

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Notification of the
Indirect Transfer of Control of XO
Communications Services, LLC from XO
Holdings to Verizon Communications, Inc.

DOCKET NO. 16-2208-01
ORDER APPROVING TRANSFER OF
CONTROL

ISSUED: May 4, 2016

This matter is before the Public Service Commission of Utah (Commission) on a notice filed March 17, 2016 filed by Verizon Communications, Inc. (Verizon). The notice informs the Commission that Verizon has entered into an agreement with XO Holdings. XO Holdings owns XO Communications, LLC. XO Communications, LLC owns XO Communications Services, LLC, which is a public utility. Under the agreement, XO Holdings will sell all of its interests in XO Communications, LLC to Verizon. Where XO Communications, LLC will continue to own XO Communications Services, LLC, the proposed agreement will transfer indirect control of the public utility to Verizon.

On April 5, 2016, in response to a Commission action request, the Division of Public Utilities (Division) recommended that the indirect transfer of control be approved. In recommending approval, the Division stated:

The [parties] expect that the merger will enable the combined entities to better meet the needs of enterprises, wholesale buyers, and other customers. The transaction will bring together two successful carrier organizations that have proven themselves in a highly competitive marketplace. The transaction will help create a stronger competitor by bringing together each organization's respective strengths.

The Commission issued notices of filing and hearing on April 22, 2016. The Administrative Law Judge for the Commission held a hearing on May 3, 2016. Mark Williams

represented the parties to the proposed transaction, accompanied by Jesus Roman, assistant general counsel for Verizon; and Rex Knowles, executive director of state and regulatory affairs for XO Communications, LLC. Assistant Attorney General Justin Jetter appeared for the Division, joined by Ron Slusher, Division utility technical consultant; and William Duncan, Division telecommunications manager.

At hearing, the testimony established that there has been no opposition to Verizon's acquiring XO Communications, LLC, and thereby acquiring indirect control of XO Communications Services, LLC. Mr. Roman testified that the parties to the transaction have applied for FCC approval, which is anticipated to issue within approximately six months.

Pursuant to Utah Admin. Code R746-349-7(A)(3):

If no objection to the proposed transaction is submitted in any filed comments or reply comments, the Commission will presume that approval of the transaction is in the public interest and use the information contained in the application and accompanying documents as evidence to support a Commission order.

There is no objection to the granting of the application. Therefore, under Utah Admin. Code R746-349-7(A)(3) and in light of the comments and testimony of record, the Commission presumes the application to be in the public interest.

ORDER

Given the foregoing, the Commission approves Verizon Communications, Inc. to acquire XO Communications, LLC and thereby take indirect control of XO Communications Services, LLC.

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DATED at Salt Lake City, Utah, May 4, 2016.

/s/ Jennie T. Jonsson
Administrative Law Judge

Approved and confirmed May 4, 2016 as the Order of the Public Service Commission of
Utah.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary
DW#276614

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this order by filing a request for review or rehearing with the Commission within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on May 4, 2016, a true and correct copy of the foregoing was served upon the following as indicated below:

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