

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
CABLE TELEVISION DIVISION

Public Hearing Testimony of Anton Moldan
September 10, 2020

Application for Transfer of Cable Franchise of
Red Fiber Parent LLC, Cincinnati Bell Inc., and Hawaiian Telcom Services Company, Inc.

Good afternoon and thank you to the Director and members of the Cable Division for providing this opportunity to share our plans to partner with Hawaiian Telcom and Cincinnati Bell.

My name is Anton Moldan and I am a managing director for Macquarie Infrastructure and Real Assets (also known as MIRA). I head up our national communications and digital infrastructure investment strategy and currently sit on several boards of companies we own and manage across the fiber, towers, and data centers sectors.

We are excited to be before you today to discuss how our acquisition of Hawaiian Telcom through Cincinnati Bell will further Hawaiian Telcom's efforts to better serve its customers and make it a market leading fiber to the premise network and technology solutions provider.

But, before I further discuss this transaction, I would like to first give you some background about MIRA and who we are.

MIRA is the largest global manager of infrastructure. We have over 25 years of experience and have current assets under management of ~\$135bn.

MIRA has extensive experience as an owner and manager of communications and digital infrastructure assets. Our current portfolio in the U.S. includes companies such as:

- Bluebird Networks, a fiber network provider with nearly 10,000 route-miles in Missouri and Illinois;
- InSite Wireless Group, one of the largest independent, privately-owned tower and wireless infrastructure companies in the U.S.;
- Aligned Energy, a developer and operator of hyperscale data centers in key U.S. markets;
- Netrality Data Centers, one of the largest independent, privately-owned carrier hotel platforms in the U.S.

MIRA is the manager of Macquarie Infrastructure Partners V (MIP V), a long-term diversified Americas infrastructure fund. The MIP franchise has been investing in infrastructure in the Americas since 2003.

MIP V is the controlling owner of Red Fiber Parent, which is the applicant in this proceeding. Through the proposed transaction, Red Fiber Parent will acquire Cincinnati Bell's shares. Cincinnati Bell will go from being a publicly-traded company to one that will be privately held, and Cincinnati Bell will remain the indirect parent of Hawaiian Telcom.

This acquisition will allow us to partner with Cincinnati Bell and Hawaiian Telcom to continue to provide and expand upon the services Hawaiian Telcom provides to its customers. The expertise and resources of Hawaiian Telcom and Cincinnati Bell will remain in place following the transfer, and we are committed to working with Hawaiian Telcom's local management and employees in Hawaii to evaluate how best to meet the needs of the many Hawaii communities served.

We see fiber as being a core infrastructure needed for consumers, businesses, and carriers to meet the ever-increasing demand for bandwidth and connectivity. Today, we estimate that the U.S. has less than 15% of homes connected directly with fiber. Hawaiian Telcom and Cincinnati Bell have already made great progress in building out their fiber networks. We expect that, working closely with Hawaiian Telcom, this transaction will accelerate Hawaiian Telcom's efforts to expand its fiber network/fiber density throughout Hawaii and also to provide increased and more advanced product offerings.

A few other points I would like to emphasize regarding the transaction:

- We believe this transaction will be transparent to Hawaiian Telcom and within Hawaii. As noted above, the existing operations of Hawaiian Telcom and Cincinnati Bell will remain in place and the expertise and resources of the existing team will be relied upon to provide and enhance services throughout Hawaii.
- Employee staffing levels are expected to be maintained following the transaction.
- Hawaiian Telcom's local management will continue to have control over day-to-day operations.
- All existing union labor agreements will be honored.
- The transaction is not expected to affect day-to-day operations, billing or support systems. We will continue to utilize the billing services and back-office support systems that Hawaiian Telcom currently uses – in other words, no new back-office systems must be created and then switched/cut over as part of this transaction.

- Similarly, we do not expect any service changes, disruption or termination of service for any existing Hawaiian Telcom customer directly as a consequence of the transaction.

We see this transaction as an exciting opportunity to accelerate investment in Hawaii's telecommunication infrastructure and to expand upon the services currently provided by Hawaiian Telcom that we feel will lead to benefits for the entire state.

We look forward to receiving comments from the public and want to again express our thanks to the Cable Division for providing this opportunity to speak on how this transaction will benefit Hawaiian Telcom and its customers.

**Statement of Hawaiian Telcom Services Company
By Su Shin
President and General Manager**

**Department of Commerce and Consumer Affairs
Public Hearing
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Director Awakuni-Colón, Cable Administrator Kim, and members of the public, good evening. My name is Su Shin, President and General Manager for Hawaiian Telcom Services Company. Thank you for allowing me this opportunity to share with you how MIRA's acquisition of Hawaiian Telcom and Cincinnati Bell, and the requested transfer of the cable franchise will benefit the consumers of cable TV services on Oahu.

As Anton has described, the expertise and resources of Hawaiian Telcom and Cincinnati Bell will remain in place following the transfer, and they are committed to working with Hawaiian Telcom's local management and employees in Hawaii to evaluate how best to meet the needs of the people of Hawaii. We are looking forward to partnering with MIRA and are pleased that there will be no change or transition for our customers. The acquisition will not affect Hawaiian Telcom's name, day-to-day operations, back office systems or existing customer service.

Hawaii will benefit from the acquisition in several ways. First, MIRA is committed to investing in Hawaiian Telcom's Next-Generation Fiber Network, allowing us to expand our reach into additional communities and to more homes and businesses. This will provide more consumers with competitive cable TV and broadband offerings over the highest quality network while preparing for future 5G technologies.

In addition, we are excited about leveraging MIRA's best practices based on its experience as an owner and manager of communications and digital infrastructure assets, to improve technical abilities and marketing, generate greater innovation, and deliver more competitive products and services to customers in Hawaii.

Hawaiian Telcom and its dedicated employees have been serving our community for over 135 years, providing continuous and evolving services to meet the current and future communication needs of our community. By partnering with MIRA, Hawaiian Telcom will be able to continue its commitment to the local community and to customers and employees who have been with us for multiple generations. This is especially critical in light of the COVID-19 pandemic, which has forced our community to rely more heavily on Hawaiian Telcom's suite of communications services to successfully work from home, provide distance learning for our children, access online healthcare services, and place online orders for necessary essentials in compliance with stay at home orders and social distancing guidelines.

In summary, it is our firm belief that with the additional resources, expertise and capital funding that MIRA can provide, Hawaiian Telcom will be able to enhance and expand upon its current TV and broadband offerings, and continue to be a significant force in the local community, which will benefit the people of Hawaii.

Thank you to the DCCA and everyone else for allowing us the opportunity to present testimony today. We look forward to receiving comments from the members of the public who are with us this evening.