



Missouri Public Service Commission

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June 20, 2000

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Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

FILED 2

JUN 20 2000

Missouri Public
Service Commission

RE: Case No. TM-2000-584

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a STAFF RECOMMENDATION.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Cliff E. Snodgrass

Cliff E. Snodgrass
Senior Counsel
(573) 751-3966
(573) 751-9285 (Fax)

CES:sw
Enclosure
cc: Counsel of Record

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

FILED<sup>2</sup>

JUN 20 2000

Missouri Public  
Service Commission

Application of TELIGENT, INC. and )  
TELIGENT SERVICES, INC. )  
For Authority to Restructure and For )  
Related Transactions )

Case No. TM-2000-584

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission, by and through one of its attorneys, and for its Recommendation states as follows:

1. On March 17, 2000, Teligent, Inc. (Teligent) and Teligent Services, Inc. (TSI), filed a joint application for authority to reorganize their corporate structure and transfer Teligent's telecommunications related assets to TSI.
2. Teligent was certificated to provide basic local exchange and local exchange telecommunications services in Case No. TA-98-258 and TA-98-259. TSI was certificated to provide interexchange telecommunications services in Case No. TA-98-581, and on March 17, 2000, TSI filed an application to provide basic local exchange and local exchange telecommunications services in Case No. TA-2000-578. The certificate has not yet been granted to TSI in TA-2000-578. Upon completion of the proposed restructuring and approval of TSI's interexchange tariffs and basic local exchange tariffs, Teligent will surrender its certificates of service authority to provide interexchange and basic local exchange telecommunications service and cancel both tariffs.

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3. The sale of assets is governed by §392.300 RSMO 1994 and 4 CSR 240-060(7). Applicable court rulings provide that the Commission may approve an asset transfer if it is “not detrimental to the public interest”. See State ex. rel Fee Fee Trunk Sewer, Inc. v. Litz, 596 S.W. 2d 466, 468 (Mo. App. E.D. 1980).

4. Staff has reviewed the application for asset transfer approval and has concluded that the transaction will not be detrimental to the public interest.

5. In the attached Memorandum, which is labeled Appendix A, the Staff summarizes its review of the application and recommends that the Commission issue an Order which:

- A. Approves the proposed corporate reorganization and the transfer of Teligent’s assets to TSI.
- B. Directs Teligent to notify the Commission regarding cancellation of Teligent’s certificates and accompanying tariffs within 30 days of the approval of TSI’s basic local exchange tariffs.
- C. Conditions the approval of A and B above on Commission approval of TSI’s request for a certificate of service authority to provide basic local and local service and accompanying tariff(s) in Case No. TA-2000-578.

Respectfully submitted,

DANA K. JOYCE  
General Counsel



Cliff Snodgrass  
Senior Counsel  
Missouri Bar No. 52302

Attorney for the Staff of the  
Missouri Public Service Commission  
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### Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 20<sup>th</sup> day of June, 2000.



# MEMORANDUM

To: Missouri Public Service Commission Official Case File  
Case No. TM-2000-584  
Teligent, Inc. and Teligent Services, Inc.

From: Sherri Murphy *SM*  
Telecommunications Department

*Bruce V. Hoff 06-19-00*  
Utility Operations Division/Date

*Wm K Haas 6/19/00*  
General Counsel's Office/Date

*CES 6-19-2000*

Subject: Staff Recommendation to Approve Joint Application

Date: June 16, 2000

On March 17, 2000, Teligent, Inc. (Teligent) and Teligent Services, Inc. (TSI), filed a joint application for authority to reorganize their corporate structure and operations and transfer Teligent's telecommunications-related assets to TSI. On March 24, 2000, the Commission issued an Order Directing Filing that ordered the applicants to file an amended joint application no later than April 3, 2000. The applicants filed their Response to Order and Supplement to Joint Application on March 29, 2000. The Commission issued a Notice of Compliance on April 4, 2000.

Teligent was certificated to provide basic local exchange and local exchange telecommunications services in Case No. TA-98-258 and interexchange telecommunications services in Case No. TA-98-259. TSI was certificated to provide interexchange telecommunications services in Case No. TA-2000-581. On March 17, 2000, TSI filed an application to provide basic local exchange and local exchange telecommunications services in Case No. TA-2000-578. That certificate of service authority has not yet been granted.

According to the Joint Application, TSI is a wholly owned subsidiary of Teligent. If the proposed reorganization is approved, TSI will act as Teligent's operating company to provide telecommunications services to customers and will be the direct parent of Teligent's other current domestic subsidiaries. The applicants state that the proposed reorganization to a more traditional corporate structure will enable them to realize corporate benefits that will ultimately benefit Teligent's customers. The reorganization involves the transfer of Teligent's telecommunications assets, including its current customer base, to TSI. After the transfer, Teligent will cease to provide telecommunications services to consumers in Missouri and will function exclusively as a holding company. TSI will provide service to former Teligent customers under the same rates, terms and conditions. The Telecommunications Department Staff (Staff) has compared Teligent's interexchange telecommunications tariffs to TSI's interexchange tariffs to verify that both companies offer identical services and rates.

*DH*  
06-19-00 09:11 RCVD

Appendix A

Official Case File Memorandum

Case No. TM-2000-584

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The applicants state that TSI has no pending or final judgments or decisions against it from any state or federal agency that involve customer service or rates. The proposed transfer of these assets is not expected to have any impact on the tax revenues of any political subdivision in which the assets are located.

Upon completion of the proposed restructuring and approval of both TSI's interexchange tariffs and basic local exchange tariffs, Teligent will surrender its certificates of service authority to provide interexchange and basic local exchange telecommunication service and cancel both tariffs. As stated above, TSI was granted interexchange authority in Case No. TA-2000-578. However, TSI's request for basic local exchange authority filed in Case No. TA-2000-581 is still pending.

The Staff has reviewed the Joint Application and attached exhibits and recommends the Commission issue an order to approve the proposed corporate reorganization and transfer of Teligent's assets to TSI. Staff recommends that the Commission's order be conditioned upon and become effective upon the effective date of TSI's certificates of service authority to provide basic local and local service and the accompanying tariff(s) in Case No. TA-2000-578. Staff notes that TSI has provided the General Counsel's office with a copy of the proposed Stipulation and Agreement in that case. Staff also recommends that the Commission direct Teligent to notify the Commission regarding cancellation of Teligent's certificates and accompanying tariffs within 30 days of the approval of TSI's basic local exchange tariffs.

According to 4 CSR 240-2.060(3), competitively classified companies are exempt from providing certain information such as public interest information in applications to merge, consolidate or sell/transfer assets. Based on the limited information provided to the Commission, Staff does not believe the transaction will be detrimental to the public interest. Any transaction, solely involving competitively classified companies, is not detrimental to the public interest since a customer can freely switch to another provider. The Staff is unaware of any other filing which affects or which would be affected by this proposal.

**Service List for  
Case No. TM-2000-584  
June 20, 2000**

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