effectively manage its expanded operations following the acquisitions of OnX and Hawaiian Telcom.

The size of the Company has increased significantly as a result of the acquisitions of OnX and Hawaiian Telcom. The Company's future success depends, in part, upon its ability to manage this expanded business, which could pose substantial challenges for management. There can be no assurances that the Company will be successful or that it will realize the expected operating efficiencies, cost savings, revenue enhancements and other benefits anticipated deriving from these acquisitions.

Risks Related to our Indebtedness

The Company's debt could limit its ability to fund operations, raise additional capital, and fulfill its obligations, which, in turn, would have a material adverse effect on its businesses and prospects generally.

As of December 31, 2019, the Company and its subsidiaries had outstanding indebtedness of $1,923.6 million, on which it incurred $137.4 million of interest expense in 2019, and had a total shareowners' deficit of $140.0 million. In October 2017, the Company entered into a new Credit Agreement. The Credit Agreement provides for (i) a five year $200 million senior secured revolving credit facility including both a letter of credit subfacility of up to $30 million and a swingline loan subfacility of up to $25 million (the "Revolving Credit Facility") and (ii) a seven-year $600 million senior secured term loan facility (the "Tranche B Term Loan due 2024"). At December 31, 2019, the Company and its subsidiaries had $0.2 million of borrowing availability under its Receivables Facility and had the ability to borrow up to an additional $143.0 million under the Revolving Credit Facility, subject to compliance with certain conditions.

The Company's debt has important consequences, including the following:

- the Company is required to use a substantial portion of its cash flow from operations to pay principal and interest on its debt, thereby reducing the availability of cash flow to fund working capital, capital expenditures, strategic acquisitions, investments and alliances, and other general corporate requirements;
- there is a variable interest rate on a portion of its debt which will increase if the market interest rates increase;
- the Company's debt increases its vulnerability to adverse changes in the credit markets, which adverse changes could increase the Company's borrowing costs and limit the availability of financing;
- the Company's debt service obligations limit its flexibility to plan for or react to changes in its business and the industries in which it operates;

- the Company’s level of debt and shareowners’ deficit may restrict it from raising additional financing on satisfactory terms to fund working capital, capital expenditures, strategic acquisitions, investments and alliances, and other general corporate requirements; and
- the Company’s debt instruments contain limitations on the Company and require the Company to comply with specified financial ratios and other restrictive covenants. Failure to comply with these covenants, if not cured or waived, could limit availability to the cash required to fund the Company's operations and general obligations and could result in the Company’s dissolution, bankruptcy, liquidation or reorganization.

In addition, certain of our variable rate debt, including debt under the Revolving Credit Facility and the Receivables Facility, uses LIBOR as one of the benchmarks for establishing the rate of interest and may be hedged with LIBOR-based interest rate derivatives. LIBOR is the subject of recent regulatory guidance and proposals for reform. These reforms and other pressures may cause LIBOR to be replaced with a new benchmark in 2021 or to perform differently than in the past. The consequences of these developments cannot be entirely predicted, but could include an increase in the cost of our variable rate indebtedness.

The Company’s creditors and preferred stockholders have claims that are superior to claims of the holders of the Company's common stock. Accordingly, in the event of the Company’s dissolution, bankruptcy, liquidation, or reorganization, payment is first made on the claims of creditors of the Company and its subsidiaries, then preferred stockholders, and finally, if amounts are available, to holders of the Company's common stock.

The Credit Agreement, the indenture governing the Company's notes due 2024, the indenture governing the Company's notes due 2025 and other indebtedness impose significant restrictions on the Company.

The Company’s debt instruments impose, and the terms of any future debt may impose, operating and other restrictions on the Company. These restrictions affect, and in many respects limit or prohibit, among other things, the Company’s ability to:

- incur additional indebtedness;
- create liens;
- make investments;
- enter into transactions with affiliates;
- sell assets;
- guarantee indebtedness;
- declare or pay dividends or make other distributions to shareholders;
- repurchase equity interests;
- enter into agreements that restrict dividends or other payments from subsidiaries;
- issue or sell capital stock of certain of its subsidiaries;
- consolidate, merge, or transfer all or substantially all of its assets and the assets of its subsidiaries on a consolidated basis; and
- change its fiscal year.

The agreements governing the Credit Agreement also require the Company to achieve and maintain compliance with specified financial ratios.

The restrictions contained in the terms of the Credit Agreement and its other debt instruments could:

- limit the Company’s ability to plan for or react to market conditions or meet capital needs or otherwise restrict the Company’s activities or business plans; and
- adversely affect the Company’s ability to finance its operations, strategic acquisitions, investments or alliances, other capital needs, or to engage in other business activities that would be in its interest.

A breach of any of the debt's restrictive covenants or the Company's inability to comply with the required financial ratios would result in a default under some or all of the debt agreements. During the occurrence and continuance of a default, lenders may elect to declare all outstanding borrowings, together with accrued interest and other fees, to be immediately due and payable. Additionally, under the Credit Agreement, the lenders may elect not to provide loans under the Revolving Credit Facility until such default is cured or waived. The Company's debt instruments also contain cross-acceleration provisions, which generally cause each instrument to be subject to early repayment of outstanding principal and related interest upon a qualifying acceleration of any other debt instrument. Failure to comply with these covenants, if not cured or waived, would limit the cash available to the Company required to fund operations and its general obligations and could result in the Company's dissolution, bankruptcy, liquidation or reorganization.

The Company depends on its Revolving Credit Facility and Receivables Facility to provide for its short-term financing requirements in excess of amounts generated by operations, and the availability of those funds may be reduced or limited.

The Company depends on the Revolving Credit Facility and its Receivables Facility to provide for short-term financing requirements in excess of amounts generated by operations. The Revolving Credit Facility has a maturity date of October 2022. The Receivables Facility has a termination date of May 2021 and is subject to renewal every 364 days with the next renewal occurring in May 2020.

The Company's ability to borrow under its Revolving Credit Facility is subject to the Company's compliance with covenants, including covenants requiring compliance with specified financial ratios. Failure to satisfy these covenants would constrain or prohibit its ability to borrow under these facilities.

As of December 31, 2019, the Company had $57.0 million of outstanding borrowings under the Revolving Credit Facility, leaving $143.0 million in additional borrowing availability under this facility. The $200.0 million available under the Revolving Credit Facility is funded by various financial institutions. If one or more of these banks is not able to fulfill its funding obligations, the Company's financial condition could be adversely affected.

As of December 31, 2019, the Company had a total borrowing capacity of $142.2 million on a maximum borrowing capacity of $225.0 million on its Receivables Facility. At that date, there were $131.5 million of outstanding borrowings and $10.5 million of outstanding letters of credit. The available borrowing capacity is calculated monthly based on the amount and quality of outstanding accounts receivable and thus may be lower than the maximum borrowing limit. If the quality of the Company's accounts receivables deteriorates, this will negatively impact the available capacity under this facility. As of December 31, 2019, the Company had $0.2 million of borrowing capacity remaining under its Receivables Facility.

The servicing of the Company's indebtedness is dependent on its ability to generate cash, which could be impacted by many factors beyond its control.

The Company's ability to generate cash is subject to general economic, financial, competitive, legislative, regulatory, and other factors, many of which are beyond its control. The Company cannot provide assurance that its business will generate sufficient cash flow from operations, that additional sources of debt financing will be available, or that future borrowings will be available under its Revolving Credit Facility Credit or Receivables Facility, in each case, in amounts sufficient to enable the Company to service its indebtedness or to fund other liquidity needs. If the Company cannot service its indebtedness, it will have to take actions such as reducing or delaying capital expenditures, strategic acquisitions, investments and alliances, selling assets, restructuring or refinancing indebtedness, or seeking additional equity capital, which may adversely affect its shareholders, debt holders and customers. The Company may not be able to negotiate remedies on commercially reasonable terms or at all. In addition, the terms of existing or future debt instruments may restrict the Company from adopting any of these alternatives. The Company's inability to generate the necessary cash flows could result in its dissolution, bankruptcy, liquidation or reorganization.

The Company depends on the receipt of dividends or other intercompany transfers from its subsidiaries and investments.

Virtually all of the Company's operations are conducted through its subsidiaries and most of the Company's debt is held at the parent company. Certain of the Company's material subsidiaries are subject to regulatory authority which may potentially limit the ability of such subsidiaries to distribute funds or assets. If any of the Company's subsidiaries were to be prohibited from paying dividends or making distributions, the Company may not be able to make the scheduled interest and principal repayments on its debt. This failure would have a material adverse effect on the Company's liquidity and the trading price of the Company's common stock, preferred stock, and debt instruments, which could result in its dissolution, bankruptcy, liquidation or reorganization.

Risks Relating to the Merger with Brookfield

There are material uncertainties and risks associated with the proposed Merger Agreement and Merger.

On December 21, 2019, the Company entered into the Merger Agreement with affiliates of Brookfield. Below are material uncertainties and risks associated with the Merger Agreement and the proposed Merger. If any of the risks develop into actual events, then the Company's business, financial condition, results and ongoing operations, share price or prospects could be materially adversely affected.

- The announcement or pendency of the Merger may impede the Company's ability to retain and hire key personnel and its ability to maintain relationships with its customers, suppliers and others with whom it does business or its operating results and business generally;
- The attention of the Company's employees and management may be diverted due to activities related to the Merger, which may affect the Company's business operations;
- Matters relating to the transactions may require substantial commitments of time and resources by the Company's management, which could harm the Company's relationships with its employees, customers, distributors, suppliers or other business partners, and may result in a loss of or a substantial decrease in purchases by its customers;
- The Merger Agreement restricts the Company from engaging in certain actions without the approval of Brookfield, which could prevent the Company from pursuing certain business opportunities outside the ordinary course of business that arise prior to the closing of the Merger;
- The Merger Agreement contains provisions that could discourage a potential competing acquirer of the Company;
- The Company's directors and executive officers have financial interests in the Merger that may be different from, or in addition to, the interests of the Company's shareholders generally, which could have influenced their decisions to support or approve the Merger; and
- Shareholder litigation in connection with the transactions contemplated by the Merger Agreement may result in significant costs of defense, indemnification and liability.
- The Merger may materially limit the Company's ability to utilize existing deferred tax assets related to federal and state net operating losses.

The proposed Merger may not be completed in a timely manner or at all.

Completion of the Merger is subject to customary closing conditions, including (1) the absence of an order, injunction or law prohibiting the Merger, (2) the expiration or early termination of the waiting period (including any extension thereof) under the HSR Act and Competition Act (Canada) Compliance (as defined in the Company's preliminary proxy statement, under the section entitled "*The Merger—Regulatory Approvals Required for the Merger*") shall have been obtained, (3) approval of the Merger by the Committee on Foreign Investment in the United States under Section 721 of the Defence Production Act of 1950, as amended, (4) certain FCC consents and state regulatory consents required in connection with the Merger shall have been obtained, shall not be subject to agency reconsideration or judicial review, and the time for any person to petition for agency reconsideration or judicial review shall have expired and (5) the adoption of the Merger Agreement by the affirmative vote of shareholders holding at least two-thirds of the outstanding Company common shares and 6 ¾% Cumulative Convertible Preferred Shares (voting as a single class).

The obligation of each of the Company and Brookfield to consummate the Merger is also conditioned on, subject to certain materiality and other qualifiers, the accuracy of the representations and warranties of the other party and the performance in all material respects by the other party of its obligations under the Merger Agreement. In addition, the Merger Agreement may require the Company and Brookfield to comply with conditions imposed by regulatory entities and neither company is required to take any action with respect to obtaining any regulatory approval that, individually or in the aggregate, would be reasonably likely to have a material adverse effect on Brookfield and its affiliates (taken as a whole) or the Company and its subsidiaries (taken as a whole). There can be no assurance that regulators will not impose conditions, terms, obligations or restrictions and that such conditions, terms, obligations or restrictions will not result in the delay or abandonment of the Merger. There can be no assurance that all of these required approvals and clearances will be obtained or will be obtained on a timely basis. Competing offers or acquisition proposals for the Company may be made, resulting in delay of the Merger or termination of the Merger Agreement. Lawsuits may be filed against the Company relating to the Merger and an adverse ruling in any such lawsuit may prevent the Merger from being completed in the time frame expected or at all.

Failure to complete the Merger could negatively impact the Company's business, financial results and stock price.

If the merger is delayed or not completed, the Company's ongoing businesses may be adversely affected and will be subject to several risks and consequences, including the following:

- decline in share price to the extent that the current price of Company common shares reflects an assumption that the Merger will be completed;
- negative publicity and a negative impression of the Company in the investment community;
- loss of business opportunities and the ability to effectively respond to competitive pressures; and
- the Company may be required, under certain circumstance, to pay Brookfield a termination fee and additional expenses.

The Company has incurred, and will incur, substantial direct and indirect costs as a result of the Merger.

The Company has incurred, and will continue to incur, significant costs, expenses and fees for professional advisors, printing and other transaction costs in connection with the Merger, and some of these fees and costs are payable by the Company regardless of whether the Merger is consummated.

Other Risk Factors

The trading price of the Company's common stock may be volatile, and the value of an investment in the Company's common stock may decline.

The market price of the Company's common stock has been volatile and could be subject to wide fluctuations in response to, among other things, the risk factors described in this report and other factors beyond the Company's control, such as volatility in equity markets and fluctuations in the valuation of companies perceived by investors to be comparable to the Company. The Company's recent stock price reflects the assumption that the Merger will be completed or a new offer will proceed to an agreement and an acquisition will be completed.

Equity markets have experienced price and volume fluctuations that have affected the Company's stock price and the market prices of equity securities of many other companies. These broad market and industry fluctuations, as well as general economic, political, and market conditions, may negatively affect the market price of the Company's stock.

Companies that have experienced volatility in the market price of common shares have periodically been subject to securities class action litigation. The Company may be the target of this type of litigation in the future. Securities litigation could result in substantial costs and/or damages and divert management's attention from other business concerns.

The uncertain economic environment, including uncertainty in the U.S. and world securities markets, could impact the Company's business and financial condition.

The uncertain economic environment could have an adverse effect on the Company's business and financial liquidity. The Company's primary source of cash is customer collections. If economic conditions were to worsen, some customers may cancel services or have difficulty paying their accounts receivable. These conditions would result in lower revenues and increases in the allowance for doubtful accounts, which would negatively affect the results of operations. Furthermore, the sales cycle would be further lengthened if business customers slow spending or delay decision-making on the Company's products and services, which would adversely affect revenues. If competitors lower prices as a result of economic conditions, the Company would also experience pricing pressure. If the economies of the U.S. and the world deteriorate, this could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

The Company's future cash flows could be adversely affected if it is unable to fully realize its deferred tax assets.

As of December 31, 2019, the Company had deferred tax assets of $305.2 million, which are primarily composed of deferred tax assets associated with U.S. federal net operating loss carryforwards of $163.2 million, and state and local net operating loss carryforwards of $47.0 million. The Company has recorded a valuation allowance against deferred tax assets related to certain state and local net operating losses and other deferred tax assets due to the uncertainty of the Company's ability to utilize the assets within the statutory expiration period. In addition, the Company has recorded a valuation allowance against the portion of interest expense for which deduction is limited under Internal Revenue Code Section 163(j). The use of the Company's deferred tax assets enables it to satisfy current and future tax liabilities without the use of the Company's cash resources. If the Company is unable for any reason to generate sufficient taxable income to fully realize its deferred tax assets, or if the use of its net operating loss carryforwards is limited by Internal Revenue Code Section 382 or similar state statutes, the Company's net income, shareowners' deficit and future cash flows would be adversely affected.

Changes in tax laws and regulations, and actions by federal, state and local taxing authorities related to the interpretation and application of such tax laws and regulations, could have a negative impact on the Company's financial results and cash flows.

The Company calculates, collects and remits various federal, state, and local taxes, surcharges, and regulatory fees to numerous federal, state and local governmental authorities, including but not limited to federal Universal Service Fund contributions, sales tax, regulatory fees and use tax on purchases of goods and services used in our business. Tax laws are subject to change, and new interpretations of how various statutes and regulations should be adhered to are frequently issued. In many cases, the application of tax laws are uncertain and subject to differing interpretations, especially when evaluated against new technologies and telecommunications services, such as broadband Internet access and cloud services. In the event that we have incorrectly calculated, assessed, or remitted amounts due to governmental authorities, or if revenue and taxing authorities disagree with positions we have taken, we could be subject to additional taxes, fines, penalties, or other adverse actions. In the event that federal, state, or local municipalities were to significantly increase taxes on goods and services used to construct and maintain our network, operations, or provision of services, or seek to impose new taxes, there could be a material adverse impact on financial results.

Adverse changes in the value of assets or obligations associated with the Company's employee benefit plans could negatively impact shareowners' deficit and liquidity.

The Company sponsors noncontributory defined benefit pension plans for eligible management employees, non-management employees and certain former executives. The Company also provides healthcare and group life insurance benefits for eligible retirees. The Company's Consolidated Balance Sheets indirectly reflect the value of all plan assets and benefit obligations under these plans. The accounting for employee benefit plans is complex, as is the process of calculating the benefit obligations under the plans. Adverse changes in interest rates or market conditions, among other assumptions and factors, could cause a significant increase in the Company's benefit obligations or a significant decrease of the asset values, without necessarily impacting the Company's net income. In addition, the Company's benefit obligations could increase significantly if it needs to unfavorably revise the assumptions used to calculate the obligations. These adverse changes could have a significant negative impact on the Company's shareowners' deficit. Additionally, the Company's postretirement costs are adversely affected by increases in medical and prescription drug costs. Further, if there are adverse changes to plan assets or if medical and prescription drug costs increase significantly, the Company could be required to contribute additional material amounts of cash to the plans or to accelerate the timing of required payments.

Third parties may claim that the Company is infringing upon their intellectual property, and the Company could suffer significant litigation or licensing expenses or be prevented from selling products.

The Company may be unaware of intellectual property rights of others that may cover some of its technology, products or services. Any litigation growing out of third-party patents or other intellectual property claims could be costly and time-consuming and would divert the Company's management and key personnel from its business operations. The complexity of the technology involved and the uncertainty of intellectual property litigation increases these risks. Resolution of claims of intellectual property infringement might also require the Company to enter into costly license agreements. Likewise, the Company may not be able to obtain license agreements on acceptable terms. The Company also may be subject to significant damages or injunctions against the development and sale of certain of its products or services. Further, the Company often relies on licenses of third-party intellectual property for its businesses. The Company cannot ensure these licenses will be available in the future on favorable terms or at all.

Third parties may infringe upon the Company's intellectual property, and the Company may expend significant resources enforcing its rights or suffer competitive injury.

The Company's success significantly depends on the competitive advantage it gains from its proprietary technology and other valuable intellectual property assets. The Company relies on a combination of patents, copyrights, trademarks and trade secrets protections, confidentiality provisions and licensing arrangements to establish and protect its intellectual property rights. If the Company fails to successfully enforce its intellectual property rights, its competitive position could suffer, which could harm its operating results.

The Company may also be required to spend significant resources to monitor and police its intellectual property rights. The Company may not be able to detect third-party infringements and its competitive position may be harmed before the Company does so. In addition, competitors may design around the Company's technology or develop competing technologies. Furthermore, some intellectual property rights are licensed to other companies, allowing them to compete with the Company using that intellectual property.

The Company could be subject to a significant amount of litigation, which could require the Company to pay significant damages or settlements.

The industry that the Company operates in faces a substantial risk of litigation, including, from time to time, patent infringement lawsuits, antitrust class actions, securities class actions, wage and hour class actions, personal injury claims and lawsuits relating to our advertising, sales, billing and collection processes. We may incur significant expenses in defending these lawsuits. In addition, we may be required to pay significant awards and settlements.

The Company could incur significant costs resulting from complying with, or potential violations of, environmental, health and human safety laws.

The Company's operations are subject to laws and regulations relating to the protection of the environment, health, and human safety, including those governing the management and disposal of, and exposure to, hazardous materials and the cleanup of contamination, and the emission of radio frequencies. While the Company believes its operations are in substantial compliance with environmental, health, and human safety laws and regulations, as an owner or operator of property and in connection with the current and historical use of hazardous materials and other operations at its sites, the Company could incur significant costs resulting from complying with or violations of such laws, the imposition of cleanup obligations and third-party suits. For instance, a number of the Company's sites formerly contained underground storage tanks for the storage of used oil and fuel for back-up generators and vehicles.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

As of December 31, 2019, the Company owned or maintained properties throughout the U.S. and Canada. Our headquarters is located in Cincinnati, Ohio where we lease approximately 240,000 square feet for executive, administrative and business offices for the Company. In addition to the space in Cincinnati, we own a building with approximately 465,000 square feet of office space in Honolulu, Hawaii for the Hawaiian Telcom operations. We lease office space in multiple locations in Canada for operations to support our Canadian operations.

Our properties include copper and fiber warehouses and associated equipment in each of our local operating markets. Each of the Company's subsidiaries maintains some investment in furniture and office equipment, computer equipment and associated operating system software, application system software, leasehold improvements and other assets.

With regard to its Cincinnati Entertainment and Communications operations, the Company owns substantially all of the central office switching stations and the land upon which they are situated. Some business and administrative offices are located in leased facilities, which are recorded as operating leases. The Company's network assets include a fiber network warehouse, internet protocol and circuit switches and integrated access terminal equipment. In addition, as of year-end, we lease eight Company-run retail locations.

With regard to its Hawaii Entertainment and Communications operations, the Company has properties consisting of both owned and leased properties, including our administrative facilities and facilities for call centers, customer service sites for the television business, switching equipment, fiber optic networks, cable head-end equipment, coaxial distribution networks, routers and servers used in our telecommunications business. Leased properties are recorded as operating leases.

With regard to the IT Services and Hardware operations, the majority of business and administrative offices are located in leased facilities, which are recorded as either finance or operating leases depending on respective terms.

For additional information about the Company's properties, see Note 6 to the consolidated financial statements.

Item 3. Legal Proceedings

The Company is subject to various lawsuits, actions, proceedings, claims and other matters asserted under laws and regulations in the normal course of business. We believe that the liabilities accrued for legal contingencies in our consolidated financial statements, as prescribed by generally accepted accounting principles ("GAAP"), are adequate in light of those contingencies that are probable and able to be estimated. However, there can be no assurances that the actual amounts required to satisfy alleged liabilities from various legal proceedings, claims, tax examinations, and other matters, and to comply with applicable laws and regulations, will not exceed the amounts reflected in our consolidated financial statements. As such, costs, if any, that may be incurred in excess of those amounts provided as of December 31, 2019, cannot be reasonably determined.

Based on information currently available, consultation with counsel, available insurance coverage and established reserves, management believes the eventual outcome of all outstanding claims will not, individually or in the aggregate, have a material effect on the Company's financial position, results of operations or cash flows.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

(a) Market Information

The Company's common shares (symbol: CBB) are listed on the New York Stock Exchange.

(b) Holders

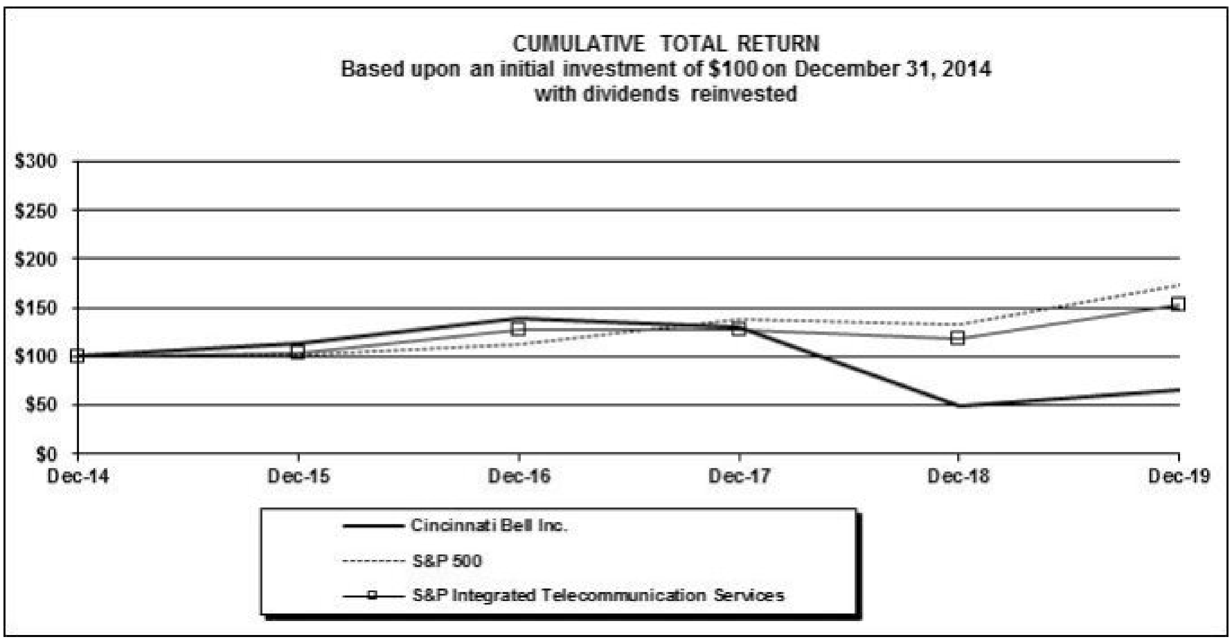
As of January 31, 2020, the Company had 4,868 holders of record of the 50,529,765 common shares outstanding and 155,250 shares outstanding of the 6 3/4% Cumulative Convertible Preferred Stock.

(c) Dividends

In both 2019 and 2018, the Company paid $10.4 million of dividends on its 6 3/4% Cumulative Convertible Preferred Stock. In 2019 and 2018, the Company did not pay any dividends on its common stock and does not intend to pay any common stock dividends in 2020.

(d) Stock Performance

The following graph compares Cincinnati Bell Inc.'s cumulative five-year total shareholder return on common stock with the cumulative total returns of the S&P 500 index and the S&P Integrated Telecommunication Services index. The graph tracks the performance of a $100 investment in our common stock and in each index (with the reinvestment of all dividends) from December 31, 2014 to December 31, 2019.



	Dec-14	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19
Cincinnati Bell Inc.	$ 100	$ 113	$ 140	$ 131	$ 49	$ 66
S&P 500	$ 100	$ 101	$ 114	$ 138	$ 132	$ 174
S&P Integrated Telecommunication Services	$ 100	$ 103	$ 128	$ 128	$ 118	$ 152

(e) Issuer Purchases of Equity Securities

The following table provides information regarding the Company's purchases of its common stock during the quarter ended December 31, 2019:

Period	Total Number of Shares (or Units) Purchased	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs *	Approximate Dollar Value of Shares that May Yet Be Purchased Under Publicly Announced Plans or Programs (in millions)*
10/1/2019 - 12/31/2019	—	$ —	—	$ 124.4

* In February 2010, the Board of Directors approved an additional plan for the repurchase of the Company's outstanding common stock in an amount up to $150.0 million. This repurchase plan does not have a stated maturity.

Item 6. Selected Financial Data

We ceased operations of our wireless business as of March 2015. As a result, wireless financial results during 2015 are presented as discontinued operations.

All shares of common stock and per share information presented in the following table have been adjusted to reflect the Reverse Split on a retroactive basis for all periods presented.

Accounting Standard Update ("ASU") 2015-03, Simplifying the Presentation of Debt Issuance Costs, was adopted effective January 1, 2016. As a result, certain note issuance costs were reclassed from "Other noncurrent assets" to "Long-term debt, less current portion." All periods presented in the following table have been recast to present the impact of ASU 2015-03.

ASU 2016-09, Compensation - Stock Compensation, was adopted effective January 1, 2017. As a result, cash flows related to excess tax benefits were reclassed from "Cash flows from operating activities" to "Cash flows from financing activities." All periods presented in the following table have been recast to present the impact of ASU 2016-09.

ASU 2014-09, Revenue from Contracts with Customers, was adopted effective January 1, 2018. As a result, there was a change to the treatment of hardware revenue in the Infrastructure Solutions category from recording hardware revenue as a principal (gross) to recording revenue as an agent (net), and as such recorded hardware sales net of the related cost of products. Additionally, contract assets related to fulfillment costs and costs of acquisition were recorded to "Other noncurrent assets." The periods ending in 2017 and 2016 have been recast to present the impact of ASU 2014-09, respectively. Financial data for the period ending in 2015 has not been adjusted to reflect the adoption of ASU 2014-09. See Note 3 of Notes to Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K for further information regarding our adoption of Accounting Standards Codification ("ASC") 606.

ASU 2017-07, Improving the Presentation of Net Period Pension Cost and Net Periodic Postretirement Benefit Cost, was adopted effective January 1, 2018. As a result, expenses related to other components of net benefit cost were reclassed from "Cost of Services," "Selling, general and administrative" and "Other operating costs and losses" to a new line below Operating income, "Other components of pension and postretirement benefit plans expense." All periods presented in the following table have been recast to present the impact of ASU 2017-07.

ASU 2016-02, Leases, was adopted effective January 1, 2019. As a result, the Company recognized "operating lease right-of-use assets" and "operating lease liabilities" in the Consolidated Balance Sheets for 2019. ASU 2016-02 was adopted using the modified retrospective transition method, which did not require the Company to adjust comparative periods. Financial data for the periods ending in 2018, 2017, 2016 and 2015 have not been adjusted to reflect the adoption of ASU 2016-02. See Note 9 of Notes to Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K for further information regarding our adoption of ASC 842.

The selected financial data should be read in conjunction with the consolidated financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in this document.

(dollars in millions, except per share amounts)	2019	2018 (e)	2017 (f)	2016	2015
Operating Data					
Revenue	$ 1,536.7	$ 1,378.2	$ 1,065.7	$ 1,017.6	$ 1,167.8
Cost of services and products, selling, general and administrative, depreciation and amortization expense	1,443.9	1,264.1	959.1	905.8	1,023.4
Other operating costs and losses (a)	19.7	30.8	51.2	13.0	8.2
Operating income	73.1	83.3	55.4	98.8	136.2
Interest expense	139.6	131.5	85.2	75.7	103.1
Loss on extinguishment of debt, net	—	1.3	3.2	19.0	20.9
Loss from CyrusOne investment (b)	—	—	—	—	5.1
Gain on sale of CyrusOne investment	—	—	(117.7)	(157.0)	(449.2)
(Loss) income from continuing operations	(77.2)	(60.4)	66.7	164.4	290.8
Income from discontinued operations, net of tax	—	—	—	0.3	62.9
Net (loss) income	(66.6)	(69.8)	40.0	103.0	353.7
Basic (loss) earnings per common share from continuing operations	$ (1.53)	$ (1.73)	$ 0.70	$ 2.19	$ 6.69
Basic earnings per common share from discontinued operations	$ —	$ —	$ —	$ 0.01	$ 1.50
Basic (loss) earnings per common share	$ (1.53)	$ (1.73)	$ 0.70	$ 2.20	$ 8.19
Diluted (loss) earnings per common share from continuing operations	$ (1.53)	$ (1.73)	$ 0.70	$ 2.19	$ 6.68
Diluted earnings per common share from discontinued operations	$ —	$ —	$ —	$ 0.01	$ 1.49
Diluted (loss) earnings per common share	$ (1.53)	$ (1.73)	$ 0.70	$ 2.20	$ 8.17
Dividends declared per common share	$ —	$ —	$ —	$ —	$ —
Weighted-average common shares outstanding					
Basic	50.4	46.3	42.2	42.0	41.9
Diluted	50.4	46.3	42.4	42.1	42.0
Financial Position					
Property, plant and equipment, net	$ 1,780.8	$ 1,844.0	$ 1,129.0	$ 1,085.5	$ 975.5
Total assets (c)	2,653.8	2,730.2	2,187.6	1,561.3	1,446.4
Total long-term obligations (d)	2,270.3	2,263.5	1,948.2	1,429.8	1,485.4
Other Data					
Cash flow provided by operating activities	$ 259.1	$ 214.7	$ 203.4	$ 173.1	$ 111.0
Cash flow (used in) provided by investing activities	(223.3)	(437.4)	(236.8)	(95.5)	383.2
Cash flow (used in) provided by financing activities	(39.6)	(158.1)	420.2	(75.3)	(544.7)
Capital expenditures	(223.8)	(220.6)	(210.5)	(286.4)	(283.6)

(a) Other operating costs and losses consist of restructuring and severance related charges (reversals), loss (gain) on disposal of assets - net and transaction and integration costs.

(b) Losses represent our equity method share of CyrusOne's losses from the date of the IPO through December 31, 2015. Effective January 1, 2016, our ownership in CyrusOne was no longer accounted for using the equity method.

(c) Total assets include current and noncurrent assets from discontinued operations.

(d) Total long-term obligations are comprised of long-term debt, less current portion, operating lease liabilities, pension and postretirement benefit obligations, pole license agreement obligation, deferred income tax liabilities and other noncurrent liabilities. See Notes 1, 8, 9, 10 and 12 to the consolidated financial statements for discussions related to 2019 and 2018.

(e) Operating data includes Hawaiian Telcom results beginning with the date of acquisition in July 2018.

(f) Operating data includes OnX results beginning with the date of acquisition in October 2017.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Annual Report on Form 10-K and the documents incorporated by reference herein contain forward-looking statements regarding future events and results that are subject to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, are statements that could be deemed forward-looking statements. See "Private Securities Litigation Reform Act of 1995 Safe Harbor Cautionary Statement" for further information on forward-looking statements.

Pending Acquisition by Brookfield

On December 21, 2019, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") pursuant to which the Company will be acquired by an affiliate of the Brookfield Infrastructure Group ("Brookfield"), the infrastructure investment division of Brookfield Asset Management (the "Merger"). At the effective time of the Merger (the "Effective Time"), each of our issued and outstanding Common Shares will be converted into the right to receive $10.50 in cash per Common Share, without interest, and the 6 3/4% Cumulative Convertible Preferred Shares will remain issued and outstanding as 6 3/4% Cumulative Convertible Preferred Shares of the Company, without par value, following the Effective Time.

The consummation of the Merger is subject to customary closing conditions, including (i) the adoption of the Merger Agreement by the affirmative vote of the holders of at least two-thirds of all outstanding Common Shares and 6 3/4% Cumulative Convertible Preferred Shares, voting as a single class; (ii) the expiration or early termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended and (iii) the receipt of any required consents or approvals from (a) the Committee on Foreign Investment in the United States, (b) the Federal Communications Commission, (c) state public service and state public utility commissions, and (d) local regulators in connection with the provision of telecommunications and media services; and (iv) the absence of any legal restraint preventing the consummation of the Merger.

The Merger Agreement contains representations and warranties and covenants of the parties customary for a transaction of this nature.

The Merger is expected to close by the end of 2020, although there can be no assurance that the Merger will occur by that date. As a result of the Merger, the Company will cease to be a publicly traded company.

Unsolicited Proposal

On January 22, 2020, the Company received an unsolicited, non-binding proposal from an infrastructure fund (the "Fund") to acquire all of the outstanding Common Shares for $12.00 per share in cash (the "Proposal"). On January 23, 2020, the Company commenced discussions with the Fund regarding the Proposal following the Board of Directors having made the required determinations under the Merger Agreement that allow it to do so. The Board also reaffirmed its recommendation in support of the Merger.

Executive Summary

Segment results described in the Executive Summary and Consolidated Results of Operations section are net of intercompany and intersegment eliminations.

On July 2, 2018, the Company acquired Hawaiian Telcom Holdco, Inc. ("Hawaiian Telcom"). The Unified Communications as a Service ("UCaaS"), hardware, and enterprise long distance products and services provided by the Hawaiian Telcom business are included within the IT Services and Hardware segment. The Entertainment and Communications segment includes products delivered by Hawaiian Telcom such as high-speed internet access, digital subscriber lines, ethernet, dedicated internet access, indefeasible right of use ("IRU"), video, voice lines, consumer long distance and digital trunking.

Consolidated revenue totaled $1,536.7 million for the year ended December 31, 2019, an increase of $158.5 million compared to the same period in 2018, primarily due to the acquisition of Hawaiian Telcom. Hawaiian Telcom contributed $346.7 million and $175.0 million of revenue in 2019 and 2018, respectively. Revenue growth from the acquisition was partially offset by the decline in Legacy revenue exceeding the growth in revenue from our fiber offerings in Cincinnati as well as the decline of higher margin revenue contributed by General Electric Company ("GE") of $20.6 million in the Cloud practice. Fioptics revenue in Cincinnati increased $12.0 million while Legacy revenue in Cincinnati decreased $25.1 million in 2019 compared to the same period in the prior year.

The increases in cost of services and products, selling, general and administrative ("SG&A"), and depreciation and amortization expenses are primarily related to the acquisition of Hawaiian Telcom.

Operating income in 2019 was $73.1 million, down $10.2 million compared to the same period in 2018. The revenue contribution from Hawaiian Telcom in addition to the decrease in transaction and integration costs were more than offset by declines in Legacy revenue and increases in cost of services and products, depreciation and amortization and SG&A costs.

Loss before income taxes totaled $77.2 million for the year ended December 31, 2019, resulting in an increase in the loss of $16.8 million as compared to the comparable period in 2018. In addition to the items impacting operating income, the increased loss before income taxes is primarily due to increased interest expense related to additional debt acquired to fund the acquisition of Hawaiian Telcom.

Consolidated Results of Operations

Revenue

(dollars in millions)	2019	2018	$ Change 2019 vs. 2018	% Change 2019 vs. 2018	2017	$ Change 2018 vs. 2017	% Change 2018 vs. 2017
Revenue							
Entertainment and Communications	$ 974.1	$ 831.1	$ 143.0	17%	$ 684.9	$ 146.2	21%
IT Services and Hardware	562.6	547.1	15.5	3%	380.8	166.3	44%
Total revenue	$ 1,536.7	$ 1,378.2	$ 158.5	12%	$ 1,065.7	$ 312.5	29%

Entertainment and Communications revenue increased in 2019 and 2018 compared to the same periods in the prior year primarily due to the acquisition of Hawaiian Telcom, which contributed revenue of $306.6 million and $155.1 million in 2019 and 2018, respectively. In Cincinnati, the growth in Fioptics partially mitigated the decline in Legacy revenue. Fioptics revenue in Cincinnati totaled $353.2 million, $341.2 million and $309.9 million for the years ended December 31, 2019, 2018 and 2017, respectively, up 4% in 2019 and up 10% in 2018 from the comparable prior year.

IT Services and Hardware revenue increased in 2019 compared to 2018 primarily due to the acquisition of Hawaiian Telcom which contributed revenue of $40.1 million and $19.9 million in 2019 and 2018, respectively. In addition to the impact of the acquisition, increased revenue from the Communications and Consulting practices was partially offset by lower revenue in the Cloud and Infrastructure Solutions practices. Cloud revenue decline is primarily due to lower revenue contributed by GE of $20.6 million due to GE insourcing certain cloud services. Revenue increased in 2018 compared to 2017 primarily due to the acquisition of OnX that closed in the fourth quarter of 2017, and to a lesser extent, the acquisition of Hawaiian Telcom.

Operating costs

(dollars in millions)	2019	2018	$ Change 2019 vs. 2018	% Change 2019 vs. 2018	2017	$ Change 2018 vs. 2017	% Change 2018 vs. 2017
Cost of services and products							
Entertainment and Communications	$ 445.0	$ 384.1	$ 60.9	16%	$ 304.6	$ 79.5	26%
IT Services and Hardware	339.6	314.6	25.0	8%	226.4	88.2	39%
Total cost of services and products	$ 784.6	$ 698.7	$ 85.9	12%	$ 531.0	$ 167.7	32%

Entertainment and Communications costs increased in 2019 and 2018 compared to the same periods in the prior year primarily due to the acquisition of Hawaiian Telcom which contributed costs of $150.9 million and $80.1 million in 2019 and 2018, respectively. Excluding the impact associated with the acquisition, costs of services and products decreased $9.9 million and $0.6 million for the years ended December 31, 2019 and 2018, respectively, as compared to the comparable periods in the prior year. The decrease in 2019 compared to 2018 is due to lower contract services costs and lower payroll related costs due to headcount reductions made during restructuring initiatives that were executed in 2017 and 2018. The decrease in 2018 compared to 2017 is due to lower payroll related costs resulting from restructuring initiatives which were partially offset by increased video content costs due to higher rates charged by our content providers.

IT Services and Hardware costs increased in 2019 compared to 2018 due to increased payroll and contractor costs associated with resources utilized to support the revenue growth in the Communications and Consulting practices for the year ended December 31, 2019 as compared to the same period in the prior year. In addition, Hawaiian Telcom contributed $21.9 million and $9.8 million to cost of services and products in 2019 and 2018, respectively. Costs increased in 2018 compared to the prior year comparable period primarily due to expense associated with headcount in place for twelve months in 2018 versus three months in 2017 as a result of the acquisition of OnX.

(dollars in millions)	2019	2018	$ Change 2019 vs. 2018	% Change 2019 vs. 2018	2017	$ Change 2018 vs. 2017	% Change 2018 vs. 2017
Selling, general, and administrative							
Entertainment and Communications	$ 179.1	$ 148.0	$ 31.1	21%	$ 120.1	$ 27.9	23%
IT Services and Hardware	153.3	151.1	2.2	1%	97.7	53.4	55%
Corporate	22.0	14.3	7.7	54%	17.3	(3.0)	(17)%
Total selling, general and administrative	$ 354.4	$ 313.4	$ 41.0	13%	$ 235.1	$ 78.3	33%

Entertainment and Communications SG&A expenses were up in 2019 and 2018 compared to the same periods in the prior year primarily due to the acquisition of Hawaiian Telcom. Hawaiian Telcom contributed SG&A expense of $64.2 million and $32.9 million in 2019 and 2018, respectively. SG&A costs also increased in 2019 compared to the prior year due to an increase in advertising expense and the bad debt reserve for certain receivables with a wholesale customer that filed for bankruptcy in the first quarter of 2019 whose collectability remains uncertain. These increases were partially offset as the segment continues to focus on cost containment and realizing synergies with Hawaiian Telcom. The increase in 2018 as compared to 2017 was partially offset by lower payroll costs in Cincinnati that are a result of headcount reductions from restructuring initiatives that were executed in the first quarter of 2017.

IT Services and Hardware SG&A costs increased in 2019 compared to the prior year due to additional expense contributed by Hawaiian Telcom. Hawaiian Telcom contributed SG&A costs of $9.4 million and $5.4 million in 2019 and 2018, respectively. The increase in 2019 was partially offset by lower payroll costs resulting from headcount reductions carried out in 2018. SG&A costs were up in 2018 compared to 2017 primarily due to expense associated with headcount in place for twelve months in 2018 versus three months in 2017 as a result of the acquisition of OnX.

Corporate SG&A costs increased in 2019 driven largely by higher payroll related costs. In 2018, certain functions previously allocated to Corporate were better aligned with the segment these functions support and expenses allocated to those segments, resulting in lower costs in 2018 compared to 2017.

(dollars in millions)	2019	2018	$ Change 2019 vs. 2018	% Change 2019 vs. 2018	2017	$ Change 2018 vs. 2017	% Change 2018 vs. 2017
Depreciation and amortization expense							
Entertainment and Communications	$ 255.8	$ 210.8	$ 45.0	21%	$ 163.7	$ 47.1	29%
IT Services and Hardware	48.9	41.0	7.9	19%	29.1	11.9	41%
Corporate	0.2	0.2	—	0%	0.2	—	0%
Total depreciation and amortization expense	$ 304.9	$ 252.0	$ 52.9	21%	$ 193.0	$ 59.0	31%

The increase in Entertainment and Communications depreciation and amortization expense in 2019 and 2018 versus the prior year comparable periods is due to the acquisition of Hawaiian Telcom and the related increase in intangibles and property, plant and equipment.

The increase in IT Services and Hardware depreciation and amortization expense in 2019 compared to the same period in 2018 is due to accelerated depreciation for certain network assets that were determined in the first quarter of 2019 to have a shorter useful life due to a change in customer requirements. Hawaiian Telcom also contributed $3.8 million to depreciation expense in the year ended December 31, 2019. The increase in 2018 compared to the same period in the prior year is primarily related to the amortization of intangible assets acquired as part of the SunTel Services LLC ("SunTel") and OnX acquisitions, as well as depreciation expense related to acquired property, plant and equipment.

(dollars in millions)	2019	2018	$ Change 2019 vs. 2018	% Change 2019 vs. 2018	2017	$ Change 2018 vs. 2017	% Change 2018 vs. 2017
Restructuring and severance related charges							
Entertainment and Communications	$ 4.9	$ 3.1	$ 1.8	58%	$ 27.6	$ (24.5)	(89)%
IT Services and Hardware	2.0	4.9	(2.9)	(59)%	5.1	(0.2)	(4)%
Corporate	—	0.3	(0.3)	n/m	—	0.3	n/m
Total restructuring and severance related charges	$ 6.9	$ 8.3	$ (1.4)	(17)%	$ 32.7	$ (24.4)	(75)%

Restructuring and severance charges recorded in 2019 in the Entertainment and Communications segment are primarily related to a severance program for certain management employees as the Company continues its efforts to realize synergies from the acquisition of Hawaiian Telcom. The IT Services and Hardware segment also recorded restructuring and severance charges in 2019 associated with initiatives to reduce and contain costs as well as headcount reductions as a result of insourcing initiatives by one of our significant customers.

Restructuring and severance charges recorded in 2018 are primarily related to continued efforts to realize synergies following the acquisitions of Hawaiian Telcom and OnX. In the fourth quarter of 2018, there was a voluntary severance program ("VSP") for certain management employees in the Entertainment and Communications segment as well as Corporate. In the second quarter of 2018, the Company incurred severance costs associated with initiatives to reduce costs in the IT Services and Hardware segment. In addition, a restructuring charge associated with lease abandonment of $0.8 million was recorded in the second quarter of 2018 related to an office space that will no longer be utilized.

In 2017, restructuring and severance related charges were associated with the Company-initiated reorganizations within both segments of the business that resulted in headcount reductions. The reorganizations were intended to more appropriately align the Company for future growth and reduce field and network costs within our legacy copper network.

Other operating costs

(dollars in millions)	2019	2018	$ Change 2019 vs. 2018	% Change 2019 vs. 2018	2017	$ Change 2018 vs. 2017	% Change 2018 vs. 2017
Other operating costs							
Transaction and integration costs	$ 12.8	$ 22.5	$ (9.7)	(43)%	$ 18.5	$ 4.0	22%
Total other operating costs	$ 12.8	$ 22.5	$ (9.7)	(43)%	$ 18.5	$ 4.0	22%

Transaction and integration costs incurred in 2019, recorded as a Corporate expense, are primarily due to the pending acquisition by Brookfield entered into in the fourth quarter of 2019. Transaction and integration costs incurred in 2018 are due to the acquisition of Hawaiian Telcom that closed in the third quarter of 2018. Transaction and integration costs incurred in 2017 are due to the acquisition of SunTel in the first quarter of 2017, the acquisition of OnX that closed in the fourth quarter of 2017, and costs incurred leading up to the acquisition of Hawaiian Telcom.

Non-operating expenses (income)

(dollars in millions)	2019	2018	$ Change 2019 vs. 2018	% Change 2019 vs. 2018	2017	$ Change 2018 vs. 2017	% Change 2018 vs. 2017
Non-operating costs							
Interest expense	$ 139.6	$ 131.5	$ 8.1	6%	$ 85.2	$ 46.3	54%
Loss on extinguishment of debt, net	—	1.3	(1.3)	n/m	3.2	(1.9)	(59)%
Other components of pension and postretirement benefit plans expense	11.2	12.5	(1.3)	(10)%	16.6	(4.1)	(25)%
Gain on sale of CyrusOne investment	—	—	—	n/m	(117.7)	117.7	n/m
Other (income) expense, net	(0.5)	(1.6)	1.1	(69)%	1.4	(3.0)	n/m
Income tax (benefit) expense	(10.6)	9.4	(20.0)	n/m	26.7	(17.3)	(65)%

Interest expense increased in 2019 compared to the same period in 2018 primarily due to interest incurred on the amounts outstanding on the Receivables Facility and the Revolving Credit Facility used to partially fund the cash portion of the acquisition of Hawaiian Telcom. Interest expense increased in 2018 compared to comparable period in the prior year due to financing transactions that took place during the fourth quarter of 2017. The Company entered into the $600.0 million Tranche B Term Loan due 2024, issued $350.0 million 8% Senior Notes, and repaid the remaining $315.8 million Tranche B Term Loan due 2020 outstanding under its previous Corporate Credit Agreement with the proceeds from the $600.0 million Tranche B Term Loan due 2024.

Other components of pension and postretirement benefit plans expense was lower in 2018 compared to 2017 primarily due to a $4.0 million pension settlement charge for the Cincinnati Bell Pension Plan ("CBPP") in 2017 as a result of the lump sum payments to CBPP participants exceeding the sum of the service cost and interest cost component of net pension cost for the year.

In 2017, the Company recognized a gain of $117.7 million on the sale of 2.8 million CyrusOne common shares.

Income tax expense fluctuates based on changes in income from continuing operations before income taxes, adjusted for non-deductible expenses, as well as rate changes. In periods without tax law changes, the Company expects its effective tax rate to exceed statutory rates due to non-deductible expenses. Non-deductible expenses related to the Brookfield transaction were incurred during 2019 in the amount of $11.1 million. Non-deductible expenses related to the acquisitions of Hawaiian Telcom and OnX were incurred during 2018 and 2017 in the amount of $9.0 million and $10.4 million, respectively. In addition, changes in the valuation allowance impact income tax expense. In 2018, a valuation allowance of $14.8 million was established against non-deductible interest, which increased by $1.8 million in 2019. Valuation allowances on state NOLs decreased in 2019 by $2.9 million compared to the prior year.

The Company uses federal and state net operating loss carryforwards to defray payment of federal and state tax liabilities. The Company also had significant Alternative Minimum Tax ("AMT") refundable tax credit carryforwards available to offset future income tax liabilities. The Company made elections on its 2016 and 2017 income tax returns to claim the available portion of these credits in lieu of claiming bonus depreciation. The Company received refunds of AMT credits in the amounts of $14.9 million and $14.8 million in 2018 and 2017, respectively, related to this matter. The Company also received a refund of $1.7 million in AMT credits in 2019. Remaining AMT credits outstanding total $1.7 million and are expected be refunded by 2023.

Discussion of Operating Segment Results

The Company manages its business based upon product and service offerings. For the years ended December 31, 2019, 2018, and 2017, we operated two business segments: Entertainment and Communications and IT Services and Hardware. Certain corporate administrative expenses have been allocated to our business segments based upon the nature of the expense and the relative size of the segment. Intercompany transactions between segments have been eliminated.

Entertainment and Communications

The Entertainment and Communications segment provides products and services that can be categorized as either Fioptics in Cincinnati or Consumer/SMB Fiber in Hawaii (collectively, "Consumer/SMB Fiber"), Enterprise Fiber or Legacy. Cincinnati Bell Telephone Company LLC ("CBT"), a subsidiary of the Company, is the incumbent local exchange carrier ("ILEC") for a geography that covers a radius of approximately 25 miles around Cincinnati, Ohio, and includes parts of northern Kentucky and southeastern Indiana. CBT has operated in this territory for over 145 years. Voice and data services in the Enterprise Fiber and Legacy categories that are delivered beyond the Company's ILEC territory, particularly in Dayton and Mason, Ohio, are provided through the operations of Cincinnati Bell Extended Territories LLC ("CBET"), a subsidiary of CBT. On July 2, 2018, the Company acquired Hawaiian Telcom. Hawaiian Telcom is the ILEC for the State of Hawaii and the largest full service provider of communications services and products in the state. Originally incorporated in Hawaii in 1883 as Mutual Telephone Company, Hawaiian Telcom has a strong heritage of over 135 years as Hawaii's communications carrier. Its services are offered on all of Hawaii's major islands, except its video service, which currently is only available on the island of Oahu.

Consumer/SMB Fiber products include high-speed internet access, voice lines and video. The Company is able to deliver speeds of up to 30 megabits or more to approximately 75% of Greater Cincinnati and up to 20 megabits or more to approximately 50% of Hawaii's total addressable market.

Enterprise Fiber products include metro-ethernet, dedicated internet access, wavelength, IRU contracts, and wireless backhaul to macro-towers and small cells. As enterprise customers migrate from legacy products and copper-based technology, our metro-ethernet product becomes the preferred method of transport due to its ability to support multiple applications on a single physical connection.

Legacy products include traditional voice lines, consumer long distance, switched access, digital trunking, DSL, DS0, DS1, DS3 and other value-added services such as caller identification, voicemail, call waiting and call return.

(dollars in millions)	2019	2018	$ Change 2019 vs. 2018	% Change 2019 vs. 2018	2017	$ Change 2018 vs. 2017	% Change 2018 vs. 2017
Revenue:							
Data	$ 475.0	$ 402.6	$ 72.4	18%	$ 344.5	$ 58.1	17%
Video	203.0	183.3	19.7	11%	148.9	34.4	23%
Voice	284.9	244.9	40.0	16%	199.0	45.9	23%
Other	32.8	22.6	10.2	45%	13.7	8.9	65%
Total Revenue	995.7	853.4	142.3	17%	706.1	147.3	21%
Operating costs and expenses:							
Cost of services and products	450.4	388.2	62.2	16%	308.6	79.6	26%
Selling, general and administrative	179.1	148.0	31.1	21%	120.1	27.9	23%
Depreciation and amortization	255.8	210.8	45.0	21%	163.7	47.1	29%
Restructuring and severance charges	4.9	3.1	1.8	58%	27.6	(24.5)	(89)%
Total operating costs and expenses	890.2	750.1	140.1	19%	620.0	130.1	21%
Operating income	$ 105.5	$ 103.3	$ 2.2	2%	$ 86.1	$ 17.2	20%
Operating margin	10.6%	12.1%		(1.5) pts	12.2%		(0.1) pts
Capital expenditures	$ 201.3	$ 194.0	7.3	4%	$ 186.3	7.7	4%

Entertainment and Communications, continued

Metrics information (in thousands):	2019	2018	Change 2019 vs. 2018	% Change 2019 vs. 2018	2017	Change 2018 vs. 2017	% Change 2018 vs. 2017
Cincinnati							
Fioptics							
Data							
Internet FTTP*	219.2	201.5	17.7	9%	179.6	21.9	12%
Internet FTTN*	31.4	37.5	(6.1)	(16)%	47.0	(9.5)	(20)%
Total Fioptics Internet	250.6	239.0	11.6	5%	226.6	12.4	5%
Video							
Video FTTP	112.7	115.0	(2.3)	(2)%	116.5	(1.5)	(1)%
Video FTTN	22.4	24.9	(2.5)	(10)%	30.0	(5.1)	(17)%
Total Fioptics Video	135.1	139.9	(4.8)	(3)%	146.5	(6.6)	(5)%
Voice							
Fioptics Voice Lines	106.8	107.6	(0.8)	(1)%	105.9	1.7	2%
Fioptics Units Passed							
Units passed FTTP	484.8	472.3	12.5	3%	431.3	41.0	10%
Units passed FTTN	138.6	138.7	(0.1)	0%	140.9	(2.2)	(2)%
Total Fioptics units passed	623.4	611.0	12.4	2%	572.2	38.8	7%
Enterprise Fiber							
Data							
Ethernet Bandwidth (Gb)	5,228	4,565	663	15%	3,919	646	16%
Legacy							
Data							
DSL	64.0	72.0	(8.0)	(11)%	82.1	(10.1)	(12)%
Voice							
Legacy Voice Lines	196.8	226.2	(29.4)	(13)%	262.0	(35.8)	(14)%

*Fiber to the Premise (FTTP), Fiber to the Node (FTTN)

Metrics information (in thousands):	2019	2018	Change 2019 vs. 2018	% Change 2019 vs. 2018
Hawaii				
Consumer / SMB Fiber				
Data				
Internet FTTP*	55.4	51.6	3.8	7%
Internet FTTN*	12.8	14.3	(1.5)	(10)%
Total Consumer / SMB Fiber Internet	68.2	65.9	2.3	3%
Video				
Video FTTP	30.6	33.8	(3.2)	(9)%
Video FTTN	12.1	15.0	(2.9)	(19)%
Total Consumer / SMB Fiber Video	42.7	48.8	(6.1)	(13)%
Voice				
Consumer / SMB Fiber Voice Lines	30.0	30.3	(0.3)	(1)%
Consumer / SMB Fiber Units Passed **				
Units passed FTTP	173.5	167.0	6.5	4%
Units passed FTTN	72.9	73.5	(0.6)	(1)%
Total Consumer / SMB Fiber units passed	246.4	240.5	5.9	2%
Enterprise Fiber				
Data				
Ethernet Bandwidth (Gb)	3,651	2,091	1,560	75%
Legacy				
Data				
DSL	42.9	48.7	(5.8)	(12)%
Voice				
Legacy Voice Lines	177.1	197.8	(20.7)	(10)%

* Fiber to the Premise (FTTP), Fiber to the Node (FTTN)

** Includes units passed for both consumer and business on Oahu and neighbor islands

Entertainment and Communications, continued

	Twelve Months Ended December 31,								
	2019			2018			2017		
(dollars in millions)	Cincinnati	Hawaii	Total	Cincinnati	Hawaii	Total	Cincinnati	Hawaii	Total
Revenue									
Consumer / SMB Fiber *									
Data	$ 155.4	$ 32.1	$ 187.5	$ 142.5	$ 13.5	$ 156.0	$ 126.3	$ —	$ 126.3
Video	159.5	43.5	203.0	160.1	23.2	183.3	148.9	—	148.9
Voice	36.8	10.9	47.7	37.4	5.4	42.8	33.6	—	33.6
Other	1.5	0.7	2.2	1.2	0.2	1.4	1.1	—	1.1
Total Consumer / SMB Fiber	353.2	87.2	440.4	341.2	42.3	383.5	309.9	—	309.9
Enterprise Fiber									
Data	84.9	39.4	124.3	84.3	17.7	102.0	86.1	—	86.1
Legacy									
Data	103.4	59.8	163.2	111.8	32.8	144.6	132.1	—	132.1
Voice	126.1	111.1	237.2	143.4	58.7	202.1	165.4	—	165.4
Other	14.1	16.5	30.6	13.5	7.7	21.2	12.6	—	12.6
Total Legacy	243.6	187.4	431.0	268.7	99.2	367.9	310.1	—	310.1
Total Entertainment and Communications revenue	$ 681.7	$ 314.0	$ 995.7	$ 694.2	$ 159.2	$ 853.4	$ 706.1	$ —	$ 706.1

*Represents Fioptics in Cincinnati.

Cincinnati Fioptics and Hawaii Consumer/SMB Fiber (collectively, "Consumer/SMB Fiber")

Consumer/SMB Fiber revenue increased by $56.9 million in 2019 compared to 2018 primarily due to increased revenue contributed by Hawaiian Telcom of $44.9 million. Hawaiian Telcom adds 42,700 video subscribers, 68,200 internet subscribers and 30,000 voice subscribers to the existing base of subscribers. The increase is also a result of the 5% increase in the subscriber base for internet in Cincinnati as we focus our attention on growing the internet FTTP subscriber base. In addition, the Average Revenue Per User (“ARPU”) increased 4% for both internet and video in Cincinnati as compared to the prior year partially offsetting the decline in video subscribers in Cincinnati. ARPU increases are related to price increases for internet and video as well as the change in the mix of subscribers for video.

Consumer/SMB Fiber revenue increased by $73.6 million in 2018 compared to 2017 primarily due to revenue contributed by Hawaiian Telcom of $42.3 million. The remaining revenue increase was due to increases in the subscriber base for internet and voice, as well as rate favorability across all products in Cincinnati. The internet subscriber base in Cincinnati increased by 5% and the voice subscriber base increased by 2%. The video subscriber base decreased by 5%; however, rate increases mitigated the impact of this decline on revenue. The ARPU on a year-to-date basis increased for internet, voice, and video by 3%, 6% and 6%, respectively, compared to the prior year.

Enterprise Fiber

Enterprise Fiber revenue increased year over year primarily due to incremental revenue from Hawaiian Telcom of $39.4 million and $17.7 million for the year ended December 31, 2019 and 2018, respectively. Hawaiian Telcom Enterprise Fiber includes revenue from the SEA-US cable, metro-ethernet and dedicated internet access. In addition, enterprise customers are migrating from legacy product offerings to higher bandwidth fiber solutions, as evidenced by the 15% and 16% increases in Ethernet Bandwidth in Cincinnati in 2019 and 2018, respectively, and 75% increase in Hawaii in 2019, compared to the comparable periods in the prior year. The increase to revenue from additional customers is offset by pricing pressures. In 2018, the increase in revenue contributed by Hawaiian Telcom and migration of customers was partially offset due to a one-time project that was completed in the second quarter of 2017 in the amount of $5.4 million.

Legacy

Legacy revenue increased year over year due to incremental revenue from Hawaiian Telcom of $187.4 million and $99.2 million for the year ended December 31, 2019 and 2018, respectively. Hawaiian Telcom adds 42,900 DSL subscribers and 177,100 voice subscribers to the existing base of subscribers. Increased revenue generated by Hawaiian Telcom was partially offset due to declines in both voice lines and DSL subscribers in Cincinnati. Declines in voice lines and DSL subscribers in 2019 and 2018 have contributed to the declining revenue in both of those years. Voice lines in Cincinnati declined 13% in 2019 compared to 2018, and 14% in 2018 compared to 2017, as the traditional voice lines become less relevant. DSL subscribers in Cincinnati decreased by 11% in 2019 compared to 2018, and 12% in 2018 compared to 2017, as subscribers demand the higher speeds that can be provided by fiber. In addition, declines in DS0, DS1, DS3 and digital trunking have contributed to the revenue decline in both 2019 and 2018 compared to the same periods in the prior year as customers migrate away from these solutions to fiber-based solutions.

Entertainment and Communications, continued

Operating Costs and Expenses

Cost of services and products increased in 2019 compared to 2018 primarily due to increased expense contributed by Hawaiian Telcom of $70.9 million. After considering the impact of the acquisition, costs of services and products decreased by $8.7 million. This decrease in 2019 compared to 2018 is primarily due to decreases in contract services and payroll costs. The decrease in contract services is driven by savings realized associated with the Company's call center. Lower payroll costs are due to reduced headcount and lower overtime. The reduced headcount is a result of the restructuring that took place in the prior two years. Lower overtime is the result of lower video activations as well as the rollout of certain internet installations performed by the consumer.

Cost of services and products increased in 2018 compared to the prior year primarily due to the acquisition of Hawaiian Telcom. Hawaiian Telcom contributed $80.2 million to cost of services and products in 2018. Excluding the impact associated with the acquisition, costs of services and products decreased by $0.6 million. This decrease in 2018 compared to 2017 was primarily due to lower payroll costs due to reduced headcount as a result of the restructuring that took place in the first quarter of 2017. Network costs were also down due to a large one-time project recognized in the second quarter of 2017. These decreases were partially offset by higher programming costs resulting from higher rates charged by content providers.

SG&A expenses increased $31.1 million in 2019 compared to the prior year primarily due to increased expense contributed by Hawaiian Telcom of $31.4 million. In addition, bad debt expense increased related to a reserve for certain receivables with a wholesale customer that filed for bankruptcy in the first quarter of 2019, and advertising expense increased due to additional media spending. These increases were offset as the segment continues to focus on cost containment and realizing synergies with Hawaiian Telcom. SG&A expenses increased in 2018 compared to 2017 due to the acquisition of Hawaiian Telcom. Hawaiian Telcom contributed $32.9 million of SG&A expense in 2018. The increase contributed by Hawaiian Telcom was partially offset by decreased payroll related costs as a result of the restructuring that took place in the first quarter of 2017. Payroll related costs were down $5.7 million in 2018 compared to 2017.

Depreciation and amortization expenses were up in 2019 compared to the prior year due to increased expense contributed by Hawaiian Telcom of $47.4 million. Excluding the increase associated with the acquisition, depreciation and amortization expense decreased $2.4 million due to certain property, plant and equipment reaching the end of its useful life. Depreciation and amortization expenses were up in 2018 compared to 2017 primarily due to the acquisition of Hawaiian Telcom as well as assets placed in service in connection with the expansion of our fiber network in Cincinnati. Hawaiian Telcom contributed $44.7 million of depreciation and amortization expense in 2018.

Restructuring and severance charges recorded in 2019 are related to a severance program for certain management employees as the Company continues its efforts to realize synergies that can be achieved due to the acquisition of Hawaiian Telcom. Restructuring and severance charges were recorded in the fourth quarter of 2018 related to a VSP for certain management employees in Cincinnati as the Company identified efficiencies that can be achieved due to the acquisition of Hawaiian Telcom. Restructuring and severance charges recorded in 2017 were related to a VSP for certain bargained employees to reduce field and network costs associated with our legacy copper network.

Entertainment and Communications, continued

Capital Expenditures

(dollars in millions)	Twelve Months Ended December 31, 2019 Cincinnati	Hawaii	Total
Consumer / SMB Fiber capital expenditures *			
Construction	$ 25.3	$ 9.4	$ 34.7
Installation	45.1	14.2	59.3
Other	10.6	1.3	11.9
Total Consumer / SMB Fiber	81.0	24.9	105.9
Enterprise Fiber	14.6	9.4	24.0
Other	39.4	32.0	71.4
Total Entertainment and Communications capital expenditures	$ 135.0	$ 66.3	$ 201.3

	Twelve Months Ended December 31, 2018 Cincinnati	Hawaii	Total
Consumer / SMB Fiber capital expenditures *			
Construction	$ 39.1	$ 5.1	$ 44.2
Installation	47.8	12.4	60.2
Other	12.2	1.5	13.7
Total Consumer / SMB Fiber	99.1	19.0	118.1
Enterprise Fiber	14.9	10.2	25.1
Other	37.3	13.5	50.8
Total Entertainment and Communications capital expenditures	$ 151.3	$ 42.7	$ 194.0

	Twelve Months Ended December 31, 2017 Cincinnati	Hawaii	Total
Consumer / SMB Fiber capital expenditures *			
Construction	$ 53.8	$ —	$ 53.8
Installation	55.1	—	55.1
Other	15.7	—	15.7
Total Consumer / SMB Fiber	124.6	—	124.6
Enterprise Fiber	19.6	—	19.6
Other	42.1	—	42.1
Total Entertainment and Communications capital expenditures	$ 186.3	$ —	$ 186.3

*Represents Fioptics in Cincinnati

Capital expenditures in Cincinnati are incurred to expand our Fioptics product suite, upgrade and increase capacity for our networks, and to extend the life of our fiber and copper networks. The Company is focused on building FTTP addresses, and during 2019, we passed 12,500 FTTP addresses in Cincinnati. As of December 31, 2019, the Company is able to deliver its Fioptics services with speeds up to 30 megabits or more to 623,400 residential and commercial addresses, or 75% of our operating territory in Cincinnati. Cincinnati construction capital expenditures decreased $13.8 million in 2019 compared to 2018 due to passing fewer addresses and the timing of capital expenditures, which does not necessarily coincide with the timing of when addresses become available. Cincinnati installation capital expenditures are primarily related to the timing of expenditures for customer premise equipment utilized for installations. In 2019, Cincinnati installation capital expenditures decreased $2.7 million compared to the prior year.

Cincinnati construction capital expenditures decreased $14.7 million in 2018 compared to 2017 even though we passed 38,800 doors in both 2018 and 2017 due to more efficient capital spending. In addition, construction costs incurred for Connect America Fund ("CAF") doors totaled $5.5 million in 2017 compared to $1.4 million in 2018. Cincinnati installation capital expenditures decreased $7.3 million for 2018 compared to 2017 due to fewer video and internet activations in 2018. Installation capital expenditures were also impacted by the timing of expenditures for customer premise equipment utilized for installations as well as the Company's implementation of self-installations in Cincinnati which has led to a decrease in the average cost per install.

Enterprise Fiber capital expenditures in Cincinnati are related to success-based fiber builds, including associated equipment, for enterprise and carrier projects to provide ethernet services. Other capital expenditures are related to IT projects, cable and equipment maintenance and capacity additions, real estate upgrades and maintenance, plus other minor capital purchases.

Entertainment and Communications, continued

Hawaii construction capital expenditures increased $4.3 million in 2019 compared to 2018 due to building out 5,900 new FTTP addresses in 2019, primarily in rural areas and on the neighbor islands. Hawaii installation capital expenditures increased $1.8 million compared to the same period in the prior year which only includes six months of activity subsequent to the acquisition close date. Enterprise fiber capital in Hawaii is primarily driven by new ethernet customers. Hawaii capital expenditures classified as Other include IT projects, real estate projects, road jobs or plant damage projects, and network upgrades or optimization projects.

IT Services and Hardware

The IT Services and Hardware segment provides end-to-end solutions from consulting to implementation to ongoing optimization. These solutions include Cloud, Communications and Consulting services along with the sale and maintenance of major branded Telecom and IT hardware reported as Infrastructure Solutions. These services and products are provided through the Company's subsidiaries in various geographic areas throughout the United States, Canada and Europe. By offering a full range of equipment and strategic services in conjunction with the Company's fiber and copper networks, the IT Services and Hardware segment provides our customers personalized solutions designed to meet their business objectives.

Cloud services include the design, implementation and on-going management of the customer's infrastructure. This includes on-premise, public cloud and private cloud solutions. The Company assists customers with the risk assessment phase through an in-depth understanding of the customer's business as well as building and designing a solution, using either the customer's existing infrastructure or new cloud-based options that transform the way the customer does business.

Communications solutions help to transform the way our customers do business by connecting employees, customers, and business partners. By upgrading legacy technologies through customized build projects and reducing customer costs, the Company helps to transform the customer's business. These services include Unified Communications as a Service ("UCaaS"), Software-Defined Wide Area Network ("SD-WAN"), Network as a Service ("NaaS"), Contact Center and Collaboration.

Using our experience and expertise, Infrastructure Solutions are tailored to our customers' organizational goals. We offer a complete portfolio of services that provide customers with efficient and optimized IT solutions that are agile and responsive to their business and are integrated, simplified and manageable. Through consulting with customers, the Company will build a solution using standard manufacturer equipment to meet our customers' specific requirements.

Consulting services help customers assess their business and technology needs and provide the talent needed to ensure success. The Company is a premier provider of application services and IT staffing.

(dollars in millions)	2019	2018	$ Change 2019 vs. 2018	% Change 2019 vs. 2018	2017	$ Change 2018 vs. 2017	% Change 2018 vs. 2017
Revenue:							
Consulting	$ 152.6	$ 138.7	$ 13.9	10%	$ 77.0	$ 61.7	80%
Cloud	92.1	98.0	(5.9)	(6)%	81.0	17.0	21%
Communications	198.7	178.5	20.2	11%	160.6	17.9	11%
Infrastructure Solutions	124.0	135.7	(11.7)	(9)%	66.5	69.2	n/m
Total revenue	567.4	550.9	16.5	3%	385.1	165.8	43%
Operating costs and expenses:							
Cost of services and products	359.6	335.7	23.9	7%	247.0	88.7	36%
Selling, general and administrative	154.3	152.1	2.2	1%	98.6	53.5	54%
Depreciation and amortization	48.9	41.0	7.9	19%	29.1	11.9	41%
Restructuring and severance related charges	2.0	4.9	(2.9)	(59)%	5.1	(0.2)	(4)%
Total operating costs and expenses	564.8	533.7	31.1	6%	379.8	153.9	41%
Operating income	$ 2.6	$ 17.2	$ (14.6)	(85)%	$ 5.3	$ 11.9	n/m
Operating margin	0.5%	3.1%		(2.6) pts	1.4%		1.7 pts
Capital expenditures	$ 22.4	$ 26.4	$ (4.0)	(15)%	$ 24.2	$ 2.2	9%

Metrics information (in thousands):	December 31, 2019	2018	Change	% Change
Consulting				
Billable Resources	1,034	1,039	(5)	0%
Communications				
NaaS Locations	4,047	2,257	1,790	79%
SD - WAN Locations	2,197	803	1,394	n/m
Hosted UCaaS Profiles*	274,654	239,581	35,073	15%

*Includes Hawaii Hosted UCaaS Profiles

IT Services and Hardware, continued

Revenue

IT Services and Hardware revenue increased $16.5 million in 2019 compared to 2018 due to increased revenue in the Consulting and Communications practices. Consulting revenue increased compared to the prior year due to obtaining significant new customers and projects throughout 2018. Communications revenue increased primarily due to the acquisition of Hawaiian Telcom, which contributed $23.9 million of revenue in 2019. In addition, Communications revenue increased as a result of customers migrating to newer technologies which has increased the Company's Hosted UCaaS profiles, NaaS locations and SD-Wan locations. This increase was partially offset by the decline in one-time Communications projects and legacy long distance revenue decline. Cloud revenue decreased compared to the prior year as increased revenue from one-time projects was more than offset by lower revenue contributed by GE of $20.6 million. Infrastructure Solutions revenue also decreased due to a decline in one-time projects and hardware sales.

IT Services and Hardware revenue increased $165.8 million in 2018 compared to the comparable period in 2017. Consulting and Infrastructure Solutions are the main contributors to this revenue increase in 2018, primarily due the acquisition of OnX in the fourth quarter of 2017. OnX contributed $87.2 million in Consulting revenue and $85.0 million in Infrastructure Solutions revenue for the year ended 2018 compared to $19.2 million in Consulting revenue and $27.7 million in Infrastructure Solutions for the year ended 2017. OnX also provided contributions in Cloud revenue, driving the $17.0 million increase in Cloud revenue in 2018 as compared to 2017. Additionally, Hawaiian Telcom contributed $20.0 million in revenue in 2018, predominantly in Communications. Increased revenue generated by OnX and Hawaiian Telcom was partially offset by declines in Consulting in 2018 as compared to 2017 due to one significant customer in-sourcing more work rather than outsourcing it to the Company. Communications revenue experienced growth in 2018 compared to the comparable prior year period. After consideration of revenue of $11.5 million generated from Hawaiian Telcom, Communications revenue increased $6.4 million in 2018 compared to 2017. This increased revenue is primarily due to customers migrating to newer technologies partially offset by the decline in legacy offerings.

Operating Costs and Expenses

Cost of services and products is predominantly impacted by fluctuations in the headcount and contractors required to deliver the services within Consulting, Cloud and Communications. The increase of $23.9 million and $88.7 million in cost of services and products for 2019 and 2018, respectively, as compared to the same periods in the prior year is related to the acquisitions of OnX and Hawaiian Telcom and consists primarily of payroll and contract services costs.

SG&A increased $2.2 million and $53.5 million for 2019 and 2018, respectively, as compared to the same periods in the prior year. The increase in 2019 is primarily driven by the acquisition of Hawaiian Telcom, which contributed $9.4 million in 2019 compared to $5.4 million in 2018. The acquisition of OnX contributed an increase of $51.3 million for 2018 as compared to the same period in 2017 in addition to the expense contributed by Hawaiian Telcom. Increases in SG&A related to the acquisitions in both comparable years were partially offset by lower payroll related costs due to restructuring initiatives executed in 2018 and 2017.

Restructuring and severance charges of $2.0 million recorded in 2019 are associated with initiatives to reduce and contain costs as well as headcount reductions as a result of insourcing initiatives by one of our significant customers. Restructuring and severance charges of $4.1 million recorded in 2018 are related to costs incurred in order to recognize future synergies as the Company identified efficiencies with the integration of OnX. In addition, a restructuring charge of $0.8 million was recorded in the second quarter of 2018 associated with a lease abandonment related to an office space that will no longer be utilized. Restructuring and severance related charges incurred in 2017 related to the reorganization initiated by the Company to better align the segment for future growth.

Capital Expenditures

Capital expenditures are dependent on the timing of success-based projects. Capital expenditures in 2019 were primarily related to projects supporting the Cloud and Communications practices. In addition to success-based projects, the Company incurred $3.9 million in capital expenditures for implementation work associated with internal software projects in 2019.

Corporate

Corporate is comprised primarily of general and administrative costs that have not been allocated to the business segments and transaction and integration costs related to acquisition transactions. Corporate costs totaled $35.0 million in 2019, $37.2 million in 2018 and $36.0 million in 2017.

Corporate costs decreased by $2.2 million in 2019 compared to 2018 as increases in payroll related costs and other general and administrative costs were more than offset by lower transaction and integration costs of $9.7 million. Corporate costs increased in 2018 primarily due to higher transaction and integration costs of $4.0 million partially offset by lower payroll related costs.

Financial Condition, Liquidity, and Capital Resources

Capital Investment, Resources and Liquidity

Short-term view

Our primary source of cash is generated by operations. In 2019, 2018 and 2017, we generated $259.1 million, $214.7 million and $203.4 million, respectively, of cash flows from operations. In 2017, dividends were received from our investment in CyrusOne of $1.1 million and proceeds from the monetization of our CyrusOne investment totaled $140.7 million.

The Company's primary uses of cash are for capital expenditures and debt service. To a lesser extent, cash is also used to fund our pension obligations, retiree medical obligations, and pay preferred stock dividends. In 2017 and 2018, cash was also utilized to fund merger and acquisition activity.

Capital expenditures increased $3.2 million and $10.1 million in 2019 and 2018, respectively, as compared to the same periods in the prior year primarily due to incremental capital expenditures contributed by Hawaiian Telcom of $69.3 million and $43.8 million in 2019 and 2018, respectively. The increases were partially offset by reductions in expenditures in the Entertainment and Communications segment in Cincinnati of $16.3 million and $35.0 million in 2019 and 2018, respectively, as compared to the comparable periods in the prior year due to lower construction costs and installation capital expenditures year over year.

In July 2018, the Company completed the acquisition of Hawaiian Telcom. Net proceeds received from the $350 million 8% Senior Notes in the fourth quarter of 2017, combined with a draw on the Revolving Credit and Receivable Facilities in the third quarter of 2018, were utilized to finance in part the cash portion of the merger agreement and the payoff of the Hawaiian Telcom debt of $314.7 million. In the fourth quarter of 2017, net proceeds totaling $577.0 million related to the issuance of the Tranche B Term Loan due 2024 were used to repay the remaining $315.8 million outstanding principal amount of the Tranche B Term Loan due 2020 as well as the related accrued interest. The remaining proceeds of the Tranche B Term Loan due 2024 were used to fund the acquisition of OnX that closed in October 2017. The proceeds covered the purchase price, $77.6 million for repayment of outstanding debt, and associated transaction costs.

Interest payments were $129.3 million, $131.7 million and $65.7 million in 2019, 2018 and 2017, respectively. Interest payments decreased in 2019 compared to the prior year primarily due to payments in 2018 which included $3.5 million of accrued interest related to Hawaiian Telcom. The increase in 2018 compared to 2017 is due to additional debt incurred to fund the acquisitions completed in 2018 and 2017, respectively. Our contractual debt maturities in 2020, including finance lease obligations and other financing arrangements, are $22.7 million and associated contractual interest payments are expected to be approximately $130 million.

As of December 31, 2019, we had $154.8 million of short-term liquidity, comprised of $11.6 million of cash and cash equivalents, $143.0 million of undrawn capacity on our Revolving Credit Facility and $0.2 million available under the Receivables Facility. While we expect to continue to renew the Receivables Facility, we would be required to use cash, our Revolving Credit Facility, or other sources to repay any outstanding balance on the Receivables Facility if it was not renewed.

The Company believes that its cash on hand, cash generated from operations and available funding under its credit facilities will be adequate to meet its cash requirements for the next 12 months.

Long-term view, including debt covenants

As of December 31, 2019, the Company had $1.9 billion of outstanding indebtedness and an accumulated deficit of $2.8 billion. In addition to the uses of cash described in the *Short-term view* section above, the Company has to satisfy its long-term debt obligations. The Company has no significant debt maturities until 2024. In addition, we have ongoing obligations to fund our qualified pension plans. Funding requirements for future years are uncertain and will significantly depend on changes in future actuarial assumptions. It is also possible that we will use a portion of our cash flows generated from operations for de-leveraging in the future, including discretionary, opportunistic repurchases of debt prior to the scheduled maturities.

In the fourth quarter of 2017, the Company entered into a new Credit Agreement (the "Credit Agreement") and terminated the then-existing Corporate Credit Agreement. The Credit Agreement has financial covenants that require the Company to maintain certain leverage and interest coverage ratios. As of December 31, 2019, these ratios and limitations include a maximum consolidated secured total leverage ratio of 3.50 to 1.00 and a minimum consolidated interest coverage ratio of 1.50 to 1.00. See Note 8 to the accompanying consolidated financial statements contained in "Part II. Item 8. Financial Statements and Supplementary Data" for further details regarding our outstanding debt and other financing arrangements, including certain information about maturities, covenants and restrictions related to such debt and financing arrangements. The agreements and instruments governing our debt and financing arrangements are complicated, and you should consult such agreements and instruments which are filed with the SEC for more detailed information.

As of December 31, 2019, the Company was in compliance with the Credit Agreement covenants and ratios.

Certain of our variable rate debt, including debt under the Revolving Credit Facility and the Receivables Facility, uses LIBOR as one of the benchmarks for establishing the rate of interest and may be hedged with LIBOR-based interest rate derivatives. LIBOR is the subject of recent regulatory guidance and proposals for reform. These reforms and other pressures may cause LIBOR to be replaced with a new benchmark in 2021 or to perform differently than in the past. The consequences of these developments cannot be entirely predicted, but could include an increase in the cost of our variable rate indebtedness.

Indentures

The Company's Senior Notes are governed by indentures which contain covenants that, among other things, limit the Company's ability to incur additional debt or liens, pay dividends or make other restricted payments, sell, transfer, lease, or dispose of assets and make investments or merge with another company. The Company is in compliance with all of its debt indentures as of December 31, 2019.

Management believes that cash on hand, operating cash flows, its Revolving Credit Facility and its Receivables Facility, and the expectation that the Company will continue to have access to capital markets to refinance debt and other obligations as they mature and come due, should allow the Company to meet its cash requirements for the foreseeable future.

Cash Flows

Cash flows from operating activities

Cash provided by operating activities during 2019 was $259.1 million, an increase of $44.4 million compared to 2018. Hawaiian Telcom contributed operating cash flow of approximately $92.0 million in 2019 compared to approximately $18.0 million in 2018. In addition, the increase was due to lower restructuring and transaction and integration payments of $2.1 million and $33.9 million, respectively, compared to 2018. These increases were partially offset by lower tax refunds of $13.2 million for AMT refundable tax credits in 2019 compared to 2018, lower contribution due to loss of GE cloud revenue in 2019 and unfavorable working capital.

Cash provided by operating activities during 2018 was $214.7 million, an increase of $11.3 million compared to 2017. The increase was primarily due to contributions from recent acquisitions, lower restructuring payments of $13.0 million compared to 2017, and improved working capital. These increases were partially offset by increased interest payments of $66.0 million and increased payments for transaction and integrations costs of $24.8 million in 2018 compared to 2017.

Cash flows from investing activities

Cash used by investing activities totaled $223.3 million 2019, a decrease of $214.1 million compared to the prior year, primarily due to the acquisition of Hawaiian Telcom in 2018.

Cash used by investing activities totaled $437.4 million in 2018, an increase of $200.6 million compared to 2017, primarily due to the acquisition of Hawaiian Telcom. In 2017, cash used for the acquisition of OnX was partially offset by cash provided by the sale of our remaining 2.8 million shares of CyrusOne Inc. common stock for net proceeds totalling $140.7 million.

Cash flows from financing activities

Cash used in financing activities was $39.6 million in 2019. In 2019, the Company made debt repayments of $21.5 million related to finance leases and the Tranche B Term Loan due 2024. Additionally, the Company made net debt repayments of $6.1 million related to the Revolving Credit and the Receivables Facilities.

Cash used in financing activities was $158.1 million in 2018. In 2018, the Company borrowed $194.6 million on the Credit Facility and the Receivables Facility. Proceeds were used to partially fund the cash portion of the acquisition of Hawaiian Telcom. This increase in cash flow was offset by the repayment of debt of $328.7 million in 2018, which included the payoff of the Hawaiian Telcom debt of $314.7 million.

Cash provided by financing activities was $420.2 million in 2017. In the fourth quarter of 2017, the Company terminated its existing Corporate Credit Agreement and entered into a new Credit Agreement that provides for a seven-year $600 million Tranche B Term Loan due 2024 with proceeds totaling $593 million, net of discounts, and a $200 million Revolving Credit Facility. Also in the fourth quarter of 2017, CB Escrow Corp., an Ohio corporation and wholly owned subsidiary of Cincinnati Bell Inc., closed the private offering of $350 million aggregate principal amount of 8% Senior Notes at par. The proceeds of the note issuance were deposited into an escrow account and subsequently utilized at the time of closing of the acquisition of Hawaiian Telcom. Debt repayments totaling $403.0 million related to the repayment of the remaining $315.8 million outstanding principal amount of the Tranche B Term Loan due 2020, including the related accrued and unpaid interest, as well as $77.6 million paid for OnX outstanding debt at the time of acquisition. Debt issuance costs paid totaled $19.1 million for the year. In addition, the Company repaid $89.5 million on the Receivables Facility in 2017.

Dividends paid on the Company's preferred stock totaled $10.4 million in each of 2019, 2018 and 2017.

Future Operating Trends

Entertainment and Communications

We continue to mitigate the revenue decline experienced with our Legacy products with increases in revenue of our fiber-based products. In addition, the merger with Hawaiian Telcom has allowed us to build scale and fiber density to help capitalize on the growing demands for internet speeds that only a fiber network can provide. We expect the desire by customers for increased internet speeds will only continue as evidenced by the fact that more than 60% of Cincinnati’s internet customers subscribe to speeds of 100 megabits or more, compared to two years ago when less than 30% subscribed to such speeds. As of December 31, 2019, more than 40% of internet customers in Hawaii subscribe to speeds of 100 megabits or more.

During 2020, we expect continued competition for internet, voice and video services as the cable competitor in the Cincinnati market continues to target areas where we have copper and FTTN. Due to this competition, as well as customers migrating to obtaining video programming over broadband Internet connections, we expect to see a decline in video subscribers as well as FTTN and DSL internet subscribers. In the Hawaii market, we also expect continued competition for internet, voice and video services as the cable competitor has increased advertising subsequent to the acquisition of Hawaiian Telcom. In 2020, we plan to invest approximately $100 million for Consumer/SMB Fiber, including construction, installation and value-added services. Our focus for 2020 in both the Cincinnati and Hawaii markets is to identify opportunities to expand our FTTP footprint to residential and commercial addresses with the highest return profile, increase penetration, and drive operational efficiencies. We will take a FTTP internet-based focus due to the increased relevance of this product and the high return profile that it provides. Furthermore, we will apply a similar strategy as we identify opportunities to expand our network footprint in areas outside the Greater Cincinnati market.

For our enterprise fiber customers, we expect to continue to see a migration from Legacy products and copper-based technology to higher bandwidth fiber solutions as evidenced by the 15% and 75% increases in Ethernet Bandwidth in Cincinnati and Hawaii, respectively, in 2019 compared to 2018.

IT Services and Hardware

The Company's strategy for future growth is to diversify the geographies in which it operates. As a part of executing this strategy, in February 2017, the Company completed the acquisition of SunTel, a regional provider of network security, data connectivity, and unified communications solutions based in Troy, Michigan, and in October 2017 completed the acquisition of OnX, with locations throughout the U.S., Canada and Europe. The expectation is that these acquisitions will continue to provide future growth opportunities in the IT Services and Hardware segment by providing additional geographies to operate within, and an expanded customer base in which to sell our products and services. In addition, the acquisitions create synergies and opportunities for cost savings.

In 2020, the Company will continue to focus on expanding products and services to our customer base with our full stack of products from simple hardware sales through managed voice and software defined network management, creating contractual recurring revenue streams. We expect budget constraints by certain customers will continue to put pressure on our revenue and operating income in the future, increasing the need to diversify. In addition, as more customers migrate to the public cloud, we will see declines in the demand for Infrastructure products. However, this trend can provide an opportunity in the form of consulting as we have IT professionals that can develop the strategy to guide customers through this migration.

Contractual Obligations

The following table summarizes our contractual obligations as of December 31, 2019:

	Payments due by Period				
(dollars in millions)	Total	< 1 Year	1-3 Years	3-5 Years	Thereafter
Long-term debt, excluding finance leases and other financing arrangements (1)					
Principal amount	$ 1,866.2	$ 6.0	$ 200.5	$ 1,221.8	$ 437.9
Interest payments (2)	597.9	120.4	233.4	198.6	45.5
Finance leases (3)					
Principal amount	73.8	14.3	17.6	10.4	31.5
Interest payments (2)	23.1	4.6	7.0	5.3	6.2
Non-cancellable operating lease obligations	57.1	13.3	14.1	8.6	21.1
Purchase obligations (4)	363.8	363.8	—	—	—
Pension and postretirement benefits obligations (5)	52.4	17.9	11.9	9.9	12.7
Unrecognized tax benefits (6)	21.9	2.1	—	—	19.8
Other liabilities (7)	108.9	12.8	9.0	14.7	72.4
Total	$ 3,165.1	$ 555.2	$ 493.5	$ 1,469.3	$ 647.1

(1) Excludes net unamortized discounts and premiums.

(2) Assumes no early payment of debt in future periods. The interest rate applied on variable rate borrowings is the rate in effect as of December 31, 2019.

(3) Includes finance lease obligations primarily related to vehicles, network equipment used in the deployment of our fiber network, and wireless towers assumed from our discontinued operations.

(4) Includes amounts under open purchase orders and open blanket purchase orders for purchases of network, IT and telephony equipment, video content, and other goods; contractual obligations for services such as software maintenance and outsourced services; and other purchase commitments.

(5) Includes payments for Cincinnati and Hawaii Pension and Postretirement Plans as well as other employee retirement agreements. Amounts for 2020 include approximately $8 million expected to be contributed for postretirement benefits. Although the Company expects to continue operating the plans past 2020, its contractual obligation related to postretirement obligations only extends through 2020. Amounts for 2020 through 2026 include approximately $24 million of estimated cash contributions to the qualified pension plans. Expected qualified pension plan contributions are based on current plan design, legislation and current actuarial assumptions. Any changes in plan design, legislation or actuarial assumptions may also affect the expected contribution amount.

(6) Includes the portion of liabilities related to unrecognized tax benefits. If the timing of payments cannot be reasonably estimated for unrecognized tax benefits, these liabilities are included in the "Thereafter" column of the table above.

(7) Includes contractual obligations primarily related to restructuring and employee severance reserves, asset removal obligations, long-term disability obligations, workers compensation liabilities, liabilities related to the pole license agreement obligation, a deferred vendor rebate, and other financing arrangements.

The amount of these obligations can be expected to change over time as new contracts are initiated and existing contracts are completed, terminated, or modified.

Contingencies

We are subject to various lawsuits, actions, proceedings, claims and other matters asserted under laws and regulations in the normal course of business. We believe that the amounts provided in our consolidated financial statements, as prescribed by generally accepted accounting principles, are adequate in light of the those contingencies that are probable and able to be estimated. However, there can be no assurances that the actual amounts required to satisfy alleged liabilities from various legal proceedings, claims, tax examinations, and other matters, including the matters discussed below, and to comply with applicable laws and regulations, will not exceed the amounts reflected in our consolidated financial statements. As such, costs, if any, that may be incurred in excess of those amounts provided as of December 31, 2019, cannot be reasonably determined.

Based on information currently available, consultation with counsel, available insurance coverage and established reserves, management believes that the eventual outcome of all outstanding claims will not, individually or in the aggregate, have a material effect on the Company's financial position, results of operations or cash flows.

Off-Balance Sheet Arrangements

Indemnifications

During the normal course of business, the Company makes certain indemnities, commitments, and guarantees under which it may be required to make payments in relation to certain transactions. These include: (a) intellectual property indemnities to customers in connection with the use, sale, and/or license of products and services, (b) indemnities to customers in connection with losses incurred while performing services on their premises, (c) indemnities to vendors and service providers pertaining to claims based on negligence or willful misconduct, (d) indemnities involving the representations and warranties in certain contracts, and (e) outstanding letters of credit which totaled $10.5 million as of December 31, 2019. In addition, the Company has made contractual commitments to several employees providing for payments upon the occurrence of certain prescribed events. The majority of these indemnities, commitments, and guarantees do not provide for any limitation on the maximum potential for future payments.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States. Application of these principles requires management to make estimates or judgments that affect the amounts reported in the financial statements and accompanying notes. These estimates are based on information available as of the date of the financial statements; accordingly, as this information changes, the financial statements could reflect different estimates or judgments. Certain accounting policies inherently have a greater reliance on the use of estimates, and, as such, have a greater possibility of producing results that could be materially different than originally reported.

Our most significant accounting policies are presented in Note 1 to the consolidated financial statements. Management views critical accounting policies to be those policies that are highly dependent on subjective or complex judgments, estimates or assumptions, and where changes in those estimates and assumptions could have a significant impact on the consolidated financial statements. We have discussed our most critical accounting policies, judgments and estimates with our Audit and Finance Committee.

The discussion below addresses major judgments used in:

- reviewing the carrying values of goodwill;
- accounting for income taxes; and
- accounting for pension and postretirement expenses.

Reviewing the Carrying Values of Goodwill — The Company adheres to the guidance under ASC 350-20 in testing goodwill for impairment. Under this guidance, the Company has the option of performing a qualitative assessment for impairment prior to performing the quantitative tests. A quantitative analysis was performed in 2019 and 2018 and a qualitative analysis was performed in 2017. The Company performs impairment testing of goodwill on an annual basis or when events or changes in circumstances indicate that an asset may be impaired. We perform our annual impairment tests in the fourth quarter when our five-year plan is updated.

Management estimates the fair value of each reporting unit using a combination of valuation methods, including both income-based and market-based methods. The income-based approach utilizes a discounted cash flow model using projected cash flows derived from the five-year plan, adjusted to reflect market participants' assumptions. Expected future cash flows are discounted at the weighted average cost of capital applying a market participant approach. The market-based approach utilizes earnings multiples from comparable publicly-traded companies. No goodwill impairment losses were recognized in 2019, 2018 or 2017.

Changes in certain assumptions could have a significant impact on the impairment tests for goodwill. The most critical assumptions are projected future growth rates, operating margins, capital expenditures, terminal values, and discount rate selection and market multiples. These assumptions are subject to change as the Company's long-term plans and strategies are updated each year. As of December 31, 2019, each reporting unit had a fair value that exceeded its carrying value in the goodwill impairment test.

While none of our reporting units recorded a goodwill impairment in 2019, we determined the IT Services and Hardware is our only reporting unit with material goodwill where the estimated fair value does not substantially exceed the carrying value. The estimated fair value of the reporting unit exceeds its carrying amount by approximately 23 percent. Total goodwill in this reporting unit is $148.1 million. The goodwill in this reporting unit is primarily attributable to OnX, which was acquired and recorded at fair value in the fourth quarter of 2017. As a result, we did not expect the estimated fair value would exceed the carrying value by a significant amount. We valued this reporting unit using an income approach based on its expected future cash flows and a market approach. The critical assumptions that factored into the valuation are the projected future revenues and EBITDA margins of the business as well as the discount rate used to present value these future cash flows.

Accounting for Income Taxes — The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction as well as various foreign, state and local jurisdictions. The Company's previous tax filings are subject to normal reviews by regulatory agencies until the related statute of limitations expires. With a few exceptions, the Company is no longer subject to U.S. federal, state or local examinations for years prior to 2015.

The Company has net operating loss carryforwards at the federal, state and local levels. Federal net operating loss carryforwards are available to offset taxable income in current and future periods. Federal operating loss carryforwards of $125.6 million will expire in 2023 and are not currently limited under U.S. tax laws. The ultimate realization of the deferred income tax assets depends upon our ability to generate future taxable income during the periods in which basis differences and other deductions become deductible and prior to the expiration of the net operating loss carryforwards. Based on current income levels and anticipated future reversal of existing temporary differences, management expects to fully utilize its federal net operating loss carryforwards within their expiration periods. However, realization of certain state, local and foreign net operating losses, as well as other deferred tax assets, is not certain as changes in our current estimates, due to unanticipated market conditions, governmental legislative actions or events, could have a material effect on our ability to utilize deferred tax assets. A change in ownership, as defined in Section 382 of the Internal Revenue Code, could limit the Company's ability to fully utilize existing deferred tax assets related to federal and state net operating losses.

A valuation allowance of $49.3 million and $48.7 million has been recognized as of December 31, 2019 and 2018, respectively. While the valuation allowance is primarily against state and local net operating losses, it also includes $16.6 million against non-deductible interest and $5.3 million against Texas margin credits which are unlikely to be realized as of December 31, 2019. The valuation allowance included $14.8 million against non-deductible interest and $5.3 million against Texas margin credits as of December 31, 2018.

As of December 31, 2019 and 2018, the liability for unrecognized tax benefits was $21.9 million and $22.0 million, respectively. The liability is representative of governmental authorities' interpretation of tax law differing from the Company's interpretation. As of December 31, 2019, the amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate is $21.7 million. It is reasonably possible that existing unrecognized tax benefits related to a federal sequestration of AMT credits could decrease by $2.1 million within the next 12 months. Accrued interest related to unrecognized tax benefits is recognized in interest expense.

Accounting for Pension and Postretirement Expenses — In accounting for pension and postretirement expenses, we apply ASC 715, "Compensation — Retirement Benefits." A liability has been recognized on the Consolidated Balance Sheets for the unfunded status of the pension and postretirement plans. Actuarial gains (losses) and prior service costs (benefits) that arise during the period are recognized as a component of "Accumulated other comprehensive loss" on the Consolidated Balance Sheets.

The Company sponsors noncontributory defined benefit pension plans for eligible management employees, non-management employees, and certain former senior executives. We also provide healthcare and group life insurance benefits for eligible retirees. The measurement date for our pension and postretirement obligations is as of December 31. When changes to the plans occur during interim periods, management reviews the changes and determines if a remeasurement is necessary. No amendments to the plan were made during 2019 or 2018.

The measurement of our pension and postretirement projected benefit obligations involves significant assumptions and estimates. Each time we remeasure our projected benefit obligations, we reassess the significant assumptions and estimates. The actuarial assumptions attempt to anticipate future events and are used in calculating the expenses and liabilities related to these plans. The most significant of these numerous assumptions, which are reviewed annually, include the discount rate and
healthcare cost trend rates.

Discount rate

A discount rate is used to measure the present value of projected benefit obligations. The discount rate for each plan is individually calculated based upon the timing of expected future benefit payments. Our discount rates are derived based upon a yield curve developed to reflect yields available on high-quality corporate bonds as of the measurement date. As of December 31, 2019 and 2018, the average discount rate used to value the Cincinnati pension plans was 3.10% and 4.20%, respectively, while the average discount rate used to value the Cincinnati postretirement plans was 3.20% and 4.30%, respectively. As of December 31, 2019 and 2018, the average discount rate used to value the Hawaii pension plans was 3.10% and 4.20%, respectively, while the average rate used to value the Hawaii postretirement plans was 3.30% and 4.40%, respectively. Lower rates of interest available on high-quality corporate bonds drove the decrease in the discount rates in 2019.

Expected rate of return

The expected long-term rate of return on plan assets, developed using the building block approach, is based on the mix of investments held directly by the plans and the current view of expected future returns, which is influenced by historical averages. The required use of an expected versus actual long-term rate of return on plan assets may result in recognized pension expense or income that is greater or less than the actual returns of those plan assets in any given year. Over time, however, the expected long-term returns are designed to approximate the actual long-term returns. For the year ended December 31, 2019 and 2018, the estimated long-term rate of return on the Cincinnati pension plan assets was 6.50% and 7.00%, respectively. For the year ended December 31, 2019 and 2018, the estimated long-term rate of return on the Hawaii pension plan assets was 6.50% and 7.00%, respectively. The long-term rate of return on the Cincinnati and Hawaii postretirement plan assets was estimated to be zero for the disclosed periods as these plans have minimal assets with a low rate of return. Actual asset returns for the Cincinnati pension trusts were gains of 23.90% in 2019 and losses of 7.92% in 2018. Actual asset returns for the Hawaii pension trusts were gains of 18.32% in 2019 and losses of 4.44% in 2018. In our pension calculations, we utilized the market-related value of plan assets, which is a calculated asset value that recognizes changes in asset fair values in a systematic and consistent manner. Differences between actual and expected returns are recognized in the market-related value of plan assets over five years.

Healthcare cost trend

Our healthcare cost trend rate is developed based on historical cost data, the near-term outlook and an assessment of likely long-term trends. As of both December 31, 2019 and 2018, the healthcare cost trend rate used to measure the Cincinnati postretirement health benefit obligations was 6.5%. As of both December 31, 2019 and 2018, the healthcare cost trend rate used to measure the Hawaii postretirement health benefit obligations was 6.8%. As of December 31, 2019, the healthcare cost trend rate is assumed to decrease gradually to 4.5% and 5.0% by the year 2024 and 2026 for the Cincinnati and Hawaii plans, respectively.

The actuarial assumptions used may differ materially from actual results due to the changing market and economic conditions and other changes. Revisions to and variations from these estimates would impact liabilities, equity, cash flow and other components of pension and postretirement benefit plans expense.

The following table represents the sensitivity of changes in certain assumptions related to the Cincinnati pension and postretirement plans as of December 31, 2019:

		Pension Benefits		**Postretirement and Other Benefits**	
(dollars in millions)	**% Point Change**	**(Decrease)/ Increase in Obligation**	**(Decrease)/ Increase in Expense**	**(Decrease)/ Increase in Obligation**	**(Decrease)/ Increase in Expense**
Discount rate	+/- 0.5%	($19.9)/$19.9	($0.6)/$0.6	($3.4)/$3.8	($0)/$0
Expected return on assets	+/- 0.5%	n/a	($1.7)/$1.7	n/a	($0)/$0
Healthcare cost trend rate	+/- 1.0%	n/a	n/a	($1.4)/$1.5	($0.1)/$0.1

The following table represents the sensitivity of changes in certain assumptions related to the Hawaii pension and postretirement plans as of December 31, 2019:

		Pension Benefits		**Postretirement and Other Benefits**	
(dollars in millions)	**% Point Change**	**(Decrease)/ Increase in Obligation**	**(Decrease)/ Increase in Expense**	**(Decrease)/ Increase in Obligation**	**(Decrease)/ Increase in Expense**
Discount rate	+/- 0.5%	($7.0)/$7.0	($0.5)/$0.5	($2.3)/$2.5	($0.1)/$0.1
Expected return on assets	+/- 0.5%	n/a	($0.7)/$0.7	n/a	n/a
Healthcare cost trend rate	+/- 1.0%	n/a	n/a	n/a	n/a

At December 31, 2019 and 2018, unrecognized actuarial net losses were $215.3 million and $234.0 million, respectively. The unrecognized net losses have been primarily generated by differences between assumed and actual rates of return on invested assets, changes in discount rates and healthcare costs. Because gains and losses reflect refinements in estimates, as well as real changes in economic values, and because some gains in one period may be offset by losses in another or vice versa, we are not required to recognize these gains and losses in the periods that they occur. Instead, if the gains and losses exceed a 10% corridor defined in the accounting literature, we amortize the excess over the average remaining service life of active employees for the Cincinnati pension plans (approximately 8-11 years) and average remaining life expectancy of retirees for the Cincinnati postretirement plans (approximately 14-17 years). The accumulated gains or losses associated with the Hawaii plans do not exceed the corridor requiring amortization.

Regulatory Matters and Competitive Trends

Federal - The Telecommunications Act of 1996 (the "1996 Act") was enacted with the goal of establishing a pro-competitive, deregulatory framework to promote competition and investment in advanced telecommunications facilities and services to all Americans. From 1996 to 2008, federal regulators considered a multitude of proceedings aimed at promoting competition and deregulation. Although the 1996 Act called for a deregulatory framework, the FCC continued to maintain significant regulatory restraints on the traditional ILECs while increasing opportunities for new competitive entrants and new services by applying minimal regulation. Since 2009, federal regulators have devoted considerable attention to initiatives aimed at promoting investment in, and adoption of, advanced telecommunications services, particularly broadband Internet access services. Simultaneously, the FCC has been adopting measures that it believes would promote competition, protect consumers, reform universal service, and enhance public safety and national security. Since January 2017, the FCC has focused on eliminating burdensome and unnecessary regulations that impede broadband investment. We expect this trend to continue, and we will monitor the changing regulatory environment for any potential impacts, particularly on the following proceedings.

Universal Service

The federal Universal Service Fund ("USF") is funded via an assessment on the interstate end-user revenue of all telecommunications carriers and interconnected VoIP providers. The assessment is used to support high cost, low income, rural healthcare, and schools and libraries programs.

In October 2011, the FCC adopted new rules aimed at controlling the size of the high-cost portion of the fund and transitioning it from supporting legacy circuit-switched networks to broadband. These rules capped the high-cost fund and established a framework for transitioning support to the new Connect America Fund ("CAF") to bring broadband to unserved areas. Phase I reforms froze existing high-cost support and provided a mechanism for distributing additional support for qualifying price cap companies. Hawaiian Telcom received $1.4 million in Phase I support and has completed its Phase I buildout. Under Phase II, $1.8 billion of annual support was made available to expand broadband in unserved areas served by price cap ILECs. In August 2015, price cap ILECs, which had the right of first refusal, accepted over $1.5 billion of the annual Phase II support that was available to them. Carriers accepting the Phase II support commitment have the funds available for a six-year period and must complete their commitment by the end of 2020. Cincinnati Bell Telephone (“CBT”) accepted approximately $2 million in annual Phase II support beginning in 2015 in exchange for a commitment to expand broadband to 6,339 Kentucky locations and 745 Ohio locations. Hawaiian Telcom accepted $4.4 million to build to 11,081 locations in Hawaii over the six-year award period.

In August 2018, bidding concluded in the FCC’s Connect America Fund Phase II auction. Under this reverse auction, up to $2 billion in support over a 10-year period was available to expand fixed broadband service into additional unserved high-cost areas of the country. There were 103 winning bidders and the total amount of support that will be provided to these bidders over the 10-year term is $1.5 billion. Winning bidders must build out their broadband networks within the winning geographic areas (specific census block groups covering 713,176 locations in 45 states) within the first six years of the support term. CBT and Hawaiian Telcom were both winning bidders. As a result, CBT will receive $1.1 million to extend its broadband service to 342 unserved locations and Hawaiian Telcom will receive $18.1 million to build to 3,936 unserved locations. CBT and Hawaiian Telcom auction support distributions began in May 2019 and will continue until May 2029. The build out to all funded auction locations must be completed by December 31, 2025.

In January 2020, the FCC adopted a Report and Order establishing the Rural Digital Opportunity Fund (“RDOF”), which will be used to distribute $20.4 billion over ten years to expand broadband in areas that remain unserved at the conclusion of the CAF II price cap support program. The FCC anticipates distributing $16.0 billion via a reverse auction to be held in late 2020. The remaining $4.4 billion will be distributed via a second auction to be held at a later date when more accurate broadband availability data becomes available. The Order also extended the current price cap CAF II support for an additional year (through 2021). CBT and Hawaiian Telcom have the opportunity to accept the seventh year of CAF II support and will also evaluate whether to bid on any eligible areas in the upcoming RDOF Phase I auction.

Intercarrier Compensation

In October 2011, in conjunction with its reform of the USF high cost support program, the FCC adopted comprehensive reforms to the switched access and reciprocal compensation rules that govern the means by which carriers compensate one another for use of their networks. The end point of the reforms is a bill-and-keep system under which all per-minute intercarrier charges are eliminated.

Terminating switched access and reciprocal compensation rates were phased out over a six-year period that concluded in 2018 for price cap carriers including CBT and Hawaiian Telcom. The plan contains a mechanism that enables ILECs to recover some of the lost revenue from increased end-user charges, which CBT and Hawaiian Telcom have utilized to the fullest extent possible. The transition and recovery mechanism for originating access and transport rates has not yet been established by the FCC. However, during 2018, the FCC released its proposal for transitioning originating access charges for 8XX calls to bill and keep. Although the public comment period on this proposal has concluded, the FCC has not yet issued a decision. The Company is monitoring this proceeding, but will not know the full impact until the FCC adopts final rules, particularly as it relates to any recovery mechanism to offset proposed rate reductions.

Special Access/Business Data Services

In 2005, the FCC opened a proceeding to review its Special Access (aka Business Data Services or "BDS") pricing rules. Under the rules in effect at that time, special access services were subject to price cap regulation with no earnings cap, and ILECs had pricing flexibility in certain metropolitan statistical areas served by a sufficient number of competitors. During 2012, the FCC suspended the grant of any new pricing flexibility requests and issued a mandatory data request. Responses to the data request were provided in the first quarter of 2015.

In April 2017, the FCC adopted a Report and Order finding that the market for all packet-based services, Ethernet services, TDM services above the DS3 level, and DS1 and DS3 transport services is competitive in all geographic markets and should no longer be subject to price regulation. Price regulation of TDM services of DS3 or below terminating to end users depends upon the competitive status of the county in which the service is provided. The FCC designated counties as competitive or non-competitive for these TDM end user services based upon historical data submitted by providers and purchasers of BDS in response to a mandatory data request issued in 2012 and supplemented with cable broadband deployment data submitted by providers in the FCC’s semi-annual broadband deployment report. Price regulation will be eliminated for these TDM end user services in competitive counties. In non-competitive counties price regulation will continue, although carriers are permitted to offer contract tariffs and volume and term discounts. The Order requires all price cap companies to remove all competitive BDS services from their tariffs by August 2020. The list of competitive and non-competitive counties released by the FCC in May 2017 designated all but two of the counties in the Company’s CBT ILEC territory as competitive, and in Hawaii four of the five counties were deemed competitive. In November 2017, Hawaiian Telcom filed an application with the FCC to discontinue offering BDS services in Kalawao County (the non-competitive county). This application was granted in January 2018 and Hawaiian Telcom subsequently filed to detariff all BDS services statewide. At this time, CBT’s BDS services remain under tariffs, but those BDS services offered in the competitive counties will be detariffed prior to the 2020 deadline. Nearly all of the Company’s current special access revenue is derived from the competitive counties. In August 2018, the US Court of Appeals for the Eighth Circuit vacated and remanded the ex ante deregulation of DS1 and DS3 transport services. However, in July 2019, the FCC adopted an Order in response to the remand and reaffirmed its previous conclusion that DS1 and DS3 transport services are competitive nationwide. As a result, price cap carriers must remove these services from their Special Access tariffs by August 1, 2020.

Unbundled Network Elements

Under rules adopted pursuant to the Telecommunications Act of 1996, ILECs have been required to unbundle the components of their network and provide the unbundled network elements ("UNE's") to requesting competitive local exchange carriers at cost-based rates set by state public utility commissions in the 1990’s. The rules also required ILECs to resell their voice service to requesting competitive carriers at wholesale rates set by state regulators. In May 2018, USTelecom – The Broadband Association (“USTelecom”) filed a petition with the FCC seeking forbearance from the unbundling and resale rules for all ILECs. On July 10, 2019, the FCC granted the requested forbearance for unbundled DS1 and DS3 transport and on August 2, 2019, it granted forbearance from UNE loop and resale requirements. Specifically, it granted forbearance from the unbundling requirements for DS1 and DS3 transport along routes where competitive fiber is present within a half mile of the ILEC wire center endpoints that trigger the unbundling obligation. As it relates to UNE loops and resale, forbearance was granted for analog voice-grade copper loops and the avoided-cost resale requirements. While Cincinnati Bell’s ILECs may benefit from the ability to charge competitive commercially negotiated prices for these facilities and services following the three-year transition period required by the Order, the Company’s competitive carrier operations will likely see increased prices for such facilities currently purchased from other ILECs. As a result, the Company is reviewing its current UNE purchases to determine where to transition to commercial agreements for these facilities versus deploying its own facilities and will pursue the most cost effective solution in each market. In November 2019, the FCC opened a new proceeding to consider whether to update the remaining unbundling and resale obligations that apply to ILECs. Specifically, the FCC has proposed eliminating most remaining unbundling obligations with the exception of mass-market broadband-capable loops in rural areas. The Company does not anticipate a decision by the FCC on this in the near-term.

IP Transition

In late 2013, the FCC opened a proceeding to explore how to transition from the legacy circuit-switched TDM networks to Internet Protocol (“IP”) networks. Examination of the myriad of technical, legal and policy issues surrounding the IP transition moved to the forefront during 2014, and during 2015 and 2016, the FCC adopted several orders imposing additional requirements on service providers seeking to transition their networks from copper to fiber. However, during the second quarter of 2017, the FCC opened several proceedings aimed at removing barriers to wireline and wireless broadband deployment and proposed reversing several of the additional requirements imposed in 2015 and 2016. Following this review, in November 2017, the FCC revised its rules to streamline the ILEC copper retirement process and the approval process for discontinuing legacy TDM service to speed the transition from legacy copper-based TDM services to IP services. It also reformed the pole attachment rules to make it easier for providers to attach equipment necessary for next-generation networks. In 2018, the FCC adopted additional changes aimed at streamlining the pole attachment process and preempting state and local processes considered to be detrimental to broadband deployment, particularly the small cells that will be used for 5G networks. The Company does not anticipate any significant financial impact due to these proceedings.

Broadband Internet Access/Net Neutrality

In an order adopted in 2005, the FCC provided wireline carriers the option of offering broadband Internet access as a non-regulated information service (comparable treatment to cable modem Internet access at that time) or as a regulated telecommunications service. In 2007, CBT and Hawaiian Telcom elected the non-regulated information service designation for broadband Internet access service. The FCC also ruled that wireless broadband service was a non-regulated information service, placing it on the same regulatory footing as other broadband services such as cable modem service and wireline DSL service.

In conjunction with the adoption of the 2005 wireline broadband Internet access order, the FCC adopted a policy statement intended to ensure that broadband networks are widely deployed, open, affordable, and accessible to all consumers. In April 2010, the D.C. Circuit Court of Appeals issued an opinion finding that an FCC enforcement action regarding Comcast's network management practices exceeded the FCC's authority, causing the FCC to reassess its approach to crafting net neutrality rules. In December 2010, the FCC adopted net neutrality rules that required broadband providers to publicly disclose network management practices, restricted them from blocking Internet content and applications, and prohibited fixed broadband providers from engaging in unreasonable discrimination in transmitting traffic. In January 2014, the D.C. Circuit Court of Appeals vacated the net neutrality order’s anti-blocking and anti-discrimination requirements finding that they were akin to common carrier regulation. However, the Court upheld the transparency and disclosure requirements and found that the FCC has general authority under Section 706 of the Communications Act to promulgate rules to encourage broadband deployment. In response to the Court’s decision, the FCC adopted new rules in February 2015 under which it reclassified broadband Internet access as a telecommunications service under Title II of the Communications Act. Although these new rules were appealed by numerous parties, in June 2016, the D.C. Circuit Court of Appeals upheld the FCC’s new rules in their entirety. In November 2016, the FCC adopted an order establishing broadband privacy and security requirements for Internet service providers using its authority under Title II. The restrictive new privacy rules diverged from the Federal Trade Commission framework that had for years set the standard for protecting Internet users’ privacy.

In March 2017, Congress adopted a resolution under the Congressional Review Act to invalidate the new broadband privacy and security rules approved by the FCC in November 2016. In December 2017, the FCC issued a Declaratory Ruling restoring the information service classification of broadband Internet access service that existed prior to 2015 and affirmed that broadband consumer protection authority resides with the Federal Trade Commission. An accompanying Report and Order requires that Internet service providers disclose information about their practices relative to blocking, throttling, paid prioritization, or affiliated prioritization. The impact of this decision is neutral for the Company.

Robocalls

During 2019, the FCC took several steps to mitigate the impact of illegal robocalls and spoofed calls on consumers and businesses, including the Chairman calling on the largest voice service providers to “voluntarily” adopt the secure telephone identity revisited signature-based handling of asserted information using tokens (“STIR/SHAKEN”) call authentication standards developed by the Alliance for Telecommunications Industry Standards (“ATIS”). In addition, in December 2019, Congress passed and the President signed into law the Pallone-Thune Telephone Robocall Abuse Criminal Enforcement and Deterrence Act (“Pallone-Thune TRACED Act”). Under the Pallone-Thune TRACED Act, within 18 months, all voice service providers must implement the STIR/SHAKEN framework in their IP networks and take reasonable measures to implement an effective call authentication framework in their non-IP networks. The Company is taking the steps necessary to implement the required call authentication frameworks within the Pallone-Thune TRACED Act timeframes.

State - Ohio and Kentucky - CBT, the Company’s ILEC in Ohio and Kentucky, moved from rate of return regulation to alternative regulation plans for its local services in 1994. These alternative regulation plans restricted CBT’s ability to increase the price of basic local service and related services, but eliminated any earnings cap associated with traditional rate of return regulation. Under alternative regulation, price increases and enhanced flexibility for some services partially offset the effect of fixed pricing for basic local service and reduced pricing for other, primarily wholesale services.

In Ohio, statutory changes enacted by the Ohio General Assembly in 2005 gave the Public Utilities Commission of Ohio (“PUCO”) the authority to provide ILECs with pricing flexibility for basic local rates upon a showing that consumers have sufficient competitive alternatives (House Bill 218). As a result of that legislation, the Company received authority from the PUCO to increase its rates for basic local exchange service in eight of its Ohio exchanges. In September 2010, the Ohio General Assembly passed Substitute Senate Bill 162, which revised state policy concerning the provision of telecommunications service, repealed Ohio's alternative regulation legislation, and authorized additional pricing flexibility for ILEC basic local exchange service (“BLES” - a standalone access line not bundled with other services) upon a competitive showing by the ILEC. CBT filed an application for pricing flexibility under the new rules and, in January 2011, received authority to increase the monthly rate for a standalone local service line throughout its Ohio serving area by $1.25 annually. Nearly all other retail services were removed from rate regulation, including local service lines bundled with other services. Substitute SB 162 also provided cost savings and revenue opportunities resulting from revision of the PUCO's retail rules and service standards beginning in January 2011. In June 2015, House Bill 64 was enacted, which included provisions that could relieve ILECs from their carrier of last resort obligations, pending the outcome of the FCC’s IP Transition proceeding. As part of the provisions of HB 64, the PUCO is currently conducting a process that would assist in the identification of BLES customers that might not have a competitive alternative should the ILEC withdraw BLES as part of its transitioning from a circuit-switched TDM network to an IP Network. The 2015 rules have the potential to provide CBT with substantial regulatory relief in Ohio in the future; however, there is no impact in the near-term. Finally, in December 2018, the General Assembly passed House Bill 402 giving ILECs the ability to increase the monthly BLES rate by $2.00 annually. Beginning in 2022, BLES rate regulation will cease entirely in exchanges in which the ILEC demonstrates that it has lost more than 50% of its access lines. The 2018 legislation also limited the PUCO’s authority over other aspects of telecom regulation, including eliminating the PUCO’s authority to review and approve mergers and acquisitions for telecom companies.

In Kentucky, CBT entered into an alternative regulation plan in July 2006 under terms established by the Kentucky General Assembly in House Bill No. 337. Under this plan, BLES prices were capped in exchange for earnings freedom and pricing flexibility on other retail services. The caps on BLES prices expired in July 2011 providing CBT with flexibility to increase rates for basic local exchange service. In March 2015, the General Assembly passed House Bill 152, which removed the Public Service Commission's authority to regulate terms, conditions, rates or availability of any retail service in urban exchanges (greater than 15,000 Households) for a modifying utility. In March 2017, the General Assembly passed Senate Bill 10, which extended the same privileges as HB 152 to all exchanges, thus providing CBT with nearly complete deregulation for all retail services in Kentucky.

Hawaii - In Hawaii, the legislature and the Hawaii Public Utilities Commission (“HPUC”) have taken steps over the last decade to reduce rate regulation of some of the services of the Company’s Hawaiian Telcom subsidiaries.

In 2009 and 2010, the Hawaii State Legislature required the HPUC to treat all intrastate retail telecommunications services, including intrastate toll (*i.e.*, inter island), central exchange (Centrex), most residential and business local exchange services, integrated service digital network (ISDN) private lines and special assemblies, and directory assistance, as “fully competitive” under the HPUC’s rules with certain qualifications. As a result, HPUC approval and cost support filings were no longer required to establish or reduce rates or to bundle service offerings; however, all service offerings were required to be priced above the service’s long run incremental cost and HPUC retained the ability to suspend and investigate any offering. In 2012, the Hawaii State Legislature passed legislation that gave Hawaiian Telcom pricing flexibility to increase tariffed intrastate rates for any retail telecommunications service without approval from the HPUC, with the exception of basic exchange service (*i.e*., single line residential and single line business services).

In May 2019, the Hawaii State Legislature granted nearly full pricing flexibility to telecommunications carriers, including Hawaiian Telcom, for intrastate telecommunications services. Rate changes for retail telecommunications services no longer need to be filed with and approved by the HPUC except for any price increase greater than $6.50 on an annual basis for basic exchange services in counties with a population of less than 500,000. In addition, the traditional cost-of-service regulatory framework that required cost support for retail telecommunications service offerings and pricing above a service’s long run incremental cost are no longer applicable; however, the HPUC retains the ability to investigate any offering. The legislation also eliminated the requirements for providers of fully competitive retail telecommunications services to obtain HPUC approval for financing and the sale or encumbrance of regulated property and assets, except when such sale or encumbrance occurs as part of a merger or consolidation with any other public utility. Additional relief was also granted on reporting affiliated transactions and accidents. Based on these regulatory reforms, the Company can now compete more effectively in Hawaii by making decisions based on marketplace dynamics and other economic information.

Cable Franchises - Ohio, Kentucky and Indiana - The states of Ohio and Indiana permit statewide video service authorization. The Company is now authorized by Ohio and Indiana to provide service in its self-described territory with only 10-day notification to the local government entity and other providers. The authorization can be amended to include additional territory upon notification to the state. A franchise agreement with each local franchising authority is required in Kentucky. The Company has agreements with fifty-three franchising authorities in Kentucky.

Hawaii - In Hawaii, cable franchises must be approved by the Hawaii Department of Commerce and Consumer Affairs. Since 2011, the Company’s Hawaiian Telcom Services Company, Inc. subsidiary has held a cable franchise authorizing it to provide video services throughout the island of Oahu.

Recently Issued Accounting Standards

Refer to Note 2 of the consolidated financial statements for further information on recently issued accounting standards.

Private Securities Litigation Reform Act of 1995 Safe Harbor Cautionary Statement

This Form 10-K contains "forward-looking" statements, as defined in federal securities laws including the Private Securities Litigation Reform Act of 1995, which are based on our current expectations, estimates, forecasts and projections. Statements that are not historical facts, including statements concerning plans, objectives, goals, future events, future revenues or performance, financing needs, plans or intentions relating to acquisitions and restructuring, business trends, statements regarding the proposed merger with Brookfield Infrastructure (‘the merger”) and the expected timetable for completing the merger, are forward-looking statements. Words such as “expects,” “anticipates,” “predicts,” “projects,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “continues,” “endeavors,” “strives,” “will”, “may,” or variations of such words and similar expressions are intended to identify such forward-looking statements. In addition, any statements that refer to projections of future financial performance, anticipated growth and trends in businesses, and other characterizations of future events or circumstances are forward-looking statements. There are a number of risks, uncertainties and other important factors that could cause our actual results to differ materially from the forward-looking statements contained in this report. The following important factors, among other things, could cause or contribute to actual results being materially and adversely different from those described or implied by such forward-looking statements, including, but not limited to:

- The Company operates in highly competitive industries, and customers may not continue to purchase products or services, which would result in reduced revenue and loss of market share;
- The Company may be unable to grow our revenues and cash flows despite the initiatives we have implemented;
- Failure to anticipate the need for and introduce new products and services or to compete with new technologies may compromise the Company's success in the telecommunications industry;
- The Company’s access lines, which generate a significant portion of its cash flows and profits, are decreasing in number. If the Company continues to experience access line losses similar to the past several years, its revenues, earnings and cash flows from operations may be adversely impacted;
- Negotiations with the providers of content for our video programming may not be successful, potentially resulting in our inability to carry certain programming channels, which could result in the loss of subscribers. In addition, due to the influence of some content providers, we may be forced to pay higher rates for some content, resulting in increased costs;
- The Company's failure to meet performance standards under its agreements could result in customers terminating their relationships with the Company or customers being entitled to receive financial compensation, leading to reduced revenues and/or increased costs;
- The Company generates a substantial portion of its revenue by serving a limited geographic area;
- One large customer accounts for a significant portion of the Company’s accounts receivable. The loss or significant reduction in business from this customer would cause operating results to decline and could negatively impact profitability and cash flows;
- Maintaining the Company's telecommunications networks requires significant capital expenditures, and the Company's inability or failure to maintain its telecommunications networks could have a material impact on its market share and ability to generate revenue;
- Increases in broadband usage may cause network capacity limitations, resulting in service disruptions or reduced capacity for customers;
- We may be liable for the material that content providers distribute over our networks;
- An IT and/or network security breach or cyber-attack may lead to unauthorized use or disabling of our network, theft of customer data, unauthorized use or publication of our confidential business information and could have a material adverse effect on our business;
- Weather conditions, natural disasters, terrorist acts or acts of war could cause damage to our infrastructure and result in significant disruptions to our operations;
- The regulation of the Company’s businesses by federal and state authorities may, among other things, place the Company at a competitive disadvantage, restrict its ability to price its products and services, and threaten its operating licenses;
- The Company depends on a number of third-party providers and the loss of or problems with one or more of these providers may impede the Company's growth or cause it to lose customers;
- A failure of back-office information technology systems could adversely affect the Company’s results of operations and financial condition;

- If the Company fails to extend or renegotiate its collective bargaining agreements with its labor unions when they expire, or if its unionized employees were to engage in a strike or other work stoppage, the Company’s business and operating results could be materially harmed;
- The loss of any of the senior management team or attrition among key sales associates could adversely affect the Company’s business, financial condition, results of operations and cash flows;
- The future results of the Company will suffer if the Company does not effectively manage its expanded operations following the acquisitions of OnX and Hawaiian Telcom;
- The Company’s debt could limit its ability to fund operations, raise additional capital, and fulfill its obligations, which, in turn, would have a material adverse effect on its businesses and prospects generally;
- The Credit Agreement, the indenture governing the Company's notes due 2024, the indenture governing the Company's notes due 2025 and other indebtedness impose significant restrictions on the Company;
- The Company depends on its Revolving Credit Facility and Receivables Facility to provide for its short-term financing requirements in excess of amounts generated by operations, and the availability of those funds may be reduced or limited;
- The servicing of the Company’s indebtedness is dependent on its ability to generate cash, which could be impacted by many factors beyond its control;
- The Company depends on the receipt of dividends or other intercompany transfers from its subsidiaries and investments;
- There are material uncertainties and risks associated with the proposed Merger Agreement and Merger.
- The proposed Merger may not be completed in a timely manner or at all.
- Failure to complete the Merger could negatively impact the Company’s business, financial results and stock price.
- The Company has incurred, and will incur, substantial direct and indirect costs as a result of the Merger.
- The trading price of the Company's common stock may be volatile, and the value of an investment in the Company's common stock may decline;
- The uncertain economic environment, including uncertainty in the U.S. and world securities markets, could impact the Company's business and financial condition;
- The Company’s future cash flows could be adversely affected if it is unable to fully realize its deferred tax assets;
- Changes in tax laws and regulations, and actions by federal, state and local taxing authorities related to the interpretation and application of such tax laws and regulations, could have a negative impact on the Company's financial results and cash flows;
- Adverse changes in the value of assets or obligations associated with the Company’s employee benefit plans could negatively impact shareowners’ deficit and liquidity;
- Third parties may claim that the Company is infringing upon their intellectual property, and the Company could suffer significant litigation or licensing expenses or be prevented from selling products;
- Third parties may infringe upon the Company’s intellectual property, and the Company may expend significant resources enforcing its rights or suffer competitive injury;
- The Company could be subject to a significant amount of litigation, which could require us to pay significant damages or settlements;
- The Company could incur significant costs resulting from complying with, or potential violations of, environmental, health and human safety laws.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this report. The Company does not undertake any obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

The Company borrows funds at a combination of fixed and variable rates. The Company has exposure to interest rate risk, primarily in the form of variable-rate borrowings from its Revolving Credit Facility and Receivables Facility, as well as changes in current rates compared to that of its fixed rate debt. Certain of our variable rate debt, including debt under the Credit Agreement and the Receivables Facility, uses LIBOR as one of the benchmarks for establishing the rate of interest and may be hedged with LIBOR-based interest rate derivatives. LIBOR is the subject of recent regulatory guidance and proposals for reform. These reforms and other pressures may cause LIBOR to be replaced with a new benchmark in 2021 or to perform differently than in the past. The consequences of these developments cannot be entirely predicted, but could include an increase in the cost of our variable rate indebtedness.

The Company's management periodically employs interest rate hedge contracts, such as swaps, to manage exposure to interest rate risk. The use of these types of instruments to hedge a portion of our exposure to changes in interest rates carries additional risks, such as counterparty credit risk and the legal enforceability of hedging contracts.

The Company had $1,085.2 million principal amount of fixed rate debt outstanding as of December 31, 2019 and 2018, excluding debt with a variable rate that is effectively fixed by related interest rate hedge contracts. The estimated aggregate fair market value of this debt was $1,137.5 million and $904.4 million as of December 31, 2019 and 2018, respectively. At December 31, 2019, the weighted average interest rate on fixed-rate debt is 7.3%.

At December 31, 2019, the Company had variable-rate borrowings of $25.5 million under the Tranche B Term Loan due 2024 not protected by interest rate hedge contracts, $131.5 million of borrowings under the Receivables Facility, and $57.0 million of borrowings under the Credit Agreement's Revolving Credit Facility. The estimated aggregate fair market value of this debt was $214.1 million as of December 31, 2019. At December 31, 2018, the Company had variable-rate borrowings of $298.5 million under the Tranche B Term Loan due 2024 not protected by interest rate hedge contracts, $176.6 million of borrowings under the Receivables Facility, and $18.0 million of borrowings under the Credit Agreement's Revolving Credit Facility. The estimated aggregate fair market value of this debt was $481.2 million as of December 31, 2018. At December 31, 2019, the weighted average interest rate on variable-rate debt is 3.9%. A hypothetical increase or decrease of one hundred basis points in the LIBOR rate would increase or decrease our annual interest expense by $2.3 million.

At December 31, 2019, the Company had $592.5 million of variable rate debt outstanding under the Tranche B Term Loan due 2024 with $567.0 million of related floating-to-fixed interest rate swaps. The interest rate swaps are comprised of one swap with a notional amount of $300.0 million and three swaps with a notional amount $89.0 million each. These swaps effectively fix the underlying one-month LIBOR rate at a weighted average rate of 2.938%, 2.275%, 2.244% and 2.328%, respectively, plus the applicable margin per the requirements in the Credit Agreement. If the underlying LIBOR interest rate increases or decreases by 100 basis points, the aggregate fair market value of the swaps at December 31, 2019 would increase by $18.5 million or decrease by $12.9 million. The $300.0 million swap expires in June 2023 and the three $89.0 million swaps expire in March 2024. At December 31, 2018, the Company had $598.5 million of variable rate debt outstanding under the Tranche B Term Loan due 2024 with $300.0 million related to a floating-to-fixed interest rate swap. The swap effectively fixed the underlying one-month LIBOR rate at a weighted average rate of 2.938% plus the applicable margin per the requirements in the Credit Agreement. If the underlying LIBOR interest rate increased or decreased by 100 basis points, the aggregate fair market value of the swap at December 31, 2018 would increase by $11.5 million or decrease by $11.0 million. The swap expires in June 2023. For further information, see Footnote 11 to the accompanying consolidated financial statements contained in "Part II. Item 8. Financial Statements and Supplementary Data."

Foreign Currency Risk

IT Services and Hardware currently has business operations in Canada, the U.K. and India, and foreign currency risk might arise in the future. We do not currently employ forward contracts or other financial instruments to mitigate foreign currency risk.

Commodity Price Risk

Certain of our operating costs are subject to price fluctuations caused by the volatility of the underlying commodity prices, such as gas utilized primarily by our field operations group, and network and building materials, such as steel, fiber and copper, used in the construction of our networks.

Item 8. Financial Statements and Supplementary Data

Index to Consolidated Financial Statements

Financial statement schedules other than those listed above have been omitted because the required information is contained in the financial statements and notes thereto, or because such schedules are not required or applicable.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Cincinnati Bell Inc. and its subsidiaries (the "Company") is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934. The Company's internal control system is designed to produce reliable financial statements in conformity with accounting principles generally accepted in the United States.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2019. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control — Integrated Framework (2013)*. Based on this assessment, management has concluded that, as of December 31, 2019, the Company's internal control over financial reporting is effective based on those criteria.

The effectiveness of the Company's internal control over financial reporting has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report included herein.

February 24, 2020

/s/ Leigh R. Fox
Leigh R. Fox
Chief Executive Officer

/s/ Andrew R. Kaiser
Andrew R. Kaiser
Chief Financial Officer

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareowners and Board of Directors of Cincinnati Bell Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Cincinnati Bell Inc. and subsidiaries (the "Company") as of December 31, 2019, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements and financial statement as of and for the year ended December 31, 2019, of the Company and our report dated February 24, 2020, expressed an unqualified opinion on those financial statements and included an explanatory paragraph related to the Company's change in method of accounting for leases due to the adoption of Accounting Standards Update 2016-02, *Leases*, during 2019.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on Internal Control over Financial Reporting*. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

Cincinnati, Ohio

February 24, 2020

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareowners and Board of Directors of Cincinnati Bell Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Cincinnati Bell Inc. and subsidiaries (the "Company") as of December 31, 2019 and 2018, the related consolidated statements of operations, comprehensive income, shareowners' deficit and cash flows, for each of the three years in the period ended December 31, 2019, and the related notes and the schedule listed in the Index at Item 15 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 24, 2020, expressed an unqualified opinion on the Company's internal control over financial reporting.

Change in Accounting Principles

As discussed in Note 2 to the financial statements, the Company has changed its method of accounting for leases due to the adoption of Accounting Standards Update 2016-02, *Leases* ("ASU 2016-02"), during 2019.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinions on the critical audit matter or on the accounts or disclosures to which it relates.

Income Taxes – Valuation Allowance — Refer to Notes 1 and 13 to the financial statements

Critical Audit Matter Description

The Company recognizes deferred taxes (including Federal net operating loss carryforwards, or "NOL carryforwards") for temporary differences between the financial statement and income tax basis of assets and liabilities at enacted statutory tax rates in effect for the years in which the differences are expected to reverse. In addition, valuation allowances are recorded to reduce deferred tax assets to amounts that are more likely than not to be realized. As of December 31, 2019, the Company has recorded a valuation allowance of $16.6 million to reduce the deferred tax asset related to non-deductible interest to an amount that is more likely than not realizable. The ultimate realization of the remaining Federal deferred tax assets depends upon the Company's ability to generate future taxable income in an amount sufficient to utilize such deferred tax assets prior to any applicable expiration periods.

As of December 31, 2019, the Company had $777.1 million of federal net operating loss carryforwards with a deferred tax asset value of $163.2 million. Approximately $125.6 million of the Federal NOL carryforwards expire in 2023. In addition, the Company has recognized cumulative pre-tax losses for financial statement purposes over the previous three-year period ended December 31, 2019, requiring the Company's projections of future taxable income to be based on objectively verifiable historical results. Based on those projections, management believes the Company will realize the unreserved, net of any valuation allowances, Federal deferred tax assets (including all Federal NOL carryforwards) prior to their expiration. While U.S. tax laws limit the annual utilization of net operating loss carryforwards of acquired entities, the Company also expects to fully utilize the net operating loss carryforwards associated with their 2018 acquisition of Hawaiian Telcom Holdco, Inc.

We identified management's assertion that the unreserved Federal deferred income tax assets are more likely than not going to be realized as a critical audit matter due to the significance of management's judgments and the inherent uncertainty in forecasting financial results, coupled with the specialized tax knowledge that is necessary to accurately schedule future taxable income and deductions. A high degree of auditor judgment and the involvement of our tax specialists was required when performing audit procedures to evaluate management's assertions.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures to evaluate management's assertion that the unreserved Federal deferred tax assets (including Federal NOL carryforwards) are more likely than not realizable included the following:

- We tested the effectiveness of the Company's controls over income taxes, including those over the calculation of the valuation allowance and the projections of future taxable income.
- We evaluated management's projections of future taxable income by:
  - Evaluating management's ability to accurately project future reversals of temporary differences including the use of tax planning strategies by comparing these projections to historical results and our understanding of anticipated future events.
  - Testing the reasonableness of management's determination of the Company's objectively verifiable income by:
    - Testing that amounts therein agree to historical results
    - Testing the normalization for appropriate non-recurring items
    - Evaluating that non-deductible interest amounts are reasonable based on prior year historical results.
- We evaluated management's assessment that it is more likely than not that sufficient taxable income will be generated in the future to utilize the unreserved Federal deferred tax assets.
- We tested the mathematical accuracy of the Company's valuation allowance analysis.
- We evaluated whether the projections of future taxable income were consistent with evidence obtained in other areas of the audit.
- We evaluated the sufficiency of the Company's disclosures related to the realizability of deferred income tax assets and valuation allowances in the financial statements.

/s/ Deloitte & Touche LLP

Cincinnati, Ohio

February 24, 2020

We have served as the Company's auditor since 2005.

Cincinnati Bell Inc.
CONSOLIDATED BALANCE SHEETS
(Dollars in millions, except share amounts)

	December 31, 2019	December 31, 2018
Assets		
Current assets		
Cash and cash equivalents	$ 11.6	$ 15.4
Receivables, less allowances of $14.3 and $13.0	307.7	342.8
Inventory, materials and supplies	44.6	46.5
Prepaid expenses	28.3	30.7
Other current assets	11.6	10.5
Total current assets	403.8	445.9
Property, plant and equipment, net	1,780.8	1,844.0
Operating lease right-of-use assets	35.8	—
Goodwill	160.5	157.0
Intangible assets, net	155.4	168.1
Deferred income tax assets	59.3	47.5
Other noncurrent assets	58.2	67.7
Total assets	$ 2,653.8	$ 2,730.2
Liabilities and Shareowners' Deficit		
Current liabilities		
Current portion of long-term debt	$ 22.3	$ 20.2
Accounts payable	284.6	331.9
Unearned revenue and customer deposits	59.1	55.9
Accrued taxes	29.1	24.8
Accrued interest	26.8	26.8
Accrued payroll and benefits	49.0	42.9
Other current liabilities	52.6	39.2
Total current liabilities	523.5	541.7
Long-term debt, less current portion	1,901.3	1,909.6
Operating lease liabilities	32.1	—
Pension and postretirement benefit obligations	215.5	230.6
Pole license agreement obligation	38.0	39.1
Deferred income tax liabilities	11.7	11.4
Other noncurrent liabilities	71.7	72.8
Total liabilities	2,793.8	2,805.2
Shareowners' deficit		
Preferred stock, 2,357,299 shares authorized; 155,250 shares (3,105,000 depositary shares) of 6 3/4% Cumulative Convertible Preferred Stock issued and outstanding at December 31, 2019 and 2018; liquidation preference $1,000 per share ($50 per depositary share)	129.4	129.4
Common shares, $.01 par value; 96,000,000 shares authorized; 50,420,700 and 50,184,114 shares issued and outstanding at December 31, 2019 and 2018, respectively	0.5	0.5
Additional paid-in capital	2,676.2	2,680.0
Accumulated deficit	(2,776.0)	(2,709.4)
Accumulated other comprehensive loss	(170.1)	(175.5)
Total shareowners' deficit	(140.0)	(75.0)
Total liabilities and shareowners' deficit	$ 2,653.8	$ 2,730.2

The accompanying notes are an integral part of the consolidated financial statements.

Cincinnati Bell Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in millions, except per share amounts)

	Year Ended December 31, 2019	2018	2017
Revenue	$ 1,536.7	$ 1,378.2	$ 1,065.7
Costs and expenses			
Cost of services and products, excluding items below	784.6	698.7	531.0
Selling, general and administrative	354.4	313.4	235.1
Depreciation and amortization	304.9	252.0	193.0
Restructuring and severance related charges	6.9	8.3	32.7
Transaction and integration costs	12.8	22.5	18.5
Total operating costs and expenses	1,463.6	1,294.9	1,010.3
Operating income	73.1	83.3	55.4
Interest expense	139.6	131.5	85.2
Loss on extinguishment of debt, net	—	1.3	3.2
Other components of pension and postretirement benefit plans expense	11.2	12.5	16.6
Gain on sale of CyrusOne investment	—	—	(117.7)
Other (income) expense, net	(0.5)	(1.6)	1.4
(Loss) income before income taxes	(77.2)	(60.4)	66.7
Income tax (benefit) expense	(10.6)	9.4	26.7
Net (loss) income	(66.6)	(69.8)	40.0
Preferred stock dividends	10.4	10.4	10.4
Net (loss) income applicable to common shareowners	$ (77.0)	$ (80.2)	$ 29.6
Basic and diluted net (loss) earnings per common share	$ (1.53)	$ (1.73)	$ 0.70
Weighted-average common shares outstanding (millions)			
Basic	50.4	46.3	42.2
Diluted	50.4	46.3	42.4

The accompanying notes are an integral part of the consolidated financial statements.

Cincinnati Bell Inc.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Dollars in millions)

	Year Ended December 31,		
	2019	2018	2017
Net (loss) income	$ (66.6)	$ (69.8)	$ 40.0
Other comprehensive income (loss), net of tax:			
Unrealized gains on Investment in CyrusOne, net of tax of $4.4	—	—	8.3
Reclassification adjustment for gain on sale of Investment in CyrusOne included in net income, net of tax of ($41.3)	—	—	(76.4)
Foreign currency translation gain (loss)	3.7	(6.5)	0.2
Cash flow hedges:			
Unrealized loss on cash flow hedges arising during the period, net of tax of ($3.7), ($1.4)	(12.5)	(4.8)	—
Reclassification adjustment for net losses included in net income, net of tax of $0.5, $0.3	1.7	0.9	—
Defined benefit plans:			
Net gain (loss) arising from remeasurement during the period, net of tax of $0.7, ($1.6), $0.8	2.5	(5.5)	2.8
Amortization of prior service benefits included in net income, net of tax of ($0.6), ($0.7), ($1.6)	(1.9)	(2.4)	(2.9)
Amortization of net actuarial loss included in net income, net of tax of $3.6, $4.7, $7.9	11.9	16.4	14.3
Reclassification adjustment for pension settlement charges included in net income, net of tax of $0.0, $1.5	—	0.1	2.5
Total other comprehensive income (loss), net of tax	5.4	(1.8)	(51.2)
Total comprehensive loss	$ (61.2)	$ (71.6)	$ (11.2)

The accompanying notes are an integral part of the consolidated financial statements.

Cincinnati Bell Inc.
CONSOLIDATED STATEMENTS OF SHAREOWNERS' DEFICIT
(in millions)

	6 3/4% Cumulative Convertible Preferred Shares		Common Shares		Additional Paid-in	Accumulated	Accumulated Other Comprehensive	
	Shares	Amount	Shares	Amount	Capital	Deficit	Loss	Total
Balance at December 31, 2016	3.1	$ 129.4	42.1	$ 0.4	$ 2,570.9	$ (2,711.8)	$ (90.3)	$ (101.4)
Net income	—	—	—	—	—	40.0	—	40.0
Reclassification adjustment to accumulated deficit for stranded other comprehensive income taxes arising from tax reform (a)	—	—	—	—	—	32.2	(32.2)	—
Other comprehensive loss, excluding reclassification adjustment to accumulated deficit for stranded other comprehensive income taxes arising from tax reform	—	—	—	—	—	—	(51.2)	(51.2)
Shares issued under employee plans	—	—	0.1	—	0.5	—	—	0.5
Shares purchased under employee plans and other	—	—	—	—	(1.3)	—	—	(1.3)
Stock-based compensation	—	—	—	—	5.9	—	—	5.9
Dividends on preferred stock	—	—	—	—	(10.4)	—	—	(10.4)
Balance at December 31, 2017	3.1	129.4	42.2	0.4	2,565.6	(2,639.6)	(173.7)	(117.9)
Net loss	—	—	—	—	—	(69.8)	—	(69.8)
Other comprehensive loss	—	—	—	—	—	—	(1.8)	(1.8)
Shares issued under employee plans	—	—	0.3	—	0.2	—	—	0.2
Shares purchased under employee plans and other	—	—	—	—	(2.1)	—	—	(2.1)
Stock-based compensation	—	—	—	—	5.6	—	—	5.6
Dividends on preferred stock	—	—	—	—	(10.4)	—	—	(10.4)
Stock consideration for acquisition of Hawaiian Telcom	—	—	7.7	0.1	121.1	—	—	121.2
Balance at December 31, 2018	3.1	129.4	50.2	0.5	2,680.0	(2,709.4)	(175.5)	(75.0)
Net loss	—	—	—	—	—	(66.6)	—	(66.6)
Other comprehensive income	—	—	—	—	—	—	5.4	5.4
Shares issued under employee plans	—	—	0.2	—	—	—	—	—
Shares purchased under employee plans and other	—	—	—	—	(0.8)	—	—	(0.8)
Stock-based compensation	—	—	—	—	7.4	—	—	7.4
Dividends on preferred stock	—	—	—	—	(10.4)	—	—	(10.4)
Balance at December 31, 2019	3.1	$ 129.4	50.4	$ 0.5	$ 2,676.2	$ (2,776.0)	$ (170.1)	$ (140.0)

(a) Per ASU 2018-02, entities can elect to make a one-time reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from enacted corporate tax rates under the Tax Cuts and Jobs Act. The Company elected to make the change and recorded the adjustment in 2017.

The accompanying notes are an integral part of the consolidated financial statements.

Cincinnati Bell Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in millions)

	Year Ended December 31,		
	2019	2018	2017
Cash flows from operating activities			
Net (loss) income	$ (66.6)	$ (69.8)	$ 40.0
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Depreciation and amortization	304.9	252.0	193.0
Loss on extinguishment of debt	—	1.3	3.2
Gain on sale of Investment in CyrusOne	—	—	(117.7)
Provision for loss on receivables	12.5	8.4	6.9
Noncash portion of interest expense	6.2	5.4	2.8
Deferred income taxes	(10.9)	6.9	26.3
Pension and other postretirement payments (in excess of) less than expense	(0.1)	(7.2)	6.4
Stock-based compensation	7.4	5.6	5.9
Other, net	(5.0)	(3.5)	2.5
Changes in operating assets and liabilities:			
Decrease (increase) in receivables	27.6	(83.1)	21.3
Decrease (increase) in inventory, materials, supplies, prepaid expenses and other current assets	5.0	2.2	(16.6)
(Decrease) increase in accounts payable	(40.0)	95.1	22.4
Increase in accrued and other current liabilities	13.0	10.5	16.2
Decrease (increase) in other noncurrent assets	9.3	(0.9)	1.4
Decrease in other noncurrent liabilities	(4.2)	(8.2)	(10.6)
Net cash provided by operating activities	259.1	214.7	203.4
Cash flows from investing activities			
Capital expenditures	(223.8)	(220.6)	(210.5)
Proceeds from sale of Investment in CyrusOne	—	—	140.7
Acquisitions of businesses, net of cash acquired	—	(216.8)	(167.0)
Other, net	0.5	—	—
Net cash used in investing activities	(223.3)	(437.4)	(236.8)
Cash flows from financing activities			
Proceeds from issuance of long-term debt	—	—	943.0
Net (decrease) increase in corporate credit and receivables facilities with initial maturities less than 90 days	(6.1)	194.6	(89.5)
Repayment of debt	(21.5)	(328.7)	(403.0)
Debt issuance costs	(0.8)	(11.7)	(19.1)
Dividends paid on preferred stock	(10.4)	(10.4)	(10.4)
Other, net	(0.8)	(1.9)	(0.8)
Net cash (used in) provided by financing activities	(39.6)	(158.1)	420.2
Effect of exchange rate changes on cash, cash equivalents and restricted cash	—	(0.3)	—
Net (decrease) increase in cash, cash equivalents and restricted cash	(3.8)	(381.1)	386.8
Cash, cash equivalents and restricted cash at beginning of year	15.4	396.5	9.7
Cash, cash equivalents and restricted cash at end of year	$ 11.6	$ 15.4	$ 396.5

The accompanying notes are an integral part of the consolidated financial statements.

Cincinnati Bell Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Business and Accounting Policies

Description of Business — Cincinnati Bell Inc. and its consolidated subsidiaries ("Cincinnati Bell," "we," "our," "us" or the "Company") provides diversified telecommunications and technology services. The Company generates a large portion of its revenue by serving customers in Cincinnati, Ohio, Dayton, Ohio and the islands of Hawaii. An economic downturn or natural disaster occurring in these, or a portion of these, limited operating territories could have a disproportionate effect on our business, financial condition, results of operations and cash flows compared to similar companies of a national scope and similar companies operating in different geographic areas.

As of December 31, 2019, we operate our business through the following segments: Entertainment and Communications and IT Services and Hardware.

The Company has approximately 4,400 employees as of December 31, 2019. Approximately 30% of total employees are covered by collective bargaining agreements with the Communications Workers of America ("CWA") and the International Brotherhood of Electrical Workers ("IBEW)" Local 1357. The effective dates for collective bargaining agreements with the CWA and IBEW range through the second quarter of 2021 and third quarter of 2022, respectively.

Basis of Presentation — The consolidated financial statements of the Company have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") and, in the opinion of management, include all adjustments necessary for a fair presentation of the results of operations, comprehensive income, financial position and cash flows for each period presented.

Basis of Consolidation — The consolidated financial statements include the consolidated accounts of Cincinnati Bell Inc. and its majority-owned subsidiaries over which it exercises control. Intercompany accounts and transactions have been eliminated in the consolidated financial statements.

Use of Estimates — The preparation of financial statements in conformity with generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the amounts reported. Actual results could differ from those estimates. Significant items subject to such estimates and judgments include: the carrying value of property, plant and equipment; the valuation of insurance and claims liabilities; the valuation of allowances for receivables and deferred income taxes; reserves recorded for income tax exposures; the valuation of asset retirement obligations; assets and liabilities related to employee benefits; the valuation of deferred costs under Accounting Standards Codification ("ASC") 606, "Revenue Recognition"; purchase price allocation for acquired businesses; and the valuation of intangible assets and goodwill. In the normal course of business, the Company is also subject to various regulatory and tax proceedings, lawsuits, claims and other matters. The Company believes adequate provision has been made for all such asserted and unasserted claims in accordance with GAAP. Such matters are subject to many uncertainties and outcomes that are not predictable with assurance. We periodically review our estimates in light of changes in circumstances, facts and experience. The effects of material revisions in estimates are reflected in our financial statements prospectively from the date of the change in estimate.

Cash, Cash Equivalents and Restricted Cash — Cash consists of funds held in bank accounts. Cash equivalents consist of short-term, highly liquid investments with original maturities of three months or less.

Receivables — Receivables consist principally of trade receivables from customers and are generally unsecured and due within 21 - 90 days. The Company has receivables with one customer, Verizon Communications Inc., which make up 25% and 18% of the outstanding accounts receivable balance at December 31, 2019 and 2018, respectively. Unbilled receivables arise from services rendered but not yet billed. As of December 31, 2019 and 2018, unbilled receivables totaled $15.3 million and $19.0 million, respectively. Expected credit losses related to trade receivables are recorded as an allowance for uncollectible accounts in the Consolidated Balance Sheets. The Company establishes the allowances for uncollectible accounts using percentages of aged accounts receivable balances to reflect the historical average of credit losses as well as specific provisions for certain identifiable, potentially uncollectible balances. When internal collection efforts on accounts have been exhausted, the accounts are written off and the associated allowance for uncollectible accounts is reduced.

Factoring Arrangements — In the second quarter of 2018, the Company executed an amendment of its Receivables Facility that includes an option for Cincinnati Bell Funding LLC ("CBF") to sell certain receivables, on a non-recourse basis, directly to PNC Bank. The terms of the factoring arrangement provides for the factoring of certain receivables, which are purchased at the face amount of the receivable discounted at the annual rate of LIBOR plus a bank determined spread on the purchase date. Such sales of accounts receivable are reflected as a reduction of "Receivables, less allowances" in the Consolidated Balance Sheets as they meet the applicable criteria in ASC 860, "Transfers and Servicing." The fees recorded in relation to such sales of accounts receivable were $0.7 million and $0.1 million in 2019 and 2018, respectively, and are included in "Selling, general, and administrative" in the Consolidated Statements of Operations. As of December 31, 2019 and 2018, the outstanding balance of receivables sold under the terms of the factoring agreement were $44.7 million and $20.0 million, respectively. See Note 8 for further information related to the Receivables

Inventory, Materials and Supplies — Inventory, materials and supplies consists of network components, various telephony and IT equipment to be sold to customers, maintenance inventories, and other materials and supplies, which are carried at the lower of average cost or market.

Property, Plant and Equipment — Property, plant and equipment is stated at original cost and presented net of accumulated depreciation and impairment losses. Property, plant and equipment acquired in conjunction with the acquisition of Hawaiian Telcom was stated at fair value in accordance with ASC 805, “Business Combinations”. Maintenance and repairs are charged to expense as incurred while improvements, which extend an asset's useful life or increase its functionality, are capitalized and depreciated over the asset's remaining life. The majority of the Entertainment and Communications network property, plant and equipment used to generate its voice and data revenue is depreciated using the group method, which develops a depreciation rate annually based on the average useful life of a specific group of assets rather than for each individual asset as would be utilized under the unit method. Provision for depreciation of other property, plant and equipment, except for leasehold improvements, is based on the straight-line method over the estimated economic useful life. Depreciation of leasehold improvements is based on a straight-line method over the lesser of the economic useful life of the asset or the term of the lease, including optional renewal periods if renewal of the lease is reasonably assured.

Additions and improvements, including interest and certain labor costs incurred during the construction period, are capitalized. The Company records the fair value of a legal liability for an asset retirement obligation in the period it is incurred. The estimated removal cost is initially capitalized and depreciated over the remaining life of the underlying asset. The associated liability is accreted to its present value each period. Once the obligation is ultimately settled, any difference between the final cost and the recorded liability is recognized as gain or loss on disposition.

Goodwill — Goodwill represents the excess of the purchase price consideration over the fair value of net assets acquired and recorded in connection with business acquisitions. Goodwill is allocated at the business segment level. Goodwill is tested for impairment on an annual basis or when events or changes in circumstances indicate that such assets may be impaired. If the net book value of the reporting unit exceeds its fair value, an impairment loss is recognized. An impairment loss is measured as the excess of the carrying value of goodwill of a reporting unit over its fair value.

Long-Lived Assets — Management reviews the carrying value of property, plant and equipment and other long-lived assets, including intangible assets with definite lives, when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. An impairment loss is recognized when the estimated future undiscounted cash flows expected to result from the use of an asset (or group of assets) and its eventual disposition is less than its carrying amount. An impairment loss is measured as the amount by which the asset’s carrying value exceeds its estimated fair value. Long-lived intangible assets are amortized based on the estimated economic value generated by the asset in future years.

Investment in CyrusOne — On January 24, 2013, we completed the initial public offering ("IPO") of CyrusOne Inc. ("CyrusOne"), which owns and operates our former Data Center Colocation business.

In the first quarter of 2017, we sold our remaining 2.8 million shares of CyrusOne Inc. common stock for net proceeds totaling $140.7 million that resulted in a realized gain of $117.7 million. The Company no longer has an investment in CyrusOne Inc.

Equity Method Investments — The Company records equity method investments at carrying value within “Other noncurrent assets” in the Consolidated Balance Sheets. The Company's proportionate share of the investments’ net loss had a minimal impact on our Consolidated Statements of Operations in 2019, 2018 and 2017. Equity method investments are tested for impairment on an annual basis or when events or changes in circumstances indicate that such assets may be impaired. In the third quarter of 2017, the entire carrying value of $4.7 million of an equity method investment was impaired and recorded to "Other (income) expense, net" in the Consolidated Statements of Operations.

Cost Method Investments — Certain of our cost method investments do not have readily determinable fair values. The carrying value of these investments was $6.6 million and $5.8 million as of December 31, 2019 and 2018, respectively, and was included in "Other noncurrent assets" in the Consolidated Balance Sheets. Investments are reviewed annually for impairment, or sooner if changes in circumstances indicate the carrying value may not be recoverable. If the carrying value of the investment exceeds its estimated fair value and the decline in value is determined to be other-than-temporary, an impairment loss is recognized for the difference. The Company estimates fair value using external information and discounted cash flow analysis.

Leases — Effective January 1, 2019, the Company adheres to lease accounting principles described in ASC 842, “Leases.” Under ASC 842, the Company determines if an arrangement is a lease at inception based on the facts and circumstances present. In lease transactions where the Company acts as the lessor, the lease component is accounted for in accordance with ASC 842, and the non-lease component is accounted for in accordance with ASC 606. Although separation of lease and non-lease components is required, certain practical expedients are available that release the Company from this requirement. Adoption of the practical expedient allows the Company to account for each lease component and the related non-lease component together as a single component provided that the timing and patterns of revenue recognition for the components are the same and the combined, single unit of account would be classified as an operating lease. The Company's operating leases for certain services that include Customer Premise Equipment, including handsets and set-top boxes, have lease and non-lease components. In these arrangements, management has concluded that the non-lease components are the predominant characteristic, and, as a result, the Company has elected to account for these arrangements as one single non-lease component recorded as "Revenue" in the Consolidated Statements of Operations in accordance with ASC 606.

Right-of-use assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease right-of-use assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Certain adjustments to the right-of-use asset may be required for items such as initial direct costs paid or incentives received.

The Company's lease terms include options to extend, terminate or buyout the lease when it is reasonably certain that we will exercise that option. Leases that have contract prices based on variable factors, such as power usage, are recognized as variable lease expense in the period in which the obligation for those payments are incurred. Lease expense for variable lease payments is recognized on a straight-line basis over the lease term.

Treasury Shares — The repurchase of common shares is recorded at purchase cost as treasury shares. Our policy is to retire, either formally or constructively, treasury shares that management anticipates will not be reissued. Upon retirement, the purchase cost of the treasury shares that exceeds par value is recorded as a reduction to “Additional paid-in capital” in the Consolidated Balance Sheets.

Revenue Recognition — The Company adheres to revenue recognition principles described in ASC 606. Under ASC 606, revenue is recognized when the Company transfers promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. A good or service is considered to be transferred when the customer obtains control.

Revenue derived from foreign operations is approximately 5%, 6% and 3% of consolidated revenue in 2019, 2018 and 2017, respectively.

Entertainment and Communications — Revenues from local telephone, special access, internet product and video services, which are billed monthly prior to performance of service, are not recognized upon billing or cash receipt but rather are deferred until the service is provided. Consumer long distance, switched access and other usage based charges are billed monthly in arrears. Entertainment and Communications bills service revenue in regular monthly cycles, which are spread throughout the days of the month. As the last day of each billing cycle rarely coincides with the end of the reporting period for usage-based services such as long distance and switched access, we must estimate service revenues earned but not yet billed. These estimates are based upon historical usage, and we adjust these estimates during the period in which actual usage is determinable, typically in the following reporting period.

Pricing of local voice services is generally subject to oversight by both state and federal regulatory commissions. Such regulation also covers services, competition, and other public policy issues. Various regulatory rulings and interpretations could result in increases or decreases to revenue in future periods.

For long-term indefeasible right of use, or IRU, contracts for fiber circuit capacity, the Company may receive up-front payments for services to be delivered for a period of up to 25 years. In these situations, the Company defers the revenue and amortizes it on a straight-line basis to earnings over the term of the contract. The Company began recognizing a financing component, in accordance with ASC 606, associated with the up-front payments for services to be delivered under IRU contracts for fiber circuit capacity. See Note 3 for further information.

IT Services and Hardware — Revenue is generally recognized as the service is provided. Maintenance on telephony equipment is deferred and recognized ratably over the term of the underlying customer contract, generally one to three years.

For hardware sales, revenue is recognized net of the cost of product and is recognized when the hardware is either shipped or delivered in accordance with the terms of the contract. Installation service revenue is generally recognized when installation is complete. We sell equipment and installation services on both a combined and standalone basis.

For the sale of hardware within the Infrastructure Solutions category, the Company evaluated whether it is the principal (in which case we report revenues on a gross basis) or the agent (in which case we report revenues on a net basis). The Company has concluded it acts as an agent because it does not control the inventory before it is transferred to customers, it does not have the ability to direct the product to anyone besides the purchasing customer, and it does not integrate the hardware with any of its own goods or services.

Advertising Expenses — Costs related to advertising are expensed as incurred. Advertising costs were $18.6 million, $14.2 million, and $13.5 million in 2019, 2018, and 2017, respectively.

Legal Expenses — In the normal course of business, the Company is involved in various claims and legal proceedings. Legal costs incurred in connection with loss contingencies are expensed as incurred. Legal claim accruals are recorded once determined to be both probable and estimable.

Income, Operating, and Regulatory Taxes

Income taxes — The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction as well as various foreign, state and local jurisdictions. The provision for income taxes is based upon income in the consolidated financial statements, rather than amounts reported on the income tax return. The income tax provision consists of an amount for taxes currently payable and an amount for tax consequences deferred to future periods. Deferred investment tax credits are amortized as a reduction of the provision for income taxes over the estimated useful lives of the related property, plant and equipment. Deferred income taxes are provided for temporary differences between financial statement and income tax assets and liabilities. Deferred income taxes are recalculated annually at rates then in effect. Valuation allowances are recorded to reduce deferred tax assets to amounts that are more likely than not to be realized. The ultimate realization of the deferred income tax assets depends upon the ability to generate future taxable income during the periods in which basis differences and other deductions become deductible and prior to the expiration of the net operating loss carryforwards.

Previous tax filings are subject to normal reviews by regulatory agencies until the related statute of limitations expires.

Operating taxes — Certain operating taxes such as property, sales, use, and gross receipts taxes are reported as expenses in operating income primarily within cost of services. These taxes are not included in income tax expense because the amounts to be paid are not dependent on our level of income. Liabilities for audit exposures are established based on management's assessment of the probability of payment. The provision for such liabilities is recognized as either property, plant and equipment, operating tax expense, or depreciation expense depending on the nature of the audit exposure. Upon resolution of an audit, any remaining liability not paid is released against the account in which it was originally recorded.

Regulatory taxes — The Company incurs federal and state regulatory taxes on certain revenue producing transactions. We are permitted to recover certain of these taxes by billing the customer; however, collections cannot exceed the amount due to the federal regulatory agency. These federal regulatory taxes are presented in revenue and cost of services on a gross basis because, while the Company is required to pay the tax, it is not required to collect the tax from customers and, in fact, does not collect the tax from customers in certain instances. The amounts recorded as revenue for 2019, 2018, and 2017 were $29.2 million, $22.2 million and $16.8 million, respectively. The amounts reported as expense for 2019, 2018 and 2017 were $32.5 million, $23.4 million, and $17.7 million, respectively. We record all other federal taxes collected from customers on a net basis.

Stock-Based Compensation — Compensation cost is recognized for all share-based awards to employees and non-employee directors. We value all share-based awards to employees at fair value on the date of grant and expense this amount over the required service period, generally defined as the applicable vesting period. For awards which contain a performance condition, compensation expense is recognized over the service period, when achievement of the performance condition is deemed probable. The fair value of stock options and stock appreciation rights is determined using the Black-Scholes option-pricing model using assumptions such as volatility, risk-free interest rate, holding period and dividends. The fair value of stock awards is based on the Company’s closing share price on the date of grant. For all share-based payments, the Company accounts for forfeitures as they occur. Actual forfeiture activity reduces the total fair value of the awards to be recognized as compensation expense. When an award is granted to an employee who is retirement eligible, the compensation cost is recognized over the service period up to the date that the employee first becomes eligible to retire.

Pension and Postretirement Benefit Plans — The Company maintains qualified and non-qualified defined benefit pension plans, and also provides postretirement healthcare and life insurance benefits for eligible employees. We recognize the overfunded or underfunded status of the defined benefit pension and other postretirement benefit plans as either an asset or liability. Changes in the funded status of these plans are recognized as a component of comprehensive income (loss) in the year they occur. Pension and postretirement healthcare and life insurance benefits earned during the year and interest on the projected benefit obligations are accrued and recognized currently in net periodic benefit cost. Prior service costs and credits are amortized over the average remaining life expectancy of participants or remaining service period, based upon whether plan participants are mostly retirees or active employees. Net gains or losses resulting from differences between actuarial estimates or from changes in actuarial assumptions are recognized as a component of annual net periodic benefit cost. Unrecognized actuarial gains or losses that exceed 10% of the projected benefit obligation are amortized on a straight-line basis over the average remaining service life of active employees for the Cincinnati pension plans (approximately 8-11 years) and average remaining life expectancy of retirees for the Cincinnati postretirement plans (approximately 14-17 years). The accumulated gains or losses associated with the Hawaii plans do not exceed the corridor requiring amortization.

Business Combinations — In accounting for business combinations, we apply the accounting requirements of ASC 805, which requires the recording of net assets of acquired businesses at fair value. The Company utilizes management estimates and an independent third-party valuation firm to assist in determining the fair values of acquired assets and assumed liabilities. In developing estimates of the fair value of net assets, the Company analyzes a variety of factors including market data, estimated future cash flows of the acquired operations, industry growth rates, current replacement cost for fixed assets, and market rate assumptions for contractual obligations. Such a valuation requires management to make significant estimates and assumptions, particularly with respect to the intangible assets.

Fair Value Measurements — Fair value of financial and non-financial assets and liabilities is defined as the price representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Fair value is utilized to measure certain investments on a recurring basis. Fair value measurements are also utilized to determine the initial value of assets and liabilities acquired in a business combination, to perform impairment tests, and for disclosure purposes.

Management uses quoted market prices and observable inputs to the maximum extent possible when measuring fair value. In the absence of quoted market prices or observable inputs, fair value is determined using valuation models that incorporate assumptions that a market participant would use in pricing the asset or liability.

Fair value measurements are classified within one of three levels, which prioritize the inputs used in the methodologies of measuring fair value for assets and liabilities, as follows:

Level 1 — Quoted market prices for identical instruments in an active market;

Level 2 — Quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (i.e., interest rates, yield curves, etc.), and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs); and

Level 3 — Unobservable inputs that reflect management's determination of assumptions that market participants would use in pricing the asset or liability. These inputs are developed based on the best information available, including our own data.

The determination of where an asset or liability falls in the hierarchy requires significant judgment.

Foreign Currency Translation and Transactions — The financial position of foreign subsidiaries is translated at the exchange rates in effect at the end of the period, while revenues and expenses are translated at average rates of exchange during the period. Gains or losses from translation of foreign operations where the local currency is the functional currency are included as components of accumulated other comprehensive income. Gains and losses arising from foreign currency transactions are recorded in "Other (income) expense, net" in the period incurred.

2. Recently Issued Accounting Standards

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers. The standard’s core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. This standard also includes expanded disclosure requirements that result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity’s contracts with customers. The Company adopted the new standard and all subsequent amendments as of January 1, 2018. The Company utilized the full retrospective method; therefore, each prior reporting period presented was adjusted beginning with the issuance of the Company’s 2018 interim financial statements.

The most significant impact of adopting the new standard is the change to the treatment of hardware revenue in the Infrastructure Solutions category from recording hardware revenue as a principal (gross) to recording revenue as an agent (net). Based on our assessment of ASU 2016-08, Revenue from Contracts with Customers: Principal versus Agent Considerations (Reporting Revenue Gross versus Net), issued by the FASB in March 2016, the Company acts as an agent and as such will record hardware sales net of the related cost of products. ASU 2016-08 clarifies the implementation guidance on principal versus agent considerations focusing on a control model rather than a risk and reward model. As a result of adopting ASU 2014-09, revenue and cost of products decreased by $222.8 million for 2017. Changes in accounting policies related to variable consideration or rebates did not have a material effect on the Company's consolidated financial statements. Fulfillment and acquisition costs that are now recorded as an asset and amortized on a monthly basis decreased expense by $0.7 million for 2017. Additionally, as a result of the adoption of ASC 606 a decrease to tax expense of $4.2 million was recorded in 2017. This change to expense for fulfillment and acquisition costs and tax expense increased both basic and diluted earnings per share for 2017 by $0.11 and $0.12, respectively. See Note 3 for additional disclosures as a result of adopting ASC Topic 606.

In February 2016, the FASB issued ASU 2016-02, Leases, which represents a wholesale change to lease accounting. Since that date, the FASB has issued additional ASUs clarifying certain aspects of ASU 2016-02 but did not change the core principal. The standard introduces a lessee model that brings most leases onto the balance sheet, as well as aligns certain underlying principles of the new lessor model with those in ASC 606. The ASU is effective for public entities for fiscal years beginning after December 15, 2018. The Company adopted the standard and all subsequent amendments effective January 1, 2019, using the modified retrospective transition method, which did not require the Company to adjust comparative periods.

The Company elected the package of practical expedients permitted under the transition guidance, which allowed the Company to carryforward its historical assessments of: (1) whether contracts are or contain leases, (2) lease classification and (3) initial direct costs. In addition to the package of practical expedients, the Company elected the practical expedients of using hindsight in determining the lease term and in assessing impairment of the entity’s right-of-use assets as well as not to assess whether existing or expired land easements that were not previously accounted for as leases under ASC 840 are or contain a lease under ASC 842.

Upon adoption of this standard, the Company recognized operating lease right-of-use assets of $38.3 million and operating lease liabilities of $46.2 million in the Consolidated Balance Sheets for 2019. The Company elected the practical expedient outlined in ASU 2018-11 allowing entities to initially apply the new lease standard at the adoption date and recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. The adoption of ASU 2016-02 had no impact to accumulated deficit.

The Company implemented internal controls and procured a third-party lease accounting software solution to facilitate the ongoing accounting and financial reporting requirements of the ASU. The standard did not have a material impact on our Consolidated Statements of Operations for 2019. The most significant impact was the recognition of right-of-use assets and lease liabilities for operating leases, while our accounting for finance leases remained substantially unchanged. See Note 9 for required disclosures as a result of adopting ASC 842.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326), which replaces the incurred loss model with the current expected credit loss ("CECL") model to estimate credit losses for financial assets measured at amortized cost and certain off-balance sheet credit exposures. The CECL model requires a company to estimate credit losses expected over the life of the financial assets based on all relevant information including historical information, current conditions and reasonable and supportable forecasts that affect the collectability of the amounts. This standard is effective for public entities for fiscal years beginning after December 15, 2019. The standard requires a modified retrospective approach by recording a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective. ASU 2016-13 was amended in November 2018 by the provisions of ASU 2018-19, Codification Improvements to Topic 326, Financial Instruments – Credit Losses, and in April 2019 by the provisions of ASU 2019-04, Codification Improvements to Topic 326, Financial Instruments – Credit Losses, and in May 2019 by the provisions of ASU 2019-05, Financial Instruments – Credit Loses (Topic 326) and in November 2019 by the provisions of ASU 2019-11, Codification Improvements to Topic 326, Financial Instruments – Credit Losses. The Company adopted the standard and all subsequent amendments on January 1, 2020. The adoption of this standard, as amended, did not have a material effect on the Company's consolidated financial statements.

In March 2017, the FASB issued ASU 2017-07, Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost, which amends the requirements in ASC 715 related to the income statement presentation of the components of net periodic benefit cost for an entity's sponsored defined benefit pension and other postretirement plans. The ASU requires entities to disaggregate the current service cost component from the other components of net benefit cost (the "other components") and present it with other current compensation costs for related employees in the income statement. The other components shall be presented elsewhere in the income statement and outside of income from operations, if such a subtotal is presented, on a retrospective basis as of the date of adoption. In addition, only the service cost component of net benefit cost is eligible for capitalization on a prospective basis. The ASU is effective for public business entities for annual periods beginning after December 15, 2017. The Company retrospectively adopted the standard effective January 1, 2018. The Company re-classed $6.6 million and $6.0 million of other components of net benefit cost from "Cost of services and products" and "Selling, general and administrative," respectively, to a new line below Operating income, "Other components of pension and postretirement benefit plans expense," on the Consolidated Statements of Operations for 2017. The Company re-classed $4.0 million of other components of net benefit cost from "Other" related to a settlement charge to "Other components of pension and postretirement benefit plans expense," on the Consolidated Statements of Operations for 2017.

In August 2018, the FASB issued ASU 2018-15, Intangibles-Goodwill and Other-Internal-Use Software, which aligns the accounting for implementation costs incurred in a hosting arrangement that is a service contract with the requirements in ASC 350-40 for capitalizing implementation costs incurred to develop or obtain internal-use software. The amendments in this ASU also require the entity to present the expense related to the capitalized implementation costs in the same line item in the statement of income as the fees associated with the hosting element of the arrangement and classify payments for capitalized implementation costs in the statement of cash flows in the same manner as payments made for fees associated with the hosting element. The amendments in this ASU are effective for public business entities for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. The amendments should be applied either retrospectively or prospectively to all implementation costs incurred after the date of adoption. Early adoption is permitted in any interim period after issuance of the update. The Company early adopted this standard prospectively effective January 1, 2019. The adoption of this standard did not have a material impact on the Company's consolidated financial statements.

In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes, which simplifies the accounting for income taxes, eliminates certain exceptions within *Income Taxes (740)*, and clarifies certain aspects of the current guidance to promote consistency among reporting entities, and is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2020, with early adoption permitted. Most amendments within ASU 2019-12 are required to be applied on a prospective basis, while certain amendments must be applied on a retrospective or modified retrospective basis. The Company is currently in the process of evaluating the effects of this standard on its consolidated financial statements, including potential early adoption.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies that do not require adoption until a future date are not expected to have a material impact on the Company's consolidated financial statements upon adoption.

3. Revenue

The Entertainment and Communications segment provides products and services to both consumer and enterprise customers that can be categorized as either Fioptics in Cincinnati or Consumer/SMB Fiber in Hawaii (collectively, "Consumer/SMB Fiber"), Enterprise Fiber or Legacy. The products and services within these three categories can be further categorized as either Data, Voice, Video or Other. Consumer/SMB Fiber and Legacy revenue include both consumer and commercial customers. Enterprise Fiber revenue includes ethernet and dedicated internet access services that are provided to enterprise customers. Enterprise Fiber also includes revenue associated with the Southeast Asia to United States ("SEA-US") trans Pacific submarine cable system, which was acquired in conjunction with the acquisition of Hawaiian Telcom in the third quarter of 2018, and connects Indonesia, the Philippines, Guam, Hawaii and the mainland United States.

Residential customers have implied month-to-month contracts, while commercial customers, with the exception of contracts associated with the SEA-US, typically have contracts with a duration of one to five years and automatically renew on a month to month basis. Customers are invoiced on a monthly basis for services rendered. Contracts for projects that are included within the Other revenue stream are typically short in duration and less than one year. Contracts associated with the SEA-US typically range from 15 to 25 years and payment is prepaid.

The IT Services and Hardware segment provides a full range of Information Technology ("IT") solutions, including Communications, Cloud and Consulting services. IT Services and Hardware customers enter into contracts that have a typical duration of one to five years, with varied renewal options at the end of the term. Customers are invoiced on a monthly basis for services rendered. The IT Services and Hardware segment also provides enterprise customers with Infrastructure Solutions, which includes the sale of hardware and maintenance contracts. These contracts are typically satisfied in less than twelve months and revenue is recognized at a point in time.

The Company accounts for revenue in accordance with ASC Topic 606, Revenue from Contracts with Customers, which was adopted on January 1, 2018, using the full retrospective method.

The Company has elected the practical expedient described in ASC 606-10-32-18 that allows an entity to not adjust the promised amount of consideration for the effects of a significant financing component if the entity expects that the period of time between the transfer of a promised good or service to the customer and when the customer pays for such good or service will be one year or less. Customers are typically billed immediately upon the rendering of services or the delivery of products. Payment terms for customers are between 30 and 180 days. Subsequent to the acquisition of Hawaiian Telcom, the Company began recognizing a financing component associated with the up-front payments for services to be delivered under indefeasible right of use ("IRU") contracts for fiber circuit capacity. The IRU contracts are associated with the SEA-US. The IRU contracts typically have a duration ranging from 15 to 25 years.

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer, or a series of distinct goods or services, and is the unit of account defined in ASC Topic 606. The transaction price identified in the contract is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. Contract modifications for changes to services provided are routine throughout the term of our contracts. In most instances, contract modifications are for the addition or reduction of services that are distinct, and price changes are based on the stand-alone selling price of the service and, as such, are accounted for on a prospective basis as a new contract.

Goods and services are sold individually, or a contract may include multiple goods or services. For contracts with multiple goods and services, the contract transaction price is allocated to each performance obligation using the stand-alone selling price of each distinct good or service in the contract.

Certain customers of the Company may receive cash-based rebates based on volume of sales, which are accounted for as variable consideration. Potential rebates are considered at contract inception in our estimate of transaction price based on the projected volume of sales. Estimates are reassessed quarterly.

Performance obligations are satisfied either over time as services are performed or at a point in time. Substantially all of our service revenue is recognized over time. For services transferred over time, the Company has elected the practical expedient to recognize revenue based on amounts invoiced to the customer as the Company has concluded that the invoice amount directly corresponds with the value of services provided to the customer. Management considers this a faithful depiction of the transfer of control as services are provided evenly over the month and are substantially the same over the life of the contract. As the Company has elected the practical expedients detailed at ASC 606-10-50-13, revenue for these unsatisfied performance obligations that will be billed in future periods has not been disclosed.

As of December 31, 2019, our estimated revenue, including a financing component, expected to be recognized in the future related to performance obligations associated with customer contracts that are unsatisfied (or partially unsatisfied) is $37.3 million. Approximately 80% of this revenue is related to IRU contracts associated with the SEA-US (see Note 10). Certain IRU contracts extend for periods of up to 30 years and are invoiced at the beginning of the contract term. The revenue from such contracts is recognized over time as services are provided over the contract term. The expected revenue to be recognized for existing IRU contracts is as follows:

(dollars in millions)		
2020	$	2.6
2021		2.5
2022		2.6
2023		2.5
2024		2.6
Thereafter		24.5

Entertainment and Communications

The Company has identified four distinct performance obligations in the Entertainment and Communications segment, namely Data, Voice, Video and Other. For each of the Data, Voice and Video services, service is delivered to the customer continuously and in a substantially similar manner for each period of the agreement, the customer takes full control over the services as the service is delivered, and as such, Data, Voice and Video are identified to be a series of distinct services. Services provided by the Entertainment and Communications segment can be categorized into three main categories that include Consumer/SMB Fiber, Enterprise Fiber and Legacy, each of which may include one or more of the aforementioned performance obligations. Data services include high-speed internet access, digital subscriber lines, ethernet, routed network services, SONET (Synchronous Optical Network), dedicated internet access, wavelength, digital signal and IRU revenue. Voice services include traditional and fiber voice lines, switched access, digital trunking and consumer long distance calling. Video services are offered through our fiber network to residential and commercial customers based on various standard plans with the opportunity to add premium channels. To receive video services, customers are required to use the Company's set top boxes that are billed as part of the monthly recurring service. Set top boxes are not considered a separate performance obligation from video because the equipment is necessary for the service to operate and the customer has no alternative use for the equipment.

Services and products not included in Data, Voice or Video are included in Other revenue and are comprised of wire care, wire time and materials projects and advertising. Transfer of control of these services and products is evaluated on an individual project basis and can occur over time or at a point in time.

The Company uses multiple methods to determine stand-alone selling prices in the Entertainment and Communications segment. For Data, Video and Voice products in Consumer/SMB Fiber, market rate is the primary method used to determine stand-alone selling prices. For Data performance obligations under the Enterprise Fiber category, and Voice, Data and Other performance obligations under the Legacy category, stand-alone selling prices are determined based on a list price, discount off of list price, a tariff rate, a margin percentage range, or a minimum margin percentage.

IT Services and Hardware

The Company has identified four distinct performance obligations in the IT Services and Hardware segment. These performance obligations are Communications, Cloud, Consulting and Infrastructure Solutions. Communications services are monthly services that include data and VoIP services, tailored solutions that include converged IP communications of data, voice, video and mobility applications, enterprise long distance, MPLS (Multi-Protocol Label Switching) and conferencing services. Cloud services include storage, backup, disaster recovery, SLA-based monitoring and management, cloud computing and cloud consulting. Consulting services provide customers with IT staffing, consulting and emerging technology solutions. Infrastructure Solutions includes the sale of hardware and maintenance contracts as well as installation projects.

For the sale of hardware, the Company evaluated whether it is the principal or the agent. The Company has concluded it acts as an agent because it does not control the inventory before it is transferred to customers, it does not have the ability to direct the product to anyone besides the purchasing customer, and it does not integrate the hardware with any of its own goods or services. Based on this assessment, the performance obligation is to arrange a sale of hardware between the vendor and the customer. In the instance where there is an issue with the hardware, the Company coordinates with the manufacturer to facilitate a return in accordance with the standard manufacturer warranty. Hardware returns are not significant to the Company.

Within the IT Services and Hardware segment, stand-alone selling prices for the four performance obligations are determined based on either a margin percentage range, minimum margin percentage or standard price list.

For hardware sales, revenue is recognized net of the cost of product and is recognized when the hardware is shipped or delivered in accordance with the terms of the contract. For certain projects within Communications and Consulting, revenue is recognized when the customer communicates acceptance of the services performed. For contracts with freight on board shipping terms, management has elected to account for shipping and handling as activities to fulfill the promise to transfer the good, and therefore, has not evaluated whether shipping and handling activities are promised services to its customers.

Contract Balances

The Company recognizes incremental fulfillment costs as an asset when installation expenses are incurred as part of performing the agreement for Voice, Video and Data product offerings in the Entertainment and Communications segment in which the contract life is longer than one year. These fulfillment costs are amortized ratably over the expected life of the customer, which is representative of the expected period of benefit of the asset capitalized. The expected life of the customer is determined utilizing the average churn rate for each product. The Company calculates average churn based on the historical average customer life. We also recognize an asset for incremental fulfillment costs for certain Communications services in the IT Services and Hardware segment that require us to incur installation and provisioning expenses. The asset recognized for Communication services is amortized over the average contract life. Churn rates and average contract life are reviewed on an annual basis. Fulfillment costs are capitalized to “Other noncurrent assets.” The related amortization expense is recorded to “Cost of services and products.”

The Company recognizes an asset for the incremental costs of acquiring a contract with a customer if we expect the benefit of those costs to be longer than one year. We have determined that certain sales incentive programs related to Voice, Video, Data and certain Communications and Cloud services meet the requirements to be capitalized. The contract asset established for the costs of acquiring a contract is recorded to “Other noncurrent assets.” Sales incentives are amortized ratably over the period that services are delivered using either an average churn rate or average contract term, both representative of the expected period of benefit of the asset capitalized. Customer churn rates and average contract term assumptions are reviewed on an annual basis. The related amortization expense is recorded to “Selling, general and administrative.”

Management has elected to use the practical expedient detailed in ASC 340-40-25-4 to expense any costs to fulfill a contract and costs to obtain a contract as they are incurred when the amortization period would be one year or less. This practical expedient has been applied to fulfillment costs that include installation costs associated with wiring projects and certain Cloud services. In addition, this practical expedient has been applied to acquisition costs associated with revenue from certain Communications projects.

The following table presents the activity for the Company’s contract assets:

	Fulfillment Costs			Cost of Acquisition			Total Contract Assets		
(dollars in millions)	Entertainment and Communications	IT Services and Hardware	Total Company	Entertainment and Communications	IT Services and Hardware	Total Company	Entertainment and Communications	IT Services and Hardware	Total Company
Balance as of December 31, 2016	$ 17.0	$ 1.6	$ 18.6	$ 12.1	$ 1.3	$ 13.4	$ 29.1	$ 2.9	$ 32.0
Additions	13.7	1.6	15.3	6.8	1.1	7.9	20.5	2.7	23.2
Amortization	(13.2)	(1.2)	(14.4)	(7.3)	(1.1)	(8.4)	(20.5)	(2.3)	(22.8)
Balance as of December 31, 2017	17.5	2.0	19.5	11.6	1.3	12.9	29.1	3.3	32.4
Additions	9.9	1.9	11.8	7.9	1.7	9.6	17.8	3.6	21.4
Amortization	(12.9)	(1.4)	(14.3)	(6.5)	(1.0)	(7.5)	(19.4)	(2.4)	(21.8)
Balance as of December 31, 2018	14.5	2.5	17.0	13.0	2.0	15.0	27.5	4.5	32.0
Additions	3.6	3.5	7.1	10.0	1.6	11.6	13.6	5.1	18.7
Amortization	(10.1)	(1.9)	(12.0)	(8.2)	(1.3)	(9.5)	(18.3)	(3.2)	(21.5)
Balance as of December 31, 2019	8.0	4.1	12.1	14.8	2.3	17.1	22.8	6.4	29.2

The Company recognizes a liability for cash received upfront for IRU contracts. At December 31, 2019 and 2018, $1.5 million and $1.4 million, respectively, of contract liabilities were included in "Other current liabilities." At December 31, 2019 and 2018, $27.1 million and $28.0 million, respectively, of contract liabilities were included in "Other noncurrent liabilities."

Disaggregated Revenue

The following table presents revenues disaggregated by product and service lines:

	Year ended December 31,		
(dollars in millions)	**2019**	**2018**	**2017**
Data	$ 475.0	$ 402.6	$ 344.5
Video	203.0	183.3	148.9
Voice	284.9	244.9	199.0
Other	32.8	22.6	13.7
Total Entertainment and Communications	995.7	853.4	706.1
Consulting	152.6	138.7	77.0
Cloud	92.1	98.0	81.0
Communications	198.7	178.5	160.6
Infrastructure Solutions	124.0	135.7	66.5
Total IT Services and Hardware	567.4	550.9	385.1
Intersegment revenue	(26.4)	(26.1)	(25.5)
Total revenue	$ 1,536.7	$ 1,378.2	$ 1,065.7

In the first quarter of 2019, the Company determined that certain revenue in the IT Services and Hardware segment associated with nonrecurring projects is better aligned with Infrastructure Solutions, rather than Consulting, where it was previously reported. As a result, the Company reclassed revenue of $26.6 million and $12.3 million from Consulting to Infrastructure Solutions for the twelve months ended December 31, 2018 and 2017, respectively. This reclassification of revenue had no impact on the Consolidated Statements of Operations.

The following table presents revenues disaggregated by contract type:

	Year ended December 31,		
(dollars in millions)	**2019**	**2018**	**2017**
Entertainment and Communications			
Products and services transferred at a point in time	$ 31.7	$ 25.3	$ 20.6
Products and services transferred over time	942.4	805.8	664.3
Intersegment revenue	21.6	22.3	21.2
Total Entertainment and Communications	995.7	853.4	706.1
IT Services and Hardware			
Products and services transferred at a point in time	138.7	142.9	80.8
Products and services transferred over time	423.9	404.2	300.0
Intersegment revenue	4.8	3.8	4.3
Total IT Services and Hardware	567.4	550.9	385.1
Total Revenue			
Total products and services transferred at a point in time	170.4	168.2	101.4
Total products and services transferred over time	1,366.3	1,210.0	964.3
Total revenue	$ 1,536.7	$ 1,378.2	$ 1,065.7

4. Mergers and Acquisitions

Acquisition of Hawaiian Telcom Holdco, Inc.

On July 2, 2018, the Company acquired Hawaiian Telcom Holdco, Inc. ("Hawaiian Telcom") for cash consideration of $218.3 million, stock consideration of $121.2 million and debt repayments, including accrued interest, of $318.2 million. Hawaiian Telcom is the ILEC for the State of Hawaii and the largest full service provider of communication services and products in the state. With the acquisition, the Company gains access to both Honolulu, a well-developed, fiber-rich city, as well as the growing neighbor islands. The companies' combined fiber networks are nearly 17,000 fiber route miles.

The purchase price for Hawaiian Telcom consisted of the following:

(dollars in millions)	
Cash consideration plus debt assumed	$ 536.5
Cincinnati Bell Inc. stock issued	121.2
Debt repayment	(318.2)
Total purchase price	$ 339.5

In order to fund the acquisition, the Company utilized proceeds of $350.0 million from the 8% Senior Notes due 2025 ("8% Notes"), $16.5 million of the cash that was previously restricted to fund interest payments on the 8% Notes, drew $35.0 million on the Revolving credit facility and $154.0 million on the accounts receivable securitization facility (see Note 8). In conjunction with the acquisition, the Company issued 7.7 million Common Shares at a price of $15.70 per share as stock consideration. The Company recorded a total of $28.1 million in acquisition expenses related to the acquisition of Hawaiian Telcom, of which $0.9 million, $19.2 million and $8.0 million were recorded in 2019, 2018 and 2017, respectively. These expenses are recorded in "Transaction and integration costs" on the Consolidated Statements of Operations.

Acquisition of OnX Holdings LLC

On October 2, 2017, the Company acquired 100% of OnX Holdings LLC ("OnX"), a privately held company that provides technology services and solutions to enterprise customers in the U.S., Canada and the U.K. The acquisition extends the IT Services and Hardware segment's geographic footprint and accelerates its initiatives in IT cloud migration.

The purchase price for OnX consisted of the following:

(dollars in millions)		
Cash consideration	$	241.2
Debt repayment		(77.6)
Working capital adjustment		2.8
Total purchase price	$	166.4

The cash portion of the purchase price was funded through borrowings under the Credit Agreement (see Note 8). The cash consideration includes $77.6 million related to existing debt, including accrued interest, which was repaid in conjunction with the close of the acquisition. In addition, a working capital adjustment of $2.8 million was paid in the first quarter of 2018. The Company recorded $8.6 million in acquisition expenses related to the OnX acquisition, of which $0.5 million and $8.1 million were recorded in 2018 and 2017, respectively. These expenses are recorded in "Transaction and integration costs" on the Consolidated Statements of Operations.

Purchase Price Allocation and Other Items

The determination of the purchase price allocation to specific assets acquired and liabilities assumed is final for the Hawaiian Telcom and OnX transactions. The purchase price for Hawaiian Telcom and OnX have been allocated to individual assets acquired and liabilities assumed as follows:

(dollars in millions)		Hawaiian Telcom		OnX
Assets acquired				
Cash	$	4.3	$	6.5
Receivables		24.8		69.9
Inventory, materials and supplies		6.7		9.0
Prepaid expenses and other current assets		5.9		2.8
Property, plant and equipment		697.6		11.6
Goodwill		10.2		133.1
Intangible assets		52.0		134.0
Deferred income tax asset		45.6		1.4
Other noncurrent assets		2.1		1.8
Total assets acquired		849.2		370.1
Liabilities assumed				
Accounts payable		60.0		63.6
Current portion of long-term debt		10.2		1.3
Unearned revenue and customer deposits		13.5		—
Accrued expenses and other current liabilities		21.8		18.3
Deferred income tax liabilities		—		42.3
Long-term debt, less current portion		304.5		76.7
Pension and postretirement benefit obligations		68.9		—
Other noncurrent liabilities		30.8		1.5
Total liabilities assumed		509.7		203.7
Net assets acquired	$	339.5	$	166.4

During 2019 and 2018, the Company recorded immaterial measurement period adjustments for Hawaiian Telcom. The offset of these adjustments were recorded as an increase to "Goodwill."

During 2018, the Company recorded immaterial measurement period adjustments for OnX. The offset of these adjustments were recorded as an increase to "Goodwill."

The revenues and net income of OnX included in the Consolidated Statements of Operations from the acquisition date through December 31, 2017 were $53.0 million and $11.5 million, respectively. The revenues and net income of Hawaiian Telcom included in the Consolidated Statements of Operations from the acquisition date through December 31, 2018 were $175.0 million and $0.7 million, respectively.

The estimated fair value of identifiable intangible assets and their estimated useful lives are as follows:

	Hawaiian Telcom		OnX	
(dollars in millions)	Fair Value	Useful Lives	Fair Value	Useful Lives
Customer relationships	$ 26.0	15 years	$ 108.0	15 years
Trade name	26.0	15 years	16.0	10 years
Technology	—	—	10.0	10 years
Total identifiable intangible assets	$ 52.0		$ 134.0	

The goodwill for OnX is attributable to increased access to a diversified customer base and acquired workforce in the U.S., Canada and the U.K. The amount of goodwill related to OnX that is expected to be deductible for income tax purposes is $2.3 million. The goodwill for Hawaiian Telcom is attributable to the acquired workforce in Honolulu and the neighbor islands, deep fiber infrastructures that include direct access to the SEA-US cable linking the U.S. with Asia and increased access to a diversified customer base.

Pro Forma Information (Unaudited)

The following table provides the unaudited pro forma results of operations for the year ended 2018 and 2017 as if the acquisitions of OnX and Hawaiian Telcom had taken place as of the beginning of fiscal year 2016 and 2017, respectively. These pro forma results include adjustments related to the financing of the acquisitions, an increase to depreciation and amortization associated with the higher values of property, plant and equipment and intangible assets, an increase to interest expense for the additional debt incurred to complete the acquisitions, and reflects the related income tax effect and change in tax status. Revenue has been retrospectively adjusted for the adoption of ASC 606 to reflect hardware revenue in the Infrastructure Solutions category net of related cost of products. ASC 606 was not applied to the year ended December 31, 2017 for Hawaiian Telcom results because they utilized the modified retrospective method of adoption. Reported amounts for 2017 could be materially different if Hawaiian Telcom had adopted the standard using the full retrospective method of adoption.

The pro forma information does not necessarily reflect the actual results of operations had the acquisitions been consummated at the beginning of the annual reporting period indicated, nor is it necessarily indicative of future operating results. The pro forma information does not include any (i) potential revenue enhancements, cost synergies or other operating efficiencies that could result from the acquisitions or (ii) transaction or integration costs relating to the acquisitions.

	Year Ended December 31,	
(dollars in millions, except per share amounts)	2018	2017
Revenue	$ 1,556.5	$ 1,588.5
Net loss applicable to common shareholders	(77.7)	(84.6)
Earnings per share:		
Basic and diluted loss per common share	(1.55)	(1.70)

Other Acquisition Activity

On February 28, 2017, the Company acquired 100% of SunTel Services LLC ("SunTel"), a private company that provides network security, data connectivity, and unified communications solutions to commercial and enterprise customers across multiple sectors throughout Michigan for cash consideration of $10.0 million. Based on final fair value assessment and the finalization of the working capital adjustment, the acquired assets and liabilities assumed consisted primarily of property, plant and equipment of $0.4 million, customer relationship intangible assets of $1.2 million, working capital of $4.1 million and goodwill of $4.6 million. These assets and liabilities are included in the IT Services and Hardware segment.

Agreement and Plan of Merger with Brookfield

On December 21, 2019, the Company entered into an Agreement and Plan of Merger (the “Merger Agreement”) pursuant to which the Company will be acquired by an affiliate of the Brookfield Infrastructure Group (“Brookfield”), the infrastructure investment division of Brookfield Asset Management (the “Merger”). At the effective time of the Merger (the “Effective Time”), each of our issued and outstanding Common Shares will be converted into the right to receive $10.50 in cash per Common Share, without interest, and the 6 3/4% Cumulative Convertible Preferred Shares will remain issued and outstanding as 6 3/4% Cumulative Convertible Preferred Shares of the Company, without par value, following the Effective Time.

The consummation of the Merger is subject to customary closing conditions, including (i) the adoption of the Merger Agreement by the affirmative vote of the holders of at least two-thirds of all outstanding Common Shares and 6 3/4% Cumulative Convertible Preferred Shares, voting as a single class; (ii) the expiration or early termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended and (iii) the receipt of any required consents or approvals from (a) the Committee on Foreign Investment in the United States, (b) the Federal Communications Commission, (c) state public service and state public utility commissions, and (d) local regulators in connection with the provision of telecommunications and media services; and (iv) the absence of any legal restraint preventing the consummation of the Merger.

The Merger Agreement contains representations and warranties and covenants of the parties customary for a transaction of this nature. Among other things, the parties have agreed to use reasonable best efforts to obtain any required regulatory approvals. Until the earlier of the termination of the Merger Agreement and the Effective Time, the Company has agreed to operate its business in the ordinary course in all material respects and has agreed to certain other operating covenants and to not take certain specified actions prior to the consummation of the Merger, as set forth more fully in the Merger Agreement. The Company has also agreed to convene and hold a meeting of its shareholders for the purpose of obtaining the Shareholder Approval.

Brookfield has obtained equity financing commitments from certain of its affiliates to fund the transactions contemplated by the Merger Agreement. The Merger Agreement requires Brookfield to use its commercially reasonable efforts to obtain the financing on the terms and conditions described in the financing commitments. The Company is entitled to specific performance to force Brookfield to close the transaction if all closing conditions are met.

The Merger is expected to close by the end of 2020, although there can be no assurance that the Merger will occur by that date. As a result of the Merger, the Company will cease to be a publicly traded company.

Unsolicited Proposal

On January 22, 2020, the Company received an unsolicited, non-binding proposal from an infrastructure fund (the “Fund”) to acquire all of the outstanding Common Shares for $12.00 per share in cash (the “Proposal”). On January 23, 2020, the Company commenced discussions with the Fund regarding the Proposal following the Board of Directors having made the required determinations under the Merger Agreement that allow it to do so.

5. Earnings Per Common Share

Basic earnings per common share ("EPS") is based upon the weighted-average number of common shares outstanding during the period. Diluted EPS reflects the potential dilution that would occur upon issuance of common shares for awards under stock-based compensation plans, or conversion of preferred stock, but only to the extent that they are considered dilutive.

The following table shows the computation of basic and diluted EPS:

(in millions, except per share amounts)	**Year Ended December 31, 2019**	**2018**	**2017**
Numerator:			
Net (loss) income	$ (66.6)	$ (69.8)	$ 40.0
Preferred stock dividends	10.4	10.4	10.4
Net (loss) income applicable to common shareowners - basic and diluted	$ (77.0)	$ (80.2)	$ 29.6
Denominator:			
Weighted-average common shares outstanding - basic	50.4	46.3	42.2
Stock-based compensation arrangements	—	—	0.2
Weighted-average common shares outstanding - diluted	50.4	46.3	42.4
Basic and diluted net (loss) earnings per common share	$ (1.53)	$ (1.73)	$ 0.70

In conjunction with the acquisition of Hawaiian Telcom in the third quarter of 2018, the Company issued 7.7 million Common Shares as a part of the acquisition consideration. In addition, the Company granted 0.1 million time-based restricted stock units to certain Hawaiian Telcom employees under the Hawaiian Telcom 2010 Equity Incentive Plan.

For the years ended December 31, 2019 and December 31, 2018, the Company had a net loss available to common shareholders and, as a result, all common stock equivalents were excluded from the computation of diluted EPS as their inclusion would have been anti-dilutive. For the year ended December 31, 2017, awards under the Company’s stock-based compensation plans for common shares of 0.2 million, were excluded from the computation of diluted EPS as their inclusion would have been anti-dilutive. For all periods presented, preferred stock convertible into 0.9 million common shares was excluded as it was anti-dilutive.

6. Property, Plant and Equipment

Property, plant and equipment is comprised of the following:

(dollars in millions)	December 31, 2019	December 31, 2018	Depreciable Lives (Years)
Land and rights-of-way	$ 117.2	$ 117.2	20 – Indefinite
Buildings and leasehold improvements	315.4	305.2	5 – 40
Network equipment	4,044.6	3,913.3	2 – 50
Office software, furniture, fixtures and vehicles	229.3	216.3	2 – 14
Construction in process	38.9	47.1	n/a
Gross value	4,745.4	4,599.1	
Accumulated depreciation	(2,964.6)	(2,755.1)	
Property, plant and equipment, net	$ 1,780.8	$ 1,844.0	

Depreciation expense on property, plant and equipment, including assets accounted for as finance leases, totaled $290.2 million in 2019, $239.6 million in 2018 and $190.4 million in 2017. The portion of depreciation expense associated with cost of providing services was 87%, 85% and 84% in 2019, 2018 and 2017, respectively. There are numerous assets included within network equipment resulting in a range of depreciable lives between 2 and 50 years, the majority of which fall within the range of 7 to 25 years.

No asset impairment losses were recognized in 2019, 2018 or 2017 on property, plant and equipment.

7. Goodwill and Intangible Assets

Goodwill

The changes in the Company's goodwill consisted of the following:

	IT Services and Hardware		Entertainment and Communications		Total Company	
(dollars in millions)	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Goodwill, beginning balance	$ 146.0	$ 148.8	$ 11.0	$ 2.2	$ 157.0	$ 151.0
Activity during the year						
Adjustments to prior year acquisitions	—	0.7	1.4	—	1.4	0.7
Acquisitions	—	—	—	8.8	—	8.8
Currency translations	2.1	(3.5)	—	—	2.1	(3.5)
Goodwill, ending balance	$ 148.1	$ 146.0	$ 12.4	$ 11.0	$ 160.5	$ 157.0

During 2018, goodwill in the Entertainment and Communications segment increased by $8.8 million due to the acquisition of Hawaiian Telcom. During 2019, the Company recorded immaterial measurement period adjustments for Hawaiian Telcom. For further information related to the acquisition, see Note 4.

No impairment losses were recognized in goodwill for the years ended December 31, 2019, 2018 and 2017. The Company completed its most recent goodwill impairment testing in the fourth quarter of 2019 and determined that there was no impairment in the carrying value of this asset.

Intangible Assets

The Company's intangible assets consisted of the following:

	December 31, 2019			December 31, 2018		
(dollars in millions)	Gross Carrying Amount (a)	Accumulated Amortization	Net Amount	Gross Carrying Amount (a)	Accumulated Amortization	Net Amount
Customer relationships	$ 140.8	$ (28.4)	$ 112.4	$ 139.4	$ (17.8)	$ 121.6
Trade names	41.3	(6.0)	35.3	40.7	(2.8)	37.9
Technology	9.9	(2.2)	7.7	9.9	(1.3)	8.6
Total	$ 192.0	$ (36.6)	$ 155.4	$ 190.0	$ (21.9)	$ 168.1

(a) Change in gross carrying amounts is due to foreign currency translation on intangible assets related to the OnX acquisition. For further information related to the acquisition, see Note 4.

The intangible assets were established in connection with completed acquisitions. They are amortized over their useful lives based on a number of assumptions including the estimated period of economic benefit and utilization.

The amortization expense for intangible assets was $14.7 million, $12.4 million and $2.5 million in 2019, 2018 and 2017, respectively. No impairment losses were recognized on intangible assets for the years ended December 31, 2019, 2018 and 2017.

The estimated useful lives for each intangible asset class are as follows:

Customer relationships	8 to 15 years
Trade names	10 to 15 years
Technology	10 years

The annual estimated amortization expense for future years is as follows:

(dollars in millions)		
Year ended December 31,		
2020	$	14.5
2021		14.3
2022		14.0
2023		13.6
2024		13.4
Thereafter		85.6
Total	$	155.4

8. Debt and Other Financing Arrangements

The Company's debt consists of the following:

(dollars in millions)	December 31, 2019		December 31, 2018	
Current portion of long-term debt:				
Credit Agreement - Tranche B Term Loan due 2024	$	6.0	$	6.0
Other financing arrangements		2.0		0.8
Finance lease liabilities		14.3		13.4
Current portion of long-term debt		22.3		20.2
Long-term debt, less current portion:				
Receivables Facility		131.5		176.6
Credit Agreement - Revolving Credit Facility		57.0		18.0
Credit Agreement - Tranche B Term Loan due 2024		586.5		592.5
7 1/4% Senior Notes due 2023		22.3		22.3
7% Senior Notes due 2024		625.0		625.0
8% Senior Notes due 2025		350.0		350.0
Various Cincinnati Bell Telephone notes		87.9		87.9
Other financing arrangements		3.2		2.3
Finance lease liabilities		59.5		60.5
		1,922.9		1,935.1
Net unamortized premium		1.3		1.7
Unamortized note issuance costs		(22.9)		(27.2)
Long-term debt, less current portion		1,901.3		1,909.6
Total debt	$	1,923.6	$	1,929.8

Credit Agreement

In the fourth quarter of 2017, the Company entered into a new Credit Agreement (the "Credit Agreement") and terminated the existing Corporate Credit Agreement. The Credit Agreement provides for (i) a five-year $200 million senior secured revolving credit facility including both a letter of credit subfacility of up to $30 million and a swingline loan subfacility of up to $25 million) (the "Revolving Credit Facility") and (ii) a seven-year $600 million senior secured term loan facility (the "Tranche B Term Loan due 2024"). The Revolving Credit Facility expires in October 2022, and the Tranche B Term Loan due 2024 expires in October 2024. Borrowings under the Credit Agreement's Revolving Credit Facility will be used to provide ongoing working capital as well as other general corporate cash flow needs of the Company. As a result of the Company entering into the Credit Agreement, certain previously deferred costs and unamortized discount associated with the terminated Corporate Credit Agreement's Revolving Credit Facility and Tranche B Term Loan due 2020 were written off in the fourth quarter of 2017. The loss on extinguishment of debt associated with the transaction was $3.2 million.

Borrowings under the Credit Agreement bear interest, at the Company's election, at a rate per annum equal to (i) LIBOR plus the applicable margin or (ii) the base rate plus the applicable margin. In the second quarter of 2018, the Company amended the Credit Agreement to reduce the applicable margin on the Revolving Credit Facility and Tranche B Term Loan due 2024. The LIBOR applicable margin for advances under the Revolving Credit Facility and Tranche B Term Loan due 2024 was changed from the previous 3.75% per annum to 3.25% per annum. The base rate applicable margin for advances under the Revolving Credit Facility and Tranche B Term Loan due 2024 was changed from 2.75% per annum to 2.25% per annum. Base rate is the higher of (i) the bank prime rate, (ii) the one-month LIBOR rate plus 1.00% and (iii) the federal funds rate plus 0.5%. In the case of the Tranche B Term Loan due 2024, the LIBOR rate may not fall below 1.00%. In addition, the Company will be required to pay a commitment fee on any unused portion of the Revolving Credit Facility at a rate of 0.50% per annum, or, if the consolidated total leverage ratio of the Company and its restricted subsidiaries is equal to or less than 3.25 to 1.00, 0.375% per annum. The Company will also pay customary letter of credit fees, including a fronting fee equal to 0.125% per annum of the dollar equivalent of the maximum amount available to be drawn under all outstanding letters of credit, as well as customary issuance and administration fees. At December 31, 2019, borrowings under the Credit Agreement's Revolving Credit Facility were $57.0 million, leaving $143.0 million available.

The Revolving Credit Facility requires maintenance of a maximum consolidated secured leverage ratio of 3.50 to1.00 and a minimum consolidated interest coverage ratio of 1.50 to 1.00. The Company may voluntarily repay and reborrow outstanding loans under the Revolving Credit Facility at any time without a premium or a penalty, other than customary “breakage” costs with respect to LIBOR revolving loans.

In addition, certain of our variable rate debt, including debt under the Credit Agreement and the Receivables Facility, uses LIBOR as one of the benchmarks for establishing the rate of interest and may be hedged with LIBOR-based interest rate derivatives. LIBOR is the subject of recent regulatory guidance and proposals for reform. These reforms and other pressures may cause LIBOR to be replaced with a new benchmark in 2021 or to perform differently than in the past. The consequences of these developments cannot be entirely predicted, but could include an increase in the cost of our variable rate indebtedness.

On October 2, 2017, the Credit Facilities net proceeds of $577.0 million were used to repay the remaining $315.8 million outstanding principal amount of the Tranche B Term Loan due 2020 and related accrued and unpaid interest. The remaining proceeds of the Tranche B Term Loan due 2024 were used to fund the purchase price and associated transaction costs of the acquisition of OnX that closed on October 2, 2017. In the second quarter of 2018, the Company amended the Credit Agreement resulting in a loss on extinguishment of debt of $1.3 million.

Guarantors and Security Interests, Credit Agreement

All existing and future subsidiaries of the Company (other than Cincinnati Bell Funding LLC (and any other similar special purpose receivables financing subsidiary), the Company's joint ventures, subsidiaries prohibited by applicable law from becoming guarantors, unrestricted subsidiaries and foreign subsidiaries) are required to guarantee borrowings under the Credit Agreement. Debt outstanding under the Credit Agreement is secured by perfected first priority pledges of and security interests in (i) substantially all of the equity interests of the Company's U.S. subsidiaries (other than subsidiaries of non-guarantors of the Credit Agreement) and 66% of the equity interests in certain first-tier foreign subsidiaries held by the Company and the guarantors under the Credit Agreement and (ii) certain personal property and intellectual property of the Company and its subsidiaries (other than that of non-guarantors of the Credit Agreement and certain other excluded property).

Accounts Receivable Securitization Facility

Cincinnati Bell Inc. and certain of its subsidiaries have an accounts receivable securitization facility ("Receivables Facility"). In the second quarter of 2019, the Company executed amendments to its Receivables Facility, which replaced, amended and added certain provisions and definitions to increase the credit availability and renew the facility, which is subject to renewal every 364 days, until May 2020. The facility’s termination date is May 2021 and was not changed by these amendments. The maximum borrowing limit for loans and letters of credit under the Receivables Facility is $225.0 million in the aggregate. The available borrowing capacity is calculated monthly based on the quantity and quality of outstanding accounts receivable and thus may be lower than the maximum borrowing limit. At December 31, 2019, the available borrowing capacity was $142.2 million. Of the total borrowing capacity of $142.2 million, there were $131.5 million of outstanding borrowings and $10.5 million of outstanding letters of credit, leaving $0.2 million available as of December 31, 2019.

Interest on the Receivables Facility is based on the LIBOR rate plus 1.1%. The average interest rate on the Receivables Facility was 2.9% in 2019. The Company pays letter of credit fees on the securitization facility and also pays commitment fees on the unused portion of the total facility.

Under this agreement, certain U.S. and Canadian subsidiaries, as originators, sell their respective trade receivables on a continuous basis to Cincinnati Bell Funding LLC (“CBF”) or Cincinnati Bell Funding Canada Ltd. ("CBFC"), wholly-owned consolidated subsidiaries of the Company. Although CBF and CBFC are wholly-owned consolidated subsidiaries of the Company, CBF and CBFC are legally separate from the Company and each of the Company’s other subsidiaries. Upon and after the sale or contribution of the accounts receivable to CBF or CBFC, such accounts receivable are legally assets of CBF and CBFC and, as such, are not available to creditors of other subsidiaries or the parent company. The Receivables Facility includes an option for CBF to sell, rather than borrow against, certain receivables on a non-recourse basis. As of December 31, 2019, the outstanding balance of certain accounts receivable sold was $44.7 million.

The transferors sell their respective trade receivables on a continuous basis to CBF or CBFC. In turn, CBF or CBFC grants, without recourse, a senior undivided interest in the pooled receivables to various purchasers, including commercial paper conduits, in exchange for cash while maintaining a subordinated undivided interest in the form of over-collateralization in the pooled receivables. The transferors have agreed to continue servicing the receivables for CBF and CBFC at market rates; accordingly, no servicing asset or liability has been recorded.

For the purposes of consolidated financial reporting, the Receivables Facility is accounted for as secured financing. Because CBF and CBFC have the ability to prepay the Receivables Facility at any time by making a cash payment and effectively repurchasing the receivables transferred pursuant to the facility, the transfers do not qualify for "sale" treatment on a consolidated basis under ASC 860, "Transfers and Servicing."

7 1/4% Notes due 2023

In 1993, the Company issued $50.0 million of 7 1/4% Notes due 2023 ("7 1/4% Notes"). The indenture related to the 7 1/4% Notes does not subject the Company to restrictive financial covenants, but it does contain a covenant providing that if the Company incurs certain liens on its property or assets, the Company must secure the outstanding 7 1/4% Notes equally and ratably with the indebtedness or obligations secured by such liens. The liens under the Credit Agreement have resulted in the debt outstanding under the 7 1/4% Notes being secured equally and ratably with the obligations secured under the Credit Agreement. Interest on the 7 1/4% Notes is payable semi-annually on June 15 and December 15. The Company may not call the 7 1/4% Notes prior to maturity. The indenture governing the 7 1/4% Notes provides for customary events of default, including for failure to make any payment when due and for one or more defaults of any other existing debt instruments that exceeds $20.0 million, in the aggregate.

7% Senior Notes due 2024

In the third quarter of 2016, the Company issued in a private offering $425.0 million aggregate principal amount of 7% Senior Notes due 2024 ("7% Senior Notes") at par. The Company issued an additional $200.0 million aggregate principal amount of 7% Senior Notes at a price of 105.000% in the fourth quarter of 2016. The 7% Senior Notes are senior unsecured obligations of the Company, which rank equally in right of payment with all existing and future unsecured senior debt of the Company. The 7% Senior Notes will be effectively subordinated to all existing and future secured indebtedness of the Company to the extent of the value of the assets securing such indebtedness. The 7% Senior Notes are guaranteed on a joint and several basis by certain of the Company's existing and future domestic subsidiaries. Each such guarantee is a senior unsecured obligation of the applicable guarantor, ranking equally with all existing and future unsecured senior debt of such guarantor and effectively subordinated to all existing and future secured indebtedness of such guarantor to the extent of the value of the assets securing that indebtedness. The 7% Senior Notes are structurally subordinated to all liabilities (including trade payables) of each subsidiary of the Company that does not guarantee the 7% Senior Notes.

The 7% Senior Notes bear interest at a rate of 7% per annum, payable semi-annually on January 15 and July 15 of each year, beginning on January 15, 2017, to persons who are registered holders of the 7% Senior Notes on the immediately preceding January 1 and July 1, respectively.

The 7% Senior Notes will mature on July 15, 2024. The Company may, at its option, redeem some or all of the 7% Senior Notes at any time at declining redemption prices equal to (i) 105.250% through September 14, 2020, (ii) 103.500% beginning on September 15, 2020, (iii) 101.750% beginning on September 15, 2021 and (iv) 100.000% beginning on September 15, 2022 and thereafter, plus, in each case, accrued and unpaid interest, if any, to the applicable redemption date.

The indenture governing the 7% Senior Notes contains covenants including but not limited to the following: limitations on dividends to shareowners and other restricted payments; dividend and other payment restrictions affecting the Company's subsidiaries such that the subsidiaries are generally not permitted to enter into an agreement that would limit their ability to make dividend payments to the parent; issuance of indebtedness; asset dispositions; transactions with affiliates; liens; investments; issuances and sales of capital stock of subsidiaries; and redemption of debt that is junior in right of payment. The indenture governing the 7% Senior Notes provides for customary events of default, including a cross-default provision for both nonpayment at final maturity or acceleration due to a default of any other existing debt instrument that equals or exceeds $35 million.

8% Senior Notes due 2025

In the fourth quarter of 2017, CB Escrow Corp. (the "Issuer"), an Ohio corporation and wholly owned subsidiary of Cincinnati Bell Inc., closed the private offering of $350 million aggregate principal amount of 8% Senior Notes at par. The 8% Senior Notes were issued pursuant to an indenture, dated as of October 6, 2017 (the "Indenture"), between the Issuer and Regions Bank, as trustee.

Concurrently with the closing of the offering, the Issuer entered into an escrow agreement (the "Escrow Agreement") pursuant to which the initial purchasers of the 8% Senior Notes on behalf (and at the direction) of the Issuer, deposited the gross proceeds of the offering into an escrow account. The Issuer deposited into the escrow account an additional amount of cash that would be sufficient to pay all interest that accrued on the 8% Senior Notes up to, but not including, October 9, 2018.

The offering of the 8% Senior Notes was part of the financing of the cash portion of the acquisition consideration for Hawaiian Telcom Holdco, Inc. (“Hawaiian Telcom”) by the Company. At the closing of the acquisition of Hawaiian Telcom, the Issuer merged with and into the Company (the “Escrow Merger”), with the Company continuing as the surviving corporation. At the time of the Escrow Merger, the Company assumed the obligations of the Issuer under the 8% Senior Notes and the Indenture (the “Assumption”) and, the proceeds from the offering were released from the escrow account to the Company.

The 8% Senior Notes bear interest at a rate of 8.00% per annum, payable semi-annually on April 15 and October 15 of each year, beginning on April 15, 2018, to persons who are registered holders of the 8% Senior Notes on the immediately preceding April 1 and October 1, respectively.

The 8% Senior Notes will mature on October 15, 2025. However, prior to October 15, 2020, the Company may, at its option, redeem some or all of the Notes at a redemption price equal to 100% of the principal amount of the Notes, together with accrued and unpaid interest, if any, plus a “make-whole” premium. On or after October 15, 2020, the Company may, at its option, redeem some or all of the Notes at any time at declining redemption prices equal to (i) 106.000% beginning on October 15, 2020, (ii) 104.000% beginning on October 15, 2021, (iii) 102.000% beginning on October 15, 2022 and (iv) 100.000% beginning on October 15, 2023 and thereafter, plus, in each case, accrued and unpaid interest, if any, to the applicable redemption date. In addition, before October 15, 2020, and subject to certain conditions, the Company may, at its option, redeem up to 40% of the aggregate principal amount of Notes with the net proceeds of certain equity offerings at 108.000% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of redemption; provided that (i) at least 60% of the aggregate principal amount of Notes remains outstanding after such redemption and (ii) the redemption occurs within 180 days of the closing of any such equity offering.

Cincinnati Bell Telephone Notes

In 1998, CBT's predecessor issued $150.0 million in aggregate principal of 6.30% unsecured senior notes due 2028 (the "CBT Notes"), which are guaranteed on a subordinated basis by the Company but not its subsidiaries. The indenture related to the CBT Notes does not subject the Company or CBT to restrictive financial covenants, but it does contain a covenant providing that if CBT incurs certain liens on its property or assets, CBT must secure the outstanding CBT Notes equally and ratably with the indebtedness or obligations secured by such liens. In 2017, CBT pledged its assets in support of the Company's debt incurred under the Credit Agreement, and as a result, the CBT Notes became equally and ratably secured. The maturity date of the CBT notes is in 2028, and the CBT Notes may be redeemed at any time at a redemption price equal to the greater of 100% of the principal amount of the CBT Notes to be redeemed or the sum of the present values of the remaining scheduled payments of principal and interest to maturity, plus accrued interest to the redemption date. The indenture governing the CBT Notes provides for customary events of default, including for failure to make any payment when due and for one or more defaults of any other existing debt instruments of the Company or CBT that exceeds $20.0 million, in the aggregate.

Finance Lease Liabilities

Finance lease liabilities represent our obligation for certain leased assets, including vehicles and various equipment. These leases generally contain renewal or buyout options.

Debt Maturity Schedule

The following table summarizes our annual principal maturities of debt and other financing arrangements for the five years subsequent to December 31, 2019, and thereafter:

(dollars in millions)	Debt	Other financing arrangements
Year ended December 31,		
2020	$ 6.0	$ 2.0
2021	137.5	2.0
2022	63.0	0.6
2023	28.3	0.6
2024	1,193.5	—
Thereafter	437.9	—
	1,866.2	5.2
Net unamortized premium	1.3	—
Unamortized note issuance costs	(22.9)	—
Total debt	$ 1,844.6	$ 5.2

Deferred Financing Costs

Deferred financing costs are costs incurred in connection with obtaining long-term financing and renewing revolving credit agreements. Deferred financing costs are amortized on the effective interest method. The Company incurred deferred financing costs of $0.8 million and $2.3 million in 2019 and 2018, respectively, related to amending and renewing revolving credit agreements. In 2018, the Company incurred deferred financing costs of $1.0 million related to the amendment to the Tranche B Term Loan due 2024 and $8.7 million related to the 8% Senior Notes due 2025 that was payable at the close of the acquisition transaction. The Company wrote-off deferred financing costs associated with the extinguishment of debt of $1.3 million and $2.1 million in 2018 and 2017, respectively.

The Company records costs incurred in connection with obtaining revolving credit agreements as an asset. As of December 31, 2019 and 2018, deferred financing costs recorded to "Other non-current assets" totaled $3.1 million and $4.9 million, respectively. Amortization of deferred financing costs, included in "Interest expense" in the Consolidated Statements of Operations, totaled $6.4 million in 2019, $5.7 million in 2018, and $3.4 million in 2017.

Debt Covenants

Credit Agreement

The Credit Agreement has financial covenants that require the Company to maintain certain leverage and interest coverage ratios. As of December 31, 2019, these ratios and limitations include a maximum secured consolidated total leverage ratio of 3.50 to 1.00 and a minimum consolidated interest coverage ratio of 1.50 to 1.00. In addition, the Credit Agreement contains customary affirmative and negative covenants, including but not limited to, restrictions on Company's ability to incur additional indebtedness, create liens, pay dividends, make certain investments, and prepay other indebtedness, sell, transfer, lease, or dispose of assets and enter into, or undertake, certain liquidations, mergers, consolidations or acquisitions.

The Credit Agreement contains customary events of default (which are in some cases subject to certain exceptions, thresholds

and grace periods), including, but not limited to, nonpayment of principal or interest, failure to perform or observe covenants, breaches of representations and warranties, cross-defaults with certain other indebtedness, certain bankruptcy-related events or proceedings, final monetary judgments or orders, ERISA defaults, invalidity of loan documents or guarantees, and certain change of control events. If the Company were to violate any of its covenants and were unable to obtain a waiver, it would be considered a default. If the Company were in default under the Credit Agreement, no additional borrowings under this facility would be available until the default was waived or cured.

The Tranche B Term Loan due 2024 is subject to the same affirmative and negative covenants and events of default as the Revolving Credit Facility, except that a breach of the financial covenants will not result in an event of default under the Tranche B Term Loan due 2024 unless and until the agent or a majority in interest of the lenders under the Revolving Credit Facility have terminated their commitments under the Revolving Credit Facility and accelerated the loans then outstanding under the Revolving Credit Facility in response to such breach in accordance with the terms and conditions of the Credit Agreement.

Extinguished Notes

In the fourth quarter of 2017, the Company repaid the remaining $315.8 million outstanding principal amount of its Tranche B Term Loan due 2020 and related accrued and unpaid interest. As a result, a loss on extinguishment of debt is recorded in the fourth quarter of 2017 of $2.6 million.

9. Leases

Lessee Disclosures

The Company primarily leases real estate for offices, retail stores and central offices, as well as equipment, cell towers and fleet vehicles. The Company leases its real estate for terms between 1 and 55 years, its equipment for terms between 2 and 6 years, its cell towers for terms between 4 and 21 years and its vehicles for terms of 5 years. Our leases have various expiration dates through 2066, some of which include options to extend the leases for up to 15 years, and some of which include options to terminate the leases within one year.

Upon adoption of ASC 842 on January 1, 2019, the Company elected not to recognize leases with terms of one-year or less on the balance sheet. The Company's leases generally do not provide an implicit rate, and therefore the Company uses its incremental borrowing rate as the discount rate when measuring operating lease liabilities. The incremental borrowing rate represents an estimate of the interest rate the Company would incur at lease commencement to borrow an amount equal to the lease payments on a collateralized basis over the term of the lease.

Supplemental balance sheet information related to the Company's leases was as follows:

(dollars in millions)	Balance Sheet Location	December 31, 2019
Operating lease assets, net of amortization	Operating lease right-of-use assets	$ 35.8
Finance lease assets, net of amortization	Property, plant and equipment, net	33.2
Operating lease liabilities:		
Current operating lease liabilities	Other current liabilities	10.9
Noncurrent operating lease liabilities	Operating lease liabilities	32.1
Total operating lease liabilities		43.0
Finance lease liabilities:		
Current finance lease liabilities	Current portion of long-term debt	14.3
Noncurrent finance lease liabilities	Long-term debt, less current portion	59.5
Total finance lease liabilities		$ 73.8

Under ASC 840, the Company had $73.9 million of capital lease obligations at December 31, 2018.

The components of lease expense were as follows:

(dollars in millions)	Year Ended December 31, 2019
Operating lease cost	$ 13.2
Short-term lease cost	0.3
Variable lease cost	2.1
Finance lease cost:	
Depreciation on leased assets	8.3
Interest on lease liabilities	5.1
Total lease cost	$ 29.0

Under ASC 840, the Company recorded lease expense of $18.4 million and $10.7 million in 2018 and 2017, respectively.

Other information related to leases was as follows:

(dollars in millions)	Year Ended December 31, 2019
Supplemental Cash Flows Information	
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from finance leases	$ 5.1
Operating cash flows from operating leases	$ 11.0
Financing cash flows from finance leases	$ 14.4
Right-of-use assets obtained in exchange for lease obligations:	
New operating leases	$ 7.5
New finance leases	$ 14.5
Weighted Average Remaining Lease Term	
Operating leases	7.93 years
Finance leases	7.20 years
Weighted Average Discount Rate	
Operating leases	6.94%
Finance leases	7.00%

Future minimum lease payments under non-cancellable leases as of December 31, 2019 are as follows:

(dollars in millions)	Operating Leases	Finance Leases
Year ended December 31,		
2020	$ 13.3	$ 18.9
2021	8.3	14.5
2022	5.8	10.1
2023	4.7	8.2
2024	3.9	7.5
Thereafter	21.1	37.7
Total future minimum lease payments	57.1	96.9
Less imputed interest	(14.1)	(23.1)
Total	$ 43.0	$ 73.8

Lessor Disclosures

The Company has operating leases related to its dark fiber arrangements for terms between 3 and 30 years. Our leases have various expiration dates through 2048, some of which include options to extend the lease. The Company recorded $3.1 million in lease income related to operating lease payments in 2019.

The Company owns the underlying assets associated with its operating leases and records them in "Property, plant and equipment, net" on the Consolidated Balance Sheets.

Future minimum lease payments to be received under non-cancellable leases as of December 31, 2019 are as follows:

(dollars in millions)	Operating Leases
Year ended December 31,	
2020	$ 2.7
2021	2.3
2022	1.7
2023	1.7
2024	1.7
Thereafter	17.0
Total future minimum lease payments	27.1
Less imputed interest	(9.9)
Total	$ 17.2

10. Commitments and Contingencies

Other Installment Financing Arrangements

Prior to the acquisition of Hawaiian Telcom in July 2018, Hawaiian Telcom had an open dispute related to jointly-owned utility poles. Each of the electric utilities for the four counties in the State of Hawaii had separate agreements with Hawaiian Telcom for the joint ownership and maintenance of utility poles along with other third parties, such as the State of Hawaii. The agreements set forth various circumstances requiring pole removal, installation and replacement and the sharing of costs among the joint pole owners. The agreements allowed for the cost of work done by one joint pole owner to be shared by the other joint pole owners based on the apportionment of costs in the agreements. Generally, the electric utilities had maintained, replaced and installed the majority of the jointly-owned poles and had billed the other joint pole owners for their respective share of the costs. Hawaiian Telcom had a disagreement with the common owner of the utilities in three of the counties in Hawaii regarding the amount the utilities were requesting for their share of the capitalized costs.

The agreement approved by the Hawaii Public Utilities Commission in October 2018 provided for the transfer of Hawaiian Telcom’s ownership responsibility of the poles to Hawaiian Electric Company (HEC) and Hawaiian Telcom to pay a fixed annual fee to HEC for continued use of the poles. The agreement, referred to as the Pole License Agreement, has a duration of 10 years at a fixed rate with two renewal options each for five year terms. Due to the continuing involvement by the Company, this transaction does not meet the requirements to be accounted for as a sale-leaseback, and therefore it has been treated as a financing obligation. As of December 31, 2019, the Company has a liability recorded of $39.1 million related to the payments for the use of the poles, of which $1.1 million is recognized within "Other current liabilities" in the Consolidated Balance Sheets. As of December 31, 2018, the Company had a liability recorded of $40.1 million related to the payments for the use of the poles for the next 20 years, of which $1.0 million is recognized within “Other current liabilities” in the Consolidated Balance Sheets.

The IT Services and Hardware segment entered into an agreement in June 2018 for a building to use in its data center operations. Structural improvements were made to the facility in excess of normal tenant improvements and, as such, we are deemed the accounting owner of the facility. The term of the agreement for the building shell is a duration of 10 years with two renewal options each with a two-year term. As of December 31, 2019 and 2018, the liability related to the financing arrangement is $4.4 million and $4.5 million, respectively, and recognized within "Other noncurrent liabilities" in the Consolidated Balance Sheets.

The future minimum payments under the base agreements, as well as the renewal options for each lease which the Company expects to exercise, are as follows:

(dollars in millions)		
Year ended December 31,		
2020	$	0.7
2021		0.7
2022		3.5
2023		5.8
2024		5.8
Thereafter		57.8
Total future minimum financing obligation payments		74.3
Less imputed interest		(33.8)
Total	$	40.5

Trans-Pacific Submarine Cable

Commensurate to the acquisition of Hawaiian Telcom, the Company gained access to the SEA-US cable. In August 2014, Hawaiian Telcom joined several other telecommunication companies to form a consortium to build and operate the SEA-US cable. The total system cost was $235.0 million and was primarily composed of a supply contract with the lead contractor. The Company has a fractional ownership in the system and recognizes its fractional share at cost. In addition, the Company constructed a cable landing station in Hawaii and provides cable landing services. The system was completed in August 2017. During 2019 and 2018, the Company incurred costs of $0.4 million and $1.7 million, respectively, primarily to the cable contractor for construction, with all such costs capitalized.

The Company has excess capacity on its share of the SEA-US cable that it makes available to other carriers for a fee. The Company has contracted and expects to enter into additional IRU agreements with other carriers for use of this excess fiber circuit capacity. The Company may receive up-front payments for services to be delivered over a period of up to 25 years. As of December 31, 2019 and 2018, the Company has a remaining obligation related to the sale of capacity and other services of $22.5 million and $23.0 million, respectively, which was previously received in up-front payments. The Company is recognizing revenue for the cable on a straight-line basis over the contract term. The Company recognizes a financing component in accordance with ASC 606 associated with the upfront payments as the contract terms range up to 25 years.

Asset Retirement Obligations

Asset retirement obligations exist for certain assets. In conjunction with the acquisition of Hawaiian Telcom, the Company recognized certain asset retirement obligations related to underground tanks and environmental remediation that will occur prior to the retirement of certain assets. These obligations are recorded in "Other noncurrent liabilities" in the Consolidated Balance Sheets. Additionally, the Company recognizes certain asset retirement obligations related to data center leases which are recorded in "Accounts payable" in the Consolidated Balance Sheets.

The following table presents the activity for the Company’s asset retirement obligations:

	December 31,			
(dollars in millions)	2019		2018	
Balance, beginning of period	$	9.1	$	2.3
Hawaiian Telcom opening balance sheet adjustment		(3.2)		6.6
Liabilities incurred		1.8		—
Liabilities settled		(0.7)		(0.1)
Accretion expense		0.1		0.3
Balance, end of period	$	7.1	$	9.1

Indemnifications

During the normal course of business, the Company makes certain indemnities, commitments, and guarantees under which it may be required to make payments in relation to certain transactions. These include (a) intellectual property indemnities to customers in connection with the use, sale, and/or license of products and services, (b) indemnities to customers in connection with losses incurred while performing services on their premises, (c) indemnities to vendors and service providers pertaining to claims based on negligence or willful misconduct of the Company, (d) indemnities involving the representations and warranties in certain contracts, and (e) outstanding letters of credit which totaled $10.5 million as of December 31, 2019. In addition, the Company has made contractual commitments to several employees providing for payments upon the occurrence of certain prescribed events. The majority of these indemnities, commitments, and guarantees do not provide for any limitation on the maximum potential for future payments that the Company could be obligated to make.

As permitted under Ohio law, the Company has agreements whereby the Company indemnifies its officers and directors for certain events or occurrences while the officer or director is, or was, serving at the Company's request in such capacity. The term of the indemnification period is for the lifetime of the officer or director. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is unlimited; however, the Company has a director and officer insurance policy that limits the Company's exposure and enables the Company to recover a portion of any future amounts paid. As a result of the Company's insurance policy coverage, the Company believes the estimated fair value of these indemnification agreements is minimal. The Company has no liabilities recorded for these agreements as of December 31, 2019 or 2018.

Purchase Commitments

The Company has purchase commitments and blanket purchase requisitions related to certain goods and services. These agreements typically range from one to three years. As of December 31, 2019 and 2018, the minimum commitments associated with these arrangements that are noncancellable in nature, are not considered significant. The Company generally has the right to cancel open purchase orders prior to delivery and to terminate the contracts without cause.

Litigation

Cincinnati Bell and its subsidiaries are subject to various lawsuits, actions, proceedings, claims and other matters asserted under laws and regulations in the normal course of business. We believe the liabilities accrued for legal contingencies in our consolidated financial statements, as prescribed by GAAP, are adequate in light of the probable and estimable contingencies. However, there can be no assurances that the actual amounts required to satisfy alleged liabilities from various legal proceedings, claims, tax examinations, and other matters, and to comply with applicable laws and regulations, will not exceed the amounts reflected in our consolidated financial statements. As such, costs, if any, that may be incurred in excess of those amounts provided as of December 31, 2019, cannot be reasonably determined.

11. Financial Instruments and Fair Value Measurements

Interest Rate Swaps

The Company uses interest rate swap agreements to minimize its exposure to interest rate fluctuations on variable rate debt borrowings. Interest rate swaps involve the exchange of fixed and variable rate interest payments and do not represent an actual exchange of the underlying notional amounts between parties.

In the second quarter of 2018, the Company entered into one forward starting non-amortizing interest rate swap with a notional amount of $300.0 million to convert variable rate debt to fixed rate debt. The interest rate swap became effective in June 2018 and expires in June 2023. The interest rate swap results in interest payments based on an average fixed rate of 2.938% plus the applicable margin per the requirements in the Credit Agreement.

In the first quarter of 2019, the Company entered into three forward starting non-amortizing interest rate swaps, with a notional amount of $89.0 million each, to convert variable rate debt to fixed rate debt. The interest rate swaps became effective in March 2019 and expire in March 2024. The interest rate swaps result in interest payments based on an average fixed rate per swap of 2.275%, 2.244% and 2.328% plus the applicable margin per the requirements in the Credit Agreement.

During the next twelve months, the Company estimates that $5.8 million will be reclassified as an increase to interest expense.

The fair value of the Company's interest rate swaps are impacted by the credit risk of both the Company and its counterparties. The Company has agreements with its derivative financial instrument counterparties that contain provisions providing that if the Company defaults on the indebtedness associated with its derivative financial instruments, then the Company could also be declared in default on its derivative financial instruments obligations. In addition, the Company minimizes nonperformance risk on its derivative instruments by evaluating the creditworthiness of its counterparties, which are limited to major banks and financial institutions.

Upon inception, the interest rate swaps were designated as cash flow hedges under ASC 815, with gains and losses, net of tax, measured on an ongoing basis recorded in accumulated other comprehensive loss. The fair value of the interest rate swaps are categorized as Level 2 in the fair value hierarchy as they are based on well-recognized financial principles and available market data.

As of December 31, 2019, the fair value of the interest rate swap liability was $19.0 million and is recorded in the Consolidated Balance Sheets as of December 31, 2019 as follows:

(dollars in millions)	Balance Sheet Location	December 31, 2019	Quoted Prices in Active Markets Level 1	Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Liabilities:					
Interest Rate Swap	Other current liabilities	$ 5.7	$ —	$ 5.7	$ —
Interest Rate Swap	Other noncurrent liabilities	$ 13.3	$ —	$ 13.3	$ —

As of December 31, 2018, the fair value of the interest rate swap liability was $5.0 million and is recorded in the Consolidated Balance Sheets as of December 31, 2018 as follows:

(dollars in millions)	Balance Sheet Location	December 31, 2018	Quoted Prices in Active Markets Level 1	Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Liabilities:					
Interest Rate Swap	Other current liabilities	$ 1.2	$ —	$ 1.2	$ —
Interest Rate Swap	Other noncurrent liabilities	$ 3.8	$ —	$ 3.8	$ —

The amount of losses recognized in Accumulated Other Comprehensive Income ("AOCI") net of reclassifications into earnings is as follows:

	Year Ended December 31,	
(dollars in millions)	2019	2018
Interest Rate Swap	$ (14.0)	$ (5.0)

The amount of losses reclassified from AOCI into earnings is as follows:

		Year Ended December 31,	
(dollars in millions)	Statement of Operations Location	2019	2018
Interest Rate Swap	Interest Expense	$ (2.2)	$ (1.2)

Disclosure on Financial Instruments

The carrying values of the Company's financial instruments approximate the estimated fair values as of December 31, 2019 and December 31, 2018, except for the Company's long-term debt and other financing arrangements. The carrying and fair values of these items are as follows:

	December 31, 2019		December 31, 2018	
(dollars in millions)	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt, including current portion*	$ 1,867.5	$ 1,921.5	$ 1,880.0	$ 1,673.6
Other financing arrangements	43.5	55.5	44.6	43.6

* Excludes finance leases, other financing arrangements and note issuance costs

The fair value of our long-term debt was based on closing or estimated market prices of the Company’s debt at December 31, 2019 and December 31, 2018, which is considered Level 2 of the fair value hierarchy. The fair value of other financing arrangements was calculated using a discounted cash flow model that incorporates current borrowing rates for obligations of similar duration, which is considered Level 3 of the fair value hierarchy. As of December 31, 2019, the current borrowing rate was estimated by applying the Company's credit spread to the risk-free rate for a similar duration borrowing.

Non-Recurring Fair Value Measurements

Certain long-lived assets, intangibles, and goodwill may be required to be measured at fair value on a non-recurring basis subsequent to their initial measurement. These non-recurring fair value measurements generally occur when evidence of impairment has occurred. In 2019 and 2018, no assets were remeasured at fair value. During 2017, the following assets were remeasured at fair value in connection with impairment tests:

		Fair Value Measurements Using			
(dollars in millions)	Year Ended December 31, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Impairment Losses
Equity method investment:					
Equity method investment	—	—	—	—	$ (4.7)
Impairment of equity method investment					$ (4.7)

In the third quarter of 2017, an equity method investment recorded within “Other noncurrent assets” in the Consolidated Balance Sheets was remeasured at fair value due to a triggering event identified by management. As a result of the fair value analysis, the entire carrying value of $4.7 million was impaired and recorded to "Other expense (income), net" on the Consolidated Statements of Operations. This fair value measurement is considered a Level 3 measurement due to the significance of its unobservable inputs.

12. Pension and Postretirement Plans

Savings Plans

The Company sponsors several defined contribution plans covering substantially all employees. The Company's contributions to the plans are based on matching a portion of the employee contributions. Both employer and employee contributions are invested in various investment funds at the direction of the employee. Employer contributions to the defined contribution plans were $12.9 million, $11.3 million, and $8.2 million in 2019, 2018, and 2017, respectively.

Pension and Postretirement Plans

Cincinnati Plans

The Company sponsors three noncontributory defined benefit pension plans: one for eligible management employees, one for non-management employees, and one supplemental, nonqualified, unfunded plan for certain former senior executives (collectively the "Cincinnati Plans"). The management pension plan is a cash balance plan in which the pension benefit is determined by a combination of compensation-based credits and annual guaranteed interest credits. The non-management pension plan is also a cash balance plan in which the combination of service and job-classification-based credits and annual interest credits determine the pension benefit. Benefits for the supplemental plan are based on eligible pay, adjusted for age and service upon retirement. We fund both the management and non-management plans in an irrevocable trust through contributions, which are determined using the traditional unit credit cost method. We also use the traditional unit credit cost method for determining pension cost for financial reporting purposes.

During 2017, the non-management pension plan made lump sum payments of $11.0 million resulting in a reduction of the plan benefit obligation of $11.3 million. The Company recorded a pension settlement cost of $4.0 million in 2017 as a result of the lump sum payments to the plan participants exceeding the sum of the service cost and the interest cost component of the net pension cost.

The Company also provides healthcare and group life insurance benefits for eligible retirees. We fund healthcare benefits and other group life insurance benefits using Voluntary Employee Benefit Association ("VEBA") trusts. It is our practice to fund amounts as deemed appropriate from time to time. Contributions are subject to Internal Revenue Service ("IRS") limitations developed using the traditional unit credit cost method. The actuarial expense calculation for our postretirement health plan is based on numerous assumptions, estimates, and judgments including healthcare cost trend rates and cost sharing with retirees. Retiree healthcare benefits were phased out as of December 31, 2018 for all employees, with the exception of a small group of grandfathered employees. The postretirement health plan also includes liabilities associated with employees who have special death benefits only.

Hawaii Plans

The Company sponsors one noncontributory defined benefit plan for union employees, one cash balance pension plan for

nonunion employees, and two postretirement health and life insurance plans for Hawaiian Telcom employees (collectively the "Hawaii Plans"). The noncontributory defined benefit plan was frozen as of March 1, 2012, and the cash balance pension plan was frozen as of April 1, 2007.

During 2019, Hawaiian Telcom's pension plans made lump sum payments of $1.0 million resulting in a reduction of plan benefit obligation of $1.0 million and a nominal pension settlement cost. During 2018, Hawaiian Telcom's pension plans made lump sum payments of $3.6 million resulting in a reduction of plan benefit obligation of $3.6 million. The Company recorded a pension settlement cost of $0.1 million in 2018 as a result of the lump sum payments to the plan participants exceeding the sum of the service cost and the interest cost component of the net pension cost.

Components of Net Periodic Cost

The following information relates to noncontributory defined benefit pension plans, postretirement healthcare plans, and life insurance benefit plans at December 31, 2019, 2018 and 2017 for the Cincinnati Plans and at December 31, 2019 and 2018 for the Hawaii Plans. Hawaii pension and postretirement costs recorded in 2018 are related to the six month period subsequent to the July 2, 2018 acquisition date. In 2017, approximately 13% of these costs were capitalized to property, plant and equipment related to network construction in the Entertainment and Communications segment. In accordance with ASU 2017-07, adopted effective January 1, 2018, only the service cost component of net benefit cost is eligible for capitalization on a prospective basis, which was immaterial for 2019 and 2018.

Pension and postretirement benefit costs for these plans were comprised of:

	Pension Benefits			Postretirement and Other Benefits		
(dollars in millions)	2019	2018	2017	2019	2018	2017
Service cost	$ —	$ —	$ —	$ 0.6	$ 0.6	$ 0.2
Interest cost on projected benefit obligation	23.9	20.0	19.4	5.0	4.2	3.2
Expected return on plan assets	(30.7)	(29.8)	(26.0)	—	—	—
Amortization of:						
Prior service benefit	—	—	—	(2.5)	(3.1)	(4.5)
Actuarial loss	13.7	17.0	17.5	1.8	4.1	4.7
Pension settlement charges	—	0.1	4.0	—	—	—
Pension/postretirement cost	$ 6.9	$ 7.3	$ 14.9	$ 4.9	$ 5.8	$ 3.6

The following are the weighted-average assumptions used in measuring the net periodic cost of the pension and postretirement benefits:

Cincinnati Plans	Pension Benefits			Postretirement and Other Benefits		
	2019	2018	2017	2019	2018	2017
Discount rate	4.20%	3.60%	4.10%	4.30%	3.60%	4.00%
Expected long-term rate of return	6.50%	7.00%	7.25%	—	—	—
Future compensation growth rate	—	—	—	—	—	—

Hawaii Plans	Pension Benefits		Postretirement and Other Benefits	
	2019	2018	2019	2018
Discount rate	4.20%	4.10%	4.40%	4.20%
Expected long-term rate of return	6.50%	7.00%	—	—
Future compensation growth rate	—	—	—	—

The expected long-term rate of return on plan assets, developed using the building block approach, for each of the plans is based on the mix of investments held directly by the plans and the current view of expected future returns, which is influenced by historical averages. Changes in actual asset return experience and discount rate assumptions can impact the Company's operating results, financial position and cash flows.

Benefit Obligation and Funded Status

Changes in the plans' benefit obligations and funded status are as follows:

(dollars in millions)	Pension Benefits 2019	Pension Benefits 2018	Postretirement and Other Benefits 2019	Postretirement and Other Benefits 2018
Change in benefit obligation:				
Benefit obligation at January 1,	$ 606.8	$ 489.2	$ 123.7	$ 98.6
Hawaiian Telcom opening balance sheet adjustment	—	184.1	—	51.2
Service cost	—	—	0.6	0.6
Interest cost	23.9	20.0	5.0	4.2
Actuarial loss (gain)	72.7	(39.9)	(5.1)	(20.3)
Benefits paid	(49.5)	(43.0)	(8.6)	(13.1)
Retiree drug subsidy received	—	—	0.1	0.3
Settlements	(1.0)	(3.6)	—	—
Other	—	—	0.6	2.2
Benefit obligation at December 31,	$ 652.9	$ 606.8	$ 116.3	$ 123.7
Change in plan assets:				
Fair value of plan assets at January 1,	$ 482.4	$ 392.1	$ 5.8	$ 7.5
Hawaiian Telcom opening balance sheet adjustment	—	163.0	—	—
Actual return (loss) on plan assets	101.0	(37.7)	0.3	0.3
Employer contributions	5.9	11.6	6.7	10.8
Retiree drug subsidy received	—	—	0.1	0.3
Benefits paid	(49.5)	(43.0)	(8.6)	(13.1)
Settlements	(1.0)	(3.6)	—	—
Fair value of plan assets at December 31,	538.8	482.4	4.3	5.8
Unfunded status	$ (114.1)	$ (124.4)	$ (112.0)	$ (117.9)

The following are the weighted-average assumptions used in accounting for and measuring the projected benefit obligations:

Cincinnati Plans	Pension Benefits December 31, 2019	Pension Benefits December 31, 2018	Postretirement and Other Benefits December 31, 2019	Postretirement and Other Benefits December 31, 2018
Discount rate	3.10%	4.20%	3.20%	4.30%
Future compensation growth rate	—	—	—	—

Hawaii Plans	Pension Benefits December 31, 2019	Pension Benefits December 31, 2018	Postretirement and Other Benefits December 31, 2019	Postretirement and Other Benefits December 31, 2018
Discount rate	3.10%	4.20%	3.30%	4.40%
Future compensation growth rate	—	—	—	—

The assumed healthcare cost trend rate used to measure the postretirement health benefit obligation is shown below:

Cincinnati Plans	December 31, 2019	December 31, 2018
Healthcare cost trend	6.5%	6.5%
Rate to which the cost trend is assumed to decline (ultimate trend rate)	4.5%	4.5%
Year the rates reach the ultimate trend rate	2024	2023

Hawaii Plans	December 31, 2019	December 31, 2018
Healthcare cost trend	6.8%	6.8%
Rate to which the cost trend is assumed to decline (ultimate trend rate)	5.0%	5.0%
Year the rates reach the ultimate trend rate	2026	2026

A one-percentage point change in assumed healthcare cost trend rates would not impact the Hawaii postretirement plan due to the plan exceeding the per capita cost caps. A one-percentage point change in assumed healthcare cost trend rates would have the following effect on the Cincinnati postretirement benefit costs and obligation:

(dollars in millions)	1% Increase	1% Decrease
Service and interest costs for 2019	$ 0.1	$ (0.1)
Postretirement benefit obligation at December 31, 2019	1.5	(1.4)

The projected benefit obligation is recognized in the Consolidated Balance Sheets as follows:

	Pension Benefits		Postretirement and Other Benefits	
	December 31,		December 31,	
(dollars in millions)	2019	2018	2019	2018
Accrued payroll and benefits (current liability)	$ 2.1	$ 2.1	$ 9.5	$ 11.0
Pension and postretirement benefit obligations (noncurrent liability)	112.0	122.3	102.5	106.9
Total	$ 114.1	$ 124.4	$ 112.0	$ 117.9

Amounts recognized in "Accumulated other comprehensive loss" in the Consolidated Balance Sheets which have not yet been recognized in net pension costs consisted of the following:

	Pension Benefits		Postretirement and Other Benefits	
	December 31,		December 31,	
(dollars in millions)	2019	2018	2019	2018
Prior service (cost) benefit, net of tax of ($0.1), ($0.1), $4.0, $4.6	$ (0.1)	$ (0.1)	$ 15.6	$ 17.5
Actuarial loss, net of tax of ($42.4), ($45.0), ($5.4), ($7.1)	(147.5)	(156.3)	(20.0)	(25.6)
Total	$ (147.6)	$ (156.4)	$ (4.4)	$ (8.1)

Amounts recognized in "Accumulated other comprehensive loss" on the Consolidated Statements of Shareowners' Deficit and the Consolidated Statements of Comprehensive Income are shown below:

	Pension Benefits		Postretirement and Other Benefits	
(dollars in millions)	2019	2018	2019	2018
Prior service cost recognized:				
Reclassification adjustments	$ —	$ —	$ (2.5)	$ (3.1)
Actuarial (loss) gain recognized:				
Reclassification adjustments	13.7	17.1	1.8	4.1
Actuarial (loss) gain arising during the period	(2.3)	(27.7)	5.5	20.4

The following amounts currently included in "Accumulated other comprehensive loss" are expected to be recognized in 2020 as a component of net periodic pension and postretirement cost:

(dollars in millions)	Pension Benefits	Postretirement and Other Benefits
Prior service benefit	$ —	$ (2.5)
Actuarial loss	18.1	3.0
Total	$ 18.1	$ 0.5

Plan Assets, Investment Policies and Strategies

Cincinnati and Hawaii Plans

The primary investment objective for the trusts holding the assets of the pension and postretirement plans is preservation of capital with a reasonable amount of long-term growth and income without undue exposure to risk. The investment follows a glide path approach toward liability-driven investing that shifts a higher portfolio weighting to fixed income as the plan's funded status increases. The current target allocations for the pension plan assets are 50% equity securities and 50% investment grade fixed income securities. Equity securities are primarily held in the form of passively managed funds that seek to track the performance of a benchmark index. Equity securities include investments in growth and value common stocks of companies located in the United States, which represents approximately 50% of the equity securities held by the pension plans at December 31, 2019, as well as stock of international companies located in both developed and emerging markets around the world. Fixed income securities primarily include holdings of funds, which generally invest in a variety of intermediate and long-term investment grade corporate bonds from diversified industries and U.S. Treasuries. The postretirement plan assets held by the Cincinnati plan are currently invested in a group insurance contract.

The fair values of the pension plan assets at December 31, 2019 and 2018 by asset category are as follows:

(dollars in millions)	December 31, 2019	Quoted Prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
Mutual funds				
U.S. equity index funds	$ 137.2	$ 137.2	$ —	$ —
International equity index funds	137.4	137.4	—	—
Fixed income bond funds	263.7	263.7	—	—
Fixed income short-term money market funds	0.5	0.5	—	—
Group insurance contract	4.3	—	—	—
Total	$ 543.1	$ 538.8	$ —	$ —

(dollars in millions)	December 31, 2018	Quoted Prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
Mutual funds				
U.S. equity index funds	$ 165.0	$ 107.2	$ 57.8	$ —
International equity index funds	127.2	100.7	26.5	—
Fixed income bond funds	183.0	119.3	63.7	—
Fixed income short-term money market funds	7.2	0.1	7.1	—
Group insurance contract	5.8	—	—	—
Total	$ 488.2	$ 327.3	$ 155.1	$ —

The fair values of Level 1 investments are based on quoted prices in active markets.

In 2019, Hawaiian Telcom adjusted its overall investment strategy to align with the Cincinnati plans. As a result, the Hawaii Plans' assets moved from Level 2 investments to Level 1 investments.

In 2018, Level 2 investments included certain fixed income funds, equity funds, and short term investment funds that were held by the Hawaii Plans. Investment funds include commingled funds that are not open to public investment and are valued at the net asset value per share. The majority of such funds allow for redemption each trading day at the daily reported net asset value per share which is reported as the fund fair value on that trading day. There are no restrictions on fund redemptions. As the published net asset value reflects the amount at which the fund trades, the Company concluded it is reflective of the fund fair value as of the end of each reporting period.

The group insurance contract is valued at contract value plus accrued interest and has not been included in the fair value hierarchy, but is included in the totals above.

Contributions to our qualified pension plans were $3.6 million in 2019, $9.3 million in 2018, and $2.3 million in 2017. The 2018 contributions include a $5 million contribution to the Hawaii Plans that was required by the Public Utilities Commission of the State of Hawaii in order to complete the merger. Contributions to our non-qualified pension plan were $2.3 million in 2019, $2.3 million in 2018, and $2.3 million in 2017.

Based on current assumptions, contributions are expected to be approximately $6 million and $3 million to the qualified and non-qualified plans in 2020, respectively. Management expects to make cash payments of approximately $8 million related to its postretirement health plans in 2020.

Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid over the next ten years:

(dollars in millions)	Pension Benefits	Postretirement and Other Benefits	Medicare Subsidy Receipts
2020	$ 60.7	$ 9.8	$ (0.3)
2021	54.7	9.5	(0.3)
2022	54.6	9.1	(0.3)
2023	50.1	8.6	(0.3)
2024	48.4	8.2	(0.2)
Years 2025 - 2029	201.6	35.3	(0.8)

13. Shareowners' Deficit

Common Shares

The par value of the Company's common shares is $0.01 per share. At December 31, 2019 and 2018, common shares outstanding were 50,420,700 and 50,184,114, respectively.

In 2010, the Board of Directors approved a plan for repurchase of up to $150.0 million of the Company's common shares. In 2019, 2018 and 2017, no shares were repurchased or retired under this plan. As of December 31, 2019, the Company had the authority to repurchase $124.4 million of its common stock.

On July 2, 2018, the Company completed its acquisition of Hawaiian Telcom. In conjunction with the acquisition, the Company issued 7.7 million common shares as stock consideration, with a total value of $121.2 million.

Preferred Shares

The Company is authorized to issue 1,357,299 shares of voting preferred stock without par value and 1,000,000 shares of nonvoting preferred stock without par value. The Company issued 155,250 voting shares of 6 3/4% cumulative convertible preferred stock at stated value. These shares were subsequently deposited into a trust in which the underlying 155,250 shares are equivalent to 3,105,000 depositary shares. Shares of this preferred stock can be converted at any time at the option of the holder into common stock of the Company at a conversion rate of 5.7676 shares of the Company common stock per one share of 6 3/4% cumulative convertible preferred stock. Annual dividends of $67.50 per share (or $3.3752 per depositary share) on the outstanding 6 3/4% convertible preferred stock are payable quarterly in arrears in cash, or in common stock in certain circumstances if cash payment is not legally permitted. The liquidation preference on the 6 3/4% cumulative convertible preferred stock is $1,000 per share (or $50 per depositary share). The Company paid $10.4 million in preferred stock dividends in each of 2019, 2018, and 2017.

Accumulated Other Comprehensive Loss

Shareowners' deficit includes an accumulated other comprehensive loss that is comprised of pension and postretirement unrecognized prior service cost and unrecognized actuarial losses, unrealized loss on cash flow hedges arising during the period and foreign currency translation losses.

For the years ended December 31, 2019 and 2018, the changes in accumulated other comprehensive loss by component were as follows:

(dollars in millions)	Unrecognized Net Periodic Pension and Postretirement Benefit Cost	Unrealized Loss on Cash Flow Hedges, Net	Foreign Currency Translation Loss	Total
Balance as of December 31, 2017	$ (173.1)	$ —	$ (0.6)	$ (173.7)
Remeasurement of benefit obligations	(5.5)	—	—	(5.5)
Reclassifications, net	14.1 (a)	0.9 (b)	—	15.0
Unrealized loss on cash flow hedge arising during the period, net	—	(4.8) (c)	—	(4.8)
Foreign currency loss	—	—	(6.5)	(6.5)
Balance as of December 31, 2018	$ (164.5)	$ (3.9)	$ (7.1)	$ (175.5)
Remeasurement of benefit obligations	2.5	—	—	2.5
Reclassifications, net	10.0 (a)	1.7 (b)	—	11.7
Unrealized loss on cash flow hedges arising during the period, net	—	(12.5) (c)	—	(12.5)
Foreign currency gain	—	—	3.7	3.7
Balance as of December 31, 2019	$ (152.0)	$ (14.7)	$ (3.4)	$ (170.1)

(a) These reclassifications are included in the other components of net periodic pension and postretirement benefit plans expense and represent amortization of prior service benefit and actuarial loss, net of tax and pension settlement charges, net of tax. The other components of net periodic pension and postretirement benefit plans expense are recorded in "Other components of pension and postretirement benefit plans expense" on the Consolidated Statements of Operations. See Note 12 for further disclosures.

(b) These reclassifications are reported within "Interest expense" on the Consolidated Statements of Operations when the hedged transactions impact earnings.

(c) The unrealized loss on cash flow hedges represents the change in the fair value of the derivative instruments that occurred during the period, net of tax. The unrealized loss on cash flow hedges is recorded in "Other current liabilities" and "Other noncurrent liabilities" on the Consolidated Balance Sheets. See Note 11 for further disclosures.

14. Income Taxes

Income tax expense for continuing operations consisted of the following:

	Year Ended December 31,		
(dollars in millions)	2019	2018	2017
Current:			
Federal	$ (1.4)	$ (0.6)	$ (14.8)
State and local	—	0.9	1.0
Foreign	0.5	1.6	—
Total current	(0.9)	1.9	(13.8)
Deferred:			
Federal	(9.1)	(10.3)	47.0
State and local	(1.5)	5.7	2.3
Foreign	0.4	(1.0)	0.4
Total deferred	(10.2)	(5.6)	49.7
Valuation allowance	0.5	13.1	(9.2)
Total	$ (10.6)	$ 9.4	$ 26.7

The following is a reconciliation of the statutory federal income tax rate with the effective tax rate for each year:

	Year Ended December 31,		
	2019	2018	2017
U.S. federal statutory rate	21.0%	21.0%	35.0%
State and local income taxes, net of federal income tax	2.1	1.4	0.7
Transaction costs	(3.0)	(3.1)	5.5
Non-Deductible meals and entertainment	(1.5)	(1.8)	1.3
Equity compensation	(1.7)	0.3	(0.5)
Merger adjustments	(1.7)	—	—
State net operating loss adjustments	(1.0)	(10.1)	2.0
Change in valuation allowance, net of federal income tax	(0.5)	(21.8)	(9.1)
Federal rate change	—	—	3.5
Unrecognized tax benefit changes	—	—	1.4
Other differences, net	—	(1.4)	0.3
Effective tax rate	13.7%	(15.5)%	40.1%

The income tax (benefit) provision was charged to continuing operations or accumulated other comprehensive income (loss) as follows:

	Year Ended December 31,		
(dollars in millions)	2019	2018	2017
Income tax (benefit) provision related to:			
Continuing operations	$ (10.6)	$ 9.4	$ 26.7
Accumulated other comprehensive income (loss)	0.2	1.3	(28.3)

Prior year balances related to deferred tax assets and liabilities have been recast to net the federal effect of state taxes with the specific deferred tax asset or liability to which it relates.

The components of our deferred tax assets and liabilities were as follows:

(dollars in millions)	December 31, 2019	2018
Deferred tax assets:		
Net operating loss carryforwards	$ 210.2	$ 171.9
Finance and operating lease obligations	29.1	22.4
Pension and postretirement benefits	54.3	53.1
Employee benefits	6.1	9.9
Interest limitation	16.6	14.8
State tax credit	9.2	9.7
Other	29.0	26.3
Total deferred tax assets	354.5	308.1
Valuation allowance	(49.3)	(48.7)
Total deferred tax assets, net of valuation allowance	$ 305.2	$ 259.4
Deferred tax liabilities:		
Property, plant and equipment and intangibles	$ (239.2)	$ (211.5)
Other	(18.4)	(11.8)
Total deferred tax liabilities	(257.6)	(223.3)
Net deferred tax assets	$ 47.6	$ 36.1

As of December 31, 2019, the Company had $777.1 million of federal net operating loss carryforwards with a deferred tax asset value of $163.2 million and $47.0 million in deferred tax assets related to state and local net operating loss carryforwards. Federal net operating loss carryforwards of $125.6 million will expire in 2023. U.S. tax laws limit the annual utilization of net operating loss carryforwards of acquired entities but the Company expects to fully utilize the net operating loss carryforwards.

The Company assessed all available positive and negative evidence to determine whether it expects that future taxable income will be generated to allow it to realize its existing deferred tax assets. Despite the cumulative book loss incurred over the three-year period ended December 31, 2019, there is sufficient objectively verifiable income for management to conclude that it is more likely than not that the Company will utilize available federal net operating loss carryforwards prior to their expiration. As of December 31, 2019, the Company has recorded valuation allowances of $16.6 million against the portion of interest expense for which deduction is limited under section 163(j) of the Internal Revenue Code and $32.7 million against other attributes including primarily state and local net operating loss carryforwards. Management has concluded that it is more likely than not that it will realize all other deferred tax assets.

The total amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate is $21.7 million and $21.9 million at December 31, 2019 and December 31, 2018, respectively. It is reasonably possible that existing unrecognized tax benefits related to a federal sequestration of AMT credits could decrease by $2.1 million within the next 12 months. Accrued interest and penalties on income tax uncertainties were immaterial as of December 31, 2019 and 2018.

A reconciliation of the unrecognized tax benefits is as follows:

(dollars in millions)	Year Ended December 31, 2019	2018	2017
Balance, beginning of year	$ 22.0	$ 22.2	$ 31.4
Change in tax positions for the current year	0.2	—	1.0
Change in tax positions for prior years	(0.3)	(0.2)	0.3
Change related to decrease in federal tax rate	—	—	(10.5)
Balance, end of year	$ 21.9	$ 22.0	$ 22.2

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction and various foreign, state and local jurisdictions. With a few exceptions, the Company is no longer subject to U.S. federal, state or local examinations for years before 2015.

U.S. income and foreign withholding taxes have not been recognized on the excess of the amount for financial reporting over the tax basis of investments in foreign subsidiaries that is indefinitely reinvested outside the United States. The Company intends to indefinitely reinvest the undistributed earnings of these foreign subsidiaries in its operations outside the United States to support its international growth. Determination of the amount of any unrecognized deferred income tax liability on this temporary difference is not practicable because of the complexities of the hypothetical calculation.

15. Stock-Based and Deferred Compensation Plans

The Company may grant stock options, stock appreciation rights, performance-based awards, restricted stock units, and time-based restricted shares to officers and key employees under the 2017 Long-Term Incentive Plan and stock options, restricted shares, and restricted stock units to directors under the 2017 Stock Plan for Non-Employee Directors. The maximum number of shares authorized and available for award under the 2017 plans at December 31, 2019 was 1.2 million.

On May 2, 2017, the 2007 Long Term Incentive Plan and 2007 Stock Option Plan for Non-Employee Directors both expired. Under the 2007 Long Term Incentive Plan, the Company granted stock options, stock appreciation rights, performance-based awards, and time-based restricted shares to officers and key employees. Under the 2007 Stock Option Plan for Non-Employee Directors, the Company granted stock options, restricted shares, and restricted stock units to directors. The Company no longer grants shares under the 2007 plans as of May 2, 2017.

On July 2, 2018, the Company completed its acquisition of Hawaiian Telcom. In conjunction with the acquisition, the Company assumed responsibility for the eventual payout of certain stock-based compensation awards that were previously granted to Hawaiian Telcom employees under the Hawaiian Telcom 2010 Equity Incentive Plan. These awards were originally granted by Hawaiian Telcom in the first quarter of 2017 and in the first quarter of 2018, before the merger with Cincinnati Bell was completed. Going forward, all stock-based compensation awards for Hawaiian Telcom employees will be granted under the 2017 Long-Term Incentive Plan.

Stock Options and Stock Appreciation Rights

Generally, the awards of stock options and stock appreciation rights fully vest three years from grant date and expire ten years from grant date. Beginning in 2012, some of the stock options vested over a three year period based on the achievement of certain performance objectives. The Company generally issues new shares when options to purchase common shares or stock appreciation rights are exercised. The following table summarizes stock options and stock appreciation rights activity:

	2019		2018		2017	
(in thousands, except per share amounts)	Shares	Weighted-Average Exercise Price Per Share	Shares	Weighted-Average Exercise Price Per Share	Shares	Weighted-Average Exercise Price Per Share
Outstanding at January 1,	151	$ 18.29	181	$ 17.10	390	$ 20.00
Exercised	—	—	(19)	8.68	(35)	15.76
Forfeited	(7)	17.05	(9)	17.05	(35)	21.58
Expired	—	—	(2)	8.35	(139)	24.55
Outstanding and exercisable at December 31,	144	$ 18.35	151	$ 18.29	181	$ 17.10
(dollars in millions)						
Compensation expense for the year	$ —		$ —		$ 0.2	
Tax benefit related to compensation expense	$ —		$ —		$ (0.1)	
Intrinsic value of awards exercised	$ —		$ 0.1		$ 0.2	
Cash received from awards exercised	$ —		$ 0.2		$ 0.5	
Grant date fair value of awards vested	$ —		$ —		$ 0.3	

The following table summarizes our outstanding and exercisable awards at December 31, 2019:

	Outstanding		Exercisable	
(in thousands, except per share amounts)	Shares	Weighted-Average Exercise Price Per Share	Shares	Weighted-Average Exercise Price Per Share
Range of Grant Price				
$14.55 to $17.05	116	$ 17.04	116	$ 17.04
$23.75 to $26.05	28	23.83	28	23.83
Total	144	$ 18.35	144	$ 18.35

As of December 31, 2019, the aggregate intrinsic value for awards outstanding and exercisable was zero. The weighted-average remaining contractual life for awards outstanding and exercisable is approximately four years. As of December 31, 2019, there was no remaining unrecognized stock compensation expense related to stock options or stock appreciation rights.

Performance-Based Restricted Awards

Awards granted generally vest over three years and upon the achievement of certain performance-based objectives. Performance-based awards are expensed based on their grant date fair value if it is probable that the performance conditions will be achieved.

The following table summarizes our outstanding performance-based restricted award activity:

	2019		2018		2017	
(in thousands, except per share amounts)	Shares	Weighted-Average Exercise Price Per Share	Shares	Weighted-Average Exercise Price Per Share	Shares	Weighted-Average Exercise Price Per Share
Non-vested at January 1,	692	$ 18.67	871	$ 17.30	954	$ 15.89
Granted*	763	8.34	288	17.60	245	22.03
Vested	(160)	15.45	(308)	15.45	(229)	16.74
Forfeited	(13)	11.32	(159)	15.45	(99)	16.62
Non-vested at December 31,	1,282	$ 13.00	692	$ 18.67	871	$ 17.30
(dollars in millions)						
Compensation expense for the year	$ 2.7		$ 2.1		$ 3.9	
Tax benefit related to compensation expense	$ (0.6)		$ (0.5)		$ (1.4)	
Grant date fair value of awards vested	$ 2.5		$ 4.7		$ 3.8	

* Assumes the maximum number of awards that can be earned if the performance conditions are achieved.

As of December 31, 2019, unrecognized compensation expense related to performance-based awards was $5.4 million, assuming maximum performance attainment, which is expected to be recognized over a weighted-average period of approximately two years.

Time-Based Restricted Awards

Awards granted to Cincinnati Bell employees in 2019, 2018 and 2017 vest at the end of a three year period. Awards granted to directors in 2019, 2018 and 2017 vest on the first anniversary of the grant date.

As part of the terms of the acquisition of Hawaiian Telcom, certain stock-based compensation awards granted by Hawaiian Telcom before the merger date were converted to time-based restricted stock units. The Company assumed responsibility for the eventual payout of these time-based restricted stock units as part of the acquisition. These awards were originally granted by Hawaiian Telcom in the first quarter of 2017 and 2018, and vest in one-fourth increments over a period of four years. One-fourth of the awards granted in the first quarter of 2017 vested and were distributed by Hawaiian Telcom prior to July 2, 2018. All remaining awards that vest after July 2, 2018 will be distributed by Cincinnati Bell Inc.

The following table summarizes our time-based restricted award activity:

	2019		2018		2017	
(in thousands, except per share amounts)	Shares	Weighted-Average Exercise Price Per Share	Shares	Weighted-Average Exercise Price Per Share	Shares	Weighted-Average Exercise Price Per Share
Non-vested at January 1,	497	$ 17.02	164	$ 18.57	106	$ 16.75
Granted	625	8.43	245	17.05	96	20.78
Awards converted pursuant to Hawaiian Telcom acquisition	—	—	149	15.70	—	—
Vested	(167)	15.39	(61)	18.08	(38)	19.10
Forfeited	(13)	12.76	—	—	—	—
Non-vested at December 31,	942	$ 11.67	497	$ 17.02	164	$ 18.57
(dollars in millions)						
Compensation expense for the year	$ 4.7		$ 3.5		$ 1.8	
Tax benefit related to compensation expense	$ (1.1)		$ (0.8)		$ (0.6)	
Grant date fair value of awards vested	$ 2.6		$ 1.1		$ 0.7	

As of December 31, 2019, there was $4.4 million of unrecognized compensation expense related to these restricted stock awards, which is expected to be recognized over a weighted-average period of approximately two years.

16. Restructuring and Severance

Liabilities have been established for employee separations, lease abandonment and contract terminations. A summary of activity in the restructuring and severance liability is shown below:

(dollars in millions)	Employee Separation	Lease Abandonment	Total
Balance as of December 31, 2016	$ 11.0	$ 0.2	$ 11.2
Charges	32.7	—	32.7
Utilizations	(29.3)	(0.1)	(29.4)
Balance as of December 31, 2017	14.4	0.1	14.5
Charges	7.5	0.8	8.3
Hawaiian Telcom opening balance sheet adjustment	3.8	—	3.8
Utilizations	(16.2)	(0.2)	(16.4)
Balance as of December 31, 2018	9.5	0.7	10.2
Charges	6.9	—	6.9
Hawaiian Telcom opening balance sheet adjustment	0.1	—	0.1
Utilizations	(13.9)	(0.4)	(14.3)
Balance as of December 31, 2019	$ 2.6	$ 0.3	$ 2.9

Restructuring and severance charges recorded in 2019 in the Entertainment and Communications segment are related to a severance program for certain management employees as the Company continues its efforts to realize synergies that can be achieved due to the acquisition of Hawaiian Telcom. Restructuring and severance charges recorded in the IT Services and Hardware segment in 2019 are associated with initiatives to reduce and contain costs as well as headcount reductions as a result of insourcing initiatives by one of our significant customers.

In 2018, an opening balance sheet adjustment of $3.8 million was recorded for certain employees who received severance due to the change of control clause within their employment agreements that was triggered at the time of the acquisition of Hawaiian Telcom. Restructuring and severance charges recorded in 2018 are primarily related to a voluntary severance program ("VSP") for certain management employees in the Entertainment and Communications segment, as well as Corporate. The VSP that took place in the fourth quarter of 2018 related to the Company's continued efforts to realize synergies that can be achieved due to the acquisition of Hawaiian Telcom. The Company also incurred employee severance costs in 2018 associated with initiatives to reduce costs and recognize future synergies in the IT Services and Hardware segment as a result of the acquisition of, and integration with, OnX. In addition, a restructuring charge associated with lease abandonment of $0.8 million was recorded in the second quarter of 2018 related to an office space that will no longer be utilized.

In 2017, the Company initiated reorganizations within both segments of the business in order to more appropriately align the Company for future growth. In addition, during 2017 the Company finalized a voluntary severance program for certain bargained employees related to an initiative to reduce field and network costs within our legacy copper network which resulted in headcount reductions.

Lease abandonment costs represent future minimum lease obligations, net of expected sublease income, for abandoned facilities. Lease payments on abandoned facilities will continue through 2020.

A summary of restructuring activity by business segment is presented below:

(dollars in millions)	Entertainment and Communications	IT Services and Hardware	Corporate	Total
Balance as of December 31, 2016	$ 7.5	$ 3.0	$ 0.7	$ 11.2
Charges	27.6	5.1	—	32.7
Utilizations	(22.8)	(5.9)	(0.7)	(29.4)
Balance as of December 31, 2017	12.3	2.2	—	14.5
Charges	3.1	4.9	0.3	8.3
Hawaiian Telcom opening balance sheet adjustment	3.8	—	—	3.8
Utilizations	(10.6)	(5.8)	—	(16.4)
Balance as of December 31, 2018	8.6	1.3	0.3	10.2
Charges	4.9	2.0	—	6.9
Hawaiian Telcom opening balance sheet adjustment	0.1	—	—	0.1
Utilizations	(11.2)	(2.8)	(0.3)	(14.3)
Balance as of December 31, 2019	$ 2.4	$ 0.5	$ —	$ 2.9

At December 31, 2019 and 2018, $2.9 million and $9.6 million, respectively, of the restructuring liabilities were included in “Other current liabilities.” At December 31, 2018, $0.6 million was included in "Other noncurrent liabilities."

Subsequent to December 31, 2019, the Company finalized a voluntary severance program for certain bargained and management employees in the Entertainment and Communications segment in an effort to continue to reduce costs associated with our copper field and network operations. As a result, a severance charge of approximately $15 million will be recorded in the first quarter of 2020.

17. Business Segment Information

For the years ended December 31, 2019, 2018, and 2017, we operated two business segments: Entertainment and Communications and IT Services and Hardware.

Effective January 1, 2019, we adopted the requirement of ASU 2016-02, Leases. The standard was adopted using the modified retrospective transition method, which did not require the Company to adjust comparative period amounts.

Effective January 1, 2018, we adopted the requirements of ASU 2014-09, Revenue from Contracts with Customers, and ASU 2017-07, Improving the Presentation of Net Period Pension Cost and Net Periodic Postretirement Benefit Cost.

In July 2018, the Company acquired Hawaiian Telcom. Based on the nature of the products and services offered, financial results are presented in either the Entertainment and Communications segment or the IT Services and Hardware segment.

The Entertainment and Communications segment provides products and services that can be categorized as either Fioptics in Cincinnati or Consumer/SMB Fiber in Hawaii (collectively, "Consumer/SMB Fiber"), Enterprise Fiber or Legacy. Cincinnati Bell Telephone Company LLC ("CBT"), a subsidiary of the Company, is the incumbent local exchange carrier ("ILEC") for a geography that covers a radius of approximately 25 miles around Cincinnati, Ohio, and includes parts of northern Kentucky and southeastern Indiana. Voice and data services in the Enterprise Fiber and Legacy categories that are delivered beyond the Company's ILEC territory, particularly in Dayton and Mason, Ohio, are provided through the operations of Cincinnati Bell Extended Territories LLC ("CBET"), a subsidiary of CBT. On July 2, 2018, the Company acquired Hawaiian Telcom. Hawaiian Telcom is the ILEC for the State of Hawaii and the largest full service provider of communications services and products in the state. Revenue in 2019 and 2018 includes contributions by Hawaiian Telcom of $314.0 million and $159.2 million, respectively. Capital expenditures in the Entertainment and Communications segment are incurred to expand our Consumer/SMB Fiber product suite, upgrade and increase capacity for our internet and data networks, and to maintain our wireline network.

The IT Services and Hardware segment provides end-to-end solutions from consulting to implementation to ongoing optimization. These solutions include Cloud, Communications and Consulting services along with the sale and maintenance of major branded hardware reported as Infrastructure Solutions. In the fourth quarter of 2017, the Company acquired OnX, a privately held company that provides technology services and solutions to enterprise customers in the U.S., Canada and the U.K. In July 2018, the Company completed the acquisition of Hawaiian Telcom, and products such as UCaaS, hardware and enterprise long distance delivered by Hawaiian Telcom are included in the IT Services and Hardware segment.

Total assets for the Company decreased $76.4 million as of December 31, 2019 as compared to December 31, 2018. Entertainment and Communications assets decreased $58.8 million due to a decrease in property, plant and equipment primarily as a result of the increased depreciation in 2019 related to Hawaiian Telcom property, plant and equipment exceeding capital expenditures. IT Services and Hardware assets increased by $32.6 million primarily due to the Company’s recognition of operating lease right-of-use assets in the Consolidated Balance Sheets upon adoption of ASU 2016-02. Corporate assets decreased $50.2 million primarily due to decreased receivables. Lower receivables is partially due to timing of sales in the fourth quarter as well as additional sales of certain receivables under the factoring arrangement as of December 31, 2019 compared to December 31, 2018. Deferred tax assets and liabilities totaled $59.3 million and $11.7 million as of December 31, 2019, respectively. Deferred tax assets and liabilities totaled $47.5 million and $11.4 million as of December 31, 2018, respectively. The increase in deferred tax assets in 2019, as compared to 2018, is due to increased net operating losses in 2019.

Our business segment information is as follows:

(dollars in millions)	Year Ended December 31, 2019	2018	2017
Revenue			
Entertainment and Communications	$ 995.7	$ 853.4	$ 706.1
IT Services and Hardware	567.4	550.9	385.1
Intersegment	(26.4)	(26.1)	(25.5)
Total revenue	$ 1,536.7	$ 1,378.2	$ 1,065.7
Intersegment revenue			
Entertainment and Communications	$ 21.6	$ 22.3	$ 21.2
IT Services and Hardware	4.8	3.8	4.3
Total intersegment revenue	$ 26.4	$ 26.1	$ 25.5
Operating income			
Entertainment and Communications	$ 105.5	$ 103.3	$ 86.1
IT Services and Hardware	2.6	17.2	5.3
Corporate	(35.0)	(37.2)	(36.0)
Total operating income	$ 73.1	$ 83.3	$ 55.4
Expenditures for long-lived assets*			
Entertainment and Communications	$ 201.3	$ 408.0	$ 186.3
IT Services and Hardware	22.4	29.2	191.2
Corporate	0.1	0.2	—
Total expenditures for long-lived assets	$ 223.8	$ 437.4	$ 377.5
Depreciation and amortization			
Entertainment and Communications	$ 255.8	$ 210.8	$ 163.7
IT Services and Hardware	48.9	41.0	29.1
Corporate	0.2	0.2	0.2
Total depreciation and amortization	$ 304.9	$ 252.0	$ 193.0

*Includes cost of acquisitions

(dollars in millions)	As of December 31, 2019	2018
Assets		
Entertainment and Communications	$ 1,840.0	$ 1,898.8
IT Services and Hardware	500.7	468.1
Corporate and eliminations	313.1	363.3
Total assets	$ 2,653.8	$ 2,730.2

18. Quarterly Financial Information (Unaudited)

(in millions, except per common share amounts)	2019 First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Revenue	$ 379.6	$ 384.2	$ 382.5	$ 390.4	$ 1,536.7
Operating income	10.1	24.9	22.8	15.3	73.1
Net loss	(26.9)	(5.5)	(13.6)	(20.6)	(66.6)
Basic and diluted loss per common share	$ (0.59)	$ (0.16)	$ (0.32)	$ (0.46)	$ (1.53)

(in millions, except per common share amounts)	2018 First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Revenue	$ 295.7	$ 296.8	$ 386.7	$ 399.0	$ 1,378.2
Operating income	24.2	20.2	14.5	24.4	83.3
Net loss	(8.3)	(13.8)	(17.7)	(30.0)	(69.8)
Basic and diluted loss per common share	$ (0.26)	$ (0.39)	$ (0.41)	$ (0.65)	$ (1.73)

The effects of assumed common share conversions are determined independently for each respective quarter and year and may not be dilutive during every period due to variations in operating results. Therefore, the sum of quarterly per share results will not necessarily equal the per share results for the full year.

Restructuring and employee severance charges totaled $3.3 million, $1.8 million, $1.3 million and $0.5 million in the first, second, third and fourth quarter of 2019, respectively. Restructuring and employee severance charges totaled $0.3 million, $4.6 million and $3.4 million in the first, second and fourth quarter of 2018, respectively.

Transaction and integration costs totaled $3.0 million, $0.6 million, $0.2 million and $9.0 million in the first, second, third and fourth quarter of 2019, respectively. These costs were primarily related to the pending acquisition by Brookfield entered into in the fourth quarter of 2019. Transaction and integration costs totaled $2.2 million, $2.7 million, $13.3 million and $4.3 million in the first, second, third and fourth quarter of 2018, respectively. These costs were primarily related to the acquisition of Hawaiian Telcom that closed in the third quarter of 2018.

Interest expense totaled $139.6 million in 2019 compared to $131.5 million in 2018. This increase is due to interest incurred on the amounts outstanding on the Receivables Facility and the Revolving Credit Facility used to partially fund the cash portion of the acquisition of Hawaiian Telcom.

In the second quarter of 2018, the Company amended its Credit Agreement resulting in a loss on extinguishment of debt of $1.3 million being recorded.

In the third quarter of 2018, the Company acquired Hawaiian Telcom. The revenues of Hawaiian Telcom included in the quarterly financial information for the third and fourth quarter of 2018 totaled $87.1 million and $87.9 million, respectively. Hawaiian Telcom had net loss of $0.5 million in the third quarter of 2018 and net income of $1.2 million in the fourth quarter of 2018. Revenues totaled $86.6 million, $87.8 million, $85.7 million and $86.6 million in the first, second, third and fourth quarter of 2019, respectively. Hawaiian Telcom had net loss of $2.3 million, $1.7 million, $2.4 million, and $1.2 million in the first, second, third and fourth quarter of 2019, respectively. For further information related to this acquisition, see Note 4.

19. Supplemental Cash Flow Information

	Year Ended December 31,		
(dollars in millions)	**2019**	**2018**	**2017**
Capitalized interest expense	$ 1.7	$ 1.0	$ 0.7
Cash paid/(received) for:			
Interest	129.3	131.7	65.7
Income taxes, net of refunds	0.5	(13.8)	(12.9)
Noncash investing and financing activities:			
Stock consideration for acquisition of Hawaiian Telcom	—	121.2	—
Acquisition of property by assuming debt and other financing arrangements	14.5	51.5	17.3
Acquisition of property on account	26.0	35.8	12.0

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

No reportable information under this item.

Item 9A. Controls and Procedures

(a) Evaluation of disclosure controls and procedures.

Cincinnati Bell Inc.’s management, with the participation of the Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the Company’s disclosure controls and procedures (as defined in SEC Rule 13a-15(e)) as of the end of the period covered by this report. Based on this evaluation, Cincinnati Bell Inc.’s Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, such controls and procedures were effective.

(b) Management's annual report on internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting and the Report of Independent Registered Public Accounting Firm are set forth in Part II, Item 8 of this Annual Report on Form 10-K.

(c) Changes in internal control over financial reporting.

There were no changes to Cincinnati Bell Inc.'s internal control over financial reporting during the fourth quarter of 2019 that materially affect, or are reasonably likely to materially affect, Cincinnati Bell Inc.’s internal control over financial reporting.

Item 9B. Other Information

No reportable information under this item.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by Item 401, Item 405, Item 406 and Item 407 (c)(3), (d)(4) and (d)(5) of Regulation S-K regarding directors of Cincinnati Bell Inc. can be found in the Proxy Statement for the 2020 Annual Meeting of Shareholders and is incorporated herein by reference.

The Company's Code of Ethics for Senior Financial Officers that applies to its Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer is posted on the Company's website at http://www.cincinnatibell.com. Within the time period required by the SEC and the New York Stock Exchange ("NYSE"), the Company will post on its website any amendment to the Code of Ethics for Senior Financial Officers and any waiver of such code relating to such senior executive officers of the Company.

In addition to the certifications of the Company's Chief Executive Officer and Chief Financial Officer required under Section 302 of the Sarbanes-Oxley Act of 2002 and filed as exhibits to this Annual Report on Form 10-K, in May 2019, the Company's Chief Executive Officer submitted to the NYSE the certification regarding compliance with the NYSE's corporate governance listing standards required by Section 303 A.12 of the NYSE Listed Company Manual.

Executive Officers of the Registrant:

The names, ages and positions of the executive officers of the Company as of February 24, 2020 are as follows:

Name	Age	Title
Leigh R Fox	47	President and Chief Executive Officer
Andrew R Kaiser	51	Chief Financial Officer
Christi H. Cornette	64	Chief Culture Officer
Thomas E. Simpson	47	Chief Operating Officer
Christopher J. Wilson	54	Vice President and General Counsel
Joshua T. Duckworth	41	Vice President of Treasury, Corporate Finance and Investor Relations
Suzanne E. Maratta	37	Vice President and Corporate Controller

Officers are elected annually but are removable at the discretion of the Board of Directors.

LEIGH R. FOX, President and Chief Executive Officer since May 31, 2017; President and Chief Operating Officer of the Company from September 2016 to May 2017; Chief Financial Officer of the Company from October 2013 to September 2016; Chief Administrative Officer of the Company from July 2013 to October 2013; Senior Vice President of Finance and Operations from December 2012 to July 2013; Vice President of Finance at Cincinnati Bell Technology Solutions Inc. (CBTS) from October 2008 to December 2012.

ANDREW R. KAISER, Chief Financial Officer of the Company since September 2016; Vice President, Consumer Marketing and Data Analytics of the Company from December 2015 to September 2016; Vice President, Corporate Finance of the Company from January 2014 to December 2015; Partner at Howard Roark Consulting, LLC from 2005 to January 2014.

CHRISTI H. CORNETTE, Chief Culture Officer of the Company since June 2017; Senior Vice President, Marketing of the Company from August 2013 to June 2017; Vice President, Marketing of the Company from October 2008 to August 2013; Director of CBTS Marketing from October 2002 to October 2008.

THOMAS E. SIMPSON, Chief Operating Officer since June 2017, Senior Vice President and Chief Technology Officer of the Company from January 2015 to June 2017; Vice President and Chief Technology Officer at Cincinnati Bell Technology Solutions (CBTS) from 2014 to 2015; Vice President, Research and Development at CBTS from 2010 to 2014; Director, Technical Operations at CBTS from 2008 to 2010.

CHRISTOPHER J. WILSON, Vice President and General Counsel of the Company since August 2003.

JOSHUA T. DUCKWORTH, Vice President of Treasury, Corporate Finance and Inventor Relations since October 2017; Vice President, Investor Relations and Controller of the Company from July 2013 to October 2017; Assistant Treasurer and Director of Investor Relations for Cincinnati Bell Inc. from August 2012 to July 2013; Assistant Controller for Cincinnati Bell Inc. from August 2010 to August 2012; Deloitte & Touche LLP's audit practice from October 2004 to August 2010.

SUZANNE E MARATTA, Vice President and Corporate Controller of the Company since May 2019; Assistant Corporate Controller of the Company from August 2017 to May 2019; Senior Financial Reporting Manager of the Company from May 2014 to August 2017; Auditor at PricewaterhouseCoopers from January 2007 to May 2014.

Item 11. Executive Compensation

The information required by this item can be found in the Proxy Statement for the 2020 Annual Meeting of Shareholders and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item can be found in the Proxy Statement for the 2020 Annual Meeting of Shareholders and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item can be found in the Proxy Statement for the 2020 Annual Meeting of Shareholders and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The information required by this item can be found in the Proxy Statement for the 2020 Annual Meeting of Shareholders and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

Financial Statements

Consolidated financial statements are included in Part II, Item 8.

Financial Statement Schedules

Financial Statement Schedule II — Valuation and Qualifying Accounts. All other schedules are not required under the related instructions or are not applicable.

Exhibits

Exhibits identified in parenthesis below, on file with the Securities and Exchange Commission, are incorporated herein by reference as exhibits hereto.

Exhibit Number	Description
(2.1)	Agreement and Plan of Merger, dated as of July 9, 2017, among Cincinnati Bell Inc., Twin Acquisition Corp. and Hawaiian Telcom Holdco, Inc. (Exhibit 2.1 to Current Report on Form 8-K, date of Report July 10, 2017, File No. 1-8519).
(2.2)	Agreement and Plan of Merger, dated as of July 9, 2017, among Cincinnati Bell Inc., Yankee Acquisition LLC, OnX Holdings LLC and MLN Holder Rep LLC (Exhibit 2.2 to Current Report on Form 8-K, date of Report July 10, 2017, File No. 1-8519).
(2.3)	Agreement and Plan of Merger, dated as of December 21, 2019, among Cincinnati Bell Inc., Charlie AcquireCo Inc. and Charlie Merger Sub Inc. (Exhibit 2.1 to Current Report on Form 8-K, date of Report December 23, 2019, File No. 1-8519).
(3.1)	Amended and Restated Articles of Incorporation of Cincinnati Bell Inc. (Exhibit 3.1 to Current Report on Form 8-K, date of Report April 25, 2008, File No. 1-8519).
(3.2)	Amendment to the Amended and Restated Articles of Incorporation of Cincinnati Bell Inc. (Exhibit 3.1 to Current Report on Form 8-K, date of Report October 4, 2016, File No. 1-8519).
(3.3)	Amended and Restated Regulations of Cincinnati Bell Inc. (Exhibit 3.3 to Quarterly Report on Form 10-Q for the quarter ended June 30, 2018, File No. 1-8519).
(4.1)	Indenture dated July 1, 1993, between Cincinnati Bell Inc., as Issuer, and The Bank of New York, as Trustee, relating to Cincinnati Bell Inc.'s 7 1/4% Notes Due June 15, 2023 (Exhibit 4-A to Current Report on Form 8-K, date of Report July 12, 1993, File No. 1-8519).
(4.2)	Indenture dated as of November 30, 1998, among Cincinnati Bell Telephone Company, as Issuer, Cincinnati Bell Inc., as Guarantor, and The Bank of New York, as Trustee (Exhibit 4-A to Current Report on Form 8-K, date of Report November 30, 1998, File No. 1-8519).
(4.3)	First Supplemental Indenture dated as of December 31, 2004 to the Indenture dated as of November 30, 1998, among Cincinnati Bell Telephone Company, as Issuer, Cincinnati Bell Inc., as Guarantor, and The Bank of New York, as Trustee (Exhibit 4(c)(iii)(2) to Annual Report on Form 10-K for the year ended December 31, 2004, File No. 1-8519).
(4.4)	Second Supplemental Indenture dated as of January 10, 2005 to the Indenture dated as of November 30, 1998, among Cincinnati Bell Telephone Company LLC (as successor entity to Cincinnati Bell Telephone Company), as Issuer, Cincinnati Bell Inc., as Guarantor, and The Bank of New York, as Trustee (Exhibit (4)(c)(iii)(3) to Annual Report on Form 10-K for the year ended December 31, 2004, File No. 1-8519).
(4.5)	Indenture, dated September 22, 2016, among Cincinnati Bell Inc., the guarantor parties thereto and Regions Bank, as trustee (Exhibit 4.1 to Current Report on Form 8-K, date of Report September 22, 2016, File No. 1-8519).
(4.6)	First Supplemental Indenture dated April 3, 2017 among Cincinnati Bell Inc., SunTel Services LLC and Regions Bank, as trustee (Exhibit 99.1 to Current Report on Form 8-K, date of Report April 3, 2017, File No. 1-8519).
(4.7)	Second Supplemental Indenture dated May 31, 2017 among Cincinnati Bell Inc., Cincinnati Bell Telephone Company LLC, Cincinnati Bell Extended Territories LLC, and Regions Bank, as trustee (Exhibit 10.1 to Current Report on Form 8-K, date of Report May 31, 2017, File No. 1-8519).
(4.8)	Third Supplemental Indenture dated October 2, 2017 among Cincinnati Bell Inc., Cincinnati Bell Shared Services LLC, Data Center South Holdings, LLC, Twin Acquisition Corp. and Regions Bank, as trustee (Exhibit 4.1 to Current Report on Form 8-K, date of Report October 2, 2017, File No. 1-8519).

(4.9)	Fourth Supplemental Indenture dated as of December 22, 2017 among Cincinnati Bell Inc., CBTS Holdco LLC, and Regions Bank, as trustee (Exhibit 10.1 to Current Report on Form 8-K, date of Report December 22, 2017, File No. 1-8519).
(4.10)	Fifth Supplemental Indenture, dated as of July 2, 2018, by and among Cincinnati Bell Inc., the guarantors party thereto and Regions Bank, as Trustee. (Exhibit 4.2 to Current Report on Form 8-K, date of Report July 2, 2018, File No. 1-8519).
(4.11)	Indenture, dated October 6, 2017, between CB Escrow Corp. and Regions Bank, as trustee (Exhibit 4.1 to Current Report on Form 8-K, date of Report October 6, 2017, File No. 1-8519).
(4.12)	Escrow Agreement, dated October 6, 2017, by and among CB Escrow Corp., Regions Bank, as trustee, and Regions Bank, as Escrow Agent (Exhibit 4.2 to Current Report on Form 8-K, date of Report October 6, 2017, File No. 1-8519).
(4.13)	Assumption Supplemental Indenture, dated as of July 2, 2018, by and among Cincinnati Bell Inc., the guarantors party thereto and Regions Bank, as Trustee. (Exhibit 4.1 to Current Report on Form 8-K, date of Report July 2, 2018, File No. 1-8519).
(4.14)	No other instrument which defines the rights of holders of long term debt of the registrant is filed herewith pursuant to Regulation S-K, Item 601(b)(4)(iii)(A). Pursuant to this regulation, the registrant hereby agrees to furnish a copy of any such instrument to the SEC upon request.
(4.15) +	Description of Registrant's Securities.
(10.1)	Credit Agreement by and among Cincinnati Bell Inc., the Guarantor parties thereto, the Lender parties thereto, PNC Bank, National Association, as the Swingline Lender, and Morgan Stanley Senior Funding, Inc., as Administrative Agent, Collateral Agent, Swingline Lender and an L\C Issuer, dated October 2, 2017 (Exhibit 10.1 to Current Report on Form 8-K, date of Report October 3, 2017, File No. 1-8519).
(10.2)	Amendment No. 1 to Credit Agreement dated as of April 5, 2018, by and among Cincinnati Bell Inc., the subsidiary guarantors thereto, Morgan Stanley Senior Funding, Inc. and the tranche B term lenders party thereto (Exhibit 10.1 to Current Report on Form 8-K, date of Report April 5, 2018, File No. 1-8519).
(10.3)	Amendment No. 2 to Credit Agreement dated as of April 5, 2018, by and among Cincinnati Bell Inc., the subsidiary guarantors thereto, Morgan Stanley Senior Funding, Inc. and the tranche B term lenders party thereto (Exhibit 10.2 to Current Report on Form 8-K, date of Report April 5, 2018, File No. 1-8519).
(10.4)	Receivables Financing Agreement dated as of May 10, 2018, among Cincinnati Bell Funding LLC and Cincinnati Bell Funding Canada Ltd., as Borrowers, Cincinnati Bell Inc. and OnX Enterprise Solutions Ltd., as Servicers, the Lenders, Letter of Credit Participants and Group Agents from time to time party thereto, PNC Bank, National Association, as Administrator and Letter of Credit Bank, and PNC Capital Markets LLC, as Structuring Agent (Exhibit 99.3 to Current Report on Form 8-K, date of Report May 10, 2018, File No. 1-8519).
(10.5)	First Amendment to the Receivables Financing Agreement, dated as of November 21, 2018, by and among Cincinnati Bell Funding LLC and Cincinnati Bell Funding Canada Ltd., as Borrowers, Cincinnati Bell Inc. and OnX Enterprise Solutions Ltd., as Servicers, the Lenders, Letter of Credit Participants and Group Agents from time to time party thereto, PNC Bank, National Association, as Administrator and Letter of Credit Bank, and PNC Capital Markets LLC, as Structuring Agent (Exhibit 99.2 to Current Report on Form 8-K, date of Report November 23, 2018, File No. 1-8519).
(10.6)	Second Amendment to Receivables Financing Agreement, dated as of May 9, 2019, by and among Cincinnati Bell Funding LLC and Cincinnati Bell Funding Canada Ltd., as Borrowers, Cincinnati Bell Inc. and OnX Enterprise Solutions Ltd., as Servicers, the Lenders, Letter of Credit Participants and Group Agents from time to time parties thereto, PNC Bank, National Association, as Administrator and Letter of Credit Bank, and PNC Capital Markets, as Structuring Agent. (Exhibit 10.3 to Quarterly Report on Form 10-Q for the quarter ended June 30, 2019, File 1-8519).
(10.7)	Receivables Purchase Agreement dated as of May 10, 2018 among Cincinnati Bell Funding LLC, as Seller, Cincinnati Bell Inc., as Servicer, PNC Bank, National Association, as Buyer, and PNC Capital Markets LLC, as Structuring Agent (Exhibit 99.4 to Current Report on Form 8-K, date of Report May 10, 2018, File No. 1-8519).
(10.8)	First Amendment to Receivables Purchase Agreement, dated as of May 9, 2019, by and among Cincinnati Bell Funding LLC, as Seller, Cincinnati Bell Inc., as Servicer, and PNC Bank, National Association, as Buyer. (Exhibit 10.2 to Quarterly Report on Form 10-Q for the quarter ended June 30, 2019, File 1-8519).
(10.9)*	Cincinnati Bell Inc. Pension Program, as amended and restated effective January 1, 2005 (Exhibit (10)(iii)(A)(3) to Annual Report on Form 10-K for the year ended December 31, 2008, File No. 1-8519).

(10.10)*	Amendment to Cincinnati Bell Inc. Pension Program, effective December 31, 2011 (Exhibit 10.12 to Annual Report on Form 10-K for the year ended December 31, 2011, File No. 1-8519).
(10.11)*	Restatement of the Cincinnati Bell Management Pension Plan executed December 22, 2016 (Exhibit 10.28 to Annual Report on Form 10-K for the year ended December 31, 2016, File No. 1-8519).
(10.12)*	Restatement of the Cincinnati Bell Pension Plan executed December 22, 2016 (Exhibit 10.29 to Annual Report on Form 10-K for the year ended December 31, 2016, File No. 1-8519).
(10.13)*	Amendment to Cincinnati Bell Management Pension Plan executed December 22, 2016 (Exhibit 10.30 to Annual Report on Form 10-K for the year ended December 31, 2016, File No. 1-8519).
(10.14)*	Amendment to the Cincinnati Bell Pension Plan executed December 22, 2016 (Exhibit 10.31 to Annual Report on Form 10-K for the year ended December 31, 2016, File No. 1-8519).
(10.15)*	Cincinnati Bell Inc. 2011 Short Term Incentive Plan (Appendix II to the Company's 2016 Proxy Statement on Schedule 14A filed March 17, 2016, File No. 1-8519).
(10.16)*	Cincinnati Bell Inc. Deferred Compensation Plan for Outside Directors, as amended and restated as of January 1, 2005 (Exhibit (10)(iii)(A)(2) to Annual Report on Form 10-K for the year ended December 31, 2008, File No. 1-8519).
(10.17)*	Amendment to Cincinnati Bell Inc. Deferred Compensation Plan for Outside Directors, as of November 7, 2016 (Exhibit 10.2 to Current Report on Form 8-K, date of Report November 7, 2016, File No. 1-8519).
(10.18)*	Cincinnati Bell Inc. Executive Deferred Compensation Plan, as amended and restated effective January 1, 2005 (Exhibit (10)(iii)(A)(4) to Annual Report on Form 10-K for the year ended December 31, 2008, File No. 1-8519).
(10.19)*	Amendment to Cincinnati Bell Inc. Executive Deferred Compensation Plan, as of November 7, 2016 (Exhibit 10.1 to Current Report on Form 8-K, date of Report November 7, 2016, File No. 1-8519).
(10.20)*	Cincinnati Bell Inc. 2007 Long Term Incentive Plan, as amended (Appendix I to the Company's 2015 Proxy Statement on Schedule 14A filed March 20, 2015, File No. 1-8519).
(10.21)*	Cincinnati Bell Inc. Form of Stock Option Agreement (2007 Long Term Incentive Plan) (Exhibit (10)(iii)(A)(22) to Annual Report on Form 10-K for the year ended December 31, 2008, File No. 1-8519).
(10.22)*	Cincinnati Bell Inc. Form of Performance Restricted Stock Agreement (2007 Long Term Incentive Plan) (Exhibit (10)(iii)(A)(23) to Annual Report on Form 10-K for the year ended December 31, 2008, File No. 1-8519).
(10.23)*	Cincinnati Bell Inc. Form of 2016 - 2018 Share-Based Performance Unit Award Agreement (2007 Long Term Incentive Plan) (Exhibit 10.40 to Annual Report on Form 10-K for the year ended December 31, 2016, File No. 1-8519).
(10.24)*	Cincinnati Bell Inc. Form of 2017-2019 Share-Based Performance Award Agreement (2007 Long Term Incentive Plan) (Exhibit 10.39 to Annual Report on Form 10-K for the year ended December 31, 2017, File No. 1-8519).
(10.25)*	Cincinnati Bell Inc. Form of Stock Appreciation Rights Agreement (Employees) (Exhibit (10)(iii)(A)(21) to Annual Report on Form 10-K for the year ended December 31, 2008, File No. 1-8519).
(10.26)*	Cincinnati Bell Inc. Form of Restricted Stock Unit Award Agreement (2007 Long Term Incentive Plan)(Exhibit 10.45 to Annual Report for the year ended December 31, 2015, File No. 1-8519).
(10.27)*	Cincinnati Bell Inc. 2007 Stock Option Plan for Non-Employee Directors, as amended (Appendix I to the Company's 2016 Proxy Statement on Schedule 14A filed on March 17, 2016, File No. 1-8519).
(10.28)*	Cincinnati Bell Inc. 2017 Long-Term Incentive Plan (Appendix I to the Company's 2017 Proxy Statement on Schedule 14A filed on March 24, 2017, File No. 1-8519).
(10.29)*	Cincinnati Bell Inc. Form of Restricted Stock Unit Award (2017 Long-Term Incentive Plan) (Exhibit 10.1 to Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, File 1-8519).

(10.30)*	Cincinnati Bell Inc. Form of 2018-2020 Share-Based Performance Unit Award Agreement (2017 Long-Term Incentive Plan) (Exhibit 10.2 to Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, File 1-8519).
(10.31)*	Cincinnati Bell Inc. Form of Restricted Stock Unit Award Agreement (2017 Long Term Incentive Plan) - 2019 version. (Exhibit 10.1 to Quarterly Report on Form 10-Q for the quarter ended March 31, 2019, File 1-8519).
(10.32)*	Cincinnati Bell Inc. Form of 2019-2021 Share-Based Performance Unit Award Agreement (2017 Long Term Incentive Plan). (Exhibit 10.2 to Quarterly Report on Form 10-Q for the quarter ended March 31, 2019, File 1-8519).
(10.33)*	Cincinnati Bell Inc. 2017 Stock Plan for Non-Employee Directors (Appendix II to the Company's 2017 Proxy Statement on Schedule 14A filed on March 24, 2017, File No. 1-8519).
(10.34)*	Cincinnati Bell Inc. Form of 2018-2023 Business Value Award Agreement (Exhibit 10.1 to Current Report, date of Report May 7, 2018, File No. 1-8519).
(10.35)*	Executive Compensation Recoupment/Clawback Policy effective as of January 1, 2011 (Exhibit 99.1 to Current Report on Form 8-K, date of Report October 29, 2010, File No. 1-8519).
(10.36)*	Amended and Restated Employment Agreement between Cincinnati Bell Inc. and Christopher J. Wilson effective January 1, 2015 (Exhibit 10.51 to Current Report on Form 10-K, date of Report February 26, 2015, File No. 1-8519).
(10.37)*	Employment Agreement between Cincinnati Bell Inc. and Christopher J. Wilson effective as of December 1, 2017 (Exhibit 10.4 to Current Report on Form 8-K, date of Report December 1, 2017, File No. 1-8519).
(10.38)*	Amended and Restated Employment Agreement between Cincinnati Bell Inc. and Leigh R. Fox effective as of September 1, 2016 (Exhibit 10.1 to Current Report on Form 8-K, date of Report September 1, 2016, File No. 1-8519).
(10.39)*	Amended and Restated Employment Agreement between Cincinnati Bell Inc. and Leigh R. Fox effective as of March 1, 2017 (Exhibit 10.1 to Current Report on Form 8-K, date of Report March 1, 2017, File No. 1-8519).
(10.40)*	Employment Agreement between Cincinnati Bell Inc. and Leigh R. Fox effective as of December 1, 2017 (Exhibit 10.1 to Current Report on Form 8-K, date of Report December 1, 2017, File No. 1-8519).
(10.41)*	Employment Agreement dated as of May 5, 2014 between Cincinnati Bell Inc. and Joshua T. Duckworth (Exhibit 10.1 to Current Report on Form 8-K, date of Report May 5, 2014, 2014, File No. 1-8519).
(10.42)*	Employment Agreement between Cincinnati Bell Inc. and Joshua T. Duckworth effective as of December 1, 2017 (Exhibit 10.5 to Current Report on Form 8-K, date of Report December 1, 2017, File No. 1-8519).
(10.43)*	Amended and Restated Employment Agreement between Cincinnati Bell Inc. and Thomas E. Simpson dated as of January 27, 2015 (Exhibit 10.50 to Annual Report on Form 10-K, date of report February 26, 2015, File No. 1-8519).
(10.44)*	Amended and Restated Employment Agreement between Cincinnati Bell Inc. and Thomas E. Simpson effective as of September 1, 2016 (Exhibit 10.1 to Current Report on Form 8-K, date of Report September 9, 2016, File No. 1-8519).
(10.45)*	Employment Agreement between Cincinnati Bell Inc. and Thomas E. Simpson effective as of December 1, 2017 (Exhibit 10.3 to Current Report on Form 8-K, date of Report December 1, 2017, File No. 1-8519).
(10.46)*	Employment Agreement between Cincinnati Bell Inc. and Andrew R. Kaiser effective as of September 1, 2016 (Exhibit 10.2 to Current Report on Form 8-K, date of Report September 1, 2016, File No. 1-8519).
(10.47)*	Employment Agreement between Cincinnati Bell Inc. and Andrew R. Kaiser effective as of September 1, 2017 (Exhibit 10.1 to Current Report on Form 8-K, date of Report August 3, 2017, File No. 1-8519).
(10.48)*	Employment Agreement between Cincinnati Bell Inc. and Andrew R. Kaiser effective as of December 1, 2017 (Exhibit 10.2 to Current Report on Form 8-K, date of Report December 1, 2017, File No. 1-8519).
(10.49)*	Employment Agreement between Cincinnati Bell Inc. and Christi H. Cornette effective as of September 1, 2017 (Exhibit 10.2 to Current Report on Form 8-K, date of Report August 3, 2017, File No. 1-8519).
(10.50)*	Employment Agreement between Cincinnati Bell Inc. and Christi H. Cornette effective as of December 1, 2017 (Exhibit 10.6 to Current Report on Form 8-K, date of Report December 1, 2017, File No. 1-8519).

(10.51)*	Employment Agreement between Cincinnati Bell Inc. and Shannon M. Mullen effective as of December 1, 2017 (Exhibit 10.7 to Current Report on Form 8-K, date of Report December 1, 2017, File No. 1-8519).
(10.52)*	Employment Agreement between Cincinnati Bell Inc. and Mark J. Fahner effective as of September 16, 2018 (Exhibit 10.3 to Quarterly Report on Form 10-Q for the quarter ended September 30, 2018, File 1-8519).
(10.53)*	Employment Agreement between Cincinnati Bell Inc. and Suzanne E. Maratta effective May 12, 2019. (Exhibit 10.4 to Quarterly Report on Form 10-Q for the quarter ended June 30, 2019, File 1-8519).
(14)	Code of Ethics for Senior Financial Officers, as adopted pursuant to Section 406 of Regulation S-K (Exhibit (10)(iii)(A)(15) to Annual Report on Form 10-K for the year ended December 31, 2003, File No. 1-8519).
(21) +	Subsidiaries of the Registrant.
(23) +	Consent of Independent Registered Public Accounting Firm.
(24) +	Powers of Attorney.
(31.1) +	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
(31.2) +	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
(32.1) +	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
(32.2) +	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following financial statements from Cincinnati Bell Inc.’s Annual Report on Form 10-K for the year ended December 31, 2019 were formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations and Comprehensive Income (Loss), (iii) Condensed Consolidated Statements of Shareholders’ Deficit, (iv) Condensed Consolidated Statements of Cash Flows, and (v) Notes to Condensed Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101).

+ Filed herewith.
* Management contract or compensatory plan required to be filed as an exhibit pursuant to Item 15(a)(3) of the Instruction to Form 10-K.

The Company's reports on Form 10-K, 10-Q, 8-K, proxy and other information are available free of charge at the following website: *http://www.cincinnatibell.com*. Upon request, the Company will furnish a copy of the Proxy Statement to its security holders without charge, portions of which are incorporated herein by reference. The Company will furnish any other exhibit at cost.

VALUATION AND QUALIFYING ACCOUNTS

(dollars in millions)	Beginning of Period	Additions: Charge (Benefit) to Expenses	Additions: (To) From Other Accounts	Deductions	End of Period
Allowance for Doubtful Accounts					
Year 2019	$ 13.0	$ 12.5	$ —	$ 11.2	$ 14.3
Year 2018	$ 10.4	$ 8.4	$ —	$ 5.8	$ 13.0
Year 2017	$ 9.9	$ 6.9	$ —	$ 6.4	$ 10.4
Deferred Tax Valuation Allowance					
Year 2019	$ 48.7	$ 0.5	$ 0.1	$ —	$ 49.3
Year 2018	$ 36.1	$ 13.1	$ (0.5)	$ —	$ 48.7
Year 2017	$ 35.4	$ 0.3	$ 0.4	$ —	$ 36.1

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: February 24, 2020

/s/ Andrew R. Kaiser
Andrew R. Kaiser
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Signature	Title	Date
/s/ Leigh R. Fox Leigh R. Fox	President and Chief Executive Officer (Principal Executive Officer)	February 24, 2020
/s/ Andrew R. Kaiser* Andrew R. Kaiser	Chief Financial Officer (Principal Financial Officer)	February 24, 2020
/s/ Suzanne E. Maratta* Suzanne E. Maratta	Vice President and Corporate Controller (Principal Accounting Officer)	February 24, 2020
Lynn A. Wentworth * Lynn A. Wentworth	Chairman of the Board and Director	February 24, 2020
Meredith J. Ching* Meredith J. Ching	Director	February 24, 2020
Walter A. Dods, Jr.* Walter A. Dods, Jr.	Director	February 24, 2020
John W. Eck* John W. Eck	Director	February 24, 2020
Jakki L. Haussler* Jakki L. Haussler	Director	February 24, 2020
Craig F. Maier* Craig F. Maier	Director	February 24, 2020
Russel P. Mayer* Russel P. Mayer	Director	February 24, 2020
Theodore H. Torbeck* Theodore H. Torbeck	Director	February 24, 2020
Martin J. Yudkovitz* Martin J. Yudkovitz	Director	February 24, 2020

*By: /s/ Leigh R. Fox
Leigh R. Fox
as attorney-in-fact and on his behalf
as President and Chief Executive Officer

DESCRIPTION OF REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

DESCRIPTION OF CAPITAL STOCK

The following description of the Company's capital stock is based upon the Company's Amended and Restated Articles of Incorporation, as amended (the "Amended Articles"), the Company's Amended and Restated Regulations (the "Amended Regulations") and applicable provisions of the Ohio General Corporation Law. We have summarized certain portions of the Amended Articles and Amended Regulations below. The summary is not complete and is subject to, and is qualified in its entirety by express reference to, the provisions of our Amended Articles and Amended Regulations, each of which is filed as an exhibit to the Annual report on Form 10-K of which this Exhibit is a part.

Authorized Capital Stock

The total authorized shares of capital stock of the Company consist of (i) 96,000,000 common shares, par value $.01 per share ("Common Shares"), (ii) 1,357,299 voting preferred shares, without par value, and (iii) 1,000,000 non-voting preferred shares, without par value (together with the voting preferred shares, "preferred shares"). The Company's board of directors has designated 400,000 of its voting preferred shares as Series A Preferred Shares and 155,250 shares of its voting preferred shares as 6¾% Cumulative Convertible Preferred Shares ("6¾% Preferred Shares"). The Series A Preferred shares were designated in connection with the Company's rights agreement, which has expired, and no Series A Preferred Shares are outstanding.

Common Shares

Common Shares Outstanding. The Company's Common Shares are duly authorized, validly issued, fully paid and nonassessable. The Company's Common Shares are listed and principally traded on the New York Stock Exchange (NYSE) under the ticker symbol "CBB".

Voting Rights. Each holder of Common Shares is entitled to cast one vote for each share held of record on all matters submitted to a vote of shareholders, including the election of directors. Holders of Common Shares do not have cumulative voting rights.

Dividend Rights. Holders of Common Shares are entitled to receive dividends or other distributions declared by the board of directors. The right of the board of directors to declare dividends, however, is subject to the rights of any holders of preferred shares of the Company, certain requirements of Ohio law, and certain limitations contained in the Company's credit agreements.

No Preemptive, Redemption or Conversion Rights. The Common Shares are not redeemable, are not subject to sinking fund provisions, do not have any conversion rights and are not subject to call. Holders of Common Shares have no preemptive rights.

Rights Upon Liquidation. Holders of the Company's Common Shares are entitled to share pro rata, upon any liquidation or dissolution of the Company, in all remaining assets available for distribution to shareholders after payment or providing for the Company's liabilities and the liquidation preferences of any outstanding preferred shares. The issuance of preferred shares affects certain rights of the Common Shares as described below.

Transfer Agent and Registrar. Computershare Investor Services, LLC is the transfer agent and registrar for the Company's Common Shares.

Preferred Shares

Preferred Shares Outstanding. Under the Company's Restated Articles, without further stockholder action, the Company's board of directors is authorized to provide for the issuance from time to time of preferred shares in series and, as to each series, to fix the designation, the dividend rate and the date or dates from which such dividends will be cumulative, the times when and the prices at which shares will be redeemable, the voluntary and involuntary liquidation prices, the sinking fund provisions, if any, applicable to such series, the conversion or exchange privileges, if any, of such series, the restrictions, if any, upon the payment of dividends or other distributions and upon the creation of indebtedness, if any, and any other rights, preferences and limitations. Cumulative dividends, dividend preferences and conversion, exchange and redemption provisions, to the extent that some or all of these features may be present when Company preferred shares are issued, could have an adverse effect on the availability of earnings for distribution to the holders of Common Shares.

The 6¾% Preferred Shares are the only currently outstanding preferred shares of the Company. The Company's 6¾% Preferred Shares are duly authorized, validly issued, fully paid and nonassessable. The Depositary Shares, each representing 1/20th interest in a 6¾% Preferred Share of the Company, are listed and principally traded on the New York Stock Exchange (NYSE) under the ticker symbol "CBB.PRB".

Voting Rights. Holders of 6¾% Preferred Shares are entitled to cast one vote per whole share that they own on all matters submitted to a vote of the shareholders, including the election of directors. Holders of 6¾% Preferred Shares and holders of Common Shares vote together as a single class, unless otherwise provided by law or the Amended Articles. Holders of 6¾% Preferred Shares do not have cumulative voting rights. Except as set forth in the immediately succeeding paragraph, the approval of each holder of 6¾% Preferred Shares is necessary to:

- alter the voting rights,
- reduce the liquidation preference,
- reduce the rate of or change the time for payment of dividends, or
- adversely alter certain redemption provisions

of the 6¾% Preferred Shares.

Dividend Rights. In addition, the approval of at least two-thirds of the votes entitled to be cast by holders of 6¾% Preferred Shares is required to amend the Amended Articles to affect adversely the specified rights, preferences, privileges or voting rights of holders of 6¾% Preferred Shares.

If and when declared, dividends on 6¾% Preferred Shares are payable quarterly and accrue at a rate of 6¾% per annum per share on a liquidation preference of $1,000 per share, $67.50 per annum per share. The Company is allowed to declare and pay dividends only if permitted by Ohio law.

Redemption Rights. The 6¾% Preferred Shares are redeemable by the Company at its option.

Conversion Rights. The 6¾% Preferred Shares may be converted at the option of the holders at an initial conversion rate of 28.838 Common Shares per 6¾% Preferred Share. In order to protect the interests of holders of 6¾% Preferred Shares, the Amended Articles provide for adjustment of the conversion rate and related terms in the case of certain consolidations, mergers or changes in control of the Company. Effective with the Company's reverse stock split in October 2016, the conversion rate was adjusted to 5.7676 Common Shares per 6¾% Preferred Shares.

No Preemptive Rights. Holders of 6¾% Preferred Shares have no preemptive rights.

Rights Upon Liquidation. In the event of the liquidation, dissolution or winding up of the business of the Company, holders of 6¾% Preferred Shares are entitled to receive the liquidation preference of $1,000 per share plus all accrued and unpaid dividends.

Certain Provisions of our Regulations

Board of Directors. The Company's board of directors is not classified. The Amended Regulations establish that the size of the board of directors will not be less than nine nor more than seventeen, with the exact number of directors to be fixed from time to time within such range by affirmative vote of two-thirds of the authorized number of directors or by the affirmative vote of the holders of at least two-thirds of the outstanding voting power of the Company.

Power to Call a Special Shareholder's Meeting. A special meeting of the Company's shareholders may be called by the president, the vice president authorized to exercise the authority of the president in case of the president's absence, death or disability, by resolution of the directors or by resolution of the holders of not less than one-half of the outstanding voting power of the Company.

Quorum. The quorum requirement for holding a shareholder meeting and transacting business is the presence, in person or by proxy, of a majority of the Common Shares and preferred shares issued and outstanding on the record date and entitled to vote at such meeting. However, if any particular action requires more than a simple majority because of the law, the NYSE rules, the Company's Amended Articles or the Company's Amended Regulations, that particular action will not be approved unless the required percentage of affirmative votes has been obtained or the required number of votes has been cast. Abstentions are counted as present for the purpose of determining the presence of a quorum. In general, broker non-votes are also counted as present for the purpose of determining the presence of a quorum.

Proxy Access. The Company's Amended Regulations allow eligible shareholders to nominate their own candidate(s), along with the Board's nominees, for inclusion in the Company's proxy materials for an annual meeting of shareholders. Any shareholder who intends to use such procedure must satisfy the requirements specified in Article IX of the Company's Amended Regulations.

Amendment. The Company's Amended Regulations may be altered, amended or repealed only by the affirmative vote of the holders of at least two-thirds of the outstanding voting power of the Company.

Anti-takeover Provisions

The Company's Amended Articles. The Company's Amended Articles regulate transactions between the Company and an interested shareholder. Under the Amended Articles, an "interested shareholder" is defined as (a) a shareholder who is the beneficial owner of 10% or more of the voting power of the Company, (b) a shareholder, who directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control, with the Company and such shareholder at any time within the previous two years was the beneficial owner of 10% or more of the voting power of the Company, or (c) is the assignee or successor of one of the above-described beneficial owners of 10% or more of the voting shares of the Company. If any person is an interested shareholder under the Amended Articles, the affirmative vote of 80% of the outstanding voting power of the Company is required for any of the following:

- any merger or consolidation of the Company or any of its subsidiaries with an interested shareholder;
- any sale, lease, exchange, mortgage, pledge, transfer or disposition to or with an interested shareholder of any assets of the Company or any of its subsidiaries having an aggregate fair market value of $5,000,000 or more;
- any sale or other transfer by the Company or any of its subsidiaries of any securities of the Company or any of its subsidiaries to an interested shareholder for consideration of $5,000,000 or more in fair market value;
- the adoption of any plan or proposal for the liquidation or dissolution of the Company proposed by or on behalf of an interested shareholder; or
- any reclassification of securities or recapitalization of the Company, or merger or consolidation or other transaction which has the effect, directly or indirectly, of increasing the proportionate share of outstanding shares of any class of equity or convertible securities of a corporation owned by an interested shareholder.

The supermajority voting requirement does not apply if a majority of the directors not associated with such an interested shareholder approves the transaction or certain other requirements regarding the consideration paid are met.

Exhibit 4.15

Ohio Law. Ohio law contains several anti-takeover provisions which apply to corporations like the Company. The Company is subject to these provisions because there are no opt-out provisions in the Amended Articles or Amended Regulations with respect to these provisions.

Chapter 1704 of the Ohio General Corporation Law applies to a broad range of business combinations between an Ohio corporation and an interested shareholder. The Ohio law definition of “business combination” includes mergers, consolidations, combinations or majority share acquisitions. An “interested shareholder” is defined as a shareholder who, directly or indirectly, exercises or directs the exercise of 10% or more of the voting power of the corporation. Chapter 1704 of the Ohio General Corporation Law restricts corporations from engaging in business combinations with interested shareholders, unless the articles of incorporation provide otherwise, for a period of three years following the date on which the shareholder became an interested shareholder, unless the directors of the corporation have approved the business combination or the interested shareholder’s acquisition of shares of the corporation prior to the date the shareholder became an interested shareholder. After the initial three-year moratorium, Chapter 1704 prohibits such transactions absent approval by the directors of the interested shareholder’s acquisition of shares of the corporation prior to the date that the shareholder became an interested shareholder, approval by disinterested shareholders of the corporation or the transaction meeting certain statutorily defined fair price provisions.

Under Section 1701.831 of the Ohio General Corporation Law, unless the articles of incorporation or regulations provide otherwise, any control share acquisition of a corporation can only be made with the prior approval of the corporation’s shareholders. A “control share acquisition” is defined as any acquisition of shares of a corporation that, when added to all other shares of that corporation owned by the acquiring person, would enable that person to exercise levels of voting power in any of the following ranges: at least 20% but less than 33-1/3%; at least 33-1/3% but less than 50%; or 50% or more.

Exhibit 21

Subsidiaries of the Registrant
(as of February 24, 2020)

Subsidiary Name	State or Country of Incorporation or Formation
Cincinnati Bell Shared Services LLC	Ohio
Cincinnati Bell Wireless, LLC	Ohio
CBTS LLC	Delaware
Cincinnati Bell Entertainment Inc.	Ohio
Cincinnati Bell Funding LLC	Delaware
Cincinnati Bell Telephone Company LLC	Ohio
Cincinnati Bell Extended Territories LLC	Ohio
CBTS Technology Solutions LLC	Delaware
CBTS Virginia LLC	Virginia
CBTS Technology Solutions UK Ltd.	United Kingdom
OnX UK Limited	United Kingdom
OnX Enterprise Solutions Ltd.	Ontario
Cincinnati Bell Funding Canada Ltd.	Ontario
Hawaiian Telcom Holdco, Inc.	Delaware
Hawaiian Telcom Communications, Inc.	Delaware
Hawaiian Telcom, Inc.	Hawaii
Hawaiian Telcom Services Company, Inc.	Delaware
Wavecom Solutions Corporation	Hawaii
SystemMetrics Corporation	Hawaii
CBTS Technology Solutions India LLP	India

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements on Forms S-8 of our reports dated February 24, 2020, relating to the consolidated financial statements of Cincinnati Bell Inc., and the effectiveness of the Cincinnati Bell Inc.'s internal control over financial reporting, appearing in this Annual Report on Form 10-K for the year ended December 31, 2019.

Form S-8
333-192225
333-192226
333-159160
333-143089
333-204562
333-217839
333-217840
333-226027

Cincinnati, Ohio
February 24, 2020

Exhibit 24

POWER OF ATTORNEY

WHEREAS, Cincinnati Bell Inc., an Ohio corporation (hereinafter referred to as the "Company"), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2019 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby designates and appoints Leigh R. Fox, Andrew R. Kaiser and Christopher J. Wilson, and each of them singly, her attorneys for her and in her name, place and stead, and in her office and capacity in the Company, to execute and file such annual report on Form 10-K, and thereafter to execute and file any amendments or supplements thereto, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as she might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set her hand this 30th day of January, 2020.

/s/ Meredith J. Ching
Meredith J. Ching
Director

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On the 30th day of January, 2020, personally appeared before me Meredith J. Ching, to me known and known to me to be the person described in and who executed the foregoing instrument, and she duly acknowledged to me that she executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 30th day of January, 2020.

/s/ Connie M. Vogt
Connie M. Vogt
Notary Public, State of Ohio
My commission expires 04-28-2020

Exhibit 24

POWER OF ATTORNEY

WHEREAS, Cincinnati Bell Inc., an Ohio corporation (hereinafter referred to as the "Company"), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2019 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby designates and appoints Leigh R. Fox, Andrew R. Kaiser and Christopher J. Wilson, and each of them singly, his attorneys for him and in his name, place and stead, and in his office and capacity in the Company, to execute and file such annual report on Form 10-K, and thereafter to execute and file any amendments or supplements thereto, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 30th day of January, 2020.

/s/ Walter A. Dods, Jr.
Walter A. Dods, Jr.
Director

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On the 30th day of January, 2020, personally appeared before me Walter A. Dods, Jr., to me known and known to me to be the person described in and who executed the foregoing instrument, and he duly acknowledged to me that he executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 30th day of January, 2020.

/s/ Connie M. Vogt
Connie M. Vogt
Notary Public, State of Ohio
My commission expires 04-28-2020

Exhibit 24

POWER OF ATTORNEY

WHEREAS, Cincinnati Bell Inc., an Ohio corporation (hereinafter referred to as the "Company"), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2019 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby designates and appoints Leigh R. Fox, Andrew R. Kaiser and Christopher J. Wilson, and each of them singly, his attorneys for him and in his name, place and stead, and in his office and capacity in the Company, to execute and file such annual report on Form 10-K, and thereafter to execute and file any amendments or supplements thereto, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 30th day of January, 2020.

/s/ John W. Eck
John W. Eck
Director

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On the 30th day of January, 2020, personally appeared before me John W. Eck, to me known and known to me to be the person described in and who executed the foregoing instrument, and he duly acknowledged to me that he executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 30th day of January, 2020.

/s/ Connie M. Vogt
Connie M. Vogt
Notary Public, State of Ohio
My commission expires 04-28-2020

Exhibit 24

POWER OF ATTORNEY

WHEREAS, Cincinnati Bell Inc., an Ohio corporation (hereinafter referred to as the "Company"), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2019 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby designates and appoints Leigh R. Fox, Andrew R. Kaiser and Christopher J. Wilson, and each of them singly, her attorneys for her and in her name, place and stead, and in her office and capacity in the Company, to execute and file such annual report on Form 10-K, and thereafter to execute and file any amendments or supplements thereto, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as she might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set her hand this 30th day of January, 2020.

/s/ Jakki L. Haussler
Jakki L. Haussler
Director

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On the 30th day of January, 2020, personally appeared before me Jakki L. Haussler, to me known and known to me to be the person described in and who executed the foregoing instrument, and she duly acknowledged to me that she executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 30th day of January, 2020.

/s/ Connie M. Vogt
Connie M. Vogt
Notary Public, State of Ohio
My commission expires 04-28-2020

Exhibit 24

POWER OF ATTORNEY

WHEREAS, Cincinnati Bell Inc., an Ohio corporation (hereinafter referred to as the "Company"), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2019 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby designates and appoints Leigh R. Fox, Andrew R. Kaiser and Christopher J. Wilson, and each of them singly, his attorneys for him and in his name, place and stead, and in his office and capacity in the Company, to execute and file such annual report on Form 10-K, and thereafter to execute and file any amendments or supplements thereto, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 30th day of January, 2020.

/s/ Craig F. Maier
Craig F. Maier
Director

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On the 30th day of January, 2020, personally appeared before me Craig F. Maier, to me known and known to me to be the person described in and who executed the foregoing instrument, and he duly acknowledged to me that he executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 30th day of January, 2020.

/s/ Connie M. Vogt
Connie M. Vogt
Notary Public, State of Ohio
My commission expires 04-28-2020

Exhibit 24

POWER OF ATTORNEY

WHEREAS, Cincinnati Bell Inc., an Ohio corporation (hereinafter referred to as the "Company"), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2019 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby designates and appoints Leigh R. Fox, Andrew R. Kaiser and Christopher J. Wilson, and each of them singly, his attorneys for him and in his name, place and stead, and in his office and capacity in the Company, to execute and file such annual report on Form 10-K, and thereafter to execute and file any amendments or supplements thereto, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 30th day of January, 2020.

/s/ Russel P. Mayer
Russel P. Mayer
Director

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On the 30th day of January, 2020, personally appeared before me Russel P. Mayer, to me known and known to me to be the person described in and who executed the foregoing instrument, and he duly acknowledged to me that he executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 30th day of January, 2020.

/s/ Connie M. Vogt
Connie M. Vogt
Notary Public, State of Ohio
My commission expires 04-28-2020

Exhibit 24

POWER OF ATTORNEY

WHEREAS, Cincinnati Bell Inc., an Ohio corporation (hereinafter referred to as the “Company”), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2019 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby designates and appoints Leigh R. Fox, Andrew R. Kaiser and Christopher J. Wilson, and each of them singly, his attorneys for him and in his name, place and stead, and in his office and capacity in the Company, to execute and file such annual report on Form 10-K, and thereafter to execute and file any amendments or supplements thereto, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 30th day of January, 2019.

/s/ Theodore H. Torbeck
Theodore H. Torbeck
Director

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On the 30th day of January, 2020, personally appeared before me Theodore H. Torbeck, to me known and known to me to be the person described in and who executed the foregoing instrument, and he duly acknowledged to me that he executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 30th day of January, 2020.

/s/ Connie M. Vogt
Connie M. Vogt
Notary Public, State of Ohio
My commission expires 04-28-2020

Exhibit 24

POWER OF ATTORNEY

WHEREAS, Cincinnati Bell Inc., an Ohio corporation (hereinafter referred to as the "Company"), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2019 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby designates and appoints Leigh R. Fox, Andrew R. Kaiser and Christopher J. Wilson, and each of them singly, her attorneys for her and in her name, place and stead, and in her office and capacity in the Company, to execute and file such annual report on Form 10-K, and thereafter to execute and file any amendments or supplements thereto, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as she might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set her hand this 30th day of January, 2020.

/s/ Lynn A. Wentworth
Lynn A. Wentworth
Director

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On the 30th day of January, 2020, personally appeared before me Lynn A. Wentworth, to me known and known to me to be the person described in and who executed the foregoing instrument, and she duly acknowledged to me that she executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 30th day of January, 2020.

/s/ Connie M. Vogt
Connie M. Vogt
Notary Public, State of Ohio
My commission expires 04-28-2020

Exhibit 24

POWER OF ATTORNEY

WHEREAS, Cincinnati Bell Inc., an Ohio corporation (hereinafter referred to as the "Company"), proposes shortly to file with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, an annual report on Form 10-K for the year ended December 31, 2019 and

WHEREAS, the undersigned is a director of the Company;

NOW, THEREFORE, the undersigned hereby designates and appoints Leigh R. Fox, Andrew R. Kaiser and Christopher J. Wilson, and each of them singly, his attorneys for him and in his name, place and stead, and in his office and capacity in the Company, to execute and file such annual report on Form 10-K, and thereafter to execute and file any amendments or supplements thereto, hereby giving and granting to said attorneys full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises as fully to all intents and purposes as he might or could do if personally present at the doing thereof, hereby ratifying and confirming all that said attorneys may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 30th day of January, 2020.

/s/ Martin J. Yudkovitz
Martin J. Yudkovitz
Director

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

On the 30th day of January, 2020, personally appeared before me Martin J. Yudkovitz, to me known and known to me to be the person described in and who executed the foregoing instrument, and he duly acknowledged to me that he executed and delivered the same for the purposes therein expressed.

Witness my hand and official seal this 30th day of January, 2020.

/s/ Connie M. Vogt
Connie M. Vogt
Notary Public, State of Ohio
My commission expires 04-28-2020

Exhibit 31.1

Certifications

I, Leigh R. Fox, Chief Executive Officer, certify that:

1. I have reviewed this annual report on Form 10-K of Cincinnati Bell Inc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure control and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date:February 24, 2020

/s/ Leigh R. Fox
Leigh R. Fox
Chief Executive Officer

Exhibit 31.2

Certifications

I, Andrew R. Kaiser, Chief Financial Officer, certify that:

1. I have reviewed this annual report on Form 10-K of Cincinnati Bell Inc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure control and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date:February 24, 2020

/s/ Andrew R. Kaiser
Andrew R. Kaiser
Chief Executive Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Cincinnati Bell Inc. (the “Company”) on Form 10-K for the period ending December 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Leigh R. Fox, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Leigh R. Fox
Leigh R. Fox
Chief Executive Officer
February 24, 2020

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Cincinnati Bell Inc. (the "Company") on Form 10-K for the period ending December 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Leigh R. Fox, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Andrew R. Kaiser
Andrew R. Kaiser
Chief Financial Officer
February 24, 2020

Amended 10-K

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K/A
(AMENDMENT NO. 1 TO FORM 10-K)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______ to

Commission File Number 1-8519

CINCINNATI BELL INC.

Ohio	**31-1056105**
(State of Incorporation)	**(I.R.S. Employer Identification No.)**

221 East Fourth Street, Cincinnati, Ohio 45202
(Address of principal executive offices) (Zip Code)
(513) 397-9900
(Registrant’s telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares ($0.01 par value)	CBB	New York Stock Exchange
Depository Shares, each representing 1/20 interest in a Share of 6 3/4% Cumulative Convertible Preferred Stock, without par value	CBB.PB	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☒

The aggregate market value of the voting common shares owned by non-affiliates of the registrant was $0.2 billion, computed by reference to the closing sale price of the common stock on the New York Stock Exchange on June 30, 2019, the last trading day of the registrant’s most recently completed second fiscal quarter. The Company has no non-voting common shares.

At March 31, 2020, there were 50,564,267 common shares outstanding.

EXPLANATORY NOTE

This Amendment No. 1 to Form 10-K (the "Amendment") amends the Annual Report on Form 10-K for the fiscal year ended December 31, 2019 originally filed with the U.S. Securities and Exchange Commission on February 24, 2020 (the "Original Filing") by Cincinnati Bell Inc. ("Cincinnati Bell," "we," "our," "us" or the "Company"). We are filing the Amendment to present the information required by Part III of Form 10-K as we will not file our definitive proxy statement within 120 days of the end of our year ended December 31, 2019. In addition, the Company is revising Item 1A. "Risk Factors" to add risk factors regarding the Coronavirus Disease 2019 ("COVID-19") and to amend certain risk factors for changes that have occurred subsequent to the Original Filing. The reference on the cover page of the 2019 Form 10-K to the incorporation by reference of portions of the Company's definitive proxy statement into Part III of the 2019 Form 10-K is hereby deleted.

In addition, as required by Section 302 of the Sarbanes-Oxley Act of 2002 and Rule 12b-15 of the Securities Exchange Act of 1934 (the "Exchange Act"), as amended, updated certifications of the Company's principal executive officer and principal financial officer are included as Exhibits 31.3 and 31.4 hereto. Because no financial statements have been included in this Amendment and this Amendment does not contain or amend any disclosure with respect to Items 307 and 308 of Regulation S-K, paragraphs 3, 4, and 5 of the certifications have been omitted. We are not including the certifications under Section 906 of the Sarbanes-Oxley Act of 2002 as no financial statements are being filed with this Amendment.

No other changes have been made to the Form 10-K other than those described above. This Amendment does not reflect subsequent events occurring after the original filing date of the Form 10-K or modify or update in any way the financial statements, consents or any other disclosures made in the Form 10-K in any way other than as required to reflect the amendments discussed above. Accordingly, this Amendment No. 1 should be read in conjunction with the Form 10-K and the Company's other filings with the SEC subsequent to the filing of the Form 10-K.

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Item 1A. Risk Factors

The following risk factors should be read in conjunction with those risk factors and other information disclosed in our Form 10-K filed on February 24, 2020 and should be considered carefully in evaluating us. Our business, financial condition, liquidity or results of operations could be materially affected by any of these risks.

Risk Factors Related to our Business and Operations

The recent global outbreak of COVID-19 and related government, private sector and individual consumer responsive actions have adversely affected the Company's business operations, employee availability, financial performance, liquidity and cash flow and may continue to do so for an unknown period of time.

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic, and on March 13, 2020, the President of the United States declared a national emergency relating to the outbreak. The outbreak has resulted in infections in the United States and abroad and has adversely affected workforces, customers and consumer sentiment and, along with a decrease in consumer spending, led to an economic downturn in many markets. National, state and local authorities have recommended social distancing measures and have imposed or are considering quarantine and isolation measures for large portions of the population, including mandatory business closures. These measures, while intended to protect human life, have had, and are expected to continue to have, serious adverse impacts on domestic and foreign economies of uncertain severity and duration. The effectiveness of economic stabilization efforts, including government payments under the CARES Act to affected citizens and industries, is uncertain.

In the United States and in other countries and regions where we have a significant employee presence, facilities or critical operations, the outbreak of COVID-19 has impacted our ability to manage day-to-day operations and service our customers and has increased our costs of operations and resulted in, among other things, loss of revenue. For example, we have implemented corporate and personal travel restrictions for employees and vendors, cancelled events and enabled work-from-home for many employees by equipping them to safely support customers remotely. We have also implemented additional safety measures for our retail stores and field operations teams. Additionally, we have been required to temporarily close or reduce operations at some of our retail locations, facilities and customer contact centers. Retail locations inside malls that are no longer open have been temporarily closed and those retail locations that remain open have reduced hours of operation. Some of the contact centers that support the Cincinnati market have reduced hours of operation. As a result of travel restrictions enacted by local government, our third-party off-shore contact center was forced to reduce its hours of operation for several weeks, resulting in longer than normal hold times during that period. We may be required to temporarily close or reduce operations at more of or all of our retail locations, facilities or contact centers. The foregoing effects, and other effects of COVID-19, may continue for an unknown period of time.

Our business has been, and may continue to be, negatively impacted by the effects of, or precautions taken to avoid exposure to, COVID-19, such as reduced travel or recommendations or mandates from governmental authorities to avoid large gatherings or to self-quarantine, and by the resulting disruptions to economic conditions and financial markets. Such impacts include, but are not limited to:

- Disruptions to our third-party providers, including those who provide many of our information technology and call center functions and other critical vendor services;
- Reduced workforces caused by, among other things, the temporary inability of the workforce to work due to illness, quarantine, or government mandates, or temporary unwillingness to work due to health concerns;
- Reduced customer demand or customer payment of accounts receivables as a result of adverse economic conditions resulting from the COVID-19 pandemic;
- Reduced availability of certain network equipment in the supply chain due to increased demand and certain suppliers who have had, or continue to have, workforce constraints due to the COVID-19 pandemic; and
- Reduced revenues as a result of our pledge to not terminate service to certain customers due to their inability to pay bills because of disruptions caused by COVID-19 and to waive late fees for certain customers as a result of circumstances related to COVID-19.

Potential future impacts include, but are not limited to:

- Increased capital costs and service disruptions or reduced bandwidth for customers due to significant short-term increases in consumer activations and bandwidth usage due to individuals working from home;
- Increased supply chain risks such as increased scrutiny or embargoing of goods produced in infected areas;
- Increased health insurance and labor-related costs arising from illness, quarantine and the implementation of social distancing and work-from-home measures;
- Reduced employee productivity and a negative impact on the execution of our business plans and operations as employees must balance working remotely from home with personal responsibilities, such as child care and education;
- Increased risk of phishing and other cybersecurity attacks, and increased risk of unauthorized dissemination of sensitive personal information or proprietary or confidential information about us, our customers or other third parties as a result of employees or third-party vendors' employees working remotely; and
- In the event of a natural disaster, power outage, connectivity issue or other event that impacts our employees' ability to work remotely, it may be difficult or, in certain cases, impossible, for us to continue to support our customers' needs and respond to inquiries through call center operations or to perform necessary repairs and maintenance.

The foregoing impacts, and other impacts of COVID-19 discussed elsewhere in these risk factors, are consistent with those generally affecting the economic, financial, regulatory and political conditions in the United States and elsewhere in the world, and are generally applicable to the industries and markets in which the Company and its subsidiaries operate. These impacts could materially increase our costs, negatively impact our consumer and business sales and damage the Company's financial condition, results of operations, cash flows and liquidity position, possibly to a significant degree. The severity and duration of any such impacts cannot be predicted because of the rapidly evolving nature of the COVID-19 pandemic.

The Company may be unable to grow our revenues and cash flows despite the initiatives we have implemented.

We must produce adequate revenues and cash flows that, when combined with cash on hand and funds available under our revolving credit facilities, will be sufficient to service our debt, fund our capital expenditures, fund our pension and other employee benefit obligations and pay preferred dividends pursuant to our dividend policy. We have identified some potential areas of opportunity and implemented several growth initiatives. We cannot be assured that these opportunities will be successful or that these initiatives will improve our financial position or our results of operations. The outbreak of COVID-19 may also negatively impact these opportunities and require us to incur additional related costs responding to the virus, particularly if the effects of COVID-19 persist for a significant period of time.

The Company's failure to meet performance standards under its agreements could result in customers terminating their relationships with the Company or customers being entitled to receive financial compensation, leading to reduced revenues and/or increased costs.

The Company's agreements with its customers contain various requirements regarding performance and levels of service. If the Company fails to provide the levels of service or performance required by its agreements, customers may be able to receive financial compensation or may be able to terminate their relationship with the Company. In order to provide these levels of service, the Company is required to protect against human error, natural disasters, equipment failure, power failure, sabotage and vandalism, and have disaster recovery plans available in the event of disruption of service. As a result of the COVID-19 outbreak, this same level of service must now be provided in a predominantly remote working environment due to many members of the workforce now executing their daily responsibilities from their homes. Our increased reliance on personnel working from home may negatively impact productivity and there is no certainty that such measures will be sufficient to mitigate the risks posed by the COVID-19 outbreak. Additionally, our field technicians are classified as essential personnel and continue to operate business as usual. In the event that a significant number of our field technicians are affected by COVID-19, our ability to maintain our network could be reduced. The failure to address these or other events may result in a disruption of service. In addition, any inability to meet service level commitments or other performance standards could reduce the confidence of customers. Decreased customer confidence could impair the Company's ability to attract and retain customers, which could adversely affect the Company's ability to generate revenues and operating results.

The Company generates a substantial portion of its revenue by serving a limited geographic area.

The Company generates a substantial portion of its revenue by serving customers in Cincinnati, Ohio, Dayton, Ohio and the islands of Hawaii. An economic downturn or natural disaster occurring in any of these limited operating territories would have a disproportionate effect on the Company's business, financial condition, results of operations and cash flows compared to similar companies of a national scope and similar companies operating in different geographic areas. Furthermore, because of Hawaii's geographic isolation, the successful operation and growth of the business in Hawaii is dependent on favorable economic and regulatory conditions in the state. The impact of COVID-19 on the Hawaiian Islands has been, and could continue to be, more significant than in other geographies due to reliance on tourism by many businesses and reductions in tourism due to social distancing measures and recommendations of federal, state and local governments.

The customer base for telecommunications services in Hawaii is small and geographically concentrated. The population of Hawaii is approximately 1.4 million, approximately 70% of whom live on the island of Oahu. Any adverse economic conditions affecting Oahu (including the outbreak of COVID-19), or Hawaii generally, could materially impair our ability to operate our business. Labor shortages or increased labor costs in Hawaii could also have an adverse effect on our business. In addition, we may be subject to increased costs for goods and services that the Company is unable to control or defray as a result of operating in this limited territory or as a result of the COVID-19 outbreak. Increased expenses including, but not limited to, energy and health care could have an adverse effect on our business and results of operations.

Increases in broadband usage may cause network capacity limitations, resulting in service disruptions or reduced capacity for customers.

Video streaming services and peer-to-peer file sharing applications use significantly more bandwidth than traditional internet activity such as web browsing and email. As utilization rates and availability of these services continue to grow, our high-speed internet customers may use much more bandwidth than in the past. As a result of stay-at-home orders in Ohio and Hawaii in response to the COVID-19 outbreak, increased numbers of people working from home and students attending school online have resulted in, and could continue to result in, significantly higher than normal demands on our network capacity. If this continues to occur and our existing network capacity becomes unable to handle the increased demand, we could be required to make significant capital expenditures to increase network capacity in order to avoid service disruptions or reduced capacity for customers. We may not be able to recover the costs of the necessary network investments. Service disruptions or reduced capacity for customers may result if we do not sufficiently increase network capacity in response to further sudden and significant increases in demand, such as may result from the COVID-19 outbreak. Any of these occurrences could result in an adverse impact to our results of operations and financial condition.

The regulation of the Company's businesses by federal and state authorities may, among other things, place the Company at a competitive disadvantage, restrict its ability to price its products and services competitively and threaten its operating licenses.

Several of the Company's subsidiaries are subject to regulatory oversight of varying degrees at both the state and federal levels, which may differ from the regulatory scrutiny faced by the Company's competitors. A significant portion of the Company's revenue is derived from pricing plans that are subject to regulatory review and approval. These regulated pricing plans limit the rates the Company can charge for some services while the competition has typically been able to set rates for services with limited or no restriction. In the future, regulatory initiatives that would put the Company at a competitive disadvantage or mandate lower rates for its services would result in lower profitability and cash flows for the Company. In addition, different regulatory interpretations of existing regulations or guidelines may affect the Company's revenues and expenses in future periods.

At the federal level, the Company's telecommunications services are subject to the Communications Act of 1934 as amended by the Telecommunications Act of 1996, including rules adopted by the Federal Communications Commission ("FCC"). In addition, the Company's submarine cable facilities and operations are also subject to requirements imposed by the national security and law enforcement agencies (*e.g.*, the Departments of Justice, Defense and Homeland Security). At the state level, Cincinnati Bell Telephone Company LLC ("CBT") operates as the incumbent local exchange carrier ("ILEC") and carrier of last resort in portions of Ohio, Kentucky, and Indiana, while Hawaiian Telcom, Inc. ("HTI") serves as the ILEC and carrier of last resort in Hawaii. As the ILEC in those states, these entities are subject to regulation by the Public Utilities Commissions in those states. Various regulatory decisions or initiatives at the federal or state level may from time to time have a negative impact on CBT's and HTI's ability to compete in their respective markets. In addition, although less heavily regulated than the Company's ILEC operations, other subsidiaries are authorized to provide competitive local exchange service, long distance, and cable television service in various states, and are consequently also subject to various state and federal telecommunications and cable regulations that could adversely impact their operations.

There are currently many regulatory actions under way and being contemplated by federal and state authorities regarding issues, including national security and law enforcement issues, that could result in significant changes to the business conditions in the telecommunications industry. On April 4, 2020, the President of the United States issued Executive Order No. 13913 Establishing the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector (the "Committee"), which formalized the ad-hoc foreign investment review process (formerly referred to as "Team Telecom") applicable to FCC licenses and transactions. The Executive Order empowers the Committee to review FCC license and transfer applications involving foreign participation to determine whether grant of the requested license or transfer approval may pose a risk to the national security or law enforcement interests of the United States, and to review existing licenses to identify any additional or new risks to national security or law enforcement interests that did not exist when a license was first granted. Following an investigation, the Committee may recommend that the FCC revoke or modify existing licenses or deny or condition approval of new licenses and license transfers. It is not possible for the Company to determine whether it may be subject to a proceeding to revoke or modify its existing licenses or predict the outcome of a review of new license or transfer applications by the Committee in the future. A review of existing licenses and/or a review of new licenses and transfers by the Committee may result in additional compliance obligations that may affect the Company's expenses and business operations in the future.

In addition, in connection with our internet access offerings, we could become subject to laws and regulations as they are adopted or applied to the internet. There is currently only limited regulation applicable to these services although court decisions and/or legislative action could lead to greater regulation of the internet (including internet access services). We cannot provide any assurances that changes in current or future regulations adopted by the FCC or state regulators, or other legislative, administrative, or judicial initiatives relating to the telecommunications industry, will not have an adverse effect on the Company's business, financial condition, results of operations and cash flows.

From time to time, different regulatory agencies conduct audits to ensure that the Company is in compliance with the respective regulations. The Company could be subject to fines and penalties if found to be out of compliance with these regulations, and these fines and penalties could be material to the Company's financial condition.

The Company depends on a number of third-party providers and the loss of or problems with one or more of these providers may impede the Company's growth, cause it to lose customers or materially and adversely impact our business, financial condition, and results of operations.

The Company depends on third-party providers to supply products and services. For example, many of the Company's information technology and call center functions are performed by third-party providers, some of which are located outside of the United States, and network equipment is purchased from and maintained by vendors. Additionally, certain installation services sold by our IT Services and Hardware segment are performed by third-party providers.

Governments, public institutions and other organizations in countries and regions where cases of COVID-19 have been detected have taken certain emergency measures to combat its spread and impact, including implementation of travel bans, suspension of public transportation and closures of factories, schools, public buildings, businesses and other institutions. As a result of such measures, our third-party off-shore contact center was forced to reduce its hours of operation for several weeks, resulting in longer than normal hold times during that period. The loss of, or further problems with, one or more of these third-party providers may result in an adverse effect on our ability to provide products and services to our customers. While the full impact of the COVID-19 outbreak is not yet known, potential effects on our business include disruptions to or restrictions on our third-party providers, suppliers and other vendors in our supply chain, including limitations on the ability of their employees to travel and temporary closures or reductions in the hours of their facilities or customer call centers.

We have suppliers around the world, including in China, the United States and other countries where cases of COVID-19 have been reported and may be spreading. As a result, the COVID-19 pandemic may result in shortages, price increases or delays to the delivery of materials. We could be materially adversely impacted, including from any disruption to critical vendor services or losses of business, if any of our suppliers face significant business disruptions as a result of COVID-19 or any similar outbreak.

Moreover, certain policies and statements of the President of the United States and senior government officials have given rise to uncertainty about the status of certain international trade agreements to which the United States is a party and the position of the United States with respect to international trade generally. The U.S. government has recently increased tariffs and imposed new tariffs on a wide range of products imported from China. It remains unclear what additional actions, if any, the current U.S. administration will take with respect to existing trade relationships. Additional trade restrictions, including tariffs, quotas, embargoes, safeguards and customs restrictions, could increase the cost or reduce the supply of products available to us and to our suppliers based in the United States and may require us to modify our supply chain organization or other current business practices, any of which could harm our business, financial condition, and results of operations.

Risks Related to Our Indebtedness

The servicing of the Company's indebtedness is dependent on its ability to generate cash, which could be impacted by many factors beyond its control.

The Company's ability to generate cash is subject to general economic, financial, competitive, legislative, regulatory, and other factors, including the effects of the COVID-19 outbreak, many of which are beyond its control. The Company cannot provide assurance that its business will generate sufficient cash flow from operations, that additional sources of debt financing will be available or that future borrowings will be available under its Revolving Credit Facility or Receivables Facility, in each case, in amounts sufficient to enable the Company to service its indebtedness or to fund other liquidity needs. If the Company cannot service its indebtedness, it will have to take actions such as reducing or delaying capital expenditures, strategic acquisitions, investments and alliances, selling assets, restructuring or refinancing indebtedness or seeking additional equity capital, which may adversely affect its shareholders, debt holders and customers. The Company may not be able to negotiate remedies on commercially reasonable terms or at all. In addition, the terms of existing or future debt instruments may restrict the Company from adopting any of these alternatives. The Company's inability to generate the necessary cash flows could result in its dissolution, bankruptcy, liquidation or reorganization.

Risks Relating to the Merger with Macquarie Infrastructure Partners

There are material uncertainties and risks associated with the MIP Merger Agreement and proposed MIP Merger.

On March 13, 2020, the Company entered into an Agreement and Plan of Merger (the "MIP Merger Agreement") pursuant to which the Company will be acquired by an affiliate of Macquarie Infrastructure Partners V ("MIP"), a fund managed by Macquarie Infrastructure and Real Assets (the "MIP Merger"). Below are material uncertainties and risks associated with the MIP Merger Agreement and the proposed MIP Merger. If any of the risks develop into actual events, then the Company's business, financial condition, results and ongoing operations, share price or prospects could be adversely affected.

- The announcement or pendency of the MIP Merger may impede the Company's ability to retain and hire key personnel and its ability to maintain relationships with its customers, suppliers and others with whom it does business or its operating results and business generally;
- The attention of the Company's employees and management may be diverted due to activities related to the MIP Merger, which may affect the Company's business operations;
- Matters relating to the transactions may require substantial commitments of time and resources by the Company's management, which could harm the Company's relationships with its employees, customers, distributors, suppliers or other business partners, and may result in a loss of or a substantial decrease in purchases by its customers;
- The MIP Merger Agreement restricts the Company from engaging in certain actions without the approval of MIP, which could prevent the Company from pursuing certain business opportunities outside the ordinary course of business that arise prior to the closing of the MIP Merger;
- The MIP Merger Agreement contains provisions that could discourage a potential competing acquirer of the Company;

- The Company's directors and executive officers have financial interests in the MIP Merger that may be different from, or in addition to, the interests of the Company's shareholders generally, which could have influenced their decisions to support or approve the MIP Merger;
- Shareholder litigation in connection with the transactions contemplated by the MIP Merger Agreement may result in significant costs of defense, indemnification and liability; and
- The MIP Merger may materially limit the Company's ability to utilize existing deferred tax assets related to federal and state net operating losses.

The proposed MIP Merger may not be completed in a timely manner or at all.

Completion of the MIP Merger is subject to customary closing conditions, including (1) the absence of an order, injunction or law prohibiting the MIP Merger, (2) the expiration or early termination of the waiting period (including any extension thereof) under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, (3) approval of the MIP Merger by the Committee on Foreign Investment in the United States under Section 721 of the Defense Production Act of 1950, as amended, (4) certain FCC consents and state regulatory consents required in connection with the MIP Merger shall have been obtained, shall not be subject to agency reconsideration or judicial review, and the time for any person to petition for agency reconsideration or judicial review shall have expired and (5) the adoption of the MIP Merger Agreement by the affirmative vote of shareholders holding at least two-thirds of the outstanding Company common shares and 6 ¾% Cumulative Convertible Preferred Shares (voting as a single class). On April 4, 2020, the President of the United States issued Executive Order No. 13913 Establishing the Committee, which formalized the ad-hoc foreign investment review process (formerly referred to as "Team Telecom") applicable to FCC licenses and transactions. The Executive Order empowers the Committee to review FCC license and transfer applications involving foreign participation to determine whether grant of the requested license or transfer approval may pose a risk to the national security or law enforcement interests of the United States, and to review existing licenses to identify any additional or new risks to national security or law enforcement interests that did not exist when a license was first granted. Following an investigation, the Committee may recommend that the FCC revoke or modify of existing licenses or deny or condition approval of new licenses and license transfers. It is likely that the MIP Merger will be reviewed by the Committee. At this time, it not possible for the Company to predict the outcome of a review of the MIP Merger by this new Committee and whether the Committee may condition approval of the MIP Merger to any specific mitigation arrangement or other conditions. Any such arrangement may result in additional compliance obligations that may affect the Company's expenses and business operations in the future.

In addition, the MIP Merger Agreement may require the Company and MIP to comply with conditions imposed by regulatory entities and neither company is required to take any action with respect to obtaining any regulatory approval that, individually or in the aggregate, would be reasonably likely to have a material adverse effect on MIP and its affiliates (taken as a whole) or the Company and its subsidiaries (taken as a whole). There can be no assurance that regulators will not impose conditions, terms, obligations or restrictions and that such conditions, terms, obligations or restrictions will not result in the delay or abandonment of the MIP Merger. There can be no assurance that all of these required approvals and clearances will be obtained or will be obtained on a timely basis. The COVID-19 outbreak may also result in delays to the receipt of certain regulatory approvals required to consummate the MIP Merger.

The obligation of each of the Company and MIP to consummate the MIP Merger is also conditioned on, subject to certain materiality and other qualifiers, the accuracy of the representations and warranties of the other party and the performance in all material respects by the other party of its obligations under the MIP Merger Agreement. Competing offers or acquisition proposals for the Company may be made, resulting in delay of the MIP Merger or termination of the MIP Merger Agreement. Lawsuits have been and may be filed against the Company relating to the MIP Merger and an adverse ruling in any such lawsuit may prevent the MIP Merger from being completed in the time frame expected or at all. While the MIP Merger Agreement is not subject to any financing condition, if MIP fails to obtain debt financing, the MIP Merger is unlikely to be consummated. Each of the Company and MIP has the right to terminate the MIP Merger Agreement under certain circumstances, as described in the MIP Merger Agreement.

Failure to complete the MIP Merger could negatively impact the Company's business, financial results and stock price.

If the MIP Merger is delayed or not completed, the Company's ongoing businesses may be adversely affected and will be subject to several risks and consequences, including the following:

- decline in share price to the extent that the current price of Company common shares reflects an assumption that the MIP Merger will be completed;
- negative publicity and a negative impression of the Company in the investment community;
- loss of business opportunities and the ability to effectively respond to competitive pressures; and
- the Company may be required, under certain circumstances, to pay MIP a termination fee and additional expenses.

The Company has incurred, and will incur, substantial direct and indirect costs as a result of the MIP Merger.

The Company has incurred, and will continue to incur, significant costs, expenses and fees for professional advisors, printing and other transaction costs in connection with the MIP Merger, and some of these fees and costs are payable by the Company regardless of whether the MIP Merger is consummated.

Other Risk Factors

The trading price of the Company's common stock has been, and may continue to be, volatile, and the value of an investment in the Company's common stock may decline.

The market price of the Company's common stock has been volatile and could be subject to wide fluctuations in response to, among other things, the risk factors described in this report and other factors beyond the Company's control, such as volatility in equity markets and fluctuations in the valuation of companies perceived by investors to be comparable to the Company. The Company's recent stock price reflects the assumption that the MIP Merger will be completed, or a new offer will proceed to an agreement and an acquisition will be completed.

Equity markets have experienced price and volume fluctuations that have affected the Company's stock price and the market prices of equity securities of many other companies. These market and industry fluctuations, as well as general economic, political, and market conditions, may negatively affect the market price of the Company's stock.

The COVID-19 outbreak has also caused severe disruption in financial and equity markets in the United States and abroad. Uncertainty around the duration of business disruptions and the extent of the spread of the virus could continue to adversely impact the national or global economy and may negatively affect the market price of the Company's stock.

Companies that have experienced volatility in the market price of common shares have periodically been subject to securities class action litigation. The Company may be the target of this type of litigation in the future. Securities litigation could result in substantial costs and/or damages and divert management's attention from other business concerns.

The uncertain economic environment, including uncertainty in the U.S. and world securities markets, could impact the Company's business and financial condition.

The uncertain economic environment could have an adverse effect on the Company's business and financial liquidity. The COVID-19 pandemic has resulted in an economic downturn, including increased unemployment and a decrease in consumer and commercial activity, that may continue for an extended period of time. The Company's primary source of cash is customer collections. As a result of current adverse economic conditions and uncertainty relating to the COVID-19 pandemic, some customers have canceled or requested discounts on future contracted services or have had difficulty paying their accounts receivable. Additional customers may cancel or request discounts on future contracted services or have difficulty paying their accounts receivable, especially if economic conditions worsen. In response to the negative economic impacts of the COVID-19 pandemic, the Company has pledged to not terminate service to any residential or small business customers because of their inability to pay their bills due to the disruptions caused by COVID-19 and to waive any late fees that any residential or small business customers would incur because of economic circumstances related to COVID-19. This pledge has resulted and could continue to result in lower revenues, and has resulted, and could continue to result, in increases in the allowance for doubtful accounts due to future collection risk, which would negatively affect our results of operations. Furthermore, the sales cycle has been lengthened, and could be further lengthened, due to business customers slowing spending and/or delaying decision-making on the Company's products and services, which has adversely affected, and could further adversely affect, revenues. Some competitors have lowered prices or offered promotions as a result of economic conditions, and others may do so as well, which has exerted, and could further exert, pricing pressure on the Company. If the economies of the U.S. and the world continue to deteriorate, this could have an adverse effect on the Company's business, financial condition, results of operations and cash flows.

The Company could be subject to a significant amount of litigation, which could require the Company to pay significant damages or settlements.

The industry that the Company operates in faces a substantial risk of litigation, including, from time to time, patent infringement lawsuits, antitrust class actions, securities class actions, wage and hour class actions, personal injury claims and lawsuits relating to our advertising, sales, billing and collection processes. Additionally, while preventative measures such as social distancing, frequent hand washing and wearing personal protective equipment including masks and gloves are being taken by our field technicians, the risk of inadvertent transmission of COVID-19 through human contact could still occur and result in litigation. We may incur significant expenses in defending these lawsuits. In addition, we may be required to pay significant awards and settlements.

Part III

Item 10. Directors, Executive Officers and Corporate Governance

Role of the Board

The Board's primary role is to oversee the Company's long-term business strategy of creating value for its shareholders. To effectively execute its responsibilities, members of the Board actively participate in Board and Committee meetings, engage in discussions with the Chief Executive Officer, other Company officers and shareholders, and stay abreast of trends impacting our industry and businesses in general. The Board also ensures that it is a well-functioning, diverse group of individuals who possess strong business acumen and integrity to properly represent the best interests of shareholders in overseeing the management of the Company.

The Board is committed to good corporate governance practices and continues to make progress against key benchmarks of importance to our investors. Some of these actions include affording proxy access rights to shareholders, offering an annual advisory vote on say on pay for executive compensation, evaluating the performance of the Board, its Committees, the Chief Executive Officer and other key executive officers and properly planning for the succession of key positions.

Board Composition and Refreshment

On May 1, 2019, Mr. Phillip R. Cox retired from his role as Chairman, and Ms. Lynn A. Wentworth was selected as Chairman.

The size of the Board is ten persons.

The Company's Board refreshment process (whose aim is to add directors with new perspectives and knowledge about the Company's industries/businesses and other industry and Board experience) has already resulted in the addition of four new independent directors in the last six years.

The Company has a long-standing policy that the positions of Chairman of the Board (currently held by Ms. Lynn A. Wentworth) and Chief Executive Officer (currently held by Mr. Leigh R. Fox) should be held by separate persons, as set forth in its Corporate Governance Guidelines. The Company continues to believe that this structure is in the best interest of its shareholders because it facilitates the Board's oversight of management, allows the independent directors to be more actively involved in setting agendas and establishing priorities for the work of the Board, and is consistent with the principles of good corporate governance.

Directors are elected each year at the Annual Meeting of Shareholders to hold office until the next annual meeting and until their respective successors are elected and qualified.

Required Characteristics

The Board and the Governance and Nominating Committee expect every Director to be a person of high integrity with an established leadership reputation in his or her field and to be able to devote the time and effort necessary to properly fulfill their Board and Committee responsibilities. Directors must also demonstrate ethical behavior, a respect for diverse individuals and cultures, good business judgment, innovative thinking, adherence to corporate governance requirements, and a commitment to responsibly addressing environmental and social issues.

Directors

The following are brief biographies of each person serving as a director of the Company as of December 31, 2019.

Meredith J. Ching

Ms. Ching is currently Executive Vice President of External Affairs at Alexander & Baldwin ("A&B"). Since joining A&B in 1982, Ms. Ching has held a number of positions of increasing responsibility. Director since 2018. Age 63.

Ms. Ching served as a director and member of the Audit and Compensation committees of Hawaiian Telcom's Board prior to the merger with Cincinnati Bell Inc. in July 2018. An active member of the community, she has served on numerous non-profit boards with current board service including the Kapiolani Health Foundation, Hawaii Ag and Culinary Alliance and A&B Sugar Museum. She has also been appointed to several government boards and commissions including the State Commission on Water Resource Management, State Board of Agriculture, Honolulu Charter Commission and the Governor's Task Force on the Department of Environmental Protection. Her corporate and community service experience make Ms. Ching a valuable asset to the Board and in her role as a member of the Compensation Committee.

Walter A. Dods, Jr.

Mr. Dods is retired. He served as Director of Hawaiian Telcom's Board prior to the merger with Cincinnati Bell Inc. in July 2018, including serving as Chairman of the Board from 2008 to 2010. He held positions as Chief Executive Officer and Chairman of the Board of First Hawaiian Bank, Chairman of Alexander & Baldwin, and Chairman of Matson, Inc. He currently serves on the boards of First Hawaiian Bank, Pacific Guardian Life Insurance Co. Ltd., Par Pacific Holdings, Inc., Pohaku Pa'a, LLC, and Servco Pacific Inc. He also serves on several civic and community boards throughout the state of Hawaii. Director since 2018. Age 78.

With over 50 years of experience in the banking and financial services industry as well as service on numerous public company and non-profit boards, Mr. Dods brings a unique perspective to the Board. This experience makes him a valuable asset to the Board as Chairman of the Governance and Nominating Committee and as a member of the Compensation Committee and Executive Committee.

John W. Eck

Mr. Eck is currently President and CEO of Mattress Firm, the nation's largest specialty retailer of bedding products. Eck previously served as the Chief Local Media Officer at Univision Communications, Inc. ("Univision"), the leading Hispanic media company in the United States. Prior to joining Univision in 2011, Mr. Eck worked at NBC Universal ("NBCU") for 18 years, most recently serving as President of the NBC Television Network. While with NBCU, he also led MediaWorks, NBCU's technology and operations division. Prior to joining NBCU, Mr. Eck held various other executive and financial positions at General Electric Company ("GE"). Director since 2014. Age 60.

With over 35 years of media, operating, finance and technology experience at Univision, GE/NBCU and now Mattress Firm, Mr. Eck brings a significant leadership background and relevant industry experience. This experience makes him a valuable asset to the Board as a member of the Audit and Finance Committee and the Governance and Nominating Committee.

Leigh R. Fox

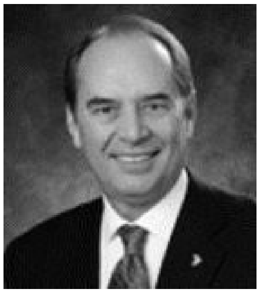
Mr. Fox has served as President and Chief Executive Officer of Cincinnati Bell Inc. since June 1, 2017. Mr. Fox joined Cincinnati Bell in 2001 and held several positions, including President and Chief Operating Officer from September 2016 to June 2017; Chief Financial Officer from October 2013 to September 2016; Chief Administrative Officer from July 2013 to October 2013; Senior Vice President of Finance and Operations from December 2012 to July 2013; and Vice President of Finance at Cincinnati Bell Technology Solutions Inc. from October 2008 to December 2012. Director since 2018. Age 47.

Mr. Fox is on the boards of the USA Regional Chamber, American Red Cross, Anthony Munoz Foundation, University of Cincinnati Foundation, and ArtsWave. Mr. Fox brings to the Board valuable public-company financial experience, a keen understanding of the communications and information technology industries, and vast knowledge of the Company's business.

Jakki L. Haussler

Ms. Haussler has served as Chairman of Opus Capital Group (a registered investment advisory firm) since 1996 and she also served as Chief Executive Officer from 1996 to June 2019. She is a director of Morgan Stanley Funds. She is a former director of Capvest Venture Fund, LP, Adena Ventures, LP (a venture capital fund), Blue Chip Venture Company (a venture capital fund) and The Victory Funds. Director since 2008. Age 62.

With more than 30 years of experience in the financial services industry, including her years of entrepreneurial and managerial experience in the development and growth of Opus Capital Group, Ms. Haussler brings a valuable perspective to the Company's Board. Through her role at Opus Capital and her service as a director of several venture capital funds and other boards, Ms. Haussler has gained valuable experience dealing with accounting principles and evaluating financial results of large corporations. She is a certified public accountant (inactive), an attorney in the State of Ohio (inactive), and an audit committee financial expert under SEC regulations. This experience, coupled with her educational background, makes her a valuable asset to the Board as Chair of the Audit and Finance Committee and as a member of the Executive Committee and Governance and Nominating Committee.



Craig F. Maier

Mr. Maier is retired. He was President and Chief Executive Officer of Frisch’s Restaurants, Inc. ("Frisch's"), an operator of family style restaurants and a former publicly-traded company, a position he held from 1989 to 2015. He was also a director of Frisch’s from 1984 to 2015. Director since 2008. Age 70.

With over 20 years of experience as the chief executive officer of a large, publicly-traded company, Mr. Maier brings to the Board demonstrated management and leadership ability. In addition, Mr. Maier has valuable experience dealing with accounting principles, financial reporting regulations and evaluating financial results of large companies. This experience makes him a valuable asset to the Board as Chairman of the Compensation Committee and as a member of the Audit and Finance Committee and Executive Committee.

Russel P. Mayer

Mr. Mayer is retired and is now working part time with a large consulting company in information technology and digital, and business transformation. He also was the chair of the Emerging Manufacturing IT and Digital Technologies Advisory Board for the CEO of a large software and services company for 5 years after retirement. Prior to joining the Board, Mr. Mayer held several executive-level information technology and business process re-engineering positions at General Electric Company ("GE"). Most recently, he was Executive Vice President, CIO, and Quality Leader at GE Healthcare from 2009 to 2012. Prior to that, he was Executive Vice President and CIO at GE Healthcare from 2005 to 2008; Vice President and CIO at GE Aircraft Engines and later to include GE Transportation from 2000 to 2005; and CIO and Chief Quality Officer at NBC from 1998 to 2000. He held various other information technology and business process improvement positions at GE from 1986 to 1998. Prior to that, he held multiple leadership positions at Chiquita Brands International, Republic Steel Corporation and Enduro Stainless Corporation. Director since 2013. Age 66.

With over 40 years of information technology and business process transformation experience at large, global organizations, Mr. Mayer brings relevant industry experience from the customer’s perspective. This experience makes him a valuable asset to the Board as a member of the Audit and Finance Committee and the Governance and Nominating Committee. He also serves as a valuable resource to the Company’s management team.

Theodore H. Torbeck

Mr. Torbeck retired as Chief Executive Officer of Cincinnati Bell Inc. effective May 31, 2017. Prior to his retirement, he also served as President from January 31, 2013 until September 1, 2016. He joined Cincinnati Bell in 2010 as President and General Manager of Cincinnati Bell Communications Group. Prior to joining Cincinnati Bell, Mr. Torbeck was Chief Executive Officer of the Freedom Group, Inc. and also worked for 28 years for the General Electric Company (“GE”), where he served as the Vice President of Operations for GE Industrial Business, President and CEO of GE’s Rail Services business and Vice President of Global Supply Chain for GE Aviation. He is a director of Americraft Manufacturing, Inc. He serves on the boards of CTI Clinical Trial & Consulting and Triumph Signs & Consulting, Inc., as well as several non-profit boards. Director since January 2013. Age 63.

Mr. Torbeck brings to the Board critical knowledge and understanding of the products and services offered by the Company and a strong understanding of the telecommunications industry. Mr. Torbeck’s prior business and management experience also provides the Board with a valuable perspective on managing a successful business. He also serves as a member of the Executive Committee.

Lynn A. Wentworth

Ms. Wentworth is the former Senior Vice President, Chief Financial Officer and Treasurer of BlueLinx Holdings Inc. ("BlueLinx"), a building products distributor, from 2007 to 2008. Prior to joining BlueLinx, she was Vice President and Chief Financial Officer for BellSouth Corporation's Communications Group ("BellSouth") and held various other positions at BellSouth from 1985 to 2007. She is a certified public accountant licensed in the State of Georgia. She is a director, chair of the Audit Committee and member of the Nominating & Governance Committee of Graphic Packaging Holding Company. She is also a director, chair of the Audit and Finance Committee and a member of the Compensation Committee of CyrusOne Inc. Director since 2008. Age 61.

Ms. Wentworth's experience as Chief Financial Officer and Treasurer of BlueLinx as well as her 22 years of telecommunications industry experience at BellSouth makes her a valuable asset as Chairman of the Board and as a member of the Audit and Finance Committee, the Compensation Committee, the Governance and Nominating Committee and the Executive Committee. Ms. Wentworth qualifies as an audit committee financial expert under applicable SEC regulations. Ms. Wentworth's prior experience has provided her with a wealth of knowledge in dealing with complex financial and accounting matters affecting large corporations in the telecommunications industry.

Martin J. Yudkovitz

Mr. Yudkovitz is retired. He was head of The Walt Disney Company's ("Disney") Strategic Innovation Group (2010 through 2015). He also served as the Senior Vice President for Corporate Strategy and Business Development at Disney (2005-2010) and as President of TiVo Inc. (2003-2005). Previously, Mr. Yudkovitz was President of two divisions at NBC and a key member of the teams that developed and launched the CNBC and MSNBC networks. Mr. Yudkovitz currently serves as Chairman of the FCC Advisory SubCommittee on Rural Deployment of Broadband. Director since 2015. Age 65.

With over 30 years of experience in both traditional and digital media, Mr. Yudkovitz brings to the Board relevant industry experience, which makes him a valuable asset to the Board as a member of the Compensation Committee. In addition, Mr. Yudkovitz's previous experience leading large strategic business innovation initiatives at both NBC and Disney makes him a valuable advisor to the Company's management team on key areas of growth.

Audit and Finance Committee

The Audit and Finance Committee currently consists of five persons, none of whom is an executive officer of the Company and all of which are independent directors. The Audit and Finance Committee held five meetings during 2019. Members of the Audit and Finance Committee are Mr. Eck, Ms. Haussler, Mr. Maier, Mr. Mayer and Ms. Wentworth. The purpose of the Audit and Finance Committee is, among other things, to assist the Board in its oversight of (i) the integrity of the financial statements of the Company, (ii) the Company's compliance with legal and regulatory requirements, (iii) the independence and qualifications of the independent registered public accounting firm ("Independent Registered Public Accounting Firm"), (iv) the Company's risk assessment and risk management policies, and (v) the performance of the Company's internal audit function and Independent Registered Public Accounting Firm. To this end, the Audit and Finance Committee meets in executive session with its own members and may also meet separately with the Independent Registered Public Accounting Firm, the Company's internal auditors, General Counsel or members of management. The Audit and Finance Committee Charter provides a more detailed description of the responsibilities and duties of the Audit and Finance Committee.

While the Board has ultimate responsibility for risk oversight, it delegates many of these functions to the Audit and Finance Committee. The Audit and Finance Committee receives regular updates on the Company's existing and emerging risks from the Company's Internal Audit department. The updates are based upon interviews with senior management of the Company as well as other key employees. The updates include risk rankings and a general description of risk mitigation activities pertaining to each item. In addition, the Audit and Finance Committee receives regular updates from the Company's Chief Security Officer on cyber security risks and the actions being taken by his department to monitor and mitigate those risks. The Audit and Finance Committee also oversees the Company's Security Breach Response and Notification Plan, which sets forth the Company's plan for notifying affected persons and other stakeholders in the event a security breach involving personally identifiable information or protected health information triggers notification requirements under applicable law. The Audit and Finance Committee provides periodic updates to the full Board on risk oversight and cyber security matters.

In performing its duties, the Audit and Finance Committee meets as often as necessary and at least once each calendar quarter with members of management, the Company's internal audit staff and the Independent Registered Public Accounting Firm. An agenda for each such meeting is provided in advance to the members of the Audit and Finance Committee.

The Board determined that each member of the Audit and Finance Committee satisfies the independence requirements of the rules and regulations of the Securities and Exchange Commission (the "SEC") and the independence and other requirements of the rules and listing standards of the New York Stock Exchange ("NYSE"). No member of the Audit and Finance Committee serves on the audit committees of more than three public companies. In addition, the Board determined that Ms. Haussler, Ms. Wentworth and Mr. Eck are audit committee financial experts as defined in the regulations of the SEC and that each member of the Audit and Finance Committee is financially literate as defined by the rules and listing standards of the NYSE.

Executive Officers of the Registrant

The information required by this item can be found in Cincinnati Bell Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

Code of Ethics

The information required by this item can be found in Cincinnati Bell Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

Item 11. Executive Compensation

Compensation Discussion and Analysis

Named Executive Officers

The Company's 2019 named executive officers ("NEOs") were:

Leigh R. Fox	President and Chief Executive Officer
Andrew R. Kaiser	Chief Financial Officer
Thomas E. Simpson	Chief Operating Officer
Christi H. Cornette	Chief Culture Officer
Christopher J. Wilson	Vice President and General Counsel

This Compensation Discussion and Analysis (the "CD&A") discusses the elements of our executive compensation program and the reasons why the Compensation Committee selected those particular elements, the performance metrics and goals under certain of those elements, the compensation that the executives might earn, and how each element encourages the Company's achievement of its business objectives and strategy.

The Company utilizes certain non-GAAP financial measures, Adjusted EBITDA ("EBITDA") and Adjusted Unlevered Operating Cash Flow ("Adjusted OCF"), in order to compensate NEOs. The Company defines Adjusted EBITDA as GAAP operating income plus depreciation, amortization, stock-based compensation, restructuring and severance related charges, (gain) loss on sale or disposal of assets, transaction and integration costs, asset impairments, and other special items. The Company defines Adjusted OCF as cash flows from operating activities (as defined by GAAP) adjusted to exclude (1) cash paid for interest on (a) all long-term debt, (b) capital lease obligations, and (c) other financing arrangements for the period (computed on the basis of the Company's interest expense for purposes of the Company's applicable income statements as determined in accordance with GAAP, less non-cash items); and (2) cash paid for transaction and integration costs.

The reconciliation of Non-GAAP Adjusted EBITDA and Adjusted OCF to the most directly comparable GAAP measure is presented in the following tables. Certain other adjustments may be made for items not contemplated as part of the target goals, such as the results associated with the acquisition of Hawaiian Telcom. All adjustments are approved by the Board.

(dollars in millions)		Year ended December 31, 2019
Net loss (GAAP)	$	(66.6)
Add:		
Income tax benefit		(10.6)
Interest expense		139.6
Other income, net		(0.5)
Other components of pension and postretirement benefit plans expense		11.2
Operating Income (GAAP)	$	73.1
Add:		
Depreciation and Amortization		304.9
Restructuring and severance related charges		6.9
Transaction and integrations costs		12.8
Stock-based compensation		7.4
Adjusted EBITDA	$	405.1

(dollars in millions)		Year ended December 31, 2019
Operating cash flow (GAAP)	$	259.1
Add:		
Cash paid for interest		129.3
Transaction and integrations payments		7.0
Adjusted Unlevered Operating Cash Flow	$	395.4

Executive Summary

Our goal is to link the executive compensation program to the Company's strategic plan and the long-term interests of its shareholders. The Company's long-term strategy is to become a leading technology company with state-of-the-art fiber assets providing end-to-end communications services (high speed data, video and voice solutions) and IT infrastructure and solutions. The Company's strategic goals are to:

- expand our fiber network; and
- grow our IT services and hardware segment.

Consequently, the Company's executive compensation program ties a significant portion of an executive's realized annual compensation to the Company's achievement of financial and strategic goals. For 2019, the key financial measures utilized to assess annual performance are revenue and Adjusted EBITDA. The key financial measures utilized to assess long-term performance include a combination of strategic revenue, EBITDA, return on invested capital ("ROIC"), operating cash flow and total shareholder return ("TSR"), depending on the year the long-term incentive award was granted. In addition, for certain long-term incentive awards, the Company will adjust the final long-term performance payout using a TSR factor based on the Company's TSR performance as compared to the Russell 2000 index. See *Elements of Compensation* below for a detailed discussion of the payments made under the annual and long-term incentive plans for 2019 performance.

For 2019, the Company achieved the following financial and operational results:

- Revenue totaled $1,537 million, an increase of $159 million compared to the prior year
- Adjusted EBITDA totaled $405 million, an increase of $33 million compared to the prior year
- Operating income totaled $73 million, down $10 million compared to the prior year
- Hawaiian Telcom contributed revenue of $347 million, an increase of $172 million compared to the prior year
- Hawaiian Telcom contributed Adjusted EBITDA of $99 million, an increase of $52 million compared to the prior year
- Cincinnati Fioptics revenue totaled $353 million, up $12 million from a year ago
- IT Services and Hardware Adjusted EBITDA totaled $54 million, down $9 million from the prior year
- Cash provided by operating activities totaled $259 million, up $44 million as compared to the prior year
- Free cash flow totaled $46 million, up $5 million year-over-year
- Fiber-to-the-premise ("FTTP") internet subscribers increased by approximately 17,700 in Cincinnati and 3,800 in Hawaii compared to the prior year
- Continued construction of its fiber network and passed an additional 12,500 addresses with FTTP in Cincinnati, which is now available to approximately 60% of Cincinnati's addressable market and 6,500 addresses with FTTP in Hawaii, which is now available to approximately 35% of Hawaii's total addressable market

As a result of the above achievements, the NEOs earned their annual incentives above target and their long-term performance incentives below target.

We believe that our 2019 results confirm that the Company's executive compensation program effectively focuses our executive talent on achieving our key financial goals over multiple years and aligns executive long-term incentive rewards with the interests of shareholders. The mix of base pay (the "fixed cost" of the program) and both annual and long-term incentive plans promote achievement of current-year goals and longer-term business strategies while driving appropriate business behavior without inducing executives to take undue business risks.

The following chart summarizes the key elements of our compensation program, which are discussed in more detail later in the CD&A.

Component	Purpose	Key Characteristics	2019 Key Actions
Base Salary	• Allows Company to attract and retain executives • Recognizes individual performance through merit increases • Recognizes individual work experience and level of responsibility	• Fixed annual cash compensation • Increases primarily driven by individual performance and by market positioning • Used to calculate other components of compensation	• While the Company reviews salary market data for all non-union employees on an annual basis, it follows a practice of only providing merit increases on an 18-24 month basis. • In keeping with this practice, all NEOS received a 3% merit increase in their base salaries in 2019.
Annual Incentives	• Motivate achievement of Company annual financial goals and strategic objectives • Motivate achievement of individual annual performance goals	• Performance-based annual cash incentive compensation • Annual incentive target set as a percentage of base salary	• The revenue and Adjusted EBITDA performance metrics, which affect 80% of incentive payout, were attained at 100.5% and 100%, respectively, of target. Together with the individual performance portion, NEO total annual incentive payouts were 121% of target. • Annual incentives for NEOs are set as a percentage of base salary. Since the NEOs received base salary increases of 3% in 2019, their annual incentive targets for 2019 also increased by 3%.

Performance-Based and Time-Based Restricted Stock Unit Awards	• Motivate achievement of Company long-term financial goals and strategic objectives • Facilitate executive equity ownership thereby further aligning executive and shareholder interests • Retain key executives	• Performance-based stock unit awards provide performance-based long-term equity incentive compensation (with vesting based on both continued service and achievement of performance goals) • Performance-based stock unit awards are granted annually with three-year performance cycles • Restricted stock units are time-based and vest on the 3rd anniversary of the grant date	• With the exception of Ms. Cornette and Mr. Wilson, the remaining NEOs received increases in their 2019 long-term incentive targets in line with changes to market data for their respective positions. • 2019 grants consist of time-based restricted stock units (50%) and performance-based stock units (50%). • 2019 results will be calculated for each performance period (2019, 2019-2020 and 2019-2021), with a single payment at the end of the 3-year performance period.

The Company also provides certain retirement benefits and post-termination compensation to the NEOs, as described in more detail later in this CD&A.

Compensation Practices

The Company reviews and modifies its executive compensation program and practices regularly to address changes in the Company's short- and long-term business objectives and strategies, new regulatory standards and to implement evolving best practices. Listed below are compensation practices that the Company has adopted in support of its compensation philosophy:

- Performance-Based Compensation. The Company believes that a significant percentage of each NEO's total compensation should be performance-based or “at-risk.” Base salary was only 18% of the Chief Executive Officer's 2019 target compensation and 34% of the other NEOs' 2019 target compensation.
- Stock Ownership Guidelines. The Company believes that equity ownership creates alignment between executive and shareholder interests. In support of this objective, we maintain stock ownership guidelines under which our NEOs are expected to accumulate specified ownership stakes over time. See *Other Compensation Policies* for a more detailed discussion.
- Compensation Risk Assessment. The Company conducts annual compensation risk assessments to ensure that our policies and programs do not unintentionally encourage inappropriate behaviors or lead to excessive risk taking. We have concluded that our compensation plans, policies and practices do not encourage excessive or unnecessary risk-taking and are not reasonably likely to have a material adverse effect on the Company.
- Repricing Prohibition. We maintain prohibitions against the repricing of underwater stock options in the absence of shareholder approval. The definition of a repricing includes cash buyouts of underwater stock options and stock appreciation rights. This change applies to all grants, including existing grants.
- Double-Trigger Equity Vesting. The Cincinnati Bell Inc. 2007 Long Term Incentive Plan and the Cincinnati Bell Inc. 2017 Long-Term Incentive Plan provide that, in the event of a change in control ("CIC"), an employee must be involuntarily terminated without cause by the Company during the 24-month period following a CIC for previously granted equity awards that are continued, assumed or substituted to vest.

- Executive Compensation Benchmarking. The Company (i) uses the general industry peer group as the primary source of market data for competitive assessments of executive pay, (ii) uses a peer group consisting of 19 telecommunications and IT services companies (the "Telecommunications Peer Group"), filed as Exhibit 99.1 to this Annual Report on Form 10-K/A, as a secondary reference for assessing market pay and industry compensation practices, and (iii) each year reviews and modifies, if necessary, the Telecommunications Peer Group to make certain that it is an appropriate peer group for comparisons to Cincinnati Bell. We target each pay component and total pay at the 50th percentile.
- Hedging and Pledging Policy. The Company's Insider Trading Policy expressly prohibits ownership of derivative financial instruments or participation in investment strategies that hedge the economic risk of owning the Company's common stock and prohibits officers and directors from pledging Company securities as collateral for loans.
- Clawback Policy. The Company has a clawback policy that allows it to recover incentive payments to or realized by executive officers in the event that the incentive compensation was based on the achievement of financial results that are subsequently restated to correct any accounting error due to material noncompliance with any financial reporting requirement under the federal securities laws, and such restatement results in a lower payment or award.
- Independent Compensation Committee. Each member of the Compensation Committee is independent as defined in the corporate governance listing standards of the NYSE, and the Company's director independence standards mirror those of the NYSE.
- Independent Compensation Consultant. The Compensation Committee utilizes the services of an outside independent compensation consultant to assist in its duties. The Compensation Committee's consultant performs no other services for the Company or its management.
- Elimination of Gross-Ups. The Compensation Committee has a policy in place that any new or materially amended employment agreement with any NEO will not contain any excise tax gross-up provisions with respect to payments contingent on a CIC. In addition, no current employment agreements contain any excise tax gross-up provisions.

2019 Say-on-Pay Vote and Shareholder Outreach

The Compensation Committee believes aligning executives' compensation with shareholder return is a key to a balanced approach. In 2019, the long-term incentive compensation plan awards for executives consisted of a mix of time-based restricted stock units and performance-based stock units. Having both components linked to Company stock provides greater alignment with shareholders, with the time-based restricted stock units creating an element of retention for key executive talent.

In 2019, approximately 98% of the shares voted with respect to the Company's say-on-pay proposal voted "for" approval of the Company's executive compensation. The Chief Executive Officer, the Chief Financial Officer and other members of senior management held five meetings in 2019 with key investors to reinforce the Company's strategic direction and the Board's refreshment process. In addition, the Chief Executive Officer, the Chief Financial Officer and other senior managers hosted teleconferences with several of the Company's largest shareholders following each quarterly earnings call to discuss the Company's strategy and financial results.

The Company's outreach program also provides an opportunity for any of its shareholders to request a meeting with one or more of the Chairman of the Board, the Chairman of the Compensation Committee, the Compensation Committee's independent compensation consultant, and certain members of senior management to obtain feedback on the Company's strategic direction as well as its executive compensation program.

Compensation Program Objectives

The executive compensation program's primary objectives are:

- To attract and retain high-quality executives by offering competitive compensation packages;
- To motivate and reward executives for the attainment of financial and strategic goals, both short-term and long-term, thereby increasing the Company's value while at the same time discouraging unnecessary or excessive risk-taking; and
- To align the interests of the executives and the shareholders by attributing a significant portion of total executive compensation to the achievement of specific short-term and long-term performance goals set by the Compensation Committee.

Elements of Compensation

Base Salary

Base salaries are provided to the Company's NEOs for performing their day-to-day responsibilities. The base salaries of our NEOs are based on a review of the competitive market median for comparable executive positions, assessment by the Chief Executive Officer (or in the case of the Chief Executive Officer's base salary, by the Compensation Committee and entire Board) of the executive's performance as compared to his or her individual job responsibilities, the salary level required to attract and retain the executive and such other factors as the Chief Executive Officer or the Compensation Committee deems relevant for such executive. Generally, no one factor is given more weight than another, nor does the Company and the Compensation Committee use a formulaic approach in setting executive pay. Additionally, while the Company looks at 50th percentile total compensation, it also considers the executive’s individual performance as well in determining salary adjustments.

While the Company reviews salary market data for all non-union employees on an annual basis, it follows a practice of providing merit increases on an 18-24 month basis. In keeping with this practice, the NEOs received 3% increases to their base salaries in 2019.

Annual Incentives

Annual incentives are intended to motivate and reward senior executives for achieving the short-term business objectives of the Company. Annual incentives are payable for the achievement of annual financial performance goals established by the Compensation Committee and for individual performance. For the NEOs, financial performance goals represent 80% of the annual incentive determination and the individual performance evaluation represents 20%. Payouts, if any, can range from 0% to 150% of the total target annual incentive, depending on the level of achievement of financial goals between threshold and superior levels of performance and evaluations of individual performance and contributions for the year. The Board and Compensation Committee approve financial goals annually which reflect their belief that achievement of these goals drives the Company's strategic success.

The Company used the following goals having the indicated weights in 2019:

- 60% on Adjusted EBITDA;
- 20% on revenue; and
- 20% on individual performance.

The Company has selected Adjusted EBITDA and revenue as its performance measures. Investors have identified these metrics as key indicators of current financial performance and the Company's ability to execute on its strategy of creating a technology company with state-of-the-art fiber assets servicing customers with data, video, voice and IT solutions to meet their evolving needs. Adjusted EBITDA is given a significantly higher weighting than revenue and individual performance because it is a key measure of profitability of the Company that eliminates the effects of accounting and financing decisions. In addition, investors view it as an effective barometer of how well a company can service its debt.

The Board and Compensation Committee review and approve the annual incentive attainment percentages for both Adjusted EBITDA and revenue. In conjunction with such review, they may adjust the actual result or goal amount to reflect a change in business strategy, reallocation of Company resources or an unanticipated event.

The Adjusted EBITDA and revenue goals are assessed independently of each other and are scaled above and below their respective targets. The scale for 2019 targets is set forth below:

	Adjusted EBITDA Goal		Revenue Goal	
Percentage of Criterion Achieved	**Percentage of Target Incentive Goal**	**Percentage of Total Annual Incentive Paid**	**Percentage of Target Incentive Goal**	**Percentage of Total Annual Incentive Paid**
Below 95%	0%	0%	0%	0%
95%	50%	30%	50%	10%
100%	100%	60%	100%	20%
110%	125%	75%	125%	25%
120% or greater	150%	90%	150%	30%

The 2019 target annual incentives for each of the NEOs at year-end are set forth below:

Named Executive Officer	Target Annual Incentive as a Percentage of Base Salary
Leigh R. Fox	100%
Andrew R. Kaiser	100%
Thomas E. Simpson	100%
Christi H. Cornette	100%
Christopher J. Wilson	100%

In 2019, for annual incentive purposes, the chart below sets out the Adjusted EBITDA and revenue target goals and actual results, adjusted for items not contemplated as part of the target goals. These results produced a weighted-average payout for the financial portion of approximately 81% of target:

Financial Objective	2019 Threshold Performance Level	2019 Adjusted Target	2019 Superior Performance Level	2019 Actual Results
Adjusted EBITDA	95%	$ 405M	120%	$ 407M
Revenue	95%	$ 1.537B	120%	$ 1.537B

The Chief Executive Officer provides the Compensation Committee with his assessment of each other executive officer's individual performance. The Chief Executive Officer reviews, for each executive officer, the performance of the executive's department, the quality of the executive's advice and counsel on matters within the executive's purview, qualitative peer feedback and the effectiveness of the executive's communication with the organization and with the Chief Executive Officer on matters of topical concern. These factors are evaluated subjectively and are not assigned specific individual weights. The Chief Executive Officer then recommends an award for the individual performance-based portion for each of the other NEO's annual incentive, which can range from 0% to 200% of the target award for such portion.

The Compensation Committee meets in executive session to consider the Chief Executive Officer's individual performance. The Compensation Committee evaluates the information obtained from the other directors concerning the Chief Executive Officer's individual performance, based on a discussion led by the Chairman of the Board. Factors considered include: operational and financial performance, succession planning, development of the Company leadership team, development of business opportunities and community involvement/relationships. The Compensation Committee has discretion in evaluating the Chief Executive Officer's performance and may recommend to the full Board a discretionary increase or decrease to the Chief Executive Officer's final annual incentive award as the Compensation Committee believes is warranted.

The table below shows the percentage of target annual incentive earned by each NEO for 2019 for each performance measure and in total as well as the actual award payment:

Named Executive Officer	Total Company Adjusted EBITDA	Total Company Revenue	Individual Performance	Total Annual Incentive Award	Total Annual Incentive Award Payment
Leigh R. Fox	100.5%	100%	200%	121%	$ 809,025
Andrew R. Kaiser	100.5%	100%	200%	121%	$ 497,490
Thomas E. Simpson	100.5%	100%	200%	121%	$ 559,676
Christi H. Cornette	100.5%	100%	200%	121%	$ 472,616
Christopher J. Wilson	100.5%	100%	200%	121%	$ 457,691

Long-Term Incentives

The long-term incentives granted to NEOs in 2019 consist of performance stock units and restricted stock units. Long-term incentives are intended to encourage the Company's executives to focus on and achieve the long-term (three-year) business goals of the Company and to aid their development and retention through share ownership and recognition of future performance. An executive's realization of his or her long-term incentive means that the Company has also performed in accordance with its plan over a long-term period. The total annual long-term incentive opportunity for each NEO is established by the Compensation Committee or, in the case of the CEO, by the Compensation Committee and the Board, in terms of dollars. In administering the long-term incentive program, the Compensation Committee considers competitive market data (as discussed in *Compensation Determination Process*) and the recommendations of the Chief Executive Officer regarding each executive's performance and specific individual accomplishments. For each type of award, the number of performance-based stock units and/or restricted stock units to grant is determined by dividing the approved aggregate award amount by the closing price of a share of common stock on the day the Board approves the financial results. The Compensation Committee's policy is not to grant more than 2,000,000 shares per year in connection with long-term incentive awards under the 2017 Long Term Incentive Plan.

Stock Options/SARs

No stock options or stock appreciation rights ("SARs") were granted to any NEO in 2019.

Performance-Based and Time-Based Restricted Stock Unit Awards

Performance-based and time-based awards for 2019 were granted in the form of performance stock units and restricted stock units.

Restricted stock units will be paid in common shares at the end of a three-year vesting period.

As was the practice in 2017 and 2018, the performance-based stock units granted in 2019 are structured to be paid in common shares, equal to the fair market value of common shares at the end of a three-year performance period and are based on the achievement of specific Company quantitative goals over such three-year performance period. Such awards were granted during the first quarter of each calendar year following finalization and approval by the Board of the financial goals for the next three-year performance period. For the 2017 awards, performance goal attainment will be based on the achievement of the specific Company quantitative goals for each of the performance periods (2017, 2017-2018 and 2017-2019) as approved by the Board, with a single payout at the end of the three-year performance period. For the 2018 awards, performance goal attainment will be based on the achievement of the specific Company quantitative goals on a cumulative basis for each of the performance periods (2018, 2018-2019 and 2018-2020) as approved by the Board, with a single payout at the end of the three-year performance period. For the 2019 awards, performance goal attainment will be based on the achievement of the specific Company quantitative goals for each of the performance periods (2019, 2019-2020 and 2019-2021) as approved by the Board, with a single payout at the end of the three-year performance period.

For each of the 2017 performance periods (2017, 2017-2018 and 2017-2019), within the three-year performance cycle ending December 31, 2019, Adjusted EBITDA, strategic revenue and ROIC are equally weighted. For Adjusted EBITDA and strategic revenue, achievement must be at least 95% of the target goal in order to generate a threshold level payout equal to 50% of the target award for each executive. For ROIC, achievement must be at least 75% for the 2017 performance periods in order to generate a threshold level payout equal to 75% of the target award for each executive. The final payout calculation for the 2017-2019 performance period is subject to a +/- 15% adjustment based on the Company's total shareholder return ("TSR") over the three-year performance period compared to the Russell 2000 Index. Achievement less than the 35th percentile of the Russell 2000 Index will result in a 15% reduction while achievement greater than the 65th percentile will result in a 15% increase. For TSR results greater than the 35th percentile and less than the 65th percentile of the Russell 2000 index, the +/- 15% adjustment will be determined based on interpolation.

For each of the 2018 performance periods (2018, 2018-2019 and 2018-2020) within the three-year performance cycle ending December 31, 2020, and each of the 2019 performance periods (2019, 2019-2020 and 2019-2021) within the three-year performance cycle ending December 31, 2021, 70% of the award payout is based on Adjusted Unlevered Operating Cash Flow ("Adjusted OCF"), with the remaining 30% based on the Company's TSR for each of the 2018 performance periods and 2019 performance periods compared to the Telecommunications Peer Group approved by the Compensation Committee as in effect on the last day of the respective performance period. For Adjusted OCF, achievement must be at least 95% of the target goal in order to generate a threshold level payment equal to 50% of this component of the target award for each executive. With respect to the TSR component of the award, the Company's TSR for the respective performance period must be at least in the 20th percentile when compared to the Telecommunications Peer Group in order to generate a threshold level payout equal to 25% of this component of the target award for each NEO (achievement above the 30th percentile is based on a sliding scale, with achievement of the 50th percentile generating a payout at 100% and achievement of the 90th percentile or greater generating payout at 150% of this component of the target award for each NEO).

The threshold, target and superior performance levels are the same for each of the NEOs. For the 2017-2019 long-term incentive awards, each of the NEOs received 70.9% of their target awards based on the results of the three-year performance cycle ending December 31, 2019 as shown in the table below, adjusted for the TSR results.

2017-2019 Performance Cycle	Threshold Performance Level	Target	Superior Performance Level	Actual Results (a) 2017	2017-2018	2017-2019
Adjusted EBITDA	95.0%	100.0%	120.0%	99.3%	99.3%	98.7%
Strategic Revenue	95.0%	100.0%	120.0%	99.2%	97.2%	95.0%
ROIC	77.0%	100.0%	110.0%	108.0%	108.9%	106.7%

(a) The maximum payout for the full 3-year performance cycle is 150%.

Business Value Program

On May 1, 2018, the Board approved a new management incentive program (the "Business Value Award Program") intended to reward key management of the Company for growing, and creating significant enterprise value through such growth, in the IT Services and Hardware business of the Company ("IT Segment"). The Business Value Award Program has been implemented through an award of Business Value Award "points". A "point" is a measure used to determine the amount of cash, if any, that could be distributed to a participating employee who receives such an award upon the occurrence of certain events. A form of Business Value Award Agreement (the "BVAP Agreement") for the award of such points was approved by the Committee on May 1, 2018. A maximum of 1,000 total points may be awarded to all employees participating in this Business Value Award Program.

The BVAP Agreement provides for a specified cash payment to the participating employee in the event that (i) the employee is continuously employed for a two-year period after the date of grant, (ii) a qualifying transaction (as described below) involving the IT Segment is consummated before May 1, 2023, and (iii) the qualifying transaction generates a Net Value Created by the IT Segment (as described below). The value of an award granted to a participating employee is equal to the number of points awarded to such employee multiplied by 0.001 multiplied by the Award Pool Amount (as described below). For purposes of determining the amount of an award payable: (i) a "qualifying transaction" means a transaction that would result in the Company selling or transferring (including through an initial public offering) and ceasing to own at least 51% of the fair market value of the assets or equity of the IT Segment; (ii) the "Net Value Created by the IT Segment" means the total consideration received by the Company in a qualifying transaction less the cost of acquisitions and investments made by the Company to inorganically grow the IT Segment (including the OnX Holdings acquisition); and (iii) the "Award Pool Amount" means an amount equal to 10% of the Net Value Created by the IT Segment. If a qualifying transaction does not occur before May 1, 2023, unless such date is extended because a qualifying transaction is in progress but has not yet closed, the Agreement terminates with no payment to the participating employee. Moreover, if the participating employee's employment is terminated for any reason (other than a termination for the Employee's retirement, death or disability), prior to the consummation of a qualifying transaction, then the employee will not receive any payment under the BVAP Agreement. In addition, if the qualifying transaction is a result of a "change in control" as defined in the Cincinnati Bell Inc. 2017 Long-Term Incentive Plan (the "2017 LTIP"), the amount of any award payable pursuant to a BVAP Agreement may be reduced by any "change in control" payment received by such participating employee under the 2017 LTIP. The CEO was awarded 100 points and each of the other NEOs were awarded 50 points.

Benefits

NEOs hired prior to January 1, 2009 participate in the Cincinnati Bell Management Pension Plan (the "Management Pension Plan") on the same basis as all other eligible salaried and certain non-union hourly employees. The Management Pension Plan is a qualified defined benefit plan with a nonqualified provision that applies to the extent that eligible earnings or benefits exceed the applicable Internal Revenue Code limits for qualified plans. The Company makes all required contributions to this plan. However, as described in *Discussion of Summary Compensation Table and Grants of Plan-Based Awards Table*, the Management Pension Plan is now frozen and no further credits, other than interest, are made to the plan. The executives, along with all other salaried employees, also participate in a 401(k) savings plan, which includes a Company matching contribution feature that vests 100% of such matching contributions in the employee's account as they are made to the plan.

The value of the Company's retirement program is not considered in any of the compensation decisions made with respect to other elements of NEO compensation, because the Company believes that the alignment of the interests of executives and shareholders is most effectively accomplished through its short- and long-term incentive compensation programs.

Compensation Determination Process

Role of the Compensation Committee and Management in Recommending Compensation

As described in greater detail below, individual base salaries, annual cash incentive awards and long-term incentive grant amounts are determined within the framework of the executive's position and responsibility, individual performance and future leadership potential, as determined by the Chief Executive Officer in consultation with the Compensation Committee, or by the Compensation Committee and the Board in the case of the Chief Executive Officer, as well as with regard to the external marketplace.

The Chief Executive Officer presents compensation recommendations for the senior executives, including the other NEOs, to the Compensation Committee for its review and approval. The Compensation Committee evaluates the performance of the Chief Executive Officer, determines his compensation, and discusses its recommendation with the Board in executive session before the Board grants its approval.

Determination of the Target Compensation Levels

In determining pay levels, the Company established a philosophy to target each component - base salary, target annual incentive and target long-term incentive - at the market 50th percentile appropriate to the revenue size of the Company. In implementing this philosophy, the Compensation Committee considers and evaluates the following information:

- An annual study of market compensation practices conducted by Willis Towers Watson, the Company’s compensation consultant, at the Company’s request, whereby it obtains, compiles and supplies to the Company and the Compensation Committee competitive compensation information as described below:
- Pay practices for executive officers from Willis Towers Watson’s compensation survey, reflecting general industry companies across a broad range of revenue sizes (the "General Industry Survey"). Since executive compensation correlates to a company's annual revenue (i.e., the higher a company's revenue, generally the higher the executive's market compensation), the Company, in consultation with Willis Towers Watson, uses a statistical technique called "regression analysis[1]" to adjust the survey data to the Company’s revenue size. The Compensation Committee approved the use of the General Industry Survey information as the primary source for market competitive assessments of NEO pay levels for the following reasons:
    - The ever-changing landscape of the telecommunications industry and the difficulty in assessing year-over-year changes in executive compensation within these companies due to mergers, acquisitions, industry developments and other business changes;
    - The lack of a sufficient number of suitable telecommunications companies within the Willis Towers Watson database to secure adequate pay survey data, resulting in the need to use proxy data for some telecommunications companies; and
    - The absence of pay data in the proxies for certain NEO positions.
- Pay practices for executive officers of the Telecommunications Peer Group. Because of the reasons noted above, the Compensation Committee uses the information about the Telecommunications Peer Group as a secondary source for monitoring compensation trends to provide reasonable assurance that using the General Industry Survey data for comparative analysis does not cause an aberration of the Company's executive compensation at the 50th percentile. The Telecommunications Peer Group used in 2019 is filed as Exhibit 99.1 to this Annual Report on Form 10-K/A.
- The Compensation Committee annually reviews and approves the list of companies in the Telecommunications Peer Group.

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[1] Regression analysis is a statistical tool for determining the relationship between a dependent variable (in this case, target compensation levels) and an independent variable (in this case, revenue). The technique correlates median predicted pay for companies by taking into consideration their revenues (i.e., smaller revenue companies would have pay predicted based on their revenues rather than by a simple median of pay for all companies in the General Industry Survey). For each executive position whose compensation is assessed and set by the Compensation Committee (or the Board in the case of the Chief Executive Officer), Willis Towers Watson produces a predicted level for each pay component at the 50th percentile of companies based on Cincinnati Bell's revenues. The use of regression analysis allows the Compensation Committee to compare each executive's pay, both by pay component and in total, to the market 50th percentile of similar revenue-sized companies

- To provide additional context for the Compensation Committee in making its decisions, the Compensation Committee reviews "tally sheets" prepared for each of the executives. Tally sheets provide the Compensation Committee with detailed information, as of a given date, about each executive's current compensation (including the value of any applicable benefit programs) and wealth accumulation, including the value of accrued and vested pay, such as shares of Company stock, vested stock options and other equity awards owned by the executive, the value of any retirement benefits provided by the Company and any pay and benefits triggered under a variety of employment termination scenarios.
- Input from the Compensation Committee's independent compensation consultant, Mr. Charles J. Mazza.
- Input from Company management (primarily the Chief Executive Officer and the Chief Financial Officer) and the Company's independent compensation consultant, Willis Towers Watson.
- Each NEO's individual performance and current/future potential with the Company.

The Compensation Committee considers, as one of the many factors, each component of executive officer compensation compared to the revenue size-adjusted market 50th percentile for two reasons:

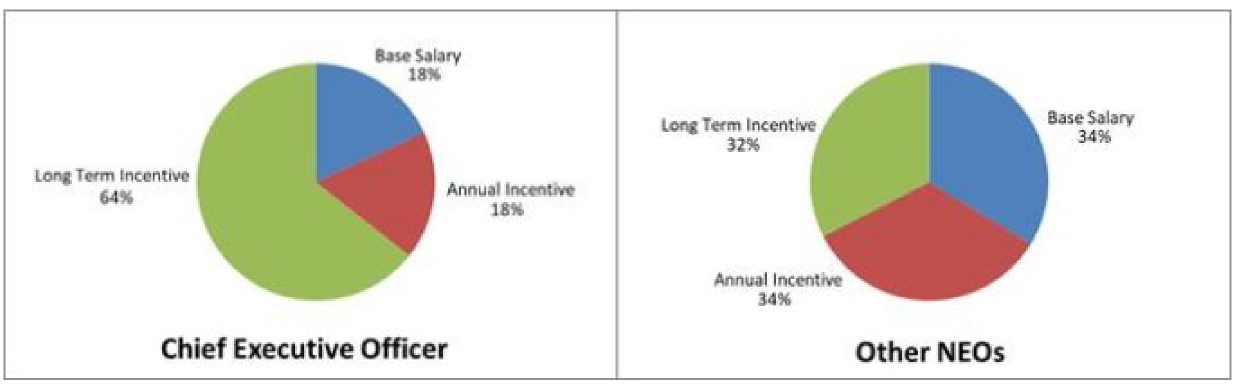
- Benchmarking target compensation at the 50th percentile is consistent with the practice followed by a majority of companies and is considered "best practice," and
- Above-median compensation should be on a delivered actual basis, rather than a target basis, for over achievement of target performance goals consistent with the Company's pay-for-performance philosophy.

In determining the appropriate compensation levels in a particular year, the Company evaluates the following from the general industry survey and the industry peer group data:

- Base salary;
- Total target cash compensation - the sum of base salary plus target annual incentive opportunity; and
- Total target direct compensation - the sum of base salary plus target annual incentive opportunity plus target long-term incentive opportunity.

The Compensation Committee compares each NEO's pay, both by pay component and in total, to the market 50th percentile of similar revenue-sized companies set forth in the peer groups. The Company does not review pay levels at individual companies or the specific structure of other companies' short- or long-term incentive plans. Instead, the Compensation Committee considers the predicted pay levels in both peer groups as an indication of market pay practice relating to each pay component and the relevant mixture among pay components. Thus, the Compensation Committee is able to validate that each NEO's compensation package is market competitive and that an appropriate portion of it is "at risk;" that is, subject to payment only if the Company attains certain quantitative results and the individual achieves certain qualitative results.

For 2019, the charts below reflect that each executive has a significant percentage of compensation "at risk" as it reflects the allocation of total target direct compensation among base salary, annual incentive compensation and long-term incentive compensation.



Based on market practices, combined with the Compensation Committee members' collective experience, the Compensation Committee believes that the foregoing allocation of pay among base salary and short- and long-term incentive compensation provides appropriate motivation to achieve objectives set for the current year while also providing a significant incentive that requires the executives to make decisions that are intended to sustain attainment of business objectives over the longer term.

Role of Compensation Consultants

Both the Compensation Committee and the Company have engaged a consultant to advise on compensation-related matters. Neither the Compensation Committee nor the Company has identified any conflicts of interest with respect to their respective compensation consultant that would impair the advice provided by such compensation consultant.

The Compensation Committee retains Mr. Charles J. Mazza, an independent compensation consultant, who performs no other services for the Company or its management, to assist in its deliberations regarding executive compensation. Pursuant to the Committee's instructions, Mr. Mazza analyzes and comments on various compensation proposals made by the Company and on various topics specified by the Committee and opines and reports on these matters in open sessions of Compensation Committee meetings. In executive sessions of the Compensation Committee meetings, Mr. Mazza addresses subjects of particular interest to the Compensation Committee, such as compensation of the Chief Executive Officer, and presents his analysis of such subjects including the pros and cons of certain compensation elements and his recommendations. Pursuant to the Compensation Committee Chair's request, Mr. Mazza contacts each member of the Compensation Committee annually as part of the Compensation Committee's self-evaluation and reports his conclusions to the Compensation Committee.

The Company retains Willis Towers Watson to assist with various compensation-related projects during the course of the year. Typically, the Company has a discussion with Willis Towers Watson about a project, outlining the project's objectives, and discusses Willis Towers Watson's approach to the project before requesting them to complete the project. The projects range from requests for general compensation data or information to requests for specific guidance and recommendations, such as designing specific incentive plans.

Other Compensation Policies

Stock Ownership Guidelines

The Compensation Committee recognizes that executive stock ownership is an important means of aligning the interests of the Company's executives with those of its shareholders. Stock ownership guidelines for the NEOs are as follows:

- Chief Executive Officer - 5 times base salary (as adjusted each year)
- Other NEOs - 2 times base salary (as adjusted each year)

The Compensation Committee has established a timeline of five years from the date the individual becomes an NEO to reach the guidelines. To the extent possible, future long-term incentive awards will be made in shares based on share availability to assist the executives in meeting the guidelines. Aside from the Company's actual performance from one year to the next, the price of the Company's stock may vary due to the general condition of the economy and the stock market. Therefore, the Compensation Committee may measure an executive's progress more on the basis of the year-over-year increase in the number of shares owned rather than the overall market value of the shares owned in relation to the executive's ownership goal. For purposes of measuring ownership, only shares owned outright or beneficially by the executive (including shares owned by the executive's spouse or dependent children and shares owned through the Company's savings plan) are included. Shares represented by unvested stock options or any other form of equity for which a performance or vesting condition remains to be completed before the executive earns a right to and receives the shares are not counted in determining the executive's level of ownership.

As of March 23, 2020, Mr. Fox has achieved approximately 46% of his ownership goal; Mr. Kaiser has achieved approximately 36% of his ownership goal; Mr. Simpson has achieved approximately 43% of his ownership goal; Ms. Cornette has achieved approximately 38% of her ownership goal; and Mr. Wilson has achieved approximately 107% of his ownership goal.

Prohibition on Hedging and Pledging

The Company's Insider Trading Policy expressly prohibits ownership of derivative financial instruments or participation in investment strategies that hedge the economic risk of owning the Company's common stock and prohibits officers and directors from pledging Company securities as collateral for loans.

Employment Agreements, Severance and Change in Control Payments and Benefits

The Company generally enters into employment agreements with the NEOs for several reasons. Employment agreements give the Company flexibility to make changes in key executive positions with or without a showing of cause, if terminating the executive is determined by the Company or the Board to be in the best interests of the Company. The agreements also minimize the potential for litigation by establishing separation terms in advance and requiring that any dispute be resolved through an arbitration process. The severance, CIC payments and benefits provided under the employment agreements as described in more detail in *Potential Payments upon Termination of Employment or a Change in Control* are important to ensure the retention of the NEOs.

Depending on the circumstances of their termination, the NEOs are eligible to receive severance benefits in the form of a multiple of annual base salary as a lump sum payment, continued access to Company-provided healthcare benefits for a defined period post-employment, and accelerated vesting of all equity as determined by the provisions in their employment agreements, which are discussed in detail in *Potential Payments upon Termination of Employment or a Change in Control*. Under a dismissal without cause or constructive discharge following a CIC, the Company provides the severance benefits because it serves the best interest of the Company and its shareholders to have executives focus on the business merits of possible change in control situations without undue concern for their personal financial outcome. In the case of a termination without cause or constructive discharge absent a CIC, the Company believes it is appropriate to provide severance at these levels to ensure the financial security of these executives, particularly in view of the non-compete provisions which state that, for 12 months (24 months in the case of the Chief Executive Officer) following termination, the executive will not compete with the Company or solicit customers or employees of the Company. Because these potential payments are triggered under very specific circumstances, such payments are not considered in setting pay or other elements of executive compensation. The Compensation Committee has a policy that the Company will not enter into any new or materially amended employment agreements with NEOs providing for excise tax gross-up provisions with respect to payments contingent upon a CIC, and no NEO has an excise tax gross-up provision.

Adjustments and Recovery of Award Payments and Clawback Policy

The Company is subject to the requirements of Section 304 of the Sarbanes-Oxley Act of 2002. Therefore, if the Company was required to restate its financial results due to any material noncompliance of the Company, as a result of misconduct, with any financial reporting requirement under the securities laws, the Securities and Exchange Commission could act to recover from the Chief Executive Officer and Chief Financial Officer any bonus or other incentive-based or equity-based compensation received during the 12-month period following the date the applicable financial statements were issued and any profits from any sale of securities of the Company during that 12-month period.

In addition, the Board has adopted an interim executive compensation recoupment/clawback policy with the intention that the policy will be modified when final regulations required by the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") are adopted by the SEC. The policy allows the Company to recover incentive payments to, or realized by, certain executive officers in the event that the incentive compensation was based on the achievement of financial results that were subsequently restated to correct any accounting error due to material noncompliance with any financial reporting requirement under federal securities laws and such restatement results in a lower payment or award.

Compensation Limitation

Section 162(m) of the Code generally limits to $1,000,000 the available deduction to the Company for compensation paid to any of the Company's NEOs, except for performance-based compensation that meets certain requirements and is paid under a binding agreement that was in effect on or before November 2, 2017. The Compensation Committee believes that a significant portion of an NEO's compensation should be tied to Company performance and has determined that it will not limit executive compensation to amounts deductible under Section 162(m) of the Code.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis included in this report on Form 10-K/A with management. Based on our review and discussions with management, we have recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this report on Form 10-K/A and incorporated by reference in Cincinnati Bell Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

COMPENSATION COMMITTEE

Craig F. Maier, Chairman
Lynn A. Wentworth
Meredith J. Ching
Walter A. Dods, Jr.
Martin J. Yudkovitz

Compensation Tables

Summary Compensation Table

The following table sets forth information concerning the compensation of any person who served as the principal executive officer (Leigh R. Fox) or principal financial officer (Andrew R. Kaiser) during the year ended December 31, 2019, and the three most highly compensated persons who served as executive officers (Thomas E. Simpson, Christi H. Cornette and Christopher J. Wilson) at the end of the year ended December 31, 2019 (collectively, the "NEOs").

Name, Principal Position	Year	Salary ($)	Bonus ($) (a)	Stock Awards ($) (b)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($) (c)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings ($) (d)	All Other Compensation ($) (e)	Total ($)
Leigh R. Fox	2019	669,538	—	2,460,000	—	809,025	38,980	14,487	3,992,030
President and	2018	650,000	—	1,800,000	—	650,000	(9,311)	18,167	3,108,856
Chief Executive Officer	2017	622,885	—	1,450,000	—	595,625	15,444	17,933	2,701,887
Andrew R. Kaiser	2019	411,723	75,000	550,000	—	497,490	—	11,113	1,545,326
Chief Financial Officer	2018	400,000	—	400,000	—	400,000	—	14,486	1,214,486
	2017	331,154	—	350,000	—	251,135	—	8,074	940,363
Thomas E. Simpson	2019	463,188	—	633,000	—	559,676	33,046	11,000	1,699,910
Chief Operating Officer	2018	450,000	—	450,000	—	450,000	(7,654)	14,524	1,356,870
	2017	450,000	—	450,000	—	428,850	13,209	12,563	1,354,622
Christi H. Cornette	2019	391,137	—	240,000	—	472,616	79,719	11,000	1,194,472
Chief Culture Officer	2018	380,000	—	240,000	—	380,000	2,723	7,015	1,009,738
	2017	368,213	—	200,000	—	263,447	40,824	8,705	881,189
Christopher J. Wilson	2019	378,785	—	400,000	—	457,691	120,209	11,000	1,367,685
Vice President and	2018	368,000	—	390,000	—	368,000	(23,726)	10,800	1,113,074
General Counsel	2017	367,723	—	390,000	—	350,705	52,500	12,559	1,173,487

(a) The 2019 amount reflects the cash payment made to Mr. Kaiser in March 2019. The payment was made pursuant to the terms of an agreement made with Mr. Kaiser under the Cincinnati Bell 2016 Cash Retention Program in March, 2016. Mr. Kaiser did not become a NEO until September 2016.

(b) The 2019 amount reflects the grant-date fair value of the restricted stock units (50% of award) and the performance stock units (50% of award) issued in 2019 to Messrs. Fox, Kaiser, Simpson and Wilson and Ms. Cornette for the 2019-2021 performance cycle. The 2018 amount reflects the grant-date fair value of the restricted stock units (50% of award) and the performance stock units (50% of award) issued in 2018 to Messrs. Fox, Kaiser, Simpson and Wilson and Ms. Cornette for the 2018-2020 performance cycle. The 2017 amounts reflect the grant-date fair value of the restricted stock units (25% of award) and the performance stock units (75% of award) issued in 2017 to Messrs. Fox, Kaiser, Simpson and Wilson and Ms. Cornette for the 2017-2019 performance cycle. All amounts assume payout at target. For further discussion of these awards, see Note 15 to our Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2019. The table below shows the amounts if the maximum payout is earned based on the stock price at date of grant.

Name	Stock Awards ($) 2019	2018	2017
Leigh R. Fox	3,075,000	2,250,000	1,993,750
Andrew R. Kaiser	687,500	500,000	481,250
Thomas E. Simpson	791,250	562,500	618,750
Christi H. Cornette	300,000	300,000	275,000
Christopher J. Wilson	500,000	487,500	536,250

(c) Non-equity incentive plan compensation represents amounts earned for annual performance-based cash incentives.

(d) The amounts shown in this column for Messrs. Fox, Simpson and Wilson and Ms. Cornette represent the one-year change in the value of their qualified defined benefit plan and nonqualified excess plan for 2019, 2018 and 2017, respectively, projected forward to age 65 for each executive with interest credited at 4.0%, and then discounted back to the respective year at the discount rate (3.1% for 2019, 4.2% for 2018 and 3.6% for 2017) required under Accounting Standards Codification Topic ("ASC") 960. The present value of the accrued pension benefits increased in 2019 primarily due to a decrease in the applicable discount rate. The Company froze participation in its qualified pension plan for management employees in 2009; therefore, Mr. Kaiser is not entitled to any benefits under this plan. None of the executives receive any preferential treatment or above-market interest under the Company's retirement plans.

(e) For each NEO, the amount includes the Company's 401(k) match and any miscellaneous grossed up perquisites. Under the terms of the Cincinnati Bell Inc. Retirement Savings Plan, the Company's matching contribution is equal to 100% on the first 3% and 50% on the next 2% of contributions made to the plan by the participant. Eligible compensation generally includes base wages plus any annual incentive paid to eligible participants. For 2019, the maximum Company matching contribution is $11,000. The 2019 amount for Mr. Fox includes $11,000 of Company matching contributions to his 401(k) and tax gross-up payments of $3,487 for perquisites Mr. Fox received in conjunction with his participation in the Company’s Presidents Club event and the Company’s United Way campaign. The 2019 amount for Mr. Kaiser includes $11,000 of Company matching contributions to his 401(k) and tax gross-up payments of $113 for perquisites Mr. Kaiser received for his service anniversary and his participation in the Company’s United Way campaign.

Grants of Plan-Based Awards

The following table sets forth information concerning equity grants to the NEOs during the year ended December 31, 2019 as well as estimated future payouts under cash incentive plans:

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards (a)							
Name	**Grant Date**	**Threshold ($)**	**Target ($)**	**Maximum ($)**	**Threshold (#)**	**Target (#)**	**Maximum (#)**	**All Other Stock Awards: Number of Stock or Units (#) (b)**	**All Other Option Awards: Number of Securities Underlying Options (#)**	**Exercise or Base Price of Option Awards ($/Sh)**	**Closing Price of Company Shares on Grant Date ($/Sh)**	**Grant Date Fair Value of Stock Based Awards ($) (c)**
Leigh R. Fox												
Performance-based stock units	1/31/2019	—	—	—	62,680	147,482	221,223	—	—	—	8.34	1,230,000
Restricted stock units	1/31/2019	—	—	—	—	—	—	147,482	—	—	8.34	1,230,000
Annual cash incentive		335,000	670,000	1,005,000	—	—	—	—	—	—	—	—
Andrew R. Kaiser												
Performance-based stock units	1/31/2019	—	—	—	14,014	32,973	49,460	—	—	—	8.34	274,995
Restricted stock units	1/31/2019	—	—	—	—	—	—	32,974	—	—	8.34	275,003
Annual cash incentive		206,000	412,000	618,000	—	—	—	—	—	—	—	—
Thomas E. Simpson												
Performance-based stock units	1/31/2019	—	—	—	16,128	37,949	56,924	—	—	—	8.34	316,495
Restricted stock units	1/31/2019	—	—	—	—	—	—	37,950	—	—	8.34	316,503
Annual cash incentive		231,750	463,500	695,250	—	—	—	—	—	—	—	—
Christi H. Cornette												
Performance-based stock units	1/31/2019	—	—	—	6,115	14,388	21,582	—	—	—	8.34	119,996
Restricted stock units	1/31/2019	—	—	—	—	—	—	14,388	—	—	8.34	119,996
Annual cash incentive		195,700	391,400	587,100	—	—	—	—	—	—	—	—
Christopher J. Wilson												
Performance-based stock units	1/31/2019	—	—	—	10,192	23,980	35,970	—	—	—	8.34	199,993
Restricted stock units	1/31/2019	—	—	—	—	—	—	23,981	—	—	8.34	200,002
Annual cash incentive		189,520	379,040	568,560	—	—	—	—	—	—	—	—

(a) Amounts reflect shares issuable under performance-based stock units awarded in 2019. Performance will be measured based on achievement of the defined targets over the three-year period 2019-2021. See *Elements of Compensation* for further details. For further discussion of assumptions and valuation, refer to Note 15 in our Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2019.

(b) Restricted stock units were awarded in 2019 as part of the long-term incentive award. The restricted stock units vest on the third anniversary of the grant date.

(c) This amount is equal to the dollar amount of the restricted stock units awarded in 2019 and the dollar value target number of performance-based stock units awarded in 2019 based on the Company's closing stock price on the date of grant of $8.34 on January 31, 2019.

Discussion of Summary Compensation Table and Grants of Plan-Based Awards Table

Employment Agreements

During 2019, all of the NEOs were employed pursuant to agreements with the Company. Each employment agreement sets forth, among other things, the NEO's base salary, annual incentive opportunities, entitlement to participate in the Company's benefit and pension plans and to receive equity awards and post-termination benefits and obligations.

Based on the agreements in place at December 31, 2019:

- Mr. Fox's employment agreement provides for the employment and retention of Mr. Fox for a one-year term subject to automatic one-year extensions. Mr. Fox's employment agreement provides for both a minimum base salary of $650,000 and a minimum annual incentive target of $650,000 per year.
- Mr. Kaiser's employment agreement provides for the employment and retention of Mr. Kaiser for a one-year term subject to automatic one-year extensions. Mr. Kaiser's employment agreement provides for both a minimum base salary of $400,000 and a minimum annual incentive target of $400,000 per year.
- Mr. Simpson's employment agreement provides for the employment and retention of Mr. Simpson for a one-year term subject to automatic one-year extensions. Mr. Simpson's employment agreement provides for a minimum base salary of $450,000 and a minimum annual incentive target of $450,000 per year.
- Ms. Cornette's employment agreement provides for the employment and retention of Ms. Cornette for a one-year term subject to automatic one-year extensions. Ms. Cornette's employment agreement provides for a minimum base salary of $380,000 and a minimum annual incentive target of $380,000 per year.
- Mr. Wilson's employment agreement provides for the employment and retention of Mr. Wilson for a one-year term subject to automatic one-year extensions. Mr. Wilson's employment agreement provides for a minimum base salary of $368,000 per year and a minimum annual incentive target of $368,000 per year.

Each of the NEOs, except for Mr. Kaiser, has accrued benefits in the Management Pension Plan, which contains both a qualified defined benefit plan and a nonqualified excess benefit provision (the provision for this excess benefit is contained in the qualified defined benefit pension plan document), which applies the same benefit formula to that portion of the base wages and annual bonus payment that exceeds the maximum compensation that can be used in determining benefits under a qualified defined benefit pension plan.

As described below, accruals under the Management Pension Plan are frozen. Except as noted below, prior to the freeze, all eligible salaried employees of the Company participated in the Management Pension Plan on the same basis with benefits being earned after a three-year cliff-vesting period. Covered compensation for purposes of calculating benefits includes base wages including any applicable overtime wages paid plus annual bonus payments. Upon retirement or other termination from employment, the amount of vested benefits to be paid are generally based on the balance credited to the participant's cash balance account under the plan when the benefit begins to be paid but also subject to certain transition or special benefit formula rules in certain situations. The vested benefits are payable either as a lump-sum, a single life annuity or, for married participants, a 50% joint and survivor annuity, which provides a reduced benefit for the employee in order to provide a benefit equal to 50% of that amount if the employee dies before his/her spouse. A 2009 amendment to the Management Pension Plan generally provided that only "grandfathered participants" and no other participants would accrue additional plan benefits based on their compensation and service after March 8, 2009. For purposes of the plan, a "grandfathered participant" is a plan participant who has continuously been an employee of the Company or any of its subsidiaries since before 2009 and either: (i) was at least age 50 by January 1, 2009; or (ii) had been eligible for and accepted or declined a 2007 early retirement offer of the Company. Also, the plan was further amended to reduce the benefits accrued by grandfathered participants based on their compensation and service after December 31, 2011 by approximately one-half from the prior accrual rate. In addition, the Management Pension Plan was amended to stop accruals for grandfathered participants based on compensation paid after June 30, 2013 or services after the pay period ended June 29, 2013. The Management Pension Plan benefits for the NEO's are shown in *Pension Benefits*.

Each of the employment agreements also provide for payments upon termination of employment as a result of death or disability, termination by the Company without cause or termination upon a CIC. The payments to the NEOs upon termination, including termination following a CIC as of December 31, 2019 are described in *Potential Payments upon Termination of Employment or a Change in Control*.

Long-Term Incentives

In 2019, the NEOs long-term incentive grants for the 2019-2021 performance period were awarded as a combination of restricted stock units (50%) and performance-based stock units (50%). The Compensation Committee believes the use of performance-based stock units provides an opportunity (i) for the NEO to be rewarded based on the Company achieving its more objective quantitative operating results that are consistent with its long-term business strategy and (ii) to more closely align such actions with shareholders' interests. The Compensation Committee also believes that the time-based restricted stock units serve as an incentive to encourage the retention of the NEOs. The long-term incentives granted to the NEOs are described in *Compensation Discussion and Analysis*.

Salary and Cash Incentive Awards in Proportion to Total Compensation

In 2019, the percentage of total compensation for each NEO represented by the sum of their salary plus annual incentive and non-equity incentive plan compensation as shown in the Summary Compensation Table in *Compensation Tables* was as follows: Mr. Fox - 37% Mr. Kaiser - 59%, Mr. Simpson - 60%, Ms. Cornette - 72% , and Mr. Wilson - 61%.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information concerning options and other equity awards held by the NEOs at December 31, 2019:

	Option Awards					Stock Awards			
Name	**Number of Securities Underlying Unexercised Option (#) Exercisable**	**Number of Securities Underlying Unexercised Option (#) Unexercisable**	**Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date (a)**	**Number of Shares or Units of Stocks That Have Not Vested (#) (b)**	**Market Value of Shares or Units of Stock That Have Not Vested ($) (b)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (c)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($) (d)**
Leigh R. Fox	300	—	—	14.55	1/29/2020				
						215,857	2,260,023	—	—
						—	—	375,502	3,931,506
Andrew R. Kaiser	1,001	—	—	17.05	10/23/2024				
						48,226	504,926	—	—
						—	—	84,004	879,522
Thomas E. Simpson	—	—	—	—	—				
						55,734	583,535	—	—
					—		—	98,599	1,032,332
Christi H. Cornette	—	—	—	—		—			
						23,428	245,291	—	—
						—	—	41,809	437,740
Christopher J. Wilson	19,102	—	—	23.75	1/31/2023				
	—	—	—	—	—	39,394	412,455	—	—
						—	—	72,088	754,761

(a) All options granted are for a maximum period of ten years from the date of grant and vest over a three-year period.

(b) Amounts in the column include the restricted stock units granted on January 26, 2017 as part of the 2017-2019 long-term incentive award, on January 25, 2018 as part of the 2018-2020 long-term incentive award, and on January 31, 2019 as part of the 2019-2021 long-term incentive award; all awards vest three years from the date of grant. The value is based on the closing price of the Company's common shares as of December 31, 2019 ($10.47).

(c) Amounts in the column include the performance-based stock units granted for the 2017-2019 performance cycle, the 2018-2020 performance cycle, and the 2019-2021 performance cycle. All performance-based stock units are shown at the maximum level of payout.

(d) Assuming the maximum number of stock units is earned, amounts represent the equity incentive plan awards not yet vested. The value is based on the closing price of the Company's common shares as of December 31, 2019 ($10.47).

Option Exercises and Stock Vested

The following table sets forth information concerning the exercise of options and the vesting of stock held by the NEOs during the year ended December 31, 2019:

	Option Awards		Stock Awards	
Name	**Number of Shares Acquired on Exercise (#) (a)**	**Value Realized on Exercise ($) (a)**	**Number of Shares Acquired on Vesting (#) (b)**	**Value Realized on Vesting ($) (c)**
Leigh R. Fox	—	—	53,901	738,621
Andrew R. Kaiser	—	—	12,159	163,966
Thomas E. Simpson	—	—	15,364	210,827
Christi H. Cornette	—	—	6,948	93,695
Christopher J. Wilson	—	—	13,549	182,711

(a) No NEOs exercised stock options or share-settled stock appreciation rights in 2019.

(b) The amount for Mr. Fox represents shares issued on January 27, 2020 and March 2, 2020 upon vesting of the restricted stock units and on January 30, 2020 upon vesting of the performance-based stock units under the long-term performance plan awards for the 2017-2019 performance period. The amounts for Ms. Cornette and Messrs. Kaiser, Simpson and Wilson represent shares issued on January 27, 2020 upon vesting of the restricted stock units and on January 30, 2020 upon vesting of the performance-based stock units under the long-term performance plan awards for the 2017-2019 performance period.

(c) The amounts represent the value realized upon vesting based on the closing price of a share of our common stock on the vesting date. For the long-term performance plan awards under the 2017-2019 performance period, the closing price on January 27, 2020 was $13.56, the closing price on January 30, 2020 was $13.45 and the closing price on March 2, 2020 was $14.88.

Pension Benefits

In February 2009, the Company made significant changes to the Management Pension Plan. The Company froze pension benefits for plan participants who were not grandfathered participants (as previously described in *Discussion of Summary Compensation Table and Grants of Plan-Based Awards Table*). Thereafter, the Company amended the Management Pension Plan to stop accruals based upon compensation paid after June 30, 2013 or services after the pay period ended June 29, 2013 for all participants, including grandfathered participants. Messrs. Fox, Simpson and Wilson are not grandfathered participants and no longer accrue additional benefits under such plan based on current compensation or service. Ms. Cornette is a grandfathered participant but no longer accrues additional benefits under such plan based on current compensation or service. In addition, any employee hired on or after January 1, 2009 was not eligible to participate in the Management Pension Plan. As a result, Mr. Kaiser is not eligible to participate in the Management Pension Plan.

The following table sets forth information regarding pension benefits:

Name	Plan Name	Number of Years Credited Service (#) (a)	Present Value of Accumulated Benefit ($) (b)(c)	Payments During Last Fiscal Year ($)
Leigh R. Fox	Qualified Defined Benefit Plan (d)	9	136,761	—
	Non-Qualified Excess Plan (e)	—	—	—
	Total		136,761	—
Thomas E. Simpson	Qualified Defined Benefit Plan (d)	8	119,131	—
	Non-Qualified Excess Plan (e)	—	—	—
	Total		119,131	—
Christi H. Cornette	Qualified Defined Benefit Plan (d)	12	530,428	—
	Non-Qualified Excess Plan (e)	12	27,412	—
	Total		557,840	—
Christopher J. Wilson	Qualified Defined Benefit Plan (d)	10	394,074	—
	Non-Qualified Excess Plan (e)	10	158,165	—
	Total		552,239	—

(a) This column reflects the years of credited service under the plans rather than actual years of service with the Company, which are higher for each of the NEOs noted. Participants were no longer credited years of service upon the freezing of pension benefits.

(b) Amounts in this column represent the accumulated benefit obligations computed using the same assumptions as used for financial reporting purposes, described in more detail in Note 12 to our Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2019.

(c) If any of the above-identified executive officers had retired on December 31, 2019, they would have been entitled to a benefit based on the balance then credited to them, without any reduction, under the Management Pension Plan (both the tax-qualified defined benefit plan portion and the non-qualified excess plan portion) as of that date. They may elect a lump-sum or equivalent annuity form of payment subject to any payment restrictions in place due to the funding status.

(d) Management Pension Plan.

(e) Nonqualified ERISA Excess Provisions of the Management Pension Plan.

A participant's account under the Management Pension Plan is also generally credited with assumed interest for each calendar year at a certain interest rate. Such interest rate for 2019 was 4.0% per annum.

Potential Payments upon Termination of Employment or a Change in Control

The following table shows potential payments to the NEOs directly and indirectly on their behalf under existing contracts, agreements, plans or arrangements, whether written or unwritten, for various scenarios involving a CIC or termination of employment, assuming a December 31, 2019 termination or CIC date and, where applicable, using the closing price of our common shares on December 31, 2019 of $10.47.

Name	Executive Payment on Termination	Involuntary Not for Cause Termination ($)	Change in Control ($)	Death ($)	Disability ($)
Leigh R. Fox	Base Salary	1,340,000	2,003,300	—	—
	Annual Incentive Target Opportunity	—	2,003,300	670,000	670,000
	Long-Term Incentives — Performance-Based Stock Units (a)	1,076,871	2,621,007	2,621,007	2,621,007
	Long-Term Incentives — Restricted Stock Units	715,886	2,260,023	991,094	991,094
	Long-Term Incentives — Stock Options	—	—	—	—
	Basic Benefits (b)	31,186	31,186	—	31,186
	Total	3,163,943	8,918,816	4,282,101	4,313,287
Andrew R. Kaiser	Base Salary	824,000	1,030,000	—	—
	Annual Incentive Target Opportunity	—	1,030,000	412,000	412,000
	Long-Term Incentives — Performance-Based Stock Units (a)	241,124	586,351	586,351	586,351
	Long-Term Incentives — Restricted Stock Units	159,688	504,926	181,185	181,185
	Long-Term Incentives — Stock Options	—	—	—	—
	Basic Benefits (b)	31,186	31,186	—	31,186
	Total	1,255,998	3,182,463	1,179,536	1,210,722
Thomas E. Simpson	Base Salary	927,000	1,158,750	—	—
	Annual Incentive Target Opportunity	—	1,158,750	463,500	463,500
	Long-Term Incentives — Performance-Based Stock Units (a)	290,898	688,225	688,225	688,225
	Long-Term Incentives — Restricted Stock Units	186,198	583,535	212,943	212,943
	Basic Benefits (b)	29,995	29,995	—	29,995
	Total	1,434,091	3,619,255	1,364,668	1,394,663
Christi H. Cornette	Base Salary	782,800	978,500	—	—
	Annual Incentive Target Opportunity	—	978,500	391,400	391,400
	Long-Term Incentives — Performance-Based Stock Units (a)	141,188	291,830	291,830	291,830
	Long-Term Incentives — Restricted Stock Units	94,649	245,291	90,356	90,356
	Basic Benefits (b)	9,742	9,742	—	9,742
	Total	1,028,379	2,503,863	773,586	783,328
Christopher J. Wilson	Base Salary	758,080	947,600	—	—
	Annual Incentive Target Opportunity	—	947,600	379,040	379,040
	Long-Term Incentives — Performance-Based Stock Units (a)	252,107	503,178	503,178	503,178
	Long-Term Incentives — Restricted Stock Units	161,374	412,455	156,123	156,123
	Long-Term Incentives — Stock Options	—	—	—	—
	Basic Benefits (b)	31,186	31,186	—	31,186
	Total	1,202,747	2,842,019	1,038,341	1,069,527

(a) Performance-based stock units include shares and cash awards that are based on the attainment of target performance metrics in the 2019 performance year. These awards have been included in the table at target; however, the actual payouts based on attainment of the metrics could range from zero to 150% of the target amount.

(b) Basic benefits consist of medical, dental and vision coverage similar to such benefits provided by the Company to other employees. In June 2014, the Company changed the benefits under the long-term disability plan to include continuation of benefits for up to 24 months after the date of disability.

If any of the executives elects to voluntarily terminate employment with the Company, or if they are terminated by the Company for cause, they are entitled to no payments from the Company other than those benefits which they have a non-forfeitable vested right to receive (the “vested amounts”), which include any shares of stock they own outright, vested options which may be exercisable for a period of 90 days following termination and vested amounts under the Company's long-term incentive, pension and savings plans.

In addition to any applicable “vested amounts,” an executive will be entitled to receive certain additional benefits if one of the four termination scenarios detailed in the above table and discussed below occurs. Regardless of the termination scenario, Messrs. Fox, Kaiser, Simpson and Wilson and Ms. Cornette will continue to be bound by the non-disclosure, non-compete and non-solicitation provisions of their employment agreements.

If an executive is terminated by the Company without cause (an involuntary not for cause termination), the executive will be entitled to the following:

- A lump-sum cash payment equal to 2.0 times the executive's base salary;
- Access to medical, dental and vision benefits during the two-year period following the executive's termination of employment on an after-tax basis provided any required monthly contributions are made;
- Continued treatment as an active employee during the two-year period following termination with respect to any outstanding long-term incentive cycles in which the executive may be participating, and any unvested stock options will continue to vest under the normal vesting schedule as though the executive was still an active employee (provided, with respect to awards granted under the 2017 Long-Term Incentive Plan, that the executive's termination is at least one year after the grant date of the award); and
- The ability to exercise any vested options for an additional 90 days after the end of the two-year period.

If an executive is terminated within the one-year period following a CIC, the executive will be entitled to the following:

- A lump-sum cash payment equal to 2.5 times the sum of his or her base salary and annual incentive target in the case of Messrs. Kaiser, Simpson and Wilson and Ms. Cornette and 2.99 times in the case of Mr. Fox;
- Access to medical, dental and vision benefits during the two-year period following the executive's termination of employment on an after-tax basis provided any required monthly contributions are made;
- Full vesting of any options granted under the 2007 Long Term Incentive Plan and the ability to exercise such options for the two-year period following termination; and
- Full vesting and payout at target amounts of any other awards granted under long-term incentive plans (in the event an executive is terminated within the two-year period following a CIC) that are continued after a CIC. Awards that constitute deferred compensation under Internal Revenue Code Section 409A shall not be continued in the event of a CIC and will become vested and pay out at target upon a CIC. The types of outstanding awards that are deferred compensation are restricted stock units and performance-based stock units.

If an executive is “terminated” because of his or her death, the executive's beneficiary will be entitled to the following:

- A payment equal to the prorated incentive and payable to the deceased executive for the current year;
- Full vesting of all options held by the deceased executive and the ability to exercise such options for the one-year period following the date of the executive's death;
- Full vesting and payout at target amounts of any outstanding performance-based awards granted to the deceased executive under long-term incentive plans; and
- Prorated vesting and payout from the date of grant through the date of death of any outstanding time-based awards granted to the deceased executive under long-term incentive plans.

If an executive is terminated by reason of disability, the executive will be entitled to the following:

- A payment equal to the prorated incentive and payable to the disabled executive for the current year;
- Full vesting of all options held by the disabled executive and the ability to exercise such options for the one-year period following the date of the executive's disabling condition;
- Continued participation by the disabled executive in any outstanding performance-based awards granted under long-term incentive plans;
- Prorated vesting and payout from the date of grant through the date of disability of any time-based awards granted to the disabled executive under long-term incentive plans; and
- Continued consideration of the disabled executive as an employee for all other benefits so long as the disabling condition that resulted in the disability-based termination is present for up to 24 months after the date of disability.

Receipt of the above-described payments (other than the "vested amounts") is conditioned upon the executive executing a release of claims in favor of the Company.

Under all of the termination scenarios in the preceding table, as of December 31, 2019, Messrs. Fox, Kaiser, Simpson, and Wilson and Ms. Cornette had certain "vested amounts" to which they were entitled as follows: Mr. Fox - $75,127, Mr. Kaiser - $3,932, Mr. Simpson - $66,014, Ms. Cornette - $598,947 and Mr. Wilson - $372,314.

CEO Pay Ratio

As required by the SEC, we are providing the following information about the relationship between the annual total compensation ("ATC") of our employees and the ATC of Mr. Fox, our President and Chief Executive Officer (the "PEO").

For 2019, our last completed fiscal year,

- The ATC of the median employee of the Company was $77,653; and
- The ATC for our PEO was $3,992,030

Based on this information, for 2019 the resulting pay ratio between the ATC of the PEO to the ATC of the median employee was 51:1.

To identify the median employee, we took the following steps:

1. As of December 31, 2019, the Company had approximately 4,400 employees.
2. In determining the employee population, we used all full-time, part-time and temporary employees (except for our PEO and those employees on leaves of absence).
3. The median employee was identified from our employee population by comparing our payroll records for such employees as reported to the Internal Revenue Service on Form W-2 and to the Canada Revenue Agency on Form T4 for 2019. We used a December 31, 2019 conversion rate of 0.77 CAD to 1 USD for our Canadian-based employees. In addition, since the Company does not widely distribute equity awards to our employees, such awards were excluded from our compensation measure.
4. We identified our median employee using this compensation measure, which was consistently applied to all our employees included in this calculation. Since the majority of our employees and our PEO are based in the U.S., we did not make any cost of living adjustments in identifying the median employee.
5. Once we identified the median employee, we determined the ATC for the median employee in the same manner used to determine Mr. Fox's ATC as reflected in the Summary Compensation Table in *Compensation Tables*, resulting in an ATC of $77,653.

Director Annual Compensation Program

The Company uses a combination of cash and stock-based compensation to attract and retain qualified candidates to serve on the Board. In setting director compensation, the Company considers the significant amount of time that Directors spend in fulfilling their duties to the Company as well as the skill level required.

Compensation for Employee Directors

Directors who are also employees of the Company (or any subsidiary of the Company) receive no additional compensation for serving on the Board or its committees during the period of their employment. If such directors continue on the Board after their employment ends, such directors may receive additional compensation in connection with such continued service.

General Compensation Policy for Non-Employee Directors

Directors who are not employees of the Company or any subsidiary of the Company ("non-employee directors") while serving as directors of the Company receive compensation from the Company for their service on the Board. The table below sets forth the annual compensation for non-employee directors in 2019.

Compensation Element		**2019**
Chairman of the Board Annual Retainer (a)	$	180,000
Annual Board Retainer	$	70,000
Annual Chairman Equity Award (b)	$	145,000
Annual Board Equity Award (b)	$	110,000
Annual Audit and Finance Committee Chair Retainer	$	27,000
Annual Audit and Finance Committee Member Retainer	$	15,000
Annual Compensation Committee Chair Retainer	$	18,000
Annual Compensation Committee Member Retainer	$	10,000
Annual Governance and Nominating Committee Chair Retainer	$	16,000
Annual Governance and Nominating Committee Member Retainer	$	10,000

(a) The Chairman is not entitled to receive any of the other annual Board or Committee retainers described above; however, the Chairman is eligible for the Annual Board Equity Award. The annual retainer for the Chairman of the Board was reduced from $320,000 to $180,000, effective May 2, 2019.

(b) The Annual Board Equity Award for 2019 was granted under the Cincinnati Bell Inc. 2017 Stock Plan for Non-Employee Directors to all non-employee directors, including the Chairman of the Board, in the form of restricted stock units with a one-year vesting period. The award value for 2019 is $145,000 for the Chairman and $110,000 for all other non-employee directors.

Stock Plan for Non-Employee Directors

On May 2, 2019, the Company granted restricted stock unit awards that vest after one year and with an aggregate value of $145,000 for the Chairman and $110,000 for each of the remaining non-employee directors on the date of grant under the 2017 Directors Plan. Awards in 2018 were granted under the 2017 Directors Plan with an aggregate value of $100,000. Awards in 2017 were granted under the Cincinnati Bell Inc. 2007 Stock Option Plan for Non-Employee Directors (the "2007 Directors Plan"), which was replaced by the 2017 Directors Plan. Awards granted in 2017 had an aggregate value of $100,000. For 2017 and 2018, the awards were in the form of restricted stock units which vested on the first anniversary of the grant date.

2019 Director Compensation

The following table shows the compensation paid to our non-employee directors for the 2019 fiscal year:

	DIRECTOR COMPENSATION			
Name	Fees Earned or Paid in Cash ($)	Stock Awards ($) (a) (b)	Option Awards ($) (b)	Total ($)
Phillip R. Cox (c)	135,083	—	—	135,083
Meredith J. Ching	80,000	110,000	—	190,000
Walter A. Dods, Jr.	86,667	110,000	—	196,667
John W. Eck (d)	68,333	110,000	—	178,333
Jakki L. Haussler	103,500	110,000	—	213,500
Craig F. Maier	103,000	110,000	—	213,000
Russel P. Mayer	94,500	110,000	—	204,500
Theodore H. Torbeck	70,000	110,000	—	180,000
Lynn A. Wentworth	167,417	145,000	—	312,417
Martin J. Yudkovitz	83,333	110,000	—	193,333

(a) The values reflect the aggregate grant-date fair value of the restricted stock units granted on May 2, 2019 computed in accordance with Accounting Standards Codification Topic 718, "Compensation - Stock Compensation" for all awards. For a discussion of the valuation assumptions and methodology, see Note 15 to the Company's Consolidated Financial Statements included in the Annual Report on Form 10-K for the year ended December 31, 2019.

(b) No stock options were awarded in 2019. None of the non-employee directors held outstanding stock options as of December 31, 2019.

(c) Mr. Cox only received a pro rata portion of the Chairman of the Board Annual Retainer due to his retirement from the Board on May 1, 2019.

(d) Mr. Eck earned fees of $92,083 in 2019. The remaining balance of the fees earned, $23,750, was paid subsequent to December 31, 2019.

Name	Number of Unvested Stock Awards Outstanding as of December 31, 2019	Number of Option Awards Outstanding as of December 31, 2019
Meredith J. Ching	12,485	—
Walter A. Dods, Jr.	12,485	—
John W. Eck	12,485	—
Jakki L. Haussler	12,485	—
Craig F. Maier	12,485	—
Russel P. Mayer	12,485	—
Theodore H. Torbeck	12,485	—
Lynn A. Wentworth	16,458	—
Martin J. Yudkovitz	12,485	—

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Ownership of Equity Securities of the Company

Directors and Executive Officers

The following table sets forth the beneficial ownership of common shares and 6 3/4% Cumulative Convertible Preferred Shares as of March 23, 2020 (except as otherwise noted) by (i) each current director and each executive officer named in the Summary Compensation Table in *Compensation Tables*, and (ii) all directors and executive officers of the Company as a group.

Unless otherwise indicated, the address of each named director and executive officer is c/o Cincinnati Bell Inc. at the Company's address.

Name and Address of Beneficial Owner	Common Shares Beneficially Owned as of March 23, 2020 (a)	Percent of Common Shares (b)	6 3/4% Convertible Preferred Shares Beneficially Owned as of March 23, 2020 (c)	Percent of 6 3/4% Cumulative Convertible Preferred Shares (c)
Meredith J. Ching	28,784	*	—	*
Christi H. Cornette	21,722	*	—	*
Phillip R. Cox	—	*	—	*
Walter A. Dods, Jr.	47,627	*	—	*
John W. Eck	33,726	*	—	*
Leigh R. Fox	112,953	*	—	*
Jakki L. Haussler	53,535	*	—	*
Andrew R. Kaiser	23,111	*	—	*
Craig F. Maier	53,493	*	—	*
Russel P. Mayer	38,115	*	—	*
Thomas E. Simpson	29,450	*	—	*
Theodore H. Torbeck	270,591	*	—	*
Lynn A. Wentworth	56,876	*	—	*
Christopher J. Wilson	78,893	*	—	*
Martin J. Yudkovitz	39,998	*	—	*
All directors and executive officers as a group (consisting of 17 persons, including those named above)	905,331	1.8%	—	*

* indicates ownership of less than 1% of issued and outstanding shares

(a) Includes common shares subject to outstanding vested options under the Cincinnati Bell Inc. 2007 Long Term Incentive Plan as of March 23, 2020, and common shares subject to restricted stock units under the 2017 Stock Plan for Non-Employee Directors that are scheduled to vest in accordance with their terms within 60 days following March 23, 2020. The following common shares subject to outstanding vested options are included in the totals: 1,001 common shares for Mr. Kaiser and 19,102 common shares for Mr. Wilson. The following common shares subject to restricted stock units are included in the totals: 12,485 common shares for each of Mses. Ching and Haussler and Messrs. Dod, Eck, Maier, Mayer, Torbeck and Yudkovitz; and 16,458 common shares for Ms. Wentworth. The Company's Insider Trading Policy expressly prohibits ownership of derivative financial instruments or participation in investment strategies that hedge the economic risk of owning the Company's common shares and prohibits officers and directors from pledging Company securities as collateral for loans.

(b) These percentages are based upon 50,564,267 common shares outstanding as of March 23, 2020.

(c) These numbers represent 6 3/4% Cumulative Convertible Preferred Shares. In the aggregate, the 155,250 issued and outstanding 6 3/4% Cumulative Convertible Preferred Shares are represented by 3,105,000 depositary shares, and each 6 3/4% Cumulative Convertible Preferred Share is represented by 20 depositary shares.

Principal Shareholders

The following table sets forth the beneficial ownership of common shares as of April 24, 2020 (except as otherwise noted) by each beneficial owner of more than five percent (5%) of the common shares outstanding known by the Company. No beneficial owner owns more than five percent (5%) of the 6 3/4% Cumulative Preferred Shares.

Name and Address of Beneficial Owner	Common Shares Beneficially Owned		Percent of Common Shares
BlackRock, Inc. 55 East 52nd Street New York, NY 10055	7,386,520	(a)	14.61%
Nomura Holdings, Inc. 1-9-1 Nihonbashi, Chuo-ku Tokyo 103-8645, Japan	4,865,764	(b)	9.62%
The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	2,932,168	(c)	5.80%
Credit Suisse AG/ Uetlibergstrasse 231 PO Box 900 CH 8070 Zurich, Switzerland	2,905,015	(d)	5.75%

(a) As reported on Schedule 13G/A filed on February 4, 2020 by BlackRock, Inc., as of December 31, 2019, BlackRock, Inc. has sole voting power for 7,303,534 common shares and sole dispositive power for 7,386,520 common shares.

(b) As reported on Schedule 13G/A filed on February 14, 2020 by Nomura Holdings, Inc., as of December 31, 2019, Nomura Global Financial Products, Inc. has shared voting and dispositive power for 4,865,764 common shares.

(c) As reported on Schedule 13G/A filed on February 12, 2020 by The Vanguard Group, as of December 31, 2019, The Vanguard Group has sole voting power for 42,554 common shares, sole dispositive power for 2,889,614 common shares and shared dispositive power for 42,554 common shares.

(d) As reported on the Schedule 13G/A filed on February 13, 2020 by Credit Suisse AG/, Credit Suisse AG/ has shared voting and dispositive power of 2,905,015 common shares.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Certain Relationships and Related Party Transactions

The Board is committed to upholding the highest legal and ethical conduct in fulfilling its responsibilities and recognizes that related party transactions can present a heightened risk of potential or actual conflicts of interest. Accordingly, as a general matter, it is the Company's preference to avoid related party transactions. Current SEC rules define a related party transaction to include any transaction, arrangement or relationship (i) in which the Company is a participant, (ii) in which the transaction has an aggregate value greater than $120,000, and (iii) in which any of the following persons has or will have a direct or indirect material interest:

- an executive officer, director or director nominee of the Company;
- any person who is known to be the beneficial owner of more than 5% of the Company's common and preferred shares;
- any person who is an immediate family member (as defined under Item 404 of Regulation S-K) of an executive officer, director or director nominee or beneficial owner of more than 5% of the Company's common or preferred shares; or
- any firm, corporation or other entity in which any of the foregoing persons is employed or is a partner or principal or in a similar position or in which such person, together with any other of the foregoing persons, has a 10% or greater beneficial ownership interest.

The Company's Code of Business Conduct, the Company's Code of Ethics for Senior Financial Officers and the Company's Code of Ethics for Directors require directors, officers and all other members of the workforce to avoid any relationship, influence or activity that would cause or even appear to cause a conflict of interest. The Company's Code of Business Conduct, Code of Ethics for Senior Financial Officers and Code of Ethics for Directors generally require (i) a director to promptly disclose to the Governance and Nominating Committee any potential or actual conflict of interest involving him or her and (ii) an employee, including the executive officers, to promptly disclose a conflict of interest to the General Counsel. The Governance and Nominating Committee (and, if applicable, the General Counsel) determines an appropriate resolution to actual or potential conflicts of interest on a case-by-case basis. All directors must recuse themselves from any discussion or decision affecting their personal, business or professional interests.

All related party transactions shall be disclosed in the Company's applicable filings with the SEC under the SEC rules. In 2019, there were no related party transactions requiring disclosure.

Director Independence

In accordance with the rules and listing standards of the NYSE and the Company's Corporate Governance Guidelines, the Board affirmatively evaluates and determines the independence of each director and each nominee for election. Based on an analysis of information supplied by the directors, the Board evaluates whether any director has any material relationship with the Company, either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company, that might cause a conflict of interest in the performance of a director's duties.

Based on these standards, the Board determined that each of the following persons who served as a non-employee director in 2019 is independent and has no relationship with the Company, except as a director and shareholder:

- Phillip R. Cox (a)
- Meredith J. Ching
- Walter A. Dods, Jr.
- John W. Eck
- Jakki L. Haussler
- Craig F. Maier
- Russel P. Mayer
- Martin J. Yudkovitz
- Lynn A. Wentworth

(a) Mr. Cox retired from the Board on May 1, 2019.

In addition, based on these standards, the Board determined that Mr. Fox was not independent because he currently serves as the Chief Executive Officer of the Company and Mr. Torbeck was not independent because he served as Chief Executive Officer of the Company through May 31, 2017.

The independent, non-employee directors of the Company meet in executive session without management present at each regularly scheduled meeting of the Board. The Chairman of the Board presides at the meetings of the non-employee directors.

Item 14. Principal Accountant Fees and Services

Deloitte & Touche LLP was the Company's Independent Registered Public Accounting Firm for the 2019 and 2018 fiscal years. Aggregate fees for professional services rendered by Deloitte & Touche LLP for the years ended December 31, 2019 and 2018 were as follows:

	2019	2018
Audit fees	$ 2,635,700	$ 2,424,500
Audit related fees	38,000	125,900
Tax fees	52,201	53,717
All other fees	—	—
Total	$ 2,725,901	$ 2,604,117

Audit Fees

The audit fees for the years ended December 31, 2019 and 2018 were for services rendered in connection with the audit of the Company's annual financial statements, review of quarterly financial statements included in the Company's reports filed with the SEC and services related to requirements established by the Sarbanes-Oxley Act of 2002. The audit of the Company's 2019 financial statements included work related to statutory audits, new accounting guidance related to lease accounting and implementation of new systems. The audit of the Company's 2018 financial statements included work related to the audit of Hawaiian Telcom Holdco, Inc. ("Hawaiian Telcom") for the six month period subsequent to the acquisition date, purchase price accounting related to Hawaiian Telcom and new accounting guidance related to revenue and lease accounting.

Audit Related Fees

The audit related fees for the year ended December 31, 2019 are due to work performed related to due diligence projects. The audit related fees for the year ended December 31, 2018 are primarily related to work performed related to the acquisition of Hawaiian Telcom and due diligence projects.

Tax Fees

Tax fees for the years ended December 31, 2019 and 2018 were for the preparation of various tax filings and tax consultations.

All Other Fees

None.

Engagement of the Independent Registered Public Accounting Firm and Pre-Approval Policy

In accordance with its charter, the Audit and Finance Committee has the sole authority and responsibility to select, evaluate and, if necessary, replace the Independent Registered Public Accounting Firm. The Audit and Finance Committee has the sole authority to approve all audit engagement fees and terms. In addition, the Audit and Finance Committee, or the chair of the Audit and Finance Committee between regularly scheduled meetings, must pre-approve all services provided to the Company by the Company's Independent Registered Public Accounting Firm.

Pursuant to Section 202 of the Sarbanes-Oxley Act of 2002, the Audit and Finance Committee pre-approved every engagement of Deloitte & Touche LLP to perform audit or non-audit services on behalf of the Company or any of its subsidiaries during the years ended December 31, 2019 and 2018.

Part IV

Item 15. Exhibits and Financial Statement Schedules

Financial Statements

No financial statements or financial statement schedules are filed with this report on Form 10-K/A.

Exhibits

The following exhibits are filed herewith or incorporated herein by reference:

Exhibit Number	Description
(2.1)	Agreement and Plan of Merger, dated as of July 9, 2017, among Cincinnati Bell Inc., Twin Acquisition Corp. and Hawaiian Telcom Holdco, Inc. (Exhibit 2.1 to Current Report on Form 8-K, date of Report July 10, 2017, File No. 1-8519).
(2.2)	Agreement and Plan of Merger, dated as of July 9, 2017, among Cincinnati Bell Inc., Yankee Acquisition LLC, OnX Holdings LLC and MLN Holder Rep LLC (Exhibit 2.2 to Current Report on Form 8-K, date of Report July 10, 2017, File No. 1-8519).
(2.3)	Agreement and Plan of Merger, dated as of December 21, 2019, among Cincinnati Bell Inc., Charlie AcquireCo Inc. and Charlie Merger Sub Inc. (Exhibit 2.1 to Current Report on Form 8-K, date of Report December 23, 2019, File No. 1-8519).
(2.4)	Agreement and Plan of Merger, dated as of March 13, 2020, among Cincinnati Bell Inc., Red Fiber Parent LLC and RF Merger Sub Inc. (Exhibit 2.1 to Current Report on Form 8-K, date of Report March 13, 2020, File No. 1-8519).
(3.1)	Amended and Restated Articles of Incorporation of Cincinnati Bell Inc. (Exhibit 3.1 to Current Report on Form 8-K, date of Report April 25, 2008, File No. 1-8519).
(3.2)	Amendment to the Amended and Restated Articles of Incorporation of Cincinnati Bell Inc. (Exhibit 3.1 to Current Report on Form 8-K, date of Report October 4, 2016, File No. 1-8519).
(3.3)	Amended and Restated Regulations of Cincinnati Bell Inc. (Exhibit 3.3 to Quarterly Report on Form 10-Q for the quarter ended June 30, 2018, File No. 1-8519).
(4.1)	Indenture dated July 1, 1993, between Cincinnati Bell Inc., as Issuer, and The Bank of New York, as Trustee, relating to Cincinnati Bell Inc.'s 7 1/4% Notes Due June 15, 2023 (Exhibit 4-A to Current Report on Form 8-K, date of Report July 12, 1993, File No. 1-8519).
(4.2)	Indenture dated as of November 30, 1998, among Cincinnati Bell Telephone Company, as Issuer, Cincinnati Bell Inc., as Guarantor, and The Bank of New York, as Trustee (Exhibit 4-A to Current Report on Form 8-K, date of Report November 30, 1998, File No. 1-8519).
(4.3)	First Supplemental Indenture dated as of December 31, 2004 to the Indenture dated as of November 30, 1998, among Cincinnati Bell Telephone Company, as Issuer, Cincinnati Bell Inc., as Guarantor, and The Bank of New York, as Trustee (Exhibit 4(c)(iii)(2) to Annual Report on Form 10-K for the year ended December 31, 2004, File No. 1-8519).
(4.4)	Second Supplemental Indenture dated as of January 10, 2005 to the Indenture dated as of November 30, 1998, among Cincinnati Bell Telephone Company LLC (as successor entity to Cincinnati Bell Telephone Company), as Issuer, Cincinnati Bell Inc., as Guarantor, and The Bank of New York, as Trustee (Exhibit (4)(c)(iii)(3) to Annual Report on Form 10-K for the year ended December 31, 2004, File No. 1-8519).

(4.5)	Indenture, dated September 22, 2016, among Cincinnati Bell Inc., the guarantor parties thereto and Regions Bank, as trustee (Exhibit 4.1 to Current Report on Form 8-K, date of Report September 22, 2016, File No. 1-8519).
(4.6)	First Supplemental Indenture dated April 3, 2017 among Cincinnati Bell Inc., SunTel Services LLC and Regions Bank, as trustee (Exhibit 99.1 to Current Report on Form 8-K, date of Report April 3, 2017, File No. 1-8519).
(4.7)	Second Supplemental Indenture dated May 31, 2017 among Cincinnati Bell Inc., Cincinnati Bell Telephone Company LLC, Cincinnati Bell Extended Territories LLC, and Regions Bank, as trustee (Exhibit 10.1 to Current Report on Form 8-K, date of Report May 31, 2017, File No. 1-8519).
(4.8)	Third Supplemental Indenture dated October 2, 2017 among Cincinnati Bell Inc., Cincinnati Bell Shared Services LLC, Data Center South Holdings, LLC, Twin Acquisition Corp. and Regions Bank, as trustee (Exhibit 4.1 to Current Report on Form 8-K, date of Report October 2, 2017, File No. 1-8519).
(4.9)	Fourth Supplemental Indenture dated as of December 22, 2017 among Cincinnati Bell Inc., CBTS Holdco LLC, and Regions Bank, as trustee (Exhibit 10.1 to Current Report on Form 8-K, date of Report December 22, 2017, File No. 1-8519).
(4.10)	Fifth Supplemental Indenture, dated as of July 2, 2018, by and among Cincinnati Bell Inc., the guarantors party thereto and Regions Bank, as Trustee. (Exhibit 4.2 to Current Report on Form 8-K, date of Report July 2, 2018, File No. 1-8519).
(4.11)	Indenture, dated October 6, 2017, between CB Escrow Corp. and Regions Bank, as trustee (Exhibit 4.1 to Current Report on Form 8-K, date of Report October 6, 2017, File No. 1-8519).
(4.12)	Escrow Agreement, dated October 6, 2017, by and among CB Escrow Corp., Regions Bank, as trustee, and Regions Bank, as Escrow Agent (Exhibit 4.2 to Current Report on Form 8-K, date of Report October 6, 2017, File No. 1-8519).
(4.13)	Assumption Supplemental Indenture, dated as of July 2, 2018, by and among Cincinnati Bell Inc., the guarantors party thereto and Regions Bank, as Trustee. (Exhibit 4.1 to Current Report on Form 8-K, date of Report July 2, 2018, File No. 1-8519).
(4.14)	No other instrument which defines the rights of holders of long term debt of the registrant is filed herewith pursuant to Regulation S-K, Item 601(b)(4)(iii)(A). Pursuant to this regulation, the registrant hereby agrees to furnish a copy of any such instrument to the SEC upon request.
(4.15)	Description of Registrant’s Securities. (Exhibit 4.15 to Annual Report on Form 10-K, date of report February 24, 2020, File No. 1-8519).
(10.1)	Credit Agreement by and among Cincinnati Bell Inc., the Guarantor parties thereto, the Lender parties thereto, PNC Bank, National Association, as the Swingline Lender, and Morgan Stanley Senior Funding, Inc., as Administrative Agent, Collateral Agent, Swingline Lender and an L\C Issuer, dated October 2, 2017 (Exhibit 10.1 to Current Report on Form 8-K, date of Report October 3, 2017, File No. 1-8519).
(10.2)	Amendment No. 1 to Credit Agreement dated as of April 5, 2018, by and among Cincinnati Bell Inc., the subsidiary guarantors thereto, Morgan Stanley Senior Funding, Inc. and the tranche B term lenders party thereto (Exhibit 10.1 to Current Report on Form 8-K, date of Report April 5, 2018, File No. 1-8519).
(10.3)	Amendment No. 2 to Credit Agreement dated as of April 5, 2018, by and among Cincinnati Bell Inc., the subsidiary guarantors thereto, Morgan Stanley Senior Funding, Inc. and the tranche B term lenders party thereto (Exhibit 10.2 to Current Report on Form 8-K, date of Report April 5, 2018, File No. 1-8519).

(10.4)	Receivables Financing Agreement dated as of May 10, 2018, among Cincinnati Bell Funding LLC and Cincinnati Bell Funding Canada Ltd., as Borrowers, Cincinnati Bell Inc. and OnX Enterprise Solutions Ltd., as Servicers, the Lenders, Letter of Credit Participants and Group Agents from time to time party thereto, PNC Bank, National Association, as Administrator and Letter of Credit Bank, and PNC Capital Markets LLC, as Structuring Agent (Exhibit 99.3 to Current Report on Form 8-K, date of Report May 10, 2018, File No. 1-8519).
(10.5)	First Amendment to the Receivables Financing Agreement, dated as of November 21, 2018, by and among Cincinnati Bell Funding LLC and Cincinnati Bell Funding Canada Ltd., as Borrowers, Cincinnati Bell Inc. and OnX Enterprise Solutions Ltd., as Servicers, the Lenders, Letter of Credit Participants and Group Agents from time to time party thereto, PNC Bank, National Association, as Administrator and Letter of Credit Bank, and PNC Capital Markets LLC, as Structuring Agent (Exhibit 99.2 to Current Report on Form 8-K, date of Report November 23, 2018, File No. 1-8519).
(10.6)	Second Amendment to Receivables Financing Agreement, dated as of May 9, 2019, by and among Cincinnati Bell Funding LLC and Cincinnati Bell Funding Canada Ltd., as Borrowers, Cincinnati Bell Inc. and OnX Enterprise Solutions Ltd., as Servicers, the Lenders, Letter of Credit Participants and Group Agents from time to time parties thereto, PNC Bank, National Association, as Administrator and Letter of Credit Bank, and PNC Capital Markets, as Structuring Agent. (Exhibit 10.3 to Quarterly Report on Form 10-Q for the quarter ended June 30, 2019, File 1-8519).
(10.7)	Receivables Purchase Agreement dated as of May 10, 2018 among Cincinnati Bell Funding LLC, as Seller, Cincinnati Bell Inc., as Servicer, PNC Bank, National Association, as Buyer, and PNC Capital Markets LLC, as Structuring Agent (Exhibit 99.4 to Current Report on Form 8-K, date of Report May 10, 2018, File No. 1-8519).
(10.8)	First Amendment to Receivables Purchase Agreement, dated as of May 9, 2019, by and among Cincinnati Bell Funding LLC, as Seller, Cincinnati Bell Inc., as Servicer, and PNC Bank, National Association, as Buyer. (Exhibit 10.2 to Quarterly Report on Form 10-Q for the quarter ended June 30, 2019, File 1-8519).
(10.9)*	Cincinnati Bell Inc. Pension Program, as amended and restated effective January 1, 2005 (Exhibit (10)(iii)(A)(3) to Annual Report on Form 10-K for the year ended December 31, 2008, File No. 1-8519).
(10.10)*	Amendment to Cincinnati Bell Inc. Pension Program, effective December 31, 2011 (Exhibit 10.12 to Annual Report on Form 10-K for the year ended December 31, 2011, File No. 1-8519).
(10.11)*	Restatement of the Cincinnati Bell Management Pension Plan executed December 22, 2016 (Exhibit 10.28 to Annual Report on Form 10-K for the year ended December 31, 2016, File No. 1-8519).
(10.12)*	Restatement of the Cincinnati Bell Pension Plan executed December 22, 2016 (Exhibit 10.29 to Annual Report on Form 10-K for the year ended December 31, 2016, File No. 1-8519).
(10.13)*	Amendment to Cincinnati Bell Management Pension Plan executed December 22, 2016 (Exhibit 10.30 to Annual Report on Form 10-K for the year ended December 31, 2016, File No. 1-8519).
(10.14)*	Amendment to the Cincinnati Bell Pension Plan executed December 22, 2016 (Exhibit 10.31 to Annual Report on Form 10-K for the year ended December 31, 2016, File No. 1-8519).
(10.15)*	Cincinnati Bell Inc. 2011 Short Term Incentive Plan (Appendix II to the Company's 2016 Proxy Statement on Schedule 14A filed March 17, 2016, File No. 1-8519).
(10.16)*	Cincinnati Bell Inc. Deferred Compensation Plan for Outside Directors, as amended and restated as of January 1, 2005 (Exhibit (10)(iii)(A)(2) to Annual Report on Form 10-K for the year ended December 31, 2008, File No. 1-8519).
(10.17)*	Amendment to Cincinnati Bell Inc. Deferred Compensation Plan for Outside Directors, as of November 7, 2016 (Exhibit 10.2 to Current Report on Form 8-K, date of Report November 7, 2016, File No. 1-8519).

(10.18)*	Cincinnati Bell Inc. Executive Deferred Compensation Plan, as amended and restated effective January 1, 2005 (Exhibit (10)(iii)(A)(4) to Annual Report on Form 10-K for the year ended December 31, 2008, File No. 1-8519).
(10.19)*	Amendment to Cincinnati Bell Inc. Executive Deferred Compensation Plan, as of November 7, 2016 (Exhibit 10.1 to Current Report on Form 8-K, date of Report November 7, 2016, File No. 1-8519).
(10.20)*	Cincinnati Bell Inc. 2007 Long Term Incentive Plan, as amended (Appendix I to the Company's 2015 Proxy Statement on Schedule 14A filed March 20, 2015, File No. 1-8519).
(10.21)*	Cincinnati Bell Inc. Form of Stock Option Agreement (2007 Long Term Incentive Plan) (Exhibit (10)(iii)(A)(22) to Annual Report on Form 10-K for the year ended December 31, 2008, File No. 1-8519).
(10.22)*	Cincinnati Bell Inc. Form of Performance Restricted Stock Agreement (2007 Long Term Incentive Plan) (Exhibit (10)(iii)(A)(23) to Annual Report on Form 10-K for the year ended December 31, 2008, File No. 1-8519).
(10.23)*	Cincinnati Bell Inc. Form of 2016 - 2018 Share-Based Performance Unit Award Agreement (2007 Long Term Incentive Plan) (Exhibit 10.40 to Annual Report on Form 10-K for the year ended December 31, 2016, File No. 1-8519).
(10.24)*	Cincinnati Bell Inc. Form of 2017-2019 Share-Based Performance Award Agreement (2007 Long Term Incentive Plan) (Exhibit 10.39 to Annual Report on Form 10-K for the year ended December 31, 2017, File No. 1-8519).
(10.25)*	Cincinnati Bell Inc. Form of Stock Appreciation Rights Agreement (Employees) (Exhibit (10)(iii)(A)(21) to Annual Report on Form 10-K for the year ended December 31, 2008, File No. 1-8519).
(10.26)*	Cincinnati Bell Inc. Form of Restricted Stock Unit Award Agreement (2007 Long Term Incentive Plan)(Exhibit 10.45 to Annual Report for the year ended December 31, 2015, File No. 1-8519).
(10.27)*	Cincinnati Bell Inc. 2007 Stock Option Plan for Non-Employee Directors, as amended (Appendix I to the Company's 2016 Proxy Statement on Schedule 14A filed on March 17, 2016, File No. 1-8519).
(10.28)*	Cincinnati Bell Inc. 2017 Long-Term Incentive Plan (Appendix I to the Company's 2017 Proxy Statement on Schedule 14A filed on March 24, 2017, File No. 1-8519).
(10.29)*	Cincinnati Bell Inc. Form of Restricted Stock Unit Award (2017 Long-Term Incentive Plan) (Exhibit 10.1 to Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, File 1-8519).
(10.30)*	Cincinnati Bell Inc. Form of 2018-2020 Share-Based Performance Unit Award Agreement (2017 Long-Term Incentive Plan) (Exhibit 10.2 to Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, File 1-8519).
(10.31)*	Cincinnati Bell Inc. Form of Restricted Stock Unit Award Agreement (2017 Long Term Incentive Plan) - 2019 version. (Exhibit 10.1 to Quarterly Report on Form 10-Q for the quarter ended March 31, 2019, File 1-8519).
(10.32)*	Cincinnati Bell Inc. Form of 2019-2021 Share-Based Performance Unit Award Agreement (2017 Long Term Incentive Plan). (Exhibit 10.2 to Quarterly Report on Form 10-Q for the quarter ended March 31, 2019, File 1-8519).
(10.33)*	Cincinnati Bell Inc. 2017 Stock Plan for Non-Employee Directors (Appendix II to the Company's 2017 Proxy Statement on Schedule 14A filed on March 24, 2017, File No. 1-8519).

(10.34)*	Cincinnati Bell Inc. Form of 2018-2023 Business Value Award Agreement (Exhibit 10.1 to Current Report, date of Report May 7, 2018, File No. 1-8519).
(10.35)*	Executive Compensation Recoupment/Clawback Policy effective as of January 1, 2011 (Exhibit 99.1 to Current Report on Form 8-K, date of Report October 29, 2010, File No. 1-8519).
(10.36)*	Amended and Restated Employment Agreement between Cincinnati Bell Inc. and Christopher J. Wilson effective January 1, 2015 (Exhibit 10.51 to Current Report on Form 10-K, date of Report February 26, 2015, File No. 1-8519).
(10.37)*	Employment Agreement between Cincinnati Bell Inc. and Christopher J. Wilson effective as of December 1, 2017 (Exhibit 10.4 to Current Report on Form 8-K, date of Report December 1, 2017, File No. 1-8519).
(10.38)*	Amended and Restated Employment Agreement between Cincinnati Bell Inc. and Leigh R. Fox effective as of September 1, 2016 (Exhibit 10.1 to Current Report on Form 8-K, date of Report September 1, 2016, File No. 1-8519).
(10.39)*	Amended and Restated Employment Agreement between Cincinnati Bell Inc. and Leigh R. Fox effective as of March 1, 2017 (Exhibit 10.1 to Current Report on Form 8-K, date of Report March 1, 2017, File No. 1-8519).
(10.40)*	Employment Agreement between Cincinnati Bell Inc. and Leigh R. Fox effective as of December 1, 2017 (Exhibit 10.1 to Current Report on Form 8-K, date of Report December 1, 2017, File No. 1-8519).
(10.41)*	Employment Agreement dated as of May 5, 2014 between Cincinnati Bell Inc. and Joshua T. Duckworth (Exhibit 10.1 to Current Report on Form 8-K, date of Report May 5, 2014, 2014, File No. 1-8519).
(10.42)*	Employment Agreement between Cincinnati Bell Inc. and Joshua T. Duckworth effective as of December 1, 2017 (Exhibit 10.5 to Current Report on Form 8-K, date of Report December 1, 2017, File No. 1-8519).
(10.43)*	Amended and Restated Employment Agreement between Cincinnati Bell Inc. and Thomas E. Simpson dated as of January 27, 2015 (Exhibit 10.50 to Annual Report on Form 10-K, date of report February 26, 2015, File No. 1-8519).
(10.44)*	Amended and Restated Employment Agreement between Cincinnati Bell Inc. and Thomas E. Simpson effective as of September 1, 2016 (Exhibit 10.1 to Current Report on Form 8-K, date of Report September 9, 2016, File No. 1-8519).
(10.45)*	Employment Agreement between Cincinnati Bell Inc. and Thomas E. Simpson effective as of December 1, 2017 (Exhibit 10.3 to Current Report on Form 8-K, date of Report December 1, 2017, File No. 1-8519).
(10.46)*	Employment Agreement between Cincinnati Bell Inc. and Andrew R. Kaiser effective as of September 1, 2016 (Exhibit 10.2 to Current Report on Form 8-K, date of Report September 1, 2016, File No. 1-8519).
(10.47)*	Employment Agreement between Cincinnati Bell Inc. and Andrew R. Kaiser effective as of September 1, 2017 (Exhibit 10.1 to Current Report on Form 8-K, date of Report August 3, 2017, File No. 1-8519).
(10.48)*	Employment Agreement between Cincinnati Bell Inc. and Andrew R. Kaiser effective as of December 1, 2017 (Exhibit 10.2 to Current Report on Form 8-K, date of Report December 1, 2017, File No. 1-8519).
(10.49)*	Employment Agreement between Cincinnati Bell Inc. and Christi H. Cornette effective as of September 1, 2017 (Exhibit 10.2 to Current Report on Form 8-K, date of Report August 3, 2017, File No. 1-8519).
(10.50)*	Employment Agreement between Cincinnati Bell Inc. and Christi H. Cornette effective as of December 1, 2017 (Exhibit 10.6 to Current Report on Form 8-K, date of Report December 1, 2017, File No. 1-8519).

(10.51)*	Employment Agreement between Cincinnati Bell Inc. and Shannon M. Mullen effective as of December 1, 2017 (Exhibit 10.7 to Current Report on Form 8-K, date of Report December 1, 2017, File No. 1-8519).
(10.52)*	Employment Agreement between Cincinnati Bell Inc. and Mark J. Fahner effective as of September 16, 2018 (Exhibit 10.3 to Quarterly Report on Form 10-Q for the quarter ended September 30, 2018, File 1-8519).
(10.53)*	Employment Agreement between Cincinnati Bell Inc. and Suzanne E. Maratta effective May 12, 2019. (Exhibit 10.4 to Quarterly Report on Form 10-Q for the quarter ended June 30, 2019, File 1-8519).
(14)	Code of Ethics for Senior Financial Officers, as adopted pursuant to Section 406 of Regulation S-K (Exhibit (10)(iii)(A)(15) to Annual Report on Form 10-K for the year ended December 31, 2003, File No. 1-8519).
(21)	Subsidiaries of the Registrant. (Exhibit 21 to Annual Report on Form 10-K, date of report February 24, 2020, File No. 1-8519).
(23)	Consent of Independent Registered Public Accounting Firm. (Exhibit 23 to Annual Report on Form 10-K, date of report February 24, 2020, File No. 1-8519).
(24)	Powers of Attorney. (Exhibit 24 to Annual Report on Form 10-K, date of report February 24, 2020, File No. 1-8519).
(31.1)	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (Exhibit 31.1 to Annual Report on Form 10-K, date of report February 24, 2020, File No. 1-8519).
(31.2)	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (Exhibit 31.2 to Annual Report on Form 10-K, date of report February 24, 2020, File No. 1-8519).
(31.3) +	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
(31.4) +	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
(32.1)	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (Exhibit 32.1 to Annual Report on Form 10-K, date of report February 24, 2020, File No. 1-8519).
(32.2)	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (Exhibit 32.2 to Annual Report on Form 10-K, date of report February 24, 2020, File No. 1-8519).
(99.1)	Telecommunications Peer Group
101	The following financial statements from Cincinnati Bell Inc.'s Annual Report on Form 10-K for the year ended December 31, 2019 were formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations and Comprehensive Income (Loss), (iii) Condensed Consolidated Statements of Shareholders' Deficit, (iv) Condensed Consolidated Statements of Cash Flows, and (v) Notes to Condensed Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101).

\+ Filed herewith.
* Management contract or compensatory plan

The Company's reports on Form 10-K, 10-Q, 8-K, proxy and other information are available free of charge at the following website: *http://www.cincinnatibell.com*. Upon request, the Company will furnish a copy of the Proxy Statement to its security holders without charge. The Company will furnish any other exhibit at cost.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: April 28, 2020

/s/ Andrew R. Kaiser
Andrew R. Kaiser
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Signature	Title	Date
/s/ Leigh R. Fox Leigh R. Fox	President and Chief Executive Officer (Principal Executive Officer)	April 28, 2020
/s/ Andrew R. Kaiser* Andrew R. Kaiser	Chief Financial Officer (Principal Financial Officer)	April 28, 2020
/s/ Suzanne E. Maratta* Suzanne E. Maratta	Vice President and Corporate Controller (Principal Accounting Officer)	April 28, 2020
Lynn A. Wentworth * Lynn A. Wentworth	Chairman of the Board and Director	April 28, 2020
Meredith J. Ching* Meredith J. Ching	Director	April 28, 2020
Walter A. Dods, Jr.* Walter A. Dods, Jr.	Director	April 28, 2020
John W. Eck* John W. Eck	Director	April 28, 2020
Jakki L. Haussler* Jakki L. Haussler	Director	April 28, 2020
Craig F. Maier* Craig F. Maier	Director	April 28, 2020
Russel P. Mayer* Russel P. Mayer	Director	April 28, 2020
Theodore H. Torbeck* Theodore H. Torbeck	Director	April 28, 2020
Martin J. Yudkovitz* Martin J. Yudkovitz	Director	April 28, 2020

*By: /s/ Leigh R. Fox
Leigh R. Fox
as attorney-in-fact and on his behalf
as President and Chief Executive Officer

Exhibit 31.3

CERTIFICATIONS

I, Leigh R. Fox, Chief Executive Officer, do hereby certify that:

1. I have reviewed this Amendment to the annual report on Form 10-K/A of Cincinnati Bell Inc.; and

2. Based on my knowledge, this report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

/s/ Leigh R. Fox

Leigh R. Fox
Chief Executive Officer
April 28, 2020

Exhibit 31.4

CERTIFICATIONS

I, Andrew R. Kaiser, Chief Financial Officer, do hereby certify that:

1. I have reviewed this Amendment to the annual report on Form 10-K/A of Cincinnati Bell Inc.; and

2. Based on my knowledge, this report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

/s/ Andrew R. Kaiser

Andrew R. Kaiser
Chief Financial Officer
April 28, 2020

EXHIBIT 99.1

Cincinnati Bell Inc.

Telecommunications Peer Group

The companies comprising the Telecommunications Peer Group are listed below:

ATN International, Inc.
CenturyLink, Inc.
Cogent Communications Holdings, Inc.
Consolidated Communications Holdings, Inc.
Endurance International Group Holdings, Inc.
Frontier Communications Corporation
General Communications Inc.
GTT Communications, Inc.
IDT Corporation
Iridium Communications, Inc.

ORBCOMM Inc.
SBA Communications Corp.
Shenandoah Telecommunications Company
Spok Holdings, Inc.
Telephone and Data Systems, Inc.
United States Cellular Corporation
Vonage Holdings Corp.
Windstream Holdings, Inc.
Zayo Group Holdings, Inc.

EXHIBIT 9

SECTION IV. TRANSFEREE'S/ASSIGNEE'S TECHNICAL QUALIFICATIONS

Set forth in an Exhibit a narrative account of the transferee's/assignee's technical qualifications, experience and expertise regarding cable television systems, including, but not limited to, summary information about appropriate management personnel that will be involved in the system's management and operations. The transferee/assignee may, but need not, list a representative sample of cable systems currently or formerly owned or operated.

Red Fiber Parent does not itself have a history or experience in the cable industry inside or outside of Hawai'i. However, Cincinnati Bell will continue to be 100% intermediate owners of Hawaiian Telcom Services Company, Inc. ("HTSC"). Cincinnati Bell and HTSC have a long and proven track record in the cable industry in Hawai'i as further detailed below.

Red Fiber Parent will be majority owned indirectly by a fund managed by a member of Macquarie Infrastructure and Real Assets ("MIRA"). MIRA, through separately held portfolio investments, manages the ownership of fiber optic services in the United States as follows:

- Bluebird Networks, via its wholly owned subsidiaries Missouri Network Alliance, LLC d/b/a Bluebird Network ("MNA"), Illinois Network Alliance, LLC, and PEG Bandwidth IL, LLC, provides transport and Internet services as a "carrier's carrier" to wholesale and enterprise customers in Missouri, Illinois, Iowa, Oklahoma, Kansas, Kentucky, Tennessee, and Nebraska through its 10,000 fiber mile network. MNA also provides tandem switching and transport services for interexchange carriers in Missouri pursuant to interstate and intrastate tariffs.

Since 2007, MIRA has been investing in telecommunications infrastructure assets in North America and currently manages investments in the following five telecommunications and digital infrastructure businesses: (1) InSite Wireless, the second-largest privately held portfolio of wireless towers in the United States, (2) Mexico Tower Partners, one of the largest owners of wireless towers in Mexico, (3) Aligned Energy, a developer and operator of wholesale datacenters, and (4) Netrality Datacenters, an owner and operator of highly connected datacenters, or carrier hotels. MIRA also has extensive experience in wireline connectivity infrastructure outside the United States. In 2018, MIRA managed funds invested in INEA S.A., the largest cable and fiber operator in western Poland, passing over 650,000 homes. Additionally, in 2018, MIRA managed funds invested in TDC A/S, the incumbent telecommunications provider in Denmark, with a business plan to invest substantially in new fiber construction to provide customers throughout the country with high-speed Internet access, overbuilding large sections of TDC's legacy twisted copper network. TDC A/S has over 1.2 million television subscribers, passes approximately 1.5 million homes with cable and has approximately 2 million mobile network subscribers. Further, in 2019, MIRA managed funds invested in KCOM Group PLC, the incumbent fixed-line telecommunications operator in Kingston-Upon-Hull in the United Kingdom, one of the largest fiber-to-the-home operators in the United Kingdom serving approximately 190,000 homes and 15,000 businesses.

While the proposed transaction involves an indirect parent-level transfer of control of Cincinnati Bell and its subsidiaries including the franchisee, HTSC, management of the company will largely remain in place and continue to run HTSC's video business.

With headquarters in Cincinnati, Ohio, Cincinnati Bell Inc. (NYSE: CBB) ("Cincinnati Bell") and its subsidiaries provide competitive telecommunications services to residential and business customers. Through its Entertainment and Communications segment, the company provides high-speed data, video and voice solutions to consumers and businesses over an expanding fiber network and a legacy copper network in Hawaiʻi, Indiana, Kentucky and Ohio. Cincinnati Bell continues to focus on transforming its legacy copper-based telecommunications company into a technology company with state-of- the-art fiber assets servicing customers with data, video, voice and IT solutions to meet their evolving needs. Expansion of its fiber network is a key initiative for Cincinnati Bell. Cincinnati Bell, through its indirect subsidiaries HTSC and Cincinnati Bell Extended Territories LLC, ("CBET") holds video franchises in Hawaii, Indiana, Kentucky and Ohio. As of December 31, 2019, Cincinnati Bell cable franchises serve over 178,000 customers. Cincinnati Bell's 2019 video revenue exceeded $200 million. Its fiber network currently spans 12,500 route miles throughout Ohio, Kentucky and Indiana and 4,700 route miles in Hawaii and its fiber-based services are available to approximately 45 percent of Hawaiʻi and approximately 75 percent of the locations in Cincinnati Bell's Indiana, Kentucky and Ohio operating area.

The franchisee, HTSC, and its management team will not change as a result of the Transaction. HTSC and its affiliates have served the communications needs of the state of Hawaiʻi for nearly one hundred thirty five years. Hawaiian Telcom, Inc., the incumbent local exchange carrier of the State of Hawaiʻi and the sister company of HTSC, was formed in 1883 to provide telephone service in the Islands. HTSC was formed in 2004 in connection with the Carlyle Group's acquisition of Verizon's Hawaiʻi businesses, in order to provide to the State the non-regulated services not being performed by Hawaiian Telcom, Inc., including the high-speed Internet, directories, and wireless businesses. In 2011, the Director of DCCA granted a nonexclusive cable franchise to HTSC, authorizing the company to deliver digital cable service to all areas on the island of Oahu via Internet Protocol TV ("IPTV") technology. See DCCA Decision and Order No. 352 (June 24, 2011).[10]

As further described in the response to Section II.C of the corresponding Application for Transfer of Cable Franchise, the Transaction will occur entirely at the holding company level and will not affect the day-to-day operations, billing systems, or operational support systems of HTSC. HTSC will continue to be locally managed from Hawaiʻi and its union labor agreements will be honored. In addition, customers will continue to have local customer support and customers will have the ability to interact with local support personnel as well as obtain support over the telephone and the Internet. Consistent with the Cincinnati Bell/Hawaiian Telecom Decision and Order from the Hawaii Public Utilities Commission two seats on the Cincinnati Bell board will continue to be held by Hawai'i residents.[11] Hawaiʻi will thus be well represented when broader strategic decisions are made.

RED FIBER PARENT KEY MANAGEMENT TEAM BIOGRAPHIES

Anton Moldan, Managing Director, MIRA

Mr. Moldan is the sector head for communications and digital infrastructure for MIRA in the Americas, with a focus on sourcing and evaluating acquisition opportunities as well as asset management responsibilities. Mr. Moldan is currently a director of InSite Wireless Group (one of the largest independent, privately owned tower company in the U.S), Aligned Energy (a developer and operator of hyperscale data centers in key U.S. markets), Mexico Tower Partners (the largest independent, privately owned tower company in the Mexico), Bluebird Networks (an enterprise and wholesale fiber network with nearly 8,000 route miles Missouri and Illinois), and Netrality Data Centers (one of the largest independent, privately owned carrier hotel platforms in the U.S).

Prior to his current role, Mr. Moldan served as a director and asset manager for MIRA's industrials portfolio investments across North America, Australia, and the United Kingdom.

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[10] HTSC's cable franchise is scheduled to expire on June 24, 2026. *See D&O No. 352* at 59 and 68.

[11] *In the Matter of the Application of Cincinnati Bell Inc., Hawaiian Telcom, Inc., Hawaiian Telcom Services Company Inc., and Wavecom Solutions Corporation for Approval (1) to Transfer Indirect Control of Licensees to Cincinnati Bell Inc.; (2) for Pro Forma Transfer of Control; (3) for Licensees to Participate in Certain Financing Arrangements and (4) to Modify and Extend Certain Waivers.*, Docket No. 2017-0208, Decision and Order No. 35427, at 54 (April 30, 2018) ("*Cincinnati Bell/Hawaiian Telcom Order*").

During this time he was involved in the management and divestment of Icon Parking, the largest valet parking garage business in Manhattan, SmarteCarte, a leading concessionaire of self-serve vended luggage carts, Petermann, a large regional student transportation company, Sentient, a private jet aviation services company, and, AIRserv, which operated over 65,000 vehicle tire inflation, vacuum, and jet wash machines across North America, United Kingdom, and continental Europe.

Mr. Moldan has a Bachelor of Commerce from the University of Sydney, where he majored in Finance with minors in Accounting and Economics.

Doug Wiest, Senior Operating Partner, MIRA

Mr. Wiest joined MIRA in 2019 as a senior operating partners in the communications and digital infrastructure sector. He has over 30 years of experience in telecom, wireless networks and tower companies. Mr. Wiest currently sits on the boards of InSite Wireless Group, Aligned Energy, Bluebird Networks, and Netrality Data Centers.

Prior to joining Macquarie, Mr. Wiest served as CEO of NextEdge Networks, which he helped form in November of 2016 as a spin-off from EdgeConneX's wireless division, Edge Wireless. Prior to NextEdge Networks, Mr. Wiest held the position of Executive Vice President at EdgeConneX since 2009. Before EdgeConneX, Mr. Wiest was President and CEO of Lightower from July of 2002 until 2009, recently acquired by Crown Castle. The business began as a startup under the ownership of National Grid (NYSE: NGG), a UK-based utility company. Before engaging in the Lightower opportunity, Mr. Wiest was the COO of American Tower (NYSE: AMT), the largest tower owner and operator globally. Mr. Wiest has also held executive operating positions at Nextel, McCaw Communications and Pacific Telesis, a Regional Bell Operating Company acquired by AT&T.

Mr. Wiest has an MBA from the Marriott Business School at Brigham Young University, an MS in Telecommunications from Golden Gate University and a BS in Psychology from Brigham Young University.

CINCINNATI BELL/HAWAIIAN TELECOM KEY MANAGEMENT TEAM BIOGRAPHIES

Leigh R. Fox, President & Chief Executive Officer, Cincinnati Bell Inc.

Leigh Fox is President and Chief Executive Officer of Cincinnati Bell Inc. Mr. Fox has been with Cincinnati Bell since July of 2001, most recently as President and Chief Operating Officer. In that role, he was responsible for overseeing all aspects of operations, sales and customer care for both the Entertainment & Communications Segment and the IT Services & Hardware Segment. Mr. Fox also served as the company's Chief Financial Officer from 2013 until September 2016, responsible for all aspects of finance, accounting, and treasury. Prior to 2013, Mr. Fox had increasingly larger corporate responsibilities as Chief Administrative Officer, and Senior Vice President of Finance and spent eight years in senior roles within the company's technology services business.

A native of Cincinnati, Mr. Fox holds a bachelor's degree from Miami University and an MBA from the University of Cincinnati. He is on the boards of the USA Regional Chamber, American Red Cross, UC Foundation and Anthony Munoz Foundation. Mr. Fox chaired the 2019 ArtsWave Community Campaign and was Vice Chair of the 2016 United Way of Greater Cincinnati Campaign. He is a member of the Cincinnati Business Committee and the Business Leader's Alliance.

Andrew R. Kaiser, Chief Financial Officer, Cincinnati Bell Inc.

Andrew Kaiser is Chief Financial Officer of Cincinnati Bell Inc. He reports directly to Leigh Fox, President and Chief Executive Officer of Cincinnati Bell. As CFO, Mr. Kaiser is responsible for Cincinnati Bell's corporate accounting, finance, treasury and tax functions, as well as investor relations, supply chain management and sourcing functions.

Mr. Kaiser's career with Cincinnati Bell began in July of 2000. He held a variety of finance and accounting positions during his initial five-year tenure, including Director of FP&A. In July of 2005, Mr. Kaiser left Cincinnati Bell to co-found Howard Roark Consulting, LLC, a Cincinnati, Ohio-based management consulting firm with a focus on launching new technology-based ventures. Mr. Kaiser rejoined Cincinnati Bell in January of 2014, and served as Vice President – Corporate Finance, leading its data analytics and corporate development functions, and most recently as Vice President – Consumer Marketing and Data Analytics.

Mr. Kaiser holds a bachelor's degree from Wright State University and an MBA from the University of Cincinnati. He serves on the Board of Directors of CancerFree KIDS and is a member of the Cincinnati Regional Business Committee.

Christi H. Cornette, Chief Culture Officer, Cincinnati Bell Inc.

Christi Cornette is Chief Culture Officer of Cincinnati Bell Inc., and reports directly to Leigh Fox, President and Chief Executive Officer of Cincinnati Bell.

As Chief Culture Officer, Ms. Cornette is responsible for Cincinnati Bell's corporate marketing, brand strategy, employee development, human resources, internal and external communication, community involvement, and events and sponsorships.

Ms. Cornette brings more than 30 years of Marketing, Sales and Technology experience to Cincinnati Bell. She joined CBTS in 2001 and served for five years as Vice President of Marketing. In her most recent role as Senior Vice President of Marketing for Cincinnati Bell, which started in 2013, Ms. Cornette was responsible for product marketing, partner management, branding, sponsorships and communications.

Ms. Cornette is an active mentor for females in the workplace; she leads the company's culture and diversity initiative; and she serves on the Board of Directors for CancerFree KIDS. Ms. Cornette has a bachelor's degree from The Ohio State University.

Thomas E. Simpson, Chief Operating Officer, Cincinnati Bell Inc.

Tom Simpson is Chief Operating Officer of Cincinnati Bell Inc., and reports directly to Leigh Fox, President and Chief Executive Officer of Cincinnati Bell. As COO, Mr. Simpson is responsible for overseeing all aspects of Corporate operations as well as sales and customer care for the Entertainment & Communications Segment.

Mr. Simpson joined Cincinnati Bell in February of 2001. He most recently served as Chief Technology Officer of Cincinnati Bell, and was responsible for technology development, strategy, and operations across all branches of the business.

Mr. Simpson previously served as Chief Technology Officer for CBTS, Cincinnati Bell's IT Services & Hardware Segment, and was responsible for new product development and engineering. Before joining CBTS, Mr. Simpson held roles at IBM, RAND Corporation and CNS. Mr. Simpson holds a bachelor's degree from the University of California, Santa Cruz, and a master's degree in engineering from Stanford University.

Kevin J. Murray, Senior Vice President and Chief Information Officer, Cincinnati Bell

Kevin Murray is Senior Vice President and Chief Information Officer of Cincinnati Bell Inc., and reports directly to Leigh Fox, President and Chief Executive Officer of Cincinnati Bell. Mr. Murray is responsible for Information Technology strategy planning, development, and operations for the company. He is also responsible for the company's Enterprise Program Management office and Process Improvement group.

Mr. Murray joined Cincinnati Bell in 2001. Prior to his current position, Mr. Murray served as SVP Network Operations and CIO. He has also served in technology leadership roles over teams that supported the organization's network operations, financial systems, and wireless subsidiary. Before joining Cincinnati Bell, Mr. Murray was a Manager with Accenture.

Mr. Murray holds a bachelor's degree from Miami University. He is a member of the Greater Cincinnati CIO Roundtable, serves on the Advisory Board of the Hearing, Speech & Deaf Center of Greater Cincinnati, and serves on the Corporate Advisory Committee of the Cincinnati Chapter of the BDPA.

Christopher J. Wilson, Vice President & General Counsel, Cincinnati Bell Inc.

Chris Wilson is Vice President and General Counsel of Cincinnati Bell Inc., and is responsible for all legal matters pertaining to the company. Mr. Wilson reports directly to Leigh Fox, President and Chief Executive Officer of Cincinnati Bell.

Prior to his current position, Mr. Wilson served as Associate General Counsel and Assistant Corporate Secretary for the company's Cincinnati-based operating subsidiaries. Before joining the in-house legal team at Cincinnati Bell, Mr. Wilson was a partner at Frost Brown Todd LLP.

Mr. Wilson is a member of the Ohio State Bar Association and Cincinnati Bar Association. He holds a bachelor's degree from Thomas More College and a law degree from the University of Notre Dame.

Mark J. Fahner, Vice President of Corporate Development, Cincinnati Bell Inc.

Mark Fahner is Vice President of Corporate Development at Cincinnati Bell and is responsible for strategic growth and merger & acquisition activity for the company. Prior to this role, Mr. Fahner served as Vice President of the Consumer and SMB Product Operations and the Network Planning and Engineering departments, as well as serving as General Manager for Business & Wholesale Product Management.

Mr. Fahner has led teams at Cincinnati Bell since 2002, when he began his career at the company as a Sales Director for Major and National Accounts. Mr. Fahner earned his bachelor's degree from the University of Dayton in electrical engineering and an MBA from Xavier University in marketing.

Joshua T. Duckworth, Vice President of Treasury, Corporate Finance and Investor Relations, Cincinnati Bell Inc.

Joshua Duckworth is Vice President of Treasury, Corporate Finance and Investor Relations for Cincinnati Bell Inc. and reports directly to Chief Financial Officer Andrew Kaiser. Mr. Duckworth's responsibilities include investor relations, accounting, internal controls and financial reporting.

Mr. Duckworth joined Cincinnati Bell in August of 2010 as the Assistant Corporate Controller, and he has also served as the Assistant Treasurer. Prior to joining Cincinnati Bell, Mr. Duckworth was a Senior Manager at Deloitte & Touche LLP. Mr. Duckworth earned his bachelor's degree from Eastern Kentucky University and is a certified public accountant.

Suzanne E. Maratta, Vice President & Corporate Controller, Cincinnati Bell Inc.

Suzanne E. Maratta is the Vice President & Corporate Controller for Cincinnati Bell, Inc. and reports directly to Chief Financial Officer Andrew Kaiser. Ms. Maratta will serve as the Chief Accounting Officer responsible for the financial statements, general ledger, cost accounting, accounting research and management of the corporate accounting department. She most recently served as Assistant Corporate Controller.

Ms. Maratta joined Cincinnati Bell in May of 2014 as the Financial Reporting Senior Manager. Prior to joining Cincinnati Bell, Ms. Maratta was a Manager at PricewaterhouseCoopers. Ms. Maratta holds a bachelor's degree from Ohio University, a master's degree in accountancy from Wright State University and is a certified public accountant. Ms. Maratta is an active member of the Finance Committee for Women Helping Women.

Jeffrey A. Lackey, President, CBTS

Jeff Lackey is President at CBTS, and reports directly to Leigh Fox, President and CEO of Cincinnati Bell Inc. Jeff joined CBTS in March of 2016 as Senior Vice President of US Sales, and most recently served as Chief Operating Officer. As President, Jeff is leading the organization's growth strategy and overseeing its evolution from a traditional infrastructure and managed services company, to one of the industry's leading cloud, communications, and consulting providers. Jeff held a variety of senior roles in the information technology industry before joining CBTS. He was the founder of KSM Consulting, which focused on expanding the commercial market's adoption of personal computing and network-based technology; was President of Broadwing Technology Solutions; and was President and CEO of Core Business Technology Solutions, the privatized regional information technology services division of Broadwing. Jeff holds a bachelor's degree from Indiana University.

Jason E. Praeter, President of Cincinnati Bell

Jason Praeter is President and General Manager of Cincinnati Bell, and reports directly to Tom Simpson, Chief Operating Officer of Cincinnati Bell. Mr. Praeter's responsibilities include expanding the fiber network across Greater Cincinnati and driving subscriber growth in the consumer, business and carrier markets.

Mr. Praeter joined Cincinnati Bell in 2007 and focused primarily on selling fiber-to-the-home. In his most recent role as Vice President of Consumer Sales, which started in 2013, Mr. Praeter was responsible for leading the company's market share and revenue growth for Consumer Markets.

Mr. Praeter is active in his community, holds various coaching positions, and donates time with the local Food to Go charity.

Su Hwa Shin Meisenzahl, President and General Manager of Hawaiian Telcom

Su Shin was named President and General Manager of Hawaiian Telcom in February 2020. The first female president of the company, she is responsible for the overall leadership and management of Hawaiian Telcom's operations and corporate staff.

A strategist, consultant and implementer, Ms. Shin previously served as Chief of Staff, providing strategic counsel to Hawaiian Telcom's president and senior leadership team, and managing and directing key projects and initiatives.

Prior to that, Ms. Shin, a seasoned senior strategic communications executive with more than two decades of experience, served as Executive Director of Marketing and Communications, responsible for all marketing execution and communications functions, including traditional/offline and online advertising, direct marketing, website management and development, social media, as well as strategic internal and external communications.

Ms. Shin joined Hawaiian Telcom in August 2013 as Director of Corporate Communications, managing the company's employee and public relations strategies and activities, with a focus on improving employee engagement. Before coming to Hawaiian Telcom, Ms. Shin served as Senior Vice President at Bennet Group, providing executive leadership at Hawai'i's fourth largest public relations agency. In this role, she was responsible for developing and managing a team of professionals focused on providing strategic communications counsel to many of the state's most prominent companies.

Ms. Shin has extensive utility experience, having served as Chief Communications Officer at the Honolulu Board of Water Supply. She began her career as a broadcast journalist for KHNL-TV, Hawai'i's NBC affiliate.

Ms. Shin graduated from McKinley High School before receiving her bachelor's degree from the University of La Verne in California.

Committed to giving back to the community, Ms. Shin currently serves as a trustee for Palama Settlement, a non-profit social service organization dedicated to improving the lives of keiki to kūpuna in the Kalihi-Pālama area. She also sits on the McKinley High School Foundation board and the University of Hawai'i Outreach College advisory council.

Kevin Paul, Senior Vice President – Advanced Services, Hawaiian Telcom

Kevin Paul leads Hawaiian Telcom's Advanced Services teams, responsible for Professional & Consulting Services, Managed Network Services and Managed Security Services as well as Data Center and cloud-based services (such as Virtual Compute & Storage, Back-Up as a Service, Disaster Recovery as a Service and other XaaS capabilities in private, public or hybrid cloud configurations) . He joined Hawaiian Telcom as Senior Vice President – Technology in August 2011, responsible for the architecture, planning, engineering and support of the company's network and systems.

Mr. Paul has held leadership technology roles for more than 35 years. Prior to joining Hawaiian Telcom, he served as Vice President of Content Engineering & Development for Level 3 Communications where he managed architecture, engineering, development, test and tier IV support of Level 3's Content Delivery Network and Vyvx video broadcast network. He joined Level 3 as Vice President, Softswitch Engineering, Development and Deployment in 2000, and also served as Vice President of Network Integration.

Prior to this, Mr. Paul was Director of MCI's (now Verizon Business) Call Processing Infrastructure, and also held numerous positions in Systems Engineering including Intelligent Call Center Application Development and Data Network Application Development.

Mr. Paul holds nine patents: six in the area of Fraud Detection and Neural Network technology and three in the area of Content Delivery Networks with Deep Caching Infrastructure. He earned a Bachelor of Arts degree in Computer Science from Rutgers University in New Brunswick, New Jersey. Mr. Paul currently serves as a member of the Advisory Council for the College of Engineering at the University of Hawai'i at Mānoa.