

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for approval of transfer of control of XO Communications, Inc., sole shareholder 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), pursuant to corporate restructuring involving the issuance and sale of new common stock from Craig O. McCaw and existing shareholders of XO to shareholders of restructured and recapitalized XO Communications, Inc.

DOCKET NO. 020251-TP  
ORDER NO. PSC-02-0946-PAA-TP  
ISSUED: July 15, 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.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

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 March 18, 2002, XO Communications, Inc. (XO Communications), XO Long Distance Services, Inc. (XO Long Distance), and XO Florida, Inc. (XO Florida) filed with this Commission an application for approval of transfer of control of XO Communications from Craig O. McCaw and the existing shareholders of XO Communications to the shareholders of the restructured and recapitalized XO Communications pursuant to corporate restructuring involving the issuance and sale of common stock. XO Communications is the parent company of XO Long Distance and XO Florida. XO Long Distance is the holder of Interexchange Telecommunications Certificate No. 7290. XO Florida is the holder of Interexchange Telecommunications Certificate No. 3505 and Alternative Local Exchange Telecommunications Certificate No. 5648. XO Long Distance and XO Florida have stated that the transaction will be virtually transparent to their customers in Florida and it will not affect the services being provided. XO Long Distance and XO Florida have further stated that they will continue to operate under their existing certificated names 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 XO Communications, XO Long Distance, and XO Florida, 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,

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ORDERED by the Florida Public Service Commission that XO Communications, Inc., XO Long Distance Services, Inc., and XO Florida, Inc.'s request for approval of transfer of control of XO Communications, Inc. from Craig O. McCaw and the existing shareholders of XO Communications to the shareholders of the restructured and recapitalized XO Communications 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

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

By ORDER of the Florida Public Service Commission this 15th Day of July, 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 )

KMP

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 5, 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.