

# Morgan Lewis

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June 30, 2016

**VIA ECFS (INBOX-63.04)**

Marlene Dortch, Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington Street, S.W.

Attention: Wireline Competition Bureau

**Re: Joint Application of Communications Sales & Leasing, Inc. and  
Tower Cloud, Inc. for Domestic Transfer of Control**

Dear Secretary Dortch:

On behalf of Communications Sales & Leasing, Inc. ("CSAL") and Tower Cloud, Inc. ("Tower Cloud"), enclosed for filing is an application for authority pursuant to Section 214 of the Communications Act of 1934, as amended, to transfer control of Tower Cloud to CSAL.

Payment in the amount of \$1,130 is being submitted via the Commission's Fee Filer System, to satisfy the filing fee required for this Application under Section 1.1105 of the Commission's rules.

Should you have any questions concerning this filing, please do not hesitate to contact the undersigned.

Respectfully submitted,



Ronald W. Del Sesto, Jr.  
Jeffrey R. Strenkowski  
*Counsel for CSAL*

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**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of the Application of )  
**Communications Sales & Leasing, Inc.** )  
(Transferee) )  
 )  
and )  
 )  
**Tower Cloud, Inc.** (Transferor) )  
 )  
for authority pursuant to Section 214 of )  
the Communications Act of 1934, as )  
amended, to Transfer Control of )  
Transferor, a Domestic Common Carrier, )  
to Communications Sales & Leasing, Inc. )

WC Docket No. 16-\_\_\_\_\_

**Joint Application**

Tower Cloud, Inc. (“Tower Cloud” or “Carrier”) and Communications Sales & Leasing, Inc. (“CSAL” or “Transferee,” and together with Carrier, “Applicants”) respectfully request authority pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and Section 63.04 of the Commission’s Rules, 47 C.F.R. § 63.04, to transfer control of Tower Cloud to CSAL (the “Transaction”).

**I. DESCRIPTION OF THE APPLICANTS**

**A. Carrier**

Tower Cloud is a Delaware corporation. Tower Cloud’s principal offices are located at 9501 International Court N., St. Petersburg, Florida 33716. Tower Cloud is principally a “carrier’s carrier,” authorized to provide telecommunications services to providers of wireless telecommunications as well as other carriers in Alabama, Florida, Georgia, North Carolina and South Carolina.

Tower Cloud is a closely held corporation that is controlled by its board of directors. No person or entity owns a 50% or greater interest in Tower Cloud. Currently, El Dorado Venture VII, L.P. and its affiliates, and Knology Inc. and its affiliates hold greater than 10 percent ownership in Tower Cloud. Further information on Tower Cloud's ownership is provided in Section III below.

**B. CSAL (Transferee) and Merger Sub**

Communications Sales and Leasing, Inc. (NASDAQ: CSAL), a Maryland corporation headquartered at 10802 Executive Center Drive, Benton Building, Suite 300, Little Rock, Arkansas 72211, is a publicly traded real estate investment trust that engages in the acquisition and construction of infrastructure in the communications industry. Prior to April 24, 2015, CSAL was a wholly-owned subsidiary of Windstream Services, LLC ("Windstream Services"), a wholly owned subsidiary of Windstream Holdings, Inc. ("Windstream Holdings," and together with its subsidiaries, "Windstream"). On April 24, 2015, Windstream contributed to CSAL certain telecommunications network assets (in certain states), including fiber and copper networks and other real estate through a sale-lease back transaction, and then spun off CSAL in a share exchange with Windstream stockholders.<sup>1</sup> CSAL now operates as an independent, publicly-traded company, and leases telecommunications network assets and property back to Windstream for the operation of Windstream's business. CSAL currently owns 3.9 million fiber strand miles, 85 wireless towers, and other property across dozens of states. Additional information on CSAL can be found at: [www.cslreit.com/about/](http://www.cslreit.com/about/).

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<sup>1</sup>Certain residential telecommunications services were also spun off from Windstream operating companies to CSAL's subsidiary, Talk America Services, LLC. See, e.g., FCC, DA-15-690 (June 11, 2015).

CSAL does not provide telecommunications services in its own right. However, it owns Talk America Services, LLC (“TAS”), a Delaware limited liability company, which is licensed as a telecommunications service provider in several states and is authorized by the FCC to provide domestic and international telecommunications services.<sup>2</sup> It also owns PEG Bandwidth, LLC, a Delaware limited liability company, and its various operating subsidiaries (collectively “PEG”), which provide enterprise telecommunications services and cellular site backhaul services in several states.

Thor Merger Sub Inc. (“Merger Sub”) is a Delaware corporation wholly owned by CSAL and was created for the purpose of effectuating the Transaction. Merger Sub has the same principal place of business as CSAL and does not provide telecommunications services in its own right.

## **II. DESCRIPTION OF THE TRANSACTION**

On June 20, 2016, CSAL, Merger Sub and Tower Cloud entered into an Agreement and Plan of Merger (“Agreement”) pursuant to which CSAL will acquire control of Tower Cloud. Specifically, under the Agreement, CSAL’s wholly owned subsidiary, Merger Sub, will merge with and into Tower Cloud, with Tower Cloud surviving the merger as a wholly owned subsidiary of CSAL. For the Commission’s reference, pre- and post-transaction organization charts are provided as **Exhibit A**.

While the Transaction will result in changes in the ultimate ownership of Tower Cloud, it is not expected to change or affect its customer-facing activities. The Petitioners anticipate that customers will benefit from the enhanced access of Tower Cloud to capital and financial strengths of CSAL. The post-Transaction management of Tower Cloud will

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<sup>2</sup>See ITC-214-20141022-00280.

also be able to draw upon the substantial experience in the telecommunications industry of the current management teams of CSAL and its subsidiaries.

**III. INFORMATION REQUIRED BY SECTION 63.04**

Pursuant to Section 63.04 of the Commission’s Rules, the Applicants submit the following information:

**63.04(a)(1): Name, address and telephone number of each Applicant:**

Carrier

Tower Cloud, Inc.  
9501 International Court N.  
St. Petersburg, Florida 33716  
Tel: 727-471-5600

Transferee

Communications Sales and Leasing, Inc.  
10802 Executive Center Drive  
Benton Building, Suite 300  
Little Rock, Arkansas 72211  
Tel: 501-850-0820

**63.04(a)(2): Jurisdiction of Organizations:**

Carrier: Tower Cloud is a Delaware corporation.

Transferee: CSAL is a Maryland corporation.

**63.04(a)(3): Correspondence concerning this Application should be sent to:**

For CSAL:

Ronald W. Del Sesto, Jr.  
Jeffrey R. Strenkowski  
Morgan Lewis & Bockius, LLP  
2020 K Street, NW  
Washington, DC 20006  
Tel: (202) 373-6000  
Fax: (202) 373-6001  
Email: ronald.delsesto@morganlewis.com  
jeffrey.strenkowski@morganlewis.com

With a copy to:

Daniel Heard  
Executive Vice President – General Counsel  
and Secretary  
Communications Sales & Leasing, Inc.  
10802 Executive Center Drive  
Benton Building, Suite 300  
Little Rock, Arkansas 72211  
Tel: (501) 850-0820  
Email: daniel.heard@cslreit.com

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For Tower Cloud:

Norman B. Gerry  
Charles V. Gerkin, Jr.  
Friend, Hudak & Harris, LLP  
3 Ravinia Drive, Suite 1700  
Atlanta, Georgia 30346  
Tel: (770) 399-9500  
Fax: (770) 395-0000  
Email: CGerry@fh2.com  
CGerkin@fh2.com

With a copy to:

Patricia T. Morrison  
Vice President, Finance  
Tower Cloud, Inc.  
9501 International Court N.  
St. Petersburg, Florida 33716  
Tel: (727) 471-5639  
Fax: (727) 471-5638  
Email: PMorrison@TowerCloud.Com

### **63.04(a)(4): Ownership Information**

#### **1) Pre-Transaction Ownership of Carrier**

The following entities currently directly or indirectly own or control 10% or more of

Tower Cloud:

1. Name: El Dorado Venture VII, L.P.  
Address: 702 Oak Grove Avenue  
Menlo Park, CA 94025  
Ownership: 10.67% directly in Tower Cloud, Inc.  
Citizenship: California  
Principal Business: Investments
  
2. Name: El Dorado Venture Partners VII, L.P.  
Address: 702 Oak Grove Avenue  
Menlo Park, CA 94025  
Ownership: 11.0% indirectly in Tower Cloud, Inc. as general partner of El Dorado Venture VII, L.P. and of El Dorado Technology '05, L.P. (which is a 0.33% direct owner of Tower Cloud, Inc.)<sup>3</sup>  
Citizenship: California  
Principal Business: Investments

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<sup>3</sup>El Dorado Venture Partners VII, L.P. has 5 general partners who sit on a management committee to oversee investments. None of them individually own or control 10% or more of Tower Cloud stock.

3. Name: Knology Inc.  
Address: c/o WOW!  
7887 East Belleview Avenue, Suite 1000  
Englewood, Colorado 80111  
Ownership: 10.6% directly in Tower Cloud, Inc.  
Citizenship: Delaware  
Principal Business: Provider of high-speed data, cable television, and digital telephony services
  
4. Name: Kite Parent Corp.  
Address: c/o WOW!  
7887 East Belleview Avenue, Suite 1000  
Englewood, Colorado 80111  
Ownership: 100% directly in Knology Inc. (10.62% indirectly in Tower Cloud, Inc.)  
Citizenship: Delaware  
Principal Business: Holding company
  
5. Name: WideOpenWest Kite Inc.  
Address: c/o WOW!  
7887 East Belleview Avenue, Suite 1000  
Englewood, Colorado 80111  
Ownership: 100% directly in Kite Parent Corp. (10.62% indirectly in Tower Cloud, Inc.)  
Citizenship: Delaware  
Principal Business: Holding company
  
6. Name: Racecar Acquisition LLC  
Address: c/o WOW!  
7887 East Belleview Avenue, Suite 1000  
Englewood, Colorado 80111  
Ownership: 100% directly in WideOpenWest Kite Inc. (10.62% indirectly in Tower Cloud, Inc.)  
Citizenship: Delaware  
Principal Business: Holding company
  
7. Name: Racecar Holdings LLC  
Address: c/o WOW!  
7887 East Belleview Avenue, Suite 1000  
Englewood, Colorado 80111  
Ownership: 100% directly in Racecar Acquisition LLC (10.62% indirectly in Tower Cloud, Inc.)  
Citizenship: Delaware  
Principal Business: Holding company

No other person or entity currently holds a 10 percent or greater ownership interest in Tower Cloud.

**2) Current Ownership of Transferee and Post-Transaction Ownership of Carrier**

Following the Transaction, the following persons or entities will directly or indirectly own 10% or greater of Tower Cloud as calculated pursuant to the Commission ownership attribution rules for wireline telecommunications carriers:

- 1)     Name:                 CSL Fiber Holdings LLC  
          Address:            10802 Executive Drive, Benton Building, Suite  
300  
  
                                  Little Rock, Arkansas 72211  
          Ownership:         100% directly in Tower Cloud  
          Citizenship:        Delaware  
          Principal Business: Holding Company
  
- 2)     Name:                 Uniti Holdings LP  
          Address:            10802 Executive Drive, Benton Building, Suite  
300  
  
                                  Little Rock, Arkansas 72211  
          Ownership:         100% directly in CSL Fiber Holdings LLC (100%  
                                  indirectly in Tower Cloud)  
          Citizenship:        Delaware  
          Principal Business: Holding Company
  
- 3)     Name:                 Uniti Holdings GP, LLC  
          Address:            10802 Executive Drive, Benton Building, Suite  
300  
  
                                  Little Rock, Arkansas 72211  
          Ownership:         Non-economic General Partner in Uniti Holdings  
LP                             (100% indirectly in Tower Cloud)  
          Citizenship:        Delaware  
          Principal Business: Holding Company
  
- 4)     Name:                 Communications Sales & Leasing, Inc. (NASDAQ: CSAL)  
          Address:            10802 Executive Drive, Benton Building, Suite  
300  
  
                                  Little Rock, Arkansas 72211  
          Ownership:         100% directly in Uniti Holdings GP, LLC (100%  
                                  indirectly in Tower Cloud)

Citizenship: Maryland  
Principal Business: Real Estate Investment Trust

As a publicly traded company, the stock of Communications Sales & Leasing, Inc. is widely held and no person holds more than 10% of the outstanding stock of Communications Sales & Leasing, Inc.

No other person or entity is expected to hold a 10 percent or greater ownership interest in Carrier pursuant to the Commission's attribution rules as a result of the consummation of the Transaction contemplated by the Agreement.

**63.04(a)(5): Anti-Drug Abuse Act Certification**

As evidenced by the signature of each Applicant to this Application, each Applicant certifies that, pursuant to Sections 1.2001 through 1.2003 of the Commission's Rules, it is not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

**63.04(a)(6): Description of the Transaction**

A description of the proposed Transaction is set forth in **Section II** above.

**63.04(a)(7): Geographic Areas Served**

The Applicants and their affiliates offer domestic telecommunications services in the U.S. as follows:

Carrier: Tower Cloud is authorized to provide telecommunications services to providers of wireless telecommunications as well as other carriers in Alabama, Florida, Georgia, North Carolina and South Carolina.

Transferee: Transferee does not provide telecommunications services in its own right. However, it owns TAS, which is licensed as a telecommunications service provider in several states. TAS provides resold and/or facilities-based local exchange and interexchange services in Alabama, Arizona, Arkansas, Colorado, Connecticut, Delaware, the District of Columbia, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin and Wyoming. Transferee also owns PEG, which (with and through its subsidiaries) is licensed as a telecommunications service provider in Alabama, Delaware, the District of Columbia, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maryland, Massachusetts, Mississippi, Missouri, New Jersey, New York, Ohio, Pennsylvania, Texas, Virginia and West Virginia.

**63.04(a)(8): Streamlining Categorization**

Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Sections 63.03 of the Commission's Rules, 47 C.F.R. §63.03. In particular, with respect to domestic authority, this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following the Transaction, Transferee (and its Affiliates (as defined in the Act)) will have a market share in the interstate, interexchange market of less than 10 percent, and Transferee (and its Affiliates) will provide competitive telephone exchange services or exchange access services (if at all) exclusively in geographic areas served by a dominant local exchange

carrier that is not a party to the Transaction, and none of the Applicants (or their Affiliates) are dominant with respect to any service.

**63.04(a)(9): Additional FCC Applications**

Applicants intend to file one or more Form 603 applications for the transfer of control of certain wireless microwave licenses held by Tower Cloud with the Wireless Telecommunications Bureau through the Commission's Universal Licensing System.

**63.04(a)(10): Special Consideration Requests**

No party to the Transaction is facing imminent business failure. However, prompt completion of the proposed Transaction is nonetheless critical to ensure that Applicants can obtain the benefits described in the foregoing application. Accordingly, Applicants respectfully request that the Commission approve this Application on a streamlined basis, or, if the Commission determines that streamlined treatment is not appropriate, in a time frame comparable to the timing applicable to streamlined applications in order to allow Applicants to consummate the proposed Transaction as soon as possible.

**63.04(a)(11): Waiver Requests**

No waiver requests are being filed in conjunction with the Transaction.

**63.04(a)(12): Public Interest Statement**

The Transaction described in this Application will serve the public interest. The Transaction will result in the transfer of control of Tower Cloud to a well-qualified company with a strong management team and substantial telecommunications experience and expertise.

Applicants further submit that the Transaction will enhance the ability of Tower Cloud to compete in the telecommunications marketplace. Tower Cloud will have access to

the operational and managerial resources of CSAL, and such support will strengthen Tower Cloud's competitive position. The Transaction will also expand CSAL's business operations and asset portfolio, thereby establishing a stronger and more diversified competitor in the telecommunications market.

Tower Cloud will continue to offer competitive and innovative products following the Transaction at the same rates and on the same terms and conditions as currently provided (subject to future changes pursuant to applicable law and contract provisions). The Transaction is expected to be transparent to customers of Tower Cloud and is not expected to result in the discontinuance, reduction, loss or impairment of service to any customer. Ultimately, the Transaction will benefit businesses and consumers by enabling Tower Cloud to become a stronger competitor in its markets and to expand its offerings through access to CSAL capital. Any future changes in the rates, terms and conditions of service to the affected customers will be undertaken pursuant to customer contracts and any applicable federal and state notice and tariff requirements. The Transaction will not trigger any federal or state anti-slamming or bulk customer transfer rules (because the certificated, customer-facing service provider will be unchanged), or adversely affect the market for telecommunications services. The Transaction also will not adversely affect competition for the provision of telecommunications because, after the close of the Transaction, customers will continue to be served by Tower Cloud.

**IV. CONCLUSION**

Based on the foregoing, the Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by grant of this Application.

Respectfully submitted,



Norman B. Gerry  
Charles V. Gerkin, Jr.  
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Atlanta, Georgia 30346  
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CGerkin@fh2.com

*Counsel to Tower Cloud*

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Jeffrey R. Strenkowski  
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Washington, DC 20006  
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Fax: (202) 373-6001  
Email: ronald.delsesto@morganlewis.com  
jeffrey.strenkowski@morganlewis.com  
m  
*Counsel to Transferee*

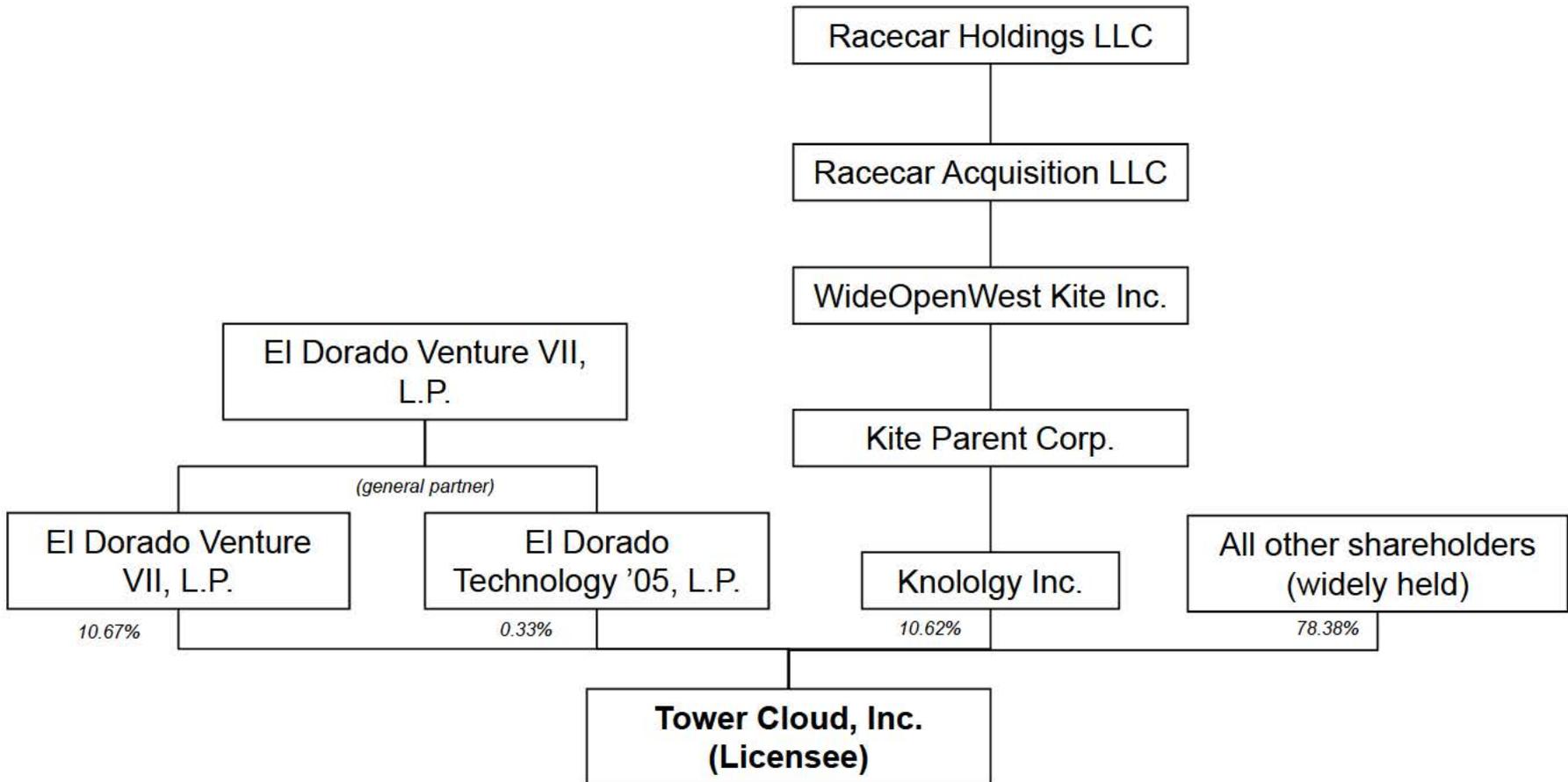
Dated: June 30, 2016

**LIST OF EXHIBITS**

EXHIBIT A – Corporate Structure and Transaction Chart  
Verifications

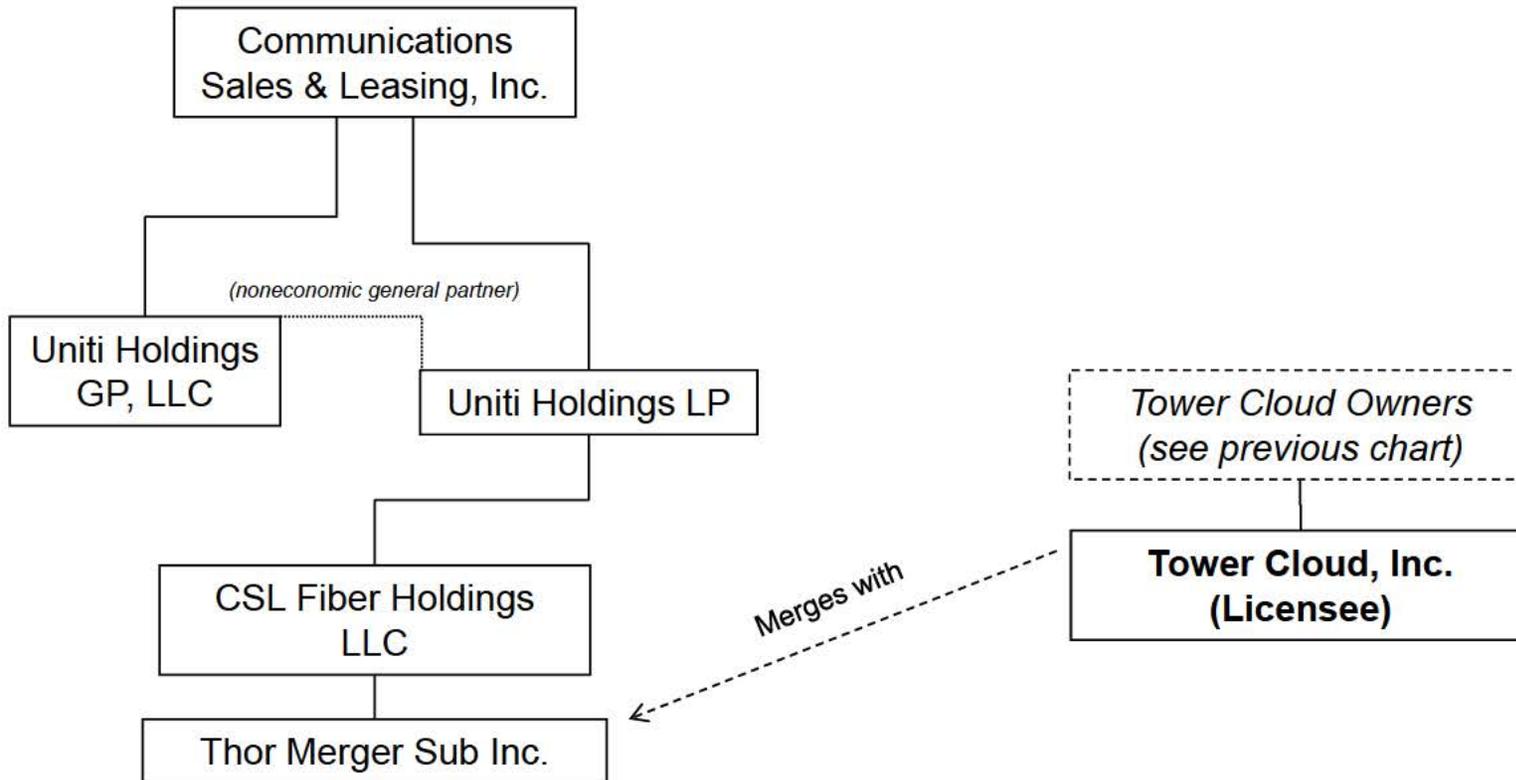
**EXHIBIT A**

## Pre-Transaction



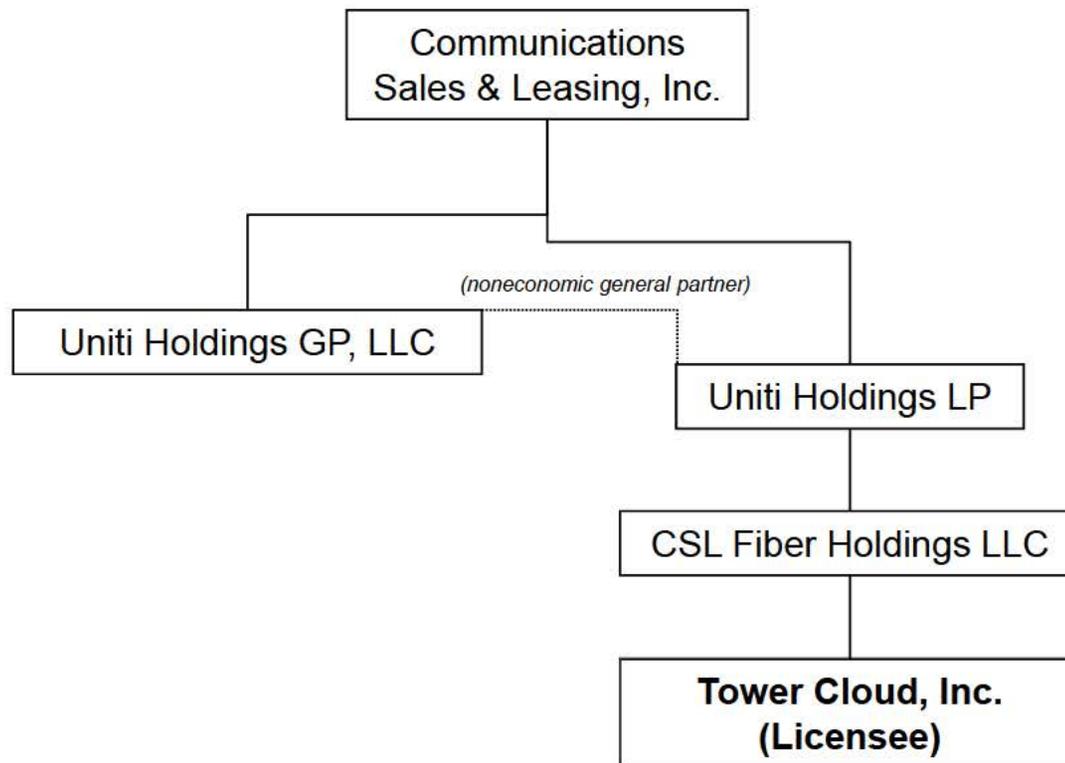
Unless otherwise indicated all ownership percentages are 100%.

## Transaction



Unless otherwise indicated all ownership percentages are 100%.

## Post-Transaction Organizational Structure



Unless otherwise indicated all ownership percentages are 100%.

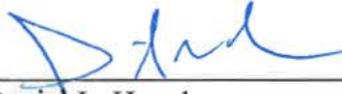
STATE OF ARKANSAS

§  
§  
§

PULASKI COUNTY

**VERIFICATION**

I, Daniel L. Heard, hereby declare that I am the Executive Vice President - General Counsel and Secretary of Communications Sales & Leasing, Inc.; that I am authorized to make this Verification on behalf of Communications Sales & Leasing, Inc.; 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.

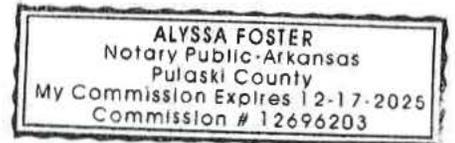


\_\_\_\_\_  
Daniel L. Heard  
Executive Vice President - General Counsel and  
Secretary  
Communications Sales & Leasing, Inc.

Sworn and subscribed before me this 23<sup>rd</sup> day of June, 2016.

  
\_\_\_\_\_  
Notary Public

My commission expires 12-17-2025



STATE OF FLORIDA           §  
  §  
COUNTY OF PINELLAS       §

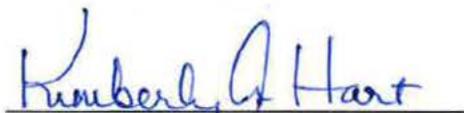
**VERIFICATION**

I, Patricia T. Morrison, hereby declare that I am the Vice President, Finance of Tower Cloud, Inc.; that I am authorized to make this Verification on behalf of Tower Cloud, Inc.; 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.



Patricia T. Morrison  
Vice President, Finance  
Tower Cloud, Inc.

Sworn to and subscribed before me  
this 29th day of June, 2016.

  
Notary Public

My commission expires: 11-13-17

(NOTARIAL SEAL)

