



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET
HARRISBURG, PENNSYLVANIA 17120

IN REPLY PLEASE
REFER TO OUR FILE

October 7, 2024

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RE: Joint Application of Windstream Parent, Inc., *et al.* for Approval of an
Indirect Transfer of Control

Dear Attorney Stoner:

Windstream Holdings II, LLC (“Windstream”) (and collectively with its subsidiaries holding Pennsylvania authorizations, the “Windstream Licensees”),¹ Uniti Group Inc. (“Uniti”) (and collectively with its subsidiaries holding Pennsylvania authorizations, the “Uniti Licensees”),² and Windstream Parent, Inc. (“Parent”) (and together with Windstream, Windstream Licensees, Uniti, and Uniti Licensees, the “Joint Applicants”), filed a joint application pursuant to the Pennsylvania Public Utility Code, 66 Pa. C.S. §§ 1102-1103, the Commission’s Statement of Policy regarding Utility Stock Transfers at 52 Pa. Code § 69.901, and its Abbreviated Procedures for Review of Transfer of Control of Telecommunications Public Utilities at 52 Pa. Code §§ 63.321-63.325, seeking Commission approval of a multi-step transaction resulting in the indirect transfer of control of the Windstream Licensees and the Uniti Licensees (the

¹ “Windstream Licensees” refers to American Telephone Company, LLC, A.R.C. Networks, Inc., ATX Licensing, Inc., Broadview Networks, Inc., Broadview NP Acquisition Corp., Business Telecom, LLC, Cavalier Telephone Mid-Atlantic, LLC, Choice One Communications of Pennsylvania, Inc., CTC Communications Corp., DeltaCom, LLC, Intellifiber Networks, LLC, LDMI Telecommunications, LLC, Lightship Telcom, LLC, MassComm, LLC; McLeodUSA Telecommunications Services, LLC, PAETEC Communications, LLC, Talk America, LLC, US LEC of Pennsylvania, LLC, Windstream Buffalo Valley, Inc., Windstream Communications, LLC, Windstream Conestoga, Inc., Windstream D&E Systems, Inc., Windstream D&E Inc., Windstream KDL, LLC, Windstream New Edge, LLC, Windstream Norlight, LLC, and Windstream Pennsylvania, LLC.

² “Uniti Licensees” refers to PEG Bandwidth PA, LLC, and Southern Light, LLC.

“Transaction”). The Joint Applicants verify that the Transaction is a general rule transaction under 52 Pa. Code § 63.324(a)(2) and (a)(4).³

Pursuant to 52 Pa. Code § 5.14, relating to applications requiring notice, the Commission published notice of the general rule transaction in the *Pennsylvania Bulletin* on Saturday, July 6, 2024, at 54 *Pa.B.* 3861 with a protest period ending July 22, 2024. Additionally, the Joint Applicants served copies of the Joint Application upon the Office of Consumer Advocate, the Office of Small Business Advocate, and the Commission’s Bureau of Investigation and Enforcement. Further notice was not required, and no protests or comments have been received. The Joint Applicants anticipate that the Transaction will occur in the second half of 2025.⁴

Windstream is a Delaware limited liability company headquartered in Little Rock, Arkansas. Windstream's competitive local exchange carrier ("CLEC") operating subsidiaries offer services in all fifty states and the District of Columbia primarily to enterprise business and government customers. Windstream's incumbent local exchange carrier ("ILEC") operating subsidiaries offer services to residential, business, and government customers in 18 states, including Pennsylvania.⁵

Through its subsidiaries, including those operating in Pennsylvania or the Windstream Licensees, Windstream provides fiber-based broadband, managed cloud communications, networking and security services, and customized wavelength and dark fiber solutions.⁶

As provided by the Joint Applicants, the Windstream Licensees operate under the following authorizations in Pennsylvania:

- American Telephone Company, LLC is authorized to provide interexchange and competitive local exchange services pursuant to Docket Nos. A-2009-2093403, A-2009-2093404, and A-2009-2093405.

- A.R.C. Networks, Inc. is authorized to provide competitive local exchange services pursuant to Docket No. A-310448F0003.

- ATX Licensing, Inc. is authorized to provide interexchange and competitive local exchange services pursuant to Docket Nos. A-310992 and A-310992F0002.

- Broadview Networks, Inc. is authorized to provide interexchange, competitive local exchange, and competitive access services pursuant to Docket Nos. A-310932, A-310932F0002, A-310932F0003, and A-310932F0004.

³ Joint Application at 19.

⁴ Response to Data Request No. 3.

⁵ Joint Application at 2-3, and 9.

⁶ Joint Application at 2.

- Broadview NP Acquisition Corp. is authorized to provide interexchange, competitive local exchange, and competitive access services pursuant to Docket Nos. A-311188, A-311188F0002, and A-311188F0003.

- Business Telecom, LLC is authorized to provide interexchange and competitive local exchange services pursuant to Docket Nos. A-310092, A-310092F0002, A-310092F0004, and A-2015-2478267.

- Cavalier Telephone Mid-Atlantic, LLC is authorized to provide interexchange, competitive local exchange, and competitive access services pursuant to Docket Nos. A-310838, A-310838F0002, and A-310838F0003.

- Choice One Communications of Pennsylvania, Inc. is authorized to provide interexchange, competitive local exchange, and competitive access services pursuant to Docket Nos. A-310781 and A-310781 F0002.

- CTC Communications Corp. is authorized to provide interexchange, competitive local exchange, and competitive access services pursuant to Docket Nos. A-310295, A-310295F0002, and A-310295F0003.

- DeltaCom, LLC is authorized to provide interexchange services pursuant to Docket Nos. A-310467 and A-2012-2326256.

- Intellifiber Networks, LLC is authorized to provide interexchange, competitive local exchange, and competitive access services pursuant to Docket No. A-311102.

- LDMI Telecommunications, LLC is authorized to provide interexchange services pursuant to Docket Nos. A-310538.

- Lightship Telecom, LLC is authorized to provide interexchange, competitive local exchange, and competitive access services pursuant to Docket Nos. A-310943, A-310943F0002, A-310943F0003, and A-310943F0004.

- MassComm, LLC is authorized to provide interexchange and competitive local exchange services pursuant to Docket Nos. A-2008-2046390, A-2008- 2046392, and A-2008-2046394.

- McLeodUSA Telecommunications Services, LLC is authorized to provide interexchange services pursuant to Docket No. A-310456.

- PAETEC Communications, LLC is authorized to provide interexchange, competitive local exchange, and competitive access services pursuant to Docket No. A-310743.

- Talk America, LLC is authorized to provide interexchange and competitive local exchange services pursuant to Docket No. A-310018.
- US LEC of Pennsylvania, LLC is authorized to provide interexchange and competitive local exchange services pursuant to Docket No. A-310814.
- Windstream Buffalo Valley, Inc. is authorized to provide incumbent local exchange carrier services pursuant to Docket No. A-310369.
- Windstream Communications, LLC is authorized to provide interexchange, competitive local exchange, and competitive access services pursuant to Docket No. A-310325.
- Windstream Conestoga, Inc. is authorized to provide incumbent local exchange carrier services pursuant to Docket No. A-310850.
- Windstream D&E Systems, Inc. is authorized to provide interexchange, competitive local exchange, and competitive access services pursuant to Docket No. A-310738.
- Windstream D&E, Inc. is authorized to provide interexchange and incumbent local exchange carrier services pursuant to Docket No. A-311050.
- Windstream KDL, LLC is authorized to provide interexchange, competitive local exchange, and competitive access services pursuant to Docket No. A-311413.
- Windstream New Edge, LLC is authorized to provide interexchange, competitive local exchange, and competitive access services pursuant to Docket Nos. A-310884, A-310884F0002, A-310884F0003, A-310884F0004, and A-2012- 2326259.
- Windstream Norlight, LLC is authorized to provide interexchange services pursuant to Docket No. A-2008-2043652.
- Windstream Pennsylvania, LLC is authorized to provide incumbent local exchange carrier services pursuant to Docket No. A-312050.⁷

Uniti, organized in the state of Maryland, is an internally managed real estate investment trust operating two primary businesses, Uniti Leasing and Uniti Fiber. Uniti Leasing owns, acquires, and leases communications assets nationwide to wholesale customers on both exclusive and shared-tenant bases. Its largest customer is Windstream. Uniti Fiber, whose primary service area is in the southeastern United States, provides lit and dark fiber solutions for wireless operators, carriers, enterprises, schools, and governments. Its business includes cell-site backhaul, small cells, internet services, and

⁷ Joint Application at 3-6.

wavelengths. Uniti owns approximately 141,000 fiber route miles and 8.5 million fiber strand miles throughout the United States.⁸

As provided by the Joint Applicants, the Uniti Licensees operate under the following authorizations in Pennsylvania:

- PEG Bandwidth PA, LLC is authorized to provide competitive access services pursuant to Docket No. A-2012-2301870.
- Southern Light, LLC is authorized to provide interexchange, competitive local exchange, and competitive access services pursuant to Docket Nos. A-2018-3001076, A-2018-3001077, A-2018-3001078, and A-2018-3001079.

Parent is a new Delaware corporation formed for the purposes of the proposed Transaction. Pursuant to an Agreement and Plan of Merger entered into on May 3, 2024, Parent will become the indirect owner of the Windstream Licensees and the Uniti Licensees.⁹

The Transaction involves multiple steps, including (1) Windstream merging into Parent, with Parent surviving¹⁰ followed by (2) Uniti merging into a newly formed subsidiary of Parent, with Uniti surviving.¹¹ As a result, both the Windstream Licensees and the Uniti Licensees will become indirect subsidiaries of Parent. No assignment of licenses, certificates, assets, or customers by the Windstream Licensees, the immediate parent entities of the Windstream Licensees, the Uniti Licensees, or the immediate parent entities of the Uniti Licensees will occur as a consequence of the proposed Transaction, which will occur at the parent holding company level.¹²

According to the Joint Applicants, Windstream's equity holders and Uniti's pre-closing shareholders will receive common equity in Parent, with Windstream's equity holders also receiving consideration in the form of cash and preferred equity and warrants for common stock in Parent. After the proposed Transaction, Windstream's equity holders will hold approximately 38 percent, and Uniti's pre-closing shareholders will hold, in aggregate, approximately 62 percent, of the common equity in Parent.

Funds managed by Elliott Investment Management L.P. and its advisory affiliates (the "Elliott Funds" and "Elliott", respectively) and certain funds and accounts managed,

⁸ Joint Application at 7.

⁹ Joint Application at 1-2, and 10.

¹⁰ Prior to the Transaction, Windstream will conduct an internal reorganization in which a Windstream subsidiary, New Windstream, LLC, will become the ultimate parent of the Windstream Licensees. This reorganization will not change ultimate control of the Windstream Licensees. Unless otherwise indicated, the Joint Applicants note that references to "Windstream" in this Joint Application refer to New Windstream, LLC as the ultimate parent company of the Windstream Licensees after this reorganization. See Joint Application filed with the Commission on June 14, 2024 and pending at Docket No. A-2024-3049628 *et.al.*

¹¹ In connection with the Transaction, Uniti may convert from a Maryland corporation to an entity formed under the laws of Delaware.

¹² Joint Application at 11.

advised, or sub-advised by Pacific Investment Management Company LLC (the "PIMCO Funds" and "PIMCO", respectively) hold substantial noncontrolling interests in Windstream today. These investors will continue to hold significant non-controlling interests in Parent after the Transaction.¹³

Elliott, a Delaware limited partnership, manages hedge funds and other investment vehicles, and has over \$65 billion in assets under management. The Elliott Funds currently hold slightly less than 50 percent of the equity in Windstream. Following the Transaction, the Elliott Funds will, collectively, hold up to approximately 27 percent of Parent's common (voting) stock. No individual Elliott Fund will hold a 20 percent or greater share of Parent's common (voting) stock. Elliott Associates, L.P. ("EALP"), a Delaware limited partnership and one of the Elliott Funds, will hold a less than 10 percent share of Parent's voting stock, but will indirectly control voting for most of the shares held by the Elliott Funds, representing approximately 25 percent of Parent's common (voting) stock. EALP is owned by insulated limited partners, none of which will hold a 10 percent or greater interest in Parent.¹⁴

PIMCO, a Delaware limited liability company and an SEC-registered investment adviser, is one of the largest investment management firms in the United States and has approximately \$1.89 trillion in assets under management. Certain PIMCO Funds hold an approximately 21 percent voting interest in Windstream. Following an anticipated reorganization of Windstream, the PIMCO Funds are expected to hold slightly less than 50 percent of the equity in Windstream prior to the Transaction. Following the Transaction, certain PIMCO Funds will ultimately hold approximately 12 percent of Parent's common (voting) stock.¹⁵

According to the Joint Applicants, the Transaction will benefit the public interest. Combining the network assets, experience, and competencies of Windstream and Uniti will help both companies realize efficiencies, leverage each other's resources, realize economies of scale, and better position Parent to invest in continued fiber and broadband expansion than either Windstream or Uniti could do alone.¹⁶

The Joint Applicants aver that the Transaction will enhance and not harm competition. Windstream's focus is on mass-market, last-mile services and Uniti's core competency is in dark fiber, wholesale, and middle-mile connectivity. The combination of resources will better position Parent to compete in a highly competitive market.¹⁷

The Joint Applicants point out that Windstream and Uniti were previously under common ownership and management. Uniti was spun off from Windstream in 2015, and in the intervening years, Windstream has been through and emerged from bankruptcy.

¹³ Joint Application at 2.

¹⁴ Joint Application at 8.

¹⁵ Joint Application at 8-9.

¹⁶ Joint Application at 12.

¹⁷ Joint Application at 12-13.

Windstream is currently Uniti's largest source of revenue overall, as a result of Windstream leasing copper, dark fiber, and other communications network assets from Uniti, including fiber leased from Uniti which Windstream uses extensively as an input to support its last-mile, mass-market retail services. This arrangement has allowed both companies to serve and grow their respective customer bases. However, the Joint Applicants now believe that combining the companies under common ownership and management again would create benefits to customers.¹⁸

The Joint Applicants claim that combining both companies will allow for optimal allocation of resources to pursue new opportunities, increased ability to focus efforts on serving additional customers, and more flexibility to use combined resources to respond to market developments. Furthermore, combining the companies removes uncertainty around renewal of the lease agreements between Windstream and Uniti, allowing continued access to the Uniti network by Windstream, and leading to more competitive pricing and improvements in product quality.¹⁹

Parent will realize efficiencies with respect to the combined resources of Windstream and Uniti. The Joint Applicants estimate that the Transaction will generate between \$120 and \$130 million in annual savings nationally through synergies in operational and capital expenditures within 36 months following the closing. The operational estimates are based on savings from expenses, including technology, system and software integration, backhaul savings, and corporate function efficiencies. The capital estimates are based on enabling the companies to share existing network facilities and jointly benefit from future fiber deployment efforts, such as avoiding duplicative construction expenses along fiber routes that can be shared, as well as upon the increased purchasing power of the combined company allowing Parent to leverage its increased scale to procure materials, supplies, equipment, and services at lower prices. Operational savings, access to lower-priced inputs, and better shared use of common network assets will enable Parent to make greater investments in improving service quality and expanding service territory than the companies could do individually.

The Joint Applicants claim that access to Uniti's expansive middle-mile fiber network will facilitate Windstream's ability to expand its fiber-to-the home ("FTTH") services. The Joint Applicants estimate that Parent will be able to expand last-mile FTTH buildout by up to one million additional locations nationally relative to what the companies would individually. Access to Windstream's existing network assets will enable Uniti to expedite its current long-term buildout plans by an estimated four years by enabling Uniti to leverage existing Windstream assets rather than engaging in duplicative construction. Focus will be mostly on rural areas and smaller communities, benefitting residents and businesses of those areas.²⁰

¹⁸ Joint Application at 13.

¹⁹ Joint Application at 13-14.

²⁰ Joint Application at 14-15.

Parent will have improved ability to act quickly on infrastructure needs with respect to the combined resources of Windstream and Uniti. The Joint Applicants aver that the combined construction and engineering employees of both Windstream and Uniti will allow for the undertaking of major new construction projects, such as large broadband deployment projects, with reduced reliance on third-party contractors. According to the Joint Applicants, the proposed Transaction will aid in the expansion of Parent's footprint to connect unserved or underserved locations and enhance competitive offerings in certain metropolitan markets.²¹

Parent will have greater financial flexibility with respect to the combined resources of Windstream and Uniti. The Joint Applicants state that the combined assets of both Windstream and Uniti will enhance access to capital markets to support new network investments and upgrades or to refinance existing debt.²²

According to the Joint Applicants, the Transaction will not harm competition in the telecommunications marketplace. Windstream and Uniti do not compete across their core competencies, and the two companies have a symbiotic relationship in which Windstream leases significant amounts of middle-mile network assets from Uniti, which Windstream uses to support its retail and enterprise service offerings. The Joint Applicants aver that enabling Parent to benefit from the combined companies' synergies, cost savings, and increased purchasing power will enhance competition.²³

No service territories will be affected by the Transaction and the Windstream Licensees and Uniti Licensees will continue to provide uninterrupted service to existing customers in the same locations, and at the same rates, terms and conditions of service. The Transaction will be entirely transparent to Pennsylvania customers. The Joint Applicants aver that experienced and qualified senior members of both Windstream and Uniti will make up the leadership team of Parent post-Transaction.²⁴

The Joint Applicants verify that the Transaction is not expected to contribute to the loss or potential loss of Pennsylvania jobs, tax revenues, or facilities in Pennsylvania. The Joint Applicants further verify that the Transaction is not expected to result in the elimination of any Pennsylvania operations or have any negative impacts on Pennsylvania employment.²⁵

The Joint Applicants verify that the Transaction will have no effect on any Pennsylvania tariffs, no effect on any affiliated interest agreements, and is not expected to have a negative impact on the capital structure of the Windstream Licensees and Uniti Licensees over the next five years.²⁶

²¹ Joint Application at 16.

²² Joint Application at 17.

²³ Joint Application at 17.

²⁴ Joint Application at 18-19.

²⁵ Response to Data Request Nos. 8 and 10.

²⁶ Joint Application at 20-21.

The Windstream Licensees and Uniti Licensees verify that, to their knowledge, they are in compliance with all Commission obligations and filings and have not been found to have violated either State or Federal requirements through their Pennsylvania operations within the past three years.²⁷

The Windstream Licensees with incumbent local exchange carrier authority are subject to broadband deployment commitments in Pennsylvania pursuant to the Federal Communications Commission's (FCC) Rural Digital Opportunity Fund (RDOF), the American Rescue Plan Act, and their Network Modernization Plans (NMP).²⁸ According to the Joint Applicants, completion of broadband buildouts in the Commonwealth will not be impacted by the proposed parent company-level Transaction. The Uniti Licensees are not subject to broadband deployment commitments in Pennsylvania.²⁹

The Joint Applicants verify that the Windstream Licensees are in compliance with state and federal law related to eligible telecommunications carriers, that the Uniti Licensees do not have eligible telecommunications carrier status in Pennsylvania. The Joint Applicants also verify that the Transaction does not violate Federal or State cross-subsidization rules.³⁰

The Joint Applicants filed an application with the FCC seeking approval of the Transaction on May 27, 2024, and a restated application making certain minor corrections and changes requested by FCC Staff on August 13, 2024, which is currently pending. The Joint Application is also subject to review by the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector (the Committee). According to the Joint Applicants, Commission action on the proposed Transaction will not prejudice, hasten, or otherwise affect the national security review of the Committee, which is wholly independent of state regulatory approvals. The Joint Applicants agree to provide updates to the Commission regarding the status of the joint application at the federal level as they occur.³¹

The Joint Applicants plan to submit a Hart-Scott-Rodino (HSR) Act pre-merger notification to the Federal Trade Commission and the U.S. Department of Justice to obtain antitrust clearance for the proposed Transaction. A copy of the HSR will be provided to the Commission.³²

In addition to Pennsylvania, the Joint Applicants are seeking approval of the Transaction in the following states: California (pending), Colorado (approved),

²⁷ Joint Application at 19.

²⁸ Specifically, Windstream Buffalo Valley, Inc., Windstream Conestoga, Inc., Windstream D&E, Inc., and Windstream Pennsylvania, LLC are subject to their NMP commitments. Windstream Pennsylvania, LLC is also subject to RDOF and the American Rescue Plan Act commitments.

²⁹ Joint Application at 6 and 21.

³⁰ Joint Application at 21.

³¹ Response to Data Request Nos. 4, 16, and 17.

³² Response to Data Request No. 15.

Connecticut (pending), District of Columbia (approved), Indiana (approved), Iowa (approved), Kentucky (pending), Louisiana (approved), Maryland (pending), Minnesota (pending), Mississippi (pending), New Jersey (pending), New York (pending), Ohio (deemed approved upon filing), Texas (pending), Virginia (pending), and West Virginia (approved). The Joint Applicants agree to update the Commission on the status of pending state approvals as necessary.³³

The Joint Applicants notify the Commission that in New Jersey, the Rate Counsel recommended that the Board of Public Utilities require the parties to submit a report one year after closing with a list of how many New Jersey employees the parties had on the date of closing and one year later. The parties have not objected to this recommendation. The Joint Applicants shall submit a comparable report to the Commission upon approval of the general rule transaction in Pennsylvania.³⁴ No other jurisdiction has imposed conditions related to the Transaction to date. The Joint Applicants agree to update the Commission regarding any conditions that are under consideration, imposed, or agreed to in any other jurisdiction as necessary.³⁵

The Windstream Licensees and the Uniti Licensees are current on the filing of annual financial and security planning and readiness reports with the Commission, as well as payments to the Pennsylvania universal service fund, and do not have any outstanding fines or assessments.

As required by 66 Pa. C.S. §§ 1102(a) and 1103 and the Commission's regulations at Section 63.324(k)(1), and based upon the record at this time, we find that the Transaction is in the public interest. We note that the record sufficiently supports the Joint Applicants' claim that the Transaction will produce benefits to existing and potential customers of the Windstream Licensees and the Uniti Licensees. With respect to the combined resources of Windstream and Uniti, Parent will have greater financial flexibility and access to capital markets to support network investment. Experienced and qualified senior members of both Windstream and Uniti will remain with Parent post-Transaction, combining employee skills required to undertake major new construction projects, such as large broadband deployment projects. The Transaction does not result in any changes to the jurisdictional telecommunications services received by customers, including rates, terms, and conditions of service, and the Transaction will be entirely transparent to customers.

Therefore, for the reasons advanced by the Joint Applicants, we conclude that the record demonstrates that the Transaction will not negatively impact financial, managerial,

³³ Response to Data Request No. 4.

³⁴ The Commission retains general authority to impose conditions upon approval of a transaction as codified in the Public Utility Code at 66 Pa. C.S. § 1103. "[E]ven where the [Commission] finds benefit in the first instance, Section 1103(a) also confers discretion upon the agency to impose conditions which it deems to be just and reasonable." *Popowsky*, 937 A.2d at 1057, n.21. This includes authority to impose conditions upon approval of a general rule or pro forma transaction in accordance with Sections 63.324(h)(4) and 63.325(h)(4) of our regulations at Title 52 of the Pennsylvania Code.

³⁵ Response to Data Request No. 5.

and technical fitness of the jurisdictional applicants and also provides substantial evidence of affirmative public benefits sufficient to warrant approval of the proposed Transaction consistent with *City of York v. Pa. PUC*, 295 A.2d 825 (Pa. 1972), and *Irwin A. Popowsky v. Pa. PUC*, 937 A.2d 1040 (Pa. 2007) (*Popowsky*).

Based upon the Commission's analysis of the information provided in the joint application and responses to data requests, we find that Commission approval of the Transaction will not negatively impact the current competitive market or reduce the number of competitors in the telecommunications marketplace. Customers, including those in Pennsylvania, will continue to have access to the same competitive alternatives they have today. We find that the Transaction may benefit and does not harm competition as is required by the Public Utility Code at 66 Pa. C.S. §§ 1102(a) and 1103 and the Commission's regulations at 52 Pa. Code § 63.324(k)(3).

Accordingly, we find that the Transaction is necessary or proper for the service, accommodation, convenience, or safety of the public, and the Commission will issue a certificate of public convenience authorizing the Transaction as required by the Pennsylvania Public Utility Code at 66 Pa. C.S. §§ 1102(a) and 1103 and the Commission's regulations at 52 Pa. Code § 63.324(k)(2).

In summary, we find that the joint application should be approved as a general rule transaction under Section 63.324 of the Commission's regulations and that a certificate of public convenience be issued to the Windstream Licensees and the Uniti Licensees evidencing our approval.

However, there is risk to Pennsylvania in approving this general rule transaction in advance of the remaining jurisdictions, which may impose conditions that could jeopardize the Joint Applicants' averments to Pennsylvania upon which this approval is based. For this reason, in the event the Joint Applicants and/or their non-Pennsylvania subsidiaries and affiliates agree to or accept resolution of this or a related pending transaction from another jurisdiction in which that jurisdiction obtains or imposes any condition(s) on or commitment regarding this and/or a related pending transaction, the Joint Applicants shall, within 10 days of such agreement or acceptance, provide notice of the condition(s), including a copy of the relevant jurisdictional action, to Pennsylvania by letter to the Secretary with a copy to the Commission's Director, Bureau of Technical Utility Services (TUS). In the notice, the Joint Applicants shall offer to Pennsylvania their agreement to or acceptance of the same condition(s), or reasonably comparable condition(s) for Pennsylvania, as appropriate. The Commission will act upon the notice as expeditiously as possible. If the Joint Applicants do not agree with this provision, the Commission shall immediately be notified in writing by letter to the Secretary with a copy to TUS. Upon such notice, the Joint Applicants are advised pursuant to Sections 703(g) and 1103 of the Code, 66 Pa. C.S. §§ 703(g), 1103, that this Secretarial Letter approving the proposed Transaction shall be immediately rescinded and of no effect; and, in accordance with the Code and our regulation at 52 Pa. Code § 63.324(k)(5), Commission review of the proposed Transaction shall be extended for a further

opportunity for the Joint Applicants to be heard and for further consideration by the Commission as necessary and appropriate to protect the public interest.

Moreover, because review of the proposed Transaction remains pending at the FCC and other federal agencies, action the Commission takes in this Secretarial Letter is premised on the approval of the same transaction at the federal level. The Commission reserves the right to revisit this approval and impose conditions we deem necessary considering final federal action on the Transaction.

Therefore, the Commission directs the Joint Applicants to file notice with the Commission within thirty days (30) upon consummation of the Transaction. If the Joint Applicants determine that the Transaction will not occur, they shall promptly notify this Commission.

BY THE COMMISSION,



Rosemary Chiavetta
Secretary

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