

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

October 10, 2008

IN RE:

**JOINT PETITION OF GLOBALCOM, INC. AND FIRST
COMMUNICATIONS, INC. FOR APPROVAL OF THE
INDIRECT TRANSFER OF CONTROL OF GLOBALCOM, INC.
TO FIRST COMMUNICATIONS, INC.**

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**DOCKET NO.
08-00139**

ORDER APPROVING TRANSFER OF CONTROL

This matter came before Director Eddie Roberson, Director Sara Kyle and Director Mary W. Freeman of the Tennessee Regulatory Authority (the "Authority" or "TRA"), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on September 8, 2008 for consideration of the *Joint Petition* filed by Globalcom, Inc. of Tennessee ("Globalcom") and First Communications, Inc. ("FCI") (together, "Petitioners") on July 25, 2008.

Globalcom is an Illinois corporation with its principal offices in Chicago, Illinois and a wholly-owned subsidiary of GCI Globalcom Holdings, Inc. ("GCI"). Globalcom provides voice and data service primarily to small and medium-sized business customers in Chicago. In Tennessee, Globalcom is authorized to provide resold interexchange telecommunications services pursuant to Authority Order issued in Docket No. 00-00541 on August 1, 2000.

FCI is a Delaware corporation that, through its operating subsidiaries First Communications, LLC ("FCL") and Xtension Services, Inc., provides local, private line, and long distance services to both business and residential customers in forty-nine states. In Tennessee, FCL is authorized to provide resold interexchange telecommunications services pursuant to Authority Order in Docket No. 06-00213 on December 5, 2006. For the purpose of

accomplishing this transaction, FCI has created a new merger subsidiary, First Global Telecom, Inc. ("Merger Sub"), a Delaware corporation and direct subsidiary of FCI.

The Joint Petition

According to the *Joint Petition*, FCI and GCI entered into an Agreement and Plan of Merger on July 18, 2008, whereby Merger Sub will merge with GCI, with GCI emerging as the surviving entity. As a result, GCI will be a wholly-owned subsidiary of FCI, and FCI will indirectly control GCI's subsidiary, Globalcom. Although the proposed transaction will result in a change in the ultimate ownership of Globalcom, no transfer of authorization, assets or customers will occur as a consequence.

Immediately following the transactions, Globalcom will continue to provide services to its existing customers in Tennessee with no change in the rates, terms or conditions of service thereby making the transaction virtually transparent to its customers.

Findings and Conclusions

Tenn. Code Ann. § 65-4-113 (2004) requires a public utility to obtain TRA approval to transfer its authority to provide utility services. Tenn. Code Ann. § 65-4-113(a) (2004) provides:

No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

Tenn. Code Ann. § 65-4-113(b) (2004) provides the standards by which the TRA shall consider an application for transfer of authority, in pertinent part, as follows:

Upon application for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. The authority shall approve the transfer after consideration of all relevant factors and upon finding that such transfer furthers the public interest.

At the regularly scheduled Authority Conference held on September 8, 2008, the panel voted unanimously to approve the *Joint Petition* based on the following findings:


1. The Petitioners assert that the proposed transaction is in the public interest because it will enable Globalcom to obtain access to additional financial and operational resources from its new parent company.

2. The transaction will provide Globalcom with the ability to become a stronger competitor which will ultimately benefit the consumers.

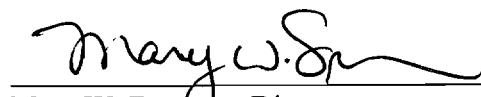
IT IS THEREFORE ORDERED THAT:

1. The transfer of authority of Globalcom, Inc. to First Communications, Inc. as described in the *Joint Petition* and discussed herein is approved pursuant to Tenn. Code Ann. § 65-4-113 (2004) contingent upon approval by the Federal Communications Commission.

2. The Applicants are directed to file with the Authority any subsequent documentation from the Federal Communications Commission regarding the transfer.


Eddie Roberson, Director


Sara Kyle, Director


Mary W. Freeman, Director