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December 13, 2016

VIA E-FILE

Brinda Westbrook-Sedgwick, Secretary
District of Columbia Public Service Commission
1325 G Street N.W., Suite 800
Washington, DC 20005

Re: Notification of a *Pro Forma* Change in Indirect Ownership of PEG Bandwidth DC, LLC and Talk America Services, LLC

Dear Ms. Westbrook-Sedgwick:

PEG Bandwidth DC, LLC ("PEG Bandwidth Licensee") and Talk America Services, LLC ("TAS") (together, the "Licensees") and Communications Sales & Leasing, Inc. ("CS&L") (CS&L and Licensees, collectively, the "Parties"), notify the Commission of a proposed *pro forma* change in indirect ownership that will result in a change in the intermediate holding company structure between Licensees and CS&L, with no change in the ultimate owners of the company (the "*Pro Forma* Change"). The Parties emphasize that the Licensees and their customers will not be impacted by these changes. Charts illustrating the pre- and post-*Pro Forma* Change corporate ownership structure insofar as it relates to the Licensees are appended hereto as **Exhibit A**.

The Commission determined that "for the sake of administrative economy, CLEC transactions concerning corporate reorganizations and restructurings that are purely intra-corporate in nature, and do not involve transfer of ownership or control to an outside entity or organization, shall only require a Notification of the Transaction." See Order No. 17536. Since the *Pro Forma* Change is purely intra-corporate in nature and does not involve the transfer of ownership or control to an outside entity or organization, Commission action is not required pursuant to 15 DCMR § 2511.2. The Applicants, therefore, provide this Notification pursuant to the Commission's directive in Order No. 17536.¹

¹ In addition, PEG Bandwidth Licensee's most recent Survey Responses indicate that it does not provide retail telecommunications services (except non-jurisdictional services) or have any telephone lines or facilities in the District of Columbia. See Docket No. ASMT2016-139-T-2 (filed March 28, 2016). Under Commission precedent, PEG Bandwidth Licensee does not meet the definition of a public utility set forth in D.C. Code §§ 34-214, 34-220, and 34-221 and, pursuant to D.C. Code § 34-1001, the Commission does not have authority to regulate a transaction involving a CLEC that does not meet the statutory definition of a public utility. See *In re the Joint Application of Onvoy, LLC, The Broadvox Holding Company, LLC, and Broadvox-CLEC, LLC for Approval of the Transfer of Control of Broadvox-CLEC, LLC to Onvoy, LLC*, Order No.

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In support of this filing, the Parties provide the following information:

Description of the Parties

CS&L (NASDAQ: CSAL), a Maryland corporation headquartered at 10802 Executive Center Drive, Benton Building, Suite 300, Little Rock, Arkansas 72211, is a publicly traded real estate investment trust that engages in the acquisition and construction of infrastructure in the telecommunications industry. Prior to April 24, 2015, CS&L was a wholly-owned subsidiary of Windstream Services, LLC, a wholly-owned subsidiary of Windstream Holdings, Inc. (together with its subsidiaries, "Windstream"). On April 24, 2015, Windstream contributed to CS&L certain telecommunications network assets, in certain states, including fiber and copper networks and other real estate through a sale-lease back transaction, and then spun off CS&L to Windstream stockholders. CS&L (and its subsidiaries) now operates as an independent, publicly traded company, and leases telecommunications network assets and property back to Windstream for the operation of Windstream's business. CS&L currently owns 4.2 million fiber strand miles, 86 wireless towers, and other property across dozens of states. Additional information on CS&L can be found at: www.csireit.com/about/.

CS&L does not provide telecommunications services in its own right. It owns and operates a number of licensed telecommunications providers in all states and the District of Columbia, except Alaska, California and Hawaii, many of which also hold authority from the Federal Communications Commission ("FCC") to provide domestic interstate and international telecommunications services. In the District of Colombia, CS&L's regulated subsidiaries hold the following authorizations:

1. PEG Bandwidth Licensee is authorized to provide resold and facilities based local exchange services pursuant to authority granted by the Commission in Formal Case No. TA 2012-04, Order No. 16979 on December 4, 2012.
2. TAS holds authority to provide facilities-based and resold local exchange telecommunications services pursuant to authority granted by the Commission in Case No. TA 2014-07, Order No. 17707, on November 19, 2014.

Exhibit A illustrates the current and post-*Pro Forma* Change corporate ownership structure of CS&L's regulated subsidiaries in the District of Colombia. CS&L's consolidated financial statements are available in its most-recent Quarterly Report on Form 10-Q.² After the *Pro Forma* Change is completed, the Licensees will remain well-qualified to provide service to their customers, and their operations will continue to be overseen by the same well-qualified management team with substantial telecommunications experience and technical expertise.

17985, Formal Case No. TA 10-5-14 (Sept. 28, 2015); *In re the Joint Application of Crown Castle NG Atlantic LLC and 24/7 Mid-Atlantic Network, LLC, 24/7 Chesapeake Holdings, LLC and GRI Fund #2, L.P. for Approval of the Transfer of Indirect Control of 24/7 Mid-Atlantic Network, LLC*, Order No. 17687, Formal Case No. TA 05-1 (Oct. 30, 2014). Accordingly, PEG Bandwidth Licensee submits this letter for informational purposes.

² CS&L's most recent Quarterly Report on Form 10-Q (September 30, 2016) is available on the SEC's website at: <https://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0001620280&owner=exclude&count=40&hidefilings=0>.

Designated Contacts

Inquiries or copies of any correspondence, orders, or other materials pertaining to this filing should be directed to:

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with a copy to:

Daniel Heard,
Executive Vice President – General Counsel and
Secretary
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Description of the *Pro Forma* Change

The proposed *Pro Forma* Change will involve the insertion of two new entities, “New LP LLC” and “New OP LP,”³ in the ownership chain between CS&L and its current direct subsidiaries, CSL Capital, LLC, Uniti Holdings LP and Uniti Holdings GP, LLC (the “Current Subs”). Upon completion of the *Pro Forma* Change, New OP LP will wholly own the Current Subs. CS&L will be general partner of New OP LP, with a 99% equity interest, while New LP LLC will be a limited partner of New OP LP, with initially a 1% equity interest. New LP LLC will be wholly owned by CS&L. Thus, the *Pro Forma* Change will not result in any changes to the ultimate ownership of the Licensees, which will remain with CS&L and its shareholders. Rather, the only change is that the Licensees will have new intermediary entities added between them and CS&L. After the *Pro Forma* Change is undertaken the Licensees will continue to conduct all of their operations as they are currently conducted.

See **Exhibit A** for a chart illustrating the pre- and post-*Pro Forma* Change Corporate Ownership Structure.

Public Interest Considerations

As a result of the *Pro Forma* Change, two new entities will be inserted into the ownership chain between Licensees and CS&L, with no change to the ultimate ownership of the Licensees. Given that the *Pro Forma* Change only involves inserting additional entities into the CS&L corporate structure, it is purely *pro forma* in nature, it will not result in any new owners of the Licensees other than those in existence immediately before the *Pro Forma* Change takes place, and it will not directly involve the Licensees themselves, or their operations.

The net effect of the *Pro Forma* Change will be simply to add two new entities to the Licensees’ ownership chain. There will be no change in actual working control of any of the Licensees, no

³ The names and jurisdiction(s) of organization of these entities has not yet been determined. New LP LLC will be a limited liability company; and New OP LP will be a limited partnership.

change in the membership of their boards of directors or in the management of their operations, and no change in Licensees' capital structure as a result of the *Pro Forma* Change. The *Pro Forma* Change will not affect employee headcount in the CS&L family of companies. The proposed change in CS&L's corporate ownership structure will provide the company with greater flexibility for future equity and debt transactions, which will increase its access to capital and benefit the Licensees and their customers. The Licensees will remain well-qualified to provide service to their customers, and their operations will continue to be overseen by their existing management teams. The telecommunications services provided by the Licensees and the rates, terms and conditions of those services will not change as a result of the *Pro Forma* Change, and the District of Columbia customers of the Licensees will not be affected in any way by the *Pro Forma* Change.

In sum, the *Pro Forma* Change will improve the company's access to debt and equity capital. This, in turn, will enable both the holding company and its operating subsidiaries to keep their cost of capital low. The Licensees in the District of Columbia will continue to have the same requisite managerial, technical and financial capabilities to provide quality communications services. The District of Columbia customers of the Licensees will receive the same full range of products and services that they received prior to the *Pro Forma* Change at the same prices and under the same terms and conditions. All of the above facts demonstrate that the *Pro Forma* Change is in the public interest.

* * * *

Please acknowledge receipt and acceptance of this filing. Should you have any questions concerning this filing, please do not hesitate to contact the undersigned.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Ronald W. Del Sesto, Jr.", with a stylized flourish at the end.

Ronald W. Del Sesto, Jr.
Jeffrey R. Strenkowski
Brett P. Ferenchak

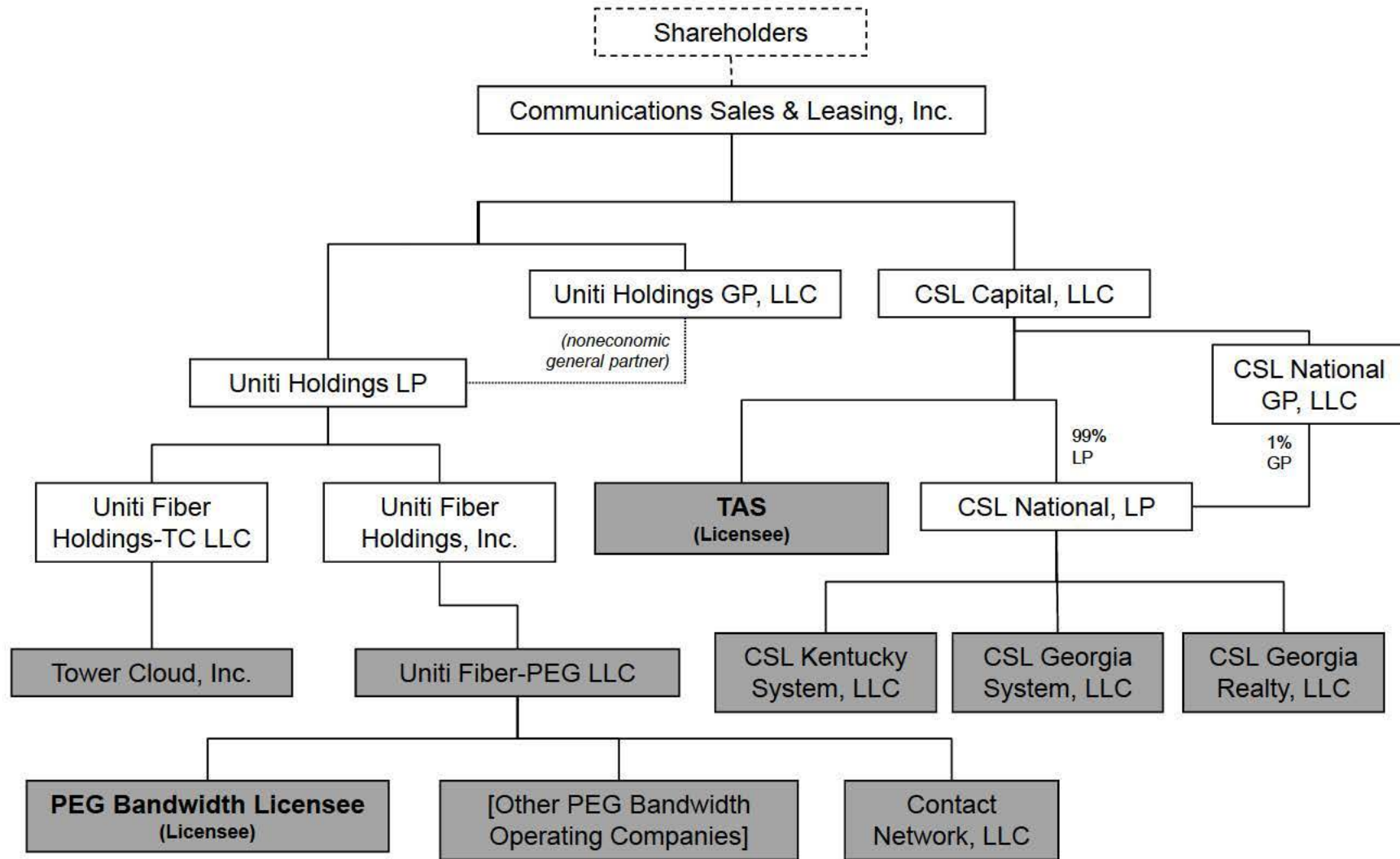
Counsel for the Parties

cc: Office of People's Counsel
1133 15th Street N.W., Suite 500
Washington, D.C. 20005

EXHIBIT A

Pre- and Post-*Pro Forma* Change Corporate Ownership Structure

Pre-Pro Forma Transaction Organizational Structure



Unless otherwise indicated all ownership percentages are 100%.

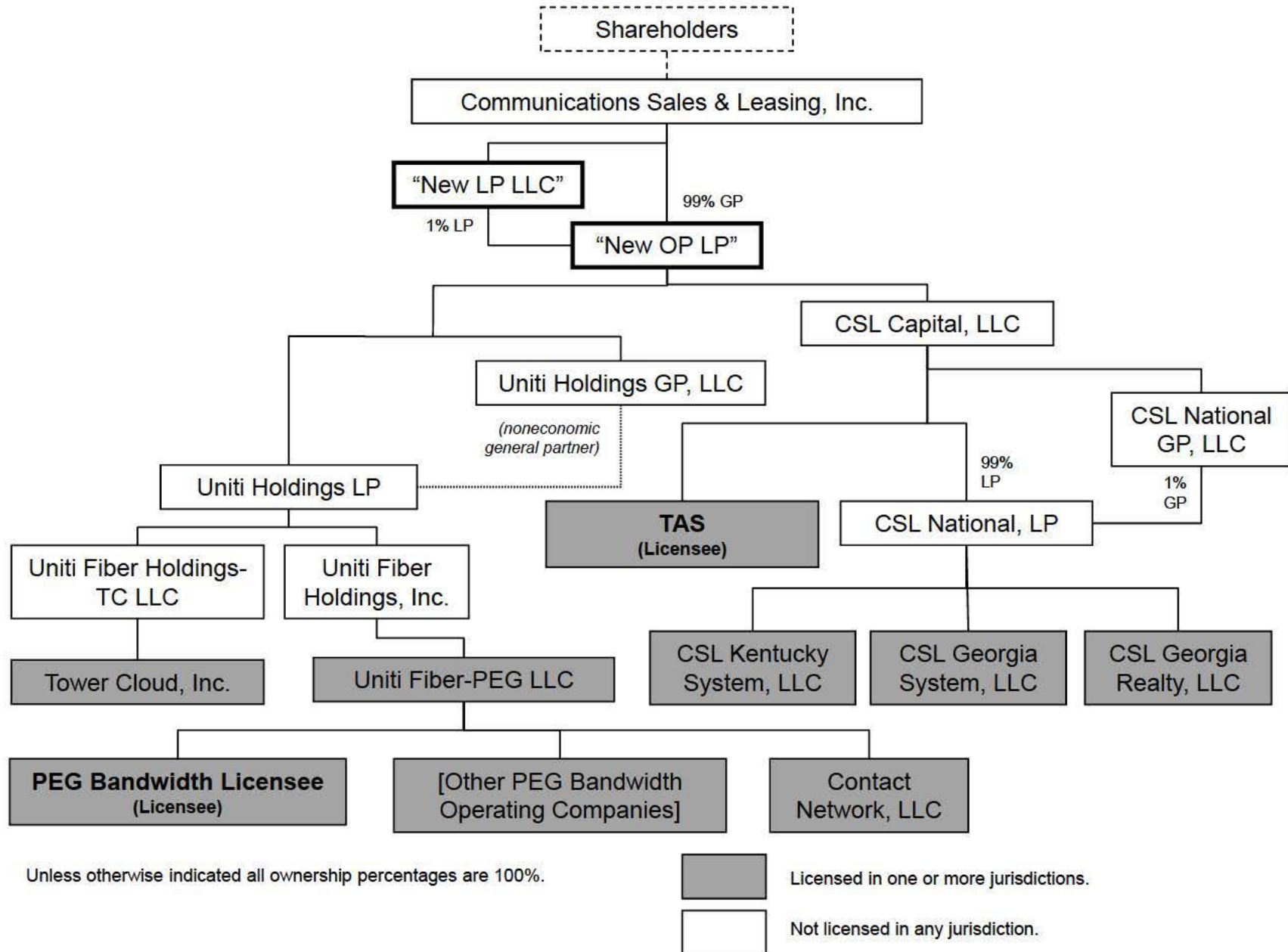


Licensed in one or more jurisdictions.



Not licensed in any jurisdiction.

Post-Pro Forma Transaction Organizational Structure



VERIFICATION

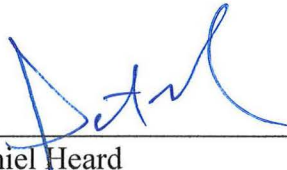
STATE OF ARKANSAS

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PULASKI COUNTY

VERIFICATION

I, Daniel Heard, hereby declare that I am Executive Vice President - General Counsel and Secretary of Communications Sales & Leasing, Inc. (the "Company"); that I am authorized to make this Verification on behalf of the Company and its subsidiaries; that the foregoing filing was prepared under my direction and supervision; that I am familiar with the facts set forth in the foregoing filing; and that, with respect to the Company and its subsidiaries, the contents of that filing are true and correct to the best of my knowledge, information, and belief.



Daniel Heard
Executive Vice President – General Counsel and Secretary
Communications Sales & Leasing, Inc.
10802 Executive Center Drive
Benton Building Suite 300
Little Rock, AR 72211

Subscribed and sworn to me this 9 day of November, 2016.


Notary Public

