



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center, Suite 801
Newark, NJ 07102
www.nj.gov/bpu/

TELECOMMUNICATIONS

IN THE MATTER OF THE VERIFIED PETITION FOR)
APPROVAL OF INTERNAL CORPORATE)
REORGANIZATION AND TRANSFER OF OPERATING)
AUTHORITY OF GLOBAL CROSSING NORTH)
AMERICAN NETWORKS, INC. INTO GLOBAL)
CROSSING TELECOMMUNICATIONS, INC. AND)
SEPARATELY GLOBAL CROSSING)
TELEMANAGEMENT, INC. INTO GLOBAL CROSSING)
LOCAL SERVICES, INC.)

ORDER OF APPROVAL

DOCKET NO. TM10060393

James H. Laskey, Esq., Norris McLaughlin & Marcus, PA, Bridgewater, New Jersey, for the Petitioners

BY THE BOARD:

On June 3, 2010, Global Crossing Telecommunications, Inc. ("GCTI") and Global Crossing North American Networks, Inc. ("GC NAN") (together "IXC Petitioners") filed with the New Jersey Board of Public Utilities ("Board") for the approval of the planned pro forma merger of GC NAN into its affiliate GCTI. Concurrently, Global Crossing Local Services, Inc. ("GCLS") and Global Crossing Telemanagement, Inc. ("GCTM") (together "CLEC Petitioners" and together with IXC Petitioners "Petitioners") are seeking approval of the planned pro forma merger of GCTM into its affiliate GCLS. Upon consummation of the proposed transactions, GC NAN and GCTM will no longer exist and GCLS and GCTI will provide services to the existing customers pursuant to existing rates, terms and conditions.

BACKGROUND

GC NAN is a Delaware corporation with its principal office located in New York. GC NAN is a wholly owned indirect subsidiary of Global Crossing Limited, a publicly traded Bermuda corporation with affiliates in the United States and several other countries. GC NAN, formally known as Frontier Communications International, Inc. also formally known as RCI Long Distance, Inc., was authorized to provide Interlata services. See Order I/M/O The Petition of RCI Corp. for Approval of Initial Interlata Tariff, Docket No. TE85030250, dated April 12, 1985. Currently, GC NAN does not currently provide retail telecommunications services in New Jersey. GCTI is a Michigan corporation with principal offices located in New York. GCTI, which does not have facilities based authority in New Jersey, resells interexchange services and has been in operation since 1999. GCTI, like GC NAN, is a wholly owned indirect subsidiary of Global Crossing Limited. GCTM is a Wisconsin corporation with its principal offices located in

New York. GCTM provides local exchange services on a resold basis to medium-sized business customers. GCTM is also a wholly owned subsidiary of Global Crossing Limited. GCLS is a Michigan corporation with principal offices located in New York. GCLS which was formally known as Frontier Local Services, Inc., was authorized to provide local and interexchange telecommunications services in New Jersey. See Order I/M/O the Petition of The Application of Frontier Local Services Inc., for Approval to Provide Local Exchange Services and Exchange Access Services throughout New Jersey, Docket No. TE99030204, dated October 15, 1999. GCLS currently offers facilities based local exchange service to small and medium sized business customers.

DISCUSSION

According to the petition, on or about September 30, 2010, GC NAN will be merged into GCTI. As a result of the merger, GC NAN's authority to provide facilities based interexchange service will also be transferred to GCTI and GC NAN will cease to exist. The petition points out that the transaction is entirely internal and will not change ownership or control of GCTI and since GCTI will acquire all GC NAN's assets and both companies currently operate under the same management personnel, GCTI possesses the requisite managerial and technical abilities to provide facilities-based interexchange services in New Jersey. The petitioner notes that all New Jersey employees will continue to be employed following the transfer. Further the petition states that GC NAN does not currently provide retail services and therefore there are no customers who will be affected as a result of this portion of the reorganization.

Separately and concurrently as part of the reorganization, GCTM will be merged into GCLS and at that time, all of the assets and customers of GCTM will be transferred to GCLS. The customers constituting fifty six accounts will be served by GCLS and following the reorganization, GCTM will cease to exist. The petition points out that the transaction is entirely internal and will not change ownership or control of GCLS. The petition also notes that since bills and all other communications received by customers after the transaction will look exactly the same as bills and communications issued prior to the transaction and no aspect of service is changing for any customer, the transaction will be seamless and transparent. The petition notes that all New Jersey employees will continue to be employed following this portion of transfer as well.

The Petition states that the proposed reorganization is in the public interest and that it will increase competition in the New Jersey telecommunications market by reinforcing the status of Global Crossing entities as a viable competitor in New Jersey to the benefit of New Jersey's consumers and the State's telecommunications marketplace.

FINDINGS AND CONCLUSIONS

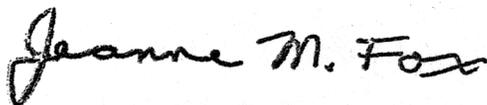
After careful review of this matter, the Board FINDS that the transaction will have no negative impact on competition, the rates of its current customer or on employees. The Board also FINDS that the transaction will have no negative impact on the provision of safe, adequate and proper service. Moreover, the Board FINDS that a positive benefit may be expected from Petitioners' increase in efficiencies, which should allow them to better compete in the marketplace. Additionally, the Board is satisfied that the transaction will not have an adverse impact on CLEC Petitioners' operations in New Jersey. Therefore, the Board, after investigation, having considered the record and exhibits submitted in this proceeding, FINDS that the transaction is in accordance with the law and in the public interest.

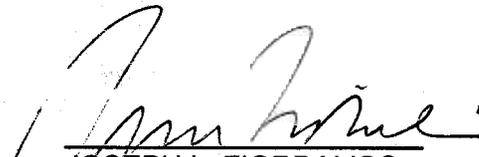
Accordingly, after careful review of this matter, the Board FINDS that the reorganization will have no material impact on the rates of current customers or on employees. The Board also FINDS that the reorganization will have no negative impact on the provision of safe, adequate and proper service, and may positively benefit competition. Therefore, after investigation, having considered the petition and exhibits submitted in this proceeding, the Board FINDS that the proposed reorganization is in accordance with the law and is in the public interest. The Board HEREBY APPROVES the request by CLEC Petitioners and IXC Petitioners for the transactions and for the transfer of authority of GC NAN's authority to GCTI. The Board HEREBY ORDERS that the Petitioners shall notify the Board of the closing of the proposed transactions within 7 days of the consummation of the transactions. The Board FURTHER ORDERS that this approval will expire if the transaction is not fully consummated on or before September 30, 2011.

DATED: 9/16/10

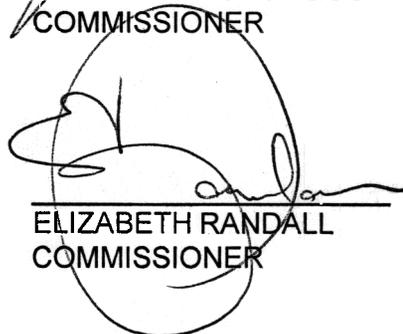
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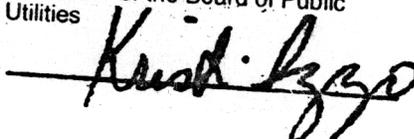

NICHOLAS ASSELTA
COMMISSIONER


ELIZABETH RANDALL
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



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Docket No. TM10060393

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