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MCI is a Delaware corporation with its principal Missouri office at 100 South Fourth Street, St. Louis, Missouri 63102. MCI was certified to provide interexchange telecommunications services in Missouri on January 30, 1987, in Case No. TA-87-41, and to provide private pay telephone service in Missouri on November 25, 1997, in Case No. TA-98-138. MCI is classified as a competitive telecommunications

company in Missouri and also provides interstate interexchange telecommunications services subject to the jurisdiction of the FCC.

MCImetro, Inc. is a Delaware corporation with its principal office located at 1801 Pennsylvania Avenue, N.W., Washington, D.C. 20006. MCImetro, Inc. is a wholly-owned subsidiary of MCI and in turn wholly owns MATS. MCImetro holds no Missouri certificates and engages in no regulated activity in Missouri.

MATS is a Delaware corporation with its principal office located at 2400 North Glenville Drive, Richardson, Texas 75082. MATS is a wholly-owned subsidiary of MCImetro, Inc. MATS received service authority to provide interexchange telecommunications services in Missouri on May 15, 1996 in Case No. TO-96-344. MATS also received conditional approval of its Certificate of Service Authority to Provide Basic Local Telecommunications Services on February 21, 1997 in Case No. TA-96-355. MATS' certificate approval was conditioned upon its receipt of a Commission approved tariff and a Commission approved interconnection agreement. This has not yet occurred.

The LLC is a newly formed Delaware limited liability corporation with its principal office located at 1801 Pennsylvania Avenue, N.W., Washington, D.C. 20006. The LLC's sole member is MCI. The LLC was granted a Certificate of Service Authority to Provide Basic Local Telecommunications Services, Local Exchange Telecommunications Services, Exchange Access Services and Interexchange Telecommunication Services in Case No. TA-98-575.

The proposed mergers will be accomplished in two separate transactions. First, MCImetro, Inc. will be merged into MCI and MCImetro, Inc. will cease to exist. MCI will continue to operate under

its present certificates and tariffs. Second, MATS will be merged into the LLC and MATS will cease to exist. Following the merger, the LLC will operate under its own certificates of service authority but will adopt MATS' current tariff. At present, MATS has an interexchange tariff on file with the Commission but a basic local tariff has not yet been filed. After the merger, MCI will be the sole member of the LLC.

The applicants state that the proposed mergers are in the public interest since as a result of the merger the remaining companies will be better able to offer competitive services to Missouri customers. The applicants further state that the proposed mergers will have no impact on the tax revenues of any political subdivision in the State of Missouri in which any structures, facilities or equipment of MCI, MATS or the LLC are located since either MCI or the LLC will continue to own and operate the various structures, facilities and equipment of the pre-merger companies and pay the amount of taxes as required by law. Finally, applicants state that the LLC has no pending or final judgments or decisions against it from any state or federal agency which involve customer service or rates.

The Staff of the Commission (Staff) filed a Memorandum on August 20, 1998, recommending that the transactions be approved. Staff indicated it believes that the mergers will serve the public interest by allowing the companies to gain operating efficiencies through combined economic, marketing and administrative strategies.

The Commission has reviewed the application, the accompanying documentation, and Staff's recommendation, and determines that the proposed mergers will have no adverse impact on the Missouri customers of MCI, MCImetro, MATS or the LLC. Therefore, the Commission determines

that the transaction is not detrimental to the public interest and should be approved.

IT IS THEREFORE ORDERED:

1. That the application filed by MCI Telecommunications Corporation; MCImetro, Inc.; MCImetro Access Transmission Services, Inc.; and MCImetro Access Transmission Services, LLC, on June 22, 1998, is approved.

2. That the applicants are authorized to transfer control of MCImetro, Inc. to MCI Telecommunications Corporation.

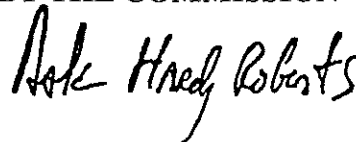
3. That the applicants are authorized to transfer control of MCImetro Access Transmission Services, Inc. to MCImetro Access Transmission Services, LLC.

4. That the parties are authorized to take any and all actions necessary to effect the transfer authorized by this order.

5. That MCI Telecommunications Corporation and MCImetro Access Transmission Services, LLC shall file notification with the Commission no later than ten days after the closing date of the transactions authorized by this order.

6. That this order shall become effective on November 10, 1998.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Crumpton, Murray,
Schemenauer and Drainer, CC., concur.

Woodruff, Regulatory Law Judge