

**BEFORE THE TENNESSEE REGULATORY AUTHORITY AT
NASHVILLE, TENNESSEE**

IN RE: April 19, 2006

PETITION OF MCI, INC. FOR AUTHORITY)	
NECESSARY FOR THE TRANSFER OF)	DOCKET NO. 05-00267
ASSETS OF MCI WORLDCOM)	
NETWORK SERVICES, INC. TO)	
MCI WORLDCOM COMMUNICATIONS)	
SERVICES, INC.)	

ORDER APPROVING TRANSFER OF ASSETS

This matter came before Director Deborah Taylor Tate, Director Pat Miller and Director Sara Kyle of the Tennessee Regulatory Authority (the "Authority" or "TRA"), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on November 21, 2005 for consideration of the *Petition for Expedited Approval of Transfer of Assets* ("Petition") filed by MCI, Inc. ("MCI" or "Petitioner") on behalf of its subsidiaries MCI WorldCom Network Services, Inc. ("MCI Network Services") and MCI WorldCom Communications Services, Inc. ("MCI Communications Services") on September 28, 2005. In its *Petition*, MCI requests that the TRA approve a transfer of assets of MCI Network Services to MCI Communications Services.

Background

MCI is a Delaware corporation and through various operating subsidiaries, including MCI Network Services and MCI Communications Services, provides international and domestic interstate, intrastate and local telecommunications services. MCI neither offers any services directly to the public nor holds any certificates of public convenience and necessity ("CCN") issued by the Authority.

MCI Network Services is a Delaware corporation which provides wholesale long distance telephone, data and internet services to other carriers. The Tennessee Public Service Commission originally granted a certificate to provide interexchange telecommunications services to MCI Telecommunications Corporation ("MCIT") in Docket No. U-84-7311 by Order dated April 19, 1985.¹

MCI Communications Services is a Delaware corporation and is MCI's primary entity for United States based sales contracts. MCI Communications Services holds MCI's customer contracts for commercial, wholesale, consumer and the public sector and leases various facilities. MCI Communications Services also provides long distance services to MCI's retail consumer and business customer base in all 50 states and the District of Columbia. The Authority originally granted WorldCom Technologies, Inc. ("WTI") a certificate to provide switched and dedicated long distance, local service, 800 services calling cards, private line, and operator services in Docket No. 97-01361 by Order dated January 30, 1998.²

The Petition

The *Petition* seeks Authority approval for the transfer of assets of MCI Network Services to MCI Communications Services. The *Petition* states the transaction is another step in MCI's effort to streamline its corporate structure, achieve cost savings and eliminate any administrative duplication. MCI states that the transaction will result in MCI Network Services' assets, facilities and wholesale customer contracts involving long distance telephone, data and internet

¹ MCIT changed its name to MCI WorldCom Network Services, Inc. in Docket No. 99-00433 pursuant to an intercompany reorganization. See *In re: Petition of MCI WorldCom, Inc., WorldCom Network Services, Inc., MFS Communications Company, Inc., MCI Communications Corp., MCI Telecommunications Corp., and WorldCom Technologies, Inc. for Authority to Reorganize and for Related Transactions*, Docket No. 99-00433, *Order Approving Reorganization and Related Transactions*, pp. 1-3 (October 29, 1999).

² WTI changed its name to MCI WorldCom Communications, Inc. in Docket No. 99-00433 pursuant to an intercompany reorganization. See *In re: Petition of MCI WorldCom, Inc., WorldCom Network Services, Inc., MFS Communications Company, Inc., MCI Communications Corp., MCI Telecommunications Corp., and WorldCom Technologies, Inc. for Authority to Reorganize and for Related Transactions*, Docket No. 99-00433, *Order Approving Reorganization and Related Transactions*, p. 2 (October 29, 1999).

services being transferred to MCI Communications Services. According to the *Petition*, MCI Network Services has no retail customers and all of its wholesale customers will be served by MCI Communications Services after the transfer of assets. The Petitioner maintains that MCI Communications Services has the authority necessary to provide the services currently provided by MCI Network Services and no new authority is being requested. In addition, the *Petition* states that MCI, the ultimate parent of both companies, will retain control of both subsidiaries and there is no direct change of ownership of certificates of authority.

According to the *Petition*, the transfer of assets and customers will not adversely affect the provision of services in Tennessee. The Petitioner maintains that wholesale customers will receive the same services at the same high quality from MCI Communications Services that they currently receive from MCI Network Services. In addition, the Petitioner asserts that there will not be any changes made to the rates, terms, and conditions of service offerings; only the name will change, and all branding will still remain MCI, making the transfer of assets transparent to all customers.

November 21, 2005 Authority Conference

MCI filed its *Petition* pursuant to Tenn. Code Ann. § 65-4-112 (2004) and TRA Rule 1220-1-1-.08. Tenn. Code Ann. § 65-4-112(a) (2004) governs TRA approval of mergers or consolidations between two or more public utilities holding CCNs in the State of Tennessee and is applicable in this docket. It provides as follows:

- (a) No lease of its property, rights, or franchises, by any such public utility, and no merger or consolidation of its property, rights, and franchises by any such public utility with the property, rights, and franchises of any other such public utility of like character shall be valid until approved by the [A]uthority, even though power to take such action has been conferred on such public utility by the state of Tennessee or by any political subdivision of the state.

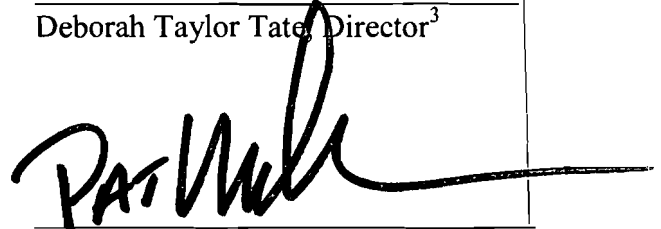
At a regularly scheduled Authority Conference held on November 21, 2005, the panel voted unanimously to approve the *Petition*.

IT IS THEREFORE ORDERED THAT:

The transfer of assets of MCI WorldCom Network Services, Inc. to MCI WorldCom Communications Services, Inc., as described in the *Petition* and discussed herein, is approved.

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Deborah Taylor Tate, Director³


Pat Miller, Director


Sara Kyle, Director

³ Director Tate voted in agreement with the other directors but resigned her position as director before the issuance of this Order.