

WINDSTREAM SERVICES, LLC

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March 12, 2019

VIA OVERNIGHT MAIL

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

Re: Formal Case No.: TA 10-2
Application for Authority to Complete Certain *Pro Forma* Intra-Company
Transactions

Dear Ms. Westbrook-Sedgwick:

Enclosed for filing are an original, and fifteen (15) copies of the above referenced application for authority to complete certain *pro forma* intra-company transactions.

If you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Nicole Winters".
Nicole Winters
Counsel II

Enclosures

RECEIVED
DISTRICT OF COLUMBIA
PUBLIC SERVICE COMMISSION
2019 MAR 13 AM 11:54
OFFICE OF THE
COMMISSION SECRETARY

**BEFORE THE
DISTRICT OF COLUMBIA PUBLIC SERVICE COMMISSION**

In the Matter of the Application of

**A.R.C. Networks, Inc., ATX Licensing, Inc.,
Broadview Networks, Inc., Business Telecom,
LLC, Cavalier Telephone Mid-Atlantic, LLC,
Choice One Communications Resale, L.L.C.,
Conversent Communications Resale, L.L.C.,
CTC Communications Corp., Eureka Telecom,
Inc., Intellifiber Networks, LLC, McLeodUSA
Telecommunications Services, LLC, PAETEC
Communications, LLC, US LEC of Virginia,
LLC, and Windstream KDL, LLC**

For Approval of Certain *Pro Forma*
Intra-Company Changes

Formal Case No. _____

APPLICATION

A.R.C Networks, Inc., ATX Licensing, Inc., Broadview Networks, Inc. Business Telecom, LLC, Cavalier Telephone Mid-Atlantic, LLC, Choice One Communications Resale, L.L.C., Conversent Communications Resale, L.L.C., CTC Communications Corp., Eureka Telecom, Inc., Intellifiber Networks, LLC, McLeodUSA Telecommunications Services, LLC, PAETEC Communications, LLC, US LEC of Virginia, LLC, and Windstream KDL, LLC (collectively “Applicants”), submits this Application pursuant to D.C. Code § 34-1001 and the rules of the District of Columbia Public Service Commission (“Commission”). Applicants request the Commission’s approval, or such authority as may be necessary or required, for certain *pro forma* intra-company changes described in more detail below. The Applicants are each an indirect subsidiary of Windstream Holdings, Inc. (“Windstream”), and the *pro forma* intra-company changes described herein are being undertaken to consolidate the Windstream corporate structure

and realign Windstream's operating units to eliminate unnecessary and cumbersome intermediate companies in the Windstream corporate structure.

As discussed below, the proposed transactions will produce certain important public interest benefits. The *pro forma* intra-company changes will not result in any change to the ultimate ownership of the Applicants. Customers of the Applicants will continue to receive services from the Applicants under the same rates, terms and conditions of service as provided before the changes. Accordingly, for all practical purposes, these transactions will be transparent and will have no impact on the customers of the Applicants.

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

I. INTRODUCTION

Over the past several years, Windstream has acquired a number of existing telecommunications entities that, either directly or through one or more operating subsidiaries, held federal and state authorizations and certifications to provide interstate and intrastate telecommunications services. Due to the complex corporate organizational structure resulting from these acquisitions, Windstream proposes a series of *pro forma* intra-company transactions that, once completed, will result in a more streamlined and simplified corporate structure. This simplification will enable Windstream to function in a more efficient and nimble fashion. These changes will all occur at the holding company level and will not change the customer-facing operating entities. A chart depicting the current corporate organization of the Applicants and their parents is provided as Exhibit A. Windstream intends to simplify its existing corporate structure in a way that streamlines the number of holding companies. A chart depicting the corporate organizational structure of Windstream upon completion of these *pro forma* intra-company changes is provided as Exhibit C.

II. DESCRIPTION OF APPLICANTS

The Applicants are each indirect subsidiaries of Windstream. Windstream is a Delaware corporation headquartered at 4001 North Rodney Parham Road, Little Rock, Arkansas 72212, and is a publicly traded (Nasdaq: WIN) FORTUNE 500 company and a leading provider of advanced network communications and technology solutions for consumers, small businesses, enterprise organizations and carrier partners across the U.S. Windstream offers bundled services, including broadband, security solutions, voice and digital TV to consumers. The company also provides data, cloud solutions, unified communications and managed services to business and enterprise clients. In the District of Columbia, Windstream's regulated subsidiaries hold the following authorizations:

1. A.R.C. Networks, Inc. is authorized to provide local exchange service pursuant to Order No. 1187;
2. ATX Licensing, Inc. is authorized to provide resold local and interexchange services pursuant to Order No. 11290;
3. Broadview Networks, Inc. is authorized to provide local exchange service pursuant to Order No. 11791;
4. Business Telecom, LLC is authorized to provide local exchange service pursuant to Order No. 11383;
5. Cavalier Telephone Mid-Atlantic, LLC is authorized to provide local exchange service pursuant to Commission authority in Docket No. TA-01-26;
6. Choice One Communications Resale, L.L.C. is authorized to provide local exchange service pursuant to Order No. 15281;
7. Conversent Communications Resale, L.L.C. is authorized to provide local exchange service pursuant to Order No. 15280;
8. CTC Communications Corp. is authorized to provide local exchange service pursuant to Order No. 11383;
9. Eureka Telecom, Inc. is authorized to provide local exchange service pursuant to Order No. 12231;

10. Intellifiber Networks, LLC is authorized to provide local exchange service pursuant to Commission authority in Docket No. TA-10-1;
11. McLeodUSA Telecommunications Services, LLC is authorized to provide local exchange service pursuant to Order No. 12050;
12. PAETEC Communications, LLC is authorized to provide local exchange service pursuant to Order No. 11339;
13. US LEC of Virginia, LLC is authorized to provide local exchange service pursuant to Order No. 11362; and
14. Windstream KDL, LLC is authorized to provide local exchange service pursuant to Order No. 14848.

III. CONTACTS

Questions or any correspondence, orders, or other materials pertaining to this filing should be directed to the following:

Nicole Winters
Counsel II
4001 North Rodney Parham Road
Little Rock, AR 72212
(501) 748-6313 (tel)
(330) 486-3561 (fax)
Nicole.Winters@windstream.com

IV. DESCRIPTION OF *PRO FORMA* INTRA-COMPANY CHANGES

Windstream has determined that its business would be more efficient from a management, operations, regulatory, accounting, financial, and customer experience perspective by streamlining its organization as much as possible. The *pro forma* intra-company changes described below that are the subject of this Application are part of these streamlining efforts.

First, Windstream Cavalier a parent company of Cavalier Telephone Mid-Atlantic, LLC, will merge with its direct parent company, PAETEC, LLC, and PAETEC, LLC will survive. (See Exhibit B – Step 1)

Second, PAETEC, LLC, will merge with its direct parent company, PAETEC Holding, LLC, and PAETEC Holding, LLC will survive. (See Exhibit B – Step 2)

Third, Windstream Business Holdings, LLC, the parent company of Business Telecom, LLC, Choice One Communications Resale, L.L.C., Conversent Communications, L.L.C., and CTC Communications Corp. will merge with its direct parent company Windstream Eagle Holdings, LLC, and Windstream Eagle Holdings, LLC will survive. (See Exhibit B – Step 3)

Fourth, Windstream Eagle Holdings, LLC, will merge into PAETEC Holding, LLC, and PAETEC Holding, LLC will survive. (See Exhibit B – Step 4)

Fifth, Windstream BV Holdings, LLC, the parent company of A.R.C. Networks, Inc., ATX Licensing, Inc., Broadview Networks, Inc., and Eureka Telecom, Inc., will merge into PAETEC Holding, LLC, and PAETEC Holding, LLC will survive. (See Exhibit B – Step 5)

Lastly, the equity interests of Windstream KDL, LLC a direct subsidiary of Windstream Services, LLC and Intellifiber Networks, LLC (a direct subsidiary of PAETEC Holding, LLC) will be contributed to a to-be-formed Delaware limited liability company, Windstream Fiber Networks, LLC. Windstream Fiber Networks, LLC will be a direct subsidiary of Windstream Services, LLC. As a result of the contribution, Windstream KDL, LLC and Intellifiber Networks, LLC will become and continue as direct subsidiaries of Windstream Fiber Networks, LLC. (See Exhibit B – Step 6)

Following the *pro forma* intra-company changes described above, PAETEC Holding, LLC's name will be changed to Windstream Enterprise Holdings, LLC. This is a holding company only and has no direct interaction with end user customers. This name change will have no effect on customers and does not require customer notification.

V. PUBLIC INTEREST CONSIDERATIONS

The *pro forma* intra-company changes described above are in the public interest. The *pro forma* changes will simplify Windstream's existing corporate structure and will reduce its reporting and accounting burdens thereby providing operational efficiencies that will allow Windstream to serve its customers in a more efficient and nimble fashion.

Furthermore, because the *pro forma* changes will occur at the holding company level, there will be no change or impact to customers' rates, terms, or services as a result of the changes. Moreover, as previously stated, the changes will be transparent to customers.

Finally, all Windstream subsidiaries, including the Applicants, have the same corporate officers. Therefore, there will be no change in the managerial qualifications of the telecommunications provider serving the customer base.

VI. 15 DCMR § 2511.2 REQUIREMENTS

15 DCMR § 2511.2 sets out the requirements for an application involving a change of control for a certificated local exchange carrier:

(1) how the proposed transaction will affect competition in the District of Columbia

Because the Applicants will continue to operate in the same way as they currently operate, there will be no adverse effect on competition since the Applicants' customers will continue to have access to competitive choices.

(2) how the proposed transaction will affect universal service;

Because the Applicants will continue to operate in the same way as they currently operate, the proposed transactions will have no effect on universal service. The District of Columbia's universal service rules require each local exchange carrier to pay the District of Columbia Universal Service Trust Fund ("DC USTF"). The Applicants will continue to make

contributions as appropriate to the DC USTF, and as such, universal service will not be affected by the proposed transactions.

(3) how the proposed transaction will affect public safety and welfare;

Because the Applicants will continue to operate in the same way as they currently operate, the proposed transactions will have no effect on public safety and welfare.

(4) whether the proposed transactions will affect the quality of local telecommunications services; and

Because the Applicants will continue to operate in the same way as they currently operate, the proposed transactions will have no effect on the quality of services currently provided by the Applicants.


(5) how the proposed transactions will affect consumer rights.

Because the Applicants will continue to operate in the same way as they currently operate, the proposed transactions will have no effect on consumer rights.

VII. CONCLUSION

WHEREFORE, for the reasons set forth above, the Applicants request the Commission approve this Joint Application and grant all authority necessary for the Applicants to undertake the proposed transactions as described herein.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Carol Keith", is written over a horizontal line.

Carol Keith
Deputy General Counsel
Windstream
4001 North Rodney Parham Road
Little Rock, AR 72212
847-550-4433 (tel)
330-486-3561 (fax)
Carol.Keith@windstream.com

Dated: March 12, 2019

List of Exhibits

Exhibit A Current Corporate Organizational Chart

Exhibit B Proposed Merger Steps

Exhibit C Proposed New Corporate Organization

Verification

Exhibit A – Current Corporate Organizational Chart

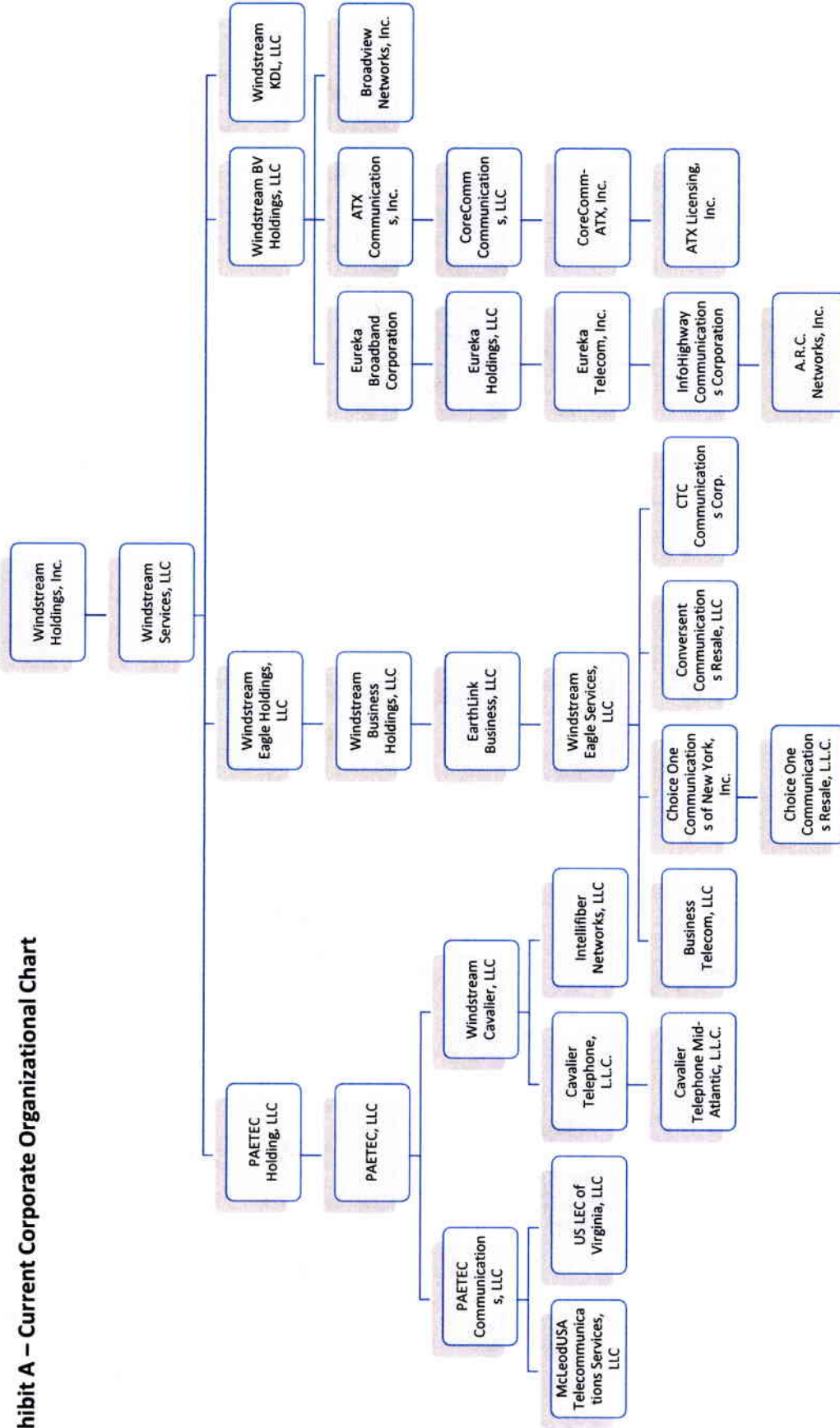
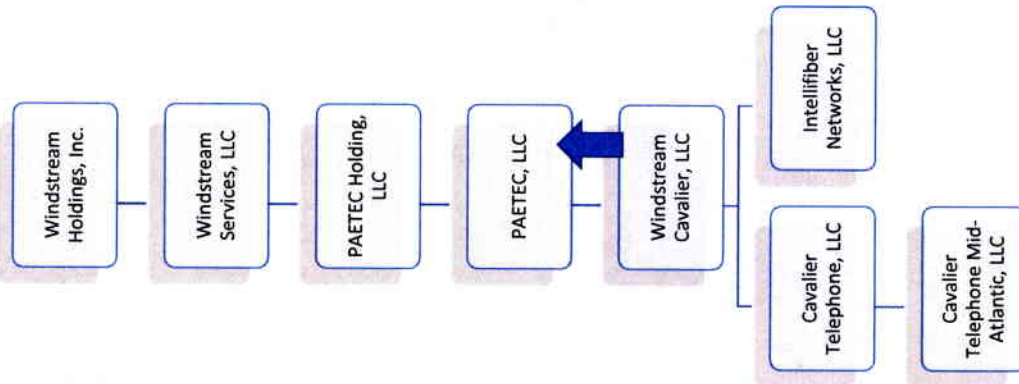


Exhibit B – Proposed Merger Steps
Step 1



Step 2

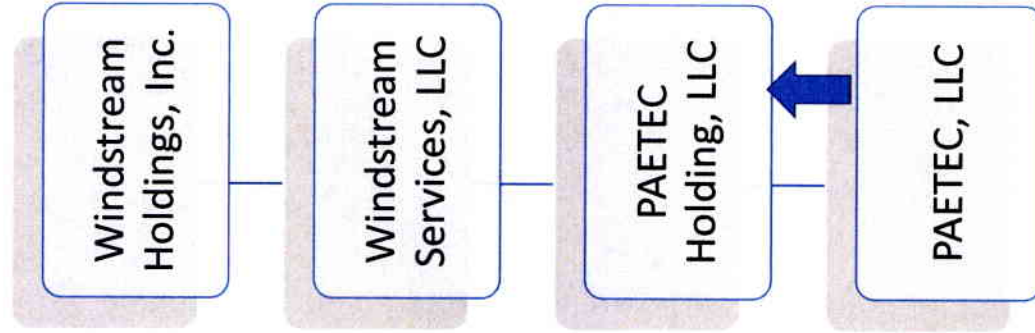
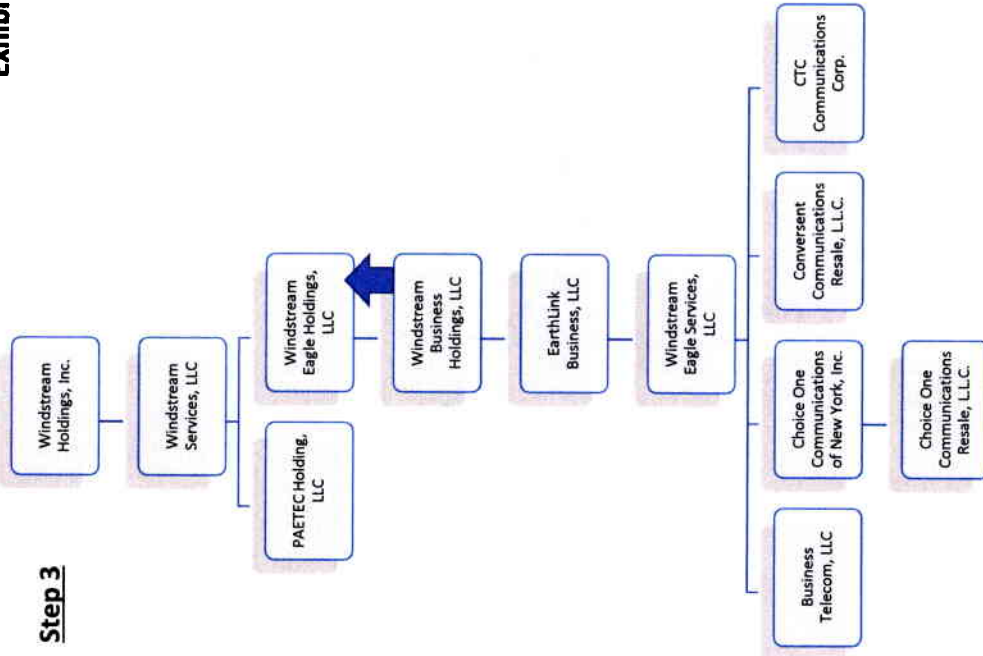


Exhibit B – Proposed Merger Steps

Step 3



Step 4

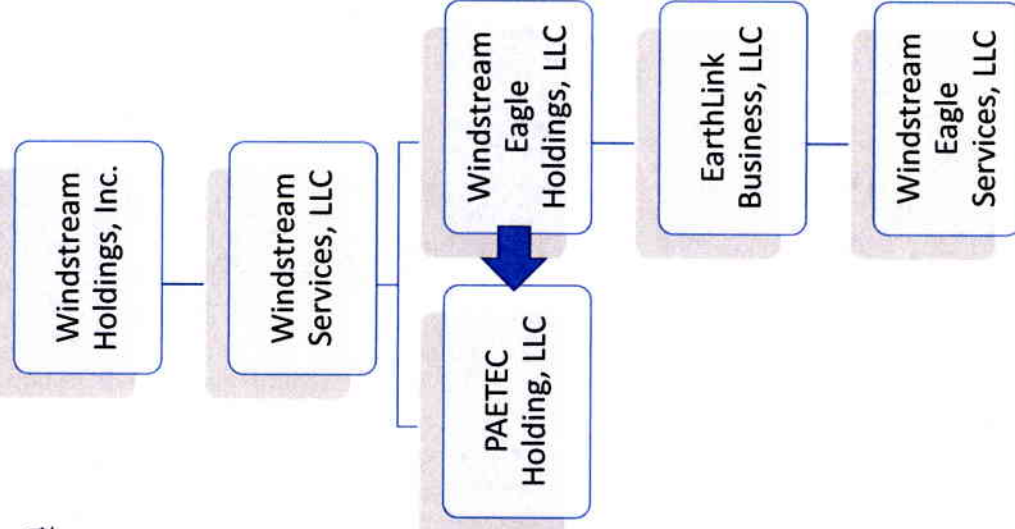


Exhibit B – Proposed Merger Steps

Step 5

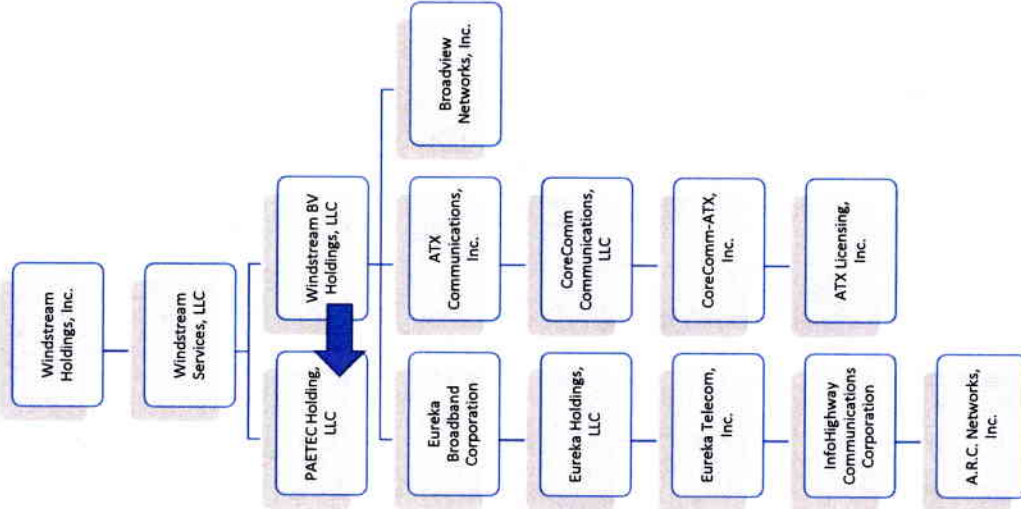


Exhibit B – Proposed Merger Steps

Step 6

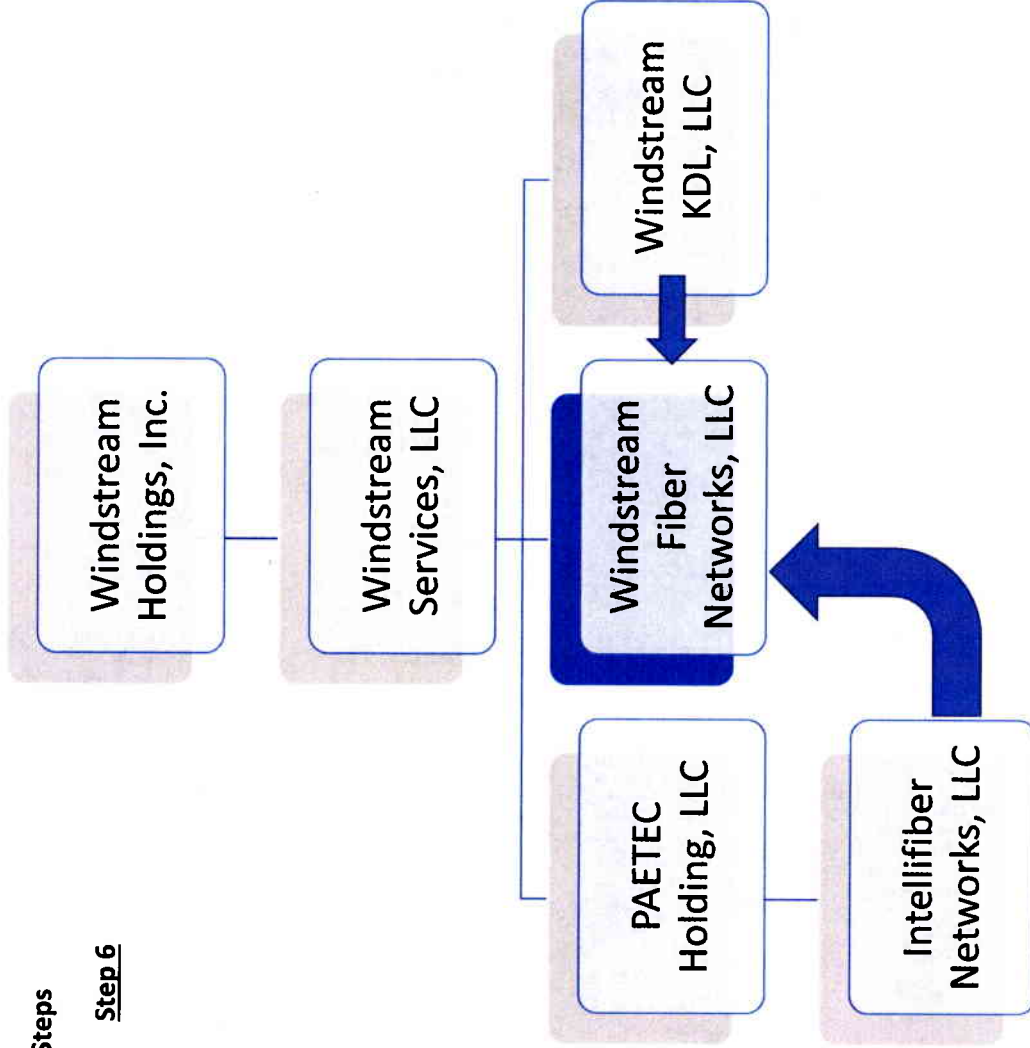
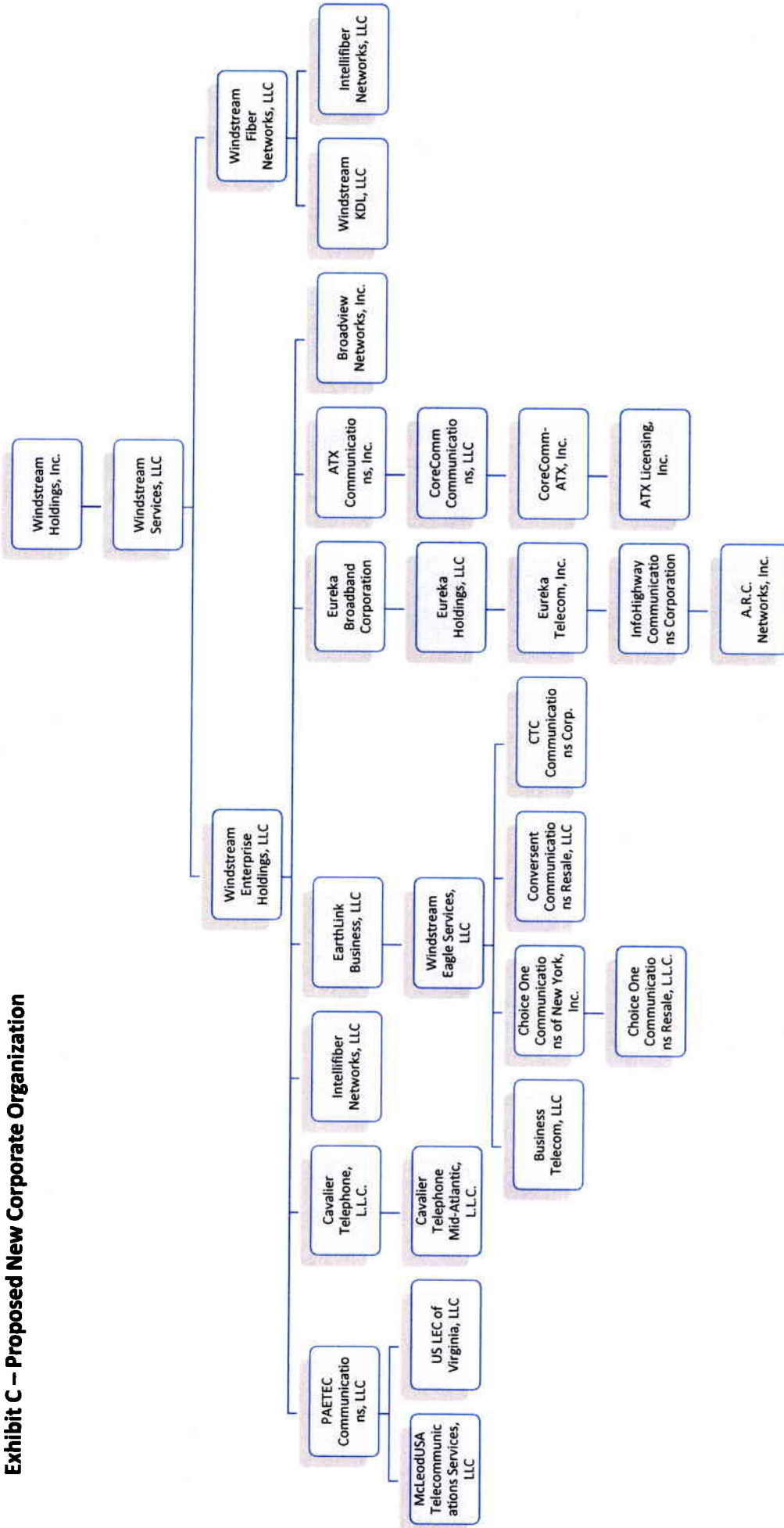


Exhibit C – Proposed New Corporate Organization



STATE OF ARKANSAS

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COUNTY OF PULASKI

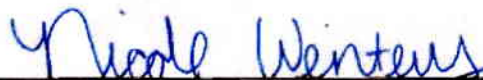
VERIFICATION

I, Michelle Simpson, state that I am VP and Assistant Corporate Secretary of Windstream Holdings, Inc. and its applicant subsidiaries (the "Applicants"); that I am authorized to make this Verification on behalf of the Applicants; that the foregoing filing was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.



Michelle Simpson
VP and Assistant Corporate Secretary
Windstream Holdings, Inc.

Sworn and subscribed before me this 12th day of March, 2019.



Notary Public

My commission expires: April 8, 2021

