

June 14, 2024

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JUN 14 2024

VIA HAND DELIVERY

Louisiana Public Service Commission – 12th Floor
Executive Division
ATTN: Brandon Frey, Executive Secretary
602 North Fifth Street
Baton Rouge, LA 70802

LA Public Service Commission

Re: Section 301(M) Notice Regarding the Proposed Intra-Company Reorganization Transactions of Windstream Holdings II, LLC and Its Louisiana Affiliates

Dear Secretary Frey:

Windstream Holdings II, LLC (“Windstream Holdings”), on behalf of its subsidiary New Windstream, LLC (“New Windstream”) and its subsidiaries holding Louisiana certificates (“Windstream Licensees”)¹ (collectively, “Windstream”), and Pacific Investment Management Company LLC (“PIMCO”) and certain funds managed, advised, and sub-advised by PIMCO (such funds and accounts, the “PIMCO Funds”) (together with Windstream, the “Parties”) hereby notify the Louisiana Public Service Commission (“Commission”) of certain planned intra-company and reorganization transactions (the “Reorganization”). The Reorganization, which will take place entirely at the parent holding company level, will result in New Windstream becoming the ultimate parent of the Windstream Licensees and certain intermediate holding company changes, but will not cause any change in operations or customer service in Louisiana. In addition, the Reorganization will result in the PIMCO Funds increasing their relative share of the ownership in Windstream but will not impact control of the Windstream Licensees due to Windstream’s governance structure, and the PIMCO Funds’ ownership interest of Windstream will remain below 50 percent.

The Parties file this Notice pursuant to Section 301(M)(1) of General Order R-31839 and Rule 3 of the Commission’s Rules of Practices and Procedures, to the extent necessary.

I. INTRODUCTION

Through the proposed Reorganization, New Windstream, with the identical pre-closing ownership and governance structure as Windstream Holdings, will become the ultimate parent of the Windstream Licensees, and additional intermediate holding companies will be added to Windstream’s parent company structure. In addition, Windstream will conduct a rights offering

¹ “Windstream Licensees” refers to Broadview Networks, Inc.; Business Telecom, LLC; DeltaCom, LLC; McLeodUSA Telecommunications Services, LLC; Network Telephone, LLC; PAETEC Communications, LLC; Talk America, LLC; The Other Phone Company, LLC; US LEC Communications, LLC; Windstream Communications, LLC; Windstream FiberNet, LLC; Windstream KDL, LLC; Windstream New Edge, LLC; and Windstream NuVox, LLC. One additional subsidiary, PAETEC iTEL, L.L.C., is pending authorization to provide Voice over Internet Protocol (“VoIP”) services in Louisiana pursuant to an application submitted on June 7, 2024..

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and repurchase certain membership interests in the company financed with proceeds from the rights offering. Windstream plans to undertake this Reorganization in order to generate tax efficiencies and to enable certain equity holders to increase their investment in the company while others decrease their investment.

No assignment of licenses, certificates, assets, or customers by the Windstream Licensees or the immediate parent entities of the Windstream Licensees will occur as a consequence of the proposed Reorganization, which will occur at the parent holding company level. The Windstream Licensees will continue to provide service under the same terms, conditions, rates and brand names as today. Accordingly, the Reorganization will be, for all practical purposes, imperceptible to the customers of the Windstream Licensees.

II. DESCRIPTION OF THE PARTIES AND RELATED ENTITIES

A. The Windstream Companies

i. Windstream

Windstream is a Delaware limited liability company which, through operating subsidiaries, provides fiber-based broadband to residential and small business customers in 18 states, managed cloud communications, networking and security services for mid-to-large enterprises and government entities across the United States, and customized wavelength and dark fiber solutions for carriers, content providers, and hyperscalers in the United States.

Windstream's incumbent local exchange carrier ("ILEC") operating subsidiaries offer services to residential, business, and government customers in Alabama, Arkansas, Florida, Georgia, Iowa, Kentucky, Minnesota, Mississippi, Missouri, Nebraska, New Mexico, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, South Carolina, and Texas.

Windstream's competitive local exchange carrier ("CLEC") operating subsidiaries in all 50 states and the District of Columbia offer services primarily to enterprise business and government customers, such as software-defined wide area networking, unified communications as a service, solutions to enable businesses to compete more effectively in the digital economy, and a variety of other data services, such as cloud computing, as well. Windstream's wholesale customer segment leverages optical technology that delivers fast, flexible, and customized wavelength and dark fiber solutions to carriers, content providers, and hyperscalers in the United States.

ii. Windstream Licensees

Windstream's operating subsidiaries offer services in all 50 states and the District of Columbia. Its CLEC subsidiaries offer business and enterprise services statewide.

In Louisiana, the Windstream Licensees hold the following authorizations:²

- Broadview Networks, Inc. is authorized to provide competitive local exchange and interexchange telecommunications services pursuant to Certificate No. TSP00623-A.
- Business Telecom, LLC is authorized to provide competitive local exchange and interexchange telecommunications services pursuant to Certificate No. TSP00194-A.
- DeltaCom, LLC is authorized to provide competitive local exchange and interexchange telecommunications services pursuant to Certificate No. TSP00128-C.
- McLeodUSA Telecommunications Services, LLC is authorized to provide competitive local exchange and interexchange telecommunications services pursuant to Certificate No. TSP00084-D.
- Network Telephone, LLC is authorized to provide competitive local exchange and interexchange telecommunications services pursuant to Certificate No. TSP00201-B.
- PAETEC Communications, LLC is authorized to provide interexchange telecommunications services pursuant to Certificate No. TSP00236-A.
- Talk America, LLC is authorized to provide competitive local exchange and interexchange telecommunications services pursuant to Certificate No. TSP00131-C.
- The Other Phone Company, LLC is authorized to provide competitive local exchange and interexchange telecommunications services pursuant to Certificate No. TSP00235-B.
- US LEC Communications, LLC is authorized to provide competitive local exchange, interexchange, and competitive access telecommunications services pursuant to Certificate No. TSP00324-B.
- Windstream Communications, LLC is authorized to provide interexchange telecommunications services pursuant to Certificate No. TSP00590-B.
- Windstream FiberNet, LLC is authorized to provide competitive access telecommunications services pursuant to Certificate No. TSP00692-A.
- Windstream KDL, LLC is authorized to provide competitive local exchange and interexchange telecommunications services pursuant to Certificate No. TSP00622-A.
- Windstream New Edge, LLC is authorized to provide competitive local exchange and interexchange telecommunications services pursuant to Certificate No. TSP00334-C.

² As noted, another Windstream entity, PAETEC iTEL, LLC, is pending authorization to provide VoIP services in Louisiana.

- Windstream NuVox, LLC is authorized to provide competitive local exchange and interexchange telecommunications services pursuant to Certificate No. TSP00198-F.

iii. New Windstream

New Windstream is a Delaware limited liability company and wholly owned subsidiary of Windstream Holdings II, LLC. As a result of the Reorganization, it will become the ultimate parent of the Windstream Licensees, but will have the identical leadership and the same pre-closing ownership as Windstream Holdings.

B. PIMCO Funds and Accounts

PIMCO is a Delaware limited liability company and an SEC-registered investment adviser that is headquartered at 650 Newport Center Drive, Newport Beach, California 92660 and is one of the largest investment management firms in the United States with approximately \$1.89 trillion of assets under management as of March 31, 2024. Certain PIMCO Funds hold approximately 21 percent voting interest in Windstream.

The PIMCO Funds will not acquire additional equity in Windstream through the Reorganization. However, as described below, their aggregate percentage of the overall ownership in the company will increase by an excess of one percent (from approximately 21 percent up to slightly below 50 percent as a result of the reduction in outstanding common units as Windstream repurchases equity from other minority investors.³ Due to Windstream's governance structure and limitations on the powers of members in its limited liability company agreement, this increase in PIMCO Funds' relative ownership of Windstream common units will not have the effect of conferring any actual control upon the PIMCO Funds or PIMCO over the governance or management of the company.

C. Elliott and Elliott Funds

Elliott Investment Management L.P., on behalf of its advisory affiliates (collectively, "Elliott") and managed funds (the "Elliott Funds"), manage multi-strategy hedge funds and other investment vehicles with over \$65 billion in assets under management. Elliott, headquartered at 360 S. Rosemary Avenue, 18th Floor, West Palm Beach, Florida 33401, provides discretionary investment advice and other services to private investment funds and co-investment commitments, trades in securities across the capital structure, and often will take a leading role in event-driven situations to create value or manage risk. The Elliott Funds currently hold slightly less than 50 percent of the equity in Windstream. Their ownership in Windstream will not appreciably change as a result of the Reorganization and will remain slightly below 50 percent.⁴

³ The precise amount will depend upon participation in the rights offering by other Windstream equity holders, and may ultimately be less than this amount, but will in no event reach or exceed 50 percent.

⁴ Because no appreciable change in the Elliott Funds' ownership share of Windstream will take place via the Reorganization, there is no need for the Elliott Funds or Elliott to be parties to this notification.

III. DESIGNATED CONTACTS

All communications and correspondence concerning this Notice should be directed to the Parties' counsel as identified below.

Windstream:

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IV. DESCRIPTION OF THE REORGANIZATION

A. Addition of New Parent Company

Upon receipt of the requisite regulatory approvals, Windstream Holdings, the current ultimate parent of the Windstream Licensees, will conduct a *pro forma* reorganization. Windstream Holdings is currently the immediate parent of New Windstream. It will form several new subsidiaries under New Windstream, including New Windstream Holdings II, LLC, which will be an indirect subsidiary (via additional newly-formed intermediate holding companies) of New Windstream, LLC. Windstream Holdings will then merge into New Windstream Holdings

II, LLC, with New Windstream Holdings II, LLC surviving. As New Windstream will be the ultimate parent of New Windstream Holdings II, LLC, New Windstream will become the ultimate parent of the Windstream Licensees. Pre-and post-Reorganization charts are attached to this Notice as **Exhibits A and B**.

New Windstream will operate pursuant to the same limited liability company agreement as Windstream Holdings does today and will have the identical ownership as Windstream Holdings immediately prior to the Reorganization, with owners of equity and warrants in Windstream Holdings at closing receiving equivalent equity and warrants in New Windstream.

B. Non-substantial Changes in Ownership

Prior to this *pro forma* Reorganization, Windstream Holdings will undergo non-substantial changes in the relative ownership shares held by its existing equity holders that will not result in a change of majority ownership or majority control of Windstream Holdings or the Licensed Subsidiaries. Specifically, Windstream Holdings will offer existing Windstream Holdings members the right to purchase warrants exchangeable for common units in the company. Windstream Holdings will then use the proceeds from this offering to repurchase units from certain members who wish to sell their units.

Windstream's three largest current equity holders are the Elliott Funds, the PIMCO Funds, and Oaktree.⁵ Elliott and Oaktree have agreed to make certain commitments to ensure that no investor will acquire majority ownership or control of Windstream Holdings as a result of the rights offering and accompanying repurchase of common units. Windstream Holdings will repurchase most of Oaktree's common units in the offering but Oaktree has committed to retain sufficient equity in Windstream Holdings to ensure that no remaining investor obtains a majority of the equity in Windstream Holdings. Elliott has agreed to backstop any shortfall in buying demand needed to satisfy selling demand. Elliott has also agreed to ensure that funds managed by Elliott will collectively hold less than 50 percent of the outstanding units after the rights offering concludes by committing to exchange any common units in the company for warrants as needed to keep each of (1) the Elliott Funds' ownership; and (2) the PIMCO Funds' ownership below 50 percent after reduction in the number of outstanding units. Common units and warrants in Windstream Holdings will then be converted into common units and warrants in New Windstream at closing.

C. Governance of Reorganized Company Unchanged

New Windstream will operate pursuant to the identical limited liability company agreement as Windstream Holdings does today. Under the Limited Liability Agreement that governs Windstream Holdings today and will govern New Windstream after the Reorganization, neither Elliott, the Elliott Funds, PIMCO, nor the PIMCO Funds have or will have the ability to appoint a majority of the Board or manage day-to-day operations of the company. Therefore, although the PIMCO Funds' ownership of Windstream's equity will increase from approximately 21 percent to

⁵ "Oaktree" means Oaktree AIF Investments, L.P., Oaktree Capital Management, L.P., Oaktree Fund GP II, L.P., Oaktree Strategic Income SPV, LLC, and their respective managed funds and accounts.

up to approximately 49 percent⁶ as a result of Windstream repurchasing other minority investors' equity, the increase in its relative equity share will not grant PIMCO or the PIMCO Funds any practical ability to exercise control over the company.

D. Reorganization Is Separate from and Independent of Merger of Windstream with Uniti Group

The Reorganization is separate from, and independent of, a proposed future transaction between Windstream and Uniti Group Inc., which the parties jointly announced on May 3, 2024 (the "Windstream-Uniti Merger").⁷ This filing does not constitute formal notice of the Windstream-Uniti Merger; Windstream and Uniti are submitting a separate notice to the Commission for approval of that merger, which is expected to close significantly later in time than the Reorganization.

The Reorganization that is the subject of this submission is solely an internal repurchase of equity from certain investors and reorganization of Windstream's holding company structure, to which Uniti is not a party. The Reorganization is not dependent upon the Windstream-Uniti Merger; Windstream intends to complete the Reorganization promptly and as soon as regulatory approvals are obtained.

V. PUBLIC INTEREST STATEMENT

Although Section 301(M) does not require affirmative Commission approval, the Parties respectfully submit that the Reorganization described herein will serve the public interest. The Reorganization will increase tax efficiencies for Windstream, allowing Windstream Licensees to better compete in the robust telecommunications marketplace. Because the Reorganization is structured only as a *pro forma* change of ownership at the holding company level, it will not affect any of the operations of Windstream Licensees or have a detrimental effect on competition. Customers will continue to have the same service providers and will continue to receive substantially the same services under the same rates, terms, and conditions of service. No new indebtedness will be issued by Windstream nor will any utility assets be encumbered. Any future changes—which the Windstream Licensees expect would only be beneficial to Louisiana customers—would result from the normal course of business operations, as was the case prior to the proposed Reorganization.

Once the Reorganization is completed, New Windstream will continue to be technically, managerially, and financially well-qualified to be the ultimate owner of the Windstream Licensees. Likewise, the Windstream Licensees will continue to have the managerial, technical, financial, and customer care qualifications to provide high-quality telecommunications services to consumers in

⁶ The PIMCO Funds' ultimate ownership percentage following the Reorganization may be slightly lower for reasons explained in n.2 *supra*.

⁷ See Press Release, Windstream, *Uniti to Merge with Windstream Creating Premier Insurgent Fiber Provider* (May 3, 2024), <https://news.windstream.com/news/news-details/2024/Uniti-to-Merge-with-Windstream-Creating-Premier-Insurgent-Fiber-Provider/default.aspx>.

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Louisiana. For additional detail on the financial, technical, and managerial qualifications of Windstream, please see www.windstream.com.

The Reorganization will have no adverse effects on the quality of service enjoyed by the Windstream Licensees' customers. The Reorganization will not disrupt any customer-facing operations such as ordering, service installation, customer service, and billing, which will continue to be provided as before. The Reorganization will thus be seamless for Windstream Licensees' customers and accords with the public interest.

VI. CONCLUSION

The Parties respectfully advise the Commission of the planned Reorganization as set forth above. If there are any questions concerning this submission, please do not hesitate to contact the undersigned directly.

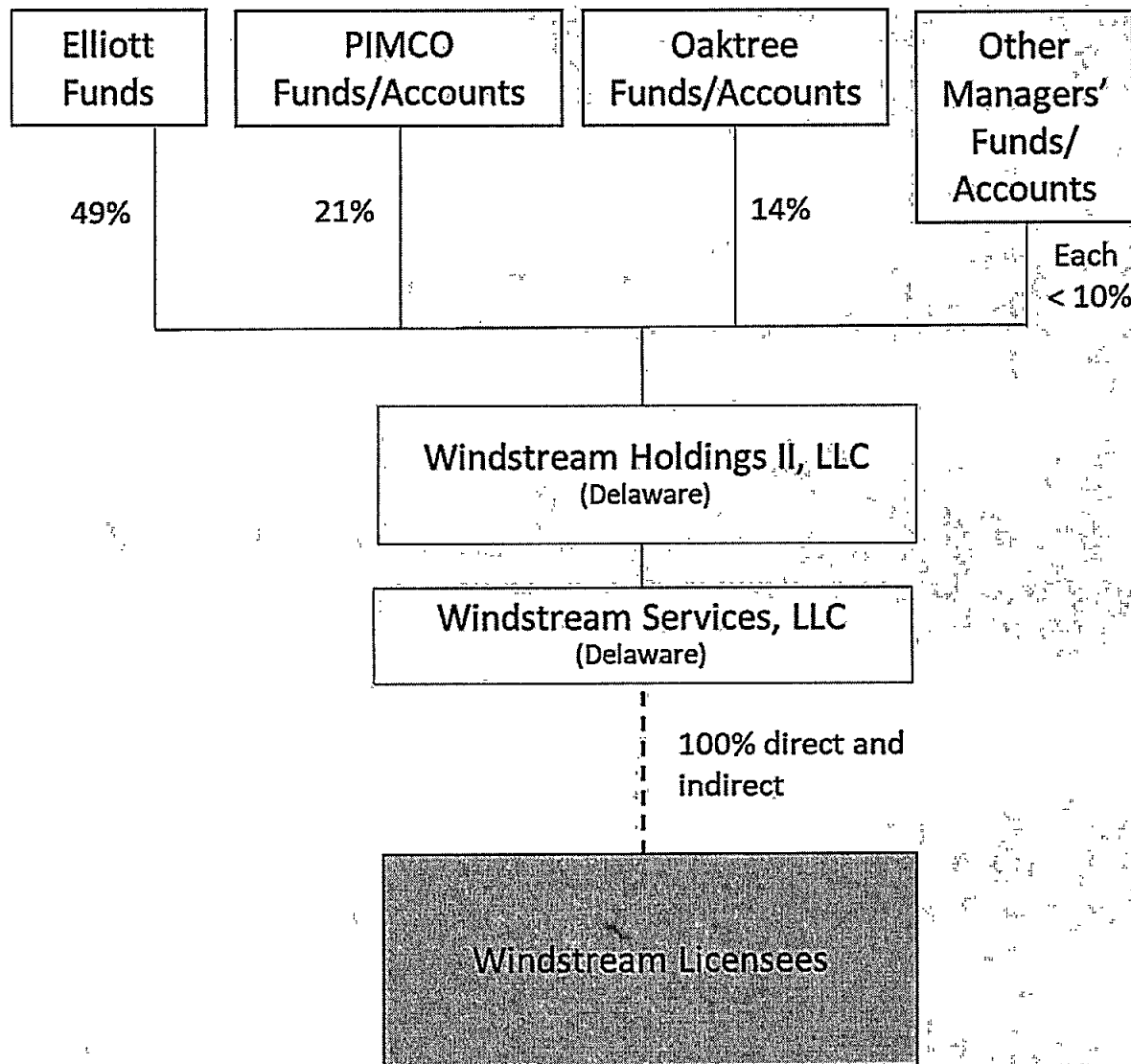
Respectfully submitted on this 14th day of June, 2024.

/s/ Luke Platzer

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Counsel for Windstream

ATTACHMENT A
PRE-REORGANIZATION STRUCTURE CHART



* All ownership shown as of Apr. 24, 2024.

ATTACHMENT B
POST-REORGANIZATION STRUCTURE CHART

