

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Joint Application of)
IBFA Acquisition Company, LLC and)
American Farm Bureau, Inc. d/b/a the)
Farm Bureau Connection for Approval of)
the Acquisition of Certain Assets of The)
Farm Bureau Connection by IBFA)
Acquisition Company and for a Waiver)

Case No. XO-2005-0457

STAFF RECOMMENDATION

COMES NOW the Staff of the Public Service Commission, and for its recommendation in this matter, states:

1. IBFA Acquisition Company, LLC has applied to acquire the assets of American Farm Bureau, Inc. d/b/a the Farm Bureau[®] Connectionsm.

2. Simultaneously, IBFA Acquisition Company, LLC applied for a certificate of service authority to provide intrastate interexchange and nonswitched local exchange telecommunications services and classification as a competitive company in Case No. TA-2005-0451; and also for a certificate of service authority to provide basic local exchange telecommunications services and classification as a competitive company in Case No. CA-2005-0456. Neither application has been granted as of the date of this pleading, but the Staff has filed a recommendation in favor of IBFA Acquisition Company, LLC regarding the application in Case No. TA-2005-0451 to provide intrastate interexchange and nonswitched local exchange telecommunications services.

3. American Farm Bureau, Inc. d/b/a The Farm Bureau[®] Connectionsm holds a certificate to provide intrastate, interexchange telecommunications services in Missouri under Case No. TA-97-99. It also holds a certificate to provide basic local telecommunications services in Missouri under Case No. CA-2004-0131. The company has only one tariff on file

with the Commission, governing its intrastate, interexchange telecommunications services. It has never filed a tariff governing its basic local telecommunications services, and the Commission stated in its order in Case No. CA-2004-0131 that “Rule 4 CSR 240-3.510(1)(C) is waived. American Farm Bureau, Inc., d/b/a The Farm Bureau[®] Connectionsm may not operate until its tariffs have been submitted to the Commission and approved.” Accordingly, American Farm Bureau, Inc. d/b/a the Farm Bureau[®] Connectionsm has no basic local telecommunications customers and, of course, no customers of this nature need be transferred.

4. The transfer of assets is governed by Section 392.300 and 4 CSR 240-3.520. Applicable case law provides that the Commission may “not withhold its approval of the disposition of assets unless it can be shown that such disposition is detrimental to the public interest.” *State ex rel. Fee Fee Trunk Sewer, Inc. v. Litz*, 596 S.W.2d 466, 468 (Mo.App. E.D. 1980), citing to *State ex rel. City of St. Louis v. Public Serv. Comm’n of Mo.*, 73 S.W.2d 393, 400 (Mo. banc 1934).

5. In the attached Memorandum, the Staff summarizes its review of the transaction between IBFA Acquisition Company, LLC and American Farm Bureau, Inc., d/b/a The Farm Bureau[®] Connectionsm and concludes that the transfer of assets will not be detrimental to the public interest. Staff recommends that the Commission approve the *Joint Application*.

6. In the *Joint Application*, the parties requested that the Commission waive the application of 4 CSR 240-33.150. The Commission has recently amended that regulation, and waiver is no longer appropriate. The regulation at 4 CSR 240-33.150(4) currently states that:

(A) A telecommunications carrier may submit or execute a change in a subscriber’s provider of telecommunications service on behalf of the subscriber without obtaining authorization and verification in accordance with the procedures prescribed in 4 CSR 240-33.150(2) and 4 CSR 240-33.150(3) when such change is a result of merger or consolidation or the sale, assignment, lease or transfer of assets approved by the commission.

(B) A telecommunications carrier will notify all subscribers of such change through a notice in each subscriber's bill at least thirty (30) days prior to the effective date of the change.

(C) A telecommunications carrier will notify all subscribers of the right to switch to another service provider.

The current provisions of 4 CSR 240-33.150 apply to this transaction. Accordingly, the transfer of customers should be conditioned upon customers being provided notification in each subscriber's bill at least thirty days prior to the effective date of the change. Also, the request for waiver of 4 CSR 240-33.150 should be denied.

7. Further, the approval of the transfer of assets should be made contingent upon the grant of a certificate of service authority to IBFA Acquisition Company, LLC to provide intrastate interexchange and nonswitched local exchange telecommunications services and classification as a competitive company in Case No. TA-2005-0451.

8. As American Farm Bureau, Inc., d/b/a The Farm Bureau[®] Connectionsm has no assets that pertain to the provision of basic local telecommunications service, the Commission need not wait or make the transfer contingent upon the resolution of IBFA Acquisition Company, LLC's other application in Case No. CA-2005-0456.

Cancellation of Certificate of Service Authority

9. In the *Joint Application* at paragraph 19, the parties state that "[b]ecause IBFA will acquire substantially all of the assets of FB Connection and FB Connection will thereafter cease operations in this state, FB Connection will no longer require authority to provide service in this state." Accordingly, Staff requests the Commission to require the Joint Applicants to notify the Commission when the transfer of customers has been completed so American Farm Bureau, Inc., d/b/a The Farm Bureau[®] Connectionsm's certificates and interexchange tariff may be cancelled.

WHEREFORE, Staff recommends that the Commission enter an order approving the transfer of telecommunications assets from American Farm Bureau, Inc. d/b/a the Farm Bureau[®] Connectionsm to IBFA Acquisition Company, LLC as proposed in the *Joint Application*, contingent upon a grant of certificate of service authority to IBFA Acquisition Company, LLC in Case No. TA-2005-0451; and directing the companies to notify the Commission when the transfer of customers is complete so that all of American Farm Bureau, Inc. d/b/a the Farm Bureau[®] Connectionsm's certificates of service authority and its tariff to provide interexchange telecommunications services may be cancelled.

Respectfully submitted,

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or emailed to all counsel of record this 22nd day of June 2005.

/s/ David A. Meyer