

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Joint petition of Level 3 Communications, Inc. and TelCove, Inc. for acknowledgement of transfer of control whereby Level 3 will acquire indirect control of TelCove of Florida, Inc. and TelCove of Jacksonville, Inc., and related transactions.

DOCKET NO. 060392-TP
ORDER NO. PSC-06-0505-PAA-TP
ISSUED: June 13, 2006

The following Commissioners participated in the disposition of this matter:

LISA POLAK EDGAR, Chairman
J. TERRY DEASON
ISILIO ARRIAGA
MATTHEW M. CARTER II
KATRINA J. TEW

NOTICE OF PROPOSED AGENCY ACTION
APPROVING CHANGE IN CONTROL
OF TELCOVE OF FLORIDA, INC. AND
TELCOVE OF JACKSONVILLE, INC.

BY THE COMMISSION:

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.

On May 12, 2006, Level 3 Communications, Inc. ("Level 3") and TelCove, Inc., filed a joint petition for approval, to the extent necessary, of a proposed transaction whereby Level 3 will acquire indirect control of TelCove of Florida, Inc. ("TelCove-FL") which holds AAV/CLEC Certificate No. 2978 and TelCove of Jacksonville, Inc. ("TelCove-Jacksonville"), which holds AAV/CLEC Certificate No. 2973. We have the authority to grant the requested relief under Section 364.33, Florida Statutes.

TelCove Inc. is currently the parent corporation of two wholly-owned subsidiaries that are material to the petition: TeleCove-FL (identified above) and TelCove Operations, Inc. TelCove-Operations is itself parent to subsidiary corporations, including TeleCove Investment, LLC, which in turn is organizational parent to TelCove-Jacksonville and owner of 80% of its common shares. The remaining 20% of TelCove-Jacksonville's common shares is owned by TeleCove-FL.

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Level 3 is a publicly traded Delaware corporation headquartered in Broomfield, Colorado. In Florida, Level 3 is authorized through subsidiaries to provide intrastate service under both CLEC and IXC certificates.

Level 3 will acquire indirect control of TelCove-FL and TelCove-Jacksonville through the merger of TelCove Inc. into a subsidiary of Level 3 created specifically for the purposes of the transaction. As a consequence, the Tel-Cove family will become part of the Level 3 constellation.

The above ownership changes notwithstanding, petitioners say that no transfer of certificates/registrations, assets or customers will result. Moreover, the existing providers will continue to provide service to their Florida customers under their respective grants of authority without immediate change in rates, terms and conditions. Thus, petitioners represent that this transaction will be transparent to their Florida customers.

We have reviewed the Petition of Level 3, TelCove-FL and TelCove-Jacksonville, 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. We are vested with jurisdiction over this matter pursuant to Section 364.33, Florida Statutes.

Petitioners are reminded that under Section 364.336, Florida Statutes, certificate holders must pay a minimum annual Regulatory Assessment Fee of \$50 if the certificate is active during any portion of the calendar year. A Regulatory Assessment Fee Return Notice will be mailed each December to the entity listed above for payment by January 30.

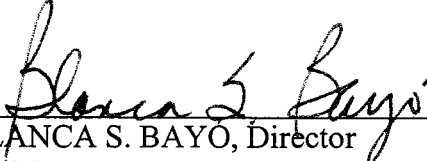
Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Level 3 Communications, Inc. and TelCove, Inc.'s request for transfer of control whereby Level 3 will acquire indirect control of TelCove of Florida, Inc. and TelCove of Jacksonville, Inc., and related transactions is hereby approved. 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 13th day of June, 2006.



BLANCA S. BAYO, Director
Division of the Commission Clerk
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 July 4, 2006.

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.