

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 13th day of
November, 2003.

Application of WorldCom, Inc. for Grant of Any Authority)	
Necessary for Restructuring and Certain Related)	
Intra-Corporate Transactions Undertaken to Consummate)	<u>Case No. TM-2004-0146</u>
WorldCom's Plan of Reorganization Under Chapter 11)	
of the Federal Bankruptcy Code)	

ORDER APPROVING CORPORATE RESTRUCTURING

On September 19, 2003, WorldCom, Inc. filed an Application for Approval of Restructuring, Request for Waiver and Motion for Expedited Approval. The application asks the Commission to grant any authority necessary for WorldCom to proceed with the restructuring and related intra-corporate transactions that WorldCom will need to undertake to consummate its Plan of Reorganization under Chapter 11 of the Federal Bankruptcy Code. WorldCom also asks for a waiver of the Commission's anti-slamming rule – 4 CSR 240-33.150 – in connection with the transactions that will occur under the Plan of Reorganization. Finally, WorldCom asks the Commission to approve the restructuring by November 19, 2003.

On October 9, the Commission issued an order granting WorldCom's request for expedited treatment and directing the Commission's Staff to file a recommendation regarding WorldCom's Application by November 3. That order also directed that any other

party wishing to file a recommendation regarding WorldCom's Application must do so no later than November 3.

Staff filed its recommendation on November 3. Staff indicates that the restructuring changes proposed by WorldCom as part of its reorganization plan can be summarized as follows:

A) WorldCom, Inc., a Georgia corporation, will be merged into MCI, Inc., which will become the new parent company. The new MCI, Inc. will be reincorporated in Delaware and will hold no certificates and provide no services.

B) Intermedia Communications, Inc., a wholly-owned subsidiary of WorldCom, will be merged into a new wholly-owned subsidiary of the new MCI, Inc. There will be no changes to the rates, terms and conditions of the services provided by Intermedia Communications, Inc.

C) Brooks Fiber Communications of Missouri, Inc. and Metropolitan Fiber Systems of St. Louis, Inc., a company that is not currently operating, will be merged into MCImetro Access Transmission Services, LLC.

D) The assets and operations of MCI WorldCom Communications, Inc. will be transferred to MCImetro Access Transmission Services, LLC.

On November 5, WorldCom filed a reply to Staff's recommendation in which it clarified that only the CLEC assets and operations of MCI WorldCom Communications will be transferred to MCImetro. MCI WorldCom Communications will continue to operate as an IXC.

Staff indicates that the United States Bankruptcy Court for the Southern District of New York approved WorldCom's Plan of Reorganization on October 31, 2003. On

November 6, the Commission directed WorldCom to file copies of the Plan of Reorganization, the Disclosure Statement, and the Order Approving the Plan of Reorganization. WorldCom filed the requested documents on November 7.

WorldCom's proposed restructuring involves companies that are classified as competitive. As a result, according to Commission rules, WorldCom is required to provide only minimal information about the transactions. However, Staff concludes that, because these are competitive companies, the proposed restructuring will not be detrimental to the public interest. The customers of the affected companies will receive advance notice of the changes and will be free to switch to another provider if they wish to do so. Staff recommends that the Commission grant WorldCom's application.

Staff does not object to WorldCom's request for a waiver of the anti-slamming provisions of 4 CSR 240-33.150, so long as that waiver is conditioned upon WorldCom providing proper notice of the customer transfers to the affected customers.

Staff's recommendation indicates that the certificates and tariffs of Brooks Fiber, Metropolitan Fiber, and MCI WorldCom Communications will need to be canceled after those companies are merged into MCImetro Access. WorldCom's Application does not ask the Commission to take that step at this time and the Commission will not do so. However, the affected companies will need to file applications to cancel their certificates and tariffs when it is appropriate for them to do so. Staff also requests that the Commission order the new MCI, Inc. to inform the Commission of the dates when the intra-corporate transactions are accomplished.

Although the Office of the Public Counsel is a party to this case, it has not filed a recommendation or otherwise participated in the proceedings.

Based on the information provided in WorldCom's application, and upon the recommendation of its Staff, the Commission finds that the proposed transaction will not be detrimental to the public interest and that WorldCom's application should be approved.

Section 392.420, RSMo 2000, grants the Commission the authority to suspend or modify the application of its rules for competitive telecommunications companies if such waiver or modification is consistent with other provisions of Sections 392.361 to 392.520, RSMo 2000, and with the purposes of Chapter 392, RSMo 2000, the chapter that provides for the regulation of telephone companies. The requested waiver of 4 CSR 240-33.150 is reasonable, will not be detrimental to the public interest, and is consistent with the purposes of Chapter 392, RSMo 2000.

IT IS THEREFORE ORDERED:

1. That WorldCom, Inc.'s Application for Approval of Restructuring is granted.
2. That the application of 4 CSR 240-33.150 is waived for purposes of the transfer of assets and customers approved in the previous paragraph. Provided, however, that WorldCom, Inc. must provide appropriate advanced notice to the affected customers.
3. That MCI, Inc. shall notify the Commission when the approved restructuring transactions are completed.

4. That this order shall become effective on November 23, 2003.

BY THE COMMISSION

**Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge**

(S E A L)

Gaw, Ch., Murray, Simmons, Forbis and Clayton, CC., concur

Woodruff, Senior Regulatory Law Judge

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

Application of WorldCom, Inc., for Grant of Any Authority)
Necessary for Restructuring and Certain Related)
Intra-Corporate Transactions Undertaken to Consummate) **Case No. TM-2004-0146**
WorldCom's Plan of Reorganization Under Chapter 11)
of the Federal Bankruptcy Code)

ORDER CANCELING CERTIFICATE AND TARIFF

On November 13, 2003, the Commission issued an order that approved various transactions required to complete a plan of reorganization resulting from WorldCom's Chapter 11 Federal Bankruptcy proceeding. In that order, the Commission recognized that the certificates and tariffs of Brooks Fiber Communications of Missouri, Inc., Metropolitan Fiber Systems of St. Louis, Inc., Metropolitan Fiber Systems of Kansas City, Inc., and MCI WorldCom Communications, Inc., would need to be canceled after those companies were merged into MCImetro Access.

On October 28, 2004, MCI, Inc., filed a motion asking the Commission to cancel the certificates of service authority and related tariffs of its subsidiaries Brooks Fiber, Metro Fiber of St. Louis, Metro Fiber of Kansas City, and the local exchange certificate and tariffs of MCI WorldCom Communications. The application indicates that the mergers that the Commission approved in November 2003 are now complete and that, as a result, the certificates and tariffs of the identified merged companies should now be canceled.

On November 8, 2004, the Staff of the Commission filed a response to MCI's motion in which Staff indicates its agreement with that motion. Staff recommends that the Commission cancel the identified certificates and tariffs.

The Commission agrees with MCI and its Staff and finds that the identified certificates of service authority and tariffs should be canceled.

IT IS THEREFORE ORDERED:

1. That the certificates of service authority to provide telecommunications services granted to Brooks Fiber Communications of Missouri, Inc., in case number TA-96-438, and the tariffs filed thereunder, are canceled.

2. That the certificates of service authority to provide telecommunications services granted to Metropolitan Fiber Systems of St. Louis, Inc., in case number TA-92-126, and the tariffs filed thereunder, are canceled.

3. That the certificates of service authority to provide telecommunications services granted to Metropolitan Fiber Systems of Kansas City, Inc., in case number TA-92-125, and the tariffs filed thereunder, are canceled.

4. That the certificate of service authority to provide competitive local exchange telecommunications services granted to MCI WorldCom Communications, Inc., in case number TA-98-201, and the tariffs filed thereunder, are canceled. MCI WorldCom Communications, Inc.'s certificate of service authority to provide intrastate interexchange telecommunications services is not canceled.

5. That this order shall become effective on November 22, 2004.

6. That this case may be closed on November 23, 2004.

BY THE COMMISSION

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Morris L. Woodruff, Senior Regulatory Law Judge,
by delegation of authority pursuant to
Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 12th day of November, 2004.