

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of A.R.C. Networks, Inc., (holder of IXC Certificate No. 4702 and ALEC Certificate No. 4740), a wholly owned subsidiary of Arc Networks, Inc., which is a wholly owned subsidiary of InfoHighway Communications Corporation ("ICC"); Info-Highway International, Inc. ("IHI"); GTCR Fund VII, L.P. ("GTCR VII"); and GTCR Co-Invest, L.P. ("GTCR Co-Invest" and, collectively with GTCR VII, "GTCR") for authority for the acquisition by GTCR of approximately 71 percent of outstanding common stock of ICC and acquisition of IHI by ICC.

DOCKET NO. 001435-TP
ORDER NO. PSC-00-2425-PAA-TP
ISSUED: December 18, 2000

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
E. LEON JACOBS, JR.
LILA A. JABER
BRAULIO L. BAEZ

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING ACQUISITION OF OUTSTANDING COMMON STOCK AND
ACQUISITION OF INFO-HIGHWAY INTERNATIONAL, INC.
BY INFOHIGHWAY COMMUNICATIONS CORPORATION

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

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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 September 19, 2000, A.R.C. Networks, Inc. (A.R.C.), InfoHighway Communications Corporation (ICC), InfoHighway International, Inc. (IHI), GTCR Fund VII, L.P. (GTCR VII) and GTCR Co-Invest, L.P. (GTCR Co-Invest, and collectively with GTCR VII, "GTCR") filed with this Commission an application for approval of acquisition by GTCR of approximately 71 percent of the outstanding common stock of ICC and the acquisition of IHI by ICC. A.R.C. is the holder of Interexchange Telecommunications Certificate No. 4702 and Alternative Local Exchange Telecommunications Certificate No. 4740. A.R.C. has stated that the transaction will be virtually transparent to its customers in Florida and it will not affect the services being provided. A.R.C. has stated that it will continue to operate under its existing certificated name and tariffs 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 A.R.C., ICC, IHI, and GTCR and find it reasonable 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 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.

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Based on the foregoing, it is,

ORDERED by the Florida Public Service Commission that A.R.C. Networks, Inc., Infohighway Communications Corporation, Info-Highway International, Inc. GTCR Fund VII, L.P., and GTCR Co-Invest, L.P.'s request for approval of acquisition by GTCR Fund VII, L.P. and GTCR Co-Invest, L.P. of approximately 71 percent of the outstanding common stock of InfoHighway Communications Corporation and the acquisition of Info-Highway International, Inc. by InfoHighway Communications Corporation 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 18th day of December, 2000.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

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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 January 8, 2001.

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.