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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held at its office
in Jefferson City on the 27th
day of May, 1998.

In the Matter of the Application of Qwest)
Communications International Inc., LCI Inter-)
national, Inc., LCI International Telecom Corp.) Case No. TM-98-406
and USLD Communications, Inc. for Approval of)
a Transfer of Control and Related Transactions.)
)

ORDER APPROVING MERGER

Qwest Communications International Inc. (Qwest), LCI International, Inc. (LCII), and LCI International Telecom Corp. (LCIT) and USLD Communications, Inc. (USLDI) (LCII, LCIT, and USLDI are collectively referred to as LCI), filed an Application on March 25, 1998, for approval to transfer control of LCIT and USLDI from the shareholders of LCII to Qwest. LCIT, USLDI, and Qwest's indirect wholly owned subsidiary, Qwest Communications Corporation, are certified to provide telecommunications services in Missouri and therefore this transaction comes under Commission jurisdiction.

LCIT was certified to provide interexchange telecommunications services in Missouri on August 18, 1989, in Case No. TA-89-204, and to provide local exchange service on October 28, 1997, in Case No. TA-98-8. LCIT is a wholly owned subsidiary of LCIM, which is a wholly owned subsidiary of LCI International, Inc. (LCII). LCII is a Delaware corporation with principal offices at 8180 Greensboro Drive, Suite 800, McLean, Virginia 22102.

USLDI is a Texas corporation and an indirect wholly owned subsidiary of LCII. USLDI was certified to provide intrastate interexchange telecommunications services and operator services on February 21, 1992, in Case No. TA-91-390 and to provide local services on March 18, 1997, in Case No. TA-97-60.

Qwest is a Delaware corporation with its principal offices at 555 Seventeenth Street, Denver, Colorado 80202. Qwest's wholly owned subsidiary, Qwest Communications Corporation, is certified to provide intrastate interexchange telecommunications services in Missouri.

Qwest and LCII executed an Agreement and Plan of Merger on March 8, 1998, which will result in Qwest acquiring LCII by purchasing all of the company's outstanding shares. Because LCIT and USLDI are wholly owned by LCII, the purchase will result in the transfer of control of LCIT and USLDI to Qwest. The transfer will be accomplished via a reverse triangular merger. A newly formed, special-purpose subsidiary of Qwest, Qwest 1998-L Acquisition Corporation, will merge into LCII, leaving LCII as the surviving entity. After that transaction is completed, a series of internal stock transfers will take place and LCII will become a wholly owned subsidiary of Qwest Communications Corporation. LCIT and USLDI will continue to exist as indirect wholly owned subsidiaries of Qwest.

The applicants state that consummation of the transaction will not undermine the financial condition of Qwest or LCI. Applicants state that LCIT and USLDI, as Qwest subsidiaries, will continue to serve and bill customers under the rates, terms and conditions of their respective tariffs. Applicants state that the transfer of control will be seamless and will have no adverse impact on LCIT's and USLDI's customers in

Missouri. Applicants further state that the proposed transfer of control will have no impact on the tax revenues of any political subdivisions in which any structures, facilities or equipment of Qwest, LCIT or USLDI are located. Finally, applicants state that Qwest 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 April 29, 1998, recommending that the transaction be approved. Staff believes that this merger complies with the requirements of 4 CSR 240-2.060 and recommends that the Commission approve the transfer.

The Commission has reviewed the application, the accompanying documentation, and Staff's recommendation, and determines that the proposed transfer of control will have no adverse impact on the Missouri customers of LCIT or USLDI. 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 Qwest Communications International Inc., LCI International, Inc., LCI International Telecom Corp., and USLD Communications, Inc., on January 22, 1998, is approved.

2. That the applicants are authorized to transfer control of LCI International, Inc., including its subsidiaries LCI International Telecom Corp., and USLD Communications, Inc., to Qwest Communications International Inc.

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

4. That Qwest Communications International Inc. shall file notification with the Commission no later than ten days after the closing date of the transaction authorized by this order.

5. That this order shall become effective on June 9, 1998.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

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

Dippell, Regulatory Law Judge

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COMMISSION COUNSEL
PUBLIC SERVICE COMMISSION