140 West Street 6th Floor New York, NY 10007-2109 Tel (212) 519-4716 Fax (212) 962-1687 keefe.b.clemons@verizon.com



Keefe B. ClemonsGeneral Counsel – Northeast Region

March 18, 2016

By E-File

Irene Kim Asbury, Secretary New Jersey Board of Public Utilities 44 South Clinton Avenue, 3rd Floor, Suite 314 Trenton, NJ 08625-0350

Re:	Verified Petition of XO Holdings, XO Communications Services, LLC, and
	Verizon Communications Inc. for Approval of a Proposed Transaction –
	Docket No

Dear Secretary Asbury:

Enclosed please find the Verified Petition of XO Holdings, XO Communications Services, LLC, and Verizon Communications Inc. for Approval of a Proposed Transaction Pursuant to N.J.S.A. §48:2-51.1, §48:3-10, and N.J.A.C. §14:1-5.14.

Exhibits 2 and 3 to the Verified Petition contain CONFIDENTIAL information that is exempt from public disclosure under the New Jersey Open Public Records Act. The exhibits will be filed with the Board in a separate envelope marked "Confidential." In accordance with N.J.A.C. §14:1-12.8, Petitioners submit herewith the Affidavits of Keefe B. Clemons, General Counsel, Northeast Region, Verizon Communications Inc., and Jake Heinz, Senior Vice President, Product and Marketing, XO Holdings, XO Communications, LLC and XO Communications Services, LLC in support of the confidentiality claim.

Respectfully submitted,

Lufe B. Clemons

Keefe B. Clemons

cc: Stefanie A. Brand, Director, Rate Counsel (By Email)
Maria Novas-Ruiz, Asst. Deputy Rate Counsel (By Email)

NEW JERSEY BOARD OF PUBLIC UTILITIES

Verified Petition of XO Holdings, XO Communications Services, LLC, and Verizon Communications Inc. for Approval of a Proposed Transaction

Docket No.	

VERIFIED PETITION OF XO HOLDINGS, XO COMMUNICATIONS SERVICES, LLC, AND VERIZON COMMUNICATIONS INC. FOR APPROVAL OF A PROPOSED TRANSACTION

Petitioners XO Holdings, XO Communications Services, LLC ("XO Communications Services"), and Verizon Communications Inc. ("Verizon Communications") (collectively hereinafter referred to as "Petitioners") request that the New Jersey Board of Public Utilities ("Board") approve, pursuant to N.J.S.A. §48:2-51.1, §48:3-10, and N.J.A.C. §14:1-5.14, a transfer to Verizon of XO Holdings' indirect 100% ownership interest in XO Communications Services. As a result of the transaction, XO Communications Services (the XO operating company certificated in New Jersey) will become a wholly-owned indirect subsidiary of Verizon Communications

I. PARTICIPANTS IN THE TRANSACTION

A. XO COMMUNICATIONS SERVICES AND XO HOLDINGS

XO Communications Services is a Delaware limited liability company with a principal place of business at 13685 Sunrise Valley Drive, Herndon, Virginia, that has been certified by the Board to provide intrastate telecommunications services in New Jersey.¹ It is a wholly-owned direct subsidiary of XO Communications, LLC ("XO Communications"), which in turn is

¹ See In the Matter of the Verified Joint Petition of XO New Jersey Inc., Allegiance Telecom of New Jersey, Inc. and XO Communications Services, Inc. for Approval of an Internal Corporate Reorganization and for Approval As Necessary of Related Transactions, Order of Approval, Docket No. TMO4070686, September 14, 2004.

a wholly-owned direct subsidiary of XO Holdings, a Delaware general partnership also headquartered at 13685 Sunrise Valley Drive, Herndon, Virginia. XO Holdings, through various intermediate holding companies, is wholly-owned and controlled by Carl C. Icahn.

XO Communications Services is the principal operating company for XO Communications' wireline business, which controls and operates an IP and Ethernet network that extends coast-to-coast. That network includes an inter-city network of approximately 20,000 fiber route miles and more than 5,600 owned metro fiber route miles.² In New Jersey, XO Communications Services offers local and long distance voice, Internet access, cloud connectivity, security, private line, Ethernet, and other private data and network transport services for small and medium-sized companies, enterprises, national and government customers, and other carriers, both on a managed and wholesale basis. Certain of those services are subject to regulation by the Board. XO Communications Services does not offer or provide mass-market retail services to consumers.

B. VERIZON COMMUNICATIONS

Verizon Communications, a publicly traded Delaware corporation with its headquarters at 1095 Avenue of the Americas, New York, New York, is a holding company with operating subsidiaries that provide a wide range of communications services in New Jersey and throughout the United States and the world. Verizon Communications' subsidiaries provide communications services to consumers, business, and government customers, as well as to other carriers.³ The wireline business conducted by Verizon Communications' subsidiaries provides

² These are not last-mile, fiber-to-the-home assets. XO Communications Services does not offer residential consumer services. A small portion of XO Communications Services' network utilizes copper, which usually is connected to a nearby node that is in turn connected to XO Communications Services' fiber facilities.

³ References to Verizon's services and network herein refer to those of its wholly-owned operating subsidiaries.

voice, data, and video communications products and enhanced services, including broadband video and data, corporate networking solutions, data center and cloud services, security and managed network services, and local and long distance voice services.

II. DESCRIPTION OF THE PROPOSED TRANSACTION

Under the proposed transaction, XO Holdings will sell all of its interests in XO Communications (the parent company of XO Communications Services) to Verizon Communications.⁴ Upon completion of the transaction, XO Communications Services (the XO operating company certificated in New Jersey) will become a wholly-owned indirect subsidiary of Verizon Communications.⁵ As a result of this parent-level transaction, XO Communications Services will be transferred as an entity to Verizon Communications, with no change in the identity or assets of XO Communications Services and therefore no associated customer or asset transfers. The legal status of Verizon Communications, its operating subsidiaries in New Jersey, including Verizon New Jersey Inc., and XO Communications Services will remain unchanged following the transaction, and the entities currently regulated by the Board will remain subject to the Board's authority to the same extent following the transaction as before it.

III. THE PROPOSED TRANSACTION IS IN THE PUBLIC INTEREST

A. THE PROPOSED TRANSACTION WILL ENHANCE VERIZON'S FIBER AND BENEFIT XO CUSTOMERS

By expanding the depth and breadth of its fiber assets, Verizon will make America's best networks even better. The transaction will benefit enterprise and wholesale business customers

_

⁴ Diagrams showing the pre-closing and post-closing ownership structure are attached as Exhibit 1.

⁵ Verizon Communications is a 100% owner of Verizon Business Global LLC (a Delaware limited liability company), which is a 100% owner of MCI Communications Corporation (a Delaware corporation), which is a 100% owner of Verizon Business Network Services Inc. (a Delaware corporation). XO Communications will become a direct subsidiary of Verizon Business Network Services Inc.

by increasing, expanding, and improving Verizon's fiber facilities. It will also support Verizon's goal of enhancing the capacity and reliability of its wireless networks, and will enable Verizon to offer XO customers services not currently available to them.

Businesses today require advanced and innovative technologies and comprehensive solutions, and bandwidth requirements are growing rapidly as online and online-enabled activities increase the reliance on IP-based services. The transaction will advance Verizon's ability to deploy and maintain innovative offerings, benefiting business customers and serving the public interest, convenience, and necessity. Verizon will also be able to offer existing XO Communications Services customers additional products and services not currently available through XO Communications Services or its affiliates.

The additional capacity and expanded footprint will also help Verizon stay competitive and further drive competition among other market participants. In areas where there is concentrated demand for business data services, the enterprise and wholesale markets are competitive with sophisticated and knowledgeable customers. The additional nationwide fiber assets will enable Verizon to more effectively compete with leading national and regional high-capacity service providers — especially cable companies, but also traditional incumbent and competitive telephone companies, and other non-traditional players, particularly in central business districts. To succeed in this competitive space, Verizon must ensure it can meet growing demand for bandwidth and reliability — two increasingly important competitive factors in the global enterprise market. This transaction is part of the company's continuing investment in its networks to meet that demand, and will help it advance its position as a provider of choice to enterprise customers.

Verizon will also be able to better serve its wireless customers by improving the efficiency and capacity of the networks it uses to serve them. The majority of XO

Communications Services' fiber is unlit, or "dark," and this transaction affords Verizon the opportunity to put that unlit fiber to use to better connect its expanding cell network. As Verizon executives have explained, "Getting dark fiber out there, getting the small cells in there, that's the direction we're headed. That's what's going to give us our ability to deliver to our customers on the promise of reliability."

B. THE PROPOSED TRANSACTION WILL FOSTER OPERATIONAL AND ECONOMIC EFFICIENCIES

Acquiring XO Communications Services will result in multiple operational and economic efficiencies that benefit customers by increasing Verizon's ability to compete effectively to meet their demand for the latest technology and service developments. Verizon's fiber network consists of facilities that it has constructed, leased, or acquired through transactions, depending on the efficiencies of the individual circumstances. Post-closing, enterprise and wholesale customers will gain access to a more expansive Verizon-owned facilities-based network and receive more efficient and economical services.

Combining XO Communications Services' business with Verizon's will provide the financial resources to support and promote better and more intensive use of XO Communications Services' fiber network. The years following XO Communications Services' emergence from bankruptcy in 2003 "were a bumpy road," as the company "reckoned with major network over capacity and other issues caused by overly optimistic projections and capital expenditures made by previous owners." Additional capital had to be injected several times just "to keep [the

⁷ XO Communications Press Release, *Verizon to Acquire XO Communications' Fiber Business*, Feb. 22, 2016, available at http://www.xo.com/verizon-acquires-xo/.

⁶ Joey Jackson, *Dark Fiber Key to Future of Small Cells, Backhaul*, RCR WIRELESS NEWS, Dec. 21, 2015 (quoting Brian Mecum, Vice President of Network for the West Area, Verizon).

company] operating."⁸ Verizon has the economy of scale to invest in and support these networks, including through achieving synergies as part of this transaction.

C. THE TRANSACTION WILL HAVE NO ADVERSE EFFECTS

The market for mass-market services to consumers will be unaffected by the transaction because XO Communications Services does not serve any residential customers. And the transaction poses no risks to XO Communications Services' business, government, and wholesale customers, who will gain access to Verizon's more extensive product family and its highly reliable network with its greater geographic coverage.

As a subsidiary of Verizon, XO Communications Services will continue to meet all of its contractual and regulatory obligations, so that the transaction will be seamless to its customers. And the transaction will not harm competition for business, government, or wholesale customers. As discussed above, a wide range of providers and new entrants have deployed facilities and are investing further to meet demand and thus competition should continue to intensify. Current and potential competitors offering a wide array of high-capacity services include cable companies, CLECs, wireless companies, and other non-traditional players. Cable companies in particular have expanded their networks and services to provide high-capacity broadband services to businesses of all sizes as well as to other providers, and will likely continue to do so in light of the growing demand for such services.

IV. CONTACT INFORMATION

The designated contacts for the Petitioners for any correspondence or inquiries regarding this Petition are:

_

⁸ *Id*.

For Verizon Communications:

Ava-Marie Madeam Vice President, State Government Relations 540 Broad Street, 6th Floor Newark, NJ 07102 (973) 649-3125 avamarie.p.madeam@verizon.com

For XO Holdings and XO Communications Services:

Rex Knowles Executive Director, Regulatory 8851 S. Sandy Parkway Sandy, UT 84070-6408 (801) 983-1504 rex.knowles@xo.com

V. REQUIREMENTS AND APPLICABILITY OF N.J.A.C. 14:1-5.14

1. A copy of the agreement of merger, consolidation, acquisition and/or change in control

A copy of the Equity Purchase Agreement and attachments, designated as Exhibit 2, will be provided on a confidential basis, pursuant to the Board's confidentiality rules.

2. Copies of corporate resolutions of the stockholders of each of the corporations authorizing the transaction

No responsive documents exist. XO Communications Services does not have stockholders, and the transaction did not require a resolution by Verizon Communications' stockholders.

3. Copies of recent balance sheets of each company and a pro forma balance sheet of the continuing company

A copy of XO Communications' Consolidated Financial Statements, including its most recent balance sheet, is designated as Exhibit 3 and will be provided on a confidential basis, pursuant to the Board's confidentiality rules. (XO Communications is the parent company of Petitioner XO Communications Services.) Verizon Communications' most recent balance sheet is available at http://www.verizon.com/about/investors/sec-filings. Verizon Communications is not required to prepare a pro forma balance sheet for this transaction, which is immaterial to Verizon Communications' financial position under Securities and Exchange Commission rules.

4. Copies of recent income statements of the operation of each of the companies involved and a pro forma income statement of the continuing corporation, in sufficient detail

A copy of XO Communications' Consolidated Financial Statements, including its most recent income statement, is designated as Exhibit 3 and will be provided on a confidential basis, pursuant to the Board's confidentiality rules. (XO Communications is the parent company of Petitioner XO Communications Services.) Verizon Communications' most recent income statement is available at http://www.verizon.com/about/investors/sec-filings. Verizon Communications is not required to prepare a pro forma income statement for this transaction, which is immaterial to Verizon Communications' financial position under Securities and Exchange Commission rules.

5. Copies of certificates of incorporation of each corporation to be merged, consolidated, acquired and/or changed and amendments thereto, if not heretofore filed with the Board

Attached as Exhibits 4, 5 and 6 are the certificates of incorporation for XO Communications, XO Communications Services and Verizon Communications.

6. The total number of shares of each of the various classes of capital stock proposed to be issued, if any, by the surviving corporation; the par or stated value per share; and the total amount of new capital stock to be issued

Not applicable. Verizon Communications will not issue stock to effect the transaction.

7. The percentage, and the manner in which, if any, the presently outstanding capital stock of the corporations involved will be exchanged for the new stock of the surviving corporation

Not applicable. No stock will be exchanged to effect the transaction.

8. Whether any franchise cost is proposed to be capitalized on the books of the surviving corporation, and, if so, the reasons therefor, and in what manner and over what period the items are proposed to be amortized

No franchise cost is proposed to be capitalized on the books of the surviving corporation because XO Communications Services does not have a franchise. Verizon Communications will account for the transaction using generally accepted accounting principles ("GAAP").

9. The names and addresses of the new officers, directors and principal stockholders and the number of shares to be held by each in the surviving corporation

Not applicable. Verizon Communications has not determined the officers or directors of the acquired company.

10. The various benefits to the public and the surviving corporation which will be realized as the result of the merger, consolidation, acquisition and/or change in control

See application.

11. Proposed changes, if any, by the surviving corporation, in company policies with respect to finances, operations, accounting, rates, depreciation, operating schedules, maintenance and management affecting the public interest

None. Post-closing, Verizon Communications will continue to apply the same accounting and financial principles.

12. Proof of service of notice of the proposed merger, consolidation, acquisition and/or change in control to the public, the municipalities being served by the companies to be merged, consolidated, acquired and/or changed, and the public utilities serving in the area, pursuant to *N.J.A.C.* 14:1-4.5

Not applicable. No service of notice is required under applicable law.

13. Proof of compliance with rules, regulations and statutes requiring approval from other State and Federal regulatory agencies having jurisdiction in the matter

Petitioners filed for approval by the Federal Communications Commission on March 4, 2016 (available at http://apps.fcc.gov/ecfs/document/view?id=60001528257). No other state approval filings are required in New Jersey.

14. A statement of the fees and expenses to be incurred in connection with the merger, consolidation, acquisition and/or change in control and the accounting disposition to be made thereof on the books of the surviving corporation

Not applicable. Verizon Communications will account for the transaction under generally accepted accounting principles.

VI. CONCLUSION

For the foregoing reasons, Petitioners request that the Board approve the above-described transaction pursuant to N.J.S.A. §48:2-51.1, §48:3-10, and N.J.A.C. §14:1-5.14.

Respectfully submitted,

VERIZON COMMUNICATIONS INC.

Lufe B. Clemons

By:

Keefe B. Clemons

General Counsel - Northeast Region

140 West Street, 6th Floor

New York, NY 10007-2109

(212) 519-4716

keefe.b.clemons@verizon.com

XO HOLDINGS AND XO COMMUNICATIONS

SERVICES, LLC

Shawn L. Kelly

Dentons US LLP

101 JFK Parkway

Short Hills, NJ 07078-2708

(973) 912-7107

shawn.kelly@dentons.com

Todd D. Daubert

Dentons US LLP

1301 K Street, NW, Suite 600, East Tower

Washington, DC 20005-3364

(202) 408-6458

todd.daubert(a)dentons.com

March 18, 2016

STATE OF NEW JERSEY BOARD OF PUBLIC UTILITIES

Verified Petition of XO Holdings, XO Communications Services, LLC, and Verizon Communications Inc. for Approval of a Proposed Transaction

Docket No.	
DOCINCE I TO	

VERIFICATION

- 1. I am an officer of the Petitioner Verizon Communications Inc.
- 2. To the best of my knowledge, information and belief, based on information provided by employees of Verizon Communications Inc. and its affiliates, the foregoing Petition is true and correct.

I declare under penalty of perjury that the foregoing is true and correct to the best of my information and belief.

DANA C. KAHNEY

Dated: March 17, 2016

STATE OF NEW JERSEY BOARD OF PUBLIC UTILITIES

Verified Petition of XO Holdings, XO Communications Services, LLC, and Verizon Communications Inc. for Approval of a Proposed Transaction

Docket No.	
THE PERSON AND AND ADDRESS OF THE PERSON ADDRESS OF THE PERSON AND ADDRESS OF THE PERSON AND ADDRESS OF THE PERSON ADDRESS OF TH	

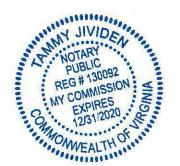
VERIFICATION

- 1. I am an officer of Petitioners XO Holdings and XO Communications Services, LLC.
- 2. To the best of my knowledge, information and belief, based on information provided by employees of XO Holdings and XO Communications Services, LLC and their affiliates, the foregoing Petition is true and correct.

I declare under penalty of perjury that the foregoing is true and correct to the best of my information and belief.

JAKE HEINZ

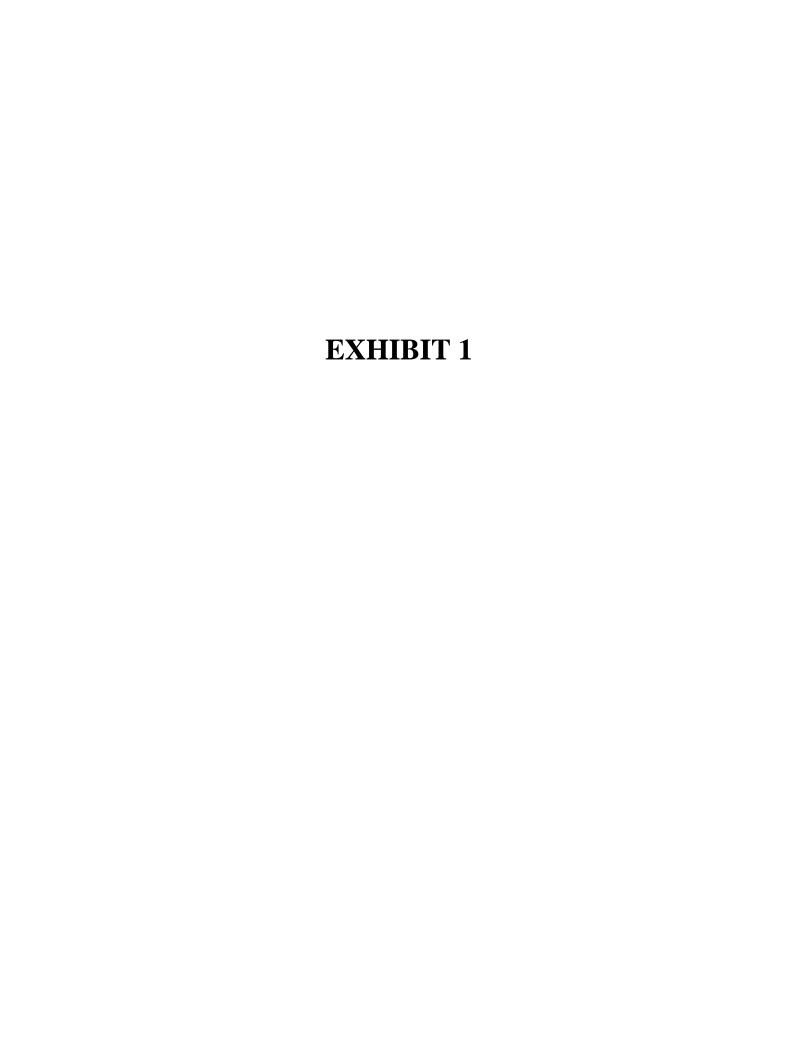
Dated: March 2016





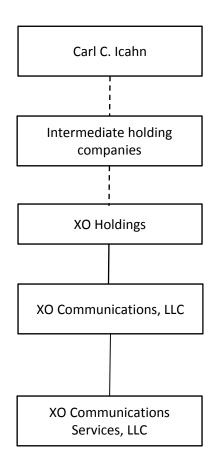
EXHIBITS

- 1. Diagrams Depicting the Pre- and Post-Closing Corporate Structure
- 2. Equity Purchase Agreement [CONFIDENTIAL]
- 3. XO Communications' Consolidated Financial Statements [CONFIDENTIAL]
- 4. Certificate of Incorporation of XO Communications
- 5. Certificate of Incorporation of XO Communications Services
- 6. Certificate of Incorporation of Verizon Communications



XO Communications

Pre-closing ownership structure



^{*}All ownership interests are 100% unless otherwise noted. Unaffected entities are not included.



Post-Closing Ownership Structure

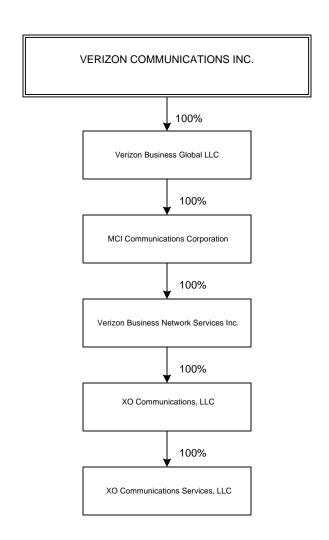
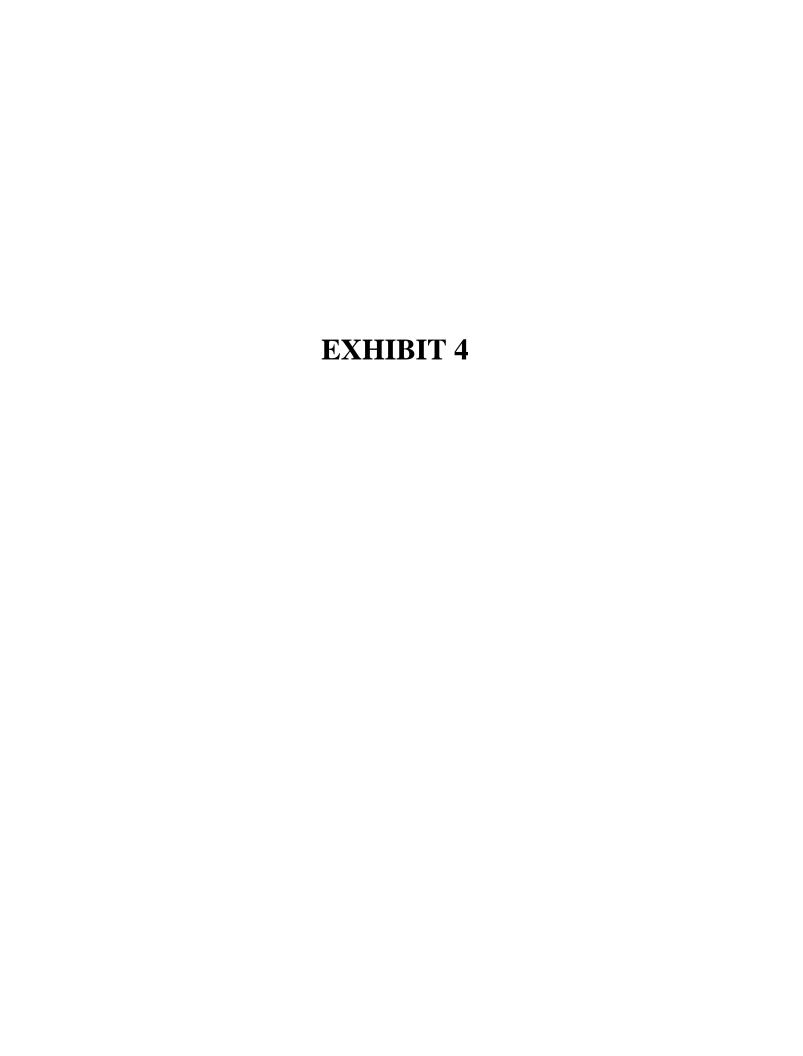


EXHIBIT 2

[REDACTED]

EXHIBIT 3

[REDACTED]





PAGE 1

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF
DELAWARE, DO HEREBY CERTIFY THE ATTACHED ARE TRUE AND CORRECT
COPIES OF ALL DOCUMENTS ON FILE OF "XO COMMUNICATIONS, LLC" AS
RECEIVED AND FILED IN THIS OFFICE.

THE FOLLOWING DOCUMENTS HAVE BEEN CERTIFIED:

CERTIFICATE OF FORMATION, FILED THE TWENTY-FIFTH DAY OF OCTOBER, A.D. 2005, AT 4:05 O'CLOCK P.M.

CERTIFICATE OF MERGER, FILED THE TWENTY-EIGHTH DAY OF FEBRUARY, A.D. 2006, AT 12 O'CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE AFORESAID

CERTIFICATES ARE THE ONLY CERTIFICATES ON RECORD OF THE

AFORESAID LIMITED LIABILITY COMPANY, "XO COMMUNICATIONS, LLC".

4051045 8100H

080234239

You may verify this certificate online

Warnet Smith Hinden

Harriet Smith Windsor, Secretary of State
AUTHENTICATION: 6410183

DATE: 02-27-08

State of Delaware Secretary of State Division of Corporations Delivered 04:05 FM 10/25/2005 FILED 04:05 FM 10/25/2005 SRV 050871613 - 4051045 FILE

CERTIFICATE OF FORMATION

OF

XO COMMUNICATIONS, LLC

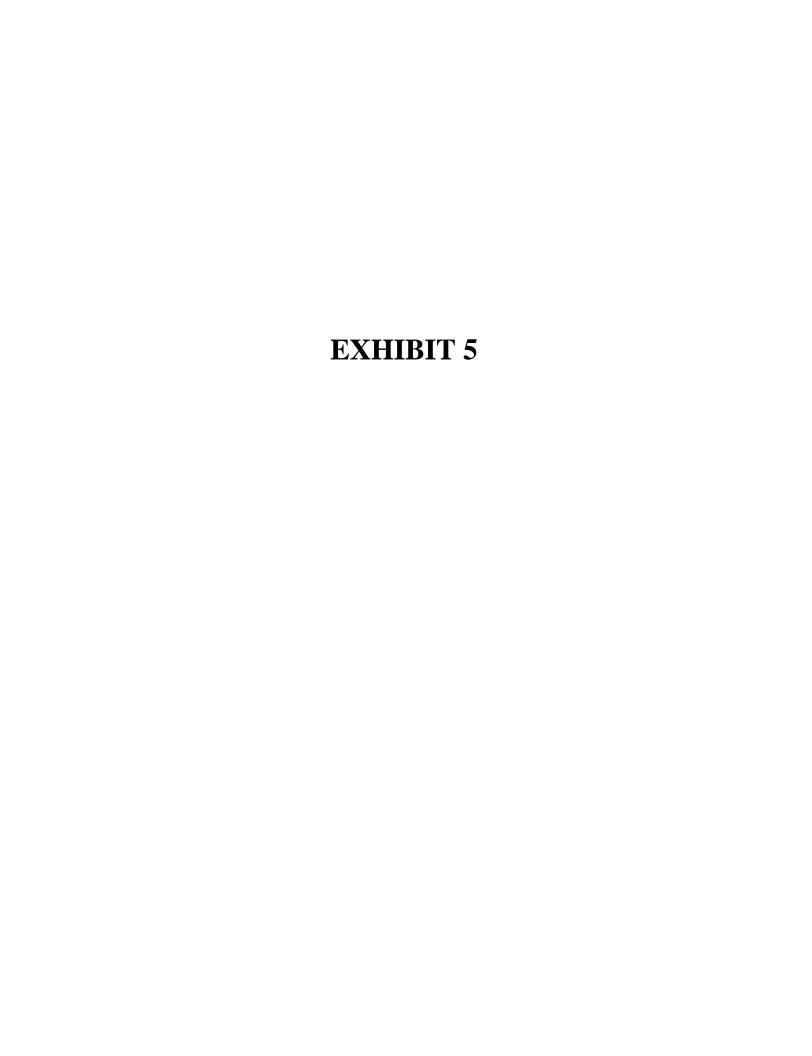
This Certificate of Formation of XO Communications, LLC (the "LLC"), dated as of October 25, 2005 is being duly executed and filed by the undersigned, as an authorized person, to form a limited liability company under the Delaware Limited Liability Company Act (6 Del. C. § 18-101, et seq.)

FIRST. The name of the limited liability company formed hereby is XO Communications, LLC

SECOND. The address of its registered office in the State of Delaware is 2711 Centerville Road, Suite 400, Wilmington, County of New Castle, Delaware, 19808. The name of its registered agent at such address is Corporation Service Company.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation as of the date first above written.

Ajanaclair N. Lyndh



State of Delaware Office of the Secretary of State

PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "NEXTLINK DOMESTIC HOLDINGS, INC.", CHANGING ITS NAME FROM "NEXTLINK DOMESTIC HOLDINGS, INC." TO "XO DOMESTIC HOLDINGS, INC.", FILED IN THIS OFFICE ON THE TWENTY-SEVENTH DAY OF SEPTEMBER, A.D. 2000, AT 6 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

Edward J. Freel, Secretary of State

AUTHENTICATION: 0706074

DATE: 09-28-00

3154937 8100

001490328

CERTIFICATE OF AMENDMENT CERTIFICATE OF INCORPORATION

NEXTLINK Domestic Holdings, Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware, does hereby certify:

A resolution setting forth the following amendment to the corporation's Certificate of Incorporation and declaring the advisability of such amendment was duly adopted by the corporation's Board of Directors by the unanimous written consent of its members, filed with the minutes of the Board, in accordance with the applicable provisions of Section 242 of the General Corporation Law of the State of Delawarc:

Article First of the Certificate of Incorporation is amended to read as follows:

"The name of the corporation is XO Domestic Holdings, Inc.

In lieu of a meeting of the stockholders, unanimous written consent has been given for the adoption of said amendment in accordance with the applicable provisions of Section 228 and Section 242 of the General Corporation Law of the State of Delaware.

Dated: September 20, 2000.

NEXTLINK Domestic Holdings, Inc.

Print Name: Richard A. Montfort, Jr.

Its: Assistant Secretary

STATE OF DELAWARE SECRETARY OF STATE DIVISION OF CORPORATIONS FILED 06:00 PM 09/27/2000 001490328 3154937 ON 31Form of DE Certificate of Amendment)

9/20/00

Delaware

PAGE

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "XO DOMESTIC HOLDINGS, INC.", CHANGING ITS NAME FROM "XO DOMESTIC HOLDINGS, INC." TO "XO COMMUNICATIONS SERVICES, INC.", FILED IN THIS OFFICE ON THE TWENTY-EIGHTH DAY OF JUNE, A.D. 2004, AT 2:31 O'CLOCK P.M.

3154937 8100

051005283

Darriet Smith Windson

Harriet Smith Windsor, Secretary of State
AUTHENTICATION: 4358932

DATE: 12-09-05

Aware
A State
Corporations
B:14 PM 06/28/2004
A2:31 PM 06/28/2004
A475355 - 3154937 FILE

STATE OF DELAWARE CERTIFICATE OF AMENDMENT OF CERTIFICATE OF INCORPORATION

XO Domestic Holdings, Inc.

a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware.

DOES HEREBY CERTIFY:

FTRST: That at a meeting of the Board of Directors of XO Domestic Holdings, Inc., resolutions were duly adopted setting forth a proposed amendment of the Certificate of Incorporation of said corporation, declaring said amendment to be advisable and calling a meeting of the stockholders of said corporation for consideration thereof. The resolution setting forth the proposed amendment is as follows:

RESOLVED, that the name of the company is hereby changed from "XO Domestic Holdings, Inc." to "XO Communications Services, Inc.", effective as of the earliest date permissible under the General Corporation Law of the State of Delaware;

RESOLVED, that, it being advisable and in the best interests of the sole stockholder, that the Article First of the Company's Certificate of Incorporation be amended to read as follows:

"The name of the corporation is XO Communications Services, Inc."

RESOLVED, that each officer shall have the authority to execute and deliver on behalf of the Company, the Certificate of Amendment, and any such agreements, contracts, certificates, bonds, mortgages, deeds, documents and instruments as are or become necessary in accordance with the foregoing resolution, and the signature of such officer on such officer on such document shall be sufficient to bind the Company.

SECOND: That thereafter, pursuant to resolution of its Board of Directors, a special meeting of the stockholders of said corporation was duly called and held upon notice in accordance with Section 222 of the General Corporation Law of the State of Delaware at which meeting the necessary number of shares as required by statute were voted in favor of the amendment.

THIRD: That said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

FOURTH: That the capital of said corporation shall not be reduced under or by reason of said amendment,

	ITNESS WHEI signed by	WOF, said X	O Domestic Ho	oldings, Inc., h	as caused ti	his certificate
<u>1211</u>	Man Ga	urahan		***************************************	an Authori	ized Officer,
this	28tu	day of	<u>June</u>	<u></u> , <u>@</u> 0	04	Ä
			Ву:	Authorized O	Tiber	La_
			Title: Ach	ing CFO		
•			Name: Will	iam: <u>Gari</u> Print or Type	rahan_	The state of the s



PAGE 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF

DELAWARE DO HEREBY CERTIFY THAT THE ATTACHED IS A TRUE AND

CORRECT COPY OF THE CERTIFICATE OF CONVERSION OF A DELAWARE

CORPORATION UNDER THE NAME OF "XO COMMUNICATIONS SERVICES, INC."

TO A DELAWARE LIMITED LIABILITY COMPANY, CHANGING ITS NAME FROM

"XO COMMUNICATIONS SERVICES, INC." TO "XO COMMUNICATIONS

SERVICES, LLC", FILED IN THIS OFFICE ON THE THIRTIETH DAY OF

AUGUST, A.D. 2011, AT 6:35 O'CLOCK P.M.

3154937 8100V

110966974

Jeffrey W. Bullock, Secretary of State **AUTHENTYCATION:** 9001019

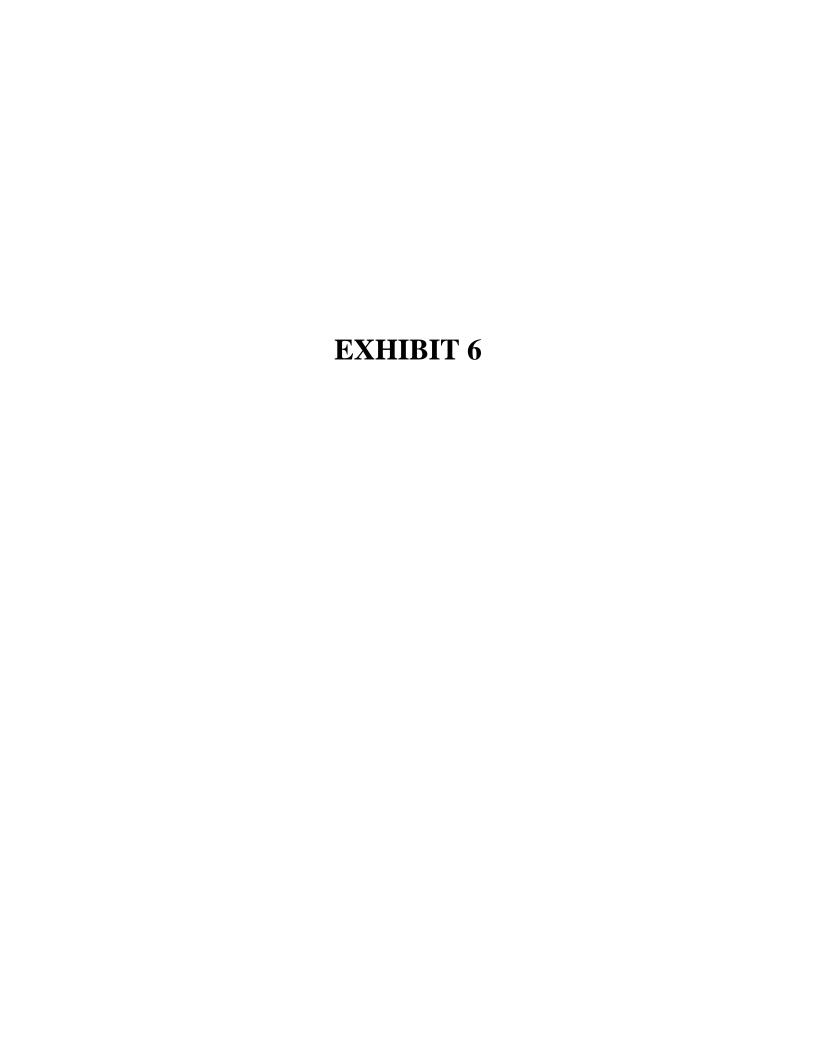
DATE: 08-30-11

You may verify this certificate online at corp.delaware.gov/authver.shtml

State of Delaware Secretary of State Division of Corporations Delivered 06:35 PM 08/30/2011 FILED 06:35 PM 08/30/2011 SRV 110966974 - 3154937 FILE

STATE OF DELAWARE CERTIFICATE OF CONVERSION FROM A CORPORATION TO A LIMITED LIABILITY COMPANY PURSUANT TO SECTION 18-214 OF THE LIMITED LIABILITY ACT

1.)	The jurisdiction where the Corporation first formed is <u>DELAWARE</u> .
2.)	The jurisdiction immediately prior to filing this Certificate is <u>DELAWARE</u>
3.)	The date the corporation first formed is 1/5/2000 .
4.)	The name of the Corporation immediately prior to filing this Certificate is XO COMMUNICATIONS SERVICES, INC
5.)	The name of the Limited Liability Company as set forth in the Certificate of Formation is XO COMMUNICATIONS SERVICES, LLC
IN 30	WITNESS WHEREOF, the undersigned have executed this Certificate on the day of AUGUST , A.D. 2011 .
	By: Lautaw H Authorized Person
	Name: Laura W. THOMAS
	Print or Type



Page 1

Delaware The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF

DELAWARE, DO HEREBY CERTIFY THE ATTACHED ARE TRUE AND CORRECT

COPIES OF ALL DOCUMENTS FILED FROM AND INCLUDING THE RESTATED

CERTIFICATE OR A MERGER WITH A RESTATED CERTIFICATE ATTACHED OF

"VERIZON COMMUNICATIONS INC." AS RECEIVED AND FILED IN THIS

OFFICE.

THE FOLLOWING DOCUMENTS HAVE BEEN CERTIFIED:

RESTATED CERTIFICATE, FILED THE EIGHTH DAY OF MAY, A.D.

2014, AT 11:10 O'CLOCK A.M.



Authentication: 201997276

Date: 03-17-16

2018751 8100X SR# 20161699897

State of Delaware Secretary of State
Division of Corporations
Delivered 11:15 AM 05/08/2014
FILED 11:10 AM 05/08/2014 RESTATED CERTIFICATE OF INCORPORATION
SRV 140587909 - 2018751 FILE

OF

VERIZON COMMUNICATIONS INC.

Verizon Communications Inc., a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows:

- 1. The name of the corporation is Verizon Communications Inc., and the name under which the corporation was originally incorporated is Bell Atlantic Corporation. The date of filing of its original Certificate of Incorporation with the Secretary of State was October 7, 1983.
- 2. This Restated Certificate of Incorporation only restates and integrates and does not further amend the provisions of the Certificate of Incorporation of the corporation as heretofore amended or supplemented and there is no discrepancy between those provisions and the provisions of this Restated Certificate of Incorporation.
- 3. The text of the Certificate of Incorporation as amended or supplemented heretofore is hereby restated without further amendments or changes to read as herein set forth in full in Exhibit A attached hereto.
- 4. This Restated Certificate of Incorporation was duly adopted by the Board of Directors in accordance with Section 245 of the General Corporation Law of the State of Delaware.
- 5. This Restated Certificate of Incorporation shall be effective upon filing with the Secretary of State of the State of Delaware.

IN WITNESS WHEREOF, said Verizon Communications Inc. has caused this Certificate to be signed by William L. Horton, Jr., its Senior Vice President, Deputy General Counsel and Corporate Secretary this 8th day of May, 2014.

VERIZON COMMUNICATIONS INC.

By W. W. Z. Hora William L. Horton, Jr.

Senior Vice President, Deputy General Counsel and Corporate

Secretary

RESTATED CERTIFICATE OF INCORPORATION OF VERIZON COMMUNICATIONS INC.

- 1. <u>Corporate Name</u>. The name of the corporation is Verizon Communications Inc. (the "Corporation").
- 2. Registered Office. The address of the registered office of the Corporation is 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of the registered agent of the Corporation at such address is The Corporation Trust Company.
- 3. <u>Corporate Purpose</u>. The nature of the business of the Corporation or the purposes of the Corporation to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware, as amended from time to time (the "GCL").

Capital Stock.

- A. <u>Authorized Shares</u>. The total number of shares of all classes of stock which the Corporation shall have the authority to issue is 6,500,000,000 shares, of which 6,250,000,000 shares are Common Stock, \$.10 par value per share, and 250,000,000 shares are Series Preferred Stock, \$.10 par value per share.
- Authority of Board to Fix Terms of Series Preferred Stock. The Board of Directors of the Corporation is hereby expressly authorized at any time and from time to time to provide for the issuance of all or any shares of the Series Preferred Stock in one or more classes or series, and to fix for each such class or series such voting powers, full or limited, or no voting powers, and such distinctive designations, preferences and relative, participating, optional or other special rights and such qualifications, limitations or restrictions thereof, as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors providing for the issuance of such class or series and to the fullest extent as may now or hereafter be permitted by the GCL, including, without limiting the generality of the foregoing, the authority to provide that any such class or series may be (i) subject to redemption at such time or times and at such price or prices; (ii) entitled to receive dividends (which may be cumulative or non-cumulative) at such rates, on such conditions, and at such times, and payable in preference to, or in such relation to, the dividends payable on any other class or classes or any other series; (iii) entitled to such rights upon the dissolution of, or upon any distribution of the assets of, the Corporation; or (iv) convertible into, or exchangeable for, shares of any other class or classes of stock, or of

any other series of the same or any other class or classes of stock, or other securities or property, of the Corporation at such price or prices or at such rates of exchange and with such adjustments; all as may be stated in such resolution or resolutions. Unless otherwise provided in such resolution or resolutions, shares of Series Preferred Stock of such class or series which shall be issued and thereafter acquired by the Corporation through purchase, redemption, exchange, conversion or otherwise shall return to the status of authorized but unissued Series Preferred Stock.

Board of Directors of the Corporation.

- A. <u>Responsibilities</u>. The business and affairs of the Corporation shall be managed under the direction of the Board of Directors.
- B. <u>Number</u>. Subject to the right of the Board of Directors to increase or decrease the number of directors pursuant to this Article 5.B., the Board of Directors shall consist of 22 directors. The Board of Directors may increase or decrease the number of directors by the affirmative vote of (a) three-quarters of the entire Board of Directors if the effective date of such increase or decrease is prior to the date on which Raymond W. Smith ceases to be Chairman of the Corporation (hereinafter referred to as the "Retirement Date"), and (b) a majority of the entire Board of Directors if the effective date of the increase or decrease is on or after the Retirement Date.
- C. <u>Elections of Directors</u>. Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.
- D. <u>Nominations for Directors</u>. Except as otherwise permitted in Article 5.E., only persons who are nominated in accordance with the procedures established in the Bylaws shall be eligible for election as directors.
- E. <u>Vacancies</u>. Vacancies and newly created directorships may be filled by the Board of Directors, provided that on or prior to the Retirement Date, such action shall be in accordance with the method for the selection of directors set forth in Section 4.16 of the Bylaws.
- 6. <u>Bylaws</u>. The Board of Directors is expressly authorized from time to time to make, alter or repeal the Bylaws of the Corporation in the manner set forth in the Bylaws from time to time.

7. Indemnification.

- Indemnification of Authorized Representatives in Third Party Proceedings. -- The Corporation shall indemnify any person who was or is an authorized representative of the Corporation, and who was or is a party, or is threatened to be made a party to any third party proceeding, by reason of the fact that such person was or is an authorized representative of the Corporation, against expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such third party proceeding if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Corporation and, with respect to any criminal third party proceeding, had no reasonable cause to believe such conduct was unlawful. The termination of any third party proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the authorized representative did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to, the best interests of the Corporation, or, with respect to any criminal third party proceeding, had reasonable cause to believe that such conduct was unlawful.
- Indemnification of Authorized Representatives in Corporate B. Proceedings.--The Corporation shall indemnify any person who was or is an authorized representative of the Corporation and who was or is a party or is threatened to be made a party to any corporate proceeding, by reason of the fact that such person was or is an authorized representative of the Corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such corporate proceeding if such person acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the Corporation; provided, however, that, except as provided in this Article 7 with respect to proceedings to enforce rights to indemnification, the Corporation shall indemnify any such person in connection with an action, suit or proceeding (or part thereof) initiated by such person only if the initiation of such action, suit or proceeding (or part thereof) was authorized by the Board of Directors; provided further, however, that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery or the court in which such corporate proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such authorized representative is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.
- C. <u>Mandatory Indemnification of Authorized Representatives.</u>--To the extent that an authorized representative or other employee or agent of the Corporation has been successful on the merits or otherwise in defense of any third party or corporate proceeding or in defense of any claim, issue or matter therein, such person

shall be indemnified against expenses actually and reasonably incurred by such person in connection therewith.

- D. <u>Determination of Entitlement to Indemnification.</u>—Any indemnification under section 7(A), (B) or (C) of this Article (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the authorized representative or other employee or agent is proper in the circumstances because such person has either met the applicable standard of conduct set forth in section 7(A) or (B) of this Article or has been successful on the merits or otherwise as set forth in section 7(C) of this Article and that the amount requested has been actually and reasonably incurred. Such determination shall be made:
 - (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such third party or corporate proceeding; or
 - (2) if such a quorum is not obtainable, or even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion; or
 - (3) by the stockholders.
- E. Advancing Expenses.--Expenses actually and reasonably incurred in defending a third party or corporate proceeding shall be paid on behalf of an authorized representative by the Corporation in advance of the final disposition of such third party or corporate proceeding and within 30 days of receipt by the secretary of the Corporation of (i) an application from such authorized representative setting forth the basis for such indemnification, and (ii) if required by law at the time such application is made, an undertaking by or on behalf of the authorized representative to repay such amount if it shall ultimately be determined that the authorized representative is not entitled to be indemnified by the Corporation as authorized in this Article. The financial ability of any authorized representative to make a repayment contemplated by this section shall not be a prerequisite to the making of an advance. Expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate.
 - F. <u>Definitions</u>.--For purposes of this Article:
 - (1) "authorized representative" shall mean any and all directors and officers of the Corporation and any person designated as an authorized representative by the Board of Directors of the Corporation or any officer of the Corporation to whom the Board has delegated the authority to make such designations (which "authorized representative" may, but need not, include any person serving at the request of the Corporation as a director, officer, employee, trustee or agent of another corporation, partnership, joint venture, trust or

other enterprise);

- (2) "Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued;
- (3) "corporate proceeding" shall mean any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor and any investigative proceeding by the Corporation;
- (4) "criminal third party proceeding" shall include any action or investigation which could or does lead to a criminal third party proceeding;
 - (5) "expenses" shall include attorneys' fees and disbursements;
- (6) "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan;
- (7) actions "not opposed to the best interests of the Corporation" shall include without limitation actions taken in good faith and in a manner the authorized representative reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan;
 - (8) "other enterprises" shall include employee benefit plans;
 - (9) "party" shall include the giving of testimony or similar involvement;
- (10) "serving at the request of the Corporation" shall include without limitation any service as a director, officer or employee of the Corporation which imposes duties on, or involves services by, such director, officer or employee with respect to an employee benefit plan, its participants, or beneficiaries; and
- (11) "third party proceeding" shall mean any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, other than an action by or in the right of the Corporation.

- G. <u>Insurance.</u>—The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against the person and incurred by the person in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power or the obligation to indemnify such person against such liability under the provisions of this Article.
- H. Scope of Article.—The indemnification of authorized representatives and advancement of expenses, as authorized by the preceding provisions of this Article, shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any agreement, vote of stockholders or disinterested directors or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office. The indemnification and advancement of expenses provided by or granted pursuant to this Article shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be an authorized representative and shall inure to the benefit of the heirs, executors and administrators of such a person.
- I. Reliance on Provisions.—Each person who shall act as an authorized representative of the Corporation shall be deemed to be doing so in reliance upon rights of indemnification provided by this Article. Any repeal or modification of the provisions of this Article 7 by the stockholders of the Corporation shall not adversely affect any right or benefit of a director existing at the time of such repeal or modification.
- J. <u>Severability</u>.--If this Article 7 or any portion thereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each authorized representative of the Corporation as to expenses, judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, including, without limitation, a grand jury proceeding and an action, suit or proceeding by or in the right of the Corporation, to the fullest extent permitted by any applicable portion of this Article 7 that shall not have been invalidated, by the GCL or by any other applicable law.
- 8. <u>Duty of Care.</u> A director of the Corporation shall not be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law, (iii) under Section 174 of the GCL, or (iv) for any transaction from which the director derived an improper personal benefit. If the GCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the GCL, as so amended. Any repeal or modification of the provisions of this Article 8 by the stockholders of the

Corporation shall not adversely affect any right or benefit of a director of the Corporation existing at the time of such repeal or modification.

- 9. Board Consideration of All Relevant Factors. The Board of Directors of the Corporation, when evaluating any offer of another party to (a) make a tender or exchange offer for any equity security of the Corporation, (b) merge or consolidate the Corporation with another corporation, or (c) purchase or otherwise acquire all or substantially all of the properties and assets of the Corporation, may, in connection with the exercise of its judgment in determining what is in the best interests of the Corporation and its stockholders, give due consideration to (i) all relevant factors, including without limitation the social, legal, environmental and economic effects on employees, customers, suppliers and other affected persons, firms and corporations and on the communities and geographical areas in which the Corporation and its subsidiaries operate or are located and on any of the businesses and properties of the Corporation or any of its subsidiaries, as well as such other factors as the directors deem relevant, and (ii) the consideration being offered, not only in relation to the then current market price for the Corporation's outstanding shares of capital stock, but also in relation to the then current value of the Corporation in a freely negotiated transaction and in relation to the Board of Directors' estimate of the future value of the Corporation (including the unrealized value of its properties and assets) as an independent going concern.
- 10. Unanimous Consent of Stockholders in Lieu of Meeting. Any action required to be taken at any annual or special meeting of stockholders of the Corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of all of the outstanding stock entitled to vote to take such action at any annual or special meeting of stockholders of the Corporation and shall be delivered to the Corporation by delivery to its registered office in Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the books in which proceedings or meetings of stockholders are recorded. Every written consent shall bear the date of signature of each stockholder who signs the consent and no written consent shall be effective to take the corporate action referred to unless, within 60 days of the earliest dated consent delivered in the manner required in this section to the Corporation, written consents signed by the holders of all of the outstanding stock entitled to vote to take such action are delivered to the Corporation by delivery to its registered office in Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the books in which proceedings of meetings of stockholders are recorded. Delivery made to a Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested.
- 11. <u>Amendments</u>. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this certificate of incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

#805

NEW JERSEY BOARD OF PUBLIC UTILITIES

Verified Petition of XO Holdings, XO Communications Services, LLC, and Verizon Communications Inc. for Approval of a Proposed Transaction

Docket	No.	

AFFIDAVIT

STATE OF NEW YORK)	
)	ss:
COUNTY OF NEW YORK)	

CAME BEFORE THE UNDERSIGNED, KEEFE B. CLEMONS, who, after being duly sworn, did say and depose:

- 1. I am General Counsel for the Northeast Region with responsibility for legal and regulatory compliance in the Northeast Region, which includes New Jersey. I am authorized by Verizon Communications Inc. ("Verizon") to represent the company in this matter. I have personal knowledge of the facts stated herein and have reviewed the documents referenced in this Affidavit.
- 2. I make this affidavit in support of the Petitioners' claim that the following documents filed in support of the accompanying Petition are confidential information that is exempt from disclosure pursuant to the Open Public Records Act ("OPRA"), N.J.S.A. §§47:1A-1 to 1A-13: (1) Equity Purchase Agreement between Verizon and XO Holdings and affiliated entities ("XO") (the "EPA"), and (2) Consolidated Financial Statements and Report of Independent Certified Public Accountants, XO Communications, LLC (December 31, 2015 and 2014) ("XO Financials").

- 3. The EPA contains confidential information about the terms and conditions of the transaction. The EPA, whether read section by section or as a whole, discloses the give and take between Verizon and XO on the terms of this transaction. Both companies could be prejudiced if the details of their negotiations become public knowledge, as other potential sellers or buyers would have an unfair advantage when negotiating with Verizon or XO because they would know what commitments each party had been willing to make in this transaction to come to an agreement. As a result, the competitive position of both companies would potentially be compromised by the risk that the terms of this transaction might become known to other would-be merger partners or acquiring companies.
- 4. In addition, the EPA contains confidential financial information about XO's capital expenditures and certain expense accounts. Since XO is not a publicly traded company, this information would not otherwise be available to the public. Public disclosure of this information would give Verizon's and XO's competitors an unfair competitive advantage because it would enable competing firms to learn otherwise non-public information about XO's finances and would assist them in developing strategies to respond to this transaction.
- 5. Both companies have been vigilant in protecting this information. Internally, the EPA has been disseminated only on a confidential "need-to-know" basis and has not been provided to affiliates or business partners not involved in this transaction. While a few discrete terms of the Agreement, such as the purchase price, have been disclosed to the public, the EPA itself has not been disclosed to the public, and competitors do not otherwise have access to the EPA.
- 6. XO's Financials contain highly sensitive competitive information regarding XO's financial condition. As a private company, XO is not required to and does not disclose its

financial information. Where business needs require the company to disclose such information, it is only made available subject to assurance that it will be treated as confidential, proprietary, and not disclosed to the public.

- 7. On behalf of Verizon, I respectfully request that the above-described information be treated by the Board as proprietary and confidential for an indeterminate amount of time, pursuant to the Open Public Records Act ("OPRA"), N.J.S.A. 47:1A-1 to 1A-13 and the Board's rules.
 - 8. The following is the designated addressee for notices and inquiries:

Keefe B. Clemons General Counsel - Northeast Region Verizon 140 West Street, 6th Floor New York, NY 10007-2109 (212) 519-4716 keefe.b.clemons@verizon.com

Further the affiant sayeth not.

Sworn before me this 17th

of March 2016

Notary Public

RICHARD C. FIPPHEN
Notary Public, State of New York
No. 02Fl4960295
Qualified in New York County
Commission Expires 13/18/2017

NEW JERSEY BOARD OF PUBLIC UTILITIES

Verified Petition of XO Holdings, XO Communications Services, LLC, and Verizon Communications Inc. for Approval of a Proposed Transaction

Docket No.	
------------	--

AFFIDAVIT

COMMONWEALTH OF VIRGINIA)	
)	SS
COUNTY OF FAIRFAX)	

CAME BEFORE THE UNDERSIGNED, JAKE HEINZ, who, after being duly sworn, did say and depose:

- I am Senior Vice President, Product and Marketing, for XO Holdings, XO
 Communications, LLC and XO Communications Services, LLC. I am authorized by Petitioner
 XO Holdings to represent the company in this matter. I have personal knowledge of the facts
 stated herein and have reviewed the documents referenced in this Affidavit.
- 2. I make this affidavit in support of the Petitioners' claim that the following documents filed in support of the accompanying Petition are confidential information that is exempt from disclosure pursuant to the Open Public Records Act ("OPRA"), N.J.S.A. §§47:1A-1 to 1A-13: (1) Equity Purchase Agreement between Verizon and XO Holdings and affiliated entities ("XO") (the "EPA"), and (2) Consolidated Financial Statements and Report of Independent Certified Public Accountants, XO Communications, LLC (December 31, 2015 and 2014) ("XO Financials").
- The EPA contains confidential information about the terms and conditions of the transaction. The EPA, whether read section by section or as a whole, discloses the give and take

between Verizon and XO on the terms of this transaction. Both companies could be prejudiced if the details of their negotiations become public knowledge, as other potential sellers or buyers would have an unfair advantage when negotiating with Verizon or XO because they would know what commitments each party had been willing to make in this transaction to come to an agreement. As a result, the competitive position of both companies would potentially be compromised by the risk that the terms of this transaction might become known to other would-be merger partners or acquiring companies.

- 4. In addition, the EPA contains confidential financial information about XO's capital expenditures and certain expense accounts. Since XO is not a publicly traded company, this information would not otherwise be available to the public. Public disclosure of this information would give Verizon's and XO's competitors an unfair competitive advantage because it would enable competing firms to learn otherwise non-public information about XO's finances and would assist them in developing strategies to respond to this transaction.
- 5. Both companies have been vigilant in protecting this information. Internally, the EPA has been disseminated only on a "need-to-know" basis and has not been provided to affiliates or business partners not involved in this transaction. While a few discrete terms of the Agreement, such as the purchase price, have been disclosed to the public, the EPA itself has not been disclosed to the public, and competitors do not otherwise have access to the EPA.
- 6. XO's Financials contain competitively sensitive information regarding XO Communications, LLC's financial condition the disclosure of which would harm the company by providing an unfair advantage to providers of competing services. As a private company, XO is not required to and does not generally disclose such information. Where business needs require

the company to disclose such information, it is only made available subject to assurance that it will be treated as confidential, proprietary, and not disclosed to the public.

- 7. On behalf of XO, I respectfully request that the above-referenced information be treated by the Board as proprietary and confidential for an indeterminate amount of time, pursuant to the Open Public Records Act ("OPRA"), N.J.S.A. 47:1A-1 to 1A-13 and the Board's rules.
 - 8. The following is the designated addressee for notices and inquiries:

Kelly Faul Director, Regulatory Affairs XO Communications, LLC 13865 Sunrise Valley Drive Herndon, VA 20171 (703) 547-2536 kelly.faul@xo.com

Further the affiant sayeth not.

JAKE HEINZ

Sworn before me this

of March 2016

Jolany Rublic