

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of MCI)
WORLDCOM, INC., WORLDCOM NET-)
WORK SERVICES, INC., MFS COM-)
MUNICATIONS COMPANY, INC., MCI)
COMMUNICATIONS CORP, MCI TELE-)
COMMUNICATIONS CORP., WORLD-)
COM TECHNOLOGIES, INC., For Auth-)
ority to Reorganize and for Related Transactions)

DOCKET NO. 99-095-01

REPORT AND ORDER

ISSUED: September 8, 1999

SYNOPSIS

The Division of Public Utilities, Utah Department of Commerce, having recommended approval, and no detriment to the public interest appearing, the Commission approved the application.

By the Commission:

PROCEDURAL HISTORY

On June 23, 1999, the above-listed entities filed a joint application for approval of a corporate reorganization plan involving all of them. The matter was referred for analysis and recommendation to the Division of Public Utilities, Utah Department of Commerce (DPU), which filed a memorandum recommending approval on August 13, 1999. No opposition to the application having emerged, and none appearing likely, and an evidentiary hearing appearing neither necessary nor helpful in the disposition of this matter, we have determined to dispose of it without further proceedings. The Administrative Law Judge, having been fully advised in the matter, now enters the following Report, containing proposed findings of fact, conclusions of law, and the Order based thereon.

FINDINGS OF FACT

1. MCI, a publicly-held Georgia corporation whose principal offices are located at 500 Clinton Center Drive, Clinton, Mississippi, is the ultimate parent of all of the Applicants. Its operating subsidiaries are authorized to provide telecommunications services in 50 states, including Utah.
2. Information concerning the legal, technical, managerial, and financial qualifications of Brooks was submitted with the application for certification filed with the Commission on March 20, 1995 in Docket No. 95-2206-01. The Certificate was granted August 17, 1995. Information concerning the legal, technical, managerial, and financial qualifications of MCImetro ("MCIIm") was submitted with the application for certification filed with the Commission on October 15, 1996 in Docket No. 96-095-02. The Certificate was granted January 29, 1997.
3. MCI claims that the proposed reorganization is an internal administrative action needed to further implement the merger of WorldCom, Inc. and MCIC, previously approved by the Commission. The merger resulted in the addition of several more entities to an already-complex corporate structure. Following the WorldCom/MCI merger, MCIT, WT, and WNS have been providing intrastate interexchange telecommunications services. WT, WNS and MCIT have been providing intrastate interexchange telecommunication service to end users, and both WNS and MCIT have been providing interexchange service to other carriers. The Applicants assert that this structure can be greatly simplified in a manner that will reduce both regulatory complexity and the possibility of customer confusion. Following the

reorganization, MCIT, under the new name of MCI WorldCom Network Services, Inc., will provide interexchange service primarily to other carriers, and WT, under the new name of MCI WorldCom Communications, Inc. will continue to provide interexchange service and, in many states, local service. The redundant operations of WNS will cease to exist.

4. This proposed reorganization does involve MCImetro and Brooks Fiber Communications ("Brooks"), both of which have a Certificate of Public Convenience and Necessity.

5. The consummation of the proposed transaction will serve the public interest by "allowing MCI WorldCom to implement the pro-competitive synergies and efficiencies identified in the WorldCom/MCI merger application already granted by the Commission. By consolidating the intellectual energy, capital, personnel, and management of the separate companies as well as their marketing and sales expertise, the merger created a state-of-the-art, efficient telecommunications provider that is well positioned in the increasingly-competitive domestic and international telecommunications marketplaces."[\(1\)](#)

DISCUSSION

Applicants asserted that, because MCI is not currently serving customers in Utah, it does not fall under the definition of "public utility" and thus Commission approval is not required. However, the plan involves two certificated subsidiaries, and thus we deem Commission approval necessary.

The plan appears to offer benefit to the applicants' customers, and we thus deem it to be in the public interest.

CONCLUSIONS OF LAW

The Application should be approved.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that:

The Application of the above-named Applicants be, and it is approved, together with the implementing actions set forth in the Application.

Said approval is effective the date of this Order.

Any person aggrieved by this Order may petition the Commission for review within 20 days of the date of this Order. Failure so to do will forfeit the right to appeal to the Utah Supreme Court.

DATED at Salt Lake City, Utah, this 8th day of September, 1999.

/s/ A. Robert Thurman
Administrative Law Judge

Approved and Confirmed this 8th day of September, 1999, as the Report and Order of the Public Service Commission of Utah.

/s/ Stephen F. Mecham, Chairman

/s/ Constance B. White, Commissioner

/s/ Clark D. Jones, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary

1. Application, at 6