

Morgan Lewis

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FPSC - COMMISSION CLERK

Ronald W. Del Sesto, Jr.
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May 11, 2017

Via Overnight Courier

Ann Cole, Commission Clerk
Florida Public Service Commission
Gerald Gunter Building
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399

Re: Application of Uniti Fiber LLC for Authority to Provide Telecommunications Service Within the State of Florida

Dear Ms. Cole:

On behalf of Uniti Fiber LLC ("Uniti Fiber"), enclosed for filing is an original and one (1) copy of an Application for Authority to Provide Local Exchange and Interexchange Telecommunications Services within the State of Florida. Also enclosed is a check in the amount of \$500.00 to cover the requisite filing fee.

Please date-stamp the enclosed extra copy of this filing and return it in the envelope provided. Should you have any questions concerning this filing, please do not hesitate to contact the undersigned.

Respectfully submitted,



Ronald W. Del Sesto, Jr.
Stephany Fan

Counsel for Uniti Fiber LLC

Morgan, Lewis & Bockius LLP

1111 Pennsylvania Avenue, NW
Washington, DC 20004
United States

T +1.202.739.3000
F +1.202.739.3001

FLORIDA PUBLIC SERVICE COMMISSION

OFFICE OF TELECOMMUNICATIONS

APPLICATION FORM

FOR

AUTHORITY TO PROVIDE TELECOMMUNICATIONS COMPANY SERVICE WITHIN THE STATE OF FLORIDA

Instructions

- A. This form is used as an application for an original certificate and for approval of transfer of an existing certificate. In the case of a transfer, the information provided shall be for the transferee (See Page 8).
- B. Print or type all responses to each item requested in the application. If an item is not applicable, please explain.
- C. Use a separate sheet for each answer which will not fit the allotted space.
- D. Once completed, submit the original and one copy of this form along with a non-refundable application fee of **\$500.00** to:

**Florida Public Service Commission
Office of Commission Clerk
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6770**

- E. A filing fee of **\$500.00** is required for the transfer of an existing certificate to another company.
- F. If you have questions about completing the form, contact:

**Florida Public Service Commission
Office of Telecommunications
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6600**

1. This is an application for (check one):

Original certificate (new company).

Approval of transfer of existing certificate: Example, a non-certificated company purchases an existing company and desires to retain the original certificate of authority rather than apply for a new certificate.

2. Name of company: **Uniti Fiber LLC**

3. Name under which applicant will do business (fictitious name, etc.):

4. Official mailing address:

Street/Post Office Box: **9501 International Court North**
City: **St. Petersburg**
State: **Florida**
Zip: **33716**

5. Florida address:

Street/Post Office Box: **9501 International Court North**
City: **St. Petersburg**
State: **Florida**
Zip: **33716**

6. Structure of organization:

- | | |
|---|--|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Corporation |
| <input type="checkbox"/> Foreign Corporation | <input type="checkbox"/> Foreign Partnership |
| <input type="checkbox"/> General Partnership | <input type="checkbox"/> Limited Partnership |
| <input checked="" type="checkbox"/> Other, please specify:
<u>Limited Liability Company</u> | |

If individual, provide:

Name: _____
Title: _____
Street/Post Office Box: _____
City: _____
State: _____
Zip: _____
Telephone No.: _____
Fax No.: _____
E-Mail Address: _____
Website Address: _____

7. **If incorporated in Florida**, provide proof of authority to operate in Florida. The Florida Secretary of State corporate registration number is:

8. **If foreign corporation**, provide proof of authority to operate in Florida. The Florida Secretary of State corporate registration number is: **See Exhibit A for Certificate of Authority to Operate in Florida.**

9. **If using fictitious name (d/b/a)**, provide proof of compliance with fictitious name statute (Chapter 865.09, FS) to operate in Florida. The Florida Secretary of State fictitious name registration number is:

10. **If a limited liability partnership**, please proof of registration to operate in Florida. The Florida Secretary of State registration number is:

11. **If a partnership**, provide name, title and address of all partners and a copy of the partnership agreement.

Name: _____
Title: _____
Street/Post Office Box: _____
City: _____
State: _____
Zip: _____
Telephone No.: _____
Fax No.: _____
E-Mail Address: _____
Website Address: _____

12. **If a foreign limited partnership**, provide proof of compliance with the foreign limited partnership statute (Chapter 620.169, FS), if applicable. The Florida registration number is:

13. Provide **F.E.I. Number**: **27-1846084**

14. Who will serve as liaison to the Commission in regard to the following?

(a) The application:

Name: **Ronald W. Del Sesto, Jr.**
Title: **Outside Counsel at Morgan Lewis & Bockius LLP**
Street Name & Number: **1111 Pennsylvania Avenue, NW**
Post Office Box:
City: **Washington**
State: **DC**
Zip: **20004**
Telephone No.: **202-739-6000**
Fax No.: **202-739-6001**
E-Mail Address: **ronald.delsesto@morganlewis.com**
Website Address: **www.morganlewis.com**

(b) Official point of contact for the ongoing operations of the company:

Name: **Julie K. Plowman**
Title: **Vice President, Legal at Uniti Fiber LLC**
Street Name & Number: **5904 Stone Creek Drive, Suite 130**
Post Office Box:
City: **The Colony**
State: **TX**
Zip: **75056**
Telephone No.: **512-358-1716**
Fax No.:
E-Mail Address: **jplowman@unitifiber.com**
Website Address: **www.unitifiber.com**

(c) Where will you officially designate as your place of publicly publishing your schedule (a/k/a tariffs or price lists)?

- Florida Public Service Commission
- Website – *Website address:*
- Other – *Please provide address:*

15. List the states in which the applicant:

(a) has operated as a telecommunications company.

Ohio and Wisconsin. Uniti Fiber LLC is the parent of a number of other telecommunications entities authorized to provide telecommunications services as follows:

Subsidiary	Authorized Jurisdiction(s)
Contact Network, LLC (dba InLine)	Alabama, Louisiana and Mississippi
PEG Bandwidth DC, LLC	District of Colombia
PEG Bandwidth DE, LLC	Delaware
PEG Bandwidth IA, LLC	Iowa
PEG Bandwidth IL, LLC	Iowa, Illinois, Indiana, Kentucky, Missouri
PEG Bandwidth LA, LLC	Louisiana
PEG Bandwidth MA, LLC	Massachusetts
PEG Bandwidth MD, LLC	Maryland, West Virginia
PEG Bandwidth MS, LLC	Mississippi
PEG Bandwidth NJ, LLC	New Jersey
PEG Bandwidth NY, LLC	New York
PEG Bandwidth PA, LLC	Pennsylvania
PEG Bandwidth TX, LLC	Texas
PEG Bandwidth VA, LLC	Virginia

(b) has applications pending to be certificated as a telecommunications company.

Alabama, Georgia, North Carolina and South Carolina

(c) is certificated to operate as a telecommunications company.

Ohio and Wisconsin. Uniti Fiber LLC is the parent of a number of other telecommunications entities authorized to provide telecommunications services as follows:

Subsidiary	Authorized Jurisdiction(s)
Contact Network, LLC (dba InLine)	Alabama, Louisiana and Mississippi
PEG Bandwidth DC, LLC	District of Colombia
PEG Bandwidth DE, LLC	Delaware
PEG Bandwidth IA, LLC	Iowa
PEG Bandwidth IL, LLC	Iowa, Illinois, Indiana, Kentucky, Missouri

PEG Bandwidth LA, LLC	Louisiana
PEG Bandwidth MA, LLC	Massachusetts
PEG Bandwidth MD, LLC	Maryland, West Virginia
PEG Bandwidth MS, LLC	Mississippi
PEG Bandwidth NJ, LLC	New Jersey
PEG Bandwidth NY, LLC	New York
PEG Bandwidth PA, LLC	Pennsylvania
PEG Bandwidth TX, LLC	Texas
PEG Bandwidth VA, LLC	Virginia

(d) has been denied authority to operate as a telecommunications company and the circumstances involved.

None

(e) has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.

None

(f) has been involved in civil court proceedings with another telecommunications entity, and the circumstances involved.

PEG Bandwidth, LLC (nka Uniti Fiber LLC) sued Optical Communications Group (OCG) in New York County, NY, alleging breach of contract arising out of OCG's failure to deliver dark fiber pursuant to the terms of a contract between PEG and OCG.

PEG Bandwidth, LLC (nka Uniti Fiber LLC) sued Salsgiver, Inc. in the U.S. District Court, Western District of Pennsylvania, alleging breach of contract arising out of Salsgiver's failure to timely deliver dark fiber construction and related services pursuant to the terms of a contract between PEG and Salsgiver.

PEG Bandwidth TX, LLC sued Texhoma Fiber, LLC in the U.S. District Court, Eastern District of Texas, alleging breach of contract arising out of PEG Bandwidth's prepayment of \$840,000 for the lease of dark fiber in 2011 and Texhoma's subsequent alleged breach of a restrictive covenant contained in the lease causing PEG Bandwidth to lose the business for which it was leasing the fiber.

16. Have any of the officers, directors, or any of the ten largest stockholders previously been:

(a) adjudged bankrupt, mentally incompetent (and not had his or her competency

restored), or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. Yes No

If yes, provide explanation.

(b) granted or denied a certificate in the State of Florida (this includes active and canceled certificates). Yes No

If yes, provide explanation and list the certificate holder and certificate number.

(c) an officer, director, partner or stockholder in any other Florida certificated or registered telephone company. Yes No

If yes, give name of company and relationship. If no longer associated with company, give reason why not. **Uniti Fiber LLC is currently affiliated with Tower Cloud, Inc. and Talk America Services, LLC through common ownership by Uniti Group Inc. Tower Cloud, Inc. is registered in Florida as an IXC (deregulated, company code TK075), and Talk America Services, LLC (regulated, certificate number 8863). As such, Tower Cloud, Inc., Talk America Services, LLC and Uniti Fiber have interlocking directors, managers and ultimately, ownership under Uniti Group Inc.**

With respect to prior affiliations with other telecommunications carriers, please see Exhibit B, which provides information on other telecommunications companies where Uniti Fiber's key management personnel worked prior to Uniti Fiber, including, but not limited to, GTE (Verizon), Level 3, and Zayo. Additional information about Uniti Fiber's corporate parent, Uniti Group Inc., and its management team and board of directors (and their prior affiliations with other carriers) can be found at: <http://uniti.com/about/our-team>.

17. Submit the following:

(a) **Managerial capability:** resumes of employees/officers of the company that would indicate sufficient managerial experiences of each. Please explain if a resume represents an individual that is not employed with the company and provide proof that the individual authorizes the use of the resume. **See Exhibit B.**

(b) **Technical capability:** resumes of employees/officers of the company that would indicate sufficient technical experiences or indicate what company has been contracted to conduct technical maintenance. Please explain if a resume represents an individual that is not employed with the company and provide proof that the individual authorizes the use of the resume. **See Exhibit B.**

(c) **Financial Capability:** applicant's audited financial statements for the most recent three (3) years. If the applicant does not have audited financial statements, it shall so be stated. Unaudited financial statements should be signed by the

applicant's chief executive officer and chief financial officer affirming that the financial statements are true and correct and should include:

1. the balance sheet,
2. income statement, and
3. statement of retained earnings.

See Exhibit C. Note that Uniti Fiber consolidates its financial reporting with its parent company, Uniti Group Inc. (NASDAQ: UNIT), which was formerly known as Communications Sales and Leasing, Inc. (NASDAQ: CSAL). Uniti Group Inc. is a recently-established company and thus only has two years of annual reports available at this time.

Note: *It is the applicant's burden to demonstrate that it possesses adequate managerial capability, technical capability, and financial capability. Additional supporting information can be supplied at the discretion of the applicant.*

THIS PAGE MUST BE COMPLETED AND SIGNED

REGULATORY ASSESSMENT FEE: I understand that all telephone companies must pay a regulatory assessment fee. Regardless of the gross operating revenue of a company, a minimum annual assessment fee, as defined by the Commission, is required.

RECEIPT AND UNDERSTANDING OF RULES: I acknowledge receipt and understanding of the Florida Public Service Commission's rules and orders relating to the provisioning of telecommunications company service in Florida.


APPLICANT ACKNOWLEDGEMENT: By my signature below, I, the undersigned officer, attest to the accuracy of the information contained in this application and attached documents and that the applicant has the technical expertise, managerial ability, and financial capability to provide telecommunications company service in the State of Florida. I have read the foregoing and declare that, to the best of my knowledge and belief, the information is true and correct. I attest that I have the authority to sign on behalf of my company and agree to comply, now and in the future, with all applicable Commission rules and orders.

Further, I am aware that, pursuant to Chapter 837.06, Florida Statutes, "**Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083.**"

I understand that any false statements can result in being denied a certificate of authority in Florida.

COMPANY OWNER OR OFFICER

Print Name: Jeffrey R. Strenkowski
Title: Vice President, Deputy General Counsel of Governmental Affairs
Telephone No.: 301-774-0461
E-Mail Address: jeffrey.strenkowski@uniti.com

Signature:  Date: 5/11/17

CERTIFICATE TRANSFER

[NOT APPLICABLE]

As current holder of Florida Public Service Commission Certificate Number ____, I have reviewed this application and join in the petitioner's request for a transfer of the certificate.

COMPANY OWNER OR OFFICER

Print Name: _____
Title: _____
Street/Post Office Box: _____
City: _____
State: _____
Zip: _____
Telephone No.: _____
Fax No.: _____
E-Mail Address: _____

Signature: _____ Date: _____

EXHIBIT A

Authority to Transact Business in Florida



April 3, 2017

FLORIDA DEPARTMENT OF STATE
Division of Corporations

UNITI FIBER LLC
10802 EXECUTIVE CENTER DRIVE
BENTON BUILDING STE 300
LITTLE ROCK, AR 72211US

Qualification documents for UNITI FIBER LLC were filed on March 31, 2017, and assigned document number M17000002774. Please refer to this number whenever corresponding with this office.

Your limited liability company is authorized to transact business in Florida as of the file date.

This document was electronically received and filed under FAX audit number H17000088856.

To maintain "active" status with the Division of Corporations, an annual report must be filed yearly between January 1st and May 1st beginning in the year following the file date or effective date indicated above. If the annual report is not filed by May 1st, a \$400 late fee will be added.

A Federal Employer Identification Number (FEI/EIN) will be required when this report is filed. Apply today with the IRS online at:

<https://sa.www4.irs.gov/modiein/individual/index.jsp>.

Please notify this office if the limited liability company address changes.

Should you have any questions regarding this matter, please contact this office at the address given below.

Shelia H Young
Regulatory Specialist II
Registration Section
Division of Corporations

Letter Number: 517A00006286

EXHIBIT B

Managerial and Technical Qualifications

Management Biographies - Key Personnel

Ron Mudry

Ron Mudry is President of Uniti Fiber. Having previously founded Tower Cloud, Mudry brings 29 years of rich experience to our leadership team. During his tenure at Tower Cloud, Mudry created an organization that became an industry leader in fiber, small cell and cell site backhaul services. Prior to his time with Tower Cloud, Mudry founded Progress Telecom (formed in 1998) and before that spent 15 years with GTE Corporation (now Verizon) where he held key management positions in finance, sales and marketing, international operations, treasury, strategic planning, and mergers and acquisitions.

Mudry served as chairman of the CEO Council of COMPTEL and regularly speaks at regional and national industry events. Mudry holds a bachelor's in finance from the University of Michigan and an MBA from the University of Tampa.

Greg Ortyl

Greg Ortyl is Senior Vice President of Sales at Uniti Fiber. Ortyl is a seasoned technology sales executive with a long history of building lasting relationships across the telecommunications industry. Prior to the creation of Uniti Fiber, Ortyl held the same role at PEG Bandwidth and has focused much of his career on the wireless backhaul industry.

Prior to working at PEG, Ortyl served as vice president and director of backhaul sales at Level 3 Communications. In this role he managed a team of sales people and formed key relationships with major US wireless carriers. He also held the position of national account director at FiberTower.

Ortyl holds a bachelor's degree in communications and an MBA from St. Louis University.

Tom Guard

Tom Guard is Senior Vice President, Finance and Administration for Uniti Fiber. With more than 25 years in corporate finance, mergers and acquisitions and accounting. Guard leads Uniti Fiber's corporate finance and planning functions. Before the creation of Uniti Fiber, Guard served in the same position for Tower Cloud. Prior to joining Tower Cloud, he was senior vice president and treasurer of Global Signal where he was a member of the executive team that turned Global Signal from bankruptcy into one of the largest publicly traded wireless tower companies in North America.

Guard holds a bachelor's degree from the University of Missouri and an MBA from the University of Florida. He is also a certified public accountant in Florida.

Russell Schomber

Russell Schomber is Senior Vice President of Engineering and Operations for Uniti Fiber. He has more than 20 years of experience in enterprise network and telecommunications design. Schomber has predominately worked with carrier Ethernet architecture, cellular tower backhaul, and dark fiber.

Schomber comes to Uniti Fiber from Tower Cloud where he held the same role. Previously he worked for CapeNet LLC, a fiber optic network operator, where he held the position vice president of network services. He was also vice president of engineering for NEON Communications prior to his time with CapeNet LLC.

Schomber holds a master of science in electrical engineering from the New York Institute of Technology and an MBA from Babson College.

Tom Payne

Tom Payne is Vice President of Marketing, Carrier Relations, and Service Delivery for Uniti Fiber. Payne's responsibilities include all purchasing of dark fiber, lit services, and high availability space. He is also responsible for Uniti Fiber's marketing department including product definitions, pricing, and marketing communications.

Prior to the creation of Uniti Fiber, Payne held the same role at PEG Bandwidth. Before his time with PEG he held several senior positions in marketing or planning at Zayo Communications, Citynet Fiber Network, AFN Communications, Williams Communications, EDS and Nortel Networks.

Payne speaks at industry events and has been featured in industry journals and marketing research publications. A former infantryman and graduate of the United States Military Academy at West Point Payne, he holds a bachelor's degree in applied mathematics.

Exhibit C

Financial Statements

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2016

OR

[] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the transition period from ___ to ___

Commission File Number 001-36708

COMMUNICATIONS SALES & LEASING, INC.

(Exact name of Registrant as specified in its Charter)

Maryland
(State or other jurisdiction of incorporation or organization)
10802 Executive Center Drive
Benton Building Suite 300
Little Rock, Arkansas
(Address of principal executive offices)

46-5230630
(I.R.S. Employer Identification No.)

72211
(Zip Code)

Registrant's telephone number, including area code: (501) 850-0820

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Common Stock, \$0.0001 Par Value

Name of each exchange on which registered
The NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES [X] NO []

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. YES [] NO [X]

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES [X] NO []

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). YES [X] NO []

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [X] Accelerated filer []
Non-accelerated filer [] (Do not check if a small reporting company) Smaller reporting company []

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). YES [] NO [X]

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the Registrant, based on the closing price of the shares of common stock on The NASDAQ Stock Market on June 30, 2016, was \$3,618,955,277.

The number of shares of Registrant's Common Stock outstanding as of February 15, 2017 was 155,785,924.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive proxy statement relating to the 2017 annual meeting of stockholders are incorporated by reference into Part III of this Annual Report on Form 10-K.

Communications Sales & Leasing, Inc.
Schedule I – Condensed Financial Information of
The Registrant (Parent Company)

Balance Sheets

(Thousands, except par value)	December 31, 2016	December 31, 2015
Assets:		
Cash and cash equivalents	\$ 131,145	\$ 17
Accounts receivable, net	(3)	-
Other assets	1,066	-
Investment in consolidated subsidiaries	2,801,234	2,458,679
Total Assets	\$ 2,933,442	\$ 2,458,696
Liabilities:		
Accrued interest payable	\$ 27,812	\$ 24,440
Derivative liability	6,102	5,427
Dividends payable	94,607	90,507
Contingent consideration	98,600	—
Notes and other debt, net	4,028,214	3,505,228
Total liabilities	4,255,335	3,625,602
Convertible Preferred Stock, Series A, \$0.0001 par value, 88 shares authorized, issued and outstanding, \$87,500 liquidation value	80,552	
Shareholders' Deficit:		
Preferred stock, \$0.0001 par value, 50,000 shares authorized, no shares issued and outstanding	-	-
Common stock, \$0.0001 par value, 500,000 shares authorized, issued and outstanding: 155,139 shares at December 31, 2016 and 149,862 at December 31, 2015	15	15
Additional paid-in capital	141,092	1,392
Accumulated other comprehensive income	(6,369)	(5,427)
Distributions in excess of accumulated earnings	(1,537,183)	(1,162,886)
Total shareholders' deficit	(1,402,445)	(1,166,906)
Total Liabilities, Convertible Preferred Stock, and Shareholders' Deficit	\$ 2,933,442	\$ 2,458,696

See notes to Consolidated Financial Statements of CS&L, Inc. included in Financial Statements and Supplementary Data.

Communications Sales & Leasing, Inc.
Schedule I – Condensed Financial Information of
The Registrant (Parent Company)

Statements of Comprehensive Income

(Thousands)	Year Ended December 31, 2016	Period from April 24 - December 31, 2015
Costs and Expenses:		
Interest expense	\$ 267,959	\$ 181,797
General and administrative expense	4,829	1,934
Transaction related costs	3,945	-
Total costs and expenses	<u>276,733</u>	<u>183,731</u>
Operating loss	<u>(276,733)</u>	<u>(183,731)</u>
Earnings from consolidated subsidiaries	276,521	208,601
(Loss) income before income taxes	(212)	24,870
Net (loss) income	(212)	24,870
Comprehensive (loss) income	<u>\$ (1,154)</u>	<u>\$ 19,443</u>

See notes to Consolidated Financial Statements of CS&L, Inc. included in Financial Statements and Supplementary Data.

Communications Sales & Leasing, Inc.
Schedule I – Condensed Financial Information of
The Registrant (Parent Company)

Statements of Cash Flows

(Thousands)	Year Ended December 31, 2016	Period from April 24 - December 31, 2015
Cash flow from operating activities		
Net (loss) income	\$ (212)	\$ 24,870
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Amortization of deferred financing costs	7,823	4,832
Amortization of debt discount	8,179	5,172
Equity in earnings from subsidiaries	(276,521)	(208,601)
Distributions from subsidiaries	194,500	253,362
Stock-based compensation	4,846	1,934
Changes in:		
Accounts receivable	3	-
Other assets	(1,066)	-
Accounts payable, accrued expenses and other liabilities	3,372	24,763
Net cash (used in) provided by operating activities	(59,076)	106,332
Cash flow from investing activities		
Acquisition of businesses, net of cash acquired	-	-
Consideration paid to Windstream Services	-	(1,035,029)
Capital expenditures	-	-
Net cash used in investing activities	-	(1,035,029)
Cash flow from financing activities		
Principal payment on debt	(22,027)	(10,700)
Dividends paid	(367,830)	(156,854)
Proceeds from issuance of Term Loans	-	1,127,000
Proceeds from issuance of Notes	548,875	-
Borrowings under revolving credit facility	641,000	-
Payments under revolving credit facility	(641,000)	-
Capital lease payments	-	-
Deferred financing costs	(20,557)	(30,057)
Common stock issuance, net of costs	54,213	(543)
Net share settlement	(2,359)	(113)
Intercompany transactions, net	(111)	-
Cash in-lieu of fractional shares	-	(19)
Net cash provided by investing activities	190,204	928,714
Effect of exchange rates on cash and cash equivalents	-	-
Net increase in cash and cash equivalents	131,128	17
Cash and cash equivalents at beginning of period	17	-
Cash and cash equivalents at end of period	\$ 131,145	\$ 17

See notes to Consolidated Financial Statements of CS&L, Inc. included in Financial Statements and Supplementary Data.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2015

OR

[] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the transition period from ___ to ___

Commission File Number 001-36708

COMMUNICATIONS SALES & LEASING, INC.

(Exact name of Registrant as specified in its Charter)

Maryland
(State or other jurisdiction of incorporation or organization)
10802 Executive Center Drive
Benton Building Suite 300
Little Rock, Arkansas
(Address of principal executive offices)

46-5230630
(I.R.S. Employer Identification No.)

72211
(Zip Code)

Registrant's telephone number, including area code: (501) 850-0820

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Common Stock, \$0.0001 Par Value

Name of each exchange on which registered
The NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES [] NO [X]

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. YES [] NO [X]

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES [X] NO []

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). YES [X] NO []

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405) of this chapter is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [] Accelerated filer []
Non-accelerated filer [X] (Do not check if a small reporting company) Small reporting company []

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). YES [] NO [X]

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the Registrant, based on the closing price of the shares of common stock on The NASDAQ Stock Market on June 30, 2015, was \$2,403,811,314.

The number of shares of Registrant's Common Stock outstanding as of February 29, 2016 was 150,511,547.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive proxy statement relating to the 2016 annual meeting of stockholders are incorporated by reference into Part III of this Annual Report on Form 10-K.

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CS&L, Inc.
Schedule I – Condensed Financial Information of
The Registrant (Parent Company)

Balance Sheet

(Thousands)	December 31, 2015
Assets:	
Cash and cash equivalents	\$ 17
Investment in consolidated subsidiaries	2,458,679
Total Assets	\$ 2,458,696
Liabilities and Shareholders' Deficit:	
Accrued Interest payable	\$ 24,440
Derivative liability	5,427
Dividends payable	90,507
Notes and other debt	3,505,228
Total liabilities	3,625,602
Preferred stock, \$0.0001 par value, 50,000 shares authorized, no shares issued and outstanding	-
Common stock, \$0.0001 par value, 500,000 shares authorized, 149,862 shares issued and outstanding	15
Additional paid-in capital	1,392
Accumulated other comprehensive income	(5,427)
Distributions in excess of earnings	(1,162,886)
Total shareholders' deficit	(1,166,906)
Total Liabilities and Shareholders' Deficit	\$ 2,458,696

See notes to Consolidated Financial Statements of CS&L, Inc. included in Financial Statements and Supplementary Data.

CS&L, Inc.
Schedule 1 – Condensed Financial Information of
The Registrant (Parent Company)

Statement of Comprehensive Income

(Thousands)	Period from
	April 24 - December 31, 2015
Costs and Expenses:	
Interest expense	\$ 181,797
General and administrative expense	1,934
Total costs and expenses	183,731
Operating loss	(183,731)
Earnings (losses) from consolidated subsidiaries	208,601
Loss before income taxes	24,870
Income tax expense	-
Net loss	24,870
Comprehensive income	\$ 19,443

See notes to Consolidated Financial Statements of CS&L, Inc. included in Financial Statements and Supplementary Data.

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CS&L, Inc.
Schedule I – Condensed Financial Information of
The Registrant (Parent Company)

Statement of Cash Flows

(Thousands)	Period from April 24 - December 31, 2015
Cash flow from operating activities	
Net income (loss)	\$ 24,870
Adjustments to reconcile net income to net cash provided by operating activities:	
Amortization of deferred financing costs	4,832
Amortization of debt discount	5,172
Equity in earnings from subsidiaries	(208,601)
Distribution from subsidiaries	253,362
Stock-based compensation	1,934
Changes in:	
Accounts payable, accrued expenses and other liabilities	24,763
Net cash provided by operating activities	106,332
Cash flow from investing activities	
Consideration paid to Windstream Services	(1,035,029)
Net cash used in investing activities	(1,035,029)
Cash flow from financing activities	
Proceeds from issuance of Term Loans	1,127,000
Deferred financing costs	(30,057)
Principal payment on debt	(10,700)
Common stock issuance	(656)
Dividends paid	(156,854)
Cash in-lieu of fractional shares	(19)
Net cash provided by investing activities	928,714
Net increase in cash and cash equivalents	17
Cash and cash equivalents, April 24, 2015	-
Cash and cash equivalents, December 31, 2015	\$ 17

See notes to Consolidated Financial Statements of CS&L, Inc. included in Financial Statements and Supplementary Data.