September 25, 2017

***Via Electronic Filing***

Steven V. King, Executive Secretary

Washington Utilities and Transportation Commission

1300 S. Evergreen Park Drive

Olympia, WA 98504-7250

**Re: Notification of the Proposed Transfer of Indirect Control of Bandwidth.com CLEC, LLC**

Dear Mr. King:

By this letter, Bandwidth.com CLEC, LLC (“Bandwidth CLEC”) notifies the Commission of the transfer of indirect control of Bandwidth CLEC to David A. Morken (“Transferee”) in connection with a planned restructuring of stock by its direct parent Bandwidth.com, Inc. (“Bandwidth”)[[1]](#footnote-1) related to an anticipated initial public offering (“IPO”) by Bandwidth (the “Transaction”). Mr. Morken is the Cofounder, 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 Bandwidth CLEC. Since Commission approval is not required to complete the transaction described herein, Bandwidth CLEC submits this letter for informational purposes.

**Description of the Parties**

Bandwidth CLEC, a Delaware limited liability company and wholly owned subsidiary of Bandwidth, a Delaware corporation, is headquartered at 900 Main Campus Drive, Suite 500, Raleigh, North Carolina 27606. Bandwidth, together with its subsidiary Bandwidth CLEC (together, “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. In Washington, Bandwidth CLEC is authorized to provide local exchange and interexchange telecommunications services as a competitive telecommunications company pursuant to a Certificate granted in Docket No. UT-072126.

Mr. Morken is the Cofounder, Chief Executive Officer and Chairman of Bandwidth and is therefore well-qualified to obtain control of Bandwidth CLEC. 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 billon 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 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 Bandwidth CLEC.

**Designated Contacts**

Questions, correspondence or other communications concerning this filing should be directed to:

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**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 Bandwidth CLEC. The IPO is not expected to result in any new equity owners of Bandwidth who will hold 10 percent or more ownership in Bandwidth CLEC. 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, Bandwidth CLEC anticipates that the IPO will occur prior to December 31, 2017, and is 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 Bandwidth CLEC’s current ownership structure, as well as the expected ownership structure post-closing, are provided as **Exhibit A**.

**\* \* \* \***

Please acknowledge receipt and acceptance of this filing which is being submitted electronically. Should you have any questions, please do not hesitate to contact us.

Respectfully submitted,

Tamar Finn

Danielle Burt

Counsel for Bandwidth.com CLEC, LLC

**EXHIBIT A**

**Pre- and Post-Transaction Charts**

1. On September 15, 2017, Bandwidth.com, Inc. changed its legal name to Bandwidth Inc. Any references herein to Bandwidth.com, Inc. mean Bandwidth Inc. [↑](#footnote-ref-1)