

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for approval of merger agreement whereby Global Crossing Ltd. will acquire control of Frontier Corporation and, indirectly, its communications operating subsidiaries, Frontier Communications of the South, Inc. (LEC Cert. Nos. 5 and 6), Allnet Communications Services d/b/a Frontier Communications (IXC Cert. No. 63), Budget Call Long Distance, Inc. (IXC Cert. No. 3955), Frontier Communications International, Inc. (IXC Cert. No. 3558), Frontier Communications of the West (IXC Cert. No. 3487), Frontier Local Services Inc. (ALEC Cert. No. 5574), and Frontier Telemanagement Inc. (ALEC Cert. No. 5308).

DOCKET NO. 990555-TP
ORDER NO. PSC-99-1487-PAA-TP
ISSUED: August 3, 1999

The following Commissioners participated in the disposition of this matter:

JOE GARCIA, Chairman
J. TERRY DEASON
SUSAN F. CLARK
JULIA L. JOHNSON
E. LEON JACOBS, JR.

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING MERGER AGREEMENT

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.

DOCUMENT NUMBER-DATE

09131 AUG-3 99

FPSC-RECORDS/REPORTING

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 letter dated May 4, 1999, Global Crossing Ltd. (Global) and Frontier Corporation (Frontier) and its communications subsidiaries, Frontier Communications of the South, Inc. (Frontier Communications of the South), Allnet Communications Services d/b/a Frontier Communications (Frontier Communications), Budget Call Long Distance, Inc. (Budget Call), Frontier Communications International, Inc. (Frontier Communications International), Frontier Communications of the West, Frontier Local Service Inc. (Frontier Local), and Frontier Telemanagement Inc. (Frontier Telemanagement), filed with this Commission an application for approval of merger agreement whereby Global will acquire control of Frontier, and indirectly its communications operating subsidiaries.

The companies have stated that they will continue to operate under their existing certificated names and tariffs on file with this Commission. Frontier Communications of the South is the holder of Local Exchange Telecommunications Certificate No. 5 and No. 6. Frontier Communications is the holder of Interexchange Telecommunications (IXC) Certificate No. 63. Budget Call is the holder of IXC Certificate No. 3955. Frontier Communications International is the holder of IXC Certificate No. 3558. Frontier Communications of the West is the holder of IXC Certificate No. 3487. Frontier Local is the holder of Alternative Local Exchange Telecommunications (ALEC) Certificate No. 5574. Frontier Telemanagement is the holder of ALEC Certificate No. 5308.

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 service in Florida, we have reviewed the Petition of Global, Frontier, and its communications operating subsidiaries, 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. Our decision does not address the potential impact of the transfer on the competitive market in Florida, or on the companies' or their competitors' interests. We emphasize, however, that our approval

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of the Petition pursuant to our authority under Section 364.33, Florida Statutes, does not preclude us from addressing any of our concerns that may arise regarding this transaction to the appropriate federal or state agencies.

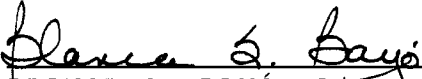
Based on the foregoing, it is,

ORDERED by the Florida Public Service Commission that Global Crossing Ltd., Frontier Corporation, and its communications subsidiaries' request for approval of merger agreement whereby Global Crossing Ltd. will acquire control of Frontier Corporation, and indirectly its communications operating subsidiaries, 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 Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" 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 3rd day of August, 1999.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

KMP

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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 Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on August 24, 1999.

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 docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

Requisition for Photocopying and Mailing

Date 8 / 3 / 99

Number of Originals 14

Copies Per Original 17

Requested By AWC

Item Presented

Agenda For (Date) _____

Order No. 1487-PAA

In Docket No. FW 55

Notice of _____

For (Date) _____

In Docket No. _____

Other _____

Special Handling Instructions

Distribution/Mailing

Number	Distributed/Mailed To
<u>19</u>	<u>Commission Offices</u>
<u>6</u>	<u>Docket Mailing List - Mailed</u>
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Note: Items must be mailed and/or returned within one working day after issue unless specified here:

Print Shop Verification

Job Number 33

Verified By Michael

Date and Time Completed 8/5

Job Checked For Correctness and Quality (Initial) MS

Mail Room Verification

Date Mailed /

Verified By /

✓

RECEIVED-FPSC

M E M O R A N D U M

23 AUG -3 AM 9:39

August 2, 1999

RECORDS AND REPORTING

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF LEGAL SERVICES (PEÑA) *kmp CB*

RE: DOCKET NO. 990555-TP - REQUEST FOR APPROVAL OF MERGER AGREEMENT WHEREBY GLOBAL CROSSING LTD. WILL ACQUIRE CONTROL OF FRONTIER CORPORATION AND, INDIRECTLY, ITS COMMUNICATIONS OPERATING SUBSIDIARIES, FRONTIER COMMUNICATIONS OF THE SOUTH, INC. (LED CERT. NOS. 5 AND 6), ALLNET COMMUNICATIONS SERVICES D/B/A FRONTIER COMMUNICATIONS (IXC CERT. NO. 63), BUDGET CALL LONG DISTANCE, INC. (IXC CERT. NO. 3955), FRONTIER COMMUNICATIONS INTERNATIONAL, INC. (IXC CERT. NO. 3558), FRONTIER COMMUNICATIONS OF THE WEST (IXC CERT. NO. 3487), FRONTIER LOCAL SERVICES INC. (ALEC CERT. NO. 5574), AND FRONTIER TELEMAGEMENT INC. (ALEC CERT. NO. 5308).

1487-PAA

Attached is a NOTICE OF PROPOSED AGENCY ACTION ORDER APPROVING MERGER AGREEMENT, to be issued in the above-referenced docket. (Number of pages in order - 4)

KMP/anc
 Attachment
 cc: Division of Communications
 I: 990555.kmp

See 3

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