

Exhibit No. :  
Witness : Laura Collier  
Type of Exhibit : Direct Testimony  
Company: : ONESTAR LONG  
DISTANCE, INC.  
Case No. : Tm-2000-419

**FILED**

JAN 12 2000

ONESTAR LONG DISTANCE, INC.

Missouri Public  
Service Commission

DIRECT TESTIMONY

OF

LAURA COLLIER

Evansville, Indiana  
December 1999

BEFORE THE PUBLIC SERVICE COMMISSION  
STATE OF MISSOURI

FILED<sup>2</sup>  
JAN 12 2000

Missouri Public  
Service Commission

Application for Approval *Nunc Pro Tunc* of )  
a Transfer of Assets from UStel, Inc., ("Ustel"), )  
and its wholly owned subsidiary, Arcada )  
Communications, Inc., ("Arcada"), to ONESTAR )  
LONG DISTANCE, INC. )

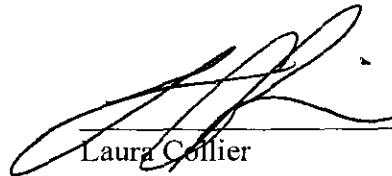
Case No. Tm-2000-419

AFFIDAVIT OF LAURA COLLIER

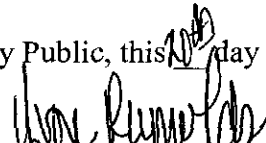
STATE OF INDIANA )  
 ) ss.  
COUNTY OF WARRICK )

I, Laura Collier, of lawful age, being duly sworn, do hereby depose and state:

1. My name is Laura Collier. I am presently the Regulatory Supervisor for ONESTAR LONG DISTANCE, INC., Applicant in the referenced matter.
2. Attached hereto and made a part hereof for all purposes is my direct testimony.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct to the best of my personal knowledge, information and belief.

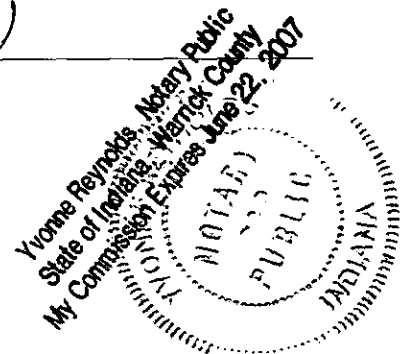
  
\_\_\_\_\_  
Laura Collier

Subscribed and sworn to before me, a Notary Public, this 20th day of December, 1999.

  
\_\_\_\_\_  
Notary Public

My Commission expires:

June 22, 2007





1 and approve company responses and literature to ensure compliance with rules and  
2 regulations and company standards; and I also provide support to the Director of Regulatory  
3 Affairs whom is my supervisor.

4 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

5 A. I offer this testimony to discuss the circumstances of ONESTAR's acquisition of the customer  
6 base of UStel and Arcada.

7 Q. HOW DID ONESTAR BECOME INTERESTED IN THE CUSTOMER BASE OF  
8 USTEL and ARCADA?

9 A. ONESTAR formed its Mergers and Acquisitions Department in 1998 to address the desire for  
10 faster growth within ONESTAR. After studying UStel and Arcada, ONESTAR became  
11 interested in acquiring certain assets of that company.

12 Q. HOW DID ONESTAR NEGOTIATE FOR THE PURCHASE OF THE CUSTOMER  
13 BASE?

14 A. Ustel, and its wholly owned subsidiary, Arcada, had declared Chapter 11 Bankruptcy, and  
15 ONESTAR submitted a bid for the assets in which it was interested. The United States  
16 Bankruptcy Court Western District of Washington preliminarily approved ONESTAR's  
17 assumption of the UStel and Arcada assets, including the UStel and Arcada customer base.

18 Q. DID ONESTAR CONSIDER THE ROLE STATE REGULATORY AUTHORITIES  
19 WOULD HAVE IN THIS TRANSACTION?

20 A. In preparation for this transaction, ONESTAR investigated whether regulatory approval was  
21 required at the federal level and in the states where ONESTAR operated. In Missouri, a  
22 ONESTAR representative spoke to the General Counsel of the Commission, Mr. Dan Joyce.

1 Mr. Joyce directed ONESTAR staff to file an application for Commission review. ONESTAR  
2 did so, in good faith, on August 3, 1999, but was later informed by Clifford Snodgrass, also  
3 of the PSC General Counsel's office that the PSC could not accept the application unless it  
4 was filed by an attorney licensed in the state of Missouri. ONESTAR immediately acquired  
5 local counsel and the application was refiled over his signature.

6 Q. WHEN DID THE BANKRUPTCY COURT APPROVE THE ASSET PURCHASE?

7 A. The Bankruptcy Court handed down its order granting its approval of ONESTAR's Asset  
8 Purchase Agreement on July 14, 1999. In an effort to timely comply with the bankruptcy  
9 order and to prevent the UStel and Arcada customers from suffering a service loss, ONESTAR  
10 began to transition the acquired UStel and Arcada customer base. In order to make the  
11 transition as seamless as possible for UStel and Arcada customers, ONESTAR sent a letter to  
12 the affected customer base. This letter outlined the transaction and provided a customer  
13 service contact for further information. A specimen of the letter is attached as Schedule 1.

14 Q. UNDER WHAT TERMS AND CONDITIONS DID ONESTAR PROVIDE SERVICE TO  
15 THE USTEL AND ARCADA CUSTOMER BASE?

16 A. ONESTAR elected to leave the UStel and Arcada customers on their current rate programs and  
17 under the same terms and conditions of service on a temporary basis. The rates, programs,  
18 terms, and conditions to which the customers were transitioned were similar to their current  
19 rates, programs, terms, and conditions. The change has not been detrimental to customers.

20 Q. EXPLAIN THE BENEFITS OF THE TRANSACTION.

21 A. This acquisition will benefit both ONESTAR and the acquired customer base. ONESTAR will  
22 benefit in that it will realize significant economies of scale, thereby allowing it to introduce

1 new products and services. The acquired customers will benefit in that they will receive  
2 service from a financially sound innovative, and ethical carrier.

3 Q. HOW MANY CUSTOMERS WERE AFFECTED IN MISSOURI?

4 A. There are 227 active UStel and Arcada customers in Missouri.

5 Q. WERE ASSETS OTHER THAN THE CUSTOMER BASE INVOLVED IN THE  
6 TRANSACTION?

7 A. No, the only asset acquired in Missouri was the customer base.

8 Q. HAVE YOU RECEIVED ANY COMPLAINTS FROM MISSOURI CUSTOMERS  
9 CONCERNING THIS TRANSFER AND TRANSITION?

10 A. No. There have been no complaints from the Missouri customers.

11 Q. WHY ARE YOU FILING THIS ALONE RATHER THAN AS A JOINT REQUEST WITH  
12 UStel?

13 A. The transaction between OneStar and UStel/Arcada was part of a moderately adversarial  
14 proceeding. The relationship between ONESTAR and UStel/Arcada was cooperative enough  
15 to allow for negotiations and closing of the asset purchase, but as far as regulatory matters,  
16 it became evident to ONESTAR that it could not rely on that cooperation to continue.

17 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

18 A. Yes, it does.

**Schedule 1:**



## **ONESTAR WELCOMES ARCADEA CUSTOMERS!!**

Recently you were sent a letter from Arcada Communications, Inc. ("Arcada") announcing that its customer base was being transferred to OneStar Long Distance, Inc. ("OneStar"). OneStar is pleased to announce that this transfer has begun, and we welcome you aboard as a OneStar customer!

OneStar is a progressive provider of long distance services headquartered in Evansville, Indiana and has been providing outstanding long distance service since 1982. For your convenience, OneStar is pleased to serve you from the current retail office in Seattle, Washington. OneStar is expanding rapidly across the United States and is committed to supplying its customers with quality service at competitive rates. The rates and programs provided by OneStar will be similar to your current rates and programs.

This transfer of service requires no action on your part and is expected to be a smooth transition with no interruption of service. You should not incur PIC (Primary Interexchange Carrier) change charges from your local telephone company as a result of this transition. Should any PIC related charges be incurred, please let us know and we will credit your account.

OneStar's company focus is consistent customer satisfaction. OneStar will work to continually exceed your expectations now and in the future. Should you have any questions regarding this transition, please contact OneStar's Customer Service Department. OneStar's Customer Service Department is available to serve you 24 hours a day. We look forward to providing you with superior service. Please contact Customer Service at 1-888-834-1075 (phone), 1-800-859-1983 (fax), or via e-mail at [cservice@onestarld.com](mailto:cservice@onestarld.com).





## **ONESTAR WELCOMES USTEL CUSTOMERS!!**

Recently you were sent a letter from UStel, Inc. ("UStel") announcing that its customer base was being transferred to OneStar Long Distance, Inc. ("OneStar"). OneStar is pleased to announce that this transfer has begun, and we welcome you aboard as a OneStar customer!

OneStar is a progressive provider of long distance services headquartered in Evansville, Indiana and has been providing outstanding long distance service since 1982. For your convenience, OneStar is pleased to serve you from the current retail office in Seattle, Washington. OneStar is expanding rapidly across the United States and is committed to supplying its customers with quality service at competitive rates. The rates and programs provided by OneStar will be similar to your current rates and programs.

*Your monthly telephone bill will soon show OneStar as your long distance carrier.* There will be no cost to you associated with this transfer of ownership. This transfer of service requires no action on your part and is expected to be a smooth transition with no interruption of service.

OneStar's company focus is consistent customer satisfaction. OneStar will work to continually exceed your expectations now and in the future. Should you have any questions regarding this transition, please contact OneStar's Customer Service Department. OneStar's Customer Service Department is available to serve you 24 hours a day. We look forward to providing you with superior service. Please contact Customer Service at 1-800-807-0599 (phone), 1-800-859-1983 (fax), or via e-mail at [cservice@onestarld.com](mailto:cservice@onestarld.com).



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