

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of )	Application No. C-642
US Sprint Communications Company, )	
Washington, D.C., for consolidation of )	
GTE Sprint Communications Corporation )	GRANTED
and US Telecom-Communications Services )	
Company into US Sprint Communications )	
Company. )	Entered: May 20, 1986

OPINION AND FINDINGS

BY THE COMMISSION:

By application filed March 6, 1986, US Sprint Communications Company seeks approval of the consolidation of GTE Sprint Communications Corporation and US Telecom-Communications Services Company into US Sprint Communications Company.

Notice of the filing of the application was published pursuant to the Commission's Rules and Regulations. No protest was received, the application was processed administratively on May 6, 1986.

On January 16, 1986, GTE Corporation ("GTE") and United Telecommunications, Inc. ("United") announced their decision to pursue jointly the long distance telephone businesses currently operated by GTE Sprint Communications Corporation ("GTE Sprint"), US Telecom-Communications Services Company ("US Tel"), and certain other GTE and United communications activities. To implement the joint venture, GTE and United directed their respective subsidiaries -- GTE Communications Services Incorporated and US Telecom, Inc. -- to form a general partnership to be called US Sprint Communications Company ("US Sprint"). Since that time, the partnership has been formed and each partner holds a 50 percent interest in the new company.

GTE Corporation ("GTE") is a holding company incorporated in New York. Its wholly owned subsidiary, GTE Communications Services Incorporated, is the parent company of GTE Sprint and is incorporated in Delaware. GTE Sprint, also a Delaware corporation, provides communications services pursuant to Federal Communications Commission authorizations throughout the United States, the U.S. Virgin Islands, Guam, and Puerto Rico, and to many international points, including Canada, Australia and the United Kingdom. GTE Sprint was authorized to provide intrastate telecommunications services in Nebraska by a Certificate of Public Convenience and Necessity issued by this Commission on August 5, 1985 and serves approximately 6,600 subscribers in Nebraska.

United Telecommunications, Inc. ("United") is a holding company incorporated in Kansas. Its wholly owned subsidiary, US Telecom, Inc., owns US Tel, and both of these corporations are incorporated in Kansas. US Tel provides long distance telephone services to all 50 states, the U.S. Virgin Islands, and Puerto Rico. It holds a Certificate of Public Convenience and Necessity granted by this Commission on December 10, 1985 and serves approximately 900 subscribers in Nebraska. In addition, by virtue of recent FCC authorization, US Telecom, Inc. is constructing a nationwide, all-digital telecommunications network using fiber-optic technology. US Sprint's customers will have access to this network when completed.

Pursuant to a Letter of Intent executed on January 16, 1986 and a Partnership Agreement signed on January 31, 1986 (both of which are attached to the application), US Sprint has been formed under the laws of New York as a general partnership of GTE Communications Services Incorporated and US Telecom, Inc. The partners are wholly owned subsidiaries of GTE and United, and, as mentioned above, each holds a 50 percent interest in US Sprint. All of the assets, licenses, permits and other authorizations of GTE Sprint, US Tel, and certain other subsidiaries of GTE and United will be contributed to the partnership following the receipt of the necessary government approvals.

Following the consummation of the transaction, US Sprint will be fully separated from the GTE and United telephone operating companies. The partnership will have its own personnel, management, plant, capitalization and books of account. In addition, subscribers will continue to receive the same quality and level of service as before the transaction. The partnership has created seven regional divisions. This decentralized structure will permit US Sprint to give immediate attention to customer needs and regulatory concerns in all areas. The State of Nebraska is in the West Division.

US Sprint possesses the requisite qualifications to assume the operations of GTE Sprint and US Tel. The partnership's financial qualifications are demonstrated in financial statements attached to the application. The parties technical and managerial qualifications are evidenced by the long-standing, successful operation of the carriers at issue here. As indicated previously, current services and operations will remain unchanged and, for the most part, will be managed by the same personnel before and after the transaction is consummated. The combination of the two companies, however, will give US Sprint the benefit of drawing on the varied resources of both US Tel and GTE Sprint. The operation of US Sprint will comply with all state and federal regulatory requirements.

Proposed tariffs of US Sprint have been submitted as a part of the application and incorporate the services offered presently and to be offered by US Sprint.

The application is fair and reasonable, is in the public interest and should be granted.

#### ORDER

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that application No. C-642 be and it is hereby granted and US Sprint Communications Company be and it is hereby authorized to consolidate and acquire the properties and authority of GTE Sprint Communications Corporation and US Telecom-Communications Services as set forth in the opinion and findings herein.

IT IS FURTHER ORDERED that applicant file a copy of its tariff for the Commission's Official Tariff File.

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MADE AND ENTERED at Lincoln, Nebraska, this 20th day of May, 1986.

NEBRASKA PUBLIC SERVICE COMMISSION


  
Chairman

ATTEST:

COMMISSIONERS CONCURRING:



Duane D. Gay  
Bob Brayton  
James F. Munnelly  
Eric Rasmussen  
Harold D. Simpson

  
*Acting* Executive Secretary