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March 18, 2016

Ms. Barcy F. McNeal, Secretary
Public Utilities Commission of Ohio
180 E. Broad Street
Columbus, OH 43215-3793

Re: *In the Matter of the Application of
XO Communications Services, LLC to
Transfer Control to Verizon
Communications, Inc.
Case No. 16-0585-TP-ACO*

Dear Ms. McNeal:

Enclosed for filing is the original and one copy of the application of XO Communications Services, LLC in the above-referenced proceeding.

Thank you for your attention to this matter.

Sincerely,



Barth E. Royer

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Barth E. Royer, LLC
2740 East Main Street
Bexley, Ohio 43209

The Public Utilities Commission of Ohio
TELECOMMUNICATIONS FILING FORM
(Effective: 9-2-2015)

This form is intended to be used with most types of required filings. It provides check boxes with rule references for the most common types of filings. It does not replace or supersede Commission rules in any way.

In the Matter of the Application of XO Communications Services, LLC)
to To Transfer Control of XO Communications Services, LLC to Verizon Communications, Inc.)

TRF Docket No. 90- 9017

Case No. 16 - 0585-TP - ACO

NOTE: Unless you have reserved a Case #, leave the "Case No" fields BLANK.

Name of Registrant(s) XO Communications Services, LLC

DBA(s) of Registrant(s) _____

Address of Registrant(s) 13865 Sunrise Valley Drive, Herndon, VA 20171

Company Web Address www.xo.com

Regulatory Contact Person(s) Rex Knowles Phone 801-983-1504 Fax 801-951-2133

Regulatory Contact Person's Email Address rex.knowles@xo.com

Contact Person for Annual Report Sharon Adams Phone 703-547-2615

Address (if different from above) _____

Consumer Contact Information Teresa Miller Phone 877-912-4829

Address (if different from above) 3rd Floor, 92201 N Central Expressway, Dallas, TX 75231

Motion for protective order included with filing? ☐ Yes ☒ No

Motion for waiver(s) filed affecting this case? ☐ Yes ☒ No [Note: Waivers may toll any automatic timeframe.]

Notes:

Section I and II are Pursuant to Chapter 4901:1-6 OAC.

Section III – Carrier to Carrier is Pursuant to 4901:1-7 OAC, and Wireless is Pursuant to 4901:1-6-24 OAC.

Section IV – Attestation.

- (1) Indicate the Carrier Type and the reason for submitting this form by checking the boxes below.
- (2) For requirements for various applications, see the identified section of Ohio Administrative Code Section 4901 and/or the supplemental application form noted.
- (3) Information regarding the number of copies required by the Commission may be obtained from the Commission's web site at www.puco.ohio.gov under the docketing information system section, by calling the docketing division at 614-466-4095, or by visiting the docketing division at the offices of the Commission.
- (4) An Incumbent Local Exchange Carrier (ILEC) offering basic local exchange service (BLES) outside its traditional service area should choose CLEC designation when proposing to offer BLES outside its traditional service area or when proposing to make changes to that service.

All Filings that result in a change to one or more tariff pages require, at a minimum, the following exhibits.

Exhibit	Description:
A	The tariff pages subject to the proposed change(s) as they exist before the change(s)
B	The Tariff pages subject to the proposed change(s), reflecting the change, with the change(s) marked in the right margin.
C	A short description of the nature of the change(s), the intent of the change(s), and the customers affected.
D	A copy of the notice provided to customers, along with an affidavit that the notice was provided according to the applicable rule(s).

Section I – Part I - Common Filings

Carrier Type <input type="checkbox"/> Other (explain below)	<input type="checkbox"/> For Profit ILEC	<input type="checkbox"/> Not For Profit ILEC	<input type="checkbox"/> CLEC
Change terms & conditions of existing BLES	<input type="checkbox"/> ATA <u>1-6-14(H)</u> (Auto 30 days)	<input type="checkbox"/> ATA <u>1-6-14(H)</u> (Auto 30 days)	<input type="checkbox"/> ATA <u>1-6-14(H)</u> (Auto 30 days)
Introduce non-recurring charge, surcharge, or fee to BLES			<input type="checkbox"/> ATA <u>1-6-14(H)</u> (Auto 30 days)
Introduce or Increase Late Payment	<input type="checkbox"/> ATA <u>1-6-14(I)</u> (Auto 30 days)	<input type="checkbox"/> ATA <u>1-6-14(I)</u> (Auto 30 days)	<input type="checkbox"/> ATA <u>1-6-14(I)</u> (Auto 30 days)
Revisions to BLES Cap.	<input type="checkbox"/> ZTA <u>1-6-14(F)</u> (0 day Notice)		
Introduce BLES or expand local service area (calling area)	<input type="checkbox"/> ZTA <u>1-6-14(H)</u> (0 day Notice)	<input type="checkbox"/> ZTA <u>1-6-14(H)</u> (0 day Notice)	<input type="checkbox"/> ZTA <u>1-6-14(H)</u> (0 day Notice)
Notice of no obligation to construct facilities and provide BLES	<input type="checkbox"/> ZTA <u>1-6-27(C)</u> (0 day Notice)	<input type="checkbox"/> ZTA <u>1-6-27(C)</u> (0 day Notice)	
Change BLES Rates	<input type="checkbox"/> TRF <u>1-6-14(F)</u> (0 day Notice)	<input type="checkbox"/> TRF <u>1-6-14(F)(4)</u> (0 day Notice)	<input type="checkbox"/> TRF <u>1-6-14(G)</u> (0 day Notice)
To obtain BLES pricing flexibility	<input type="checkbox"/> BLS <u>1-6-14</u> <u>(C)(1)(c)</u> (Auto 30 days)		
Change in boundary	<input type="checkbox"/> ACB <u>1-6-32</u> (Auto 14 days)	<input type="checkbox"/> ACB <u>1-6-32</u> (Auto 14 days)	
Expand service operation area			<input type="checkbox"/> TRF <u>1-6-08(G)</u> (0 day)
BLES withdrawal			<input type="checkbox"/> ZTA <u>1-6-25(B)</u> (0 day Notice)
Other* (explain) _____			

Section I – Part II – Customer Notification Offerings Pursuant to Chapter 4901:1-6-7 OAC

Type of Notice	Direct Mail	Bill Insert	Bill Notation	Electronic Mail
<input type="checkbox"/> 15-day Notice	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> 30-day Notice	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Date Notice Sent: _____				

Section I – Part III –IOS Offerings Pursuant to Chapter 4901:1-6-22 OAC

IOS	Introduce New	Tariff Change	Price Change	Withdraw
<input type="checkbox"/> IOS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section II – Part I – Carrier Certification - Pursuant to Chapter 4901:1-6-08, 09 & 10 OAC

Certification	ILEC (Out of Territory)	CLEC	Telecommunication s Service Provider Not Offering Local	CESTC	CETC
* See Supplemental form	<input type="checkbox"/> ACE <u>1-6-08</u> * (Auto 30- day)	<input type="checkbox"/> ACE <u>1-6-08</u> * (Auto 30 day)	<input type="checkbox"/> ACE <u>1-6-08</u> * (Auto 30 day)	<input type="checkbox"/> ACE <u>1-6-10</u> (Auto 30 day)	<input type="checkbox"/> UNC <u>1-6-09</u> * (Non-Auto)

*Supplemental Certification forms can be found on the Commission Web Page.

Section II – Part II – Certificate Status & Procedural

Certificate Status	ILEC	CLEC	Telecommunications Service Provider Not Offering Local
Abandon all Services		<input type="checkbox"/> ABN <u>1-6-26</u> (Auto 30 days)	<input type="checkbox"/> ABN <u>1-6-26</u> (Auto 30 days)
Change of Official Name *	<input type="checkbox"/> ACN <u>1-6-29(B)</u> (Auto 30 days)	<input type="checkbox"/> ACN <u>1-6-29(B)</u> (Auto 30 days)	<input type="checkbox"/> CIO <u>1-6-29(C)</u> (0 day Notice)
Change in Ownership *	<input type="checkbox"/> ACO <u>1-6-29(E)</u> (Auto 30 days)	<input checked="" type="checkbox"/> ACO <u>1-6-29(E)</u> (Auto 30 days)	<input type="checkbox"/> CIO <u>1-6-29(C)</u> (0 day Notice)
Merger *	<input type="checkbox"/> AMT <u>1-6-29(E)</u> (Auto 30 days)	<input type="checkbox"/> AMT <u>1-6-29(E)</u> (Auto 30 days)	<input type="checkbox"/> CIO <u>1-6-29(C)</u> (0 day Notice)
Transfer a Certificate *	<input type="checkbox"/> ATC <u>1-6-29(B)</u> (Auto 30 days)	<input type="checkbox"/> ATC <u>1-6-29(B)</u> (Auto 30 days)	<input type="checkbox"/> CIO <u>1-6-29(C)</u> (0 day Notice)
Transaction for transfer or lease of property, plant or business *	<input type="checkbox"/> ATR <u>1-6-29(B)</u> (Auto 30 days)	<input type="checkbox"/> ATR <u>1-6-29(B)</u> (Auto 30 days)	<input type="checkbox"/> CIO <u>1-6-29(C)</u> (0 day Notice)

* Other exhibits may be required under the applicable rule(s). ACN, ACO, AMT, ATC, ATR and CIO applications see the 4901:1-6-29 Filing Requirements on the Commission's Web Page for a complete list of exhibits.

Section III – Carrier to Carrier (Pursuant to 4901:1-7), and Wireless (Pursuant to 4901:1-6-24)

Carrier to Carrier	ILEC	CLEC
Interconnection agreement, or amendment to an approved agreement	<input type="checkbox"/> NAG <u>1-7-07</u> (Auto 90 day)	<input type="checkbox"/> NAG <u>1-7-07</u> (Auto 90 day)
Request for Arbitration	<input type="checkbox"/> ARB <u>1-7-09</u> (Non-Auto)	<input type="checkbox"/> ARB <u>1-7-09</u> (Non-Auto)
Introduce or change c-t-c service tariffs,	<input type="checkbox"/> ATA <u>1-7-14</u> (Auto 30 days)	<input type="checkbox"/> ATA <u>1-7-14</u> (Auto 30 days)
Request rural carrier exemption, rural carrier suspension or modification	<input type="checkbox"/> UNC <u>1-7-04 or 05</u> (Non-Auto)	
Changes in rates, terms & conditions to Pole Attachment, Conduit Occupancy and Rights-of-Way.	<input type="checkbox"/> ATA <u>1-3-04</u> (Auto 30 days)	
Wireless Providers See 4901:1-6-24	<input type="checkbox"/> RCC [Registration & Change in Operations]	<input type="checkbox"/> NAG [Interconnection Agreement or

Section IV. -- Attestation

Registrant hereby attests to its compliance with pertinent entries and orders issued by the Commission.

AFFIDAVIT
Compliance with Commission Rules

I am an officer/agent of the applicant corporation, _____, and am authorized to make this statement on its behalf.

(Name)

Please Check ALL that apply:

☐ I attest that these tariffs comply with all applicable rules for the state of Ohio. I understand that tariff notification filings do not imply Commission approval and that the Commission's rules as modified and clarified from time to time, supersede any contradictory provisions in our tariff. We will fully comply with the rules of the state of Ohio and understand that noncompliance can result in various penalties, including the suspension of our certificate to operate within the state of Ohio.

☐ I attest that customer notices accompanying this filing form were sent to affected customers, as specified in Section II, in accordance with Rule 4901:1-6-7, Ohio Administrative Code.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on (Date) _____ at (Location) _____

*(Signature and Title) _____ (Date) _____

- This affidavit is required for every tariff-affecting filing. It may be signed by counsel or an officer of the applicant, or an authorized agent of the applicant.

VERIFICATION

I, Kelly Faul _____ verify that I have utilized the Telecommunications Filing Form for most proceedings provided by the Commission and that all of the information submitted here, and all additional information submitted in connection with this case, is true and correct to the best of my knowledge.

*(Signature and Title) _____

(Date) 3-17-16

*Verification is required for every filing. It may be signed by counsel or an officer of the applicant, or an authorized agent of the applicant.

Send your completed Application Form, including all required attachments as well as the required number of copies, to:

Public Utilities Commission of Ohio
Attention: Docketing Division
180 East Broad Street, Columbus, OH 43215-3793
Or

Make such filing electronically as directed in Case No 06-900-AU-WVR

EXHIBITS

- Exhibit A:** Secretary of State Certificate of Good Standing
- Exhibit B:** XO Communications Services, LLC Officers and Directors
- Exhibit C:** Description of the Transfer of Control
- Exhibit D:** Pre-Closing and Post-Closing Ownership Structures

EXHIBIT A

UNITED STATES OF AMERICA
STATE OF OHIO
OFFICE OF THE SECRETARY OF STATE

I, Jon Husted, do hereby certify that I am the duly elected, qualified and present acting Secretary of State for the State of Ohio, and as such have custody of the records of Ohio and Foreign business entities; that said records show XO COMMUNICATIONS SERVICES, LLC, a Delaware For Profit Limited Liability Company, Registration Number 2341729, filed on November 10, 2014, is currently in FULL FORCE AND EFFECT upon the records of this office.



*Witness my hand and the seal of the
Secretary of State at Columbus, Ohio
this 16th day of March, A.D. 2016.*

A handwritten signature in black ink that reads "Jon Husted".

Ohio Secretary of State

Validation Number: 201607601008

EXHIBIT B

XO Communications Services, LLC List of Officers and Directors

Director

Christopher Ancell Chief Executive Officer

Officers

Christopher Ancell Chief Executive Officer

Dominic Dragisich Chief Financial Officer

Navid C. Haghighi Executive Vice President, General Counsel & Secretary

Amador Lucero Chief Operating Officer

Jake Heinz Senior Vice President, Product & Marketing

Noel Wong Chief Information Officer

Robert Burkett Controller and Chief Accounting Officer

Kristi Jung Treasurer

EXHIBIT C

Description of Transfer of Control of XO Communications Services, LLC

The proposed transaction involves the transfer of control of XO Communications Services, LLC (“XO Communications”) from XO Holdings (“XO Holdings”) to Verizon Communications Inc. (“Verizon”).

I. Description of the Parties

A. XO Holdings and XO Communications.

XO Communications is certified in Ohio as a CLEC and interexchange carrier under Certificate No. 90-9017. As described in Exhibit D, the company is a wholly owned direct subsidiary of XO Communications, LLC (“XO”), which in turn is a wholly owned direct subsidiary of XO Holdings, a Delaware general partnership headquartered in Herndon, Virginia. XO Holdings, through various intermediate holding companies, is wholly owned and controlled by Carl C. Icahn. XO Communications serves approximately 2,000 customers in Ohio.

XO Communications is the principal operating company for XO’s wireline business, which controls and operates an IP and Ethernet network that extends coast-to-coast. That network includes an inter-city network of approximately 20,000 fiber route miles and more than 5,600 owned metro fiber route miles.¹ In Ohio, XO Communications offers local and long distance voice, Internet access, cloud connectivity, security, private line, Ethernet, and other private data and network transport services for small and medium-sized companies, enterprises, national and government customers, and other carriers, both on a managed and wholesale basis. XO Communications does not offer or provide mass market retail services to consumers.

¹ A small portion of XO Communications’ network utilizes copper, which usually is connected to a nearby node that is in turn connected to XO Communications’ fiber facilities.

B. Verizon

Verizon, a publicly traded Delaware corporation with its principal offices in New York City, New York, is a holding company with operating subsidiaries that provide a wide range of communications services in Ohio and throughout the United States and the world. Verizon's subsidiaries provide communications services to consumers, business and government customers, as well as to other carriers.² Verizon's wireline business provides voice, data, and video communications products and enhanced services, including broadband, video and data, corporate networking solutions, data center and cloud services, security and managed network services, and local and long distance voice services.

In Ohio, Verizon's wireline business is comprised of five indirect wholly owned subsidiaries: TTI National, Inc., which the Commission authorized to provide interexchange services in Ohio pursuant to Certificate No. 90-6139; Verizon Long Distance LLC, which is certified in Ohio to provide telecommunications services pursuant to Certificate No. 90-5679; Verizon Select Services Inc., which is certified in Ohio to provide telecommunications services pursuant to Certificate No. TSP00367; MCImetro Access Transmission Services, LLC, dba Verizon Access Transmission Services, which is certified in Ohio to provide local exchange and interexchange services pursuant to Certificate No. 90-9006; and MCI Communications Services, Inc., dba Verizon Business Services, which is certified in Ohio to provide interexchange services pursuant to Certificate No. 90-6166.

II. Description of the Proposed Reorganization

On February 20, 2016, the Applicants entered into an agreement pursuant to which XO Holdings will sell all of its interests in XO to Verizon. Upon completion of the transaction, XO Communications (the XO operating company certificated in Ohio) will become a wholly owned

² References to Verizon's services and network herein refer to those of its wholly owned operating subsidiaries.

indirect subsidiary of Verizon. As a result of this parent-level transaction, XO Communications will be transferred *en toto* to Verizon, with no associated customer or asset transfers. See Exhibit D.

III. The Proposed Transaction Is in the Public Interest

The transaction is in the public interest because it will enhance Verizon's fiber network, will foster operational and economic efficiencies, will be seamless to customers, and will not harm competition.

A. The Proposed Transaction Will Enhance Verizon's Fiber Network

By expanding the depth and breadth of its fiber assets in Ohio and across the country, Verizon will make America's best network even better. The transaction will benefit enterprise and wholesale business customers by increasing, expanding, and improving Verizon's fiber facilities. It will also support Verizon's goal of enhancing the capacity and reliability of its wireless networks.

Businesses today require advanced and innovative technologies and comprehensive solutions, and bandwidth requirements are growing rapidly as online and online-enabled activities increase the reliance on IP-based services. The acquisition of XO Communications will boost the fiber capacity Verizon has to reach its business and wholesale customers and reduce its dependency on the leased fiber it currently uses to serve many of those customers. The transaction will advance Verizon's ability to deploy and maintain innovative offerings, benefiting business customers and serving the public interest, convenience, and necessity. Verizon will also be able to offer existing XO Communications customers additional products and services not currently available through XO Communications or its affiliates.

The additional capacity and expanded footprint will also help Verizon stay competitive and further drive competition among other market participants. In areas where there is concentrated demand for business broadband services, the enterprise and wholesale markets are competitive with sophisticated and knowledgeable customers. The additional nationwide fiber assets will enable Verizon to more effectively compete with leading national and regional high-capacity service providers – especially cable companies, but also traditional incumbent and competitive telephone companies and other non-traditional players, particularly in central business districts. To succeed in this competitive space, Verizon must ensure it can meet growing demand for bandwidth and reliability – two increasingly important competitive factors in the global enterprise market. This transaction is part of the company’s continuing investment in its networks to meet that demand, and will help it advance its position as a provider of choice to enterprise customers.

Verizon will also be able to better serve its wireless customers by improving the efficiency and capacity of the networks it uses to serve them. The majority of XO Communications’ fiber is unlit, or “dark,” and this transaction affords Verizon the opportunity to put that unlit fiber to use to better connect its expanding cell network. As Verizon executives have explained, “Getting dark fiber out there, getting the small cells in there, that’s the direction we’re headed. That’s what’s going to give us our ability to deliver to our customers on the promise of reliability.”³

B. The Proposed Transaction Will Foster Operational and Economic Efficiencies.

Acquiring XO Communications will result in multiple operational and economic efficiencies that benefit customers by increasing Verizon’s ability to compete effectively to meet

³ Joey Jackson, *Dark Fiber Key to Future of Small Cells, Backhaul*, RCR WIRELESS NEWS, Dec. 21, 2015 (quoting Brian Mecum, Vice President of Network for the West Area, Verizon).

their demand for the latest technology and service developments. Verizon's fiber network consists of facilities that it has constructed, leased, or acquired through transactions, depending on the efficiencies of the individual circumstances. In this case, XO Communications' fiber network is largely complementary to Verizon's. Post-closing, enterprise and wholesale customers will gain access to a more expansive Verizon-owned facilities-based network and receive more efficient and economical services.

Combining XO Communications' business with Verizon's will provide the financial resources to support and promote better and more intensive use of XO Communications' fiber network. The years following XO Communications' emergence from bankruptcy in 2003 "were a bumpy road," as the company "reckoned with major network over capacity and other issues caused by overly optimistic projections and capital expenditures made by previous owners."⁴ Additional capital had to be injected several times just "to keep [the company] operating."⁵ Verizon has the economy of scale to invest in and support these networks, including through achieving synergies as part of this transaction.

When fully implemented, the proposed transaction will yield nationwide synergies in total expense savings that Verizon estimates to be in excess of \$1.5 billion on a net present value basis. These operational and other efficiencies will provide Verizon with increased financial flexibility to compete in the fast changing communications marketplace.

C. The Proposed Transaction Will Be Seamless to Customers and Will Not Harm Competition

The market for mass market services to consumers will be unaffected by the transaction because XO Communications does not serve any residential customers. And the transaction

⁴ XO Communications Press Release, *Verizon to Acquire XO Communications' Fiber Business*, Feb. 22, 2016, available at <http://www.xo.com/verizon-acquires-xo/>.

⁵ *Id.*

poses no risks to XO Communications' business, government, and wholesale customers, who will gain access to Verizon's more extensive product family and its highly reliable network with its greater geographic coverage.

Verizon will meet XO Communications' contractual and regulatory obligations to its customers so that the transaction will be seamless to those customers. As of closing, the operational support systems that XO Communications uses to serve its customers will become Verizon-owned. Verizon intends to consolidate the XO Communications systems with its existing systems, but there is no deadline for that transition, and a "flash-cut" of systems will not be required to continue providing XO Communications' customers the service they are receiving prior to closing. Verizon is experienced in successfully consolidating internal systems while seamlessly providing high quality service to its customers.

The transaction will not harm competition for business, government, or wholesale customers. As discussed above, a wide range of providers and new entrants have deployed facilities and are investing further to meet demand and thus competition should continue to intensify. Current and potential competitors offering a wide array of high-capacity services include cable companies, CLECs, and other non-traditional players. Cable companies in particular have expanded their networks and services to provide high-capacity data services to businesses of all sizes as well as to other providers, and will likely continue to do so in light of the growing demand for such services.

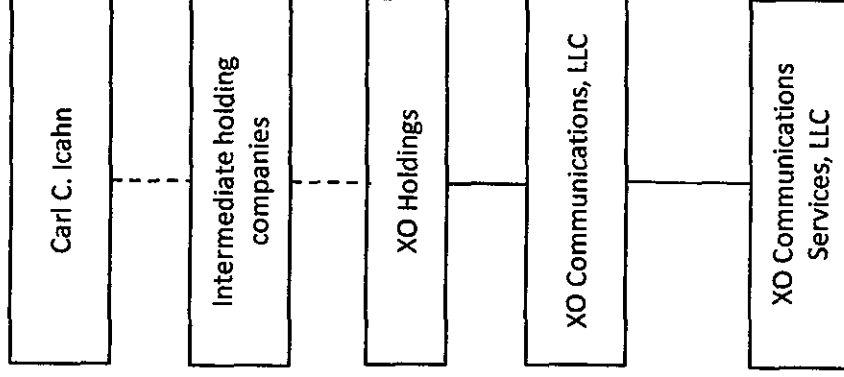
IV. Customer Notice Is Not Required for the Transaction

As noted above, the transaction will take place at the parent-company level and will not involve any associated customer or asset transfers. The transaction does not entail "any material change in the rates, terms, and conditions of a service" or "any change in the company's

operations that are not transparent to customers and may impact service.” See O.A.C. § 4901:1-6-07. Accordingly, customer notice for the transaction is not required.

EXHIBIT D

XO Communications
Pre-closing ownership structure



*All ownership interests are 100% unless otherwise noted. Unaffected entities are not included.



Post-Closing Ownership Structure

