

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application)	Application No. C-3394
of Matrix Telecom, Inc.,)	
Oklahoma City, Oklahoma, seeking)	
Expedited Approval of the)	
Transfer of Certain Assets and a)	
Waiver of Applicable Anti-)	GRANTED
Slamming Regulations with Global)	
Crossing Telecommunication,)	
Inc., Pittsford, New York, and)	
Global Crossing Telemanagement,)	
Inc., Pittsford, New York.)	Entered: May 24, 2005

BY THE COMMISSION:

On March 25, 2005, an application was filed by Matrix Telecom, Inc. (Matrix) of Oklahoma City, Oklahoma, seeking Expedited Approval of the Transfer of Certain Assets and a Waiver of Applicable Anti-Slamming Regulations with Global Crossing Telecommunication, Inc. (Global), Pittsford, New York, and Global Crossing Telemanagement, Inc. (Telemanagement), Pittsford, New York. Notice of the application was published in The Daily Record, Omaha, Nebraska, on April 18, 2005. No protests were filed; therefore, this application is processed pursuant to the Commission's Rules of Modified Procedure.

O P I N I O N A N D F I N D I N G S

The Parties:

Matrix is a Texas Corporation with its principle office in Oklahoma City, Oklahoma. Matrix was granted authority by the Commission to provide intrastate interexchange telecommunications services in Nebraska on September 30, 1990, pursuant to Application No. C-865.

Global is a Michigan Corporation with its principle office in Pittsford, New York. Global was granted authority by the Commission to provide intrastate interexchange telecommunications services in Nebraska on August 1, 1989, pursuant to Application No. C-772.

Telemanagement is a Wisconsin Corporation with its principle office in Pittsford, New York. Telemanagement was granted authority by the Commission to provide resale-based competitive local exchange services in Nebraska on August 25, 1998, pursuant to Application No. C-1814.

Description of the Transaction:

On March 19, 2005 Global and Matrix entered into an Asset Purchase Agreement (herein referred to as "Agreement"). Pursuant to the terms and subject to the conditions of the Agreement, Matrix will purchase from Global certain assets and assume certain liabilities relating to Global's Small Business Group, which provides voice and data products to small and medium sized business enterprises throughout the United States. Upon consummation of the transactions contemplated in the Agreement, Matrix will serve the Small Business Group customer base, and Global will continue to provide service to those customers not previously served by its Small Business Group. Global will retain its authority to provide telecommunications services in Nebraska to continue to serve these customers.

Matrix and Global assert that there will be no change to the rates, terms and conditions of service to the Small Business Group customers as a result of the transaction. Moreover, they claim that the transaction will promote the public interest in promoting competition in intrastate interexchange and local telecommunications market by providing Matrix the opportunity to strengthen its competitive position by combining Global's Small Business Group Customer base with Matrix's current services, products and expertise. The transaction will also free Global's resources to focus on its core global information service customers and invigorate those services to these customers. Also, Matrix claims it will be able to realize significant economic and marketing efficiencies which will enhance its ability to continue providing high quality, low cost telecommunications services and to compete more efficiently in the telecommunications market. Matrix's operations will more readily increase in size and profitability, due to enhanced economies of scale.

Request for Waiver of Applicable Anti-Slamming Regulations:

The Applicants state that they intend to provide at least thirty (30) days advanced subscriber notice of the transfer to Matrix. A copy of that Notice was attached to the Application and is hereafter referred to as "Attachment B" to the Application. Applicants claim that the letter attempts to take into account all relevant state and federal notification and consent requirements applicable to this transaction. As a matter of caution, the Applicants request a waiver of any anti-slamming regulations that may nevertheless be violated by this transfer being made without the specific authorization and verification

of each subscriber effected, to the extent necessary. Contrary to the applicants' request, the Commission cannot waive the slamming provisions which are in state statute. However, the Commission does not believe this transaction will implicate Nebraska slamming statutes and rules so long as applicants notify affected customers of the change in accordance with the Commission's provisions on notice, give affected customers a list of alternative carriers, and permit affected customers to switch to an alternative carrier without incurring a switching charge.

Applicants claim that this transaction will affect only sophisticated business customers with whom Global has individual contracts. Further, they claim no residential customers will be affected. Each Small Business Group subscriber will receive the requisite advanced notice and will see no change in rates, terms or conditions of service from those currently in effect. Moreover, Applicants claim that the transaction will be seamless and transparent to customers.

Based on the evidence, we find the application to be fair and reasonable and in the public interest. The application should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-3394 be, and it is hereby, granted.

IT IS FURTHER ORDERED that the applicant shall file, in accordance with the applicable statutes on or before April 30th of each year, an annual report with this Commission consisting of: (a) a copy of any report filed with the Federal Communications Commission, (b) a copy of any annual report to stockholders and (c) a copy of the latest Form 10-K filed with the Securities and Exchange Commission. If these are not available, applicant shall submit a balance sheet and income statement for the previous year of operation, as well as the investment made in telephone plant and equipment located within the state, accumulated depreciation thereon, operating revenues and expenses, and taxes.

IT IS FURTHER ORDERED that, to the extent applicable, the applicant shall comply with all laws pertaining to, and all rules and regulations promulgated under, the Telecommunications Relay System Act (Neb. Rev. Stat. §§ 86-1302 to 86-1307) and the Nebraska Telecommunications Universal Service Fund Act (Neb. Rev. Stat. §§ 86-1402 to 86-1410).

IT IS FURTHER ORDERED that applicant file its current tariff prior to offering service pursuant to the certificate granted in this order.

MADE AND ENTERED at Lincoln, Nebraska, this 24th day of May, 2005.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director