

**APPLICATION FOR TRANSFER OF CERTIFICATE OF AUTHORITY TO
 PROVIDE COMPETITIVE TELECOMMUNICATIONS SERVICE IN OREGON**

INSTRUCTIONS: This application is to be completed and returned to the Public Utility Commission of Oregon. Attach additional sheets if needed to complete responses. COMPLETE ALL APPLICABLE PARTS. Mail one copy with original signature and send one electronic copy (unsigned) with all attachments in rich text format or in format compatible with Adobe Acrobat reader. Unless you request otherwise in writing, the Commission will serve all documents related to the review of this application electronically to the e-mail addresses provided below.

DESIRED EFFECTIVE DATE

To guarantee processing by the effective date, the Commission must receive an application at least 60 days prior to the desired effective date unless Commission Staff and Applicant have agreed to an earlier effective date. The Commission allows filing and notice prior to effective date of transaction. The Commission will issue an order on the desired effective date unless Applicant files a notice of extension or withdraws the application.

SECTION I

Transferee/Surviving Entity Information

1. Exact Legal Name of Surviving Entity or Transferee: **Phone Number**

Assumed Business Name(s) (if any) (e.g., dba, aka) Must be registered with the Oregon Corporation Division

Fax Number

Applicant's Type of Legal Entity (e.g., corporation, limited partnership)

Email Address

Business Address

Addr1

Addr2

City

State

Zip

2. Name and Address of Person to be Contacted for Further Information Regarding This Application **Phone Number**

Name

Addr1

Addr2

City

State

Zip

Fax Number

Email Address

3 Name and Address of Person to be Contacted for Regulatory Information. **Phone Number**
 (Commission will send requests for information to this person.)

Name

Addr1

Addr2

City

State

Zip

Fax Number

Email Address

4. Affiliated Interests:

As of the date of the transfer, will you be, or are you now, or have you ever been, affiliated with any provider of telecommunications service that serves Oregon? If so, who? When? Describe affiliation. Affiliated interest is defined in OAR 860-032-0001.

5. Previous Certificates of Authority:

List each certificate of authority previously granted by the Oregon PUC to Applicant and to each affiliated entity, under a legal name, an assumed business name, or any other name. Include all certificates whether or not canceled. For each certificate provide the name of entity, docket number, and order number.

	Name of Entity	Docket Number	Order Number
a.			
b.			
c.			
d.			

SECTION II

Transferring Entity (Transferor) Information

By completing this information the Transferor acknowledges that it will no longer have authority and cannot provide the telecommunications services that are transferred.

1. Exact Legal Name of Transferring or Merging Entity (Transferor):	Phone Number
Assumed Business Name(s) (if any) (e.g., dba, aka) Must be registered with the Oregon Corporation Division	Fax Number
Applicant's Type of Legal Entity (e.g., corporation, limited partnership)	Email Address
Business Address	
Addr1	
Addr2	
City	
State Zip	

2. Name and Address of Person to be Contacted for Further Information Regarding This Application.	Phone Number
Name	
Addr1	Fax Number
Addr2	
City	
State Zip	Email Address

3. Name and Address of Person to be Contacted for Regulatory Information. (Commission will send requests for information to this person).	Phone Number
Name	
Addr1	Fax Number
Addr2	
City	
State Zip	Email Address

4. Certificates of Authority to be Transferred:

a. List each certificate of authority previously granted by the Oregon PUC to Transferor, under its legal name, an assumed business name, or any other name. Include all certificates whether or not canceled. For each certificate provide the name of entity, docket number, and order number.

	Name of Entity	Docket Number	Order Number
1.			
2.			
3.			
4.			

- b.** Do you request that ALL authority to provide telecommunications service be transferred? **Yes** **No**
- c.** If response to 4.b. is No, describe what authority is to be transferred and what authority is to be retained by the Transferor.

Note: The transferring entity (Transferor) will no longer be authorized to provide the telecommunications services that are transferred.

SECTION III

Nature of Transaction between Transferee and Transferor (describe in detail).

PLEASE USE ADDITIONAL SHEETS IF NECESSARY TO FULLY ANSWER ANY ITEM.

SECTION IV

Conditions of a certificate of authority:

As conditions of a certificate of authority, certificate holder must comply with all applicable Commission rules and state law, as well as conditions listed in the certificate. Commission rules are available by a link through the PUC web site, www.puc.state.or.us.

For your convenience, following is a summary of some conditions from OAR 860-032-0007 et seq. (Division 032). Additional conditions will be specified in the certificate.

- a. Certificate holder shall provide only telecommunications services authorized by the certificate.
- b. Certificate holder's books and records shall be open to inspection by the Commission to the extent necessary to verify information required by the Commission's rules.
- c. Certificate holder shall pay all access charges and subsidies imposed pursuant to the Commission's rules.
- d. Certificate holder shall pay an annual fee to the Commission pursuant to the Commission's rules. This fee will be based on the certificate holder's annual gross retail intrastate revenues and will be no less than \$100 per calendar year. The certificate holder shall collect the fee by charging an equitable amount to each retail customer and describe the amount of the apportioned charge on each retail customer's bill, pursuant to the Commission's rules.
- e. The surviving entity or Transferee is responsible for the annual PUC fee and all other fees incurred by the transferring entity (Transferor) as of the date the Commission approves the transfer.
- f. Certificate holder shall respond in a timely manner to Commission inquiries.

Pursuant to Residential Service Protection statutes, Chapter 290, Oregon Laws 1987, and Division 033, certificate holder shall be responsible to ensure that the Residential Service Protection Fund surcharge is remitted to the Commission. This surcharge is assessed against each paying retail subscriber at a rate that is set annually by the Commission.

APPLICANT UNDERSTANDS THAT ALL SERVICES PROVIDED BY APPLICANT MUST COMPLY WITH ALL APPLICABLE COMMISSION RULES AND STATE LAW, AND WITH CONDITIONS OF THE CERTIFICATE. (CHECK BOX AT LEFT.)

Signature of Person Authorized to Represent Transferee or Surviving Entity	Title
Printed Name	Date
Signature of Person Authorized to Represent Transferring Entity (Transferor)	Title
Printed Name	Date
By signing this document I certify that I am a legal representative of this entity and that by transferring the authority to provide telecommunications to the above noted surviving entity, the transferring entity no longer has authority to provide telecommunications services that are transferred.	

A Copy of this Completed Application will be Sent to You Via E-mail Upon Completion of the eFiling Process

EXHIBIT 1

1. Pursuant to a purchase agreement executed by the Applicants on February 22, 2003, Broadwing-CSI has agreed to sell to C III its entire broadband business, including the assets and customers of Broadwing-TI. C III, through its wholly-owned subsidiary, C III Ops, would continue to provide service to all of Broadwing-CSI's and Broadwing-TI's existing customers under the trade name "Broadwing." In addition, C III Ops would retain all of Broadwing-CSI's current employees.¹
2. The proposed transaction must be structured as an asset sale rather than a transfer of control because of federal and state income tax implications. As a result, substantially all of the assets of Broadwing-CSI, including all of the assets and customers of its wholly owned subsidiary, Broadwing-TI, shall be transferred to C III Ops.² C III Ops would hold the operating authority and the customer contracts. Four special purpose entities, which are wholly owned subsidiaries of C III Ops, have been organized to hold the acquired assets and the employees.
3. C III is a privately held Delaware limited liability company. C III is the parent company of C III Ops. C III does not currently hold any authority to provide telecommunications services. Upon the closing of the proposed transaction, C III would be renamed Broadwing , LLC.
4. C III Ops is a Delaware limited liability company that is wholly owned by C III. C III Ops would be the licensed service provider and enter into contracts with customers for

¹ Upon closing of the transaction, Broadwing-TI will withdraw its registration.

² The assets of other companies under common control with Broadwing-CSI would also be transferred. However, the transfer of the other assets is not regulated by the Commission. For example, the assets of Mutual Signal Corp., a sister company of Broadwing-CSI, consist of a fiber network completely within the State of Michigan. While these assets are being transferred to C III Ops, they are not subject to Commission jurisdiction.

the provision of services. C III Ops does not currently hold any authority to provide telecommunications services. Accordingly, as a condition precedent to the closing of the proposed transaction, C III Ops is seeking to transfer the authority that is currently retained by Broadwing-CSI and Broadwing-TI in the State of Oregon. In addition, C III Ops is seeking all necessary authority from the Federal Communications Commission (“FCC”). Upon closing of the proposed transaction, C III Ops would be renamed Broadwing Communications, LLC.

5. Four Special Purpose Entities (“SPEs”) have been organized to hold the assets of C III Ops. These include: C III Communications Real Estate, LLC, which would hold all of the real property used to provide the services offered by C III Ops; C III Communications IRU, LLC, which would hold all of the IRUs used to provide the services; C III Communications Assets, LLC, which would be used to hold all assets, other than those held by C III Communications Real Estate, LLC or C III Communications IRU, LLC, used to provide the services; and C III Communications Employees, Inc., which would employ all the employees used to provide the services.³ All of the SPEs are Delaware limited liability companies, except C III Communications Employees, Inc., which is a Delaware corporation. All of the SPEs are wholly owned by C III Ops. Upon closing, the SPEs would be renamed Broadwing Communications Real Estate, LLC, Broadwing Communications IRU, LLC, Broadwing Communications Assets, LLC and Broadwing Communications Employees, Inc.

³ Pursuant to the Agreement, all Broadwing-CSI employees (Broadwing-TI does not have any employees) will be offered employment by C III Communications Employees, Inc. Petitioners have no reason to believe that such employment offers will not be accepted and their joint expectation is that all Broadwing-CSI's current employees will become employees of C III Communications Employees, Inc.

6. Corvis Corporation (“Corvis”), a Delaware corporation, is a publicly-traded company (NASDAQ: CORV). Corvis is a world leader in the provision of optical network solutions. Corvis is the majority and controlling owner of C III. From point-to-point links to all-optical networks to transoceanic systems, Corvis delivers innovative optical network solutions that drive carrier profitability faster than any other vendor. Headquartered in Columbia, Maryland, Corvis provides carriers with scalable optical networking solutions and services that dramatically reduce the overall expenses associated with building and operating networks. Carriers deploying Corvis' optical network solutions can provision new wavelength-based services and tailor dynamic service-level agreements for rapid revenue generation. Corvis does not currently hold any authority to provide telecommunications services. For more information about Corvis, please visit its website at www.corvis.com.
7. Cequel III, LLC (“Cequel III”) was founded in January 2002 as a privately held Delaware limited liability company. Cequel III is a minority owner of C III and would control less than one percent of the voting interests of C III. Cequel III’s mission is to acquire or invest in, and subsequently manage, growth-oriented firms in the telecommunications and cable industries, focusing on those companies that offer platforms for future acquisitions and industry consolidation. In May 2002, Cequel III made equity investments in and assumed management of AAT Communications Corporation, which owns or manages more than 6,000 tower sites across the United States, leasing tower space for wireless voice and data services to a broad tenant base. On February 12, 2003, Cequel III announced that it had assumed management of and agreed to invest in Classic Communications, a cable provider with approximately 325,000 subscribers. On February

21, 2003, Cequel III announced that, subject to regulatory approvals and customary closing conditions, it had entered into an agreement with certain affiliates of Shaw Communications, Inc., to purchase that company's Texas-based cable systems, which serve approximately 27,000 customers.

8. Broadwing-TI, a Delaware corporation, is a wholly owned subsidiary of Broadwing-CSI, a Delaware corporation. Broadwing-CSI is a wholly owned subsidiary of Broadwing Communications Inc. (“Broadwing Communications”), a Delaware corporation, which in turn is a wholly owned subsidiary of Broadwing Inc., an Ohio corporation. Broadwing Inc., a publicly-traded company (NYSE: BRW), is an integrated communications company comprised of Broadwing Communications and Cincinnati Bell.⁴ Broadwing Communications is an industry leader as the world’s first intelligent, all-optical, switched network provider and offers businesses nationwide a competitive advantage by providing data, voice and Internet solutions that are flexible, reliable and innovative on its 18,700-mile optical network and its award-winning IP backbone. Cincinnati Bell is one of the nation’s oldest, most respected and best performing local exchange and wireless providers with a legacy of unparalleled customer service excellence. Cincinnati Bell provides a wide range of telecommunications products and services to residential and business customers in Ohio, Kentucky and Indiana. Broadwing Inc. is headquartered in Cincinnati, Ohio. Broadwing Inc. would have a minority (less than three percent) non-voting interest in C III. After the closing of the proposed transaction, Broadwing Inc., Broadwing Communications, Broadwing-CSI and Broadwing-TI would be renamed to a name that does not include “Broadwing.” For more information about Broadwing Inc., please visit its website at www.broadwing.com.

9. Broadwing-CSI is authorized to provide intrastate interexchange services in forty-eight states, including Oregon. Broadwing-CSI currently does not serve end-user customers, but serves as a wholesale provider of service to other carriers. Broadwing-CSI received its authority to provide resold telecommunications services in Oregon on May 11, 1995 in Order No. 95-466, under the name IXC Long Distance, Inc. (“IXC-LD”). As the Commission was previously notified, IXC-LD’s name was later changed to IXC Communications Services, Inc. and then to Broadwing-CSI. Broadwing-TI is authorized to provide resold intrastate interexchange services in forty-eight states, including Oregon. Broadwing-TI received its authority to provide resold telecommunications services in Oregon on February 8, 1994, in Order No. 94-279, under the name Network Long Distance, Inc. (“Network”). As the Commission was previously notified, Network’s name was later changed to Eclipse Telecommunications, Inc. and then to Broadwing-TI. Broadwing-TI currently resells Broadwing-CSI’s long distance services to end-user customers.
10. The financial, managerial and technical qualifications of C III Ops to provide competitive telecommunications in the State of Oregon will be met through the proposed acquisition of the businesses of Broadwing-CSI and Broadwing-TI and is thus largely a matter of Commission record. The Commission has already found Broadwing-CSI and Broadwing-TI to be qualified to provide competitive telecommunications in the State of Oregon. Broadwing-CSI’s existing employees, who already have a proven track record, would be employed by C III Ops, thus assuring operational continuity.⁵ In addition, the

⁴ The proposed transaction does not involve the transfer of any of the assets of Cincinnati Bell.

⁵ As stated above, the employees would be employed by C III Communications Employees, Inc., a wholly owned subsidiary of C III Ops. All references herein to transferring employees to C III Ops shall mean C III Communications Employees, Inc.

proposed transaction would enhance these existing qualifications because of the additional financial, managerial and technical abilities to be contributed by the ultimate owners of C III Ops--Corvis and Cequel III.

11. The assets to be transferred are substantially all of the assets and customers of Broadwing-CSI and Broadwing-TI. These assets include the following personal property: inventory, equipment, accounts, general intangibles, contract rights, instruments, investment property, all other personal property, and the proceeds and products thereof in whatever form the same may be. The real property will also be transferred. Most of the real property in Oregon is part of Broadwing-CSI's nationwide telecommunications network. It is currently held by Broadwing Communications Real Estate Services LLC, a Delaware limited liability company and a wholly-owned subsidiary of Broadwing-CSI. Further, the entire customer base of Broadwing-TI would be transferred to C III Ops, as would the existing service arrangements between Broadwing-CSI and its carrier customers. Broadwing-TI has approximately 975 customers in Oregon. As previously stated, Broadwing-CSI functions as a wholesale provider of capacity to other carriers, and thus does not provide service directly to end-user customers.

12. The proposed transaction would be seamless and transparent to Broadwing-TI's Oregon customers. As part of the Agreement, C III Ops would purchase the trade name "Broadwing," and would continue to provide service under that name. Customer invoices would continue to be issued in the same format in which they were issued prior to the transaction. The only change on the invoice would be that the "Broadwing

Communications, LLC” would appear on the invoices in place of Broadwing-CSI and Broadwing-TI. The Broadwing logo would still appear on all invoices.

13. In addition, there would not be a change in the customers’ presubscribed interexchange carrier because C III Ops would also acquire Broadwing-CSI’s and Broadwing-TI’s Carrier Identification Codes (“CICs”). As a result, the local exchange carriers would not be required to make any changes to their customers’ Presubscribed Interexchange Carrier (“PIC”) Codes--thus avoiding the possibility of any mistakes or delays associated with having to initiate a PIC change for a customer.
14. Furthermore, C III Ops proposes to adopt Broadwing-CSI’s and Broadwing-TI’s currently effective tariffs. Accordingly, the proposed transaction would not result in any change in the terms, conditions and price of service to Broadwing-CSI and Broadwing-TI customers that would be transferred to C III Ops.
15. Finally, there would not be any changes in customer service personnel, telephone numbers, website addresses, account managers, etc. As a result, customers would continue to receive the best possible service and would continue to be able to contact their service provider in the same way they always have. In addition, the regulatory contacts for interfacing with Commission staff would remain the same.
16. In short, while the proposed transaction is an asset sale, it would be virtually seamless and transparent to the current customers because there would be no change in the name of the providing carrier, no substantial change in the format or appearance of the customers’ bills, no change in the terms, conditions and price of service, no change in customer service, and no reprogramming of the LEC networks.

17. The Applicants also hereby request a waiver, to the extent necessary, of the Commission's antislamming rules with respect to the customers that would be transferred pursuant to the Agreement. The Applicants will also comply with all applicable FCC and the Commission rules, regulations and procedures requiring customer notice of the proposed transaction.
18. Furthermore, because the Applicants are non-dominant carriers with less than two percent of the long distance market in the State of Oregon, the transaction would have little immediate impact on that market. The new company, C III Ops, however, would ultimately be a stronger competitor than the current companies because of the enhanced financial and managerial resources contributed by Corvis and Cequel III.
19. In addition, the transaction would not have any adverse impact on labor and employment issues in Oregon. Corvis and Cequel III would make a substantial investment by purchasing Broadwing-CSI's and Broadwing-TI's assets--thus demonstrating their commitment to ensuring the financial success of the to-be-acquired business. Accordingly, it is the hope of C III Ops that its employment in Oregon would increase with the success of the business. The proposed transaction is not expected to result in any employee layoffs.