Before the
GOVERNMENT OF THE VIRGIN ISLANDS
OF THE UNITED STATES
Public Services Commission

In re	)	
Change of Control Proceeding for Virgin Islands Telephone Corp. d/b/a Innovative Telephone, Caribbean Communications Corp. d/b/a Innovative Cable TV St. Thomas-St. John, and St. Croix Cable TV, Inc. d/b/a Innovative Cable St. Croix	)	**PSC Docket No. 582** **Order No. 45/2010**

FINDINGS OF FACT
And ORDER AUTHORIZING TRANSFER OF CONTROL

Based upon the testimony, exhibits, and cross-examination by the parties to this proceeding, and the Report and Recommendations of the Hearing Examiner, and the complete record in this proceeding, the Public Services Commission makes the following findings of fact:

1. The Public Services Commission finds that the proposed transfer of control of Virgin Islands Telephone Corp., doing business as Innovative Telephone ("VITELCO"), from Stanford Springel, as Chapter 11 Trustee for the Bankruptcy Estate of Innovative Communication Corporation to the National Rural Utilities Cooperative Finance Corporation ("CFC") meets the public interest pursuant to Section 43(a) of Title 30 of the Virgin Islands Code ("Section 43(a)"), and specifically finds that:

a. CFC is financially able to own and operate VITELCO.

b. CFC is qualified to own and operate VITELCO, is qualified to retain and supervise experienced and able management, and has identified and committed to a competent management team.

c. CFC has demonstrated its commitment to the provision of quality services to United States Virgin Islands consumers.

d. CFC has satisfied the Section 43(a) requirement that it provide the PSC with sufficient assurance that "obligations to employees [with respect to pension benefits previously enjoyed] will be satisfied as they become due.

e. CFC has reasonable plans for retaining present management of VITELCO and the cable television companies and for training and incentive programs to retain high performing employees.

f. CFC's treatment of the valuation of the VITELCO entities is reasonable for purposes of CFC's accounting requirements at the time of closing on the proposed transfer of control.

g. VITELCO'S balance sheet will be restructured in a form and content that meets professional accounting standards and principles.

h. The capitalization plan of the applicants meets reasonable, objective professional standards and principles.

i. VITELCO'S capital structure will be restructured to reflect a reasonably determined value of equity and debt so as to result in a reasonable approximation of rate base.

j. VITELCO will be better able to regain access to capital markets necessary for operations and reinvestment if the transfer of control is approved than if it is not approved.

k. CFC has, in advance of closing on the transfer of control, committed to provide necessary funding for VITELCO'S infrastructure, and has committed to develop a capital budget to support VITELCO'S operating expenses and infrastructure needs after closing.

l. CFC has a reasonable plan to use a study to develop a capital expenditure program for infrastructure investment, including technology improvements, and operating expenses.

m. CFC has stated its commitment to comply with all governmental regulations in operation of the systems of VITELCO.

n. CFC has undertaken studies and developed plans and programs to address the range of operational, financial, technological, and regulatory considerations that can be reasonably anticipated as a result of transition to the transfer of control.

o. The proposed transfer of control will be beneficial to the United States Virgin Islands.

2. The Public Services Commission approves the Transfer of Control Agreement submitted by the parties on February 26, 2010. The proposed Transfer of Control Agreement addresses the needs of the Virgin Islands telecommunications today and should replace the 1989 Settlement Agreement among Vitelco, New ICC, Vitelcom Cellular, Inc., RTFC, and the PSC.

3. The proposed transfer of control will not adversely affect VITELCO'S operations or rates.
4. The Public Services Commission approves the transfers of control of Caribbean Communications Corp., doing business as Innovative Cable TV St. Thomas-St. John ("Innovative Cable STT-STJ"), and St. Croix Cable TV, Inc., doing business as doing business as Innovative Cable TV St. Croix ("innovative Cable STX" and collectively with Innovative Cable STT-STJ, the "Cable Companies") from Stanford Springel, as Chapter 11 Trustee for the Bankruptcy Estate of Innovative Communication Corporation to the National Rural Utilities Cooperative Finance Corporation ("CFC") pursuant to Section 313 of Title 30 of the Virgin Islands Code, and specifically finds that:
   a. CFC is financially able to own and operate the Cable Companies.
   b. CFC is qualified to own and operate the Cable Companies and is qualified to retain and supervise experienced and able management.
   c. CFC is committed to the provision of quality services to USVI consumers.
   d. The proposed transfer of control will benefit the USVI as compared to other available alternatives.
5. These findings do not constitute a recommendation or approval for CFC or its subsidiaries to increase the rates or rate base of VITELCO or the Cable Entities. After the transfer of control, CFC must seek the Public Services Commission's approval for

any change in rates, rate base and the accounting treatment of the assets and liabilities of Vitelco and the Cable Entities in accordance with paragraph 7.e of the February 26, 2010 proposed Transfer of Control Agreement.

It is hereby ordered that:

The Application is granted, subject to all of the rights and obligations of the February 26, 2010 Transfer of Control Agreement; and

The Chairman of the Commission is authorized to Execute the Transfer of Control Agreement; and

The 1989 Settlement Agreement is superseded.

Dated May 5, 2010

Joseph B.Boschulte 05/05/10
Chairman