

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners:

Sam Cotten, Chairman
Alyce A. Hanley
Dwight D. Ornquist
Tim Cook
James M. Posey

In the Matter of Joint Application)	
by WORLDCOM, INC., and MCI COMMUNI-)	U-97-235
CATIONS CORPORATION, for WORLDCOM,)	
INC., To Acquire a Controlling)	ORDER NO. 1
Interest in MCI TELECOMMUNICATIONS)	
CORPORATION and a Significant)	
Interest in GCI COMMUNICATIONS CORP.)	
d/b/a GENERAL COMMUNICATIONS, INC.,)	
and d/b/a GCI)	
)	

ORDER APPROVING APPLICATION
AND REQUIRING FILING

BY THE COMMISSION:

Introduction

On October 20, 1997, WORLDCOM, INC. (WorldCom), and MCI COMMUNICATIONS CORPORATION (MCICC) jointly filed an application¹ for approval of a transaction whereby WorldCom would acquire a controlling interest of MCICC. The proposed transaction is structured as a merger of MCICC into TC Investments Corp. (TC), a wholly owned

¹The Commission notes that on December 2, 1997, WorldCom and MCICC filed a letter with the Commission stating that, on November 9, 1997, the two entities entered into an agreement and plan of merger to combine the two companies. In light of the merger agreement, WorldCom and MCICC requested that the Commission consider the application filed October 20, 1997, to be a joint application.

subsidiary of WorldCom; and TC, the surviving entity, will be renamed MCI Communications Corporation. The application states that one of the subsidiaries of MCICC is MCI Telecommunications Corporation (MCI) which is certificated to furnish debit card intrastate interexchange services within Alaska.

On December 10, 1997, notice of the application for approval of the transaction was issued to the public with a closing date of January 13, 1998, for submission of comments in support of, or in opposition to, the application. On January 13, 1998, GTE Corporation and GTE Communications Corporation (jointly, GTE) filed a protest to the application and filed a petition to intervene in this proceeding. WorldCom and MCICC filed comments in opposition to GTE's protest to the application and petition to intervene. Subsequently, on February 11, 1998, GTE withdrew its protest and petition to intervene.

The Commission Staff (Staff) reviewed the filings in this proceeding and, on March 11, 1998, submitted its analysis and recommendation (Report) thereon. Staff's Report sets out in detail the history of the proceeding, the public noticing of the application, and Staff's findings and recommendations regarding disposition of the application. A copy of Staff's Report is attached to this Order as an Appendix.

Staff concluded that the proposed transactions will affect the controlling interest of MCI and subsidiaries of GCI Communication Corp. d/b/a General Communication, Inc., and d/b/a GCI (GCI) that are certificated to furnish a variety of communications services within Alaska. Staff stated that following the completion of the proposed transaction, services provided by MCICC's operating subsidiaries will continue to be provided under the same terms and conditions. Staff recommended that the proposed acquisition of the controlling interest of MCI and GCI's certificated

subsidiaries resulting from the change of the ownership of its affiliates be approved effective upon the date of the actual acquisition.

Discussion

Based on its review of the record in this proceeding, the Commission concurs with Staff's recommendation to approve the application whereby WorldCom will acquire the controlling interest in MCI and the certificated subsidiaries of GCI. In addition, the Commission concurs with Staff that the approval should be effective upon the date of the actual acquisition. Staff's Report is incorporated herein by reference and adopted as the Commission's findings of fact and conclusions of law.

ORDER

THE COMMISSION FURTHER ORDERS:

1. The application jointly filed by WorldCom, Inc., and MCI Communications Corporation for WorldCom, Inc., to acquire the controlling interest in MCI Telecommunications Corporation and a significant interest in subsidiaries of GCI Communication Corp. d/b/a General Communication, Inc., and d/b/a GCI that are holders of certificates of public convenience and necessity authorizing them to furnish various types of public utility services in Alaska be approved effective on the date of acquisition.
2. Within 30 days of the date of the actual acquisition, WorldCom, Inc., shall file with the Commission written notification of that acquisition date.

DATED AND EFFECTIVE at Anchorage, Alaska, this 28th day of April, 1998.

BY DIRECTION OF THE COMMISSION

(S E A L)