

May 26, 2016

File Number: 39NG-211133

VIA ELECTRONIC FILING AND E-MAIL

Steven King
Executive Director and Secretary
Washington Utilities and Transportation Committee
P.O. Box 47250
1300 S. Evergreen Park Dr. SW
Olympia, WA 98504-7250
records@wutc.wa.gov

Re: Notification Regarding a Pro Forma Reorganization
Allstream Fiber US, Inc. and Zayo Group, LLC

Dear Mr. King:

Zayo Group, LLC (“Zayo”) and Allstream Fiber US, Inc. (“Allstream”), by their undersigned counsel, hereby notify the Washington Utilities and Transportation Commission (“UTC”) of a *pro forma* intra-corporate transaction in which Allstream will be merged with and into Zayo (the “Transaction”) on June 30, 2016. Zayo acquired all of the stock of Allstream in a transaction of which the UTC was notified on December 10, 2015; the acquisition closed on January 15, 2016 (the “Allstream Acquisition”).¹ Subsequent to the Allstream Acquisition, Zayo is now undertaking the Transaction in order to streamline and consolidate its corporate structure and eliminate unnecessary entities.

The parties understand that the UTC’s approval is not required for the Transaction, and thus provide the instant submission to the UTC for informational purposes.

The Parties

Zayo is a Delaware limited liability company with a principal business office at 1805 29th Street, Suite 2050, Boulder, Colorado 80301. Zayo is wholly owned by Zayo Group Holdings, Inc. As a publicly traded company, Zayo Group Holdings, Inc. has no majority owner. Zayo, operating pursuant to its authorization, provides enterprise and government customers in the State of Washington with various communications services including bandwidth, voice, collocation, interconnection, and other managed and business data services.²

¹ See Docket No. UT-152332.

² Zayo was granted registration as a competitively classified telecommunications company in Docket No. UT-110349, which became effective on March 26, 2011.

Allstream is a Delaware corporation with a principal place of business at 21st Floor, 333 Main Street, Winnipeg, Manitoba, Canada R3C 3V6. Allstream provides fiber transmission facilities located in the State of Washington over which it provides transmission services to its customers on a private carrier basis.³ Pursuant to the Allstream Acquisition, Allstream is now wholly-owned by Zayo.

Overview of the Transaction

Zayo intends to streamline its corporate structure via the Transaction, which will involve Allstream merging with and into Zayo, with Zayo as the surviving entity. The Transaction is entirely *pro forma*; Allstream is currently a wholly-owned subsidiary of Zayo and Zayo's ownership structure will not change upon consummation of the Transaction.

Currently, Allstream's only customer in the State of Washington is Allstream Canada Inc., an entity which is an affiliate of Zayo. Allstream currently provides wholesale services to Allstream Canada Inc. Upon the consummation of the Transaction, these services will be provided by Zayo. The parties are aware of the UTC's rules concerning the relevant customer notifications that must accompany any cessation of services.⁴ The parties respectfully submit that these rules do not apply to the Transaction. Although Allstream will cease to exist after the consummation of the Transaction, no services will be discontinued. The wholesale services provided by Allstream to Allstream Canada Inc. will continue to be provided by Zayo. In addition, if customer notifications were provided, that process would essentially involve one Zayo-affiliated entity providing notification to another Zayo-affiliated entity. Clearly, this is not the kind of scenario contemplated by the cessation of service rules, which were adopted to give customers a chance to make other arrangements before losing telephone service.

Public Interest Considerations

The Transaction is in the public interest and will create efficiencies for Zayo and its affiliated entities by eliminating an unnecessary entity in the corporate structure, thereby reducing operational complexities. The Transaction will fundamentally allow Zayo to streamline its operational capacities and position itself to be a stronger competitor in the market for telecommunications services in the State of Washington.

As a mere intra-corporate, *pro forma* reorganization, there will be no customer confusion or loss of service as a result of this transaction. As discussed above, Allstream currently provides service to only one, affiliated, wholesale customer, which Zayo will serve upon consummation of the Transaction. The Transaction will result in Zayo becoming a more streamlined, efficient telecommunications provider, which will make it a stronger competitor and ultimately benefit customers in the State of Washington.

³ Allstream was granted registration as a competitively classified telecommunications company – under the name MetroNet Fiber Washington, Inc. – in Docket No. UT- 990252. The company subsequently changed its name to Allstream Fiber US, Inc. See Docket No. UT-110835.

⁴ See W.A.C. 480-120-083.

Contact

Questions or correspondence related to this filing should be directed to the following:

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Conclusion

For the reasons stated herein, the parties respectfully submit that the Transaction will serve the public interest. Please do not hesitate to contact me with any questions.

Sincerely,


/s/ Ray Rutngamlug

W. Ray Rutngamlug
for SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

Verification

I, Gregg Strumberger, state that I am General Counsel of Zayo Group, LLC; that I am authorized to make this Verification on behalf of Zayo Group, LLC and its subsidiaries; that the foregoing filing was prepared under my direction and supervision, and that the contents 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 26th day of May, 2016.



Gregg Strumberger
General Counsel
Zayo Group, LLC