

Eric Fryson

From: DeMarchis, Virpi [VDeMarchis@above.net]
Sent: Wednesday, August 15, 2012 12:30 PM
To: Filings@psc.state.fl.us
Cc: Sandford, Jill
Subject: Notification Regarding the Transfer of Indirect Control of USCarrier Telecom, LLC to American Fiber Systems, Inc.
Attachments: Florida Public Service Commission Notification Regarding Transfer of Indirect Control.pdf

7/11/12

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05601 AUG 15 2012

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8/15/2012



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(914) 421-7585

August 15, 2012

Via Electronic Filing

Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
filings@psc.state.fl.us

Re: Notification Regarding the Transfer of Indirect Control of USCarrier Telecom, LLC to American Fiber Systems, Inc.

Dear Ms. Cole:

USCarrier Telecom, LLC ("USCarrier") and American Fiber Systems, Inc. ("AFS") (collectively, the "Parties") hereby notify the Commission of the transfer of indirect control of USCarrier to AFS (the "Transaction"). It is the Parties' understanding that Commission approval is not required to complete the transaction described herein. The Parties submit this letter for informational purposes only to ensure the continuing accuracy of the Commission's records.

In support of this filing, the Parties state the following:

Description of the Parties

A. USCarrier Telecom, LLC

USCarrier is a Georgia limited liability company with principal business offices at 3101 Towercreek Parkway, Suite 450, Atlanta, Georgia 30339. USCarrier is a majority owned subsidiary of USCarrier Telecom Holdings, LLC ("USC Holdings").¹ USC Holdings' membership consists of seventeen independent local exchange companies or affiliates of local exchange companies (collectively, the "Sellers") and AFS. Specifically, prior to the Transaction, Sellers and AFS own approximately 45%

¹ Two independent local exchange company members own small, minority interests directly in USCarrier equaling, in the aggregate, approximately two percent (2%) of the ownership of USCarrier. USC Holdings intends to purchase all of the ownership interests (approximately 1%) of one of such members prior to completion of the Transaction.

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and approximately 55% of the membership units of USC Holdings, respectively. USCarrier is the only subsidiary of USC Holdings and it has no subsidiaries.

USCarrier is authorized to provide telecommunications services in Florida, South Carolina, Georgia, Alabama, and Tennessee. In Florida, USCarrier is authorized to provide interexchange services on a deregulated basis and formerly held IXC Certificate No. 7534.

B. AFS, AboveNet Communications, Inc. and 360networks (USA), Inc.

AFS is a Delaware corporation with principal offices at 400 Centennial Parkway, Suite 200, Louisville, Colorado 80027. AFS is a wholly-owned direct subsidiary of American Fiber Systems Holding Corp., a Delaware corporation, which is a wholly-owned direct subsidiary of Zayo Group, LLC ("Zayo"), which is a Delaware limited liability company and a wholly-owned direct subsidiary of Zayo Group Holdings, Inc., 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.

AFS (itself and through its parent and affiliates) 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. AFS'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. AFS's fiber network spans over 61,000 route miles with 4.6 million miles of fiber, and serves approximately 9,000 buildings including major data centers, telecommunications hubs, enterprise buildings and cellular towers. AFS operates in 44 states and in the District of Columbia in the U.S. and 7 countries in North America and Europe. Its network allows AFS to provide bandwidth infrastructure services to customers over redundant fiber facilities between key customer locations.

In Florida, an affiliate of AFS, 360networks (USA), Inc. ("360networks"), is authorized to provide local exchange service pursuant to CLEC Certificate No. 7665 and interexchange telecommunications services on a deregulated basis (formerly held IXC Certificate No. 7297). Also, another affiliate of AFS, AboveNet Communications, Inc. ("AboveNet"), is authorized to provide competitive local exchange services pursuant to CLEC Certificate No. 7124 and interexchange services on a deregulated basis (formerly held IXC Certificate No. 7157).² AFS, AboveNet and 360networks are also authorized by the FCC to provide domestic and/or international telecommunications services.

Contact Information

Questions or any correspondence or other materials pertaining to this filing should be directed to the following:

² The certificates were originally granted in the name of Metromedia Fiber Network Services, Inc., which subsequently changed its name to AboveNet Communications, Inc.

For AFS:

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with copies to:

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For USCarrier:

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Description of the Transaction

Pursuant to the Unit Purchase Agreement, dated as of August 3, 2012, by and among AFS, USC Holdings, USCarrier, and Sellers (the "Agreement"), AFS will acquire all of the outstanding membership units in USC Holdings held by Sellers. As a result, USC Holdings will become a wholly-owned direct subsidiary of AFS and USCarrier will become an indirectly owned subsidiary of AFS. Diagrams depicting the pre- and post-transaction corporate organization structures are appended hereto as Exhibit A.

AFS is managerially, technically, and financially well-qualified to complete the Transaction. As noted above, AFS and its parent and affiliates are currently authorized to provide telecommunications services in the District of Columbia and in 44 states, including Florida. For additional detail on the financial and managerial qualifications of AFS and Zayo, please see www.zayo.com.

Public Interest Considerations

The Parties submit that the Transaction described herein will serve the public interest. As part of AFS, USCarrier will continue to provide high-quality telecommunications services to consumers while gaining access to the additional resources and operational expertise of AFS. USCarrier will also benefit by being able to offer services to more multi-location business and enterprise customers across a larger footprint in combination with AFS. USCarrier's network complements AFS's and its affiliates' networks and the acquisition will increase AFS's existing fiber footprint, making AFS, 360networks, AboveNet and USCarrier stronger competitors and thereby benefit consumers.

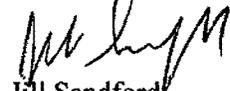
The current customers of USCarrier will remain customers of USCarrier immediately following the Transaction. Accordingly, the Transaction will be seamless to customers, who will continue to enjoy the same rates, terms and conditions of service as they do prior to closing. Any future changes to the rates, terms and conditions of service will be undertaken pursuant to the customers' contracts and

applicable law. The only immediate change resulting from the Transaction will be that USCarrier will be indirectly owned by AFS.

* * * *

Please acknowledge receipt and acceptance of this filing. Please do not hesitate to contact us if you have any questions.

Respectfully submitted,



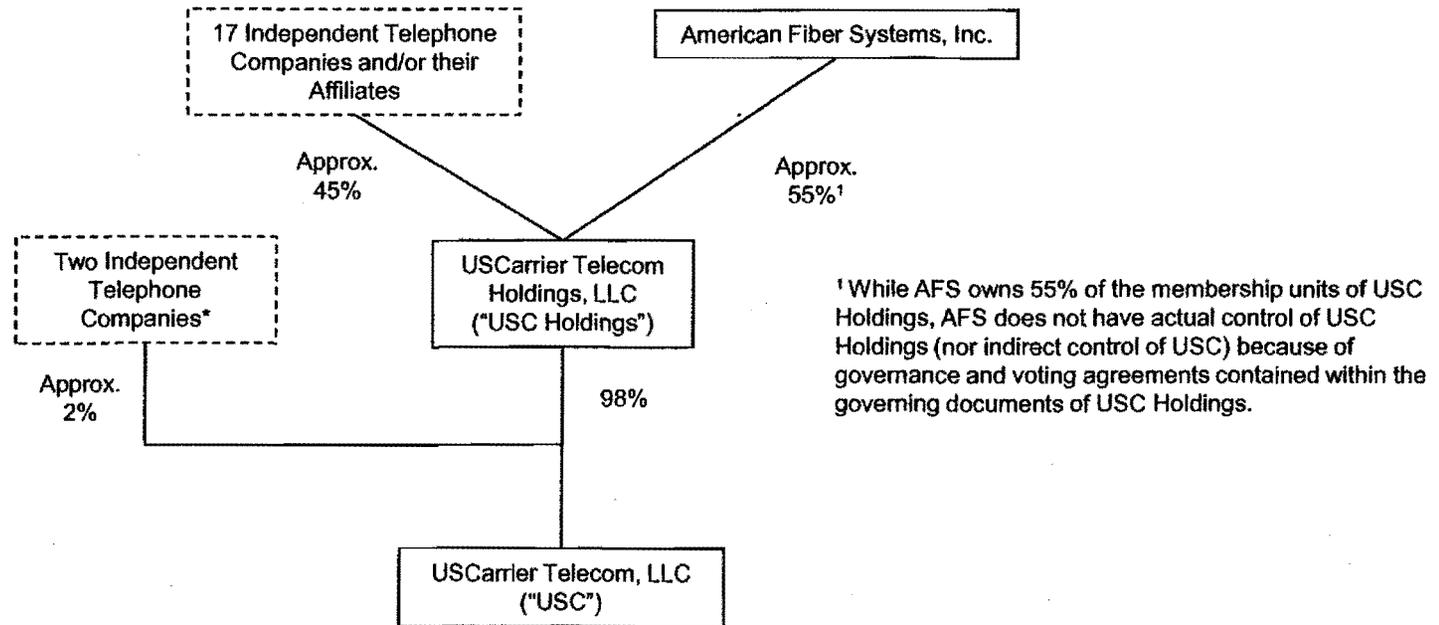
Jill Sandford
Associate General Counsel
Zayo Group, LLC

cc: Charles A. Hudak, Esq.
Jon C. Martin, Esq.

EXHIBIT A

Pre- and Post-Transaction Corporate Organization Structure

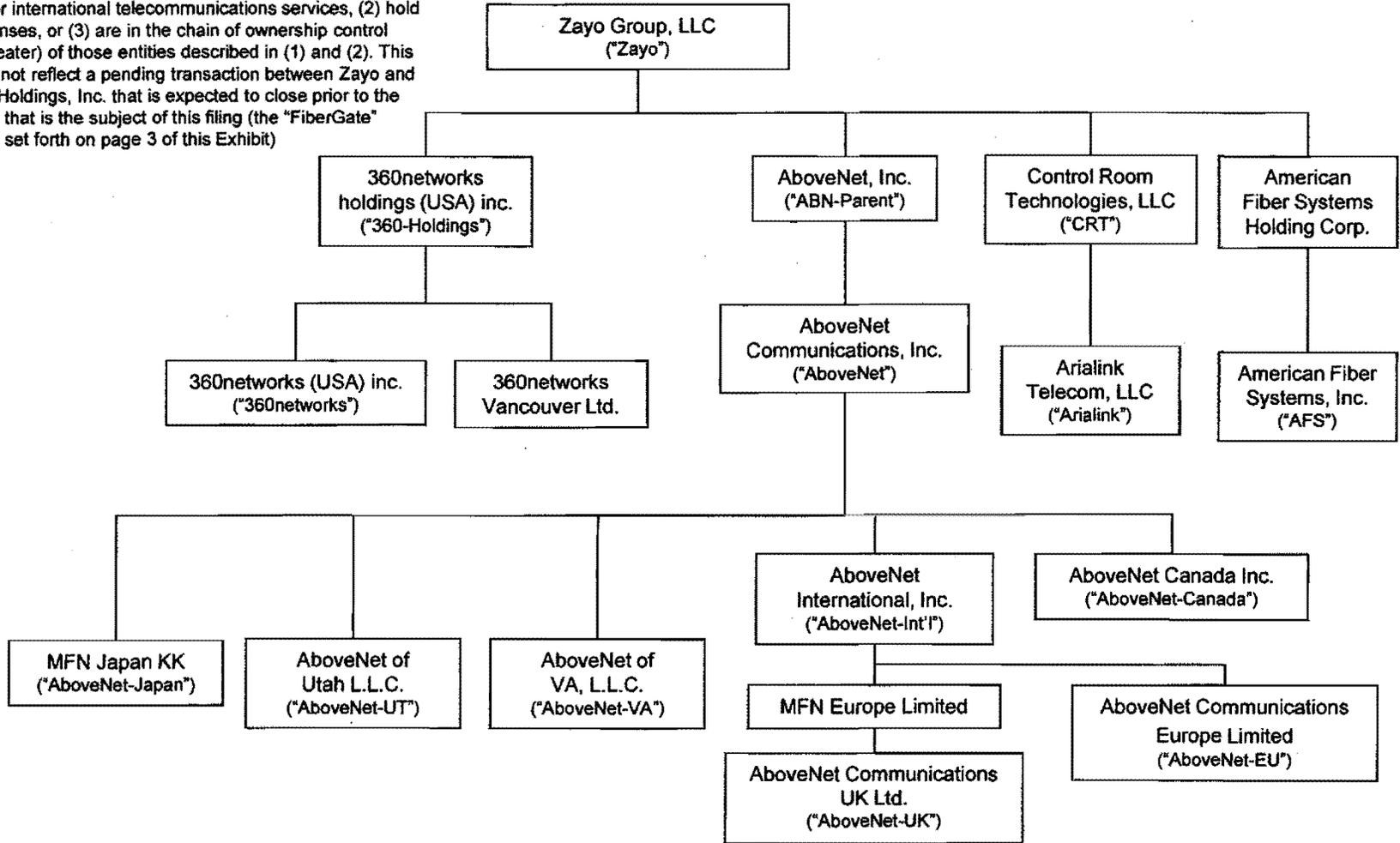
Current Corporate Structure of USCarrier



* Two Independent Telephone Companies own small, minority interests directly in USC equaling, in the aggregate, approximately two percent (2%) of the ownership of USC.

Current Corporate Structure of Zayo*

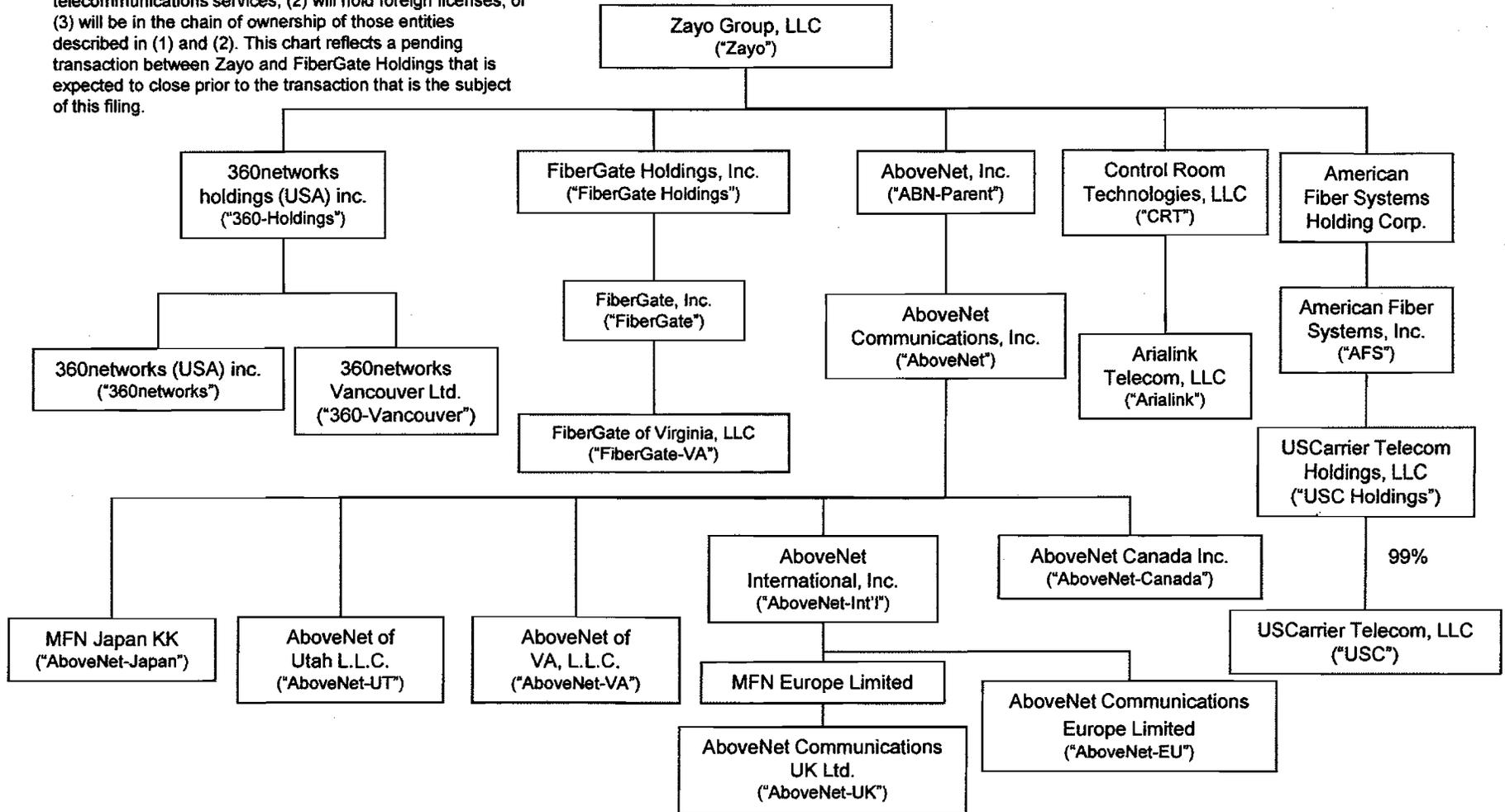
* The entities listed herein only include those subsidiaries of Zayo that currently (1) hold authorization to provide intrastate, interstate or international telecommunications services, (2) hold foreign licenses, or (3) are in the chain of ownership control (10% or greater) of those entities described in (1) and (2). This chart does not reflect a pending transaction between Zayo and FiberGate Holdings, Inc. that is expected to close prior to the transaction that is the subject of this filing (the "FiberGate" entities are set forth on page 3 of this Exhibit)



Unless otherwise indicated all ownership percentages are 100%.

Post-Transaction Corporate Structure of Zayo and USCarrier*

* The entities listed herein only include those subsidiaries of Zayo that post-transaction (1) will hold authorization to provide intrastate, interstate or international telecommunications services, (2) will hold foreign licenses, or (3) will be in the chain of ownership of those entities described in (1) and (2). This chart reflects a pending transaction between Zayo and FiberGate Holdings that is expected to close prior to the transaction that is the subject of this filing.



Unless otherwise indicated all ownership percentages are 100%.