



# Public Service Commission

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## -M-E-M-O-R-A-N-D-U-M-

RECORDS AND  
REPORTING

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**DATE:** JULY 15, 1999

**TO:** DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

**FROM:** DIVISION OF LEGAL SERVICES (K. PEÑA/C. BEDELL) *WCB*  
DIVISION OF COMMUNICATIONS (T. WILLIAMS) *WCB*

**RE:** DOCKET NO. 990732-TI - APPLICATION FOR APPROVAL OF MERGER OF MFS COMMUNICATIONS COMPANY, INC., HOLDING COMPANY FOR WORLD COM TECHNOLOGIES, INC. [WT] (IXC CERT. NO. 1528) INTO MCI COMMUNICATIONS CORP. [MCIC]; TRANSFER OF WT STOCK FROM MCIC TO MCI TELECOMMUNICATIONS CORPORATION D/B/A MCI TELECOMMUNICATIONS CORPORATION AND D/B/A MCI WORLD COM [MCI] (IXC CERT. NO. 61); MERGER OF WORLD COM NETWORK SERVICES, INC. (IXC CERT. NO. 552) INTO MCI AND CANCELLATION OF CERT. NO. 552; TRANSFER OF MCI'S RETAIL OPERATIONS TO WT; NAME CHANGE ON CERT. NO. 1528 TO MCI WORLD COM COMMUNICATIONS, INC. AND ON CERT. NO. 61 TO MCI WORLD COM NETWORK SERVICES, INC.; MERGER OF BIZ-TEL CORPORATION (IXC CERT. NO. 548 AND ALEC CERT. NO. 4786), A SUBSIDIARY OF MCI, WITH TTI NATIONAL, INC. (IXC CERT. NO. 3159), CANCELLATION OF CERT. NO. 548, AND TRANSFER OF CERT. NO. 4786 TO TTI; AND CANCELLATION OF CERT. NO. 3965 HELD BY ALD COMMUNICATIONS, INC., A SUBSIDIARY OF MCI.

**AGENDA:** 07/27/99 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE

**CRITICAL DATES:** NONE

**SPECIAL INSTRUCTIONS:** NONE

**FILE NAME AND LOCATION:** S:\PSC\LEG\WP\990732.RCM

### CASE BACKGROUND

On June 8, 1999, MCI WorldCom, Inc. (MCI WorldCom), and its operating subsidiaries, WorldCom Network Services, Inc. (WorldCom Network), MFS Communications Company, Inc. (MFS), MCI

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Communications Corp. (MCIC), MCI Telecommunications Corporation d/b/a MCI Telecommunications Corporation and d/b/a MCI WorldCom (MCI), WorldCom Technologies, Inc. (WorldCom Technologies), Biz-Tel Corporation (Biz-Tel), TTI National, Inc. (TTI), and ALD Communications, Inc. (ALD Communications) filed a joint application for approval of internal corporate restructuring. The companies filed supplements to their original application on June 10, 1999, and June 14, 1999.

The companies are seeking from this Commission approval of the following transactions involved in the internal corporate restructuring:

1. Merger of MFS into MCIC;
2. Transfer of WorldCom Technologies stock from MCIC to MCI;
3. Merger of WorldCom Network into MCI;
4. Cancellation of WorldCom Network's IXC Certificate No. 552;
5. Transfer of MCI's retail operations to WorldCom Technologies;
6. Name change on IXC Certificate No. 1528 from WorldCom Technologies to MCI WorldCom Communications, Inc.;
7. Name change on MCI's IXC Certificate No. 61 to MCI WorldCom Network Services, Inc.;
8. Merger of Biz-Tel with TTI;
9. Cancellation of Biz-Tel's IXC Certificate No. 548;
10. Transfer of Biz-Tel's ALEC Certificate No. 4786 to TTI; and
11. Cancellation of ALD Communications' IXC Certificate No. 3965.

**RECOMMENDATION**

**ISSUE 1:** Should the Commission approve the joint application of MCI WorldCom, Inc. (MCI WorldCom), and its operating subsidiaries, WorldCom Network Services, Inc. (WorldCom Network), MFS Communications Company, Inc. (MFS), MCI Communications Corp. (MCIC), MCI Telecommunications Corporation d/b/a MCI Telecommunications Corporation and d/b/a MCI WorldCom (MCI), WorldCom Technologies, Inc. (WorldCom Technologies), Biz-Tel Corporation (Biz-Tel), TTI National, Inc. (TTI), and ALD Communications, Inc. (ALD Communications) for internal corporate restructuring and cancellation of certain certificates?

**RECOMMENDATION:** Yes. The joint application should be approved as being in the public interest. (Williams)

**STAFF ANALYSIS:** Section 364.345, Florida Statutes, provides that a telecommunications company may not sell, assign, or transfer its certificate without a determination by the Commission that the proposed sale, assignment, or transfer is in the public interest and approved by the Commission. MCI WorldCom and its subsidiaries filed a joint application in accordance with the provisions of 364.345, Florida Statutes. Staff is recommending approval of the joint application for internal corporate restructuring, cancellation of Certificate Nos. 552, 548 and 3965, and the transfer of Certificate No. 4786, as described in the case background of this recommendation.

MCI WorldCom previously received authority for the merger of WorldCom, Inc. and MCI Communications, Inc. by Order No. PSC-98-0125-FOF-TI, issued on January 22, 1998, and Order No. PSC-98-0702-FOF-TI, issued on May 20, 1998. The instant application represents restructuring and consolidation resulting from that merger.

Staff believes this application for restructuring is in the public interest. Staff bases its finding on MCI WorldCom's assertions that this restructuring will have no adverse impact on customers and that certain efficiencies and savings will be realized by consolidating such things as capital, personnel, management, and facilities operations. Based on the foregoing, Staff recommends that MCI WorldCom and its subsidiaries' joint application should be approved.

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ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes, this docket should be closed upon issuance of a Consummating Order unless a person whose substantial interests are affected by the Commission's Proposed Agency Action files a written protest within 21 days of the issuance date of the Proposed Agency Action. (Peña)

STAFF ANALYSIS: If no timely protest to the proposed agency action is filed within 21 days of the date of issuance of the Order, this docket should be closed upon the issuance of the Consummating Order.