

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for approval of indirect transfer of control of Business Telecom, Inc. d/b/a BTI (holder of ALEC Certificate No. 5195 and IXC Certificate No. 2948) to Welsh, Carson, Anderson & Stowe VIII, L.P. and affiliates.

DOCKET NO. 011619-TP  
ORDER NO. PSC-02-0115-PAA-TP  
ISSUED: January 25, 2002

The following Commissioners participated in the disposition of this matter:

LILA A. JABER, Chairman  
J. TERRY DEASON  
BRAULIO L. BAEZ  
MICHAEL A. PALECKI  
RUDOLPH "RUDY" BRADLEY

NOTICE OF PROPOSED AGENCY ACTION  
ORDER APPROVING INDIRECT TRANSFER OF CONTROL

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.

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 December 3, 2001, Business Telecom, Inc. (BTI) filed with this Commission an application for approval of indirect transfer of control of BTI to Welsh, Carson, Anderson & Stowe VIII

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and affiliated entities (WCAS). The indirect transfer of control will occur as a result of an equity financing transaction of BTI's holding company parent BTI Telecom Corp. (BTI Telecom). As a result of the transaction WCAS will increase their collective ownership interest in BTI Telecom from the current level of approximately 45% to approximately 60%. The equity financing transaction, therefore, will cause an indirect transfer of majority control of BTI to WCAS. BTI is the holder of Alternative Local Exchange Telecommunications (ALEC) Certificate No. 5195 and Interexchange Telecommunications (IXC) Certificate No. 2948. BTI has stated that the transaction will be virtually transparent to its customers in Florida and it will not affect the services being provided. BTI has stated that it will continue to operate under its existing certificated name and tariff on file with this Commission.

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 BTI, 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.

Based on the foregoing, it is,

ORDERED by the Florida Public Service Commission that Business Telecom, Inc.'s request for approval of indirect transfer of control of Business Telecom, Inc. to Welsh, Carson, Anderson & Stowe and affiliated entities 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

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

By ORDER of the Florida Public Service Commission this 25th Day of January, 2002.

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

By: Kay Flynn  
Kay Flynn, Chief  
Bureau of Records and Hearing  
Services

( S E A L )

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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.

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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 February 15, 2002.

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.