

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 17th day of November, 2005.

In Re: Application of MCI, Inc., for Grant of the Authority Necessary for the Transfer of Assets of MCI Network Services, Inc., to MCI Communications Services, Inc.)
)
) **Case No. TO-2006-0140**
)

ORDER APPROVING TRANSFER OF ASSETS

Issue Date: November 17, 2005

Effective Date: November 27, 2005

On September 28, 2005, MCI, Inc., filed an application asking the Commission to approve the transfer of certain assets from one of its subsidiaries – MCI Network Services, Inc. – to another subsidiary – MCI Communications Services, Inc. MCI indicates that it wishes to transfer the assets to streamline its corporate structure, achieve cost savings, and eliminate administrative duplication. Neither subsidiary has any retail customers. After completion of the transfer of assets, the MCI Network Services wholesale customers currently served by the transferred facilities will instead be served by MCI Communications Services. No changes will be made to the rates, terms and conditions, or services offered by either subsidiary as a result of the transfer. As a result, the transfer of assets will be transparent to MCI’s customers. MCI expects to complete the transfer of assets by December 31, 2005, and asks that the Commission approve the transfer before that date.

Staff filed its recommendation regarding MCI’s application on November 4. Staff indicates that the proposed transfer of assets will not be detrimental to the public interest and recommends that the transfer be approved.

Staff also points out that MCI seeks a waiver of certain regulations relating to the filing of its application for approval of the transfer. Specifically, MCI requests waiver of the requirements of 4 CSR 240-3.520(2)(B), (E), and (G). Subsection (B) requires the applicant to file a copy of the sale contract; Subsection (E) requires the applicant to file a balance sheet; and Subsection (G) requires the applicant to file a customer notification letter. Staff indicates that the regulation provides that (E) does not apply to a competitive company, such as MCI. Further, Staff agrees that (B) and (G) should not apply to this particular application. Staff recommends that the Commission grant the requested waiver for those two sections of the regulation.

The provisions of the regulation from which MCI has requested a waiver require only that certain documents be filed along with the application for authority to transfer assets. Those provisions do not have any impact on the company or its customers beyond the contents of the application. Therefore, by considering this application without the inclusion of those documents, the Commission has already implicitly waived the requirements of the regulation. No further waiver is necessary.

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 the 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 the application should be approved.

IT IS THEREFORE ORDERED:

1. That the Application for Approval of Transfer of Assets filed by MCI, Inc., is granted.

2. That this order shall become effective on November 27, 2005.
3. That this case may be closed on November 28, 2005.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written in a cursive style.

Colleen M. Dale
Secretary

(S E A L)

Davis, Chm., Gaw, Clayton and Appling, CC., concur
Murray, C., absent

Woodruff, Senior Regulatory Law Judge