



ORIGINAL

BEFORE THE ARIZONA CORPORATION COMMISSION

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ARIZONA CORPORATION COMMISSION
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Chairman

MARC SPITZER
Commissioner

WILLIAM A. MUNDELL
Commissioner

MIKE GLEASON
Commissioner

KRISTIN K. MAYES
Commissioner

In re:
Application of MCI, Inc., Applicant,
for Grant of the Authority Necessary
for the Transfer of Assets of MCI
Network Services, Inc. to MCI
Communications Services, Inc.

Docket No: T-02431A-05-0683
T-03394A-05-0683

APPLICATION FOR EXPEDITED APPROVAL OF TRANSFER OF ASSETS

Pursuant to A.R.S. § 40-285, MCI, Inc. ("MCI"), by its undersigned counsel, and on behalf of its subsidiary MCI Network Services, Inc. ("MCI Network Services") to the extent required by statute hereby requests that the Commission grant such authority as may be necessary or required for the transfer to MCI Communications Services, Inc. ("MCI Communications Services") of certain assets of MCI Network Services related to its provision of telecommunication services. The transaction is another step in MCI's effort to streamline its corporate structure, achieve cost savings and eliminate any administrative duplication. The transaction is expected to be completed by December 31, 2005.

Arizona Corporation Commission
DOCKETED

SEP 28 2005

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1 **A. Description of the Applicant, MCI**

2 MCI is a corporation created and existing under the laws of the State of Delaware, with its
3 principal office located at 22001 Loudoun County Parkway, Ashburn, Virginia 20147. Through
4 various operating subsidiaries, including MCI Network Services and MCI Communications
5 Services, MCI provides international and domestic interstate, intrastate and local
6 telecommunications services. MCI is the parent company of various operating subsidiaries and
7 offers no services directly to the public and holds no certificates of public convenience and
8 necessity issued by the Commission. Additional information about MCI, Inc. is available at
9 www.mci.com.
10

11 MCI Network Services, Inc. is a Delaware corporation with its principal office located at
12 22001 Loudoun County Parkway, Ashburn, Virginia 20147. (MCI Network Services is a
13 certificated interexchange carrier pursuant to Decision Nos. 54507 and 59446). MCI Network
14 Services provides wholesale long distance telephone, data and Internet services to other carriers.
15 MCI Network Services owns facilities used to provide non-local services. MCI, Inc. is the
16 ultimate parent of MCI Network Services.
17

18 MCI Communications Services, Inc. is a Delaware corporation with its principal office
19 located at 22001 Loudoun County Parkway, Ashburn, Virginia 20147 (MCI Communications
20 Services is a certificated interexchange carrier and provider of operator services pursuant to
21 Decision Nos. 59629 and 59802). MCI Communications Services is MCI's primary entity for
22 U.S. based sales contracts. It holds MCI's customer contracts for commercial, wholesale,
23 consumer, and the public sector and leases various facilities. It also provides long distance
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1 services to MCI's retail consumer and business customer base in all 50 states and the District of
2 Columbia. MCI, Inc. is the ultimate parent of MCI Communications Services.

3 **B. Contact Information**

4 Correspondence concerning this application may be directed to:

5
6 Thomas Campbell, Esq.
7 Michael Hallam, Esq.
8 Lewis and Roca LLP
9 40 North Central Avenue
10 Phoenix, AZ 85004-4429
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15 With a copy to:

16 David Adelman, Esq.
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24 And:

25 Marsha Ward, Esq.
26 MCI, Inc.
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Atlanta, Georgia 30328
Phone: (770) 284-5490
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Email: marsha.ward@mci.com

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2 **C. Description of the Transaction**

3 The transaction is an essential aspect of MCI's continued plans to streamline its corporate
4 structure and allow it to operate in a more efficient manner. The transaction will result in MCI
5 Network Services' assets, facilities and wholesale customer contracts involving long distance
6 telephone, data and Internet services, being transferred to MCI Communications Services. As
7 shown in Exhibits 1 and 2, MCI Network Services' assets will be transferred to MCI
8 Communications Services. MCI Network Services has no retail customers. All customers served
9 by MCI Network Services' facilities and pursuant to contract with MCI Network Services will be
10 served by MCI Communications Services after the transfer of assets. MCI Communications
11 Services has all authority necessary to provide the services currently provided by MCI Network
12 Services. No new authority is being requested. MCI, Inc., the ultimate parent of both companies,
13 will retain control of both subsidiaries. There is no change of ownership of certificates of
14 authority. MCI Network Services is retaining its certificates and is not asking for the cancellation
15 of authority at this time.

16
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18 The transfer of the assets and customers will not adversely affect the provision of services
19 in Arizona. Wholesale customers will receive the same services at the same high quality from
20 MCI Communications Services that they currently receive from MCI Network Services. No
21 changes will be made to the rates, terms and conditions or service offerings; only the name will
22 change, and all branding will still remain MCI, making the transfer of assets transparent to all
23 customers.
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1 **D. Conclusion**

2 MCI respectfully submits that the public interest, convenience, and necessity would be
3 furthered by grant of this Application. MCI respectfully requests the Commission approve the
4 transfer of assets from MCI Network Services, Inc. to MCI Communications Services, Inc.
5

6 Further information regarding the transaction is available at the request of the
7 Commission.

8 Respectfully submitted this 28th day of September, 2005.

9 LEWIS AND ROCA LLP

10 

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17 Attorneys for MCI, Inc.

18
19 ORIGINAL and 13 copies of the foregoing
filed this 28th day of September, 2005, with:

20 Arizona Corporation Commission
21 Utilities Division - Docket Control
22 1200 West Washington
Phoenix, Arizona 85007

1 COPY of the foregoing
2 hand-delivered this 28th day of
3 September, 2005, to:

4 Lyn Farmer
5 Chief Administrative Law Judge, Hearing Division
6 Arizona Corporation Commission
7 1200 West Washington
8 Phoenix, Arizona 85007

9 Christopher Kempley, Esq.
10 Chief Counsel, Legal Division
11 Arizona Corporation Commission
12 1200 West Washington Street
13 Phoenix, Arizona 85007

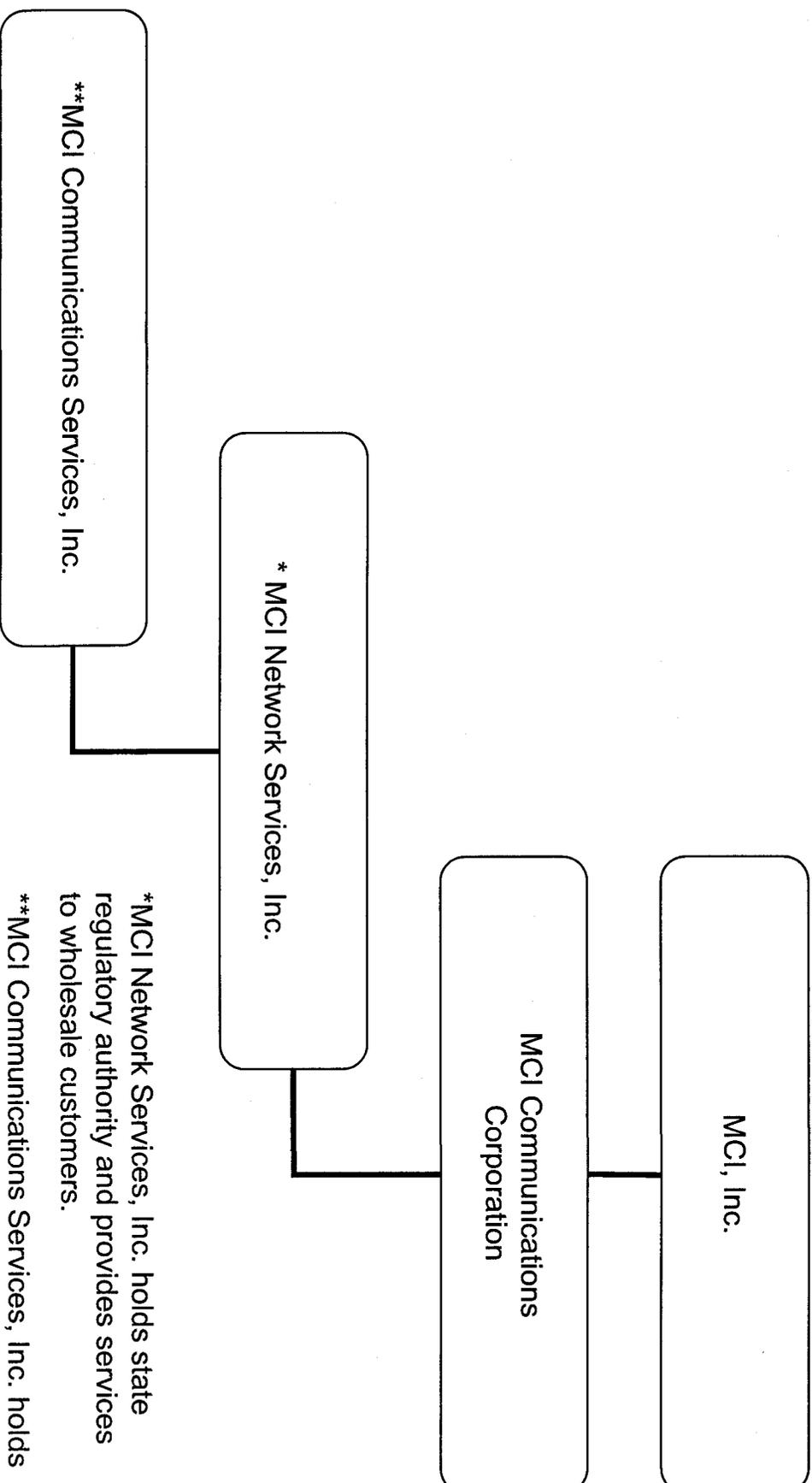
14 Ernest Johnson
15 Director, Utilities Division
16 Arizona Corporation Commission
17 1200 West Washington Street
18 Phoenix, Arizona 85007

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EXHIBIT 1

Current Corporate Structure



**MCI Communications Services, Inc.

* MCI Network Services, Inc.

MCI, Inc.

MCI Communications
Corporation

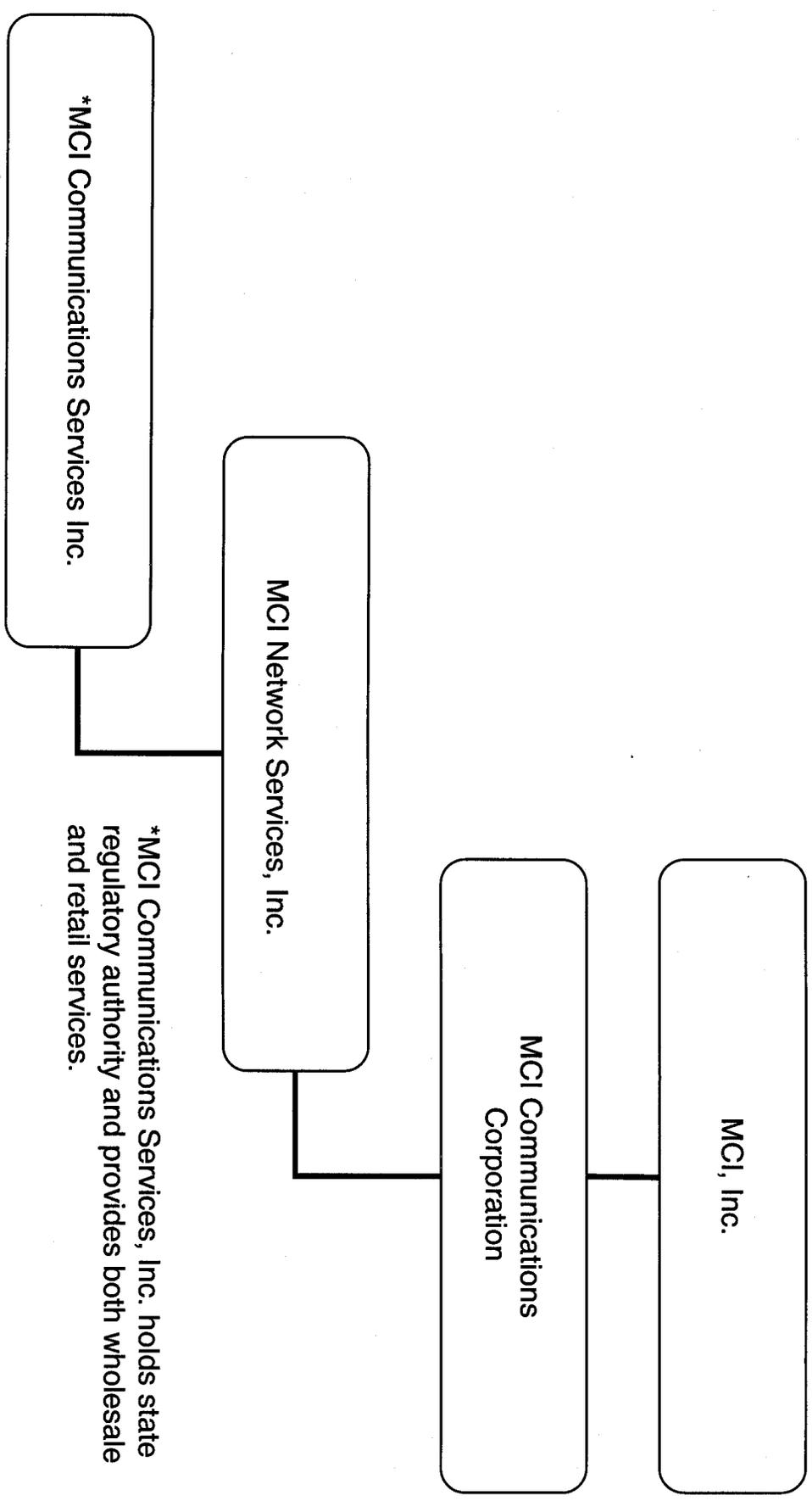
*MCI Network Services, Inc. holds state regulatory authority and provides services to wholesale customers.

**MCI Communications Services, Inc. holds state regulatory authority and provides services on a retail basis.

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EXHIBIT 2

Proposed Corporate Structure



*MCI Communications Services, Inc. holds state regulatory authority and provides both wholesale and retail services.