

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 9th
day of June, 1995.

In the matter of the Joint Application of	)	
FiberNet St. Louis, Inc., FiberNet U.S.A.,	)	
Inc., FAC Acquisition, Inc., and Intermedia	)	<u>Case No. TM-95-277</u>
Communications of Florida, Inc.	)	

ORDER APPROVING MERGER

On March 16, 1995, a joint Application for Approval of Merger was filed by FiberNet St. Louis, Inc. (FiberNet), FiberNet U.S.A., Inc. (F.U.S.A.), FAC Acquisition, Inc. (FAC), and Intermedia Communications of Florida, Inc. (Intermedia). FiberNet is a wholly owned subsidiary of F.U.S.A. FiberNet holds a certificate of service authority issued in Case No. TA-94-148. FAC is a wholly owned subsidiary of Intermedia. Intermedia is a competitive access provider in various cities across the United States.

Pursuant to the agreement of merger, FAC will be merged with and into F.U.S.A., which will be the surviving company. The certificate of service authority which is currently held by FiberNet will continue to be held by FiberNet and FiberNet will continue to provide service to its customers in Missouri under its existing tariff.

Applicants have stated that the merger will not adversely affect the provision of services to the public and will not be detrimental to the public interest. Rather, the applicants have stated that the acquisition of F.U.S.A., and indirectly its subsidiaries, by Intermedia will strengthen the ability of those companies to provide high quality telecommunications services to the public. Applicants have further

affirmed that the merger will have no adverse impact on tax revenues in Missouri or upon the political subdivisions thereof.

On May 22, 1995, the Staff of the Missouri Public Service Commission Telecommunications Department (Staff) filed a Memorandum in which it recommended approval of the proposed merger. Staff has stated that FiberNet provides intrastate interexchange switched and private line telecommunication services and local exchange non-switched private line telecommunication services.

The Commission has reviewed the Application, the Staff Memorandum and the entirety of the file and makes the following findings of fact. The Commission finds that FiberNet is a corporation duly organized and existing under the laws of the state of Delaware which is authorized to conduct business in the state of Missouri with its principal office and place of business located at 71 Mt. Hope Avenue, Rochester, New York 14620 and it is a wholly owned subsidiary of F.U.S.A. F.U.S.A. is a corporation duly organized and existing under the laws of the state of Delaware which also has as its principal place of business 71 Mt. Hope Avenue, Rochester, New York 14620. F.U.S.A. and its other subsidiaries provide telecommunication services in other parts of the United States similar to those which FiberNet is authorized to provide within Missouri. The Commission finds that FAC is a corporation duly organized and existing under the laws of the state of Delaware with its principal place of business located at 9280 Bay Plaza Blvd., Suite 720, Tampa, Florida 33619. FAC is a wholly owned subsidiary of Intermedia Communications of Florida, Inc. Intermedia is a corporation duly organized and existing under the laws of the state of Delaware with its principal place of business located at 9280 Bay Plaza Blvd., Suite 720, Tampa, Florida 33619. Intermedia is a competitive access provider in various cities across the United States.

The Commission finds that the proposed merger would not adversely affect the provision of services to the public in Missouri and is not detrimental to the public interest. The Commission finds that the merger will improve the ability of the Applicant(s) to achieve economies of scale which are important to a carrier's ability to compete effectively in a telecommunications market.

The Commission will approve the merger as set out herein.

IT IS THEREFORE ORDERED:

1. That FiberNet U.S.A., Inc. may be merged with FAC Acquisition, Inc. and become a subsidiary of Intermedia Communications of Florida, Inc.
2. That the certificate of service authority currently held by FiberNet St. Louis, Inc. shall continue to be held and operated by that company in the provision of service to customers in the state of Missouri.
3. That this order shall become effective on the date hereof.

BY THE COMMISSION


David L. Rauch
Executive Secretary

(S E A L)

Mueller, Chm., McClure, Perkins,
Kincheloe and Crumpton, CC., Concur.