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August 18, 2010

#### Via Overnight Courier

Chairman Mary W. Freeman c/o Sharla Dillon, Dockets and Record Manager Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505

DOCKET NO.

Re: Joint Application of Joint Application of O-Comm Corporation, Kentucky Data Link, Inc., Norlight Telecommunications, Inc., Norlight, Inc., Knoxville Data Link, Inc. and Windstream Corporation for Approval of an Indirect Transfer of Control of Authorized Telecommunications Providers to Windstream Corporation

Dear Chairman Freeman:

On behalf of Q-Comm Corporation, Kentucky Data Link, Inc., Norlight Telecommunications, Inc., Norlight, Inc., Knoxville Data Link, Inc. (collectively, the "Q-Comm Entities") and Windstream Corporation, please find enclosed for filing an original and thirteen (13) copies of the above-referenced Joint Application. Also enclosed is a check in the amount of \$150.00 to cover the required filing fees.

Please date-stamp the extra copy of this filing and return it in the envelope provided. Should you have any questions concerning this filing, please do not hesitate to contact me at (202) 373-6002.

Respectfully submitted,

Jean L. Kiddoo Brett P. Ferenchak

Counsel to the Q-Comm Entities

Brett PFerender

**Enclosures** 

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

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# BEFORE THE TENNESEE REGULATORY AUTHORITY Nashville, Tennessee

In the Matter of the Joint Application of	)	
Q-COMM CORPORATION,	)	
KENTUCKY DATA LINK, INC.,	)	
NORLIGHT TELECOMMUNICATIONS, INC.,	)	
NORLIGHT, INC. AND	)	
KNOXVILLE DATA LINK, INC.	)	
	) Docket No	
AND	)	
WINDSTREAM CORPORATION	)	
for Approval of an Indirect Transfer of	)	
Control of Authorized Telecommunications	)	
Providers to Windstream Corporation	j	

#### APPLICATION FOR APPROVAL OF INDIRECT TRANSFER

Q-Comm Corporation ("Q-Comm"), Kentucky Data Link, Inc. ("KDL"), Norlight
Telecommunications, Inc., ("NTI"), Norlight, Inc. ("Norlight"), Knoxville Data Link, Inc.
("Knoxville") and Windstream Corporation ("Windstream") (collectively, "Applicants"), by
their counsel and pursuant to Tenn. Code Ann. § 65-4-113, out of an abundance of caution,
hereby respectfully request authority from the Tennessee Regulatory Authority ("TRA" or
"Authority") to complete a transaction between Q-Comm and Windstream through which
Windstream will acquire indirect transfer of control of KDL, NTI, Norlight, and Knoxville – the
Tennessee certificated subsidiaries of Q-Comm. Please note that the transaction is at the ultimate
parent holding company level only. The stock of the certificated entities will remain wholly

owned by their current existing parent company (Q-Comm or KDL), and the certificated entities themselves will not be directly affected by the transaction described herein.<sup>1</sup>

KDL is authorized as a competitive provider of local exchange and/or interexchange services in 30 states throughout the country, including as a local exchange and facilities-based interexchange carrier in Tennessee. Likewise, NTI is authorized as a competitive provider of local exchange and/or interexchange services in 34 states, including as an interexchange reseller in Tennessee. Norlight is authorized as a competitive provider of local exchange and/or interexchange services in 31 states, including as a local exchange and interexchange reseller in Tennessee. Finally, Knoxville is authorized as a competitive provider of local exchange and interexchange services in Tennessee. Windstream has subsidiary local exchange carrier operations in 23 states but is, itself, not a regulated entity and is participating in this Application solely in its capacity as an acquiring carrier in the merger transaction described herein.

As described more fully below, pursuant to the terms of an Agreement and Plan of Merger ("Agreement") dated August 17, 2010 among Windstream, Derby Merger Sub, Inc. ("MergerCo") (a direct, wholly-owned subsidiary of Windstream created for purposes of the merger), Q-Comm, and the Stockholders' Representative, MergerCo will merge with and into Q-Comm, with Q-Comm continuing as the surviving corporation (the "Transaction"). As a result of the Transaction, Q-Comm will become the direct, wholly-owned subsidiary of Windstream. Thus, Windstream will be the new ultimate parent company of KDL, NTI, Norlight, and Knoxville. This change in ultimate control does not involve a transfer of operating authority,

Because this change does not involve the transfer of a certificate or the assets of a regulated utility, Applicants do not believe that Tenn. Code Ann. § 65-4-113 is applicable to this transaction. Although the Applicants do not concede that the TRA has jurisdiction over this transaction, this filing contains the information described in Tenn. Code Ann. § 65-4-113 out of an abundance of caution.

A copy of the Agreement will be provided separately under seal.

assets or customers, and the Transaction is expected to be seamless to end user customers.<sup>3</sup> Immediately following consummation of the Transaction, KDL, NTI, Norlight, and Knoxville will continue to offer the same services, rates, terms and conditions pursuant to their existing authorization, and the only change resulting from the Transaction will be that these certificated entities will be ultimately owned by Windstream and may subsequently change their names to reflect "Windstream" in their names.

In order to consummate the Transaction later this year in 2010, Applicants request that the Authority grant all relief sought herein as expeditiously as possible, and at the latest by November 1, 2010, so that Applicants can close the Transaction as soon as practicable in order for them to meet critical business objectives. In support of this Application, Applicants provide the following information:

#### I. APPLICANTS

#### A. Windstream Corporation

Windstream Corporation, a Delaware corporation headquartered at 4001 Rodney Parham Road, Little Rock, Arkansas 72212, (501) 748-7000, is a publicly traded (NASDAQ: WIN) S&P 500 diversified communications and entertainment company. Windstream's subsidiaries provide local and long distance telephone services, broadband and high-speed data services and video services to customers primarily in rural areas in 23 states.<sup>4</sup> Windstream's subsidiaries also offer a wide range of IP-based voice and data services and advanced phone systems and equipment to businesses and government agencies. Windstream's operations currently have approximately 3.4

Windstream's existing subsidiaries in Tennessee, and consequently their customers, are not impacted by the Transaction described in this Application.

These states are as follows: Alabama, Arkansas, Florida, Georgia, Illinois, Iowa, Indiana, Kansas, Kentucky, Louisiana, Minnesota, Mississippi, Missouri, Nebraska, New Mexico, New York, North

million access lines, 9,500 employees, and approximately \$4 billion in annual revenues. More information can be found at www.windstream.com. As a publicly-traded company, there currently are no "10% or greater" shareholders of Windstream, and it is not anticipated that there will be any "10% or greater" shareholders of Windstream post-close. As noted previously, Windstream functions as a holding company and does not provide telecommunications services or hold any telecommunications licenses in its own right; it is participating in this proceeding solely in its capacity as the acquiring entity in the Transaction.

#### B. Q-Comm, KDL, NTI, Norlight, and Knoxville

KDL and Norlight are Kentucky corporations; NTI is a Wisconsin corporation; Knoxville is a Tennessee corporation. KDL, NTI, and Norlight are each a wholly owned direct subsidiary of Q-Comm, a privately-held Nevada corporation. Knoxville is a wholly owned subsidiary of KDL and an indirect subsidiary of Q-Comm. These entities operate an executive office at 8829 Bond Street, Overland Park, Kansas 66214 and an operations office at 3701 Communications Way, Evansville, Indiana 47715.

Q-Comm's operating subsidiaries (including KDL, NTI, Norlight, and Knoxville) operate an extensive fiber optic network that spans nearly 30,000 miles and reaches into 26 states. KDL and Knoxville primarily provide long haul SONET transport and local access services to other carriers and enterprise customers. NTI primarily provides high-speed transport services to enterprise customers. Norlight provides local telephone services, long distance services, Internet access and other data services to business and residential customers. Collectively, Q-Comm's operating subsidiaries are authorized to provide local exchange and/or interexchange telecommunications services in the District of Columbia and 41 states, including Tennessee. In

Carolina, Ohio, Oklahoma, Pennsylvania, South Carolina, Tennessee and Texas. Again, the existing subsidiary operations of Windstream in these states will not be affected by the instant Transaction.

Tennessee, KDL, NTI, Norlight, and Knoxville are authorized to provide competitive local exchange and interexchanges services.<sup>5</sup> These entities also hold licenses with the Federal Communications Commission to provide domestic interstate and/or international telecommunications services.<sup>6</sup>

#### II. DESIGNATED CONTACTS

The designated contacts for questions concerning this Application are:

FOR Q-COMM, KDL, NTI, NORLIGHT, AND KNOXVILLE	FOR WINDSTREAM
Jean L. Kiddoo Brett P. Ferenchak Bingham McCutchen LLP 2020 K Street, N.W. Washington, DC 20006 202-373-6000 (Tel) 202-373-6001 (Fax) jean.kiddoo@bingham.com brett.ferenchak@bingham.com	Kimberly K. Bennett VP- Regulatory Counsel Windstream Corporation 4001 Rodney Parham Road Little Rock, Arkansas 72212 501-748-6374 (Tel) Kimberly.K.Bennett@windstream.com

KDL is authorized to provide (1) intrastate telecommunications service as an interexchange carrier pursuant to the Order issued in Docket No. 99-00408 on May 22, 2000 and (2) competing local telecommunications services pursuant to the Order issued in Docket No. 04-00011 on April 14, 2004. NTI is authorized to provide operator services and/or resell telecommunications services pursuant to an Order issued in Docket No. 96-00890 on August 31, 1996. Norlight is authorized to provide facilities-based and resold local exchange and interexchange telecommunications services pursuant to an Order issued in Docket No. 01-00112 on April 4, 2001, as amended in Docket No. 07-00236 on November 20, 2007. Knoxville is authorized to provide local exchange and interexchange telecommunications services pursuant to an Order issued in Docket No. 06-00186 on November 8, 2006.

<sup>6</sup> Applicants are also filing the appropriate applications with the Federal Communications Commission for approval of the Transaction.

With a copy to:

With a copy to:

John Chuang

Corporate Counsel

Q-Comm Corporation

8829 Bond St.

Overland Park, KS 66214

913-754-3339 (Tel)

812-759-1647 (Fax)

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Jayne Eve

**VP-State Government Affairs** 

236 W Center Ave

Mooresville, NC 28115

704-660-6680 (Tel)

Jayne.t.eve@windstream.com

#### III. DESCRIPTION OF THE TRANSACTION

Pursuant to the terms of the Agreement, Windstream intends to acquire Q-Comm and its operating subsidiaries, including KDL, NTI, Norlight, and Knoxville in a merger transaction. Specifically, MergerCo, a wholly-owned merger subsidiary of Windstream, will merge with and into Q-Comm, with Q-Comm continuing as the surviving corporation. As a result, Q-Comm will become a direct, wholly-owned subsidiary of Windstream. Thus, Windstream will be the new ultimate parent company of KDL, NTI, Norlight, and Knoxville.

The current customers of KDL, NTI, Norlight, and Knoxville will remain customers of those entities. Accordingly, the Transaction will be virtually seamless to customers, who will continue to enjoy the same rates, terms and conditions of service as they do prior to closing.<sup>7</sup> The only change resulting immediately from the Transaction will be that KDL, NTI, Norlight, and Knoxville will be ultimately owned by Windstream, a widely-held public corporation.

Windstream is technically and financially well-qualified to become the new ultimate owner of KDL, NTI, Norlight, and Knoxville. As noted above, subsidiaries of Windstream currently provide local telecommunications services in 23 states, including Tennessee and are authorized to provide interexchange services in 48 states. For additional detail on the financial

Any subsequent changes made through the ordinary course of business will be made pursuant to applicable regulatory approval and tariffing processes.

and managerial qualifications of Windstream, please see www.Windstream.com. KDL, NTI, Norlight, and Knoxville will continue to have the managerial, technical and financial qualifications to provide high quality telecommunications services to consumers in Tennessee, supported by experienced Windstream management and the financial resources of Windstream.

Diagrams showing the Transaction and the corporate structure of the Applicants pre- and post-Transaction are appended hereto as **Exhibit A**.

### IV. PUBLIC INTEREST STATEMENT

#### A. Public Interest Benefits of the Transaction

TRA approval of the Transaction will clearly serve the public interest. The telecommunications industry has been and continues to be subject to rapid technological advances, evolving consumer preferences and dynamic changes. The creation of Windstream in 2006 established an independent, stand-alone wireline-centric corporation that serves the public interest by focusing squarely on enhancing local wireline operations primarily in rural areas. Combining KDL, NTI, Norlight, and Knoxville with Windstream will enable Windstream's subsidiaries to offer, and the existing Q-Comm certificated entities to continue to offer, high quality services to customers. Windstream will help ensure the continuation of the certificated entities' ability to deploy and maintain innovative and advanced telecommunications offerings, benefiting Tennessee consumers and serving the public interest, convenience and necessity.

The efficiencies and economies of scale resulting from the Transaction will improve the combined entities' economic position and, thus, their ability to continue to attract financing to invest in and offer new and innovative services, including those in rural areas. Enabling small and medium-sized carriers to achieve such efficiencies is publicly beneficial as competition

Windstream was formed on July 17, 2006 through the spin-off of ALLTEL Corporation's landline business and its merger with Valor Communications Group.

serves the public interest, and these companies continue to face new competitive challenges. The Transaction will also provide each Applicant with access to the other's advanced network capabilities, technical and financial strengths, and complementary services, which together are expected to strengthen Applicants' ability to provide quality service. The Transaction will enable the customers of KDL, NTI, Norlight, and Knoxville to benefit from innovative products offered by other Windstream subsidiaries, and the combined enterprise will be able to achieve greater economies of scale and scope than the Q-Comm subsidiaries would have had operating independently.

#### B. The Transaction Will be Seamless to Subscribers

The Transaction will be generally transparent to customers and, at the time of the merger, they will not experience any change in their services, rates, terms and conditions of such service as a result of the Transaction. Any future changes in rates, terms and conditions of service will be made in accordance with applicable Authority requirements, and any future consolidation of the operations into or with other Windstream processes, such that customers would see a change in their service, would be undertaken pursuant to applicable rules and notice requirements.<sup>9</sup>

#### C. The Transaction Poses No Competitive Risks

The Transaction will not result in harm to competition in any relevant market. Given the increasingly competitive nature of the communications market, Applicants are seeking to complete the Transaction as soon as possible in 2010 in order to ensure that customers and Applicants can rapidly obtain the benefits that will be generated by the combined companies.

The contemplated transfer of control does not raise any slamming concerns or necessitate compliance with FCC or state procedures to notify customers prior to a carrier-to-carrier sale or transfer of subscribers as the contemplated transaction does not involve any change in a customer's existing service provider. The customers of KDL, NTI, Norlight, and Knoxville will remain with their company and will continue to be served under its existing authorization.

This Transaction will enhance competition because it will strengthen the certificated entities and enable Windstream's subsidiaries to expand or strengthen their competitive efforts in areas outside their existing service territories. Applicants emphasize that the Transaction will not have a negative impact on current Windstream customers or customers of KDL, NTI, Norlight, and Knoxville.

#### V. CONCLUSION

Based on the foregoing, Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by TRA approval of the Transaction.

Accordingly, Applicants respectfully request expedited treatment to permit Applicants to complete the proposed Transaction as soon as possible in 2010.

This 18<sup>th</sup> day of August, 2010.

Respectfully submitted,

Windstream Corporation

Q-Comm Corporation
Kentucky Data Link, Inc.,
Norlight Telecommunications, Inc.,
Norlight, Inc.
Knoxville Data Link, Inc.

By: Kimbelly K Bennett BPF

Kimberly K. Bennett

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Its Counsel

Зу: **\_\_\_** 

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Their Counsel

# LIST OF EXHIBITS

Exhibit A Chart of the Transaction and the Pre- and Post-Transaction

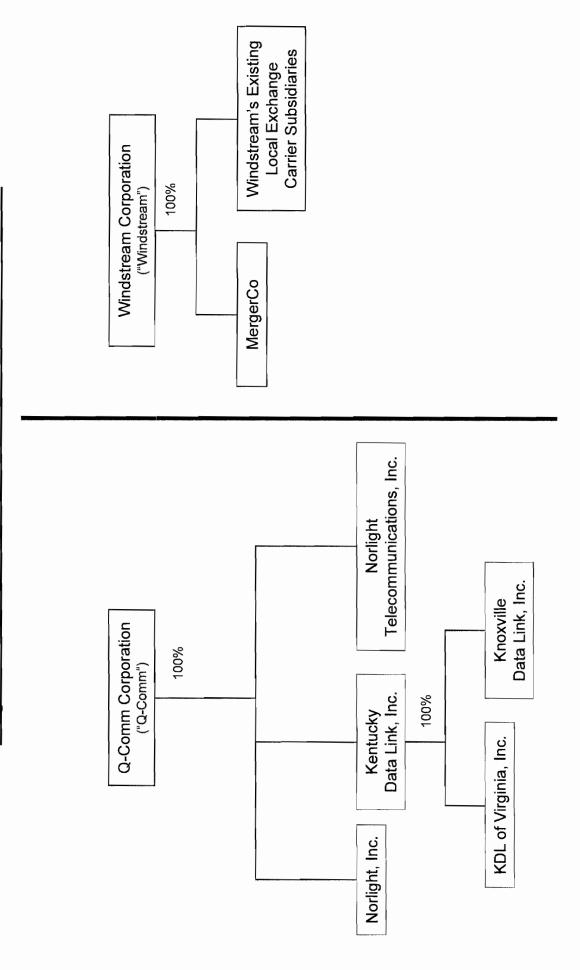
Corporate Organizational Structure

Verifications

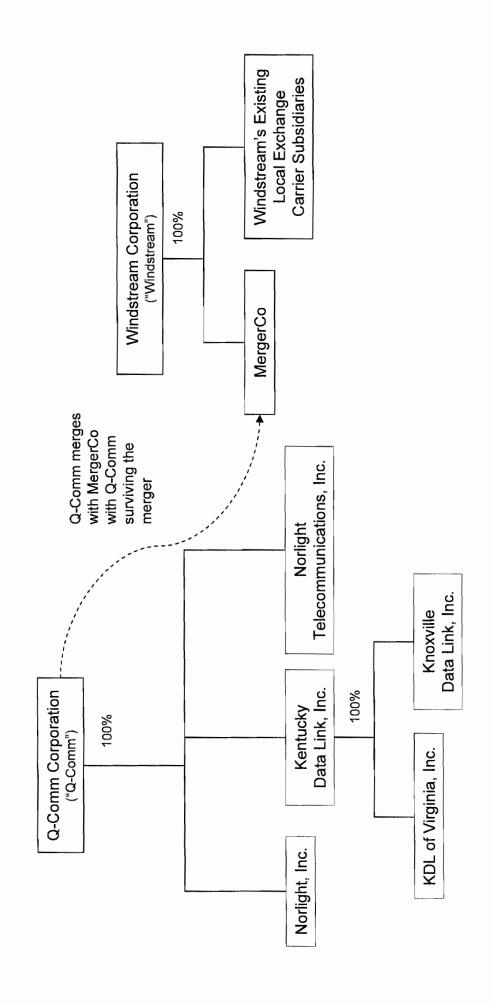
# EXHIBIT A

Chart of the Transaction and the Pre- and Post-Transaction Corporate Organizational Structure

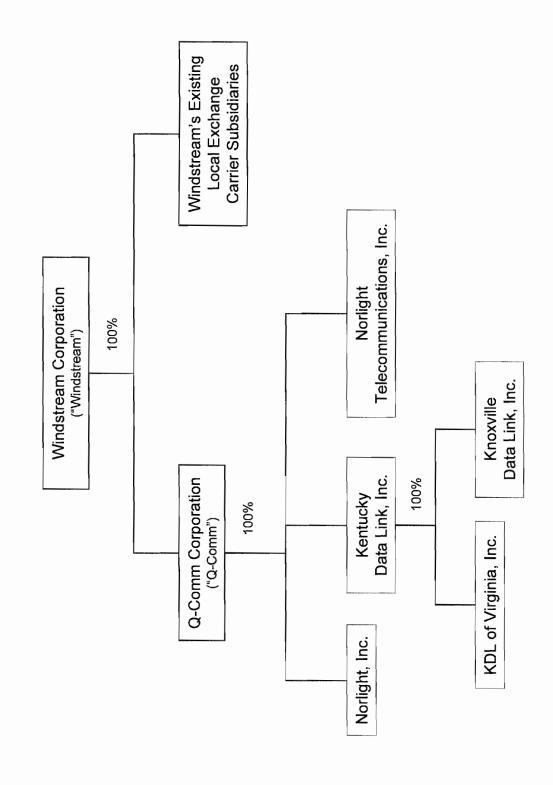
Regulated Subsidiaries of Q-Comm and Windstream Pre-Transaction Ownership of the Applicable



# Illustration of Transaction



Regulated Subsidiaries of Q-Comm and Windstream Post-Transaction Ownership of the Applicable



# **VERIFICATIONS**

STATE OF KANSAS § ss COUNTY OF JOHNSON §

#### VERIFICATION

I, John Chuang, am Corporate Counsel of Q Services Company, a subsidiary of Q-Comm Corporation ("Q-Comm") and affiliate of Kentucky Data Link, Inc. ("KDL"), Norlight Telecommunications, Inc. ("NTI"), Norlight, Inc. ("Norlight") and Knoxville Data Link, Inc. ("Knoxville") (Q-Comm, KDL, NTI, Norlight and Knoxville collectively, the "Company"). I am authorized to represent Q-Comm, KDL, NTI, Norlight and Knoxville to make this verification on their behalf. The statements in the foregoing document relating to the Company and their affiliates are true and correct to the best of my knowledge and belief.

I declare under penalty of perjury that the foregoing is true and correct. Dated this \_\_ day of August, 2010.

John Chuang

Corporate Counsel
O Services Company

Subscribed and sworn to before me this /// day of August, 2010.

Notary Public

My Commission expires: \_

7-15-14

ANTHONY GILLETTE

Notary Public

State of Kansas

My Commission Expires 7-15-14

# VERIFICATION

I, Michael D. Rhoda, am Senior Vice President - Government Affairs of Windstream Corporation. I am authorized to represent it and its affiliates and to make this verification on their behalf. The statements in the foregoing document relating to Windstream Corporation and its affiliates are true and correct to the best of my knowledge and belief.

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

Subscribed and sworn to before me this /3/2day of August, 2010.

My Commission expires: Agt 1, 2011

