

Windstream Communications, Inc.  
4001 Rodney Parham Road  
1170 - B1F03-53A  
Little Rock, AR 72212

RECEIVED  
Cesar Caballero  
Director, Regulatory Law and Policy  
501-748-7142  
OCT 17 AM 07

T.R.A. DOCKET ROOM



October 16, 2006

Sharla Dillon, Docket Room Manager  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

RE: Docket 06-00185: *Petition of Windstream Communications, Inc. f/k/a Alltel Holding Corporate Services, Inc. – Responses to Data Request No. 4.*

Dear Ms. Dillon:

Please find attached responses to Data Request No. 4 submitted by Jerry Kettles, Chief Competitive Markets & Policy Division on October 11, 2006. Please contact me if you have any questions regarding these answers or if you need additional information.

Sincerely,

A handwritten signature in black ink that reads "Cesar Caballero". The signature is written in a cursive, flowing style.

Cesar Caballero

Attachments

**Responses of Windstream Communications, Inc. f/k/a Alltel Holding Corporate Services, Inc. to Data Request No. 4**

1. Please provide a description of the transaction between Alltel Holding Corp. and Valor Communications Group (“Valor”) that led to the creation of Windstream Communications, Inc.

**Response:**

**Alltel Corporation (“Alltel”) separated its wireline business from its wireless business and merged it with Valor. In order to carry out the separation, Alltel created two new subsidiaries, Alltel Holding Corp. and Alltel Holding Corporate Services, Inc. (“AHCSI”, n/k/a Windstream Communications, Inc.)**

**Alltel then transferred the customer base of Alltel Communications, Inc.’s interexchange business to AHCSI, which became a wholly owned subsidiary of Alltel Holding Corp. The ownership of Alltel Holding Corp. was then transferred from Alltel to Alltel’s shareholders thereby establishing Alltel Holding Corp., along with its subsidiary AHCSI, as a stand-alone holding company.**

**In the final step, Alltel Holding Corp. merged into Valor, a holding company with local exchange company and interexchange subsidiaries in the states of Arkansas, New Mexico, Oklahoma and Texas. Valor was the surviving entity and it was renamed Windstream Corporation. AHCSI (n/k/a Windstream Communications, Inc.) is a wholly owned subsidiary of Windstream Corporation and is authorized to resale interexchange services in all states except Alaska. In addition, all the local exchange companies are also wholly owned subsidiaries of Windstream Corporation.**

2. Please provide information that will allow the Authority to assess the transfer of control per T.C.A. §65-4-113(b).

**Response:**

**Managerial Capability**

**Windstream Communications, Inc. (“Windstream”) continues to be managed by very capable, experienced executives and employees, many of whom transferred from Alltel to Windstream. Windstream’s senior management team has an average tenure in the telecommunications industry of nearly 20 years, with over 130 years of combined telecommunications experience.**

**Windstream is employing personnel experienced and dedicated to the provision of high quality telecommunications service. In addition, Windstream retained many of the same experienced and knowledgeable persons that provided centralized services for Alltel. These services include human resources, finance, tax, media, legal, regulatory, planning, general support and information services thereby allowing the various**

**subsidiaries and affiliates to continue to enjoy efficiencies from centralized support services and the benefits of an experienced staff.**

### **Financial Capability**

**The parent company of Windstream clearly has retained the financial stability to succeed in the ever-increasing competitive telecommunications marketplace. Windstream's revenues will be approximately \$3.4 billion per year and is expected to generate \$1.7 billion of annual operating income before depreciation and amortization. As a result, Windstream will possess the financial capability to provide high quality telecommunications services to customers. Windstream, through its parent company, will have the ability to raise capital to invest in network, employees and information systems to continue providing high quality service.**

### **Public Interest**

**Windstream operates in an industry that has been and continues to be subject to rapid technological advances, evolving customer preferences and dynamic change. As mentioned in Windstream's Petition to Transfer Customers, the proposed transaction will improve operational efficiency and provide greater opportunities to improve the price and performance of services available to customers. These factors, combined with regulatory developments, create an environment in which the Windstream's interests are best served by this separation and merger. Windstream, as part of an independent, stand-alone wireline centric company serves the public interest by allowing Windstream to focus squarely on building its wireline operations to provide a full range of high quality services to residential and business customers. Windstream has ensured that service quality and the customer experience remain high priorities.**

### **Transparency to Customers**

**As mentioned in Windstream's prior Petitions, this transaction will be made in a seamless fashion that will avoid disruption to consumers. There will be no interruption of service, or change in affected customers' rates, features, terms or conditions of service as a result of this transaction.**