

EXHIBIT B
FCC Application

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of the Application of)	
)	
Bandwidth.com, Inc.,)	
Bandwidth.com CLEC, LLC,)	
Licensees,)	
)	WC Docket No. 17-_____
and)	
)	File No. ITC-T/C-2017_____
David A. Morken,)	File No. ITC-T/C-2017_____
Transferee,)	
)	
for Authority Pursuant to Section 214 of the)	
Communications Act of 1934, as Amended, and)	
Sections 63.04 and 63.24 of the Commission's)	
Rules to Transfer Control of Domestic and)	
International Section 214 Carriers)	

JOINT APPLICATION

I. INTRODUCTION

A. Summary of Transaction

Bandwidth.com, Inc. ("Bandwidth"), Bandwidth.com CLEC, LLC ("Bandwidth CLEC") and David A. Morken ("Transferee") (collectively, "Applicants") respectfully request authority pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214 (the "Act"), and Sections 63.04 and 63.24 of the Rules of the Federal Communications Commission ("Commission" or "FCC"), 47 C.F.R. §§ 63.04, 63.24, to transfer control of Bandwidth and Bandwidth CLEC ("Licensees"), entities that hold authority under Section 214 to provide domestic and international telecommunications services on a competitive basis, to Transferee in connection with a planned restructuring of stock related to an anticipated initial public offering

(“IPO”) by Bandwidth (the “Transaction”).¹ Mr. Morken is the Co-founder, Chief Executive Officer and Chairman of Bandwidth. Upon completion of the Transaction, Mr. Morken will hold a majority of the voting power of the outstanding Bandwidth stock, and as a result, he will control the Licensees. The IPO is not expected to result in any new equity owners of Bandwidth who will hold 10 percent or more ownership in Licensees.

B. Request for Streamlined Processing

Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Sections 63.03 and 63.12 of the Commission’s Rules, 47 C.F.R. §§ 63.03 & 63.12. With respect to domestic authority, this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following the Transaction:

1. Applicants (including their Affiliates, as that term is defined in Section 3(1) of the Act) combined will hold less than a ten percent (10%) share of the interstate, interexchange market;
2. Applicants and their Affiliates will provide competitive telephone exchange services or exchange access services exclusively in geographic areas served by dominant local exchange carriers (none of which is a party to the proposed Transaction); and
3. Neither the Applicants nor any of their Affiliates are regulated as dominant with respect to any service.

With respect to international authority, this Application is eligible for streamlined processing pursuant to Section 63.12(a)-(b) of the Commission’s Rules, 47 C.F.R. § 63.12(a)-(b).

¹ Bandwidth’s wholly owned subsidiary, IP Spectrum Solutions, LLC, is concurrently filing an application to transfer control of its wireless authorization, Call Sign WQVL906.

Specifically, Applicants are not foreign carriers and have no affiliations with any U.S. or foreign carriers.

II. DESCRIPTION OF THE APPLICANTS

Bandwidth, a Delaware corporation, and Bandwidth CLEC, a Delaware limited liability company and wholly owned subsidiary of Bandwidth, are headquartered at 900 Main Campus Drive, Suite 500, Raleigh, North Carolina 27606. The Company is the leading cloud-based communications platform for enterprises with one of the largest Internet protocol (“IP”) voice networks in the nation. Its solutions include a broad range of software application programming interfaces (“APIs”) for voice and messaging functionality as well as end-to-end communications solutions through its Communications platform-as-a-service (“CPaaS”). Its customers include large enterprises as well as small and medium-sized businesses.

Mr. Morken is the Cofounder, Chief Executive Officer and Chairman of Bandwidth and is therefore well-qualified to obtain control of the Licensees. He cofounded the Company 18 years ago and has led the Company to develop and deploy its APIs and CPaaS offerings and build its IP network. Under Mr. Morken’s leadership, Bandwidth has increased use of its IP network from no minutes or messages in 2008 to 27 billion minutes and 10 billion messages in the twelve months ended June 30, 2017. Prior to the anticipated IPO and inclusive only of actual outstanding securities, Bandwidth’s equity interests are beneficially held by Mr. Morken (approximately 12 percent), James A. Bowen (approximately 13 percent), Henry R. Kaestner (approximately 22 percent), and Carmichael Investment Partners, LLC (approximately 15 percent). No other entity or individual holds a 10 percent or greater interest in Bandwidth. As described in Section III below, Mr. Morken will obtain a majority of the voting power of the

outstanding Bandwidth stock in connection with the Transaction and as a result, he will control the Licensees.

III. DESCRIPTION OF THE TRANSACTION

On August 16, 2017, Bandwidth confidentially filed with the Securities and Exchange Commission (“SEC”) a registration statement on SEC Form S-1 for the IPO. The planned IPO of Bandwidth includes a restructuring of stock in which Bandwidth anticipates that Mr. Morken will obtain a majority of the voting power of the outstanding Bandwidth stock. As a result, Mr. Morken will control the Licensees. The IPO is not expected to result in any new equity owners of Bandwidth who will hold 10 percent or more ownership in Licensees. As a result of restructuring of stock planned as part of the IPO, Bandwidth anticipates that the voting power of shares as well as the equity interests beneficially held by some of the current owners will be diluted.

While the date of the IPO is yet to be determined, Applicants anticipate that the IPO will occur prior to December 31, 2017, and are seeking to have all required regulatory approvals as soon as possible, and no later than December 31, 2017, so that the stock restructuring can occur either before the IPO or as soon thereafter as possible.

For the Commission’s reference, charts depicting the Applicants’ current ownership structure, as well as the expected ownership structure post-closing, are provided as Exhibit A.

IV. PUBLIC INTEREST STATEMENT

The Transaction will serve the public interest. The IPO is expected to provide Bandwidth with a new infusion of capital and with greater flexibility for corporate and financial transactions which will allow it to become a stronger competitor. The IPO will not affect the technical or managerial qualifications of Licensees, which will continue to be managed by its highly-qualified and experienced management team including Mr. Morken.

At the same time, the Transaction will have no adverse impact on the Licensees' customers or competition in the telecommunications services more generally. The Transaction will be transparent to Licensees' customers. Immediately following the Transaction, Licensees will continue to provide service to their customers at the same rates, terms, and conditions available under existing contracts and without interruption.

V. INFORMATION REQUIRED BY SECTION 63.24(e)

Pursuant to Section 63.24(e)(2) of the Commission's Rules, the Applicants submit the following information requested in Section 63.18 (a)-(d) and (h)-(p) in support of this Application:

63.18 (a) Name, address and telephone number of each Applicant:

Licensees

Bandwidth.com, Inc.
Bandwidth.com CLEC, LLC
900 Main Campus Drive, Suite 500
Raleigh, NC 27606
Tel: 919-439-3571

FRN: 0015443773
FRN: 0017042060

Transferee

David A. Morken
900 Main Campus Drive, Suite 500
Raleigh, NC 27606
Tel: 919-439-3571

FRN: 0026798496

63.18 (b) Jurisdiction of Organizations:

Transferee: Mr. Morken is a U.S. citizen.

Licensees: Bandwidth.com, Inc. is a Delaware corporation.
Bandwidth.com CLEC, LLC. is a Delaware limited liability company.

63.18 (c) (Answer to Question 10) Correspondence concerning this Application should be sent to:

Tamar Finn, Esq.
Danielle Burt, Esq.
Morgan, Lewis & Bockius LLP
1111 Pennsylvania Ave., N.W.
Washington, DC 20004
202-739-3000 (tel)
202-739-3001 (fax)
tamar.finn@morganlewis.com
danielle.burt@morganelewis.com

with a copy to:

W. Christopher Matton
General Counsel
Bandwidth.com, Inc.
900 Main Campus Drive, Suite 500
Raleigh, NC 27606
Tel: (919) 439-4171
cmatton@bandwidth.com

63.18 (d) (Answer to Question 10) Section 214 Authorizations

Transferee: Transferee does not hold any Section 214 authority.

Licensees: Bandwidth holds blanket domestic Section 214 authority and holds international Section 214 authority to provide resold services granted in File No. ITC-214-20060901-00416.

Bandwidth CLEC holds blanket domestic Section 214 authority and holds international Section 214 authority to provide facilities-based and resold services granted in File No. ITC-214-20030807-00413, which was assigned to Bandwidth CLEC in File No. ITC-ASG-20071109-00457.

63.18 (h) (Answer to Questions 11 and 12) Ownership

The following persons or entities hold or will hold, directly or indirectly, a 10% or greater interest in Licensees as calculated pursuant to the Commission's ownership attribution rules for wireline and international telecommunications carriers:²

Pre-Transaction Ownership

1. Bandwidth.com CLEC, LLC is wholly-owned by:

Name: **Bandwidth.com, Inc.**
Address: 900 Main Campus Drive, Suite 500
Raleigh, NC 27606

² While the Commission's rules for combined domestic and international applications requires this information only for the transferee, see 47 C.F.R. §§ 63.04(b), 63.24(e)(2), Applicants are providing ownership information for all parties.

Ownership: 100%
Citizenship: United States (Delaware)
Principal Business: Communications services

2. The following persons have a 10% or greater voting or equity interest in Bandwidth.com, Inc.:

Name: **James A. Bowen**
Address: 120 East Liberty Drive, Suite 400
Wheaton, IL 60187
Ownership: 13% of Bandwith.com, Inc.
Citizenship: United States
Principal Business: Individual

Name: **Henry R. Kaestner**
Address: 900 Main Campus Drive, Suite 500
Raleigh, NC 27606
Ownership: 22% of Bandwith.com, Inc.
Citizenship: United States
Principal Business: Individual

Name: **David A. Morken**
Address: 900 Main Campus Drive, Suite 500
Raleigh, NC 27606
Ownership: 12% of Bandwith.com, Inc.
Citizenship: United States
Principal Business: Individual

Name: **Carmichael Investment Partners, LLC**
Address: 4725 Piedmont Row Drive, Suite 210
Charlotte, NC 28210
Ownership: 15% of Bandwith.com, Inc.
Citizenship: United States
Principal Business: Individual

3. The sole managing member of Carmichael Investment Partners LLC is:

Name: **Carmichael Bandwidth LLC**
Address: 4725 Piedmont Row Drive, Suite 210
Charlotte, NC 28210

Ownership: Managing Member of 15% of Carmichael Investment Partners LLC
Citizenship: United States
Principal Business: Individual

4. The only managing members of Carmichael Bandwidth LLC are:

Name: **Brian Bailey**
Address: 4725 Piedmont Row Drive, Suite 210
Charlotte, NC 28210
Ownership: Managing Member of Carmichael Bandwidth, LLC
Citizenship: United States
Principal Business: Individual

Name: **Kevin Martin**
Address: 4725 Piedmont Row Drive, Suite 210
Charlotte, NC 28210
Ownership: Managing Member of Carmichael Bandwidth, LLC
Citizenship: United States
Principal Business: Individual

Post-Transaction Ownership

As described above, as a result of the planned restructuring of stock in connection with the IPO of Bandwidth, Mr. Morken will obtain a majority of the voting power of the outstanding Bandwidth stock, and as a result, he will have the ability to control the Licensees. The IPO is not expected to result in any new equity owners of Bandwidth who will hold 10 percent or more ownership in Licensees. As a result of the IPO, Bandwidth anticipates that the equity interests beneficially held by some of the current owners will be diluted.

No other person or entity is expected to hold a 10% or greater ownership interest in the Licensees pursuant to the Commission's attribution rules as a result of the consummation of the Transaction.

Applicants do not have any interlocking directorates with a foreign carrier.

- 63.18 (i) (Answer to Question 14) Applicants certifies that none is a foreign carrier, and none is affiliated with any foreign carrier
- 63.18 (j) (Answer to Question 15) Applicants certify that they do not seek to provide international telecommunications services to any destination country where:
- (1) any Applicant is a foreign carrier in that country;

- (2) any Applicant controls a foreign carrier in that country;
- (3) any entity that owns more than 25 percent of an Applicant, or that controls an Applicant, controls a foreign carrier in that country; and
- (4) two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate, more than 25 percent of an Applicant and are parties to, or the beneficiaries of, a contractual relation affecting the provision or marketing of international basic telecommunications services in the United States.

63.18 (k) Not applicable.

63.18 (l) Not applicable.

63.18 (m) Not applicable.

63.18 (n) As evidenced by the signature of each Applicant to this Application, Applicants certify that they have not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future.

63.18 (o) As evidenced by the signature of each Applicant to this Application, Applicants certify that they are not subject to denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988. *See* 21 U.S.C. § 853a; *see also* 47 C.F.R. §§ 1.2001-1.2003.

63.18 (p) Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Section 63.12(a)-(b) of the Commission's Rules, 47 C.F.R. § 63.12(a)-(b). In particular, Section 63.12(c)(1) is inapplicable because none of the Applicants are or are affiliated with any foreign carrier and none of the scenarios outlined in Section 63.12(c) of the Commission's Rules, 47 C.F.R. § 63.12(c), apply.

VI. INFORMATION REQUIRED BY SECTION 63.04

In lieu of an attachment, pursuant to Commission Rule 63.04(b), 47 C.F.R. § 63.04(b), Applicants submit the following information in support of their request for domestic Section 214 authority in order to address the requirements set forth in Commission Rule 63.04(a)(6)-(12), 47 C.F.R. § 63.04(a)(6)-(12):

63.04(a)(6): Description of the Transaction

A description of the proposed Transaction is set forth in **Section III** above.

63.04(a)(7): Geographic Areas Served

The Applicants and their affiliates offer domestic telecommunications services in the U.S. as follows:

Licensees: Bandwidth does not currently provide any intrastate telecommunications services. Bandwidth CLEC currently provides intrastate telecommunications services in: Alabama, Arizona, Arkansas, California, Colorado, Connecticut, District of Columbia, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Dakota, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, Wisconsin, West Virginia, and Wyoming.

Transferee: Transferee is not authorized to provide domestic telecommunications services and is not affiliated with any company that provides domestic telecommunications services other than Licensees and Republic Wireless, Inc. Mr. Morken holds approximately 12 percent of Republic Wireless, Inc., a former subsidiary of Bandwidth that holds international section 214 authority pursuant to File No. ITC-214-20150512-00122 and provides services to CMRS/interconnected VoIP customers.

63.04(a)(8): Streamlining Categorization

This Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) of the Commission's Rules because, immediately following the Transaction, (1) Applicants (including their Affiliates, as that term is defined in Section 3(1) of the Act) combined will hold less than a ten percent (10%) share of the interstate, interexchange market; (2) Applicants and their Affiliates will provide competitive telephone exchange services or exchange access services exclusively in geographic areas served by dominant local exchange carriers (none of which is a party to the proposed Transaction); and (3) neither the Applicants nor any of their Affiliates are regulated as dominant with respect to any service.

63.04(a)(9): Additional FCC Applications

By this Application, Applicants seek authority with respect to both international and domestic Section 214 authorizations (this Application is being separately and concurrently filed with respect to both types of authorities in compliance with Commission Rule 63.04(b), 47 C.F.R. § 63.04(b)). Bandwidth's wholly owned subsidiary, IP Spectrum Solutions, LLC, is also concurrently filing an application to transfer control of its wireless authorization, Call Sign WQVL906.

63.04(a)(10): Special Consideration Requests

Although neither party to the Transaction is facing imminent business failure, prompt completion of the proposed Transaction is important to ensure that Applicants can obtain

the benefits described in this Application. Accordingly, Applicants respectfully request that the Commission approve this Application expeditiously.

63.04(a)(11): Waiver Requests

No waiver requests are being filed in conjunction with the Transaction.

63.04(a)(12): Public Interest Statement

A statement showing how grant of the Application will serve the public interest, convenience, and necessity is provided in **Section IV** above.

VII. CONCLUSION

Based on the foregoing, the Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by grant of this Application.

Respectfully submitted,

/s/ Tamar E. Finn

Tamar Finn, Esq.
Danielle Burt, Esq.
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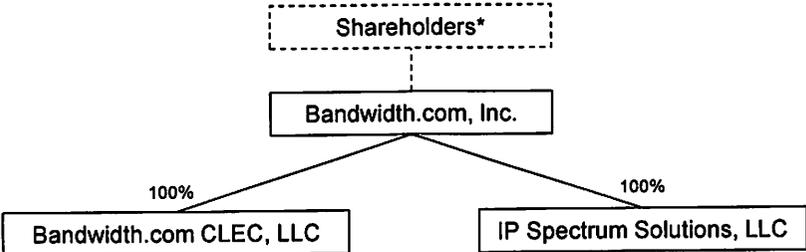
Counsel for Applicants

Date: September 5, 2017

EXHIBIT A

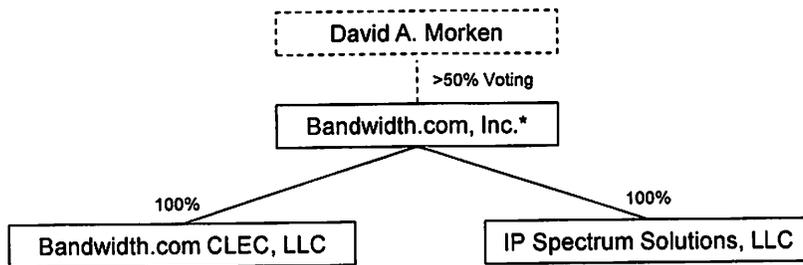
Pre- and Post-Transaction Ownership Charts

Pre-Transaction Structure



***Current 10% Equity and Voting Holders:**
James A. Bowen – 13%
Henry R. Kaestner – 22%
David A. Morken – 12%
Carmichael Investment Partners, LLC – 15%

Post-Transaction Structure



*No new 10% Equity Holder is expected. Depending on Amount of Shares Issued in IPO, 10% Equity Holders of Bandwidth.com, Inc. may include:

James A. Bowen
Henry R. Kaestner
David A. Morken
Carmichael Investment Partners, LLC

VERIFICATION

I, David A. Morken, state that I am Cofounder, Chief Executive Officer and Chairman of Bandwidth.com, Inc. and Bandwidth.com CLEC, LLC; that I am authorized to make this Verification on behalf of Bandwidth.com, Inc. and Bandwidth.com CLEC, LLC; that the foregoing filing was prepared under my direction and supervision; and that the contents thereof and the certifications contained therein are true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 5th day of September, 2017.



David A. Morken
Cofounder, Chief Executive Officer and Chairman
Bandwidth.com, Inc. and Bandwidth.com CLEC, LLC