



YOUR NETWORK.
DESIGNED-TO-PERFORM.

LEADERS ROUNDTABLE

Navigating the Madness: “MAD” Events in the Telecommunications Industry

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AQUABLUNETWORKS.COM

LB3 LevineBlaszak
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MEET OUR PANEL



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AQUABLUE is a design and engineering firm that provides companies with critical connectivity services. We are a white-glove service with the highest levels of support in the industry, from design and implementation to day-two NOC support and service.

Our company specializes in making a complex and extremely difficult process of vetting out design and pricing from carriers a smooth and very understandable one, resulting in multiple options for customers' connectivity requirements.



What makes AQUABLUE different?



Agility

Our focus is not tied to our own network, but on our ability to deliver the best solution needed.



Value

Our model is not about simply putting customers on a high-profit route, but on the best route for their needs.



Growth

We invest in people, technology, and customer support. That is the key to all our success.

AQUABLUE is a globally-focused premier service and support provider, and boasts a 100% client retention rate over the past 5 years. Our success lies in the dedicated support our team provides for our customers.



Industries

Financial Services

Healthcare

Media and Entertainment

Education

Real Estate



Visit us at [AQUABLUENETWORK.COM](https://www.aquabluenetwork.com)

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Technology Portfolio



PRIVATE NETWORKS

Layer 2
Layer 3 (MPLS)
SD WAN



POINT-TO-POINT / PRIVATE LINES

Wave	Fiber
Ethernet	RF / Wireless
Dark Fiber	On-Net Services
Low Latency Solutions	



DEDICATED INTERNET

Fiber Based
DSL/Cable
Wireless



CLOUD CONNECTIVITY

AWS
Azure
Others



CONSULTING SERVICES

RFP Creation and Management
Data Center Design and Relocation
Cost Reduction Implementation
Network Design



TIME SYNCHRONIZATION

Enabling you to maintain a singular time source globally





Navigating the Madness

“MAD” Events in the Telecommunications Industry

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Overview of LB3's Enterprise Practice



LB3 is the premier law firm focusing on representing enterprise customers in connection with telecommunications and IT agreements.



Since our founding almost 30 years ago, we have been at the leading edge of representing enterprise customers.



Ranked by U.S. News & World Report as one of the Best Law firms in the United States for Communications Law.



We are structured to deliver our legal services on a results-focused, value-driven model.



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Information and Communications Technology Services

	Generally	Fixed Voice & Data Services	Mobile Services; Commercial & Private Wireless	Information Technology	Managed Services & Outsourcing
Strategic Sourcing	<ul style="list-style-type: none"> RFPs, RFIs Agreements, amendments Service schedules SOWs, SLAs Interconnection agreements Vendor selection Industry developments 	<ul style="list-style-type: none"> MPLS/SIP Trunking/VoIP Local, IXC, international TDM Conferencing Hi speed internet access SONET/DWDM Indefeasible Rights of Use VSAT Networks 	<ul style="list-style-type: none"> Global Voice, Data, Messaging Machine-to-Machine/Telemetry In-building systems/DAS Text aggregator deals Broadcast SMS/MMS Spectrum transactions Wireless LANs/WiFi 	<ul style="list-style-type: none"> Unified Communications Cloud Computing Software Licensing Enterprise Hosting Hardware transactions Telepresence/video conferencing IPv4 transfers Transaction processing 	<ul style="list-style-type: none"> Outsourcing Systems Integration Managed Network services Managed security services Telecom Expense Management
Regulatory & Licensing	<ul style="list-style-type: none"> FCC & state rulemakings Appeals of regulatory actions Lawfulness of carrier activity Prepaid calling cards Regulatory issues in deals Mergers and acquisitions 	<ul style="list-style-type: none"> Universal Service Fund issues Special access charges Market competitiveness Regulation of user activities Numbering resources 	<ul style="list-style-type: none"> Spectrum allocation FCC – licensed assets due diligence Spectrum licenses, assignments, and transfers of control Rule waivers, STAs 	<ul style="list-style-type: none"> Regulatory requirements of deploying advanced services Regulation and use of the Internet FCC equipment approval 	<ul style="list-style-type: none"> Regulation of services that cut across or combine telecom and information services
Disputes & Workouts	<ul style="list-style-type: none"> Litigation before the FCC, PUCs, state and federal courts Deal restructuring Settlement negotiations Arbitration and mediation <i>Qui tam</i> actions Expert testimony 	<ul style="list-style-type: none"> Recovery of overcharges Fraud (e.g., PBX hacking) Service suspension/termination Bankruptcy claims Shortfalls and early termination charges Distressed providers and clients 	<ul style="list-style-type: none"> Litigation and arbitration of contract disputes Toll and subscription fraud Radio interference FCC enforcement 	<ul style="list-style-type: none"> Intellectual property infringement claims 	<ul style="list-style-type: none"> Disputes arising out of performance (or non-performance) of contractual obligations “Scope of work” issues
Compliance & Counseling	<ul style="list-style-type: none"> Regulatory/legislative monitoring Business Continuity/Disaster Recovery Strategic advice on networks and the industry Service guide monitoring Tax and fee reduction, optimization 	<ul style="list-style-type: none"> Contact center compliance Telemarketing Monitoring and recording E911 and workplace safety Network performance standards and SLAs Contract compliance 	<ul style="list-style-type: none"> Mobile payments and marketing Industry self-regulation Data security Reimbursement policies BYOD Pole/ROW access FCC/FAA/NEPA compliance 	<ul style="list-style-type: none"> Transition to next gen architectures Overseas encryption laws Employer access to email CAN-Spam, email marketing GLB, HIPAA, PCI compliance Cloud data management 	<ul style="list-style-type: none"> “Loaned employee” laws “Plant closing” implications of outsourcings

MAD Events



Mergers, Acquisitions, Divestitures

- **What is a MAD event?**
- **What drives MAD events?**
 - Divesting products/business units that are no longer aligned or cost effective
 - Acquisitions to provide an expanded footprint (products/customers) or to take advantage of market synergies/new capabilities
 - Bankruptcy/restructuring debt
- **Why do Enterprises Care?**
 - MAD Events often impact:
 - Services, network integration
 - Operations (e.g., billing, support, diversity)
 - Future procurements



Established
players try
new games,
but decide to
fold



2015 – “Hit Me”

- AT&T expands into content and media
 - DirectTV
 - TimeWarner
- Verizon enters digital advertising
 - AOL
 - Yahoo

2020/2021 – “I Fold”

- Sprint taken over by T-Mobile
- AT&T and Verizon sell their non-telecom focused stakes



Other players cash out

Lumen divests organic growth

- CenturyLink (not Qwest) ILEC assets
- Latin America business

LUMEN



Bankruptcies

- Windstream emerges windstream®
- GTT files



Up and coming players place bets



Comcast

- Masergy
- DefinedTechnologies



Zayo

- Organic
 - Adds many fiber routes
- Inorganic
 - Windstream/Uniti?



Raising the ante

Capturing Customers,
Managing the Network
and the Cloud



Impact of MAD Events on Enterprise Users



Creates opportunities and challenges

Short-term view

Multiple contracts

- Hard to manage; conflicting terms, multiple commitments
- Bankruptcy special considerations
- Opportunity to refresh, pick best of breed

Impact on Services/Rates

- Lose potential redundancy/diversity
- Push to lowest rates

Diverted Attention/Attrition

- Best and brightest leave/preoccupied with MAD event
- Account teams compete to remain

Leverage

- Lost leverage, vendor apathy
- New leverage, forced “rethink”

Create Opportunities

Plan Around Problems



- **Prepare**
- **Identify & Compare**
 - Rights: Assignment limitations, Change of Control provisions, Termination or consolidation rights
 - Commitments (revenue, service term, exclusivity, limitations on combinations)
 - Services amounts/location/ bandwidth requirements, circuit diversity concerns
 - Rates
 - Security/limitation of liability/support
 - SLAs
- **Focus on Potential Impacts**
 - Regional impact or type of service?
 - Timing of current contracts, timing of MAD event
 - Synergies/duplicity?
 - Bankruptcy – legal actions, heightened watch

Shape the Negotiations



- **Control/Understand the timing**
 - What are the time elements
 - Merger/divestitures
 - Deals (expiration/renewal dates)
 - IT planning
- **Plan for best case/worst case scenarios**
- **Establish reasonable priorities**
- **Engage team**
 - CTO team, procurement, IT, TEM, Sales
- **Use uncertainty of vendor to your advantage**
 - Keep track of account teams
- **Think before you place new orders**
- **Be vigilant**

Special considerations at the RFI or RFP Stage

Bankruptcy

Was there a sale of assets? If so, who controls the assets for the desired services?

Will they be financially viable?

Will and when are they likely to emerge?

Merger / Acquisition

Consolidation of operations?

Culture and attitude of acquirer?

Expanded scope of services?

Divestiture

Part of your service needs?

Arrangement with purchasing entity?

Change in selling party's capital expenditure?



Anticipated Long Term Impact on Enterprise Users and Telecoms Market

Enhancements

- **More competition**
 - Lower prices for commodity services networks
 - Improved innovation for others
- **For sellers, freeing up of capital**
 - AT&T and Verizon capital to pay for spectrum and roll out 5G

Detractions

- **Reduced competition when major players join forces**
- **Change to pricing structures and contract terms**
- **Consolidation**
 - Acquired networks
 - Acquired customers
 - Acquired contracts

Blurring between telecoms and apps providers

- **Ongoing expansion of telecom and cloud/software companies**
- Ask yourself:
 - Who is providing your service?
 - Who is providing your apps?
 - How easy is it to combine different services and apps?
 - Will difficulty lead to more concentration in a single provider?

Wrap Up and Questions





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