

ORIGINAL
OPEN MEETING



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MEMORANDUM

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Arizona Corporation Commission

DOCKETED

JUN 10 2010

DOCKETED BY

TO: THE COMMISSION

FROM: Utilities Division

DATE: June 9, 2010

RE: IN THE MATTER OF THE APPLICATION OF GLOBAL CROSSING TELECOMMUNICATIONS, INC. FOR APPROVAL OF A MERGER WITH GLOBAL CROSSING NORTH AMERICAN NETWORKS, INC. (DOCKET NOS. T-02438B-10-0124 AND T-02761B-10-0124)

Introduction

On April 2, 2010, Global Crossing Telecommunications, Inc. ("GCTI") and Global Crossing North American Networks, Inc. ("GC NAN") filed an Application of a Notice of merger at the Arizona Corporation Commission ("Commission") in relation to the *pro forma* merger of GC NAN with its affiliate GCTI.

The Parties

GC NAN was incorporated under the laws of the State of Delaware on September 23, 1982. Its principal office is located in New York. GC NAN is a wholly-owned subsidiary of Global Crossing Limited, a publicly traded Bermuda Corporation with affiliates in the United States and several other countries providing telecommunications services. GC NAN was authorized to provide interexchange long distance telecommunications services on April 17, 1997, in Decision No. 60143. GC NAN does not currently provide retail telecommunications services in Arizona and therefore has no retail customers or employees in Arizona. In response to Staff's First Set of Data Requests, GC NAN indicated that it is certified or authorized to provide interexchange services nationwide, except in the State of Alaska.

GCTI was incorporated under the laws of the State of Michigan on April 5, 1989. Its principal office is located in New York. GCTI is also a wholly-owned subsidiary of Global Crossing Limited. GCTI was authorized to provide resold long distance telecommunications services on May 1, 1985 in Decision No. 54505. GCTI currently offers resold intrastate toll telecommunications services in Arizona. In response to Staff's First Set of Data Requests, GCTI indicated that it is an authorized interexchange provider in all fifty states.

GCTI provides long distance services to medium and large business customers. Most customers of GCTI have individual account executives who handle all inquiries and other customer needs. While GCTI's toll free telephone number is available for customer inquiries,

complaints, and repair, the Company also has a network operations center located at 14605 South 50th Street, Phoenix, Arizona 85044. There are 227 employees at this location. In addition to GC NAN, other certificated Arizona affiliates of GCTI include Global Crossing Local Services, Inc. [Docket No. T-03658A-98-0653] and Global Crossing Telemanagement, Inc. [Docket No. T-03539A-98-0149].

The Transaction

GC NAN and GCTI have entered into a planned *pro forma* merger whereas all the assets of GC NAN will be transferred to GCTI on or about September 30, 2010. At the effective time of the merger, GC NAN will cease to exist. Accordingly, GC NAN requests that its authority to provide interexchange long distance telecommunications services and its Arizona Tariff be cancelled effective the date of consummation of the merger.

GC NAN does not provide retail service in Arizona. Therefore, there are no customers who will be affected as a result of this transaction.

The Applicants Request

- a. In the Application, GCTI and GC NAN are seeking approval of the planned *pro forma* merger.
- b. Effective with the consummation date of the merger, GC NAN is also requesting that its Arizona certification and its tariff be cancelled.
- c. In its Responses to Staff Data Request PJG1-14, GC NAN stated that it is requesting a waiver of A.A.C. R14-2-1107(A) relative to issuing a customer notification based on the fact that it has no retail customers in Arizona to notify.

Staff's Analysis

The Affiliated Interests Rules

The Public Utility Holding Companies and Affiliated Interests Rules apply to all Class A investor-owned utilities, defined as telecommunications carriers that have Arizona jurisdictional annual revenues of more than \$1 million. In its 2008 Annual Report filed with the Commission, Global Crossing Telecommunications, Inc. reported that it generated more than \$1 million of Arizona jurisdictional revenue. Global Crossing North American Networks, Inc. is not considered a Class A utility. As a result, the Application is subject to Arizona Administrative Code ("A.A.C.") R14-2-801 through 805 of the Public Utility Holding Companies and Affiliated Interests Rules.

In response to Staff's First Set of Data Requests, GCTI provided the following information as required by A.A.C. R14-2-803 (A):

1. The names and business addresses of the proposed officers and directors of the holding company;

There are no plans to establish a new holding company. A list of the current officers and directors of GCTI has been provided in response to Staff Data Request PJG1-16. GCTI further indicated that these individuals can be reached at corporate headquarters at 225 Kenneth Drive, Rochester, New York 14623. No changes to the officers or directors are contemplated as a result of the proposed merger.

2. The business purposes for establishing or reorganizing the holding company;

GCTI asserts that there is no plan to either establish a new holding company or to reorganize the existing holding company. The planned transaction involves simply the merger of one long distance subsidiary into another long distance subsidiary as set forth in the filing.

3. The proposed method of financing the holding company and the resultant capital structure;

GCTI has indicated that no financing will be required for the proposed merger and that there will be no change to the current capital structure.

4. The resultant effect on the capital structure of the public utility;

GCTI has stated that there will be no change to the current capital structure.

5. An organization chart of the holding company that identifies all affiliates and their relationships within the holding company;

GCTI provided a corporate organizational chart for GCTI and GC NAN labeled as Attachment A in its Responses to Staff's First Set of Data Requests.

6. The proposed method for allocating federal and state income taxes to the subsidiaries of the holding company;

GCTI has stated that the proposed merger will have no impact on the allocation of taxes to the subsidiaries.

7. The anticipated changes in the utility's cost of service and the cost of capital attributable to the reorganizations;

The merger will have no impact on the cost of service for Arizona operations.

8. A description of diversification plans of affiliates of the holding company; and

GCTI has indicated that there are no current plans to diversify in Arizona beyond the business in which GCTI is currently engaged.

9. Copies of all relevant documents and filings with the United States Securities and Exchange Commission and other federal or state agencies.

GCTI has stated that there is no plan to establish a new holding company or reorganize the existing holding company therefore no documents have been filed with any governing body regarding such. With respect to the merger, notifications or petitions have been or will be filed with state regulatory agencies as required. The filings are substantially similar to that filed with the Commission. Internal corporate reorganizations do not require prior approval by the Federal Communications Commission ("FCC") and therefore no filing has been made. Post transaction notifications will be submitted to the FCC and state agencies as required.

10. The contemplated annual and cumulative investment in each affiliate for the next five years, in dollars and as a percentage of projected net utility plant, and an explanation of the reasons supporting the level of investment and the reasons this level will not increase the risks of investment in the public utility.

The merger will not affect investment in any Global Crossing Limited Affiliate.

11. An explanation of the manner in which the utility can assure that adequate capital will be available for the construction of necessary new utility plant and for improvements in existing utility plant at no greater cost than if the utility or its affiliate did not organize or reorganize a public utility holding company.

Global Crossing Limited will be able to attract capital on equally favorable terms following the merger. Adequate capital will continue to be available for construction or improvements at no greater cost than today.

GCTI has stated in its Responses to Staff's First Set of Data Requests that no residents or businesses located in any Arizona County will be affected as a result of this Application. The planned merger of GC NAN into GCTI is an internal reorganization that will have no effect on rates, terms or conditions of service to GCTI's business customers. There will be no changes in

the debt structure of GCTI as a result of the planned merger. Following the completion of the merger, GC NAN will no longer exist.

There is no immediate impact expected on GCTI's financial operations as a result of the planned merger. The merger will result in eventual cost savings relating to regulatory compliance and taxes, but there is no contemplated impact on overall investment. Based on the information provided, Staff believes GCTI has complied with the requirements of A.A.C. R14-2-803(C) and 804(C).

The Public Interest

GCTI is in compliance with Decision No. 54505 in which the Commission granted authorization to GCTI to provide resold long distance telecommunications services in Arizona. GC NAN is in compliance with Decision No. 60143 in which the Commission granted authorization to GC NAN to provide interexchange long distance telecommunications services in Arizona.

In regards to what effect the merger will have on GCTI's overall investment in Arizona, GCTI has indicated that the merger will result in eventual cost savings related to regulatory compliance and taxes, but there is no contemplated impact on overall investment.

GCTI has stated that it does not foresee any Arizona workforce layoffs resulting from the merger nor does it contemplate any Arizona plant or facility closings as a result of the merger.

As supported by the information previously provided, Staff believes that the proposed merger will not impair the financial status of Global Crossing Limited's Affiliates nor prevent Global Crossing Limited's ability to attract capital at fair and reasonable terms and to provide safe, reasonable, and adequate service.

Pursuant to A.A.C. R14-2-805, GCTI is up to date with filing its 2009 annual diversification activities and plans.

Since GC NAN has no customers in Arizona to notify or transfer and no residents or businesses in any Arizona County that will be affected as a result of this Application, there are no plans to publish a legal notice.

The Consumer Services Section reports no complaints in Arizona against GCTI in 2007, 2009, and 2010. One telemarketing complaint was reported in 2008. GCTI also reports no outstanding or unresolved consumer complaints, relevant proceedings, or issues in Arizona or any of the other states in which GCTI is providing service. The Corporations Division has indicated that GCTI and GC NAN are in good standing. The Compliance Section also states there are no delinquencies.

Staff is not aware of any concerns or objections filed by any entity or individual. Staff reviewed the Application and supplemental filings, and considered all responses to Staff's data requests.

Staff's Recommendations

Staff recommends that the Application of Global Crossing Telecommunications, Inc. in relation to the acquisition of Global Crossing North American Networks, Inc. by Global Crossing Telecommunications, Inc. be approved pursuant to the Public Utility Holding Companies and Affiliated Interests Rules A.A.C. R14-2-801 et seq.

Staff recommends that, effective the date of consummation of the merger, Global Crossing North American Networks, Inc.'s Certificate of Convenience and Necessity and tariff associated with providing interexchange long distance telecommunications services in Arizona be cancelled.

Because Global Crossing North American Networks, Inc. has no customers and no residents or businesses located in any Arizona County that will be affected as a result of Commission approval of this Application, Staff recommends that the noticing requirements of A.A.C. R14-2-1107 be waived.

Staff also recommends that the Application be approved because Staff believes this transaction does not:

- a. impair the financial status of the Applicants;
- b. prevent the Applicants' ability to attract capital at fair and reasonable terms;
- c. prevent the Applicants' ability to provide safe, reasonable and adequate service;
- d. adversely affect customers.

Staff further recommends that approval be conditioned on the following:

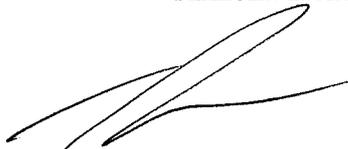
- a. That GTCI provides notice to the Commission within 30 days following the merger close proposed in this transaction.
- b. That for one year following the merger close or until GCTI informs the Commission by filing an affidavit with Docket Control that merger-related activities are completed, whichever occurs last, GCTI provide written notification

THE COMMISSION

June 9, 2010

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to Docket Control and to the individual members of the Commission, at least 60 days in advance, of any planned merger-related Arizona workforce layoffs; any planned merger-related Arizona plant closings; and any planned merger-related Arizona facility closings.



Steven M. Olea
Director
Utilities Division

SMO:PJG:lhmvJMA

ORIGINATOR: Pamela J. Genung

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BEFORE THE ARIZONA CORPORATION COMMISSION

KRISTIN K. MAYES
Chairman

GARY PIERCE
Commissioner

PAUL NEWMAN
Commissioner

SANDRA D. KENNEDY
Commissioner

BOB STUMP
Commissioner

IN THE MATTER OF THE APPLICATION)
OF GLOBAL CROSSING)
TELECOMMUNICATIONS, INC. FOR)
APPROVAL OF A MERGER WITH)
GLOBAL CROSSING NORTH AMERICAN)
NETWORKS, INC.)

DOCKET NOS. T-02438B-10-0124
T-02761B-10-0124

DECISION NO. _____

ORDER

Open Meeting
June 29 and 30, 2010
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. On April 2, 2010, Global Crossing Telecommunications, Inc. ("GCTI") and Global Crossing North American Networks, Inc. ("GC NAN") filed an Application of a Notice of merger at the Arizona Corporation Commission ("Commission") in relation to the *pro forma* merger of GC NAN with its affiliate GCTI.

2. GC NAN was incorporated under the laws of the State of Delaware on September 23, 1982. Its principal office is located in New York. GC NAN is a wholly-owned subsidiary of Global Crossing Limited, a publicly traded Bermuda Corporation with affiliates in the United States and several other countries providing telecommunications services. GC NAN was authorized to provide interexchange long distance telecommunications services on April 17, 1997 in Decision No. 60143. GC NAN does not currently provide retail telecommunications services in Arizona and therefore has no retail customers or employees in Arizona. In response to

1 Staff's First Set of Data Requests, GC NAN indicated that it is certified or authorized to provide
2 interexchange services nationwide, except in the State of Alaska.

3 3. GCTI was incorporated under the laws of the State of Michigan on April 5, 1989.
4 Its principal office is located in New York. GCTI is also a wholly-owned subsidiary of Global
5 Crossing Limited. GCTI was authorized to provide resold long distance telecommunications
6 services on May 1, 1985 in Decision No. 54505. GCTI currently offers resold intrastate toll
7 telecommunications services in Arizona. In response to Staff's First Set of Data Requests, GCTI
8 indicated that it is an authorized interexchange provider in all fifty states.

9 4. GCTI provides long distance services to medium and large business customers.
10 Most customers of GCTI have individual account executives who handle all inquiries and other
11 customer needs. While GCTI's toll free telephone number is available for customer inquiries,
12 complaints, and repair, the Company also has a network operations center located at 14605 South
13 50th Street, Phoenix, Arizona 85044. There are 227 employees at this location. In addition to GC
14 NAN, other certificated Arizona affiliates of GCTI include Global Crossing Local Services, Inc.
15 [Docket No. T-03658A-98-0653] and Global Crossing Telemanagement, Inc. [Docket No. T-
16 03539A-98-0149].

17 5. GC NAN and GCTI have entered into a planned pro forma merger whereas all the
18 assets of GC NAN will be transferred to GCTI on or about September 30, 2010. At the effective
19 time of the merger, GC NAN will cease to exist. Accordingly, GC NAN requests that its authority
20 to provide interexchange long distance telecommunications services and its Arizona Tariff be
21 cancelled effective the date of consummation of the merger.

22 6. GC NAN does not provide retail service in Arizona. Therefore, there are no
23 customers who will be affected as a result of this transaction.

24 7. In the Application, GCTI and GC NAN are seeking approval of the planned pro
25 forma merger.

26 8. Effective with the consummation date of the merger, GC NAN is also requesting
27 that its Arizona certification and its tariff be cancelled.

28 ...

1 9. In its Responses to Staff Data Request PJG1-14, GC NAN stated that it is
2 requesting a waiver of A.A.C. R14-2-1107(A) relative to issuing a customer notification based on
3 the fact that it has no retail customers in Arizona to notify.

4 10. The Public Utility Holding Companies and Affiliated Interests Rules apply to all
5 Class A investor-owned utilities, defined as telecommunications carriers that have Arizona
6 jurisdictional annual revenues of more than \$1 million. In its 2008 Annual Report filed with the
7 Commission, Global Crossing Telecommunications, Inc. reported that it generated more than \$1
8 million of Arizona jurisdictional revenue. Global Crossing North American Networks, Inc. is not
9 considered a Class A utility. As a result, the Application is subject to A.A.C. R14-2-801 through
10 805 of the Public Utility Holding Companies and Affiliated Interests Rules.

11 11. In response to Staff's First Set of Data Requests, GCTI provided the following
12 information as required by A.A.C. R14-2-803 (A):

- 13 a. The names and business addresses of the proposed officers and directors of the
14 holding company;

15 There are no plans to establish a new holding company. A list of the current
16 officers and directors of GCTI has been provided in response to Staff Data
17 Request PJG1-16. GCTI further indicated that these individuals can be
18 reached at corporate headquarters at 225 Kenneth Drive, Rochester, New
19 York 14623. No changes to the officers or directors are contemplated as a
20 result of the proposed merger.

- 21 b. The business purposes for establishing or reorganizing the holding company;

22 GCTI asserts that there is no plan to either establish a new holding company
23 or to reorganize the existing holding company. The planned transaction
24 involves simply the merger of one long distance subsidiary into another long
25 distance subsidiary as set forth in the filing.

- 26 c. The proposed method of financing the holding company and the resultant capital
27 structure;

28 GCTI has indicated that no financing will be required for the proposed
merger and that there will be no change to the current capital structure.

- d. The resultant effect on the capital structure of the public utility;

GCTI has stated that there will be no change to the current capital structure.

- e. An organization chart of the holding company that identifies all affiliates and their relationships within the holding company;

GCTI provided a corporate organizational chart for GCTI and GC NAN labeled as Attachment A in its Responses to Staff's First Set of Data Requests.

- f. The proposed method for allocating federal and state income taxes to the subsidiaries of the holding company;

GCTI has stated that the proposed merger will have no impact on the allocation of taxes to the subsidiaries.

- g. The anticipated changes in the utility's cost of service and the cost of capital attributable to the reorganizations;

The merger will have no impact on the cost of service for Arizona operations.

- h. A description of diversification plans of affiliates of the holding company; and

GCTI has indicated that there are no current plans to diversify in Arizona beyond the business in which GCTI is currently engaged.

- i. Copies of all relevant documents and filings with the United States Securities and Exchange Commission and other federal or state agencies.

GCTI has stated that there is no plan to establish a new holding company or reorganize the existing holding company therefore no documents have been filed with any governing body regarding such. With respect to the merger, notifications or petitions have been or will be filed with state regulatory agencies as required. The filings are substantially similar to that filed with the Commission. Internal corporate reorganizations do not require prior approval by the Federal Communications Commission ("FCC") and therefore no filing has been made. Post transaction notifications will be submitted to the FCC and state agencies as required.

- j. The contemplated annual and cumulative investment in each affiliate for the next five years, in dollars and as a percentage of projected net utility plant, and an explanation of the reasons supporting the level of investment and the reasons this level will not increase the risks of investment in the public utility.

The merger will not affect investment in any Global Crossing Limited Affiliate.

- k. An explanation of the manner in which the utility can assure that adequate capital will be available for the construction of necessary new utility plant and for

1 improvements in existing utility plant at no greater cost than if the utility or its
2 affiliate did not organize or reorganize a public utility holding company.

3 Global Crossing Limited will be able to attract capital on equally favorable
4 terms following the merger. Adequate capital will continue to be available
5 for construction or improvements at no greater cost than today.

6 12. GCTI has stated in its Responses to Staff's First Set of Data Requests that no
7 residents or businesses located in any Arizona County will be affected as a result of this
8 Application. The planned merger of GC NAN into GCTI is an internal reorganization that will
9 have no effect on rates, terms or conditions of service to GCTI's business customers. There will
10 be no changes in the debt structure of GCTI as a result of the planned merger. Following the
11 completion of the merger, GC NAN will no longer exist.

12 13. There is no immediate impact expected on GCTI's financial operations as a result
13 of the planned merger. The merger will result in eventual cost savings relating to regulatory
14 compliance and taxes, but there is no contemplated impact on overall investment. Based on the
15 information provided, Staff believes GCTI has complied with the requirements of A.A.C. R14-2-
16 803(C) and 804(C).

17 14. GCTI is in compliance with Decision No. 54505 in which the Commission granted
18 authorization to GCTI to provide resold long distance telecommunications services in Arizona.
19 GC NAN is in compliance with Decision No. 60143 in which the Commission granted
20 authorization to GC NAN to provide interexchange long distance telecommunications services in
21 Arizona.

22 15. In regards to what effect the merger will have on GCTI's overall investment in
23 Arizona, GCTI has indicated that the merger will result in eventual cost savings related to
24 regulatory compliance and taxes, but there is no contemplated impact on overall investment.

25 16. GCTI has stated that it does not foresee any Arizona workforce layoffs resulting
26 from the merger nor does it contemplate any Arizona plant or facility closings as a result of the
27 merger.

28 17. As supported by the information previously provided, Staff believes that the
proposed merger will not impair the financial status of Global Crossing Limited's Affiliates nor

1 prevent Global Crossing Limited's ability to attract capital at fair and reasonable terms and to
2 provide safe, reasonable, and adequate service.

3 18. Pursuant to A.A.C. R14-2-805, GCTI is up to date with filing its 2009 annual
4 diversification activities and plans.

5 19. Since GC NAN has no customers in Arizona to notify or transfer and no residents
6 or businesses in any Arizona County that will be affected as a result of this Application, there are
7 no plans to publish a legal notice.

8 20. The Consumer Services Section reports no complaints in Arizona against GCTI in
9 2007, 2009, and 2010. One telemarketing complaint was reported in 2008. GCTI also reports no
10 outstanding or unresolved consumer complaints, relevant proceedings, or issues in Arizona or any
11 of the other states in which GCTI is providing service. The Corporations Division has indicated
12 that GCTI and GC NAN are in good standing. The Compliance Section also states there are no
13 delinquencies.

14 21. Staff is not aware of any concerns or objections filed by any entity or individual.
15 Staff reviewed the Application and supplemental filings, and considered all responses to Staff's
16 data requests.

17 22. Staff recommends that the Application of GCTI in relation to the acquisition of GC
18 NAN by GCTI be approved pursuant to the Public Utility Holding Companies and Affiliated
19 Interests Rules A.A.C. R14-2-801 et seq.

20 23. Staff recommends that, effective the date of consummation of the merger, that
21 Global Crossing North American Networks, Inc.'s Certificate of Convenience and Necessity and
22 tariff associated with providing interexchange long distance telecommunications services in
23 Arizona be cancelled.

24 24. Because Global Crossing North American Networks, Inc. has no customers and no
25 residents or businesses located in any Arizona County that will be affected as a result of
26 Commission approval of this Application, Staff recommends that the noticing requirements of
27 A.A.C. R14-2-1107 be waived.

28 ...

1 25. Staff also recommends that the Application be approved because Staff believes this
2 transaction does not:

- 3 a. impair the financial status of the Applicants;
4 b. prevent the Applicants' ability to attract capital at fair and reasonable terms;
5 c. prevent the Applicants' ability to provide safe, reasonable and adequate service;
6 d. adversely affect customers.

7 26. Staff further recommends that approval be conditioned on the following:

- 8 a. That GTCI provides notice to the Commission within 30 days following the merger
9 close proposed in this transaction.
10 b. That for one year following the merger close or until GCTI informs the Commission
11 by filing an affidavit with Docket Control that merger-related activities are
12 completed, whichever occurs last, GCTI provide written notification to Docket
13 Control and to the individual members of the Commission, at least 60 days in
14 advance, of any planned merger-related Arizona workforce layoffs; any planned
15 merger-related Arizona plant closings; and any planned merger-related Arizona
16 facility closings.

17 CONCLUSIONS OF LAW

18 1. GCTI and GC NAN are public service corporations within the meaning of Article
19 XV of the Arizona Constitution and A.R.S. §§40-281 and 40-282.

20 2. The Commission has jurisdiction over GCTI, GC NAN, and the subject matter in
21 this filing.

22 3. The Commission, having reviewed the filing and Staff's Memorandum dated
23 June 9, 2010, concludes that it is in the public interest to approve the Application pursuant to the
24 Public Utility Holding Companies and Affiliated Interests Rules, A.A.C. R14-2-801 et seq.

25 ORDER

26 IT IS THEREFORE ORDERED that the Application of Global Crossing
27 Telecommunications, Inc. and Global Crossing North American Networks, Inc. for approval of the
28 planned *pro forma* merger whereby Global Crossing Telecommunications, Inc. will acquire the
assets of Global Crossing North American Networks, Inc. in Arizona is hereby approved.

IT IS FURTHER ORDERED that the Application of Global Crossing North American
Networks, Inc. to cancel its Certificate of Convenience and Necessity for interexchange long

1 distance telecommunications services shall be, and hereby is, granted, subject to the provisions
2 contained herein.

3 IT IS FURTHER ORDERED that the cancellation of the Certificate of Convenience and
4 Necessity held by Global Crossing North American Networks, Inc. shall be effective with the
5 consummation date of the merger proposed in this transaction.

6 IT IS FURTHER ORDERED that the customer and legal notice requirements of A.A.C.
7 R14-2-1107, shall be waived, based on information provided that Global Crossing North American
8 Networks, Inc. has no customers in Arizona to notify, Global Crossing North American Networks,
9 Inc. has no employees in Arizona, and that no residents or businesses in any county of Arizona
10 will be affected as a result of this transaction.

11 IT IS FURTHER ORDERED that upon cancellation of Global Crossing North American
12 Networks, Inc.'s Certificate of Convenience and Necessity, Global Crossing North American
13 Networks, Inc. shall no longer be authorized to provide interexchange long distance
14 telecommunications services in Arizona and therefore, shall no longer be subject to the
15 requirements of Decision No. 60143.

16 IT IS FURTHER ORDERED that Global Crossing North American Networks, Inc's tariff
17 associated with providing interexchange long distance telecommunications services in Arizona that
18 is on file with the Commission, shall be, and hereby is cancelled, effective with the consummation
19 date of the merger proposed in this transaction.

20 IT IS FURTHER ORDERED that Global Crossing Telecommunications, Inc. provide
21 notice to the Commission within 30 days following the merger close proposed in this transaction.

22 IT IS FURTHER ORDERED that for one year following the merger close or until GCTI
23 informs the Commission by filing an affidavit with Docket Control that merger-related activities
24 are completed, whichever occurs last, Global Crossing Telecommunications, Inc. provide written

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1 notification to Docket Control and to the individual members of the Commission, at least 60 days
 2 in advance, of any planned merger-related Arizona workforce layoffs; any planned merger-related
 3 Arizona plant closings; and any planned merger-related Arizona facility closings.

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

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

7
 8 _____
 9 CHAIRMAN

COMMISSIONER

10
 11 _____
 12 COMMISSIONER

COMMISSIONER

COMMISSIONER

13 IN WITNESS WHEREOF, I ERNEST G. JOHNSON,
 14 Executive Director of the Arizona Corporation Commission,
 15 have hereunto, set my hand and caused the official seal of
 16 this Commission to be affixed at the Capitol, in the City of
 17 Phoenix, this _____ day of _____, 2010.

18 _____
 19 ERNEST G. JOHNSON
 20 EXECUTIVE DIRECTOR

21 DISSENT: _____

22 DISSENT: _____

23 EGJ:PJG:lhM\MAS
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SERVICE LIST FOR: ~~GLOBAL CROSSING TELECOMMUNICATIONS, INC. AND~~
GLOBAL CROSSING NORTH AMERICAN NETWORKS, INC.

DOCKET NOS. T-02438B-10-0124 AND T-02761B-10-0124

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Director, Utilities Division
Arizona Corporation Commission
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Ms. Janice Alward
Chief Counsel, Legal Division
Arizona Corporation Commission
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