

KELLEY DRYE & WARREN LLP

A LIMITED LIABILITY PARTNERSHIP

WASHINGTON HARBOUR, SUITE 400

3050 K STREET, NW

WASHINGTON, D.C. 20007-5108

(202) 342-8400

FACSIMILE

(202) 342-8451

www.kelleydrye.com

NEW YORK, NY

LOS ANGELES, CA

CHICAGO, IL

STAMFORD, CT

PARSIPPANY, NJ

BRUSSELS, BELGIUM

AFFILIATE OFFICES

MUMBAI, INDIA

DIRECT LINE: (202) 342-8601

EMAIL: rsifers@kelleydrye.com

December 29, 2011

ELECTRONICALLY FILED AND VIA OVERNIGHT DELIVERY

Ms. Julie Orchard
Commission Secretary
Utah Public Service Commission
160 East 300 South, 4th Floor
Salt Lake City, Utah 84114

Re: *Informational Filing* to Notify the Commission of a Pro Forma Change in
Ownership Involving XO Communications Services, LLC

Dear Ms. Orchard:

XO Communications Services, LLC (“XOCS”), by its counsel, respectfully notifies the Utah Public Service Commission (“Commission”) of certain transactions and related actions that result in a *pro forma* change to the ownership of XOCS (the “Transaction”).¹ As discussed below, ultimate *de facto* control of XOCS will remain unaltered. Following the Transaction, Carl C. Icahn (“Mr. Icahn”) will continue to hold ultimate ownership and control of XOCS as he does today.

Similarly, following consummation of the Transaction, XOCS will continue to offer the same services at the same rates, terms and conditions as previously, pursuant to its existing authorizations and tariffs. Accordingly, the Transaction will be entirely transparent to XOCS’ customers. Because there will be no change whatsoever in the ultimate control of XOCS and the Transaction will have no impact on XOCS’ customers, it is the understanding of XOCS

¹ This is the second notification of a *pro forma* change in the ownership of XOCS that XOCS has filed with the Commission in 2011. The first notification, concerning the privatization of XO Holdings, Inc., was submitted on August 11, 2011, by XO Communications Services, Inc. (the predecessor-in-interest to XO Communications Services, LLC). XO Communications Services, Inc. notified the Commission of its corporate conversion and name change on November 14, 2011.

Ms. Julie Orchard
December 29, 2011
Page Two

that prior approval of the Commission is not required and that notice of the Transaction is sufficient.² XOCS submits this informational letter as an update for the Commission's files.

XOCS

XOCS is authorized by the Commission to provide competitive intrastate telecommunications services in Utah.³ XOCS is a Delaware corporation and a direct, wholly-owned subsidiary of XO Communications, LLC ("XO LLC"). XO LLC, a Delaware limited liability company, is a leading national provider of local and long distance telecommunications services to businesses, large enterprises and telecommunications carriers. XO LLC is authorized by the Federal Communications Commission to provide interstate and international telecommunications services. Through its subsidiaries – primarily XOCS⁴ – XO LLC is authorized to provide intrastate interexchange services in 49 states and to provide competitive local exchange services in 48 states as well as in the District of Columbia.

XO LLC is a direct, wholly-owned subsidiary of XO Holdings, LLC ("Holdings"), a Delaware limited liability company and a holding company. At present, various U.S. entities controlled by Mr. Icahn (the "Parent Group") collectively hold 100% of the voting interests in Holdings. Members of the Parent Group include but are not limited to ACF Industries Holding LLC ("ACF"), Barberry Corporation ("Barberry"), and Highcrest Investors, LLC ("Highcrest").⁵ Mr. Icahn is a U.S. citizen.

XOCS, XO LLC, and Holdings are located at 13865 Sunrise Valley Drive, Herndon, Virginia 20171, (703) 547-2000. The address of Carl C. Icahn is 767 Fifth Avenue, 47th Floor, New York, New York 10153. The principal business address of the Parent Group is c/o White Plains Plaza, 445 Hamilton Avenue, Suite 1210, White Plains, New York 10601. Organizational charts for XOCS, including its anticipated post-transaction ownership structure, are provided as *EXHIBIT A*.

² In the event that the Commission determines that prior approval of the Transaction is required, XOCS respectfully requests that the Commission accept and treat this notice as the required application.

³ XOCS was authorized to provide local and interexchange services in docket 02-2208-01 on August 31, 2004.

⁴ XOCS does not operate in Nevada and Virginia, where XO LLC provides service through two additional subsidiaries: Telecommunications of Nevada, LLC and XO Virginia, LLC, respectively.

⁵ Highcrest Investors LLC was converted from a corporation into a limited liability company on September 1, 2011.

Ms. Julie Orchard
December 29, 2011
Page Three

The Transaction

Holdings and certain members of the Parent Group have entered into various agreements the purpose of which is to restructure the interests of the Parent Group in Holdings. In the course of implementing these agreements and related actions, various members of the Parent Group are being eliminated, new members are being added, and direct and indirect interests in Holdings are being transferred among Parent Group members. Implementing these agreements and related actions should be completed by January 1, 2012. Upon completion, ACF Industries Holding Sub LLC (“ACF Sub”), a Delaware limited liability company and a new wholly-owned subsidiary of ACF, and Barberry Sub LLC (“Barberry Sub”), a Delaware limited liability company and a new wholly-owned subsidiary of Barberry, will hold 100% of the direct interests in Holdings. ACF Sub will hold 98.48% of the direct interests in Holdings, while Barberry Sub will hold 1.52%.

Also, on or around January 1, 2012, Holdings will be converted from a Delaware limited liability company into a Delaware general partnership (“Holdings G.P.”). ACF Sub and Barberry Sub will be the general partners of Holdings G.P. and thus will control Holdings G.P. ACF Sub and Barberry Sub, like all other members of the Parent Group, are ultimately owned and controlled by Mr. Icahn. As such, the Transaction does not result in a change in the actual control of XOCS and is *pro forma* in nature.

Public Interest Considerations

The proposed Transaction will serve the public interest, as it will enhance the strategic and financial flexibility of XOCS. Following consummation of the Transaction, Holdings G.P. will enjoy the advantages of its consolidated ownership and partnership structure. These advantages will inure to the benefit of XOCS and its customers.

At the same time, the proposed Transaction holds no adverse consequences for consumers. In short, the Transaction will be transparent to XO’s customers. There will be no change to the operating entities which directly serve XO customers. XOCS will remain intact, as a wholly-owned subsidiary of Holdings G.P., and will continue under the ultimate control of Mr. Icahn. There will be no change to the services provided to customers or to the terms and conditions under which these services are delivered. There will be no change to the management of XOCS or to its operational and financial qualifications as a result of the Transaction.

As explained above, XOCS is submitting this letter for the Commission’s information only and request that it be retained in the appropriate file. Enclosed with this original, please find five (5) copies and a duplicate of this letter. Please date-stamp the duplicate and return it in the envelope provided. Should the Commission have any questions or believe

KELLEY DRYE & WARREN LLP

Ms. Julie Orchard
December 29, 2011
Page Four

that any further information is required, please contact Winafred Brantl at (202) 342-8819 pr via email at wbrantl@kelleydrye.com.

Respectfully submitted,

XO Communications Services, LLC

Randall W. Sifers

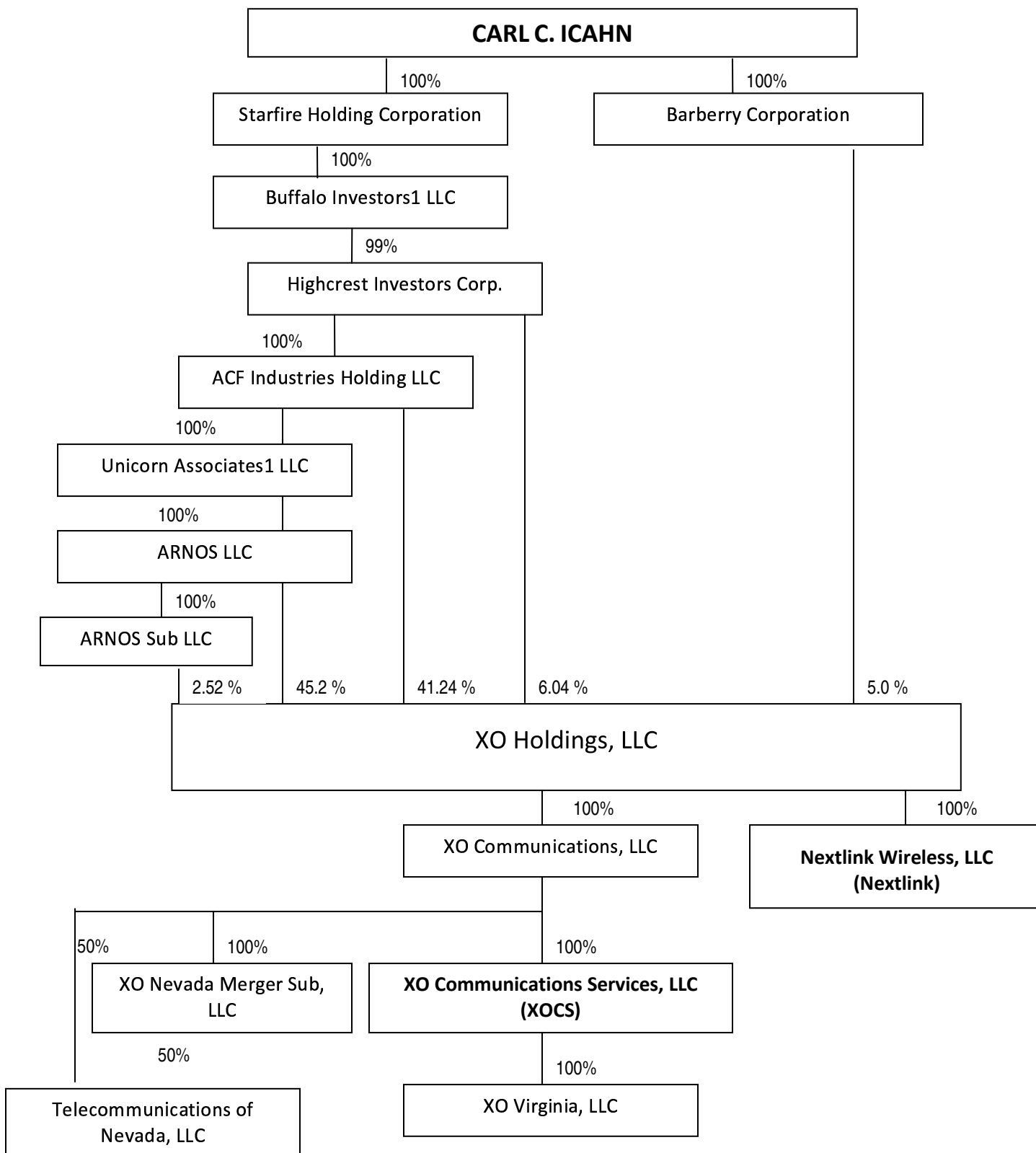
Brad E. Mutschelknaus
Randall W. Sifers
Winafred Brantl
Kelley Drye & Warren LLP
3050 K Street, N.W., Suite 400
Washington, D.C. 20007
(202) 342-8819

Its Counsel

EXHIBIT A

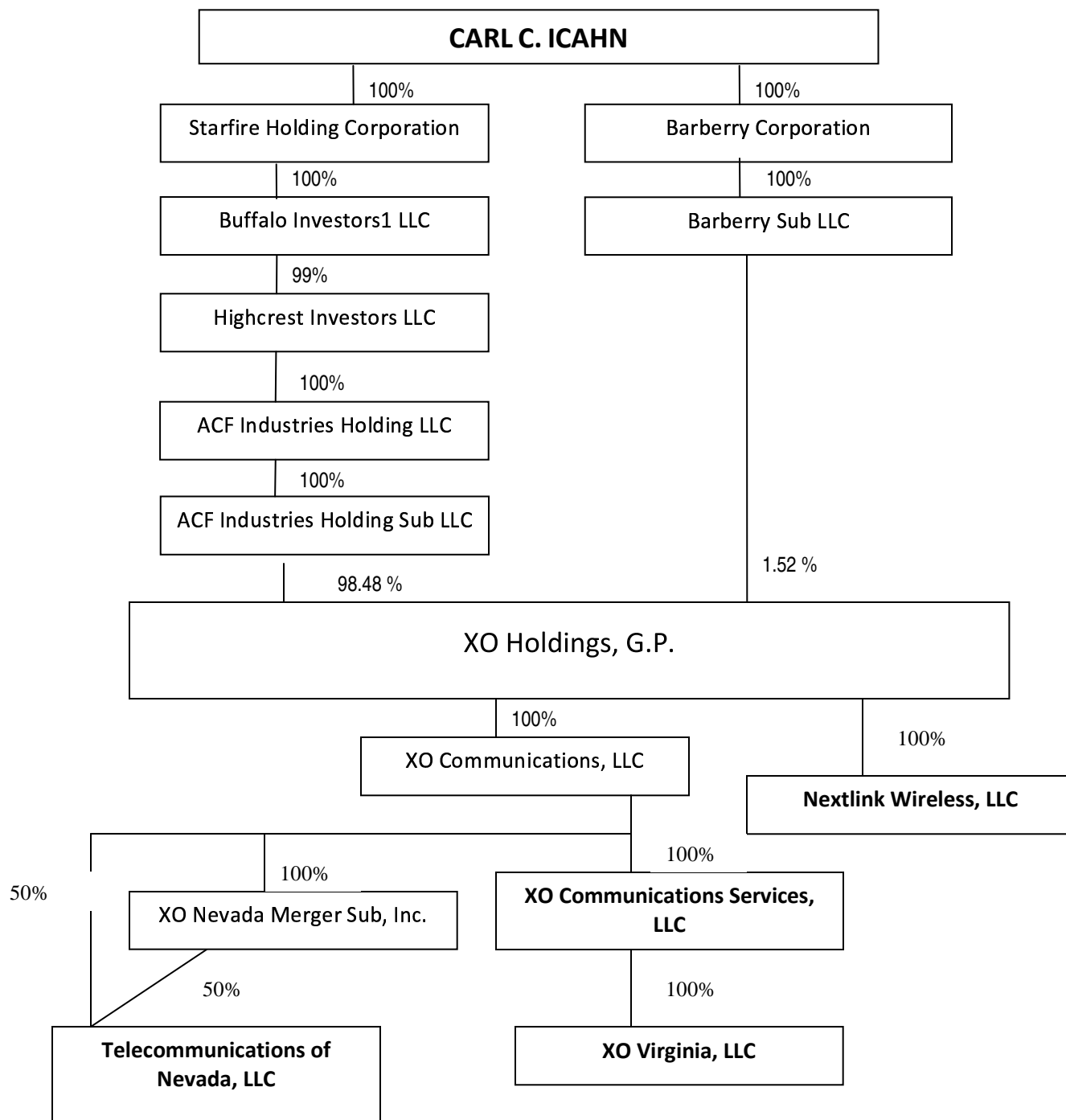
Organizational Charts for XO Companies

**OWNERSHIP of XO Communications, LLC
On or about August 31, 2011**



This chart also reflects the conversion of other XO subsidiaries and interest holders which occurred roughly simultaneous with the XOCS and Nextlink conversions and which are incorporated here in order to provide the Commission with a completely updated ownership chart.

**OWNERSHIP of XO Communications, LLC
On or about January 1, 2012**



Notes

ACF Industries Holdings Sub LLC and Barberrry Sub LLC are the general partners of XO Holdings, G.P.