

Jean L. Kiddoo
 Brett P. Ferencak
 jean.kiddoo@bingham.com
 brett.ferencak@bingham.com

Docket No. 13-00019

January 22, 2013

Via Overnight Courier and Electronic Mail

Chairman James M. Allison
 c/o Sharla Dillon, Dockets and Records Manager
 Tennessee Regulatory Authority
 460 James Robertson Parkway
 Nashville, TN 37243-0505
 Sharla.Dillon@tn.gov

**Re: Notification of Zayo Group, LLC, American Fiber Systems, Inc. and
 USCarrier Telecom, LLC Regarding Certain *Pro Forma* Intra-
 Company Transactions**

Dear Chairman Allison:

Zayo Group, LLC (“Zayo”), American Fiber Systems, Inc. (“AFS”) (together, the “Company”) and USCarrier Telecom, LLC (“USCarrier”) (collectively, the “Parties”), by their undersigned counsel hereby notify the Authority of certain *pro forma* intra-company transactions. Specifically, the *pro forma* intra-company transactions will involve (1) the roll-up of AFS into Zayo through a series of *pro forma* mergers, with Zayo as the surviving entity and (2) USCarrier’s direct parent, USCarrier Telecom Holdings, LLC (“USC Holdings”), becoming a direct wholly owned subsidiary of Zayo (together, the “*Pro Forma* Transactions”). The *Pro Forma* Transactions are part of a series of intra-company transactions that will simplify the corporate structure of Zayo.

It is the Parties’ understanding that Authority approval is not required to complete the *Pro Forma* Transactions described herein because they have elected market regulation.¹ Accordingly, the Parties submit this letter for informational purposes only to ensure the continuing accuracy of the Authority’s records. In support, the Parties state as follows:

Introduction

Since the time that it completed a *pro forma* intra-company consolidation in 2011, Zayo has acquired a number of additional existing communications businesses, including USCarrier. As a result of these acquisitions, the corporate structure of

¹ See USCarrier Telecom, LLC Notification of Intent to Operate Pursuant to Market Regulation, Docket No. 12-00086; Zayo Group, LLC Notification of Intent to Operate Pursuant to Market Regulation, Docket No. 11-00091; and American Fiber Systems, Inc. Notification of Intent to Operate Pursuant to Market Regulation, Docket No. 11-00200.

Beijing
 Boston
 Frankfurt
 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

A/75298691.3

Zayo has again become more complex, with numerous operating entities. Through the consolidation of those entities, Zayo will greatly simplify its corporate structure and reduce the reporting and accounting burdens of Zayo (and the regulatory agencies who receive such reports) and provide operational efficiencies.

Description of the Parties

Zayo is a Delaware limited liability company with principal offices at 400 Centennial Parkway, Suite 200, Louisville, Colorado 80027. AFS is a Delaware corporation. USCarrier is a Georgia limited liability company. AFS and USCarrier are wholly owned indirect subsidiaries of Zayo. Zayo is a wholly-owned direct subsidiary of Zayo Group Holdings, Inc. ("Holdings"), a Delaware corporation, which in turn is a wholly owned direct subsidiary of Communications Infrastructure Investments, LLC ("CII"), a Delaware limited liability company. CII has no majority owner.

The Company is a provider of bandwidth infrastructure and network neutral colocation and interconnection services over regional and metropolitan fiber networks. These services enable customers to manage, operate, and scale their telecommunications and data networks. Such customers consist primarily of wireless service providers, national and regional telecommunications carriers and other communications service providers, media and content companies, schools, hospitals, governments, banks and other bandwidth-intensive enterprises.

In Tennessee, Zayo is authorized to provide facilities-based and resold telecommunications services pursuant to the Certificate of Public Convenience and Necessity ("Certificate") issued in Docket No. 11-00116 on October 11, 2011. AFS is authorized to provide facilities-based and resold telecommunications services pursuant to the Certificate issued in Docket No. 00-00988 on January 24, 2001. USCarrier is authorized to provide resold and facilities-based interexchange private line service pursuant to the Certificate issued in Docket No. 01-00512 on September 13, 2001. Zayo, AFS and USCarrier are also authorized by the FCC to provide domestic and/or international telecommunications services.

Designated Contacts

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

For the Parties:

Jean L. Kiddoo
Brett P. Ferencak
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
brett.ferencak@bingham.com

with copies to:

Scott E. Beer, General Counsel
Jill Sandford, Assoc. General Counsel
Zayo Group, LLC
400 Centennial Parkway, Suite 200
Louisville, CO 80027
914-421-7585 (tel)
914-421-6793 (fax)
scott.beer@zayo.com
jill.sandford@zayo.com

Description of the *Pro Forma* Intra-Company Transactions

In order to simplify its corporate structure, Zayo is undertaking certain *pro forma* intra-company transactions including the roll-up of AFS into Zayo through a series of *pro forma* mergers, with Zayo as the surviving entity (i.e. its merging subsidiaries will cease to exist as separate corporate entities) As a result of the *pro forma* mergers, USC Holdings will become a direct, rather than indirect, wholly owned subsidiary of Zayo while USCarrier will remain a direct wholly owned subsidiary of USC Holdings. Diagrams illustrating the organizational structure of the Company before and after the *Pro Forma* Transactions are provided in Exhibit A.

The proposed *Pro Forma* Transactions will not result in any changes to the services received by customers, including rates, terms and conditions of service. In fact, the *Pro Forma* Transactions will be virtually seamless to the Company's customers. Additionally, each of the affected customers of AFS will receive notice of the *Pro Forma* Transactions that affect their service. A sample of the notice that will be sent to customers is provided as Exhibit B. The customers of USCarrier will remain customers of USCarrier and will not become customers of Zayo at this time.

Public Interest Considerations

The Parties submit that the *pro forma* intra-company transactions described herein are in the public interest. The *Pro Forma* Transactions will simplify the Company's existing corporate structure and thereby reduce its reporting and accounting burdens and provide other operational efficiencies. As a result of the efficiencies and focus, the Company will become a stronger competitor to the ultimate benefit of consumers.

Chairman James M. Allison
January 22, 2013
Page 4

Furthermore, the *Pro Forma* Transactions will be virtually transparent to customers and will not result in any change in their services. Since all affected customers are already familiar with and are receiving invoices including the "Zayo" brand, the *Pro Forma* Transactions will not result in customer confusion. Moreover, the rates, terms and conditions of their services will not change as a result of these purely intra-company transactions.

Finally, all of Zayo's subsidiaries, including AFS and USCarrier, have the same corporate officers. Therefore, there will be no change in the managerial qualifications of the telecommunications provider serving the customers affected by the *Pro Forma* Transactions, nor will there be a change in the management policies of the Company as a result of the *Pro Forma* Transactions.

* * * *

An original and four (4) copies of this document are enclosed for filing. Please date-stamp the extra copy of this filing and return it in the envelope provided. Should you have any questions, please do not hesitate to contact us.

Respectfully submitted,



Jean L. Kiddoo
Brett P. Ferencak

Counsel for the Parties

LIST OF EXHIBITS

Exhibit A Diagrams of the Pre- and Post-*Pro Forma* Intra-Company Transactions
Corporate Organization Structure of the Parties

Exhibit B Sample Customer Notice

VERIFICATION

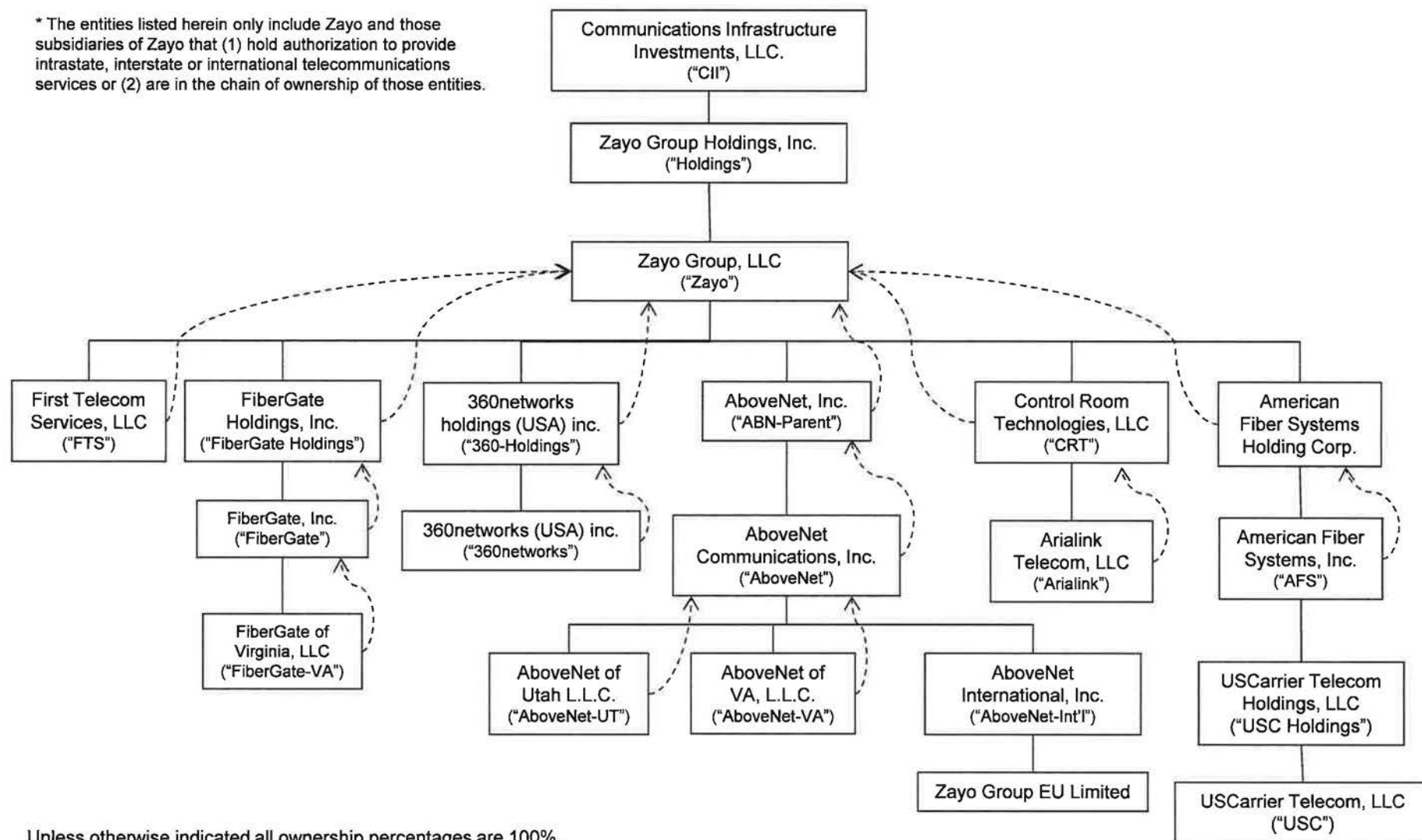
EXHIBIT A

Diagrams of the Pre- and Post-*Pro Forma* Transactions
Corporate Organization Structure of the Parties

Corporate Organizational Structure of the Company

Before the *Pro Forma* Transactions

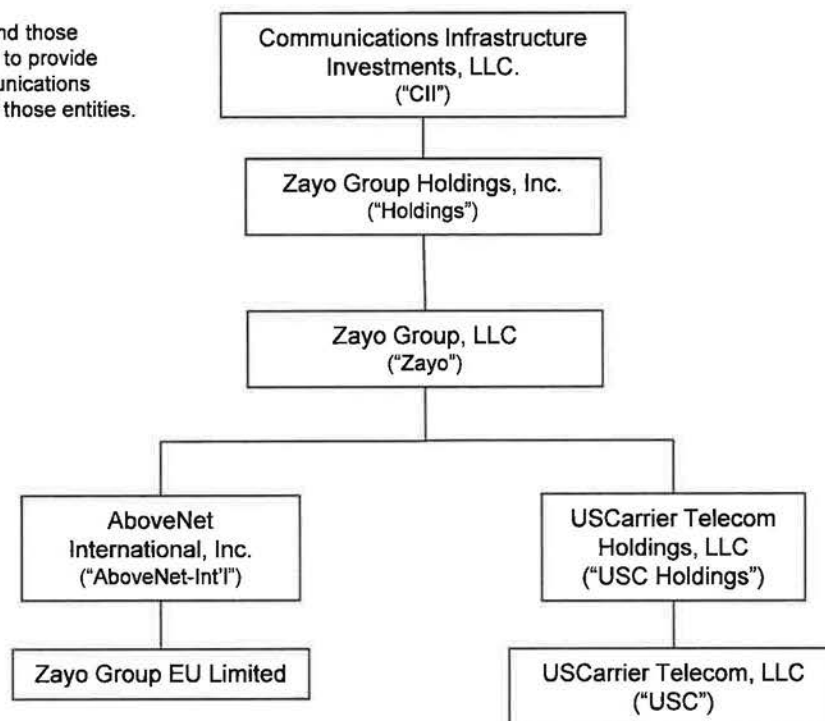
* The entities listed herein only include Zayo and those subsidiaries of Zayo that (1) hold authorization to provide intrastate, interstate or international telecommunications services or (2) are in the chain of ownership of those entities.



Unless otherwise indicated all ownership percentages are 100%.

Corporate Organizational Structure of the Company After the *Pro Forma* Transactions

* The entities listed herein only include Zayo and those subsidiaries 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.



Unless otherwise indicated all ownership percentages are 100%.

EXHIBIT B

Sample Customer Notice

The applicable affected customers will receive notice of the *Pro Forma* Transactions through a bill notation. The notice will be provided to customers in their bill issued at least 30 days prior to the *Pro Forma* Transactions. The text of the bill notation will be substantially similar to the following:

On or about [DATE], subject to receipt of any necessary regulatory approvals, Zayo Group, LLC will undertake an internal corporate consolidation. Thus, the Zayo corporate entity that will provide your telecommunications services will be Zayo Group, LLC. Your services and the associated pricing and terms and conditions of service will not change as a result of this internal consolidation. There is no charge associated with this change. You will receive a bill from Zayo and we will continue to resolve any issues you may have with your account or service using the same customer service number: 1-866-236-2824.

We recognize that, subject to the terms of your contract, you always have a choice in providers and believe that this internal consolidation will enhance our ability to serve you. Zayo looks forward to continuing to provide you with the superior service you are accustomed to receiving and to the opportunity to provide you additional services.

VERIFICATION

STATE OF COLORADO
COUNTY OF BOULDER

§
§
§

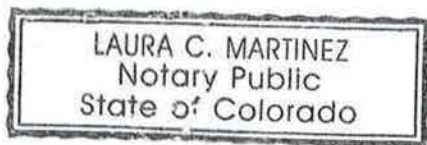
VERIFICATION

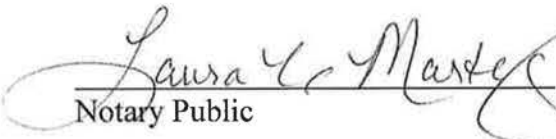
I, Scott E. Beer, am Vice President, General Counsel and Secretary of Zayo Group, LLC and its subsidiaries (collectively, "Zayo") and Onvoy, Inc. ("Onvoy"); that I am authorized to make this Verification on behalf of Zayo and Onvoy; that the foregoing filing was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.



Scott E. Beer
Vice President, General Counsel and Secretary
Zayo Group, LLC
Onvoy, Inc.

Sworn and subscribed before me this 9th day of November, 2012.





Notary Public

My commission expires 04.01.2016
#20084011076