

October 4, 2016

Kristi Collins  
Commission Secretary  
Oregon Public Utility Commission  
201 High Street SE, Suite 100  
Salem, OR 97301

Re: Notice of Transaction Involving CoastCom, Inc. and Astound Broadband, LLC

Dear Ms. Collins:

The purpose of this notice is to inform the Oregon Public Utility Commission (the "Commission") that on September 2, 2016, CoastCom, Inc. ("CoastCom") completed a transaction (the "Transaction") pursuant to which it sold substantially all of its assets and related business operations to Astound Broadband, LLC ("Astound"), a competitive local exchange carrier holding a CPCN to provide telecommunications services in Oregon as a competitive provider.<sup>1</sup> Astound is a Washington limited liability company doing business as Wave.

The parties to the Transaction are not seeking the Commission's review or approval of the Transaction. CoastCom is designated as a competitive telecommunications provider,<sup>2</sup> and therefore, under the definitions set forth in ORS 759.005, CoastCom is not a telecommunications utility subject to ORS 759.375. Similarly, Astound is also designated as a competitive telecommunications provider.<sup>3</sup> Moreover, there will be no immediate transfer of CoastCom's Certificate of Authority, which continues to be held by CoastCom following closing of the Transaction. For all of these reasons, no formal approval by the Commission is necessary under ORS 759.375. Therefore, this notice is simply provided as a courtesy to the Commission, in order to inform the Commission concerning certain details of the Transaction.

Astound is a U.S. entity formed under the laws of Washington, as a limited liability company, with principal offices at 401 Kirkland Parkplace, Suite 500, Kirkland, WA 98033. Astound provides wholesale telecommunications services which are used as inputs to providers of interconnected VoIP services to residential and business customers in Oregon, as well as in

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<sup>1</sup> See Exhibit B (Astound CPCN and 214 authorizations).

<sup>2</sup> See Commission Order No. 12-132, Docket CP 1529 (April 10, 2012).

<sup>3</sup> See Commission Order No. 09-084, Docket CP 1440 (March 12, 2009). Astound's Certificate of Authority was cancelled on August 10, 2011 (Commission Order No. 11-305) but the cancellation was rescinded on September 19, 2011 (Commission Order No. 11-355).

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Washington, and California. Astound is the sole member of WDH Black Rock, LLC and Wave Business Services, LLC, both U.S. entities formed under the laws of Washington as limited liability companies, with principal offices at 401 Kirkland Parkplace, Suite 500, Kirkland, WA 98033, which own and operate communications conduit, dark fiber facilities, and provide lit services, in California, Oregon, and Washington.

Astound is a wholly owned subsidiary of WaveDivision Holdings, LLC, which owns and controls 100% of the issued and outstanding equity ownership interests of Astound. WaveDivision Holdings, LLC is a U.S. entity formed under the laws of Delaware, as a limited liability company, with principal offices at 401 Kirkland Parkplace, Suite 500, Kirkland, WA 98033. WaveDivision Holdings, LLC owns and operates a multi-service communications business which provides cable television, broadband Internet access, and voice over Internet Protocol (VoIP) services to residential and commercial subscribers.

CoastCom, Inc. is an Oregon corporation with its principal offices at 151 E. Olive St., Newport, OR, 97365. CoastCom is owned by Greg Palser and Doug Updenkelder. CoastCom provides data transport, networking, Internet, and telephone services to customers in Oregon, utilizing an advanced fiber-optic network and other telecommunications facilities.

Pursuant to an Asset Purchase Agreement dated June 3, 2016, between Astound and CoastCom Astound acquired the assets of CoastCom. Astound's certification and operations as a competitive telecommunications company continue, with the addition of the assets acquired from CoastCom.

Upon the closing of the Transaction, Astound's management, operations, and service offerings remain intact, and continue as is, without change. Astound will continue to provide service to both Astound's existing customers and customers formerly served by CoastCom pursuant to Astound's current rates, terms and conditions of such services. Future changes in those rates, terms and conditions, if any, will be undertaken pursuant to the applicable federal and state notice and tariff requirements. Customers have been notified, and have granted consent to the Transaction where required, and experienced no interruption or disruption of services. Following the close of the Transaction, revenues derived from the assets acquired from CoastCom will be included with Astound's reporting to the Commission, including Astound's Annual Fee Statement, Annual Report for LEC (Form L) filing, and Residential Service Protection Fund payments.

Following the Transaction, CoastCom, Inc. continues to exist as an entity, but its facilities and other assets used to provide competitive service in Oregon are owned by Astound. CoastCom will soon cease to offer competitive telecommunications services in Oregon, and will cease to file reports to the Commission following final reports for applicable periods.

The aforementioned Transaction serves the public interest. With the additional assets of CoastCom, Astound will continue to provide high-quality telecommunications services, while gaining access to additional facilities and other assets that will enhance operations, making Astound a stronger competitor, to the ultimate benefit of consumers. As a result, the Transaction will strengthen Astound's ability to compete with other, much larger telecommunications providers in Oregon and elsewhere, to the benefit of consumers and the telecommunications marketplace.

Astound's contact information, which remains unchanged, is:

Astound Broadband, LLC  
401 Kirkland Parkplace, Suite 500  
Kirkland, WA 98033  
Telephone: (425) 576-8200

Correspondence concerning this notice should be sent to:

For Astound:

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With copies to:

Jim Penney  
General Counsel  
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For CoastCom:

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With copies to:

Greg Palser  
President, CoastCom, Inc.  
151 E Olive St  
Newport OR 97365  
541-574-9999 (Tel)  
[greg@coastcom.net](mailto:greg@coastcom.net)

Should you have any questions about this notice, please contact the undersigned, or the counsel for the Parties listed above. Thank you.

Respectfully submitted,

Davis Wright Tremaine LLP

A handwritten signature in blue ink that reads "Alan J. Galloway". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Alan J. Galloway

AJG/cap

Cc: Bryan Conway, Telecommunications and Water Division Administrator (via UPS overnight mail)