

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO**

DOCKET NO. 03A-244T

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IN THE MATTER OF THE APPLICATION OF THE TRANSFER OF CONTROL OF METROMEDIA FIBER NETWORK SERVICES, INC., DEBTOR-IN-POSSESSION, FROM METRO MEDIA FIBER NETWORK, INC. DEBTOR-IN-POSSESSION, TO A REORGANIZED METROMEDIA FIBER NETWORK, INC., INCLUDING AS SHAREHOLDERS THE KLUGE TRUST AND MUTUAL SHARES FUND, EACH TO ACQUIRE AN APPROXIMATE 11% VOTING INTEREST.

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**ORDER GRANTING APPLICATION**

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Mailed Date: July 29, 2003

Adopted Date: July 23, 2003

**I. BY THE COMMISSION**

**A. Statement**

1. On June 6, 2003, Metromedia Fiber Network Services, Inc., Debtor-in-Possession (MFNS) and its parent Metromedia Fiber Network, Inc., Debtor-in-Possession (MFN), together with the Kluge Trust and Mutual Shares Fund filed an application to execute a transfer of control of MFNS from MFN to a newly reorganized Metromedia Fiber Network, Inc. (Reorganized MFN), pursuant to 4 *Code of Colorado Regulations* 723-25-8.

2. On July 18, 2003, the parties filed an Amended Application for Transfer of Control that advised the Commission of changes in the circumstances that are relevant to the Application filed on June 6, 2003.

3. MFNS was granted a Certificate of Public Convenience and Necessity to provide specific emerging competitive services as a facilities based and resale provider in the State of

Colorado and to provide certain emerging competitive telecommunications services pursuant to specific forms of relaxed regulation in Commission Decision No. C99-1063.

4. Currently, MFNS is a wholly owned subsidiary of MFN. In turn, Metromedia Company owns a controlling interest of MFN, Metromedia Company is 95 percent owned by the Kluge Trust, which is the sole beneficiary of John W. Kluge. On May 20, 2002, MFNS, as well as MFN and most of MFN's domestic subsidiaries, filed voluntary petitions for reorganization pursuant to Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of New York. Under the proposed reorganization plan, the outstanding shares of common stock of MFN would be cancelled. Certain secured claims and a substantial portion of the unsecured of allowed general unsecured claims would be converted into equity in the Reorganized MFN in the form of new common stock. According to the Amended Application, it is anticipated that the Kluge Trust will own 11 percent and Fiber, LLC will own approximately 10 percent to 19 percent of Reorganized MFN. No other entity will hold more than 10 percent of Reorganized MFN. MFNS will remain a wholly owned subsidiary of MFN. The application does not seek to transfer any operating authority.

5. MFNS has effective tariffs on file with the Commission.

6. Notice of the application was posted on the Commission's web site on June 10, 2003. Interventions were due on or before July 10, 2003. None were filed.

**B. Discussion**

7. The application is unopposed and may be considered without a hearing. § 40-6-109(5), C.R.S.

8. The Commission finds that the proposed transfer of assets is not contrary to the public interest.

## **II. ORDER**

### **A. The Commission Orders That:**

1. The application by Metromedia Fiber Network Services, Inc., Debtor-in-Possession and its parent Metromedia Fiber Network, Inc., Debtor-in-Possession, together with the Kluge Trust and Mutual Shares Fund is deemed complete.

2. The application to approve the transfer of control of Metromedia Fiber Network Services, Inc., Debtor-in-Possession is granted.

3. The obligation of Metromedia Fiber Network Services, Inc., Debtor-in-Possession to file an annual report with the Commission and contribute to all applicable Colorado funds for the period prior to the effective date of this Order remains. These funds include the Public Utilities Commission's Fixed Utilities Fund, the Colorado High Cost Administration Fund, the Telecommunications Relay Services for the Disabled Telephone Users Program, and the Emergency Telephone Access Act Program.

4. This Order is effective on its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING  
July 23, 2003.**

(S E A L)



ATTEST: A TRUE COPY

Bruce N. Smith  
Director

THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF COLORADO

GREGORY E. SOPKIN

POLLY PAGE

JIM DYER

Commissioners