

Jean L. Kiddoo  
Tamar E. Finn  
Brett P. Ferenchak  
jean.kiddoo@bingham.com  
tamar.finn@bingham.com  
brett.ferenchak@bingham.com

November 1, 2011

*Via Overnight Courier*

Jeff Derouen, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40601

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PUBLIC SERVICE  
COMMISSION

**Re: Notification of 360networks Corporation, 360networks (USA) inc., 360networks Kentucky LLC and Zayo Group, LLC of (1) the proposed transfer of indirect control of 360networks (USA) inc. and 360networks Kentucky LLC to Zayo Group, LLC and (2) the cancellation of the authorizations of 360networks Kentucky LLC**

Dear Mr. Derouen:

360networks Corporation (“360-Parent”), 360networks (USA) inc. (“360networks”), 360networks Kentucky LLC (“360-KY”) and Zayo Group, LLC (“Zayo”) (collectively, the “Parties”), by undersigned counsel and pursuant to the Orders issued in Admin. Case No. 359 on June 21, 1996 and No. 370 on January 8, 1998 and 807 KAR 5:011, Section 11, hereby notify the Commission of the proposed transfer of indirect control of 360networks and 360-KY to Zayo (the “Transaction”), and the cancellation of the authorization of 360-KY effective upon consummation of the Transaction.

It is the Parties’ understanding that Commission approval is not required to complete the Transactions described herein. Accordingly, the Parties submit this letter for informational purposes only to ensure the continuing accuracy of Commission’s records. In support, the Parties provide the following information:

**Description of the Parties**

**A. 360networks Corporation, 360networks (USA) inc. and 360networks Kentucky LLC**

360-Parent is a corporation organized under the laws of British Columbia with principal offices located at 2101 4th Avenue, Suite 2000, Seattle, Washington 98121. 360networks holdings (USA) inc. (“360-Holdings”) is a Nevada corporation and indirect<sup>1</sup> subsidiary of 360-Parent. 360networks is a Nevada corporation and a wholly owned direct subsidiary

<sup>1</sup> 360-Holdings is currently an indirect subsidiary of 360-Parent. Immediately prior to completion of the 360 Transaction, 360-Parent will undergo a *pro forma* amalgamation resulting in 360-Holdings becoming a direct subsidiary of 360-Parent.

Boston  
Hartford  
Hong Kong  
London  
Los Angeles  
New York  
Orange County  
San Francisco  
Santa Monica  
Silicon Valley  
Tokyo  
Washington

Bingham McCutchen LLP  
2020 K Street NW  
Washington, DC  
20006-1806

T +1.202.373.6000  
F +1.202.373.6001  
bingham.com

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of 360-Holdings. 360-KY is a Kentucky limited liability company and wholly owned indirect subsidiary of 360networks.

360networks is 360-Holdings' operating subsidiary that provides regulated telecommunications services. 360networks provides Private Line Transport, Ethernet, and IP Transit services to telecommunications providers and end users. 360networks facilities-based fiber optic backbone provides coverage spanning 18,000 route miles covering 22 states and British Columbia. 360networks also provides wholesale Voice over Internet Protocol services and switched access services in 17 states.

360networks is authorized to provide local exchange and interexchange services in 36 states. In Kentucky, 360networks is authorized as a long distance carrier (Utility ID 22250507); 360-KY is authorized as a long distance carrier (Utility ID 22250589). 360-KY, however, does not provide any telecommunications services (or have any other operations) at this time and seeks to cancel its authorization effective upon completion of the Transaction.

#### **B. Zayo Group, LLC**

Zayo is a Delaware limited liability company with principal offices at 400 Centennial Parkway, Suite 200, Louisville, Colorado 80027. Zayo is a wholly owned subsidiary of Zayo Group Holdings, Inc., a Delaware corporation and wholly owned subsidiary of Communications Infrastructure Investments, LLC ("CII"), a Delaware limited liability company. CII has no majority owner. Zayo is a provider of bandwidth infrastructure and network neutral colocation and interconnection services over dense regional and metropolitan fiber networks, enabling its customers to manage, operate, and scale their telecommunications and data networks. Zayo's services are primarily used by wireless service providers, national and regional carriers and other communications service providers, media and content companies, and certain bandwidth-intensive enterprises.

Zayo's fiber networks span over 24,000 route miles, serve 153 geographic markets in the District of Columbia and 31 states and connect to over 4,300 buildings, including approximately 1,978 cellular towers. These networks allow Zayo to provide bandwidth infrastructure services to customers over redundant fiber facilities between key customer locations. The majority of the markets that Zayo serves and buildings to which Zayo connects have few other networks capable of providing similar bandwidth infrastructure services.

In Kentucky, Zayo is authorized as a competitive local exchange carrier (Utility ID 5056730) and long distance carrier (Utility ID 5179370). Zayo is also authorized by the Federal Communications Commission to provide domestic and international telecommunications services. Zayo has the technical, managerial, and financial qualifications to complete the Transaction. Zayo is operated by a highly qualified management team, all of whom have extensive backgrounds in the telecommunications industry. Zayo's managerial expertise will further strengthen 360networks's operations. For additional detail on the financial and managerial qualifications of Zayo, please see [www.zayo.com](http://www.zayo.com). 360networks will therefore continue to have the managerial, technical and financial qualifications to provide high quality telecommunications services to

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consumers in Kentucky supported by experienced Zayo management. 360networks will also be supported by the financial resources of Zayo.

### **Designated Contacts**

Questions, correspondence or other communications concerning this letter should be directed to the Parties counsel of record:

Jean L. Kiddoo  
Tamar E. Finn  
Brett P. Ferenchak  
Bingham McCutchen LLP  
2020 K Street, N.W., Suite 1100  
Washington, DC 20006-1806  
202-373-6000 (tel)  
202-373-6001 (fax)  
jean.kiddoo@bingham.com  
tamar.finn@bingham.com  
brett.ferenchak@bingham.com

With copies to Zayo:

Scott E. Beer  
General Counsel  
Zayo Group, LLC  
400 Centennial Parkway, Suite 200  
Louisville, CO 80027  
303-381-4664 (tel)  
303-226-5923 (fax)  
sbeer@zayo.com

And copies to 360networks:

Michel Singer Nelson  
Associate General Counsel  
360networks  
370 Interlocken Blvd., Suite 600  
Broomfield, CO 80021  
303-854-5513 (Tel)  
303-854-5100 (Fax)  
mnelson@360.net

### **Description of the Transaction**

Pursuant to the Stock Purchase Agreement, dated as of October 6, 2011, by and among 360-Parent, 360networks (fiber holdco) ltd., 360networks (fiber subco) ltd. and Zayo, Zayo will acquire all of the outstanding shares of 360-Holdings. As a result of the 360 Transaction, 360-Holdings will become a direct subsidiary of Zayo. 360networks will remain a direct subsidiary of 360-Holdings and 360-KY will remain an indirect subsidiary of 360networks, and therefore, both entities will become indirect subsidiaries of Zayo. Immediately upon completion of the Transaction, Zayo plans to dissolve or merge 360-KY into 360networks with 360networks surviving the merger. Since 360-KY does not have any operations, 360-KY seeks to cancel its authorizations effective upon completion of the Transaction. Diagrams depicting the pre- and post-360 Transaction corporate structures of the companies are appended hereto as Exhibit A.

The current customers of 360networks will remain customers of 360networks immediately following the Transaction. Accordingly, the Transaction will be seamless to customers, who will continue to enjoy the same rates, terms and conditions of service as

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they do prior to closing. The only immediate change resulting from the Transaction will be that 360networks and 360-KY will be ultimately owned by Zayo. Shortly after the Transaction, however, Zayo may modify 360networks' name to reflect the "Zayo" brand. Zayo emphasizes that any modifications to the name of 360networks that may occur following the consummation of the Transaction will be undertaken pursuant to the requirements of applicable law and Commission rules.<sup>2</sup>

### **Public Interest Considerations**

The Transaction will serve the public interest of Kentucky. As part of Zayo Group, 360networks will continue to provide high-quality telecommunications services to consumers, while gaining access to the additional resources and operational expertise of Zayo. 360networks will also benefit by being able to offer services to multi-location business and enterprise customers across a much larger footprint in combination with Zayo. 360networks' network complements Zayo's network and the acquisition will increase Zayo's existing fiber footprint, giving the combined companies greater market depth and breadth as a result of the Transaction. The Transaction will make 360networks and Zayo stronger competitors and thereby benefit consumers.

The Transaction described herein will not result in a change of carrier for any customers or any assignment of existing Commission authorizations. Further, the rates, terms and conditions of services currently provided by 360networks to its customers will not change as a result of the Transaction. Further, the rates, terms and conditions of services currently provided by Zayo and 360networks to their customers will not change as a result of the Transaction.

\* \* \* \*

An original and ten (10) copies of this letter are enclosed for filing. Please date-stamp the extra copy and return it in the envelope provided. Should you have any questions regarding this filing, please do not hesitate to contact us.

Respectfully submitted,



Jean L. Kiddoo  
Tamar E. Finn  
Brett P. Ferenchak

Counsel for the Parties

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<sup>2</sup> The Parties will file an updated authorization to transact business in Kentucky and, to the extent necessary, revised tariff(s) to reflect the modified name of 360networks. In addition, Zayo confirms that 360networks will provide its customers notice of the name modification.

**LIST OF EXHIBITS**

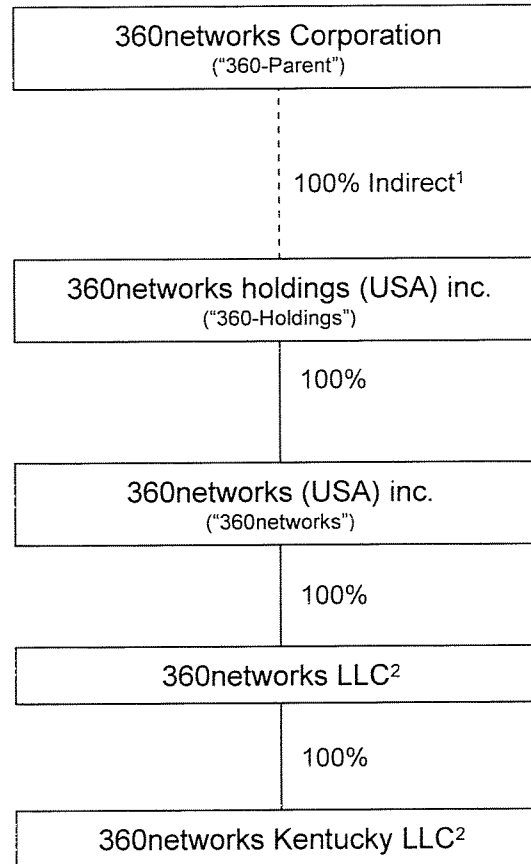
|               |   |
|---------------|---|
| Exhibit A     | Diagrams of the Pre- and Post-Transaction Corporate Structure of the Applicants |
| Verifications |   |

**EXHIBIT A**

**Diagrams of the Pre- and Post-Transaction Corporate Structure of the Parties**

# Pre-Transaction Corporate Structure of 360networks\*

\* The entities listed herein only include those affiliates of 360networks that (1) hold authorization to provide intrastate telecommunications services in this state or (2) are in the chain of ownership of those entities described in (1).

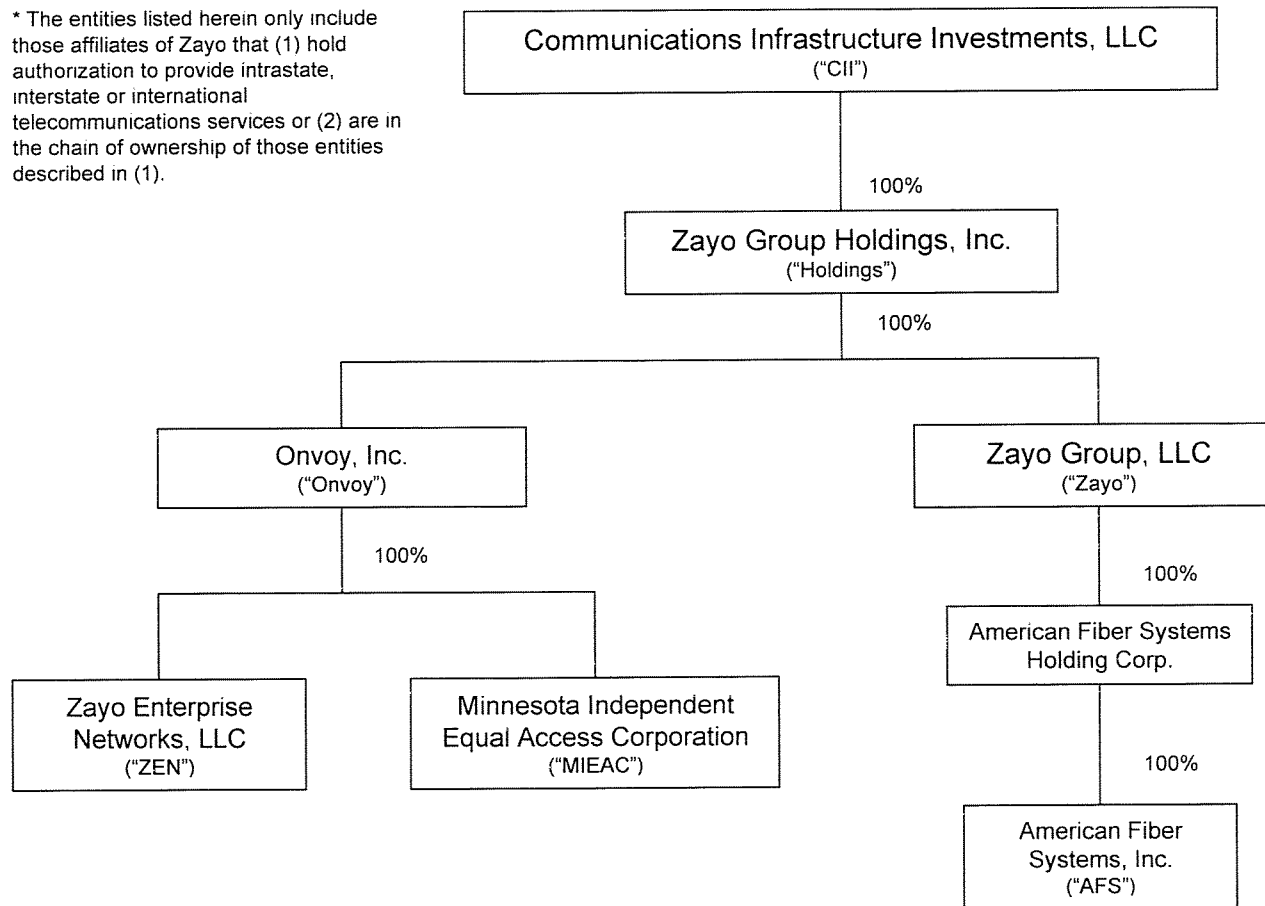


<sup>1</sup> Immediately prior to the Transaction, the intermediate subsidiaries between 360-Parent and 360-Holdings will undergo a *pro forma* amalgamation resulting in 360-Holdings becoming a direct subsidiary of 360-Parent.

<sup>2</sup> Immediately following to the Transaction, Zayo intends to "roll-up" these entities into 360networks.

# Pre-Transaction Corporate Structure of Zayo Group, LLC\*

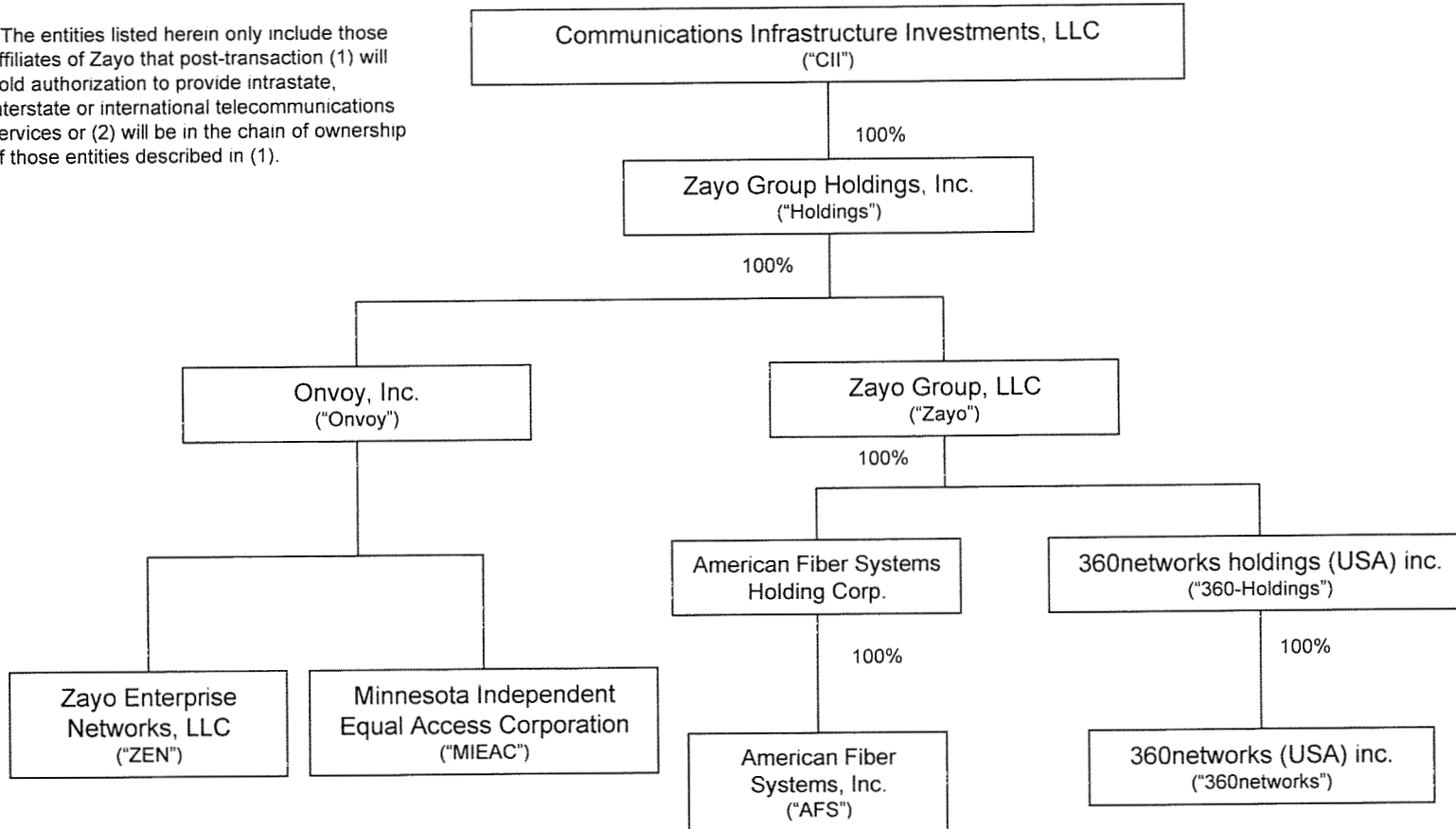
\* The entities listed herein only include those affiliates of Zayo that (1) hold authorization to provide intrastate, interstate or international telecommunications services or (2) are in the chain of ownership of those entities described in (1).





# Post-Transaction Corporate Structure of Applicants\*

\* The entities listed herein only include those affiliates of Zayo that post-transaction (1) will hold authorization to provide intrastate, interstate or international telecommunications services or (2) will be in the chain of ownership of those entities described in (1).



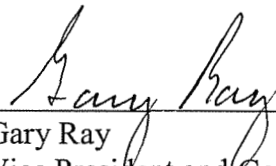
## Verifications

STATE OF COLORADO  
COUNTY OF BROOMFIELD

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**VERIFICATION**

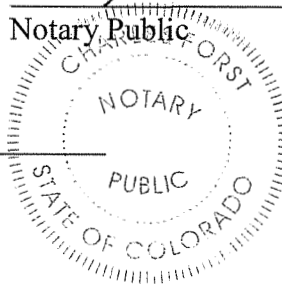
I, Gary Ray, state that I am Vice President and General Counsel of 360networks Corporation and 360networks (USA) inc. (the "Company"); that I am authorized to make this Verification on behalf of the Company; that the foregoing filing was prepared under my direction and supervision; and that the contents with respect to the Company are true and correct to the best of my knowledge, information, and belief.

  
\_\_\_\_\_  
Gary Ray  
Vice President and General Counsel

Sworn and subscribed before me this 12<sup>th</sup> day of October, 2011.

  
\_\_\_\_\_  
Notary Public

My commission expires 5/13/2013



STATE OF COLORADO  
COUNTY OF BOULDER

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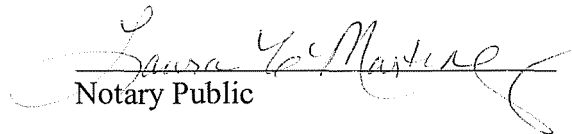
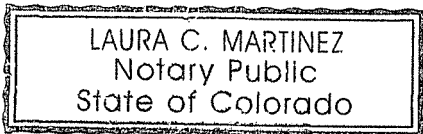
**VERIFICATION**

I, Peter Chevalier, state that I am Associate General Counsel of Zayo Group, LLC (the “Company”); that I am authorized to make this Verification on behalf of the Company; that the foregoing filing was prepared under my direction and supervision; and that the contents with respect to the Company are true and correct to the best of my knowledge, information, and belief.



\_\_\_\_\_  
Peter Chevalier  
Associate General Counsel  
Zayo Group, LLC

Sworn and subscribed before me this 13<sup>th</sup> day of October, 2011.



\_\_\_\_\_  
Notary Public

My commission expires April 1, 2012