

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

February 19, 2009

IN RE:

**JOINT PETITION OF FIRST COMMUNICATIONS, LLC,
GLOBALCOM, INC. AND RENAISSANCE ACQUISITION
CORPORATION FOR APPROVAL OF A TRANSFER OF
CONTROL**

)
)
)
)
)
)

**DOCKET NO.
08-00175**

ORDER APPROVING TRANSFER OF CONTROL

This matter came before Chairman 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 January 26, 2009 for consideration of the *Joint Petition* filed by First Communications, LLC ("FCL"), Globalcom, Inc. ("Globalcom"), and Renaissance Acquisition Corporation ("RAC") (collectively, "Petitioners") on September 17, 2008.

FCL is an Ohio limited liability company and a wholly-owned subsidiary of First Communications, Inc. ("FCI"). FCI, through its operating subsidiaries, FCL and Xtension Services, Inc. ("Xtension"), provides local, private line and long distance services to both business and residential customers in forty-nine states. FCL holds authorization to provide resold interexchange telecommunications services in Tennessee.¹

¹ See *In re: Application of First Communications, LLC to Provide Resold Interexchange Telecommunications Services in Tennessee*, Docket No. 06-00213, *Order Granting Authority to Resell Interexchange Long Distance Services in Tennessee* (December 5, 2006).

Globalcom is a wholly-owned subsidiary of FCI, and is authorized to provide intrastate telecommunications in Tennessee.² Xtension is also a wholly-owned subsidiary of FCI and holds domestic and international Section 214 authorizations from the Federal Communications Commission. Xtension is authorized to provide long distance telecommunications services in thirteen states, and local exchange services in New Jersey. Xtension does not provide telecommunications services in Tennessee.

RAC, a Delaware corporation, is publicly traded on the American Stock Exchange under the symbol "RAK". RAC was organized for the purpose of effecting a merger, capital stock exchange, asset acquisition, or other similar business combination with an operating business.

The Joint Petition

For the purpose of accomplishing this transaction, RAC has created a new merger subsidiary, FCI Merger Sub I, Inc. ("Merger Sub I"), a wholly-owned direct subsidiary of RAC, and has created FCI Merger Sub II, LLC ("Merger Sub II"), another wholly-owned direct subsidiary of RAC. RAC and FCI entered into an Agreement and Plan of Merger on September 13, 2008, whereby (1) FCI will merge into and with Merger Sub I, with FCI surviving and (2) FCI will merge into and with Merger Sub II, with Merger Sub II surviving. As a result, FCL and Globalcom will be wholly-owned subsidiaries of RAC, which intends to change its name to "First Communications, Inc."

According to the *Joint Petition*, the proposed transaction will serve the public interest because it will enable FCL and Globalcom to obtain access to additional financial and operational resources from its new publicly-traded parent company thereby providing both FCL and Globalcom with the ability to become a stronger competitor, to the ultimate benefit of consumers. Immediately following the consummation of the proposed transaction, FCL and Globalcom will continue to offer service with no change in the rates or terms and conditions of service, making the transaction transparent to consumers in Tennessee.

² See *Application of Gobaicom Inc. d/b/a GCI Globalcom Inc. for Certificate to Provide Operator Services and/or Resell Telecommunications Services in Tennessee*, Docket No. 00-00541.

Findings and Conclusions

The Petitioners request approval to consummate the transfer of authority pursuant to Tenn. Code Ann. § 65-4-112 (2004). The Authority finds that the proposed transaction should be considered pursuant to Tenn. Code Ann. § 65-4-113 (2004) because control of a Tennessee-certificated entity is being transferred to a non-certificated entity.

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

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.

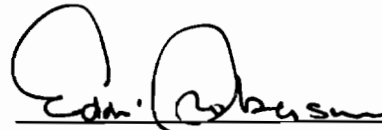
The *Joint Petition* was initially scheduled for consideration at the November 10, 2008, Authority Conference, but was deferred because TRA staff obtained information indicating that FCL's authorization to transact business in the State of Tennessee was revoked by the Tennessee Secretary of State's Office. Subsequently, the Authority received documentation from the Tennessee Department of Revenue stating that FCL had been reinstated and authorized to resume transacting business in the State of Tennessee.³ Thereafter, at the regularly scheduled Authority Conference held on January 26, 2009, the voting panel assigned to this docket considered the *Joint Petition* and voted unanimously to approve the transfer of authority pursuant to Tenn. Code Ann. § 65-4-113 (2004) based on the following findings:

³ See *Data Response* (November 17, 2008).

1. The Federal Communications Commission has approved the transfer.
2. The transfer is in the public interest because it would enable FCL and Globalcom to obtain access to additional financial and operational resources from its new publically-traded parent company thereby enabling it to be a stronger competitor, to the ultimate benefit of consumers.
3. The transaction will not result in any discontinuation, loss or impairment of service to consumers.

IT IS THEREFORE ORDERED THAT:

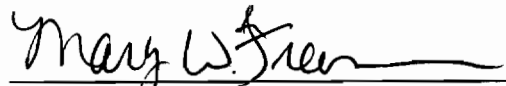
The transfer of authority of First Communications, LLC and Globalcom, Inc. to Renaissance Acquisition Corporation as described in the *Joint Petition* and discussed herein is approved pursuant to Tenn. Code Ann. § 65-4-113 (2004).



Eddie Roberson, Chairman



Sara Kyle, Director



Mary W. Freeman, Director