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BOARD OF PUBLIC UTILITIES
TRENTON, NJ

May 9, 2019

WRITER'S DIRECT DIAL
908-252-4221

VIA FEDERAL EXPRESS

Aida Camacho-Welch, Secretary
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor
Post Office Box 350
Trenton, New Jersey 08625-0350

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BOARD OF PUBLIC UTILITIES
TRENTON, NJ

Re: Verified Petition of PEG Bandwidth NJ, LLC for Approval of a
Pro Forma Change in Intermediate Ownership and Control
Docket No. TM19050575

Dear Secretary Camacho-Welch:

Enclosed for filing on behalf of PEG Bandwidth NJ, LLC please find an original and 11 copies of a Verified Petition for a *Pro Forma* Approval of a Change in Intermediate Ownership and Control.

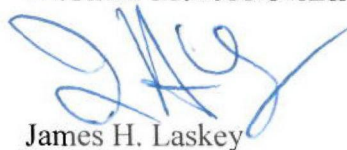
Please return a copy of the filed petition with the assigned docket number in the enclosed self-addressed, stamped envelope.

CMS
LEGAL
DAG
RPA
L. GILBERT
H. Brand
R. DELLA SERRA
TELEC (4)
JHL/l
Enclosures

Economist

Very truly yours,

NORRIS McLAUGHLIN, P.A.



James H. Laskey

cc: Ben Witherell, Ph.D.
Rocco Della Serra
Stefanie A. Brand, Esq.

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BOARD OF PUBLIC UTILITIES
TRENTON, NJ

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

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MAY 10 2019

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

I/M/O of the Verified Petition of)
)
PEG Bandwidth NJ, LLC)
)
for Approval of a *Pro Forma* Change in) Docket No. _____
Intermediate Ownership and Control)
)

VERIFIED PETITION

PEG Bandwidth NJ, LLC (“PEG NJ” or “Petitioner”), by undersigned counsel and pursuant to N.J.S.A. 48:2-51.1 and the regulations of the Board of Public Utilities (“Board”), respectfully request Board approval, to the extent required, to complete a *pro forma* change in indirect ownership that will result in a change in its intermediate ownership and control structure with no change to its ultimate owner (the “*Pro Forma* Change”).¹ Petitioner emphasizes that its customers will not be impacted by these changes.

In support of this filing, Petitioner provides the following information:

I. DESCRIPTION OF PETITION

PEG NJ is a Delaware limited liability company and wholly owned, direct subsidiary of Uniti Fiber LLC, a Delaware limited liability company, which in turn is a wholly owned, direct subsidiary of Uniti Fiber Holdings Inc. (“Fiber Holdings”), a Delaware corporation. Fiber Holdings, Uniti Fiber LLC and Petitioner is an indirect subsidiary of Uniti Group Inc. (“Parent” and together with its subsidiaries, “Uniti”), a publicly-traded Maryland corporation

¹ In Docket No. TM18040470, the Board granted a Petition requesting approval for a different proposed *pro forma* change in indirect ownership of Petitioner (the “2018 Petition”). However, the proposed *pro forma* change described in the 2018 Petition has not been completed and the proposed *Pro Forma* Change described in this Petition is expected to replace it. Upon completion of the proposed *Pro Forma* Change described in this Petition, Petitioners will notify the Board that *pro forma* change described in the 2018 Petition will not be completed.

(NASDAQ: UNIT).² PEG NJ's principal offices are located at 107 St. Francis Street, Suite 1800, Mobile, AL 36602.

PEG NJ is principally a carrier's carrier and provides telecommunications services to providers of wireless telecommunications as well as other carriers. PEG NJ is authorized by the Federal Communications Commission ("FCC") to provide interstate telecommunications services. In New Jersey, PEG NJ is authorized to provide facilities-based and resold telephone service with authority to provide local exchange service pursuant to authority granted by the Board in Docket No. TE12040317 on August 15, 2012.

Additional information concerning PEG NJ's technical, managerial and financial qualifications have been submitted to the Board as part of PEG NJ's certification application in Docket No. TE12040317 and is therefore already a matter of public record. After the *Pro Forma* Change is completed, Petitioner will remain well-qualified to provide service to its customers, and its operations will continue to be overseen by the same well-qualified management team with substantial telecommunications experience and technical expertise.

II. DESIGNATED CONTACTS

Inquiries or copies of any correspondence, orders, or other materials pertaining to this Petition should be directed to:

James H. Laskey
Norris McLaughlin, PA
400 Crossing Blvd, 8th Floor
Bridgewater, New Jersey 08807-5933
908-252-4221 (tel)
908-722-0755 (fax)
[jlaskey@norris-law.com](mailto:jaskey@norris-law.com)

² Parent was known as Communications Sales & Leasing, Inc. until February 2017, when it changed its name to Uniti Group Inc. In addition, Uniti Fiber LLC was formerly known as Uniti Fiber-PEG LLC.

With a copy to:

Ronald W. Del Sesto, Jr.
Brett P. Ferenczak
Morgan, Lewis & Bockius LLP
1111 Pennsylvania Avenue, N.W.
Washington, DC 20004
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and:

Jeffrey R. Strenkowski
Vice President, Deputy General Counsel of
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Uniti Group Inc.
10802 Executive Center Drive, Suite 300
Little Rock, AR 72211
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III. DESCRIPTION OF THE *PRO FORMA* CHANGE

The proposed *Pro Forma* Change will involve the removal of two intermediate companies (*i.e.*, Uniti Holdings LP³ and Uniti Holdings GP LLC⁴) from the ownership and control chain between Uniti Group LP and Fiber Holdings and the insertion of four intermediate companies (*i.e.*, CSL Capital, LLC,⁵ CSL National GP, LLC,⁶ CSL National, LP⁷ and a new entity, Uniti Group Finance Holdco Inc. (“NewCo”),⁸ which is wholly owned by Uniti Group LP, and was formed for the purposes of completing the *Pro Forma* Change. Upon completion, except for a limited number of individuals that will hold a *de minimis* amount of preferred shares in NewCo (necessary to meet certain real estate investment trust tax requirements), Uniti Group LP will directly and indirectly through CSL Capital, LLC, CSL National GP, LLC, CSL National, LP and NewCo, own Fiber Holdings and thus Petitioners. Since PEG NJ will remain nearly wholly owned, indirect subsidiaries of Uniti Group LP and Parent, the *Pro Forma* Change is *pro forma*

³ Uniti Holdings LP is a Delaware limited partnership.

⁴ Uniti Holdings GP LLC is a Delaware limited liability company.

⁵ CSL Capital, LLC is a Delaware limited liability company.

⁶ CSL National GP, LLC is a Delaware limited liability company.

⁷ CSL National, LP is a Delaware limited partnership.

⁸ NewCo is a Delaware corporation.

in nature. Appended hereto as **Exhibit A** is a chart illustrating the current and post-*Pro Forma* Change in corporate ownership structure of Petitioner.

Thus, aside from the *de minimis* number of preferred shares issued by NewCo as noted above, the *Pro Forma* Change will not result in any changes to the ultimate ownership of Petitioner, which will remain with Parent and its shareholders. Rather, Petitioner will have different intermediary entities between it and Parent. After the *Pro Forma* Change is undertaken, Petitioner will continue to conduct all of its operations as they are currently conducted.

IV. PUBLIC INTEREST CONSIDERATIONS

The proposed changes in Uniti's entity ownership and control structure will provide Uniti additional financial flexibility with respect to its status as a real estate investment trust ("REIT"). Given that the *Pro Forma* Change only involves the reorganization of entities from Uniti's corporate structure, it is purely *pro forma* in nature, it will not result in any new owners of Petitioner other than those in existence immediately before the *Pro Forma* Change takes place (aside from the *de minimis* number of preferred share owners of NewCo), and it will not directly involve Petitioner or its operations.

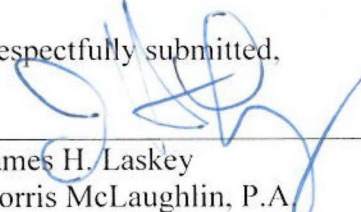
The net effect of the *Pro Forma* Change will be simply to change entities in Petitioner's intermediate ownership and control chain. There will be no change in actual working control of Petitioner. Petitioner will remain well-qualified to provide service to customers, and its operations will continue to be overseen by its existing management teams. The telecommunications services provided by Petitioner and the rates, terms and conditions of those services will not change as a result of the *Pro Forma* Change, and Petitioner's New Jersey customers will not be affected in any way by the *Pro Forma* Change. Additionally, because the *Pro Forma* Change only involves changes in the intermediate companies in PEG NJ's ownership chain there will be no effect on the number of PEG NJ's existing employees in New Jersey.

In sum, the *Pro Forma* Change will provide Uniti additional flexibility under its REIT status. Petitioner will continue to have the same requisite managerial, technical and financial capabilities to provide quality communications services. Petitioner's New Jersey customers will receive the same full range of products and services that they received prior to the *Pro Forma* Change at the same prices and under the same terms and conditions. All of these facts demonstrate that the *Pro Forma* Change is in the public interest.

V. **CONCLUSION**

WHEREFORE, for the reasons set forth above, Petitioner requests the Board approve this Petition and grant all authority necessary for the *Pro Forma* Change as described herein.

Respectfully submitted,



James H. Laskey
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Bridgewater, NJ 08807-5933
jlaskey@norris-law.com

Counsel for Petitioner

Dated: May 9, 2019

EXHIBIT A

Current and Post-*Pro Forma* Change Entity Ownership Structure

STATE OF MARYLAND
COUNTY OF MONTGOMERY

§
§
§

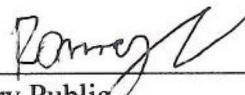
VERIFICATION

I, Jeffrey R. Strenkowski, state that I am the Vice President and Deputy General Counsel of Governmental Affairs of Uniti Group Inc. (“Uniti”); that I am authorized to make this Verification on behalf of Uniti and its subsidiaries (collectively, the “Company”); that the foregoing filing was prepared under my direction and supervision; and that the contents with respect to the Company are true and correct to the best of my knowledge, information, and belief.



Jeffrey R. Strenkowski
Vice President, Deputy General Counsel of
Governmental Affairs
Uniti Group Inc.

Sworn and subscribed before me this 19 day of April, 2019.



Notary Public

My commission expires 03/05/2022

