

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2020-215-C - ORDER NO. 2020-614

OCTOBER 6, 2020

IN RE: Petition of MCI Communications Services, ) ORDER APPROVING  
LLC d/b/a Verizon Business Services for ) MERGER  
Approval of Merger with Blue Jeans )  
Network, Incorporated )

This matter comes before the Public Service Commission of South Carolina (“Commission”) on the Petition of MCI Communication Services, LLC d/b/a Verizon Business Services (“MCICS” or “Petitioner”), pursuant to S.C. Code Ann. § 58-9-310 (2015) and S.C. Code Ann. Regs. 103-825 (2012), for expedited review and approval of the merger of Blue Jeans Network, Inc. (“Blue Jeans”) with and into MCICS.

MCICS is a corporation formed and existing under the laws of Delaware and is an indirect, wholly owned subsidiary of Verizon Communications, Inc. (“VCI”).<sup>1</sup> In South Carolina, MCICS is certificated to provide intrastate interexchange telecommunications services pursuant to a Certificate of Public Convenience and Necessity granted to its predecessor in Docket No. 1984-181-C, Order No. 1984-732.<sup>2</sup>

Blue Jeans, based in San Jose, California, is a wholly owned subsidiary of VCI. Blue Jeans is an information service provider that offers communications and collaboration services that include interactive video communications and screen sharing

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<sup>1</sup> VCI does not offer telecommunications services in South Carolina and is not certificated by this Commission but is the ultimate parent of MCICS and other subsidiaries that operate in South Carolina.

<sup>2</sup> The Commission recognizes MCICS as the certificated entity in other orders in Docket No. 1984-181-C. *See* Order Nos. 2008-329 and 2011-342.

capabilities. Blue Jeans is not certificated and does not provide any regulated telecommunications services in South Carolina.

According to Petitioner, VCI acquired the stock of Blue Jeans on May 15, 2020. VCI will contribute the stock of Blue Jeans through certain wholly owned subsidiaries so that Blue Jeans will become a wholly owned subsidiary of MCI International LLC, which is the parent company of MCICS. Blue Jeans will then merge with and into MCICS, and MCICS will assume all assets and liabilities of Blue Jeans. VCI plans to close the merger on November 1, 2020. At all times, before and after this transaction, MCICS will be an indirect, wholly owned subsidiary of VCI.

Petitioner asserts that, as a result of the merger, there will be no change in MCICS' management or control. The merger will have no impact on the existing business of MCICS and will be transparent to customers. Petitioner maintains that all managerial, technical, and financial resources currently available to MCICS will remain available to it. Because this merger will not affect rates charged to or services received by MCICS' customers, MCICS requests expeditious approval of the merger and waiver of any newspaper publication or other notice and any hearing requirements.

The South Carolina Office of Regulatory Staff filed a letter with the Commission on August 31, 2020, indicating it does not oppose the proposed merger of MCICS with Blue Jeans.

After due consideration of the Petition, the Commission finds the merger of Blue Jeans into MCICS should be approved without notice and hearing. S.C. Code Ann. § 58-9-310 (2015) provides "no telephone utility, without the approval of the Commission

after due hearing . . . may sell, transfer, lease, consolidate, or merge its property, powers, franchises, or privileges or any of them . . .” Waiver of hearing is allowed “when the proposed rate or tariff is a proposal to institute or modify an offering or regulation that is not part of a general rate case and does not affect the telephone utility's general body of subscribers.” S.C. Code Ann. § 58-9-520 (2015). “The Commission, for good cause shown, may allow changes in rates without requiring the thirty days' notice under such conditions as it may prescribe, . . .” S.C. Code Ann. § 58-9-530 (2015). The merger will not affect rates or service, does not involve a change in MCICS' management or control, and will have no impact on the existing business of MCICS. The merger will also not affect the current managerial, technical, and financial resources available to MCICS. Further, the transaction will not involve a merger of MCICS' property, powers, franchise, or privileges nor is it a part of a general rate case and does not affect the telephone utility's general body of subscribers. The Commission notes the services provided by Blue Jeans are not regulated by the Commission and therefore Blue Jeans is not subject to the jurisdiction of the Commission. For these reasons, the merger should be approved.

**I. FINDINGS OF FACT**

1. The merger of Blue Jeans with and into MCICS will not affect rates or service.
2. The merger of Blue Jeans with and into MCICS with Blue Jeans does not involve a change in MCICS' management or control.
3. The merger of Blue Jeans with and into MCICS will have no impact on the existing business of MCICS.

4. The merger of Blue Jeans with and into MCICS will not affect the current managerial, technical, and financial resources available to MCICS.

5. The merger of Blue Jeans with and into MCICS will not involve a merger of MCICS' property, powers, franchise, or privileges.

6. The merger of Blue Jeans with and into MCICS is not part of a general rate case and does not affect the telephone utility's general body of subscribers.

## **II. CONCLUSIONS OF LAW**

1. The Commission concludes that the merger of Blue Jeans with and into MCICS is hereby approved. S.C. Code Ann. § 58-9-310 (2015).

2. The Commission concludes that MCICS will possess the technical, financial, and managerial resources to continue to provide its services, and consistent with S.C. Code Ann. § 58-9-280(B), MCICS will provide the same services and operate under its current Certificate of Public Convenience and Necessity.

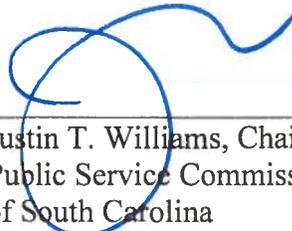
## **III. ORDERING PROVISIONS**

### **IT IS THEREFORE ORDERED THAT:**

1. The merger of Blue Jeans with and into MCICS as described in the Petition and this Order is hereby approved.

2. This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:



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Justin T. Williams, Chairman  
Public Service Commission  
of South Carolina

