

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of)
FRONTIER COMMUNICATIONS OF)
AMERICA, INC.)
For Authority to Transfer)
Control.)
_____)

DOCKET NO. 01-0457

DEPT. OF CONSUMER ADVOCACY
DEPT. OF COMMERCE AND
CONSUMER AFFAIRS
STATE OF HAWAII

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RECEIVED

DECISION AND ORDER NO. 19474

Filed July 22, 2002
At 9:30 o'clock A .M.

Karen Higashi
Chief Clerk of the Commission

ATTEST: A True Copy
KAREN HIGASHI
Chief Clerk, Public Utilities
Commission, State of Hawaii.

K. Higashi

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of))	
FRONTIER COMMUNICATIONS OF)	Docket No. 01-0457
AMERICA, INC.)	
)	Decision and Order No.19474
For Authority to Transfer)	
Control.)	
_____)	

DECISION AND ORDER

I.

By a petition filed on November 30, 2001, FRONTIER COMMUNICATIONS OF AMERICA, INC. (FCA or Petitioner) requests commission approval of the transfer of control of FCA to CITIZENS COMMUNICATIONS COMPANY (Citizens) through the 100 per cent stock purchase of FCA's parent company, Frontier Subsidiary Telco, Inc. (FSTI). Petitioner makes its request pursuant to Hawaii Revised Statutes (HRS) §§ 269-17 through 269-19.

On June 29, 2001, Citizens completed its purchase of 100 per cent of FSTI's stock.¹ Thus, we will treat the instant petition as a request for commission approval of the above-described transfer of control, *nunc pro tunc* (or after-the-fact).

A copy of the petition was served on the DIVISION OF CONSUMER ADVOCACY of the DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS (Consumer Advocate). On May 20, 2002, the

¹Petition, at 2.

Consumer Advocate filed its Statement of Position informing the commission that it does not object to the approval of the instant petition.

II.

FCA is a Delaware corporation authorized to conduct business in the State of Hawaii (State). It is currently authorized to provide intrastate telecommunications services in the State on a resale basis.² FCA is wholly-owned by its parent company, FSTI, which in turn was wholly-owned by Global Crossing North America, Inc. (GCNA). GCNA is a wholly-owned subsidiary of Global Crossing, Ltd. (GCL), which was FCA's ultimate parent.

Citizens is a Delaware company that provides utility services, such as water, gas, and telecommunications, through various subsidiaries in the United States. Two of Citizens' subsidiaries, Kauai Electric Division and The Gas Company, provide utility services in the State. Additionally, Citizens has controlling ownership of Electric Lightwave, Inc., a telecommunications provider with authority to provide intrastate telecommunications services in the State.³

On June 29, 2001, Citizens completed the purchase of GCL's local exchange and related operations in Hawaii by purchasing 100 per cent of FSTI's stock, FCA's parent.

²See Decision and Order No. 18582, filed on June 5, 2001, in Docket No. 01-0159.

³See Decision and Order No. 15447, filed on March 13, 1997, in Docket No. 97-0045.

Petitioner represents that the indirect transfer of FCA's ownership, through the transfer of control described in this docket, will be transparent to FCA's Hawaii customers. Petitioner specifically states that: (1) FCA will remain a separate operating company; and (2) the transfer of control will not effect FCA's name, address, contact information, services, rates, or terms and conditions of its telecommunications services in the State, among other things.

III.

Upon review of the Hawaii public utility laws and the transfer of control described in the instant petition, we find that the transfer of control in this docket is under the purview of HRS § 269-7(a). HRS § 269-7(a) provides the commission with the power to examine, among other things, the condition of each public utility; the manner in which the utility is operated with reference to the safety or accommodation of the public; the amount and disposition of its income and all of its financial transactions; and the utility's business relations with other persons, companies, or corporations.

Pursuant to HRS § 269-7(a), we find the transfer of control described in this docket to be reasonable and in the public interest. FCA provides competitive services and is not a dominant provider of telecommunications services in the State. Since Petitioner represents that the transfer of control will be transparent to FCA's Hawaii customers, these Hawaii customers should not be adversely impacted. Among other things, the

Consumer Advocate noted that Citizens appears to be financially fit to provide telecommunications services in the State.

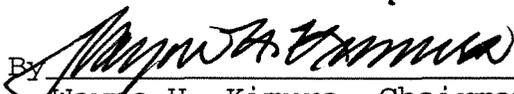
Based on the above, we conclude that the transfer of control described in the instant docket should be approved, *nunc pro tunc*.

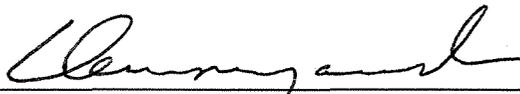
IV.

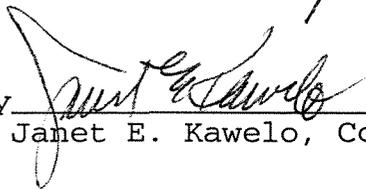
THE COMMISSION ORDERS that the transfer of control described in the Petition filed on November 30, 2001, in this docket, is approved, *nunc pro tunc*.

DONE at Honolulu, Hawaii this 22nd day of July, 2002.

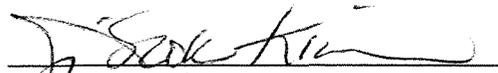
PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Wayne H. Kimura, Chairman

By 
Dennis R. Yamada, Commissioner

By 
Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:


Ji Sook Kim
Commission Counsel

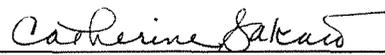
CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Decision and Order No. 19474 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
DIVISION OF CONSUMER ADVOCACY
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Catherine Sakato

DATED: July 22, 2002