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FILE

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December 23, 2014

Barcy McNeal, Secretary  
Docketing Division  
Public Utilities Commission of Ohio  
180 East Broad Street, 11<sup>th</sup> Floor  
Columbus, OH 43215-3793

RECEIVED-DOCKETING DIV  
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PUCO

Re: *In the Matter of the Application of Windstream Holdings, Inc. et al. to Transfer,*  
PUCO Case No. 14-1438-TP-ATR

*In the Matter of the Application of Talk America Services, LLC to Provide  
Competitive Local Exchange and Competitive Telecommunications Services,*  
PUCO Case No. 14-1439-TP-ATR

Dear Ms. McNeal:

This letter supplements the information contained in the applications filed in these cases on August 19, 2014.

Under the terms of the Distribution Agreement, Windstream Holdings, Inc. ("Windstream") will transfer title of the Subject Assets (which do not including easements and rights of way) to Communications Sales and Leasing, Inc. ("CSL"). Windstream will transfer beneficial ownership rights and interests (and not title) of easements and rights of way to CSL. CSL will immediately and contemporaneously lease these beneficial ownership rights and interests and the Subject Assets back to Windstream for its long term exclusive use under the Master Lease. As a result, after the transaction closes Windstream will continue to use the Subject Assets (including poles), easements and rights of way in the same manner it does now. There will be no change in the nature, scope or manner of use of poles and distribution plant, and third parties will continue to interact with Windstream regarding these arrangements as they do today. Specifically, Windstream will continue to be responsible for the following: (1) regulatory compliance; (2) receipt of revenue from pole attachment fees; (3) network maintenance and make-ready work associated with pole attachment requests; and (4) inspection and safety requirements. CSL will only receive rental income from Windstream under the terms of the Master Lease. Upon termination of the Master Lease, CSL will hold the beneficial rights and interests in the easements and rights of way and title to the Subject Assets.

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Windstream expects that the REIT transaction will allow for an annual increase in capital expenditures in its Ohio ILEC markets by approximately \$2 to \$3 million. Windstream plans to direct these additional investments to the improvement of the performance and capacity of the consumer broadband network in ILEC markets. Capital expenditures in Windstream's CLEC markets will be driven by success-based opportunities that are dependent on competitive market conditions. Windstream's capital expenditure budget is subject to approval of its Board of Directors.

On December 11, 2014, Windstream announced that Anthony W. Thomas, who had been appointed chief executive officer of CSL, instead would serve as president and chief executive officer of Windstream, succeeding Jeff Gardner. Francis X. Frantz, Chairman of the CSL Board of Directors, will lead the search for a new chief executive officer of CSL.

Windstream does not expect any changes in the assessments or taxes paid to the State of Ohio as a result of this transaction.

Please advise if you have any questions about this. Thank you for your assistance.

Very truly yours,

BAILEY CAVALIERI LLC

  
William A. Adams

WAA/sg