



General Assembly

January Session, 2023

Committee Bill No. 20

LCO No. 5957



Referred to Committee on ENERGY AND TECHNOLOGY

Introduced by:
(ET)

AN ACT CONCERNING ACQUISITIONS AND MERGERS OF CABLE AND TELECOMMUNICATIONS PROVIDERS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 16-47 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2023*):

3 (a) As used in this section and section 16-47a, (1) "holding company"
4 means any corporation, association, partnership, trust or similar
5 organization, or person which, either alone or in conjunction and
6 pursuant to an arrangement or understanding with one or more other
7 corporations, associations, partnerships, trusts or similar organizations,
8 or persons, directly or indirectly, controls a gas company, electric
9 distribution company, water company, telephone [or] company,
10 community antenna television company, holder of a certificate of cable
11 franchise authority pursuant to section 16-331p, certified
12 telecommunications provider, certified competitive video service
13 provider or broadband Internet access service provider, as defined in
14 section 16-330a, and (2) "control" means the possession of the power to
15 direct or cause the direction of the management and policies of a gas
16 company, electric distribution company, water company, telephone [or]

17 company, community antenna television company, holder of a
18 certificate of cable franchise authority pursuant to section 16-331p,
19 certified telecommunications provider, certified competitive video
20 service provider or broadband Internet access service provider, as
21 defined in section 16-330a, or a holding company, whether through the
22 ownership of its voting securities, the ability to effect a change in the
23 composition of its board of directors or otherwise, provided, control
24 shall not be deemed to arise solely from a revocable proxy or consent
25 given to a person in response to a public proxy or consent solicitation
26 made pursuant to and in accordance with the applicable rules and
27 regulations of the Securities Exchange Act of 1934 unless a participant
28 in said solicitation has announced an intention to effect a merger or
29 consolidation with, reorganization, or other business combination or
30 extraordinary transaction involving the gas company, electric
31 distribution company, water company, telephone [or] company,
32 community antenna television company, holder of a certificate of cable
33 franchise authority pursuant to section 16-331p, certified
34 telecommunications provider, certified competitive video service
35 provider or broadband Internet access service provider, as defined in
36 section 16-330a, or the holding company. Control shall be presumed to
37 exist if a person directly or indirectly owns ten per cent or more of the
38 voting securities of a gas company, electric distribution company, water
39 company, telephone [or] company, community antenna television
40 company, holder of a certificate of cable franchise authority pursuant to
41 section 16-331p, certified telecommunications provider, certified
42 competitive video service provider or broadband Internet access service
43 provider, as defined in section 16-330a, or a holding company, provided
44 the authority may determine, after conducting a hearing, that said
45 presumption of control has been rebutted by a showing that such
46 ownership does not in fact confer control.

47 (b) No gas company, electric distribution company, water company,
48 telephone [or] company, community antenna television company,
49 holder of a certificate of cable franchise authority pursuant to section 16-
50 331p, certified telecommunications provider, certified competitive

51 video service provider or broadband Internet access service provider, as
52 defined in section 16-330a, or holding company, or any official, board or
53 commission purporting to act under any governmental authority other
54 than that of this state or of its divisions, municipal corporations or
55 courts, shall interfere or attempt to interfere with or, directly or
56 indirectly, exercise or attempt to exercise authority or control over any
57 gas company, electric distribution company, water company, telephone
58 [or] company, community antenna television company, holder of a
59 certificate of cable franchise authority pursuant to section 16-331p,
60 certified telecommunications provider, certified competitive video
61 service provider or broadband Internet access service provider, as
62 defined in section 16-330a, engaged in the business of supplying service
63 within this state, or with or over any holding company doing the
64 principal part of its business within this state, without first making
65 written application to and obtaining the approval of the Public Utilities
66 Regulatory Authority, except as the United States may properly regulate
67 actual transactions in interstate commerce.

68 (c) No corporation, association, partnership, trust or similar
69 organization, or person shall take any action that causes it to become a
70 holding company with control over a gas company, electric distribution
71 company, water company, telephone [or] company, community
72 antenna television company, holder of a certificate of cable franchise
73 authority pursuant to section 16-331p, certified telecommunications
74 provider, certified competitive video service provider or broadband
75 Internet access service provider, as defined in section 16-330a, engaged
76 in the business of supplying service within this state, or acquire, directly
77 or indirectly, control over such a holding company, or take any action
78 that would if successful cause it to become or to acquire control over
79 such a holding company, without first making written application to
80 and obtaining the approval of the authority. Any such corporation,
81 association, partnership, trust or similar organization, or person
82 applying to the authority for such approval shall pay the reasonable
83 expenses incurred by the authority in carrying out its duties under this
84 subsection, and accordingly, shall deposit with the authority a bond,

85 executed by a surety company authorized to do business in this state, in
86 the amount of fifty thousand dollars, conditioned to indemnify the
87 authority for such expenses.

88 (d) The Public Utilities Regulatory Authority shall investigate and
89 hold a public hearing on the question of granting its approval with
90 respect to any application made under subsection (b) or (c) of this
91 section and thereafter may approve or disapprove any such application
92 in whole or in part and upon such terms and conditions as it deems
93 necessary or appropriate. In connection with its investigation, the
94 authority may request the views of the gas company, electric
95 distribution company, water company, telephone [or] company,
96 community antenna television company, holder of a certificate of cable
97 franchise authority pursuant to section 16-331p, certified
98 telecommunications provider, certified competitive video service
99 provider or broadband Internet access service provider, as defined in
100 section 16-330a, or holding company which is the subject of the
101 application with respect to the proposed acquisition. After the filing of
102 an application satisfying the requirements of such regulations as the
103 authority may adopt in accordance with the provisions of chapter 54,
104 but not later than thirty business days after the filing of such application,
105 the authority shall give prompt notice of the public hearing to the person
106 required to file the application and to the subject company, certificate
107 holder, provider, or holding company. Such hearing shall be
108 commenced as promptly as practicable after the filing of the application,
109 but not later than sixty business days after the filing. [, and the] The
110 authority shall make its determination as soon as practicable, but not
111 later than two hundred days after the filing of the application, [provided
112 it may] unless the person required to file the application agrees to an
113 extension of time or the authority extends the time as provided in this
114 subsection. The authority may extend the time period for making its
115 determination by not more than thirty days if, before the end of such
116 time period, [and upon notifying] the authority notifies all parties and
117 intervenors to the proceedings [, extend the period by thirty days, or
118 unless the person required to file the application agrees to an extension

119 of time] of such extension. The authority may, in its discretion, grant the
120 subject company, certificate holder, provider or holding company the
121 opportunity to participate in the hearing by presenting evidence and
122 oral and written argument. If the authority fails to give notice of its
123 determination to hold a hearing, commence the hearing, or render its
124 determination after the hearing within the time limits specified in this
125 subdivision, the proposed acquisition shall be deemed approved. In
126 each proceeding on a written application submitted under said
127 subsection (b) or (c), the authority shall, in a manner which treats all
128 parties to the proceeding on an equal basis, take into consideration (1)
129 the financial, technological and managerial suitability and
130 responsibility of the applicant, (2) the ability of the gas company, electric
131 distribution company, water company, telephone [or] company,
132 community antenna television company, holder of a certificate of cable
133 franchise authority pursuant to section 16-331p, certified
134 telecommunications provider, certified competitive video service
135 provider or broadband Internet access service provider, as defined in
136 section 16-330a, or holding company which is the subject of the
137 application to provide safe, adequate and reliable service to the public
138 through the company's, certificate holder's or provider's plant,
139 equipment and manner of operation if the application were to be
140 approved, and (3) for an application concerning a telephone company,
141 the effect of approval on the location and accessibility of management
142 and operations and on the proportion and number of state resident
143 employees. The authority shall only grant its approval of an application
144 filed on or after January 1, 2021, made under subsection (c) of this
145 section, if the holding company effects a change in the composition of
146 the board of directors to include a proportional percentage of
147 Connecticut-based directors equivalent to the percentage that
148 Connecticut service areas represent of the total service areas covered by
149 the holding company.

150 (e) During any proceeding under subsection (b) or (c) of this section,
151 the authority may order any party to such proceeding and the officers,
152 directors, employees and agents of such party to refrain for a specific

153 time period from communicating, directly or indirectly, with the record
154 and beneficial owners of securities of the gas company, electric
155 distribution company, water company, telephone [or] company,
156 community antenna television company, holder of a certificate of cable
157 franchise authority pursuant to section 16-331p, certified
158 telecommunications provider, certified competitive video service
159 provider or broadband Internet access service provider, as defined in
160 section 16-330a, or holding company which is the subject of such
161 proceedings, in regard to the matters submitted to the authority for its
162 approval under said subsection (b) or (c). If the authority issues such an
163 order, it shall also order all other parties to the proceeding and the
164 officers, directors, employees and agents of such parties to refrain for
165 the same time period from communicating, directly or indirectly, with
166 such record and beneficial owners of such securities, in regard to such
167 matters. No order issued pursuant to this subsection shall prohibit any
168 party from complying with disclosure and reporting obligations under
169 any other provision of the general statutes or under federal law.

170 (f) Each holding company shall, not later than three months after the
171 close of its fiscal year, annually, file with the authority a copy of its
172 annual report to stockholders for such fiscal year. If the holding
173 company does not print such an annual report, it shall file instead, not
174 later than the same date, a comprehensive audit and report of its
175 accounts and operations prepared by an independent public accounting
176 firm approved by the authority. The provisions of this subsection shall
177 not apply to any holding company in the form of a person.

178 (g) Any action contrary to the provisions of [subsections] subsection
179 (b) or (c) of this section shall be voidable on order of the authority.

180 (h) Whenever any corporation, association, partnership, trust or
181 similar organization, or person takes or engages in any action which
182 may or would violate subsection (b) or (c) of this section or any order
183 adopted pursuant to said subsection (b) or (c), the Superior Court, upon
184 application of the authority or any holding company or gas company,

185 electric distribution company, water company, telephone [or] company,
 186 community antenna television company, holder of a certificate of cable
 187 franchise authority pursuant to section 16-331p, certified
 188 telecommunications provider, certified competitive video service
 189 provider or broadband Internet access service provider, as defined in
 190 section 16-330a, affected by such action, may enjoin any such
 191 corporation, association, partnership, trust or similar organization, or
 192 person from continuing or doing any act in violation of said subsection
 193 (b) or (c) or may otherwise enforce compliance with said subsection (b)
 194 or (c), including, but not limited to, the reinstatement of authority or
 195 control over the [holding company or] gas company, electric
 196 distribution company, water company, telephone [or] company,
 197 community antenna television company, holder of a certificate of cable
 198 franchise authority pursuant to section 16-331p, certified
 199 telecommunications provider, certified competitive video service
 200 provider or broadband Internet access service provider, as defined in
 201 section 16-330a, or holding company to those persons who exercised
 202 authority or control over such company, certificate holder or provider
 203 before such action.

204 (i) The provisions of this section shall not be construed to require any
 205 person to make written application to or obtain the approval of the
 206 authority with respect to any telephone company or holding company
 207 of a telephone company over which such person exercises authority or
 208 control or operates as a holding company on June 30, 1987.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2023</i>	16-47

Statement of Purpose:

To require the Public Utilities Regulatory Authority to review any proposed acquisition or merger of a cable or telecommunications provider doing business in this state, and provide that no such provider

may be the subject of such an acquisition or merger without having obtained prior approval from the Public Utilities Regulatory Authority.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: SEN. DUFF, 25th Dist.; SEN. ANWAR, 3rd Dist.
SEN. LOONEY, 11th Dist.

S.B. 20