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

In the Matter of)
WINDSTREAM SERVICES, LLC and)
) WC Docket No
MASSCOMM, INC., D/B/A MASS)
COMMUNICATIONS) File No. ITC-T/C
)
Application for Consent to Transfer Control of	
Authorizations to Provide Global Resale	
International Telecommunications Services and	
to Transfer Control of Domestic Common)
Carrier Transmission Lines, Pursuant to Section)
214 of the Communications Act of 1934, as)
Amended)

CONSOLIDATED APPLICATIONS TO TRANSFER CONTROL OF INTERNATIONAL AND DOMESTIC SECTION 214 AUTHORIZATIONS

Pursuant to Section 214 of the Communications Act of 1934, as amended ("the Act"), ¹ and Sections 63.04, 63.18, and 63.24 of the Commission's Rules, ² Windstream Services, LLC (FRN No. 0014400220) ("Windstream") and MassComm, Inc. d/b/a MASS Communications (FRN No. 0017423542) ("MassComm") (collectively, "Applicants") request Commission consent to transfer control of the international and domestic Section 214 authorizations held by MassComm to Windstream. Such authority is necessary to effectuate the proposed transfer to Windstream of MassComm, a privately-held, New York-based competitive local exchange carrier that provides telecommunications and connectivity management, consultation

¹ See 47 U.S.C. § 214.

² See 47 C.F.R. §§ 63.04, 63.18, 63.24.

and development solutions for voice, data, and networking technologies to mid-sized global enterprise customers.

The proposed transaction is an all-cash transaction in which Windstream will purchase all of the issued and outstanding capital stock of MassComm. MassComm will exist as a whollyowned subsidiary of Windstream after the transaction closes.

This narrative provides the information required by Sections 63.04 and 63.18 of the Commission's Rules.

I. DESCRIPTION OF THE APPLICANTS

Windstream Services, LLC ("Windstream"), a Delaware limited liability company headquartered in Little Rock, Arkansas, is a wholly-owned direct subsidiary of Windstream Holdings, Inc. ("Holdings"), a publicly traded Delaware corporation (NASDAQ: WIN) holding company also headquartered in Little Rock, Arkansas. Windstream, through its operating subsidiaries, is a leading provider of advanced network communications and technology solutions for consumers, businesses, enterprise organizations, and wholesale customers across the United States. Windstream's subsidiaries provide voice and data services, MPLS networking, and cloud communications and computing services to businesses, non-profits, and government agencies, both in areas in which it is the incumbent local exchange carrier ("ILEC") and outside of its ILEC service areas with its operations roughly balanced between its ILEC areas and all other areas. To carriers and network operators, the company provides special access services, Ethernet and Wave transport, fiber-to-the-tower connections, and wholesale voice and data services. Windstream operates a local and long-haul fiber network spanning approximately 150,000 route miles and provides services over fixed wireless infrastructure in 40 markets. As an ILEC, the company also delivers phone, broadband, Internet security services,

and online backup to approximately 1.4 million residential customers primarily located in rural areas. Windstream offers video services predominantly through a partnership with DISH Networks. In four markets, Windstream has launched an IP video entertainment platform called "Kinetic," which is currently available to approximately 192,000 households.

MassComm, Inc. d/b/a MASS Communications ("MassComm"), is a privately-held New York corporation headquartered in New York City, New York. Working with leading hardware and software technology vendors and managed service providers, MassComm designs, implements, and supports custom networks to deliver a full suite of voice (local, long distance, POTS, voice over Internet Protocol ("VoIP")), data (dedicated internet, MPLS, Ethernet), risk management and security solutions to mid-sized global enterprise customers in the financial, legal, healthcare, technology, education, and government sectors. MassComm is authorized to provide competitive local exchange service and/or interexchange service in California, Connecticut, the District of Columbia, Florida, Illinois, Massachusetts, Michigan, New York, Pennsylvania, and Texas.

II. PUBLIC INTEREST STATMENT

The Commission's approval of the proposed transaction described herein will serve the public interest, convenience and necessity. This combination raises no competitive or other public interest concerns and should be approved expeditiously.

The combination of MassComm's innovative services and customer base with Windstream's larger CLEC operations and fiber network will enable the combined company to increase its competitiveness by expanding its portfolio of services, generating efficiencies that benefit customers, and serving more customers over its own facilities where it can.

The transaction poses no risk to competition or the public interest. Because MassComm does not own any last-mile facilities, there is no concern that there will be a reduction in

competition based on overlapping last-mile facilities. Instead, this transaction will enhance

competition in the market for medium-sized business. By combining MassComm's customer

base with Windstream's presence and fiber network, the combined company will have the

opportunity to serve more of MassComm's current customers on Windstream's own last-mile

facilities.

The transaction will largely be seamless to MassComm customers, all of whom will

continue to receive their MassComm services pursuant to their current contracts. The transaction

itself is not expected to adversely affect the rates or other terms of service that customers

currently experience, nor is it expected to have any adverse effect on the already high quality of

service that MassComm's customers currently receive.

RESPONSE TO ITEMS ON IBFS ELECTRONIC FORM: INFORMATION III.

REOUIRED BY 47 C.F.R. § 63.18

MassComm is a privately-held, New York-based competitive local exchange carrier that

provides communications services and holds domestic and international Section 214

authorizations. MassComm is transferor for the Section 214 applications included in this

transaction. Windstream is the transferee for the Section 214 applications included in this

transaction.

Α. Answer to Question 10 – Section 63.18(a)-(d)

(a) Name, address, and telephone number of each applicant

Transferor:

MassComm Inc. d/b/a MASS Communications

40 Wall Street

36th Floor

New York, NY 10005

Tel: 212-201-8039

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Transferee:

Windstream Services, LLC 4001 Rodney Parham Road Little Rock, AR 72212

Tel: 501-748-7000

(b) Place of organization

Transferor:

MassComm, Inc. d/b/a MassCommunications is a New York corporation

Transferee:

Windstream Services, LLC is a Delaware limited liability company

(c) Name, title, post office address, and telephone number of official and any other contact point

Correspondence concerning these applications should be directed to:

For MassComm:

David L. Schwed General Counsel & CIO MassComm, Inc. d/b/a MASS Communications 40 Wall Street 36th Floor New York, NY 10005

Tel: (212) 202-8039

David.schwed@masscommgroup.com

For Windstream:

Cesar Caballero Senior Regulatory Counsel Windstream Services, LLC 4001 North Rodney Parham Rd Little Rock, AR 72212 Tel: (501) 748-7142 Cesar.caballero@windstream.com

with a copy to:

John T. Nakahata Randall W. Sifers Harris, Wiltshire & Grannis LLP 1919 M Street N.W. Suite 800 Washington, DC 20036

Tel: 202-730-1307

rsifers@hwglaw.com

Counsel to Windstream Services, LLC

(d) Statement as to whether applicants have previously received authority under Section 214

MassComm is authorized under IB File No. ITC-214-20080220-00084 to provide global resale service between the United states and international points.

Windstream is authorized under IB File No. ITC-214-19980925-00658 to provide global facilities-based and global resale service. The following wholly-owned subsidiaries provide international service under Windstream's section 214 authorization:

- A.R.C. Networks, Inc.
- ATX Licensing, Inc.
- Broadview Networks, Inc.
- BridgeCom International, Inc.
- Business Telecom, LLC
- Cavalier Telephone Mid-Atlantic, L.L.C.
- Cavalier Telephone, L.L.C.
- Connecticut Broadband, LLC
- Connecticut Telephone & Communication Systems, Inc.
- Choice One Communications of Connecticut Inc.
- Choice One Communications of Maine Inc.
- Choice One Communications of Massachusetts Inc.
- Choice One Communications of New York Inc.
- Choice One Communications of Ohio Inc.
- Choice One Communications of Pennsylvania Inc.
- Choice One Communications of Rhode Island Inc.
- Choice One of New Hampshire Inc.
- Choice One Communications Resale L.L.C.
- Conversant Communications of Connecticut, LLC
- Conversant Communications of Maine, LLC
- Conversant Communications of Massachusetts, Inc.
- Conversant Communications of New Hampshire, LLC
- Conversant Communications of New Jersey, LLC
- Conversant Communications of New York, LLC
- Conversant Communications of Pennsylvania, LLC
- Conversant Communications of Rhode Island, LLC
- Conversant Communications of Vermont, LLC

- Conversant Communications Resale L.L.C.
- CTC Communications Corp.
- CTC Communications of Virginia, Inc.
- DeltaCom, LLC
- EarthLink Business, LLC
- Earthlink Carrier, LLC
- Eureka Telecom, Inc.
- Intellifiber Networks, Inc.
- LDMI Telecommunications, Inc.
- Lightship Telecom, LLC
- McLeodUSA Telecommunications Services, L.L.C.
- Network Telephone Corporation
- PaeTec Communications, Inc.
- PaeTec Communications of Virginia, Inc.
- Talk America, Inc.
- The Other Phone Company, Inc.
- TruCom Corporation
- US LEC Communications LLC
- US LEC of Alabama LLC
- US LEC of Florida LLC
- US LEC of Georgia LLC
- US LEC of Maryland LLC
- US LEC of North Carolina LLC
- US LEC of Pennsylvania LLC
- US LEC of South Carolina LLC
- US LEC of Tennessee LLC
- US LEC of Virginia LLC
- US Xchange of Illinois, L.L.C.
- US Xchange of Indiana, L.L.C.
- US Xchange of Michigan, L.L.C.
- US Xchange of Wisconsin, L.L.C.
- US Xchange, Inc.
- Windstream Communications, Inc.
- Windstream D&E Systems, Inc.
- Windstream Iowa Communications, Inc.
- Windstream KDL, Inc.
- Windstream KDL-VA, Inc.
- Windstream Kerrville Long Distance, LLC
- Windstream Lexcom Long Distance, LLC
- Windstream Norlight, Inc.
- Windstream NTI. Inc.

- Windstream NuVox Arkansas, Inc.
- Windstream Southwest Long Distance, LP
- Windstream Systems of the Midwest, Inc.

B. Answer to Question 11 – Section 63.18(h)

("Windstream Holdings"), a publicly-traded Delaware corporation, headquartered in Little Rock,

Windstream is a wholly-owned direct subsidiary of Windstream Holdings, Inc.

Arkansas. The address and telephone number of Windstream Holdings is:

Windstream Holdings, Inc. 4001 Rodney Parham Road Little Rock, AR 72212 Citizenship: United States

Principal business: Holding company

To its knowledge, Windstream Holdings, has one 10 percent or greater interest holder, The Vanguard Group, Inc., 3 a U.S.-based investment management company, which holds approximately 13.4 percent of Windstream Holdings common stock. The percentage of The Vanguard Group's holdings will not change as a result of the transaction, because the transaction will be cash-only. While The Vanguard Group holds equity interests in other telecommunications providers, neither Windstream nor MassComm is actively affiliated with any of these telecommunications providers.

The Vanguard Group, Inc. P.O. Box 2600 Valley Forge, PA 19482

<u>Citizenship</u>: United States

Principal business: Investment management

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The Vanguard Group is a U.S. company. The Chairman of the Board and Chief Executive Officer is F. William McNabb III. Mortimer J. (Tim) Buckley is President and a director. The remaining board members are Emerson U. Fullwood, Rajiv L. Gupta, Amy Gutmann, JoAnn Heffernan Heisen, F. Joseph Loughrey, Mark Loughridge, Scott C. Malpass, Deanna Mulligan, André F. Perold, Sarah Bloom Raskin, and Peter F. Volanakis. Effective Januay 1, 2018, Mortimer Buckley will become CEO. William McNabb will remain as Chairman of the Board. To the best of Applicants' knowledge, no person or entity owns 10 percent or more of The Vanguard Group.

C. Answer to Question 12 – Section 63.18(h)

Windstream has interlocking directorates with foreign carriers. Tony Thomas, who is President and Chief Executive Officer of Windstream, is also President and Chief Executive Officer of Intellifiber Networks, Inc. ("Intellifiber"), McLeodUSA Telecommunications Services, LLC, and EarthLink Business, LLC, carriers authorized to provide service in Canada and wholly-owned subsidiaries of Windstream.

D. Answer to Question 13 – Narrative of Means by Which Proposed Transfer Will Take Place

On December 22, 2017, Windstream and MassComm entered into a stock purchase agreement (the "Agreement"), wherein Windstream proposes to purchase all of the issued and outstanding capital stock of MassComm, all of which is held by four shareholders. Under the terms of the Agreement, at closing MassComm will become a direct, wholly-owned subsidiary of Windstream, and an indirect, wholly-owned subsidiary of Windstream Holdings. Attachment A depicts the companies' corporate structure before and after the transaction.

Following the transaction, the only holder of 10 percent or more of Windstream Holdings's stock is expected to be The Vanguard Group, Inc. ("Vanguard"), a U.S.-based investment management company providing mutual funds and exchange-traded funds for individual and institutional investors. Vanguard's holdings, which are currently approximately 13.4 percent of Windstream, will not change as a result of the transaction, which is an all-cash transaction.

E. Answer to Question 14 – Foreign Carrier Affiliates (Section 63.18(i))

By its signature below, Windstream certifies that it is not a foreign carrier, but is affiliated with foreign carriers. Windstream is affiliated with Intellifiber, a foreign carrier

pursuant to Section 63.09(d), authorized in Canada. As of the date of filing, although Intellifiber is authorized to provide service in Canada, it does not provide services outside the United States.

Windstream is also affiliated with BridgeCom International, Inc., a foreign carrier pursuant to 63.09(d), which holds a Basic International Telecommunications Services License from Canada. BridgeCom International, Inc. does not provide service within Canada and does not originate any international services from Canada.

Windstream is also affiliated with EarthLink Business, LLC and McLeodUSA

Telecommunications Services, LLC, foreign carriers pursuant to 63.09(d). EarthLink Business,

LLC and McLeodUSA Telecommunications Services, LLC hold Basic International

Telecommunications Services and Reseller licenses in Canada.

F. Answer to Question 15 (Section 63.18(j))

By its signature below, Windstream certifies that following the transaction, the Section 214 holders would provide international telecommunications services between the United States and Canada—the only country in which Windstream controls a foreign carrier. Specifically, following the transaction, Windstream will control Intellifiber, EarthLink Business, LLC, McLeodUSA Telecommunications Services, LLC, and BridgeCom International, Inc. Canada is a member of the World Trade Organization.

G. Answer to Question 16

Pursuant to Section 63.10(a)(3) of the Commission's Rules, the Applicants request non-dominant status for Windstream and its subsidiaries on all routes between the United States and Canada. None of the foreign carrier affiliates is a dominant provider in Canada, and each lacks a 50 percent market share in the international transport and local access markets on the foreign end of the route. Accordingly, each foreign carrier lacks sufficient market power on the foreign end of the international route to affect competition adversely in the U.S. market.

H. Answer to Question 20 – Section 63.12

The Applicants qualify for streamlined processing because, as stated above, none of the foreign carrier affiliates is a dominant provider in Canada, a member of the World Trade Organization, and each lacks a 50 percent market share in the international transport and local access markets on the foreign end of the route.⁴ Accordingly, the Applicants request streamlined processing treatment for the application to transfer control of the international Section 214 authorizations pursuant to Section 63.12 of the Commission's Rules.

I. Answer to Question 21 – Section 63.18(n)

Windstream certifies that it has not agreed to accept special concessions directly or indirectly from a foreign carrier with respect to any U.S. international route where the foreign carrier possesses sufficient market power on the foreign end of the route to affect competition adversely in the U.S. market and will not enter into any such agreements in the future.

J. Answer to Question 25 – Section 63.18(o)

Windstream certifies that no party to the application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862, because of a conviction for possession or distribution of a controlled substance.

IV. INFORMATION REQUIRED BY SECTION 63.04 OF THE COMMISSION'S RULES IN RELATION TO TRANSFER OF DOMESTIC 214 AUTHORIZATION

In support of the Applicants' request for consent to transfer control to Windstream of the domestic Section 214 authorizations in the identified areas, the following information is submitted pursuant to Section 63.04 of the Commission's Rules.

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None of the foreign carrier affiliates listed above is presumed by the Commission to hold market power in a foreign telecommunications market. See International Bureau Reissues the Commission's List of Foreign Telecommunications Carriers That Are Presumed to Possess Market Power in Foreign Telecommunications Markets, Public Notice, DA 07-233, 22 FCC Rcd. 945 (Int'l Bur. 2007).

A. Section 63.04(a)(6) – Description of the transaction

A description of the transaction is above in Section I.

B. Section 63.04(a)(7) – Description of the geographic area in which the transferor and transferee (and affiliates) offer domestic telecommunications services, and what services are provided in each area

The Applicants' wireline domestic interstate and international services are described in detail above in Section I.

Windstream's subsidiaries provide voice and data services, Multiprotocol Label Switching ("MPLS") networking, and cloud communications and computing services to businesses, non-profits, and government agencies, both in areas in which it is the incumbent local exchange carrier ("ILEC") and outside of its ILEC service areas with its operations roughly balanced between its ILEC areas and all other areas. To carriers and network operators, the company provides special access services, Ethernet and Wave transport, fiber-to-the-tower connections, and wholesale voice and data services. As an ILEC, the company also delivers phone, broadband, Internet security services, and online backup to approximately 1.4 million residential customers primarily located in rural areas.

Windstream is affiliated with carriers as a result of Vanguard's ownership of 10 percent or more of Windstream's common stock. To the best of Applicants' knowledge, the following (or their subsidiaries) are either carrier affiliates, or it was not possible to determine whether they offer telecommunications services; in the latter case, the Applicants are disclosing them out of an abundance of caution:

 ADTRAN Inc. (in which Vanguard holds approximately 10.1 percent) is a global provider of networking and communications equipment, enabling voice, data, video and Internet communications across network infrastructure in the United States and other countries.⁵

- Cincinnati Bell Telephone (in which Vanguard holds approximately 15.1 percent) is an incumbent local exchange carrier serving parts of Indiana, Kentucky, and Ohio.⁶
- Cogent Communications Holdings (in which Vanguard holds approximately 10.3 percent) is a provider of Internet access, IP transit, and related services in the United States and other countries.⁷
- Consolidated Communications Holdings Inc. (in which Vanguard holds approximately 15.9 percent) or its subsidiaries provide business and broadband communications to customers in California, Kansas, Missouri, Illinois, Texas, Pennsylvania, Minnesota, Iowa, North Dakota, South Dakota, and Wisconsin.⁸
- CSG Systems International, Inc. (in which Vanguard holds approximately 12.2 percent) provides business support solutions, primarily to the communications industry.⁹
- CyrusOne Inc. (in which Vanguard holds approximately 14.0 percent) provides data center services, Ethernet, multi-protocol label switching, and colocation in 10 states and related services, also in at least two other countries.¹⁰

⁵ ADTRAN, *About*, http://portal.adtran.com/web/page/portal/Adtran/wp_aboutus_landing (last visited Dec. 15, 2017).

FCC Form 499 Filer Database, Cincinnati Bell Telephone Company, LLC, http://apps.fcc.gov/cgb/form499/499detail.cfm?FilerNum=805713 (last visited Dec. 15, 2017).

Cogent, About Cogent, http://cogentco.com/en/about-cogent (last visited Dec. 15, 2017).

⁸ Consolidated Communications, *About Us*, https://www.consolidated.com/about-us (last visited Dec. 15, 2017).

⁹ CSG International, *About CSG*, http://www.csgi.com/about (last visited Dec. 15, 2017).

¹⁰ CyrusOne, *Company*, http://www.cyrusone.com/about-enterprise-data-center-provider/ (last visited Dec. 15, 2017).

- Dupont Fabros Technology (in which Vanguard holds approximately 17.5 percent)
 provides outsourced data center management near Northern Virginia, Chicago, Illinois,
 and Santa Clara, California.¹¹
- Equinix Inc. (in which Vanguard holds approximately 14.2 percent) operates data centers
 in approximately 12 U.S. markets and offers related services; it also provides services in
 other countries.¹²
- Harris Corporation (in which Vanguard holds approximately 12.8 percent) is a
 technology company that provides communication systems, space and intelligence
 systems, electronic systems, and critical networks in the United States and other
 countries.¹³
- Lumos Networks Corporation (in which Vanguard holds approximately 12.2 percent) or its subsidiaries provide enterprise network solutions, including data, voice, high speed Internet, and data center connectivity on the East Coast (Maryland, Pennsylvania, Virginia, West Virginia, North Carolina, Ohio, and Kentucky). 14 Lumos also offers broadband Internet and phone for residential customers. 15

DuPont Fabros Technology, *Data Centers*, https://www.dft.com/data-centers (last visited Dec. 15, 2017). DuPont Fabros merged with Digital Realty Trust on Sep. 14, 2017, http://investor.digitalrealty.com/investor-relations/news-and-events/news/news-details/2017/Digital-Realty-Completes-Merger-With-DuPont-Fabros/default.aspx

¹² Equinix, *Locations – Americas Data Centers*, http://www.equinix.com/locations/americas-colocation/americas-data-centers/ (last visited Dec. 15, 2017).

Harris, 2016 Annual Report, https://www.harris.com/sites/default/files/annual_report_2016_final_web.pdf (last visited Apr. 27, 2017).

¹⁴ Lumos Networks, *Carrier*, https://www.lumosnetworks.com/ (last visited Dec. 15, 2017).

Lumos Networks, *Residential*, https://rsb.lumosnetworks.com/residential (last visited Dec. 15, 2017). Lumos Networks was purchased by EQT Corporation on Nov. 17, 2017, http://www.nasdaq.com/press-release/lumos-networks-completes-sale-to-eqt-infrastructure-20171117-00460

- Pareteum Corp (in which Vanguard holds approximately 15.3 percent) is a provider of
 mobile networking software and services, providing Mobile Virtual Network Operators
 and Mobile Network Operators with cloud-based mobile communications infrastructure,
 operating software, and managed services in New York City, Seattle, and other
 countries. 16
- Spok Holdings, Inc. (in which Vanguard holds approximately 13.9 percent) provides communications for healthcare, government, public safety, and other industries. ¹⁷
- Teradata Corporation (in which Vanguard holds approximately 11.2 percent) provides data warehousing and analytics, including cloud services.¹⁸

C. Section 63.04(a)(8) – Statement as to how the Application qualifies for streamlined treatment

The Applicants do not request streamlined treatment of the domestic portion of the Application.

D. Section 63.04(a)(9) – Identification of all other Commission applications related to this transaction

The only Commission applications being filed related to this application are the international and domestic Section 214 authorizations detailed in this application.

E. Section 63.04(a)(10) – Statement of whether the Applicants request special consideration because either party is facing imminent business failure

The Applicants do not request special consideration because no parties to this transaction are facing imminent business failure.

Pareteum, *About*, http://www.pareteum.com/about-us (last visited Dec. 15, 2017).

Spok, *Meet Spok*, http://www.spok.com/our-company (last visited Dec. 15, 2017).

Teradata, *About – Who is Teradata*, http://www.teradata.com/about-us/?LangType=1033&LangSelect=true (last visited Dec. 15, 2017).

F. Section 63.04(a)(11) – Identification of any separately filed waiver requests being sought in conjunction with this Application

No separately filed waiver requests are sought in conjunction with this application.

G. Section 63.04(a)(12) – Statement showing how grant of the Application will serve the public interest, convenience and necessity

A demonstration of how the transaction will serve the public interest, convenience, and necessity is discussed above in Section II.

V. CONCLUSION

For the reasons stated above, the Applicants respectfully request that the Commission grant these applications for consent to transfer control of the international and domestic Section 214 authorizations held by MassComm to Windstream.

Respectfully submitted,

BY: WINDSTREAM SERVICES, LLC

/s/ Kristi Moody

Kristi Moody

Senior Vice President, General Counsel and Secretary

WINDSTREAM HOLDINGS, INC.

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BY: MASSCOMM, INC. D/B/A MASS
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Dated: December 26, 2017