

In the Matter of the Merger of GLOBAL)
CROSSINGS LTD. and FRONTIER)
CORPORATION and Transfer of Control)
of Various Telecommunications Service)
Providers Operating in or Certificated in the)
State of Utah)

DOCKET NO. 99-2246-01

ORDER APPROVING MERGER

SYNOPSIS

The Commission approves the acquisition and merger of Global Crossings Ltd. and Frontier Corporation and the transfer of control of Frontier Corporation's Utah operating subsidiaries.

ISSUED: September 13, 1999

By The Commission:

On April 30, 1999, Global Crossing Ltd. (Global Crossing) and Frontier Corporation (Frontier) advised the Commission of their proposed merger whereby Global Crossing would acquire control of Frontier and Frontier's telecommunications service providers, some of which operate in and/or have a certificate to provide telecommunications services in the State of Utah. The Utah telecommunications service providers are Allnet Communications Services, d/b/a Frontier Communications Services Inc.; Budget Call Long Distance, Inc.; Frontier Communications of the West, Inc.; Frontier Communications International, Inc.; and Frontier Telemanagement, Inc., the latter certificated to provide public telecommunications service, including local exchange services, the others providing intrastate interexchange services.

The April 30, 1999 notification noted that Commission approval of the acquisition and merger may not be required under Utah law, but requested expedited approval, if the Commission determined approval was required. The April 30, 1999 notification provided information in support of Commission approval of the proposed transaction. On May 17, 1999, Global Crossing and Frontier informed the Commission that the then proposed merger of Global Crossing and U.S. WEST, COMMUNICATIONS, INC. (US West, Inc.), was separate and independent from Global Crossing's acquisition of Frontier and should have no bearing upon the Global Crossing and Frontier transaction. Since then, Global Crossing and US West, Inc., have terminated their merger proposal. On August 25, 1999, Global Crossing and Frontier requested that the Commission proceed informally, pursuant to Utah Administrative Code Rule 746-110-1, as they anticipated that no opposition to the transaction would be made. They also requested, and presented cause, that the Commission waive the 20-day tentative period and issue a final order pursuant Utah Administrative Code Rule 746-110-2.

In response to the Commission's request to investigate the Global Crossing and Frontier transaction, the Division of Public Utilities (Division) received additional evidence from Global Crossing and Frontier and has submitted a Memorandum report, dated September 2, 1999, recommending approval of the transaction. The Division's report substantiates the position of Global Crossing and Frontier that no harm will result from the proposed acquisition and merger and that the proposed transaction may well benefit Utah telecommunications service customers and competition in public telecommunications service markets.

Wherefore, based upon the evidence submitted by Global Crossing and Frontier in support of Commission approval of the transaction, the evidence submitted to the Division, the Division's recommendation, and Global Crossing's and Frontier's prior request, the Commission enters the following Order approving the transaction:

1. The Commission will proceed, and consider the request to approve the Global Crossing and Frontier merger, informally, pursuant to Utah Administrative Code Reel 746-110-1.
2. Good cause exists to waive the 20-day tentative period, in order to have regulatory approval completed prior to the parties' shareholders' vote scheduled on September 23, 1999, and due to the lack of opposition to the transaction, this order will become a final order upon issuance.
3. The proposed acquisition and merger of Global Crossing and Frontier will not harm the State of Utah, its citizens, or the Utah customers of the entities involved in the transaction. Benefits identified by Global Crossing and Frontier support approval of the proposed transaction.
4. Review or appeal of this order may be obtained pursuant to the provisions of Utah Code 54-7-15, 63-46b-12 through 18 and the Utah Rules of Appellate Procedure.

DATED at Salt Lake City, Utah, this 13th day of September, 1999.

/s/ Stephen F. Mecham, Chairman

/s/ Constance B. White, Commissioner

/s/ Clark D. Jones, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary