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PUBLIC SERVICE COMMISSION

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December 27, 2012

Via Overnight Delivery

Darrell Nitschke, Executive Secretary
North Dakota Public Service Commission
600 E. Boulevard Avenue
Dept. 408
Bismarck, ND 58505-0480

**Re: Notification of Zayo Group, LLC and 360networks (USA) inc. Regarding
Certain *Pro Forma* Intra-Company Transactions**

Dear Mr. Nitschke:

Zayo Group, LLC (“Zayo”) and 360networks (USA) inc. (“360networks”) (collectively, the “Parties”) hereby notify the North Dakota Public Service Commission (“Commission”) of certain *pro forma* intra-company transactions that will result in the assets and customers of 360networks moving to Zayo (the “Zayo *Pro Forma* Transactions”). As described in more detail below, the Zayo *Pro Forma* Transactions will be accomplished through (a) the roll-up of 360networks into Zayo through a series of *pro forma* mergers, with Zayo as the surviving entity, and/or (b) the *pro forma* assignment of the assets and customers of 360networks to Zayo followed by the series of *pro forma* mergers described in (a). The *Pro Forma* Transactions are part of a series of intra-company transactions that will simplify the corporate structure of Zayo and align the portions of the business of 360networks more closely with the business structure of Zayo and Onvoy.¹ Subject to receipt of applicable regulatory approvals, Zayo proposes to complete the *pro forma* intra-company transactions as soon as possible and no later than January 30, 2013.

It is the Parties’ understanding that Commission approval is not required to complete the transactions described herein. Accordingly, the Parties submit this letter for

¹ In addition to the Zayo *Pro Forma* Transactions, certain wholesale assets and services currently held by 360networks will be migrated to Zayo’s affiliate, Onvoy, Inc. (“Onvoy”) (the “Onvoy *Pro Forma* Transaction”) (together with the Zayo *Pro Forma* Transaction, the “*Pro Forma* Transactions”). The assets involved in the Onvoy *Pro Forma* Transaction include facilities used to provide wholesale local exchange and long distance services as well as switched access services. By letter filed on November 4, 2011, Zayo, 360networks and Onvoy previously notified the Commission of the Onvoy *Pro Forma* Transaction. Out of an abundance of caution, the Parties provide this additional notice of the Onvoy *Pro Forma* Transaction because the transaction has not yet been completed.

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informational purposes only to ensure the continuing accuracy of the Commission'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 360networks. As a result of these acquisitions, the corporate structure of Zayo, has again become overly complex, with numerous operating entities, many of whose services overlap. 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 80027.² 360networks is a Nevada corporation. 360networks is a wholly owned indirect subsidiary of Zayo Group. Zayo Group is a wholly-owned direct subsidiary of Zayo Group Holdings, Inc. ("Holdings"),³ 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.

In North Dakota, Zayo and 360networks are registered with the Commission to provide telecommunications services.⁴ The Parties are also authorized by the Federal Communications Commission ("FCC") to provide domestic and/or international telecommunications services. Except for the wholesale voice services currently provided by 360networks that will move to Onvoy, the Company only provides private line services (and similar non-voice services) and does not provide any other voice services.

Additional information concerning the Company's legal, technical, managerial and financial qualifications was submitted to the Commission in connection with various Parties' certification applications and various corporate and financial transactions and is therefore already a matter of public record. The Parties request that the Commission take notice of these descriptions of the Company's qualifications and incorporate them by reference herein. In support of its financial qualifications, the Company's financial statements from its most recent SEC Form 10-Q is available at http://www.zayo.com/sites/default/files/Zayo_FY3Q2012_10-Q_0.pdf.

² Onvoy is a corporation organized under the laws of the State of Minnesota whose principal address is 10300 6th Avenue North, Plymouth, Minnesota 55441.

³ Onvoy also is a wholly owned direct subsidiary of Holdings.

⁴ Onvoy is registered with the Commission to provide telecommunications services. Onvoy was also granted a Certificate of Public Convenience and Necessity Nos. 4940 and 4965 to provide competitive local exchange and interexchange services.

Contacts

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

With Copies To:

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Description of the Pro Forma Transactions

In order to simplify its corporate structure, Zayo is undertaking certain *pro forma* intra-company transactions that will result in customers and assets moving from 360networks and Zayo. Depending on the timing of various state regulatory approvals, the *Zayo Pro Forma* Transactions will be accomplished by (1) the roll-up of 360networks 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); and/or (2) the *pro forma* assignment of assets and customers of 360networks to Zayo, followed by the series of *pro forma* mergers. Ultimately, Zayo will be the Company entity that provides telecommunications services throughout the United States (except for the wholesale voice services currently provided by 360networks that will migrate to Onvoy). Diagrams illustrating the organizational structure of the Company and Onvoy 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. Each customer's service will be assigned to Zayo and Onvoy pursuant to terms of that customer's service contract that permit assignment to affiliates and/or pursuant to the customer's authorization. In addition, each of the affected customers will receive notice of the *Pro Forma* Transactions that affect their service. A sample of the notice that will be sent to customers that will become Zayo customers is provided as Exhibit B.⁵

⁵ A sample of the notice that will be sent to customers of the Company that will become Onvoy and/or Zayo customers is provided as Exhibit C.

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Request to Cancel 360networks Registration

Following the *Pro Forma* Transactions, 360networks will no longer provide telecommunications services in North Dakota and ultimately will cease to exist as a corporate entity. Therefore, the Parties request that, effective upon notification from the Parties that the *Pro Forma* Transactions have been completed, 360networks' Registration be cancelled. Further, the Parties request that the Commission return and permit cancellation of any bond or letter of credit (or similar security) that 360networks may have provided in connection with its Registration.

Public Interest Considerations

The Parties submit that the *pro forma* intra-company transactions described herein are in the public interest. The *Zayo 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

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 *Zayo 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 the Parties, 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 *Zayo Pro Forma* Transactions.

* * * *

An original and ten (10) copies of this letter are enclosed for filing. Please date-stamp the extra copy and return it in the envelope provided. Should you have any questions regarding this filing, please do not hesitate to contact us.

Respectfully submitted,



Jean L. Kiddoo
Brett P. Ferenchak

Counsel for the Parties

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LIST OF EXHIBITS

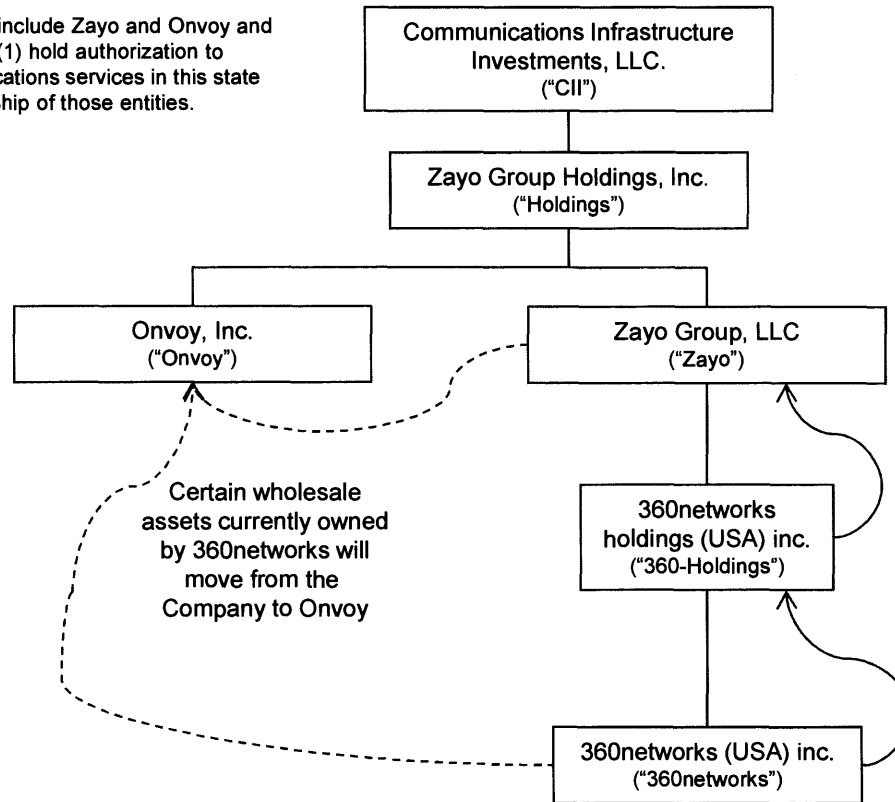
Exhibit A	Diagrams of the Pre- and Post- <i>Pro Forma</i> Intra-Company Transactions Corporate Organization Structure of the Parties
Exhibit B	Sample Customer Notice
Exhibit C	Sample Customer Notice
Verification	

EXHIBIT A

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

Corporate Organizational Structure of Zayo and Onvoy Before the *Pro Forma* Transactions

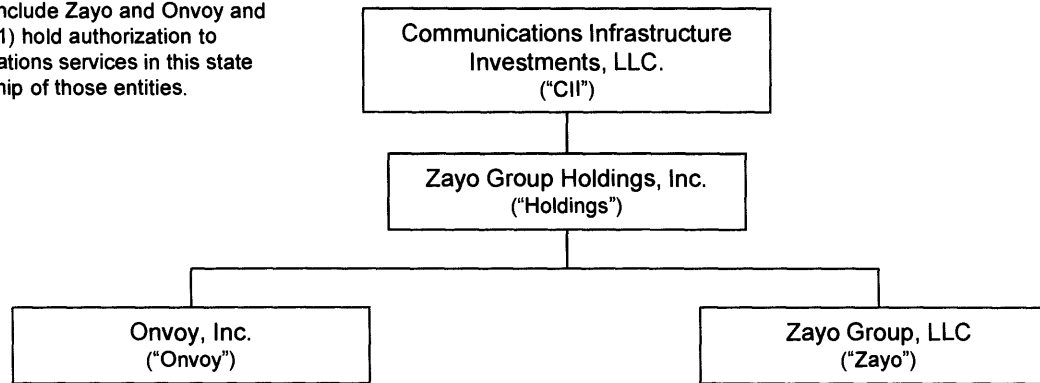
* The entities listed herein only include Zayo and Onvoy and those subsidiaries of Zayo that (1) hold authorization to provide intrastate telecommunications services in this state or (2) are in the chain of ownership of those entities.



Unless otherwise indicated all ownership percentages are 100%.

Corporate Organizational Structure of Zayo and Onvoy After the Pro Forma Transactions

* The entities listed herein only include Zayo and Onvoy and those subsidiaries of Zayo that (1) hold authorization to provide intrastate telecommunications services in this state 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 *Zayo Pro Forma* Transactions through a bill notation. The notice will be provided to customers in their bill issued at least 30 days to the *Zayo 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.

EXHIBIT C

Sample Customer Notice

The applicable affected customers will receive notice of the Onvoy *Pro Forma* Transaction through a bill notation. The notice will be provided to customers in their bill issued at least 30 days prior to the Onvoy *Pro Forma* Transaction. 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, 360networks, Zayo Group and Onvoy will undertake certain internal changes resulting in Onvoy being the entity that will provide your wholesale voice telecommunications services and Zayo Group being the entity that will provide your non-voice telecommunication services, if any. Your services and the associated pricing and terms and conditions of service will not change as a result of this internal change. There is no charge associated with this change. You will receive bills from Onvoy for your wholesale voice telecommunications services and Zayo for your non-voice telecommunications services. Onvoy and Zayo will resolve any issues you may have with your account or service using the following customer service numbers: 1-800-933-1224 for Onvoy; 1-866-236-2824 for Zayo.

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

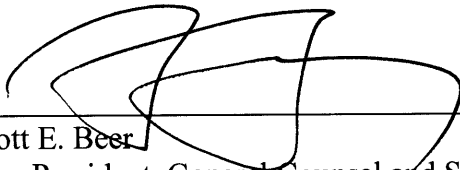
VERIFICATION

STATE OF COLORADO
COUNTY OF BOULDER

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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.

LAURA C. MARTINEZ
Notary Public
State of Colorado



Notary Public

My commission expires 04.01.2016
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