

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Notification of corporate restructuring whereby LCI International Telecom Corp. d/b/a Qwest Communications Services (holder of IXC Certificate No. 2300 and ALEC Certificate No. 4440) and Phoenix Network, Inc. (holder of IXC Certificate No. 2479) will be merged into Qwest Communications Corporation (holder of IXC Certificate No. 3534 and ALEC Certificate No. 5801) and Certificates 2300, 4440, and 2479 will be canceled; and whereby USLD Communications Corp., which is a direct, wholly owned subsidiary of LCI International, Inc., and of which USLD Communications, Inc. (holder of IXC Certificate No. 2469 and ALEC Certificate No. 5158) is a direct, wholly owned subsidiary, will merge downstream into USLD Communications, Inc., with USLD Communications, Inc. becoming the surviving corporation and a direct, wholly owned subsidiary of LCI International, Inc.

DOCKET NO. 010617-TP
ORDER NO. PSC-01-1504-PAA-TP
ISSUED: July 19, 2001

The following Commissioners participated in the disposition of this matter:

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

DOCUMENT NUMBER-DATE

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NOTICE OF PROPOSED AGENCY ACTION
ORDER ACKNOWLEDGING CORPORATE REORGANIZATION AND CANCELLING
ALTERNATIVE LOCAL EXCHANGE AND INTEREXCHANGE
TELECOMMUNICATIONS CERTIFICATES

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.

The Commission is vested with authority over these matters pursuant to Sections 364.335 and 364.337, Florida Statutes.

LCI International Telecom Corp. (LCI) currently is a direct, wholly owned subsidiary of LCI International, Inc., which, in turn, is a commonly owned affiliate of Quest Communications Corporation (QCC). LCI, holder of Alternative Local Exchange Telecommunications (ALEC) Certificate of Public Convenience and Necessity No. 4440 and Interexchange Telecommunications Certificate (IXC) No. 2300, will be merged into Quest Communications Corporation (QCC) with QCC as the surviving corporation. LCI has requested the cancellation of ALEC Certificate No. 4440 and IXC Certificate No. 2300. In addition, Phoenix Network, Inc. (Phoenix) is currently a direct, wholly-owned subsidiary of QCC. In addition, Phoenix, holder of IXC Certificate No. 2479, will also be merged into QCC, and has requested the cancellation of IXC Certificate No. 2479. QCC is the holder ALEC Certificate No. 5801 and IXC Certificate No. 3534 and will be the surviving corporation.

USLD Communications, Inc., holder of IXC Certificate No. 2469 and ALEC Certificate No. 5158, currently is a direct wholly owned subsidiary of USLD Communications Corp. (which holds no certificates), which, in turn, is a direct wholly owned subsidiary of LCI. USLD Communications Corp. will merge downstream into USLD Communications, Inc. As a consequence of the merger, USLD Communications, Inc. will become a wholly owned subsidiary of LCI International, Inc. Since the surviving company, USLD Communications, Inc., is the certificate holder, we find that this

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downstream merger does not affect the customers or certificates of USLD Communications, Inc.

The certificates of authority, customers, and assets of LCI and Phoenix will be transferred to QCC and service will be provided under QCC's tariff. The tariffs of LCI and Phoenix will be adopted by QCC or consolidated into the QCC tariff, as appropriate. LCI and Phoenix have complied with the provision of Rule 25-24.820(2), Florida Administrative Code, by providing adequate notice in writing of its request for cancellation of its ALEC certificate and by submitting its Regulatory Assessment Fees (RAFs) for the year 2000. Accordingly, we find it appropriate to cancel ALEC Certificate No. 4440 and IXC Certificates Nos. 2300 and 2479, effective upon the date of the Consummating Order.

Under Section 364.336, Florida Statutes, certificate holders must pay a minimum annual RAFs of \$50 if the certificate was active during any portion of the calendar year. A RAFs Return notice for the year 2001 will be mailed to LCI and Phoenix. Neither the cancellation of certificates nor the failure to receive RAFs Return notices for the year 2001 shall relieve the companies from their obligations to pay RAFs for the year 2001.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that LCI International Telecom Corp.'s Certificate 4440 to provide Alternative Local Exchange Service and Certificate No. 2300 to provide Interexchange Telecommunications service is hereby canceled, effective upon the issuance of the Consummating Order. It is further

ORDERED that Phoenix Network, Inc.'s Certificate No. 2479 to provide Interexchange Telecommunications service is hereby canceled, effective upon the issuance of a Consummating Order. It is further

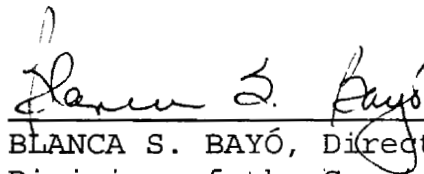
ORDERED that LCI International Telecom Corp. and Phoenix Network, Inc. shall remit Regulatory Assessment Fees for the year 2001. It is further

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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 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 19th day of July, 2001.



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

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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 the Commission Clerk And Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on August 9, 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.