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BEFORE THE ARIZONA CORPORATION COMMISSION

JEFF HATCH-MILLER
Chairman
WILLIAM A. MUNDELL
Commissioner
MARC SPITZER
Commissioner
MIKE GLEASON
Commissioner
KRISTIN K. MAYES
Commissioner

Arizona Corporation Commission

DOCKETED

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IN THE MATTER OF THE APPLICATION
OF MATRIX TELECOM, INC. FOR
APPROVAL TO TRANSFER CERTAIN
ASSETS OF GLOBAL CROSSING
TELECOMMUNICATIONS, INC., GLOBAL
CROSSING TELEMAGEMENT, INC.
AND GLOBAL CROSSING LOCAL
SERVICES, INC. TO MATRIX TELECOM,
INC.

DOCKET NOS. T-03228A-05-0216
T-02438B-05-0216
T-03539A-05-0216
T-03658A-05-0216

DECISION NO. 68347
ORDER

Open Meeting
December 6 and 7, 2005
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. On March 25, 2005, Matrix Telecom, Inc. ("Matrix"), submitted to the Arizona Corporation Commission ("Commission") an application for approval of the transfer of certain assets from Global Crossing Telecommunications, Inc., Global Crossing Telemagement, Inc. and Global Crossing Local Services, Inc. (hereinafter referred to collectively as "GC") to Matrix. This application also requested a waiver of any applicable anti-slamming regulations that may be violated by this transfer being made without the specific authorization and verification of each subscriber affected.

2. On May 16, 2003, in Decision No. 65926, the Commission granted Matrix a Certificate of Convenience and Necessity ("CC&N") to provide resold long distance telecommunications services in the State of Arizona. On April 6, 2005, Matrix Telecom, Inc.

1 (“Matrix” or “Applicant”) filed an application for a Certificate of Convenience and Necessity
2 (“CC&N”) to provide resold local exchange services within the State of Arizona. At this time, that
3 application is still pending.

4 3. On May 1, 1985, in Decision No. 54505, Global Crossing Telecommunications was
5 granted a CC&N to provide local exchange service in the State of Arizona. On April 1, 1999, in
6 Decision No. 61622, the Commission granted Global Crossing Local Services a CC&N to provide
7 local exchange service in the State of Arizona. On October 29, 1998, the Commission, in Decision
8 No. 61213, granted Global Crossing Telemanagement, Inc. a CC&N to provide local exchange
9 service in the State of Arizona.

10 4. The Application stated that on March 19, 2005, Matrix and GC entered into an
11 Asset Purchase Agreement in which Matrix will purchase and assume the liabilities of certain
12 assets of GC’s Small Business Group. Upon the completion of this agreement, Matrix will serve
13 the Small Business Group customer base, and GC will continue to provide service to its remaining
14 customers, i.e., customers not previously served by its Small Business Group.

15 5. On March 25, 2005, Matrix filed an application requesting approval of this
16 transaction. Matrix also requested a waiver of any applicable anti-slamming regulations that may
17 be violated by this transfer being made without the specific authorization and verification of each
18 subscriber affected. Pursuant to A. R. S. Section 40-285, the Commission has jurisdiction over
19 this matter. Staff has reviewed the customer notification letter that Matrix provided to all GC
20 Small Business Customers. Because that notice was provided in a timely manner, informs
21 customers that the rates, terms and conditions of service will not change as a result of this asset
22 transfer and informs customers that they may subscribe to the telecommunications service provider
23 of their choice, Staff believes the Commission’s Slamming and Cramming rules should be waived
24 in this matter.

25 6. Consumer Services Staff has indicated that there are no open complaints, inquiries
26 or opinions concerning Matrix or GC. Matrix has informed Staff that it will honor any customer
27 deposits and/or prepayments previously collected by GC. Consequently, there is no risk that an
28 ...

1 advance, deposit and/or prepayment of funds from Arizona customers would be lost by approving
2 this asset transfer.

3 7. Staff has recommended approval of Matrix's request to acquire certain
4 telecommunications service assets of GC.

5 8. Staff further recommends that said approval be effective upon Commission
6 approval of Matrix's application for a CC&N to provide resold local exchange services within the
7 State of Arizona.

8 9. Staff has further recommended approval of Matrix's requested waiver of the
9 Commission's Slamming and Cramming rules in this matter.

10 CONCLUSIONS OF LAW

11 1. Matrix and GC are public service corporations within the meaning of Article 15,
12 Section 3 of the Arizona Constitution and Title 40 of the Arizona Revised Statutes.

13 2. The Commission has jurisdiction over the transaction proposed in the Application
14 pursuant to Article 15, Section 3 of the Arizona Constitution.

15 3. It is in the public interest to approve the transaction (effective upon approval of the
16 Matrix application for a CC&N to provide resold local exchange services within the State of
17 Arizona) and the requested waiver of the Commission's Slamming and Cramming rules in this
18 matter.

19 ORDER

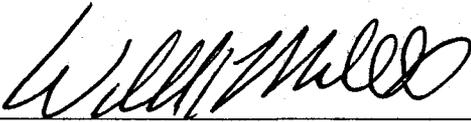
20 IT IS THEREFORE ORDERED that Matrix's request to acquire certain
21 telecommunications service assets of GC be and hereby is approved effective upon Commission
22 approval of the Matrix application for a CC&N to provide resold local exchange services within
23 the State of Arizona.

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1 IT IS FURTHER ORDERED that Matrix's requested waiver of the Commission's
2 Slamming and Cramming rules in this matter be and hereby is approved.

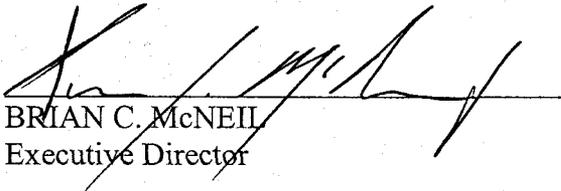
3 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

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5 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

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8 CHAIRMAN COMMISSIONER

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11 COMMISSIONER COMMISSIONER COMMISSIONER

12 IN WITNESS WHEREOF, I BRIAN C. McNEIL, Executive
13 Director of the Arizona Corporation Commission, have
14 hereunto, set my hand and caused the official seal of this
15 Commission to be affixed at the Capitol, in the City of
16 Phoenix, this 9th day of December, 2005.

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18 
19 BRIAN C. McNEIL
Executive Director

20 DISSENT: _____

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22 DISSENT: _____

23 EGJ:WMS:lhM/JMA
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1 SERVICE LIST FOR: Matrix Telecom, Inc., Global Crossing Telecommunications, Inc., Global
2 Crossing Telemangement, Inc. and Global Crossing Local Services, Inc.

3 DOCKET NOS. T-03228A-05-0216, T-02438B-05-0216, T-03539A-05-0216 and
4 T-03658A-05-0216

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