BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint application for approval of intracompany reorganization and merger transaction whereby Frontier Communications of America, Inc. ("Frontier", holder of ALEC Certificate No. 7599 and IXC Certificate No. 7600 and subsidiary of Citizens Communications Company) will be merged into Citizens Telecommunications Company d/b/a Citizens Communications Company ("Citizens", holder of IXC Certificate No. 4465 and subsidiary of Citizens Communications Company), with Citizens' IXC Certificate 4465 being canceled and service being provided under the name Frontier Communications of America, Inc.

DOCKET NO. 030018-TP ORDER NO. PSC-03-0353-PAA-TP ISSUED: March 12, 2003

The following Commissioners participated in the disposition of this matter:

LILA A. JABER, Chairman J. TERRY DEASON BRAULIO L. BAEZ RUDOLPH "RUDY" BRADLEY CHARLES M. DAVIDSON

NOTICE OF PROPOSED AGENCY ACTION ORDER APPROVING INTRACORPORATE REORGANIZATION AND CANCELLATION OF AN INTEREXCHANGE TELECOMMUNICATIONS CERTIFICATE

BY THE COMMISSION:

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NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

Section 364.33, Florida Statutes, provides that a person may not acquire ownership or control of any telecommunications facility, or any extension thereof for the purpose of providing telecommunications services to the public, including the acquisition, transfer, or assignment of majority organizational control or controlling stock ownership, without prior approval from this Commission.

By petition dated January 2, 2003, Frontier Communications of America, Inc. (Frontier) and Citizens Telecommunications Company d/b/a Citizens Communications Company (Citizens) filed with this Commission an application for approval of intracorporate reorganization whereby Frontier will be merged into Citizens. Additionally, the parties request cancellation of Citizens' Interexchange Telecommunications Certificate (IXC) No. 4465. Frontier is the holder of IXC No. 7600 and Alternative Local Exchange Telecommunications Certificate (ALEC) No. 7599. Citizens is the holder of IXC Certificate No. 4465.

Upon completion of the merger, service will be provided under Frontier's name. Frontier has stated that the transaction will be virtually transparent to its customers in Florida and it will not affect the services being provided. Citizens has stated the only noticeable change to its customers will be to the name of the entity providing long distance service, however customers will be properly notified of the name change.

In accordance with our authority under Section 364.33, Florida Statutes, to approve the acquisition or transfer of majority organizational control or controlling stock ownership of a telecommunications company providing services in Florida, we have reviewed the petition of Frontier and Citizens and find it appropriate to approve it. We have based our review and decision upon an analysis of the public's interest in efficient, reliable telecommunications service.

Citizens has complied with the provision of Rule 25-24.474(2), Florida Administrative Code, by providing adequate notice in writing of its request for cancellation of its IXC certificate and by submitting its Regulatory Assessment Fees (RAFs) for the year 2002. Accordingly, we find it appropriate to cancel IXC Certificate No. 4465, effective December 31, 2002.

We are vested with jurisdiction over this matter pursuant to Section 364.33 and 364.335, Florida Statutes.

Based on the foregoing, it is,

ORDERED by the Florida Public Service Commission that Frontier Communications of America, Inc. and Citizens Telecommunications Company d/b/a Citizens Communications Company's request for approval of intracorporate reorganization of Frontier Communications of America, Inc. and Citizens Telecommunications Company d/b/a Citizens Communications Company is hereby approved. It is further,

ORDERED that Citizens Telecommunications Company d/b/a Citizens Communications Company's Certificate No. 4465 to provide Interexchange Telecommunications services is hereby canceled, effective December 31, 2002. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this <u>12th</u> day of <u>March</u>, <u>2003</u>.

BLANCA S. BAYÓ, Director Division of the Commission Cleark and Administrative Services

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on <u>April 2, 2003</u>.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

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