

Description of the Transaction

Applicants seek Commission consent to transfer control of designated FCC licenses and authorizations from Global Crossing Ltd. (“Global Crossing”) to Citizens Communications Company (“Citizens”). The licenses are held by various subsidiaries of Global Crossing engaged in providing local exchange telecommunications services and are incidental to the provision of such services.

Pursuant to a Stock Purchase Agreement by and between Global Crossing Ltd., its wholly owned subsidiary Global Crossing North America, Inc. and Citizens (the “Agreement”), Citizens will purchase directly or indirectly the stock of Global Crossing’s companies engaged in the provision of local exchange telecommunications services. These companies operate in Alabama, Florida, Georgia, Illinois, Indiana, Iowa, Michigan, Minnesota, Mississippi, Ohio, New York, Pennsylvania and Wisconsin.

In all of these states except New York, the local exchange companies’ stock is wholly-owned by Frontier Subsidiary Telco Inc., an intermediate subsidiary which is currently wholly-owned by Global Crossing North America, Inc., which in turn is wholly-owned by Global Crossing. Under the Agreement, Citizens will purchase all of the stock of Frontier Subsidiary Telco Inc.

The stock of all of the local exchange companies in New York, Frontier Telephone of Rochester, Inc., Frontier Communications of Rochester, Inc., Frontier Communications of New York, Inc., Frontier Communications of Sylvan Lake, Inc., Frontier Communications of AuSable Valley, Inc., and Frontier Communications of Seneca-Gorham, Inc. is wholly-owned by Global Crossing North America, Inc. Under the Agreement, Citizens will purchase all of the stock of these local

exchange companies. Citizens will simply replace Global Crossing North America as the owner of the above local exchange telephone companies.

Included in the sale as a wholly-owned subsidiary of Frontier Subsidiary Telco, Inc. is a Frontier Communications of America, Inc. ("FCA"), which is or has applied to be certificated as a long distance carrier and a competitive local exchange carrier in Alabama, Florida, Georgia, Illinois, Indiana, Iowa, Michigan, Minnesota, Mississippi, Ohio, New York, Pennsylvania and Wisconsin. Applicants intend that before closing, subject to regulatory approvals, FCA will buy from Global Crossing's long distance subsidiary the base of existing long distance customers located within these states.¹ Citizens will thus acquire the existing Global Crossing long distance business within the operating territories of the telephone companies that it is also acquiring. This long distance business will be conducted by FCA, which will remain a separate subsidiary. Applicants also intend that FCA will, subject to regulatory approvals, conduct competitive local exchange operations both before and after closing, outside of the operating territories of the telephone companies.

¹ In connection with the proposed transaction, Applicants are contemporaneously filing with the Commission an application to transfer control of an international Section 214 authorization held by FCA that will be processed by the International Bureau.