

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

<b>IN THE MATTER OF THE APPLICATION</b>	)	
<b>FOR PROPOSED MERGER OF</b>	)	
<b>FRONTIER COMMUNICATIONS OF</b>	)	<b>Case No.</b>
<b>AMERICA, INC., AND CITIZENS</b>	)	
<b>TELECOMMUNICATIONS COMPANY</b>	)	

**JOINT APPLICATION**

Come now Citizens Communications Company (“Citizens”), Citizens Telecommunications Company<sup>1</sup>, (“CTC”) and Frontier Communications of America, Inc. (“FCA”)(collectively “Joint Applicants”), through their undersigned counsel, pursuant to 4 CSR 240-2.060 and Section 392.300 RSMo 2000, file this verified application, hereby request that the Missouri Public Service Commission (“Commission”) approve a transaction whereby FCA would transfer its assets and be merged into CTC (“the Transaction”). Two of Citizens' subsidiaries, CTC and FCA, provide long distance service across the country. As part of the Transaction, FCA would relinquish its Missouri Certificate of Service Authority and CTC will change its name to “Frontier Communications of America.”

**I. Description of the Joint Applicants.**

1. Citizens, a Delaware corporation, has its principal place of business located at the following address:

Citizens Telecommunications Company  
3 High Ridge Park  
Stamford, CT 06905-1390.  
Telephone: 203-614-5600  
Facsimile: 203-614-4602  
Email: Citizens@czn.com

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<sup>1</sup> Citizens Telecommunications Company currently does business as “Citizens Communications Company” and has filed applications with the Missouri Secretary of State office to use the doing business (d/b/a/) name of “Frontier Communications of America.” The Fictitious Name Registration will be filed upon receipt from the Missouri Secretary of State, pursuant to 4 CSR 240-2.060(2).

Citizens had a long history of providing utility and telecommunications services throughout the country. Prior to June 2001, Citizens owned incumbent local exchange carrier (“ILEC”) subsidiaries that operated approximately 1.4 million telephone access lines in Arizona, California, Idaho, Illinois, Minnesota, Montana, Nebraska, Nevada, New Mexico, New York, North Dakota, Oregon, Pennsylvania, Tennessee, West Virginia and Wisconsin<sup>2</sup>. Prior to June 2001, Citizens primarily offered long distance services to its ILECs customers through its long distance subsidiary, CTC. CTC currently serves over 500,000 long distance customer lines across the country.

2. This Commission certified CTC as a long distance provider, and a Certificate of Service Authority was issued on April 2, 1996 in Case No. TA-96-267. Its Certificate to Transact Business in the State of Missouri was filed in Case No. TA-96-267 and is incorporated herein by reference. CTC provides intrastate and interstate long distance service to customers who select CTC as their long distance service provider. Some of CTC’s customers use calling card services while traveling in Missouri.

3. In June 2001, Citizens purchased 100% of the stock of the Frontier local exchange carrier subsidiaries from Global Crossings, Ltd. As a result, Citizens added approximately 1.1 million telephone access lines in Alabama, Florida, Georgia, Illinois, Indiana, Iowa, Michigan, Minnesota, Mississippi, New York, Ohio, Pennsylvania and Wisconsin. As part of the transaction with Global Crossings, Citizens also purchased FCA, the entity that offered long distance services to the customers of the Frontier ILEC subsidiaries. FCA currently serves approximately 600,000 long distance customer lines across the country.

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<sup>2</sup> Citizens currently does not provide basic local exchange service in Missouri.

4. FCA, a Delaware corporation, has its principal place of business located at the following address:

Frontier Communications of America, Inc.  
180 South Clinton Avenue  
Rochester, NY 14646  
Telephone: 716-777-1000  
Facsimile: 716-325-1355  
Email:

FCA is certificated by the Commission as a competitive interchange company. Its Certificate of Service Authority was granted in Case No. TA-2001-692, and became effective on July 30, 2001. A copy of its Certificate to Transact Business in the State of Missouri was filed in Case No. TA-2001-692, and is incorporated herein by reference. FCA primarily provides intrastate, interexchange service in Missouri to its customers who reside outside of the state, and use FCA's calling card services while traveling in Missouri. FCA has an approved tariff on file with the Commission, which establishes the rates, terms and conditions for its intrastate, interexchange services.

5. Correspondence and communications to Citizens regarding this application should be directed to:

Shari Dawson, Consultant to  
Frontier Communications of America, Inc.  
Technologies Management, Inc.  
210 North Park Avenue  
Winter Park, Florida 32789  
Telephone: (407)740-8575  
E-mail address: [sdawson@tminc.com](mailto:sdawson@tminc.com)

*With a copy to:*

Aloa Stevens, Director, State Government Affairs - West Region  
Frontier A Citizens Communications Company  
Electric Lightwave, Inc.  
4 Triad Center Suite 200  
Salt Lake City, UT 84180  
Telephone: (801) 924-6356  
E-mail address: [astevens@czn.com](mailto:astevens@czn.com)

## **II. Proposed Transaction.**

6. As a result of Citizens' acquisition of the Frontier subsidiaries in June 2001, Citizens has acquired FCA, which, in addition to CTC, also offers long distance services across the country. During the past fifteen months, the long distance product offerings, pricing and promotional activities of FCA and CTC have become integrated. Many of the functions performed by employees have also been combined. Consequently, the Boards of Directors of Citizens, FCA and CTC have determined that it would be appropriate to eliminate duplicative legal entities that provide similar long distance services. The proposed merger transaction is straightforward. CTC will acquire all of the outstanding shares of capital stock and the assets of FCA. As of the effective date of the merger, all of the issued and outstanding shares of FCA shall cease to exist and be canceled. CTC will be the surviving entity and will serve over 1.1 million long distance customer lines across the country. Simultaneous with the merger Transaction, FCA will relinquish its long distance certificate and CTC will change its name to "Frontier Communications of America."

7. Pursuant to 4 CSR 240-2.060(3), "Competitive telecommunications companies are exempt from subsections. . . (8)(A)-(E) [addressing requirements for applications for authority to merge], . . . however, they must file a pleading indicating which company will be holding the certificate of service authority and providing service to Missouri customers, and the tariff under which service will be provided." Pursuant to this provision, the Joint Applicants hereby notify the Commission that Citizens Telecommunications Company (doing business as

"Frontier Communications of America") will continue to hold the certificate of service authority and provide service to Missouri customers under CTC's approved tariff.

### **III. Customer Impact.**

8. The proposed transaction will cause no adverse impact upon either FCA's or CTC's long distance customers. The combined entity, Frontier Communications of America, will comply with all state and federal requirements<sup>3</sup>. At the state level, the combined long distance company seeks to continue to operate under the terms and conditions included in the long distance Certificate of Service Authority issued to CTC by the Commission. In addition, FCA's pricing, terms and conditions included in the rate schedules filed with the Commission, will be adopted by CTC and incorporated into the CTC rate schedules and there will be no rate changes as a direct result of the Transaction.

9. For the customers currently provided service by FCA, the transaction will be transparent. For customers currently provided service by CTC, the only change will be the name of the entity providing long distance service. The transaction is in the public interest because all customers will continue to be served in the same manner they are served today, with the same high level of service quality. Upon approval, CTC and FCA will provide notice of the changes to their customers. A copy of the customer notice is attached as Exhibit A. Accordingly, Joint Applicants request a waiver of Commission Rule 4 CSR 240-33.150, Verification of Orders for Changing Telecommunications Service Provider, if applicable.

### **IV. Approval Requested.**

10. CTC and FCA are already certified by this Commission as intrastate, interexchange providers and would like to merge their operations by April 30, 2003. To that end, CTC and FCA request that the Commission: (1) approve the merger of FCA into CTC; (2)

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<sup>3</sup> For interstate services, FCA pricing, terms and conditions that were included in the federal rate schedules will be incorporated into the CTC schedules and there will be no rate changes as a direct result of the Transaction.

approve the name change of the combined company to “Frontier Communications of America,” and (3) cancel the Certificate of Service Authority and Tariff of FCA, effective at the closing of the Transaction.

11. Pursuant to 4 CSR 240-2.060(7)(F), the proposed transfer should have no impact on the tax revenues of the political subdivisions in which any of the structures, facilities or equipment of the Joint Applicants are located inasmuch as the location and the character of these structures, facilities or equipment will not change as the result of the proposed transaction nor will the tax status of the entity owing same.

12. Neither FCA nor CTC have any annual report or assessment fees that are overdue.

13. Neither FCA nor CTC have any pending action or final unsatisfied judgments or decisions against them from any state or federal agency or court that involve customer service or rates, which action, judgment or decision has occurred within three (3) years of the date of the application.

## **CONCLUSION**

**WHEREFORE**, the Joint Applicants respectfully request the Commission to issue its order:

1. Approving the proposed merger of FCA and CTC, as described herein;
2. Authorizing FCA to discontinue providing telecommunications services in Missouri, canceling its certificates of service authority and tariffs, effective the date of transfer.
3. Authorizing Joint Applicants to do and perform, or cause to be done and performed, such other acts and things, as well as to make, execute and deliver any and all documents as may be necessary, advisable and proper to the end that the intent and purposes of this transaction may be fully effectuated;
4. Authorizing the name change of the merged entity to “Frontier Communications of America.”

Respectfully submitted,

  
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Larry W. Dority MBN 25617  
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E-mail: [lwdority@sprintmail.com](mailto:lwdority@sprintmail.com)

COUNSEL FOR JOINT APPLICANTS

**CERTIFICATE OF SERVICE**

I do hereby certify that a true and correct copy of the foregoing document has been hand-delivered, transmitted by e-mail or mailed, First Class, postage prepaid, this 4th day of April, 2003, to:

Office of the Public Counsel  
P.O. Box 7800  
Jefferson City, MO 65102

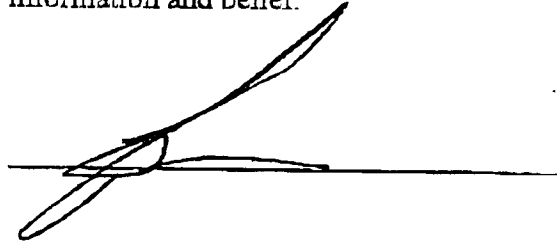
Dana K. Joyce  
General Counsel  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102

  
James M. Fischer

VERIFICATION

STATE OF CONNECTICUT                    )  
                                                  )  
COUNTY OF FAIRFIELD                 )       SS

I, C. Russell Noll, being duly sworn, depose and state that I am an authorized representative of one of the Joint Applicants in the subject proceeding; that I am authorized to make this Verification on behalf of Citizens Telecommunications Company; that I have read the foregoing joint application and exhibits and know the content thereof; that the same are true and correct to the best of my knowledge, information and belief.



Subscribed and sworn to before me this 3<sup>rd</sup> day of April, 2003.

C. Ross M. Lombardo  
Notary Public

My Commission Expires: 10/31/06



VERIFICATION

STATE OF CONNECTICUT

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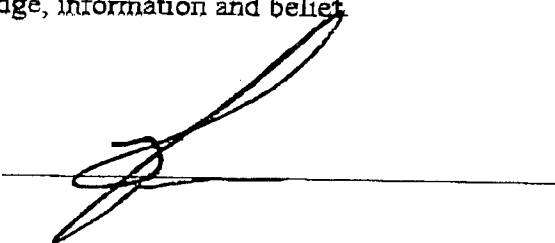
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COUNTY OF FAIRFIELD

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I, L. Anna Mitt, being duly sworn, depose and state that I am an authorized representative of one of the Joint Applicants in the subject proceeding; that I am authorized to make this Verification on behalf of Frontier Communications of America, Inc.; that I have read the foregoing joint application and exhibits and know the content thereof; that the same are true and correct to the best of my knowledge, information and belief.



Subscribed and sworn to before me this 3<sup>rd</sup> day of April, 2003.

Lisa M. Lombardo  
Notary Public

My Commission Expires: 10/31/06