

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the ) Application No. C-4888  
Application of Communications )  
Sales & Leasing, Inc., and )  
Talk America Services, LLC, ) GRANTED  
Little Rock, Arkansas, seeking )  
approval of a Pro Forma change )  
in indirect ownership. ) Entered: February 22, 2017

BY THE COMMISSION:

On December 23, 2016, a joint application was filed by Communications Sales & Leasing, Inc. ("CS&L"), and Talk America Services, LLC ("TAS") (collectively, "Applicants"), seeking approval for a pro forma change in the CS&L corporate organizational structure that will result in TAS becoming a direct subsidiary of CS&L. Notice of the application was published in The Daily Record, Omaha, Nebraska, on December 29, 2016. No protests were filed; therefore, this application is processed pursuant to the Commission's Rule of Modified Procedure.

O P I N I O N   A N D   F I N D I N G S

The Parties:

CS&L is a Maryland corporation with its headquarters at 10802 Executive Center Drive, Benton Building, Suite 300, Little Rock, Arkansas. CS&L is a publicly traded real estate investment trust that engages in the acquisition and construction of infrastructure in the telecommunications industry. Prior to April 24, 2015, CS&L was a wholly owned subsidiary of Windstream Services, LLC, a wholly owned subsidiary of Windstream Holdings, Inc. (together with its subsidiaries, "Windstream"). On April 24, 2015, Windstream contributed to CS&L certain telecommunications network assets, in certain states, including fiber and copper networks and other real estate through a sale-lease back transaction, and then spun off CS&L to Windstream stockholders. CS&L (and its subsidiaries) now operates as an independent, publicly-traded company, and leases telecommunications network assets and property back to Windstream for the operation of Windstream's business. CS&L does not provide telecommunications services in its own right. It owns and operates a number of licensed telecommunications providers in all states and the District of Columbia, except Alaska, California and Hawaii, many of which also hold authority from the Federal Communications Commission ("FCC") to provide domestic interstate and international

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

Application No. C-4888

Page 2

telecommunications services. In Nebraska, CS&L's only licensed subsidiary is TAS, which holds authority to provide resold competitive local exchange and interchange services pursuant to Docket C-4708.

Description of the Transaction:

The Pro Forma change will involve a change in the CS&L corporate organizational structure that will result in TAS becoming a direct subsidiary of CS&L. There will be no changes in the ultimate ownership of the TAS, which will remain with CS&L. After the Pro Forma change TAS will continue to conduct all of its operations as they are currently conducted.

According to the Applicants, the current customers of the TAS will remain customers of TAS following the Pro Forma change. TAS will continue to offer the same services, rates, terms and conditions pursuant to their existing authorizations and the only material change resulting from the Pro Forma change will be that the new ownership structure will provide the company with greater flexibility for future equity and debt transactions, which will increase its access to capital.

Based upon the above information, the Commission finds the application to be fair and reasonable, in the public interest. Therefore, the application should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-4888 be, and it is hereby, granted.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 22<sup>nd</sup> day of January, 2017.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

*May Ruder*  
*Crystal Swadlow*

//s//Frank E. Landis  
//s//Tim Schram

*Tim Schram*  
Chairman

ATTEST:

*John P. Le*  
Executive Director