

Case No. 2024-00183
Windstream Parent, Inc., et al.
Response to Commission Staff's First Request for Information

Commission Staff 1-1:

Refer to the Application, page 13 which states: "The Transaction is being proposed to enhance the competitive position of both Uniti and Windstream, and enable both to better serve their customers, because the proposed Transaction will enhance competencies than either company could do alone." Explain in greater detail, with examples if necessary, how the Parent could leverage the companies' assets better than if the companies did so alone.

Response: Following the Transaction, Parent will have access to both Uniti and Windstream's networks and operational expertise. As a result, Parent anticipates that within 36 months it will achieve savings of up to \$100 million in annual operational expenses, including through system integrations and corporate efficiencies, and up to \$20-30 million in annual capital expenses, including by leveraging existing Uniti networks for Windstream's fiber-to-the-home ("FTTH") business and enhanced purchasing power with vendors. In addition, Joint Applicants expect Parent to have an improved cost of capital. These savings and efficiencies will position Parent to improve operations and accelerate Parent's ability to continue expanding its reach to customers throughout the Commonwealth versus Windstream and Uniti operating separately.

Witness:

Kelly McGriff, Vice President, Deputy General Counsel, Uniti Group Inc.

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Commission Staff 1-2:

Refer to the Application, page 14 which states: “combining both companies under a common umbrella removes undue uncertainty around renewal of the lease agreements between Windstream and Uniti, which will allow continued access to the Uniti network by Windstream in serving its last-mile and other customers.” Explain what type of uncertainty could be around renewal of the lease agreements between Windstream and Uniti.

Response: Windstream, as tenant, and Uniti, as landlord, are parties to two master lease agreements (one governing ILEC assets and a second governing CLEC assets) for networks utilized by Windstream in its businesses, and each agreement is set to expire in 2030.

Windstream has the option, but not the obligation, to renew the agreements, and, in connection with the renewals, the parties must negotiate a new rent amount. As subsidiaries of Parent, rather than separate, independent companies, it is significantly more likely that the parties will reach agreement on the rent amount or otherwise agree to terms that will allow Windstream's continued uninterrupted and unchanged access to the mission-critical infrastructure leased from Uniti.

Witness:

Kelly McGriff, Vice President, Deputy General Counsel, Uniti Group Inc.

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Commission Staff 1-3:

Refer to the Application, pages 14 and 15 which state: "Applicants currently estimate that Parent will be able to expand last-mile [fiber-to-the-home] (FTTH) buildout by up to one million additional locations nationally relative to what the companies would undertake individually absent the merger." Provide the number of locations in Kentucky, by county, if possible, to which Joint Applicants estimate they will expand the last-mile FTTH.

Response: The Joint Applicants do not currently have an exact count of additional locations on a state-by-state basis but do expect Kentucky to continue to be a priority service area for the Parent in its expanded FTTH program. In addition to the more than 14,000 miles fiber Windstream has placed in Kentucky supported by both private and public funds, Windstream intends to participate in the Commonwealth's Broadband Equity, Access, and Deployment Program and has been actively engaged with the Commonwealth's Broadband Office during the process.

Witnesses:

Kelly McGriff, Vice President, Deputy General Counsel, Uniti Group Inc.

Kristi Moody, Executive Vice President, General Counsel and Chief Compliance Officer,
Windstream Holdings II, LLC and Windstream Parent, Inc.

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Commission Staff 1-4:

Refer to the Application, page 15 which states: "Access to Windstream's existing network assets, meanwhile, will enable Uniti to expedite its current long-term buildout plans by an estimated four years by enabling Uniti to leverage existing Windstream assets rather than engaging in duplicative construction." Explain which primary business of Uniti, Uniti Leasing, or Uniti Fiber, will be enabled to expedite its current long-term build out plans.

Response: The Joint Applicants expect both Uniti Leasing's and Uniti Fiber's build out plans to benefit from improved access to Windstream's existing long-haul and metro network assets.

Witness:

Kelly McGriff, Vice President, Deputy General Counsel, Uniti Group Inc.

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Commission Staff 1-5:

Confirm that the transaction proposed in this proceeding, if approved, will not affect the ability for customers to attach to the poles owned or controlled by Windstream Kentucky East, LLC, and Windstream Kentucky West, LLC. If not confirmed, explain why.

Response: Confirmed. The Transaction is structured as an indirect change of control at the holding company level and Joint Applicants are not aware of any reason, nor do they anticipate, that the Transaction would result in any changes to Windstream Kentucky East, LLC's and Windstream Kentucky West, LLC's current pole access obligations as required by the Commission's pole attachment rules.

Witness:

Kelly McGriff, Vice President, Deputy General Counsel, Uniti Group Inc.