

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA**

UNITED STATES OF AMERICA,

Plaintiff,

v.

LIBERTY LATIN AMERICA, LTD.,

LIBERTY COMMUNICATIONS OF PUERTO  
RICO LLC,

and

AT&T INC.,

Defendants.

**ASSET PRESERVATION STIPULATION AND ORDER**

It is hereby stipulated and agreed by and between the undersigned parties, subject to approval and entry by the Court, that:

**I. DEFINITIONS**

As used in this Asset Preservation Stipulation and Order (“Stipulation and Order”):

A. “AT&T” means Defendant AT&T Inc., a Delaware corporation with its headquarters in Dallas, Texas, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships, and joint ventures, and their directors, officers, managers, agents, and employees.

B. “LCPR” means Defendant Liberty Communications of Puerto Rico LLC, a Puerto Rico limited liability company with its headquarters in San Juan, Puerto Rico, its successors and

assigns, and its subsidiaries, divisions, groups, affiliates, partnerships, and joint ventures, and their directors, officers, managers, agents, and employees.

C. “LLA” means Defendant Liberty Latin America Ltd., a Bermuda corporation with its headquarters in Hamilton, Bermuda, and executive offices in Denver, Colorado, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships, and joint ventures, and their directors, officers, managers, agents, and employees.

D. “WorldNet” means WorldNet Telecommunications Inc., a Puerto Rico corporation with its headquarters in Guaynabo, Puerto Rico, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships, and joint ventures, and their directors, officers, managers, agents, and employees.

E. “Acquirer” means WorldNet or another entity to which Defendants divest the Divestiture Assets.

F. “AT&T Aerial Fiber Core Segments” means the aerial fiber core network segments that connect AT&T’s communications hubs to each other across Puerto Rico (excluding (1) the segment between Arecibo and Ponce and (2) the segments between or among Guaynabo, AT&T Plaza, Hato Rey, and Carolina).

G. “AT&T Customers” means enterprise and wholesale customers in Puerto Rico (excluding AT&T Global Services customers) that purchased services from AT&T immediately prior to the Transaction, all of which are being transferred to LLA upon closing of the Transaction.

H. “Columbus Customers” means LLA customers with one or more service locations on the Columbus Network but does not include (1) AT&T Customers or (2) LLA customers who purchase video, hybrid fiber-coaxial, wholesale, or residential services.

I. “Columbus Divestiture Assets” means all of LLA’s rights, titles, and interests in, to, or under:

1. the Columbus Network; and
2. all LLA assets related to or used in connection with the provision of fiber-based connectivity and/or telecommunications services to locations on the Columbus Network or related to or used in connection with Columbus Customers, including:
  - a. all active or pending licenses, permits, certifications, approvals, consents, registrations, and waivers issued by any governmental organization;
  - b. all rights of way, easements, and access agreements;
  - c. all contracts, contractual rights, agreements, leases, commitments, certifications, and understandings;
  - d. all Columbus Customer lists, contracts, accounts, relationships, and credit records;
  - e. all intellectual property associated with the Columbus brand, including copyrights, trademarks, trade names, service marks, and service names; and
  - f. all records and data, including all repair, maintenance, and performance records.

*Provided, however,* that the Columbus Divestiture Assets do not include (1) any subsea cable or any connection rights to subsea cable; (2) customer contracts for customers to whom LLA provides video, hybrid fiber-coaxial, wholesale, or residential services; (3) the LCPR Network; (4) the IRU between LCPR and Cable & Wireless Puerto Rico Inc. effective as of

April 1, 2019; or (5) the IRU between Columbus Networks of Puerto Rico LLC and Liberty Communications of Puerto Rico LLC effective as of October 1, 2020.

J. “Columbus Network” means the fiber-based communication system in the San Juan Metro Area that LLA acquired as part of its May 17, 2016, acquisition of Cable & Wireless Communications, including colocation rights or a leasehold at the communications hubs located at Ana G. Méndez, Bayamón Corujo, Double Tree, MCS, and Metro Office Park; the equipment in those hubs; the facilities connecting the hubs to each other and to Columbus Customer locations; and any customer premises equipment at Columbus Customer locations.

K. “Divestiture Assets” means the Columbus Divestiture Assets, the LCPR Divestiture Assets, and the LCPR IRU.

L. “IRU” means one or more grants of an indefeasible right of use, a long-term interest that gives the holder of such interest the right for either (1) the exclusive use of specific fiber strands or other communications facilities or (2) the exclusive use of a specified amount of capacity in a fiber-based cable or other communications facility.

M. “LCPR Customers” means LLA customers with one or more service locations on the LCPR Network but does not include (1) AT&T Customers; (2) LLA customers who purchase video, hybrid fiber-coaxial, wholesale, or residential services; or (3) customers solely receiving service for dedicated subsea capacity.

N. “LCPR Network” means the fiber-based communication system owned by LCPR in Puerto Rico as of the date immediately preceding the closing of the Transaction, including all LCPR hubs in Puerto Rico (other than Columbus Network hubs), the equipment in those hubs, and the facilities connecting the hubs to each other and to LCPR Customer locations, and any customer premises equipment at LCPR Customer locations.

O. “LCPR Divestiture Assets” means all of LLA’s rights, titles, and interests in, to, or under:

1. all facilities owned by LCPR that are used to serve LCPR Customers exclusively; and
2. all other LLA assets related to or used in connection with the provision of fiber-based connectivity and/or telecommunications services to LCPR Customers or with facilities that are used to serve LCPR Customers exclusively, including:
  - a. all licenses, permits, certifications, approvals, consents, registrations, and waivers issued by any governmental organization;
  - b. all rights of way, easements, and access agreements;
  - c. all contracts, contractual rights, agreements, leases, commitments, certifications, and understandings;
  - d. all LCPR Customer lists, contracts, accounts, relationships, and credit records; and
  - e. all records and data, including all repair, maintenance, and performance records.

*Provided, however,* that the LCPR Divestiture Assets do not include (1) assets used in the provision of video, hybrid fiber-coaxial, wholesale, or residential data services; (2) customer contracts for customers to whom LCPR provides video, hybrid fiber-coaxial, wholesale, or residential data services; (3) customer premises equipment for such customers or fiber drops to such customer locations; (4) any subsea cable or any connection rights to subsea cable; or (5) any assets that are required for the operation of the LCPR Network but are not required for the

provision of fiber-based connectivity and/or telecommunications services to LCPR Customers.

P. “LCPR IRU” means an exclusive IRU to provide fiber-based connectivity and telecommunications services over all portions of the LCPR Network that were used as of October 15, 2020 to serve LCPR Customers but are not included in the LCPR Divestiture Assets, the term of which is (1) at least five years for fiber routes to LCPR Customer locations within one mile of the Columbus Network; and (2) at least 15 years for all other fiber routes with one five-year extension at the option of the Acquirer.

Q. “Relevant Personnel” means all full-time, part-time, or contract employees of LCPR, wherever located, who spent all, or a majority, of their time in the operation of the Divestiture Assets at any time between January 1, 2019, and October 15, 2020, including sales, marketing, and sales support personnel, as well as network and operations personnel, including customer care, service installation technicians, service repair technicians, engineering, and outside plant personnel.

R. “San Juan Metro Area” means the municipalities of San Juan, Bayamón, Guaynabo, Carolina, Trujillo Alto, Cataño, Toa Baja, and Toa Alta.

S. “Transaction” means the proposed acquisition of AT&T’s wireline and wireless assets in Puerto Rico and the U.S. Virgin Islands by LLA.

## **II. OBJECTIVES**

The proposed Final Judgment filed in this case is meant to ensure Defendants’ prompt divestiture of the Divestiture Assets, and provide other structural relief, for the purpose of establishing a viable island-wide competitor in the provision of fiber-based connectivity and telecommunications services to enterprise customers in Puerto Rico in order to remedy the anticompetitive effects that the United States alleges would otherwise result from the

Transaction. This Stipulation and Order ensures that, prior to divestiture, the Divestiture Assets and the AT&T Aerial Fiber Core Segments will remain economically viable, competitive, and saleable, and that Defendants will preserve and maintain the Divestiture Assets and the AT&T Aerial Fiber Core Segments.

**III. JURISDICTION AND VENUE**

The Court has jurisdiction over the subject matter of this action and over each of the parties hereto, and venue for this action is proper in the United States District Court for the District of Columbia. Defendants waive service of summons of the Complaint.

**IV. CONSUMMATION OF THE TRANSACTION**

Defendants will not consummate the Transaction before the Court has signed this Stipulation and Order.

**V. COMPLIANCE WITH AND ENTRY OF FINAL JUDGMENT**

A. The parties stipulate that a Final Judgment in the form filed simultaneously with this Asset Preservation Stipulation and Order may be filed with and entered by the Court, upon the motion of the United States or upon the Court's own motion, after compliance with the requirements of the Antitrust Procedures and Penalties Act (15 U.S.C. § 16) ("APPA"), and without further notice to any party or other proceedings, provided that the United States has not withdrawn its consent. The United States may withdraw its consent at any time before the entry of the proposed Final Judgment by serving notice on Defendants and by filing that notice with the Court.

B. From the date of the signing of this Stipulation and Order by Defendants and the United States until the proposed Final Judgment is entered by the Court, or until expiration of

time for all appeals of any ruling declining entry of the proposed Final Judgment, Defendants will comply with all of the terms and provisions of the proposed Final Judgment.

C. From the date on which the Court enters the Stipulation and Order, the United States will have the full rights and enforcement powers set forth in the proposed Final Judgment, including Section XV, just as if the proposed Final Judgment were in full force and effect as the final order of the Court.

D. Defendants agree to arrange, at their expense, publication as quickly as possible of the newspaper notice required by the APPA, which will be drafted by the United States in its sole discretion. The publication must be arranged no later than three business days after Defendants' receipt from the United States of the text of the notice and the identity of the newspaper or newspapers within which the publication must be made. Defendants must promptly send to the United States (1) confirmation that publication of the newspaper notice has been arranged, and (2) the certification of the publication prepared by the newspaper or newspapers within which the notice was published.

E. This Stipulation and Order applies with equal force and effect to any amended proposed Final Judgment agreed upon in writing by the United States and Defendants and submitted to the Court.

F. Defendants represent that the relief ordered by the proposed Final Judgment can and will be made and that Defendants will not later raise a claim of mistake, hardship, or difficulty of compliance as grounds for asking the Court to modify any of its provisions.

## **VI. ASSET PRESERVATION PROVISIONS**

From the date of the signing of this Stipulation and Order by the United States and Defendants:



A. Defendants must operate the Divestiture Assets and maintain the AT&T Aerial Fiber Core Segments in the ordinary course of business and consistent with past practices as ongoing, economically viable, competitive assets and must take all other actions necessary to preserve and maintain the full economic viability, marketability, and competitiveness of the Divestiture Assets and the AT&T Aerial Fiber Core Segments.

B. Defendants must provide sufficient working capital and lines and sources of credit to continue to maintain the Divestiture Assets and the AT&T Aerial Fiber Core Segments as ongoing, economically viable, competitive assets.

C. Defendants must use all reasonable efforts to maintain and increase the sales and revenues of the services provided over the Divestiture Assets, and shall maintain at 2020 or previously approved levels for 2021, whichever are higher, all promotional, advertising, sales, technical assistance, customer support and service, marketing, and merchandising support for the Divestiture Assets.

D. Defendants must use all reasonable efforts to maintain and preserve existing relationships with customers, suppliers, governmental authorities, vendors, landlords, creditors, agents, and all others having business relationships relating to the Divestiture Assets. Defendants must use all reasonable efforts to maintain and preserve existing relationships with suppliers, governmental authorities, vendors, landlords, creditors, agents, and all others (excluding customers) who have business relationships relating to the AT&T Aerial Fiber Core Segments.

E. Defendants must maintain, in accordance with sound accounting principles, accurate and complete financial ledgers and books and records that report on a periodic basis, such as the last business day of every month, consistent with past practices, the assets, liabilities,

expenses, revenues, and income of the Divestiture Assets and the AT&T Aerial Fiber Core Segments.

F. LLA must maintain the working conditions, staffing levels, and work force training and expertise of all Relevant Personnel. Relevant Personnel may not be transferred or reassigned except to an Acquirer. LLA must use all reasonable efforts, including by providing financial incentives, to encourage Relevant Personnel to continue in the positions held as of the date of the signing of this Stipulation and Order by the United States and Defendants; however, to the extent that the proposed Final Judgment requires the seller to facilitate the transfer of employees to the Acquirer, these financial incentives may not be structured so as to disincentivize employees from transferring to or disincentivize employees from accepting employment with Acquirer.

G. Defendants must maintain all licenses, permits, approvals, authorizations, and certifications related to or necessary for the operation of the Divestiture Assets and the AT&T Aerial Fiber Core Segments and must operate and maintain the Divestiture Assets and maintain the AT&T Aerial Fiber Core Segments in compliance with all regulatory obligations and requirements.

H. Defendants must ensure that the Divestiture Assets and the AT&T Aerial Fiber Core Segments are fully maintained in operable condition, including by maintaining and adhering to normal repair and maintenance schedules for the Divestiture Assets and the AT&T Aerial Fiber Core Segments.

I. Except as approved by the United States in accordance with the terms of the proposed Final Judgment, Defendants may not remove, sell, lease, assign, transfer, pledge, encumber, or otherwise dispose of any Divestiture Assets or AT&T Aerial Fiber Core Segments.

J. LLA must appoint, subject to approval of the United States in its sole discretion, a person or persons to oversee the preservation of the Divestiture Assets and to oversee, for the period in which LLA controls the AT&T Aerial Fiber Core Segments, the preservation of the AT&T Aerial Fiber Core Segments. AT&T must appoint, subject to the approval of the United States in its sole discretion, a person or persons to oversee, for the period in which AT&T controls the AT&T Aerial Core Fiber Segments, the preservation of the AT&T Aerial Fiber Core Segments. Such persons will be responsible for Defendants' compliance with this Section VI. These persons will have complete responsibility for ensuring the preservation of the Divestiture Assets and the AT&T Aerial Fiber Core Segments for the duration of this Stipulation and Order, subject to the provisions of the Final Judgment. In the event any such person is unable to perform his or her duties, LLA or AT&T must appoint, subject to the approval of the United States in its sole discretion, a replacement within ten working days. Should LLA or AT&T fail to appoint a replacement acceptable to the United States within this time period, the United States will appoint a replacement.

K. Defendants shall take no action that would jeopardize, delay, or impede the sale of the Divestiture Assets or the AT&T Aerial Fiber Core Segments.

L. Within twenty (20) days after the entry of the Stipulation and Order, Defendants will inform the United States of the steps Defendants have taken to comply with this Stipulation and Order.

M. With respect to the AT&T Aerial Fiber Core Segments, LLA's obligations under this Section VI will commence, and AT&T's obligations under this Section VI will terminate, upon closing of the Transaction.

**VII. DURATION OF ASSET PRESERVATION OBLIGATIONS**

Defendants' obligations under Section VI of this Stipulation and Order will expire upon the completion of the divestiture of the Divestiture Assets required by the proposed Final Judgment or until further order of the Court. All other obligations under this Stipulation and Order will remain in effect until further order of the Court. In the event that (1) the United States has withdrawn its consent, as provided in Paragraph V(A); (2) the United States voluntarily dismisses the Complaint in this matter; or (3) the Court declines to enter the proposed Final Judgment, the time has expired for all appeals of any ruling declining entry of the proposed Final Judgment, and the Court has not otherwise ordered continued compliance with the terms and provisions of the proposed Final Judgment, Defendants are released from all further obligations under this Stipulation and Order and the making of this Stipulation and Order will be without prejudice to any party in this or any other proceeding.

Dated: October 23, 2020

Respectfully submitted,

FOR PLAINTIFF  
UNITED STATES OF AMERICA

FOR DEFENDANTS LIBERTY LATIN  
AMERICA LTD. AND LIBERTY  
COMMUNICATIONS OF PUERTO RICO  
LLC

/s/ Matthew Jones

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/s/ Debbie Feinstein

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ORDER

IT IS SO ORDERED by the Court, this \_\_\_\_ day of \_\_\_\_\_.

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United States District Judge