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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 16th day of July, 1997.

In the Matter of the Application of Network Long Distance, Inc. d/b/a LDN Long Distance, Inc. and National Teleservice, Inc. for Approval of a Stock Acquisition Agreement.	)))))	**CASE NO. TM-97-541**

ORDER APPROVING STOCK ACQUISITION

Network Long Distance, Inc. d/b/a LDN Long Distance, Inc. (Network) and National Teleservice, Inc. (NTI) filed a joint application on June 16, 1997, seeking approval by the Missouri Public Service Commission of a proposed Stock Acquisition Agreement whereby Network would purchase all of the issued and outstanding capital stock of NTI. As a result of the transaction, NTI will become a wholly owned subsidiary of Network.

Network, a publicly held Delaware corporation, was certificated to provide interexchange telecommunications services in Missouri in Case No. TA-93-296 effective November 19, 1993. Network is authorized by the Federal Communications Commission (FCC) to provide interstate and international services in all 50 states and in the District of Columbia. Currently, Network is authorized to provide and currently provides intrastate services in 49 states. Network's principal office is located at 525 Florida Street, Baton Rouge, Louisiana 70801.

NTI, a privately held Minnesota corporation, has been a certificated Missouri interexchange carrier since July 1, 1995 (Case No. TA-95-335). NTI is authorized by the FCC to provide interstate and international services, and NTI is authorized to provide and currently provides intrastate services in 12 states. NTI's principal office is located at 111 Riverfront, Winona, Minnesota 66987.

The Applicants propose a transaction whereby Network will acquire all of the issued and outstanding capital stock of NTI from current stockholders who will receive a designated amount of Network stock in exchange. NTI will continue to do business under the same name, and the customers will continue to receive the same services and rates after the transaction. The certificate of service authority will remain in NTI's name.

The verified joint application states that the transaction will result in increased economic, marketing, and administrative efficiencies for both companies, and in more efficient and cost effective service for the customers in Missouri. Attached to the joint application is a copy of the proposed Stock Acquisition Agreement, financial statements for both companies, certificates of authority from the Missouri Secretary of State for both companies, and a tax impact statement indicating no change in tax revenues for the State of Missouri or for any political subdivision therein. Applicants state that the technical, managerial and financial personnel of both companies will remain the same after the transaction and that NTI will continue to operate in all respects as it currently operates. Applicants state that the proposed transaction will not be detrimental to the public interest and that no party to the proposed agreement will be given undue advantage over any other party.

The Staff of the Missouri Public Service Commission (Staff) filed a memorandum on July 8, 1997, recommending approval of the proposed acquisition. Staff stated that no change in rates or methods of operation will result from the stock acquisition, so the transaction should be transparent to the customers of both companies. Staff stated the proposed transaction is in the public interest because it will strengthen competition in Missouri, it will enhance operational efficiencies of the companies and it will improve their services.

Upon review of the application and the Staff's recommendation, the Commission finds that the proposed transaction will have no impact on Applicants' rates and methods of operation. The Commission finds that the proposed stock acquisition will enhance operational efficiencies and will strengthen competition in Missouri. Therefore, the Commission finds that the proposed transaction is not detrimental to the public interest and should be approved. Network shall be authorized to acquire all the issued and outstanding capital stock of NTI. Applicants shall also be authorized to take whatever actions are necessary to complete the proposed transaction.

IT IS THEREFORE ORDERED:

1. That Network Long Distance, Inc. d/b/a LDN Long Distance, Inc. and National Teleservice, Inc. are authorized to consummate the Stock Acquisition Agreement attached to their joint application as Exhibit A which is hereby approved, and Network Long Distance, Inc. d/b/a LDN Long Distance, Inc., is authorized to acquire all the capital stock of National Teleservice, Inc.

2. That Network Long Distance, Inc. d/b/a LDN Long Distance, Inc. and National Teleservice, Inc. are authorized to take any and all other actions necessary to effectuate the acquisition authorized in Ordered Paragraph 1.

3. That Network Long Distance, Inc. d/b/a LDN Long Distance, Inc. shall file notification with the Commission within five (5) business days of the closing of the acquisition authorized in Ordered Paragraph 1.

4. That this Order shall become effective on July 29, 1997.

BY THE COMMISSION

Cecil I. Wright

Cecil I. Wright
Executive Secretary

(S E A L)

Zobrist, Chm., Crumpton, Murray,
Lumpe and Drainer, CC., concur.

ALJ: George