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The Applicants state that USLD will transfer:

- ¹ Since the application was filed, LCII has obtained Commission approval to be acquired by and merge with a subsidiary of Qwest Communications International Inc. in Case No. TM-98-406.

point-to-point, travel card, data services, and toll-free service customers ("Customer Base");

(2) revenues, reports, documentation and goodwill associated with such Customer Base; and

(3) Telecommunications Equipment associated with the operation of the 1+ Dialing Service.

USLD will transfer these assets in exchange for the issuance of common voting shares in LCIT.

The Applicants state that after the transfer, both USLD and LCIT will continue to operate as telecommunications service providers in Missouri. LCIT will provide a full range of interexchange services and USLD will continue to provide prepaid calling card, operator, calling center, and related services. The Applicants also state that USLD's existing customers will receive LCIT-modified products, that affected customers will receive timely notice of the transfer, and the customers will not experience any billing increase as a result of the transfer. The application indicates that the Applicants will amend their respective tariffs to reflect the changes.

The Applicants state the transfer is in the public interest because it will enable both companies to compete more effectively in the telecommunications marketplace due to the increased efficiencies. The Applicants state that the proposed transfer of assets will have no impact on the tax revenues of any political subdivision in which LCIT and USLD have structures, facilities, or equipment. Applicants also state that there are no pending or final judgments or decisions against them from any state or federal agency which involve customer service or rates.

The Staff of the Commission (Staff) filed a Memorandum on August 26, 1998, recommending that the transaction be approved.

The Commission has reviewed the application, the amended application, and Staff's recommendation, and determines that the proposed transfer of assets will have no adverse impact on the Missouri customers of USLD or LCIT. The Commission also determines that the transfer of assets will increase the Applicants' efficiency and will benefit Missouri customers. 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, LCI International Telecom Corp. and USLD Communications, Inc. on May 20, 1998, and amended on August 5, 1998, is approved.

2. That USLD Communications, Inc. is authorized to transfer assets to LCI International Telecom Corp.

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

4. That the Applicants shall provide notice of the transfer to all Missouri consumers by placing an insert in their bills.

5. That LCI International Telecom Corp. and USLD Communications, Inc., shall have the necessary tariff changes to reflect the new or discontinued services in effect prior to or concurrent with providing or discontinuing those services.

6. That LCI International Telecom Corp. and USLD Communications, Inc., shall file notification in Case No. TM-98-520 no later than ten days after the closing date of the transaction authorized by this order.

7. That this order shall become effective on November 24, 1998.

BY THE COMMISSION

Dale Hardy Roberts

**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