

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for expedited treatment of transfer of control of XO Long Distance Services, Inc. (holder of IXC Certificate No. 7290) and XO Florida, Inc. (holder of IXC Certificate No. 3505 and ALEC Certificate No. 5648) from XO Communications, Inc., debtor-in-possession, to a reorganized XO Communications, Inc., controlled by High River Limited Partnership.

DOCKET NO. 021117-TP  
ORDER NO. PSC-02-1709-PAA-TP  
ISSUED: December 6, 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 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.

DOCUMENT NUMBER-DATE

13370 DEC-6 2002

FPSC-COMMISSION CLERK

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By letter dated October 31, 2002, XO Long Distance Services, Inc. (XO Long Distance), XO Florida Inc. (XO Florida), and their parent, XO Communications, Inc. (XO) filed with this Commission an application for approval of transfer of control. The transfer of control of XO, and thus of XO Long Distance and XO Florida, from current stockholders to a newly reorganized XO Communications, Inc. (Reorganized XO), a majority of whose stock will be owned by High River Limited Partnership (High River), would take place as part of a reorganization plan filed under Chapter 11 of the U.S. Bankruptcy Code. XO Florida is the holder of Alternative Local Exchange Telecommunications Certificate No. 5648 and Interexchange Telecommunications Certificate No. 3505. XO Long Distance is the holder of Interexchange Telecommunications Certificate No. 7290. XO has stated that the transaction will be virtually transparent to its customers in Florida and it will not affect the services being provided. XO Long Distance and XO Florida have stated that they will continue to operate under their existing certificated names and tariffs on file with this Commission.

The application also requests approval to permit Cardiff Holding LLC (Cardiff) to hold the controlling interest in Reorganized XO, in lieu of High River. It states that shortly after High River and Meadow Walk Limited Partnership (a Delaware limited partnership entitled to a 1.4% equity interest in Reorganized XO) acquire the stock of Reorganized XO, they may distribute such stock so that it will be held by Cardiff. We find that Reorganized XO shall notify us in the event such a distribution takes place.

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 Application of XO Long Distance Services, Inc., XO Florida Inc., and their parent, XO Communications, Inc., 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.

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Based on the foregoing, it is,

ORDERED by the Florida Public Service Commission that the Application for Approval of the Transfer of Control of XO Long distance Services, Inc., and XO Florida, Inc. From XO Communications, Inc, Debtor-In-Possession, to a Reorganized XO Communications, Inc., Controlled by High River Limited Partnership is hereby approved. It is further

ORDERED that should transfer of control be forwarded to Cardiff Holding LLC, in lieu of High River Limited Partnership, the reorganized XO Communications, Inc. shall notify us of such transfer. 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.

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By ORDER of the Florida Public Service Commission this 6th  
Day of December, 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 )

WDK

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,

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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 December 27, 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/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.