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**BEFORE THE  
PUBLIC SERVICE COMMISSION OF UTAH**

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Joint Application of

**360networks (USA) inc.,  
American Fiber Systems, Inc.  
and  
Zayo Group, LLC**

for Approval of Certain *Pro Forma* Intra-  
Corporate Transactions

**JOINT APPLICATION**

**Docket No.** \_\_\_\_\_

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**JOINT APPLICATION**

360networks (USA) inc. (“360networks”), American Fiber Systems, Inc. (“AFS”) and Zayo Group, LLC (“Zayo”) (collectively, the “Applicants” or the “Company”), by undersigned counsel and pursuant to Utah Code Ann. §§ 54-4-28 & 54-4-29 and the rules of the Public Service Commission of Utah (“Commission”), including R746-349-7, hereby request approval, to the extent necessary, for Applicants to complete certain *pro forma* intra-company transactions that will result in the assets and customers of 360networks and AFS moving to Zayo (the “*Pro Forma* Transactions”).<sup>1</sup> As described in more detail below, the Transactions will be

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<sup>1</sup> The Commission was previously notified of the transfer of wholesale voice services and assets currently held by 360network to Onvoy, Inc. *See* Docket Nos. 11-2289-01 & 11-2289-02. Applicants still expect to complete that transaction, either concurrently with or after the *Pro Forma* Transactions. To the extent necessary, Applicants and Onvoy seek approval to

accomplished through (1) the roll-up of 360networks and AFS into Zayo through a series of *pro forma* mergers, with Zayo as the surviving entity, and/or (2) the *pro forma* assignment of the assets and customers of 360networks and AFS to Zayo followed by the series of *pro forma* mergers described in (1). The Transaction is part of a series of intra-company transactions that will simplify the corporate structure of Zayo and align the portions of the business of 360networks and AFS more closely with the business structure of Zayo. Subject to receipt of applicable regulatory approvals, Applicants propose to complete the *pro forma* intra-company transactions as soon as possible and no later than January 30, 2013.

Applicants also request that the Commission cancel the Certificates, tariffs, and performance bonds of AFS and 360networks effective upon notification by Applicants that the *Pro Forma* Transactions have been completed.

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

## **I. INTRODUCTION**

Since the time that it completed a *pro forma* intra-company consolidation in 2011, Zayo has acquired a number of additional existing communications businesses, including 360networks and AFS. As a result of these acquisitions, the corporate structure of Zayo, has again become overly complex, with numerous operating entities, many of whose services overlap. Through the consolidation of those entities, Zayo will greatly simplify its corporate structure and reduce the reporting and accounting burdens of Zayo (and the regulatory Commissions who receive such reports) and provide operational efficiencies.

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move certain wholesale voice services and assets, currently owned by 360networks, from the Company to Onvoy.

## **II. DESCRIPTION OF THE APPLICANTS**

Zayo is a Delaware limited liability company with principal offices at 400 Centennial Parkway, Suite 200, Louisville, Colorado 80027. 360networks, a Nevada corporation, and AFS, a Delaware corporation, are wholly owned indirect subsidiaries of Zayo Group. Zayo Group is a wholly-owned direct subsidiary of Zayo Group Holdings, Inc. (“Holdings”), a Delaware corporation, which in turn is a wholly owned direct subsidiary of Communications Infrastructure Investments, LLC (“CII”), a Delaware limited liability company. CII has no majority owner.

In Utah, Zayo holds Certificate No. 2536 to provide local exchange and interexchange telecommunications service granted in Docket No. 11-2536-01; American Fiber Systems, Inc. (“AFS”), a wholly-owned subsidiary of Zayo, is authorized to provide dedicated facilities-based and resold local exchange, facilities-based interexchange and private line services pursuant to certificates granted in Docket No. 00-2353-01; and 360networks (USA) inc. (“360networks”) is authorized to provide local exchange and interexchange telecommunications services pursuant to certificates granted in Docket No. 99-2289-01. Zayo, AFS and 360networks are also authorized by the FCC to provide domestic and/or international telecommunications services.

Additional information concerning the Company’s legal, technical, managerial and financial qualifications was submitted to the Commission in connection with various Applicants’ certification applications and various corporate and financial transactions and is therefore already a matter of public record. Applicants request that the Commission take notice of these descriptions of the Company’s qualifications and incorporate them by reference herein. In support of its financial qualifications, the Company’s financial statements from its most recent SEC Form 10-Q is available at [http://www.zayo.com/sites/default/files/Zayo\\_FY3Q2012\\_10-Q\\_0.PDF](http://www.zayo.com/sites/default/files/Zayo_FY3Q2012_10-Q_0.PDF).

## II. DESIGNATED CONTACTS

Questions, correspondence or other communications concerning this Application should be directed to Applicants' counsel of record:

### For Applicants:

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### With copies to:

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## III. DESCRIPTION OF THE *PRO FORMA* TRANSACTIONS

In order to simplify its corporate structure, Zayo is undertaking certain *pro forma* intra-company transactions that will result in customers and assets moving from AFS and 360networks to Zayo.<sup>2</sup> Depending on the timing of various state regulatory approvals, the *Pro Forma* Transactions will be accomplished by (1) the roll-up of 360networks and AFS into Zayo through a series of *pro forma* mergers, with Zayo as the surviving entity (i.e. its merging subsidiaries will cease to exist as separate corporate entities); and/or (2) the *pro forma* assignment of assets and customers of 360networks and/or AFS to Zayo, followed by the series of *pro forma* mergers. Ultimately, Zayo will be the Company entity that provides of telecommunications services throughout the United States. Diagrams illustrating the organizational structure of the corporation before and after the *Pro Forma* Transactions are provided in Exhibit A.

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<sup>2</sup> Although the Applicants do not believe that the Commission's Slamming Rules were intended to cover a transfer of the type of customer at issue here, to the extent required, the Applicants request a waiver of the Commission's Slamming Rules.

The proposed *Pro Forma* Transactions will not result in any changes to the services received by customers, including rates, terms and conditions of service. Each customer's service will be assigned to Zayo pursuant to terms of that customer's service contract that permit assignment to affiliates and/or pursuant to the customer's authorization. In addition, each of the affected customers will receive notice of the Transaction that affect their service. A sample of the notice that will be sent to customers is provided as Exhibit B.

V. **REQUEST TO CANCEL THE CERTIFICATES AND ASSOCIATED TARIFFS OF 360NETWORKS AND AFS**

Following the Transaction, 360networks and AFS will no longer provide telecommunications services in Utah and ultimately will cease to exist as corporate entities. Therefore, Applicants request that, effective upon notification from Applicants that the *Pro Forma* Transactions have been completed, the Commission cancel the Certificates and tariffs of 360networks and AFS. Further, Applicants request that the Commission return and permit cancellation of any bond or letter of credit (or similar security) that 360networks and AFS may have provided in connection with their Certificates.

IV. **INFORMATION REQUIRED BY R746-394-7**

Pursuant to R746-394-7, Applicants provide the following information:

a. **identification that it is not an ILEC,**

Applicants confirm that none of the Applicants or their affiliates is an ILEC in Utah.

b. **identification that it seeks approval of the application pursuant to this rule,**

Applicants confirm that they seek approval, only to the extent necessary for the *Pro Forma* Transaction, pursuant to the informal adjudication process set forth in this rule.

c. **a reasonably detailed description of the transaction for which approval is sought,**

A detailed description of the *Pro Forma* Transactions is provided in Section III, above.

- d. a copy of any filings required by the Federal Communications Commission or any other state utility regulatory agency in connection with the transaction, and**

In connection with this *Pro Forma* Transactions, Applicants and/or their affiliates also expect to request approval for the *Pro Forma* Transactions from the utility regulatory agencies (“PUCs”) in the following states in addition to Utah: Arizona, California, Colorado, District of Columbia, Georgia, Maryland, Minnesota, Nebraska, New Jersey, New York, Ohio, Oregon, Pennsylvania, South Dakota, Virginia and West Virginia.. Due to the voluminous nature of these state filings, most of which contain the same basic information, Applicants have only attached as Exhibit C a copy of the Minnesota filing requesting approval. Applicants are also providing pre-closing written or verbal notice to the PUCs in the other states: Connecticut, Florida, Idaho, Illinois, Iowa, Kansas, Massachusetts, Michigan, Missouri, Montana, Nevada, New Hampshire, New Mexico, North Dakota, Tennessee, Texas, Washington and Wyoming. Due to the voluminous and repetitive nature of the notices to be sent to these PUCs, Applicants have not included copies of the notice filings. Applicants will provide any additional filings at the request of the Commission. Applicants are not required to obtain prior approval from the FCC for the *Pro Forma* Transactions, but will file a notification upon completion.

- e. copies of any notices, correspondence or orders from any federal agency or any other state utility regulatory agency reviewing the transaction which is the subject of the application.**

Applicants have not yet received any notices, correspondence or orders from any federal agency or PUC reviewing the Transaction. To the extent requested by the Commission, Applicants will forward any orders or similar actions approving or denying approval of the Transaction.

## **V. PUBLIC INTEREST CONSIDERATIONS**

Applicants submit that the *pro forma* intra-company transactions described herein are in the public interest. The *Pro Forma* Transactions will simplify the Company’s existing corporate

structure and thereby reduce its reporting and accounting burdens and provide other operational efficiencies. As a result of the efficiencies and focus, the Company will become a stronger competitor to the ultimate benefit of consumers. Furthermore, the *Pro Forma* Transactions will be virtually transparent to customers and will not result in any change in their services. Since all affected customers are already familiar with, and are receiving invoices including the “Zayo” brand, the *Pro Forma* Transactions will not result in customer confusion. Moreover, the rates, terms and conditions of their services will not change as a result of these purely intra-company transactions.

Finally, all of Zayo’s subsidiaries, including Applicants, have the same corporate officers. Therefore, there will be no change in the managerial qualifications of the telecommunications provider serving the customers affected by the Transaction.

## **VI. CONCLUSION**

For the foregoing reasons, Applicants submit that the public interest, convenience, and necessity would be furthered by grant of this Application, to the extent necessary, authorizing Applicants to complete the *Pro Forma* Transactions as described herein. Applicants also request that the Certificates and tariffs of 360networks and AFS be cancelled effective upon notification by Applicants that the *Pro Forma* Transactions completed. Further, Applicants request that the Commission return and permit cancellation of any bond or letter of credit (or similar security) that 360networks and AFS may have provided in connection with their Certificates.

Respectfully submitted,

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Counsel for Applicants

Dated: December 7, 2012

**EXHIBIT A**

Diagrams of the Pre- and Post-*Pro Forma* Intra-Company Transactions  
Corporate Organization Structure of the Applicants

## **EXHIBIT B**

### **Sample Customer Notice**

The applicable affected customers will receive notice of the *Pro Forma* Transactions through a bill notation. The notice will be provided to customers in their bill issued at least 30 days prior to the *Pro Forma* Transactions. The text of the bill notation will be substantially similar to the following:

On or about [DATE], subject to receipt of any necessary regulatory approvals, Zayo Group, LLC will undertake an internal corporate consolidation. Thus, the Zayo corporate entity that will provide your telecommunications services will be Zayo Group, LLC. Your services and the associated pricing and terms and conditions of service will not change as a result of this internal consolidation. There is no charge associated with this change. You will receive a bill from Zayo and we will continue to resolve any issues you may have with your account or service using the same customer service number: 1-866-236-2824.

We recognize that, subject to the terms of your contract, you always have a choice in providers and believe that this internal consolidation will enhance our ability to serve you. Zayo looks forward to continuing to provide you with the superior service you are accustomed to receiving and to the opportunity to provide you additional services.

**EXHIBIT C**

**Minnesota Application**

## **VERIFICATION**