

DT 03-215

WORLDCom, INC.

**Notification of Restructuring and Certain Related Intra-Corporate
Transactions Undertaken to Consummate Plan of Reorganization
Under Chapter 11 of the Federal Bankruptcy Code**

**Order Acknowledging Restructuring and Accepting Surrender of
Competitive Local Exchange Carrier and Competitive Access
Provider Authority**

O R D E R N O. 24,301

April 2, 2004

I. BACKGROUND

On November 12, 2003, WorldCom, Inc. (WorldCom), and three of its New Hampshire regulated subsidiaries, MCI metro Access Transmission Service, LLC (MCI metro); Brooks Fiber Corporation of New Hampshire, Inc. f/k/a New England Fiber Communications, LLC (Brooks); and Metropolitan Fiber Systems of New Hampshire, Inc. (MFS), notified the New Hampshire Public Utilities Commission (Commission) of their intent to engage in a series of corporate restructuring transactions. The restructuring transactions result from the reincorporation of WorldCom as a Delaware corporation under the name MCI, Inc. According to the notification, the transactions initiated by the restructuring will result in Brooks and MFS ceasing their operations in New Hampshire.

As explained in the notification, restructuring of WorldCom and its subsidiaries will result in the merger of Brooks

with MCImetro, and the transfer of the assets of MFS into MCImetro. MCImetro holds authority to provide competitive local exchange carrier (CLEC) services granted by Order Nisi No. 24,063, effective October 22, 2002, and authority as a Competitive Access Provider (CAP) granted by Order No. 21,470 issued on December 20, 1994.

Brooks currently holds authorization to operate as a CLEC pursuant to Order Nisi No. 22,695, effective September 26, 1997. Because Brooks will no longer be in business as a result of the restructuring, WorldCom requests that the Commission withdraw such authorization.

Similarly, MFS is certified as a CAP by Order Nisi No. 22,414 which became effective on December 13, 1996. Because MFS will be dissolved once its assets are transferred to MCImetro, WorldCom requests that MFS's CAP authority be withdrawn.

According to WorldCom, Brooks is the only subsidiary in New Hampshire which has customers. WorldCom states that Brooks has 31 customers who will be transferred to MCImetro upon the completion of the restructuring. According to WorldCom, in November 2003, the company sent letters to those customers notifying them of the consolidation. WorldCom states that those letters informed customers that the transfer would not affect the quality, features, rates, billing, terms or other aspects of local phone service. The letter also reminded customers that

they have the right to choose another carrier for local phone service.

II. STAFF'S RECOMMENDATION

Commission Staff (Staff) recommended that, given the fact that MFS's assets will be transferred to MCImetro, and that MFS has no customers in the State of New Hampshire, that the Commission withdraw MFS's CAP certification.

Because Brooks has customers in the State of New Hampshire, Staff points out the N.H. Admin. Rule Puc 1304.03(f) applies. The rule requires a CLEC which proposes to transfer part of its franchise to provide 14 days advance written notice to each affected customer concerning the details of the transfer and customers' options. Puc 1304.03(g)(2).

Staff points out that WorldCom's customer notification letter appears to meet the requirements of Commission rules both in terms of content and advance notice. Because the customers transferring from Brooks to MCImetro will not experience any change in rates, quality, features, billing, terms or any other aspect of local telephone service, Staff believes that the transfer is in the public good and will not harm ratepayers. Therefore, Staff recommends that Brooks' CLEC authorization be withdrawn.

III. COMMISSION ANALYSIS

The Commission finds that the proposed restructuring and the transfer of Brooks' customers to MCImetro will not adversely affect the rates, terms and conditions of service. The Commission will acknowledge the restructuring and the change in the name of WorldCom, Inc. to MCI, Inc.

The Commission hereby withdraws MFS's CAP authorization because MFS has no customers in New Hampshire and will transfer its assets to MCImetro according to the notification of restructuring.

The Commission has reviewed the transfer of Brooks' CLEC business to MCImetro. The Commission notes WorldCom's representation that Brooks' customers will receive the same quality, features, rates, billing, terms and other aspects of local telephone service from MCImetro as received from Brooks. The Commission also reviewed the letter sent to Brooks' customers informing them of the transfer and finds that it meets the requirements of Puc 1304.03 (f) and (g). Therefore, the Commission approves the transfer and hereby withdraws Brooks' CLEC authorization.

Based upon the foregoing, it is hereby

ORDERED, that the CLEC authority issued to Brooks by Order Nisi No. 22,695 is withdrawn; and it is

FURTHER ORDERED that the CAP authority issued to MFS by

Order Nisi No. 22,414 is withdrawn; and it is

FURTHER ORDERED that MCImetro file tariff revisions for customers of Brooks that contain the same rates, terms and conditions of service as held immediately before the restructuring.

By order of the Public Utilities Commission of New Hampshire this second day of April, 2004.

Thomas B. Getz
Chairman

Susan S. Geiger
Commissioner

Graham J. Morrison
Commissioner

Attested by:

Debra A. Howland
Executive Director & Secretary