

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a Session of the Public Service
Commission held at its office in
Jefferson City on the 14th day of
February, 2002.

Application of Frontier Communications of America, Inc.,)
and of Citizens Communications Company for Authority) **Case No. TM-2002-290**
to Transfer Control)

ORDER DISMISSING CASE

On December 17, 2001, Frontier Communications of America, Inc., and Citizens Communications Company filed an application requesting the Commission's approval of a transaction where Citizens would acquire control of Frontier's parent company – Frontier Subsidiary Telco, Inc. (FTSI) – in a stock transaction. Alternatively the applicants requested that the Commission formally decline jurisdiction on the basis that Frontier's status is unchanged under the transaction and the Commission lacks jurisdiction over the parent company and the proposed owner.

On January 16, 2002, the applicants filed their first amended application stating more clearly that FSTI and Citizens are both holding companies and that neither of these companies operate as or is regulated as a public utility company. Frontier is the only regulated company presented and is a Delaware corporation that offers resold interexchange telecommunications services in Missouri under a certificate of service authority granted by the Commission in Case No. TA-2001-692. On February 11, 2002, Frontier filed a response to a Commission order directing filing by identifying the corporate

parent of FSTI which authorized the transaction as Global Crossing, Ltd. and advising the Commission that Global does not operate as a public utility in Missouri. After the proposed transaction Frontier will continue to provide the same services in Missouri.

The Commission's Staff filed a Motion to Dismiss Application Due to Lack of Jurisdiction on January 18, 2002. Pursuant to Regulation 4 CSR 240-2.080(16), parties are permitted ten days within which to respond to motions. The applicants herein have not responded to Staff's motion.

The applicants filed their application (as amended) to comply to Section 392.300, RSMo 2000, or to rule out jurisdiction under this statute. Staff states that neither the stock nor the assets of Frontier, the only regulated entity represented in the application, are being transferred. As a result Section 392.300, RSMo 2000, does not confer jurisdiction on the Commission to hear or decide this matter or to provide the requested relief.

Staff further states that Frontier's business in the state is not a basis under the facts presented here to assert that the parent or proposed parent corporations are doing business in the state or are subject to the Commission's jurisdiction.

Staff has moved for the dismissal asserting that jurisdiction under Section 392.300 does not apply since the transaction is not between regulated companies and Frontier's status and operation in Missouri as a regulated utility is not changed. See Public Service Comm'n v. Union Pacific R. Co., 197 S.W. 39, 41 (Mo. banc 1917). The Commission agrees with Staff and finds that jurisdiction is not established and that the application must be dismissed.

IT IS THEREFORE ORDERED:

1. That the application filed by Frontier Communications of America, Inc., and Citizens Communications Company is hereby dismissed.
2. That this order shall become effective on February 24, 2002.
3. That this case may be closed on February 25, 2002.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

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

Thornburg, Regulatory Law Judge