

**BEFORE THE TENNESSEE REGULATORY AUTHORITY AT**

**NASHVILLE, TENNESSEE**

**September 14, 2010**

**IN RE:**

**PETITION FOR MERGER BY GLOBAL CROSSING  
TELEMANAGEMENT, INC. AND GLOBAL CROSSING  
LOCAL SERVICES, INC.**

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**DOCKET NO.  
10-00120**

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**ORDER APPROVING *PRO FORMA* MERGER**

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This matter came before Chairman Mary W. Freeman, Director Kenneth C. Hill, 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 July 26, 2010 for consideration of the *Petition for Merger of Global Crossing Telemanagement, Inc. into Global Crossing Local Services, Inc.* ("Petition") filed on June 16, 2010 by Global Crossing Telemanagement, Inc. ("GCTM") and Global Crossing Local Services, Inc. ("GCLS") (together, "Petitioners").

GCTM is a Wisconsin corporation and wholly-owned indirect subsidiary of Global Crossing Limited, a publicly traded Bermuda corporation with affiliates in the United States and several other countries providing telecommunications services. In Tennessee, GCTM currently serves three business accounts and was originally authorized to provide resold competitive local exchange service pursuant to Authority Order issued in Docket No. 97-07531 on July 2, 1998.

GCLS is a Michigan corporation originally authorized to provide facilities-based local exchange service in Tennessee pursuant to Authority Order issued in Docket No. 99-00120 on

November 18, 1999. Like GCTM, GCLS is a wholly-owned indirect subsidiary of Global Crossing Limited.

### **THE PETITION**

According to the *Petition*, on or about September 30, 2010, GCTM will be merged into GCLS. At that time, all of the assets and customers GCTM will be transferred to GCLS, and GCTM will cease to exist. Accordingly, GCTM requests cancellation of its certification and tariff effective upon the date of consummation of the merger as notified to the Authority.

### **FINDINGS AND CONCLUSIONS**

Tenn. Code Ann. § 65-4-112 (2004) applies to the transaction described in the *Petition* because it results in the merger of certain assets from one Tennessee certificated carrier to another. Regarding the transfer of authority, Tenn. Code Ann. § 65-4-112 (2004) states:

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 authority, 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.

Because the transaction involves a transfer of customers, TRA Rule 1220-4-2-.56(2)(d) additionally applies to the transaction. The rule provides:

1. The acquiring telecommunications service provider shall provide the Authority a copy of the self-certification letter it shall file with the Federal Communications Commission ("FCC"), as required in CC Docket No. 00257, certifying that the customer transfer is in compliance with all FCC regulations governing such transactions.
2. A notification letter, pre-approved by the Authority, shall be mailed by U.S. First Class Postage by the telecommunications service provider being acquired to its customers describing the customer transfer and explaining that the customers' local or long distance service will be transferred to the acquiring telecommunications service provider by a certain date unless the customer selects another telecommunications service provider. This customer notification shall be mailed to the customers no less than thirty (30) days prior to the actual customer transfer. The notification letter

required by the FCC may be used for the notification purposes of this part. The Authority may waive the thirty (30) day notice requirement of this part for good cause shown.

3. The acquiring telecommunications service provider agrees to pay any fees charged to the customer associated with changing service to the acquiring telecommunications service provider. The notification letter required in 1220-4-2-.56(2)(d)(2) shall inform the customer of this provision.
4. The acquiring telecommunications service provider agrees to provide to the affected customers a thirty (30) day written notice of any rate increase that may affect their service up to ninety (90) days from the date of the transfer of customers. The notification letter mentioned in 1220-4-2-.56(2)(d)(2) shall inform the customer of this provision.

The panel found that the proposed *pro forma* merger is in the public interest because it is an internal corporate reorganization that will reduce costs and provide enhanced efficiencies for the surviving Global Crossing entities. The panel also found that the customer notification letter filed with the Authority on July 9, 2010 conforms with TRA Rule 1220-4-2-.56(2)(d).<sup>1</sup> Thereafter, the panel unanimously voted to: (1) approve the *pro forma* merger described in the *Petition* pursuant to Tenn. Code Ann. § 65-4-112 (2004); (2) consistent with TRA Rule 1220-4-2-.56(2)(d), approve the customer notification letter filed on July 9, 2010; and (3) approve the request of GCTM to cancel its Certificate of Public Convenience and Necessity effective upon notice to the Authority that the transaction has been completed and that all of GCTM's customers have been transferred to GCSL.

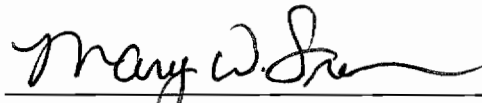
**IT IS THEREFORE ORDERED THAT:**

1. The *pro forma* merger of Global Crossing Telemanagement, Inc. into Global Crossing Local Services, Inc. as described in the *Petition for Merger of Global Crossing Telemanagement, Inc. into Global Crossing Local Services, Inc.* and discussed herein is approved.

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<sup>1</sup> According to the Petitioners, the FCC does not require approval of this transaction. Therefore, the Authority waived the requirement of filing a copy of the FCC's self-certification letter.

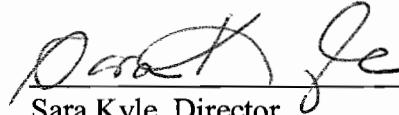
2. The customer notification letter filed on July 9, 2010 is approved.
3. Global Crossing Telemanagement, Inc.'s Certificate of Public Convenience and Necessity is cancelled effective upon notice to the Tennessee Regulatory Authority that the transaction has been completed and that all of GCTM's customers have been transferred.



Mary W. Freeman, Chairman



Kenneth C. Hill, Director



Sara Kyle, Director