

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Joint application for approval of transfer of control of Sprint-Florida, Incorporated, holder of ILEC Certificate No. 22, and Sprint Payphone Services, Inc., holder of PATS Certificate No. 3822, from Sprint Nextel Corporation to LTD Holding Company, and for acknowledgment of transfer of control of Sprint Long Distance, Inc., holder of IXC Registration No. TK001, from Sprint Nextel Corporation to LTD Holding Company.

DOCKET NO. 050551-TP
ORDER NO. PSC-05-0985-PAA-TP
ISSUED: October 13, 2005

The following Commissioners participated in the disposition of this matter:

BRAULIO L. BAEZ, Chairman
J. TERRY DEASON
RUDOLPH "RUDY" BRADLEY
LISA POLAK EDGAR

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.

Case Background

On December 15, 2004, Sprint Corporation and Nextel Communications, Inc. entered into a merger agreement wherein Nextel Communications, Inc. would merge with and into a wholly owned subsidiary of Sprint Corporation. The merger closed on August 12, 2005. The corporation's new name became Sprint Nextel Corporation (Sprint). In the merger agreement, Sprint Corporation and Nextel Communications, Inc. agreed to separate the wireline local service operation into an independent, stand-alone operation. In order to complete the separation, Sprint formed a new subsidiary, LTD Holding Company (LTD) to control the Sprint operating companies serving local customers. Sprint has filed a joint application requesting this Commission's approval and acknowledgement of the transfer of control of Sprint-Florida, Incorporated, Sprint Payphone Services, Inc. (SPSI), and Sprint Long Distance, Inc. (SLD) from Sprint to LTD.

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FPSC-COMMISSION CLERK

We are vested with jurisdiction over this matter pursuant to Sections 364.33 and 364.335, Florida Statutes. Accordingly, staff believes the following recommendations are appropriate. Section 364.33, Florida Statutes, provides that a person may not acquire ownership or control of a telecommunications facility, in whatever manner, including the acquisition, transfer, or assignment of majority organizational control or controlling stock ownership, without prior approval from this Commission. According to Section 364.02 (14), Florida Statutes, intrastate interexchange telecommunications companies (IXC) are not subject to Section 364.33, Florida Statutes. On August 15, 2005, Sprint filed a joint application for approval for transfer of control of Sprint-Florida, Incorporated, Sprint Payphone Services, Inc., and to notify this Commission of transfer of control of Sprint Long Distance, Inc., from Sprint Nextel Corporation to LTD Holding Company. Since an IXC is not subject to Section 364.33, Florida Statutes, the company is not required to seek our approval for transfer control of Sprint Long Distance, Inc. to LTD Holding Company.

Sprint-Florida, Incorporated is now an indirect wholly owned subsidiary of Sprint and is authorized by this Commission pursuant to LEC Certificate No. 22 to provide local exchange telecommunications services. Sprint Payphone Services, Inc. is a certificated pay telephone provider, PATS Certificate No. 3822 and Sprint Long Distance, Inc. is a registered interexchange telecommunications company, Registration No. TK001. Under the control of LTD, Sprint-Florida, Incorporated, SPSI, and SLD will not change or become new entities. The companies will become subsidiaries of LTD. These entities will continue operating in Florida and will continue to have the same technical, financial, and managerial ability to provide service under the control of LTD as they have had under the control of Sprint. We find that the establishment of Sprint's wireline local service operation as an independent, stand-alone corporation will serve the public interest by creating a company whose primary strategic focus will be building upon its local wireline capabilities by providing services to residential and business customers in its local franchised territory.

Based upon the aforementioned, we find that the transfer of control of Sprint-Florida, Incorporated, SPSI, and SLD from Sprint Nextel Corporation to LTD Holding Company is in the public interest. Therefore, we approve Sprint's joint application for approval for transfer of control of Sprint-Florida, Incorporated and Sprint Payphone Services, Inc., and for acknowledgment of transfer of control of Sprint Long Distance, Inc., from Sprint Nextel Corporation to LTD Holding Company.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that we hereby find that the transfer of control of Sprint-Florida, Incorporated, SPSI, and SLD from Sprint Nextel Corporation to LTD Holding Company is in the public interest. Therefore, we approve Sprint's joint application for approval for transfer of control of Sprint-Florida, Incorporated and Sprint Payphone Services, Inc., and for acknowledgment of transfer of control of Sprint Long Distance, Inc., from Sprint Nextel Corporation to LTD Holding Company. 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 13th day of October, 2005.



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

(S E A L)

JPR

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 November 3, 2005.

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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.