

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application ) Application No. C-1272  
of Touch 1 Long Distance, Inc. )  
and Touch 1 Communications, Inc. )  
of Jackson, Mississippi and At- )  
more, Alabama, respectively, for )  
authority to operate as a tele- ) GRANTED  
communications reseller and to )  
transfer selected assets from )  
Touch 1 Communications, Inc. to )  
Touch 1 Long Distance, Inc. ) Entered: January 9, 1996

PRELIMINARY MATTERS

On December 6, 1995, an application was filed by Touch 1 Long Distance, Inc., of Jackson, Mississippi and Touch 1 Communications, Inc., of Atmore, Alabama for authority to operate as a telecommunications reseller and to transfer selected assets of Touch 1 Communications to Touch 1 Long Distance. Notice of the application was published in the Omaha Daily Record on December 8, 1995. No protests were received; therefore, we will process this application pursuant to the Commission's Rule of Modified Procedure.

O P I N I O N   A N D   F I N D I N G S

Touch 1 Communications, Inc. (Touch 1 Com) is a privately-held Alabama corporation headquartered in Atmore, Alabama. The company obtained a Certificate of Public Convenience and Necessity from the Commission pursuant to Application C-1104 on November 10, 1994. No departmental or formal complaints are pending against the company.

Touch 1 Long Distance (Touch 1 LD) is a wholly-owned subsidiary of LDDS Communications, Inc. LDDS is a publicly-held Georgia corporation with principal offices in Jackson, Mississippi. In 1994, LDDS had revenues exceeding \$2.2 billion. Copies of LDDS's most recent Forms 10-K and 10-Q were attached to demonstrate its financial resources.

Touch 1 LD operates as a reseller of interexchange telecommunications services; but, is not certificated as a telecommunications provider in Nebraska. Accordingly, Touch 1 LD requests herein that the Commission grant it a Certificate of Public Convenience and Necessity to operate within the state as an intrastate interexchange carrier of intraLATA and interLATA telecommunications services.

The application indicates that Touch 1 LD will provide MTS, WATS, 800 and calling card services to residential and small customers throughout the state. With the general

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supervision of LDDS officials, Touch 1 LD will be managed by the same personnel that presently operate Touch 1 Com. The initial customer base of Touch 1 LD will be acquired by Touch 1 Com. Touch 1 LD will thereon rely upon LDDS's financial and technical resources to expand and improve services.

Also requested in the present application is authority for Touch 1 LD to acquire assets from Touch 1 Com. The companies indicate they have entered into an asset purchase agreement whereby Touch 1 LD would acquire (1) the customer base; (2) revenue, reports, documentation and goodwill associated with the customer base; (3) all customer premises equipment of customers that are included in the customer base; and (4) all necessary service, sales, technical and accounting records of the customer base.

Touch 1 LD will not make any changes to the rates, services or tariff provisions currently offered by Touch 1 Com. Touch 1 LD will rely on the underlying services of WilTel, its affiliate. The underlying carrier will be responsible for repairing network services; however, Touch 1 Com will continue to provide extensive management and customer support services to Touch 1 LD pursuant to an agreement negotiated by the companies.

Touch 1 LD proposed tariff duplicates the service offerings presently offered to Touch 1 Com customers; therefore, customers will not see a visible difference in their service. Notification of the transaction should be given to customers through a separate letter and information regarding the opportunity to change carriers be expressed.

The application clearly reflects that the parent company of Touch 1 LD, LDDS Communications, Inc. is financially able to support Touch 1 LD in its efforts to serve as a telecommunications carrier within the state of Nebraska. Further, Touch 1 LD can rely on the technical experience and proficiency of LDDS for assistance.

Upon consideration of the application, the governing statutes and rules, and being fully informed, the Commission is of the opinion and finds the transfer of selected assets from Touch 1 Communications, Inc. to Touch 1 Long Distance, Inc. is fair and reasonable, is in the public interest and should be granted. We also find that Touch 1 Long Distance, Inc. has provided the necessary information, has adequately demonstrated its technical and financial resources and is capable of providing intrastate interexchange telecommunications services in Nebraska.

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O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application C-1272 be, and it is hereby granted and the assets described herein are transferred from Touch 1 Communications, Inc. to Touch 1 Long Distance, Inc.

IT IS FURTHER ORDERED that Touch 1 Long Distance, Inc. of Jackson, Mississippi is hereby permitted to operate within the state of Nebraska as an intrastate interexchange reseller of intraLATA and interLATA telecommunications services.

IT IS FURTHER ORDERED that Touch 1 Communications, Inc. and Touch 1 Long Distance, Inc. shall file, in accordance with the applicable statutes, an annual financial report with this Commission on or before April 30th of each year.

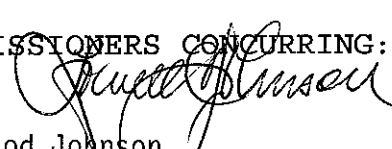
IT IS FURTHER ORDERED that Touch 1 Long Distance, Inc. file a tariff with this Commission within thirty (30) days.

IT IS FURTHER ORDERED that a copy of the letter giving the Touch 1 Communications, Inc. customers notice of the proposed transaction be remitted to the Commission within ninety (90) days.

MADE AND ENTERED at Lincoln, Nebraska, this 9th day of January, 1996.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

  
//s//Rod Johnson  
//s//Frank E. Landis  
//s//James F. Munnelly  
//s//Daniel G. Urwiller

  
Chairman

ATTEST:

  
Executive Director

# SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

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