

STATE OF VERMONT  
PUBLIC SERVICE BOARD

Docket No. 6935

Petition of Teleglobe America, Inc., )  
for Approval of a Transfer of Control )

Order entered: 4/7/2004

---

**I. INTRODUCTION**

This case involves a petition filed on January 23, 2004, by Teleglobe America, Inc. ("Teleglobe" or "Petitioner"), seeking Vermont Public Service Board ("Board") approval, under 30 V.S.A. § 107, for a series of financing and structural transactions which will result in the addition of intermediate holding companies placed between Teleglobe and its current ultimate parent corporation.

On April 1, 2004, the Vermont Department of Public Service ("Department") submitted a letter to the Board indicating that the Department had no objection to approval of the transfer of control. Further, the Department stated no objection to the issuance of an order without hearing or further investigation, as provided under 30 V.S.A. § 107.

The Board has reviewed the petition and the accompanying documents and agrees that approval should be granted without hearing.

**II. FINDINGS OF FACT**

Based upon the petition and accompanying documents, we hereby make the following findings of fact.

1. Teleglobe was issued a Certificate of Public Good in Docket 6689 on November 21, 2003, to provide intrastate telecommunications services. Teleglobe is a wholly-owned subsidiary of Teleglobe International Holdings Ltd. ("TIH"), which is not certificated as a telecommunications carrier in Vermont. Petition at 1; Docket No. 6689.

2. TIH proposes to complete a series of transactions whereby the holding company structure of the Teleglobe companies will be modified to add two new intermediate holding companies between Teleglobe and its ultimate corporate parent: TIH. Petition at 3.

3. Teleglobe will continue to operate under its current name and tariff. Accordingly, the

transfer will not cause any inconvenience for Vermont consumers. Petition at 4-5.

4. The proposed transaction will promote the public interest in that it will allow Teleglobe access to additional sources of funding, thereby enhancing its ability to compete in the telecommunications market and ensuring the continued existence of telecommunications competition in Vermont. Petition at 5.

### **III. DISCUSSION**

The proposed transaction requires approval by the Board under 30 V.S.A. § 107. This statute conditions approval of a proposed transfer of control upon findings that the transfer of control will promote the public good (30 V.S.A. § 107). This standard is met in this case.

Under 30 V.S.A. § 107(a), "[n]o company shall directly or indirectly acquire a controlling interest in any company subject to the jurisdiction of the [Board] . . . without the approval of the [Board]." "Controlling interest" is defined as "ten percent or more of the outstanding voting securities of a company" or such other interest as the Board determines "to constitute the means to direct or cause the direction of the management or policies of a company." 30 V.S.A. § 107(c)(1).<sup>1</sup> In order to approve the acquisition of such a controlling interest, the Board must first find that it will "promote the public good." 30 V.S.A. § 107(b).

After reviewing the petition, we conclude that 30 V.S.A. § 107 applies because the transaction contemplated will result in two new holding companies that will be added to the ownership of Teleglobe, resulting in the indirect transfer of controlling interest of Teleglobe. Teleglobe will, however, remain majority-owned and controlled by the same ultimate parent corporation. We further conclude that the transfer of control will not affect the services that Teleglobe currently provides to customers in Vermont. Teleglobe will continue to operate under its current name and tariff. The proposed transaction will also allow Teleglobe access to additional funding sources which it can use to compete more effectively in Vermont, which will, in turn, result in increased competition among providers of telecommunications services in Vermont. The resulting transfer of control, therefore, will promote the public good. For all of

---

1. The statute also provides that "[t]he presumption that ten percent or more of the outstanding voting securities of a company constitutes a controlling interest may be rebutted by a company under procedures established by the board by rule." 30 V.S.A. § 107(c)(1).

these reasons, we conclude that the proposed transaction meets the standards set forth in 30 V.S.A. § 107 and should be approved.

**IV. CONCLUSION**

The transfer of control of Teleglobe should be approved because the transaction will promote the public good of the State of Vermont and will not result in obstructing or preventing competition. 30 V.S.A. § 107(b).

**V. ORDER**

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that:

- 1. The transfer of control of Teleglobe America, Inc., will promote the public good and, therefore, is approved.

DATED at Montpelier, Vermont, this 7<sup>th</sup> day of April, 2004.

s/Michael H. Dworkin	)	PUBLIC SERVICE  BOARD  OF VERMONT
	)	
s/David C. Coen	)	
	)	
	)	
s/John D. Burke	)	

OFFICE OF THE CLERK

Filed: April 7, 2004

Attest: s/Judith C. Whitney  
Deputy Clerk of the Board

*NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: Clerk@psb.state.vt.us).*

*Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.*