

**GOVERNMENT OF THE VIRGIN ISLANDS
OF THE
UNITED STATES**

Public Services Commission

IN RE:

Consolidated Application for Transfer of Control of Virgin Islands Telephone Corp. d/b/a Innovative Telephone)	Docket Nos. 653
)	Order No. <u>72/2016</u>
)	
)	
)	
)	
Caribbean Communications Corp. d/b/a Innovative Cable TV St. Thomas-St. John, and)	
)	
St. Croix Cable TV, Inc. d/b/a Innovative Cable TV St. Croix)	
)	
<i>Consolidated</i>)	
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ORDER

WHEREAS, on November 4, 2015, National Rural Utilities Cooperative Finance Corporation (hereinafter "CFC") and ATN, International, Inc., f/k/a Atlantic Tele-Network, Inc. ("ATN") (the Applicants) submitted a Consolidated Application for the consent of the Public Services Commission ("PSC") to transfer control of the Virginia Islands Telephone Corporation doing business as Innovative Telephone ("Vitelco"), Caribbean Communications Corporation, doing business as Innovative Cable TV St. Thomas-St. John ("Innovative Cable STT-STJ), and St. Croix Cable TV, Inc., doing business as Innovative Cable TV St. Croix (Innovative Cable STX", and with Innovative Cable STT-STJ the "Cable Companies") from CFC to ATN and

WHEREAS, on September 30, 2015 Caribbean Asset Holdings, LLC ("CAH"), which is CFC's holding company for its Caribbean telecommunications and cable television businesses, ATN and ATN's wholly-owned subsidiary, ATN VI Holdings, LLC ("ATN-VI"), executed a purchase agreement whereby ATN agreed to acquire indirect control of Vitelco and the Cable Companies and affiliated cable companies in the British Virgin Islands and St. Maarten, and

WHEREAS, the ATN-VI Holdings, LLC, Caribbean Assets Holdings, LLC, Virgin Islands Telephone Corporation (VITELCO), and the USVI Cable Companies entered into an agreement with the Public Services Commission for the transfer of control of VITELCO and the USVI Cable Companies (the "TOCA"); and

WHEREAS, the TOCA requires that VITELCO reach agreement on the allocation of costs between regulated and unregulated activities and entities, in accord with Parts 32 and 64; and

WHEREAS, the parties have met and discussed the issues concerning revised allocation methodology; and

WHEREAS, previous reports have not provided the information necessary for the Commission to conduct its oversight responsibilities; and

WHEREAS, on August 23, 2016, the Commission held a Special Meeting in both its offices on St. Thomas and St. Croix, United States Virgin Islands and via video and teleconference; and

WHEREAS, the Commission heard from both its staff and VITELCO's witness at its meeting on August 23, 2016; and

WHEREAS, the Commission is concerned that the processes under VITELCO's new management and ownership should commence with the best possible practices and reporting.

NOW THEREFORE it is ORDERED that:

1. An extension to the TOCA deadline on the cost allocation methodology is granted for a period of 60 days.
2. The parties are to report to the Commission on reaching agreement.
3. If no agreement is reached, the remaining issues shall be specifically briefed to the Commission for resolution no later than October 21, 2016

So Ordered.

For the Commission

Date: September 15, 2016



Andrew Rutnik, Vice Chair