

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of) Application No. C-1300
LCI International Telecom Corp. of)
Dublin, Ohio and LCI Telemanagement)
Corp. of McLean, Virginia seeking) GRANTED
authority to merge LCI Telemanagement)
Corp. into LCI International Telecom)
Corp.) Entered: April 9, 1996

PRELIMINARY MATTERS

On March 1, 1996, an application was filed by LCI International Telecom Corp. of Dublin, Ohio and LCI Telemanagement Corp. of McLean, Virginia seeking authority to merge LCI Telemanagement Corp. into LCI International Telecom Corp. Notice of the application was published in the Omaha Daily Record on March 5, 1996. 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

LCI International Telecom Corp. ("LCI Telecom") is a Delaware corporation that is a wholly-owned subsidiary of LCI International Management Services, Inc. ("LCIM"). LCIM is a wholly-owned subsidiary of LCI International, Inc. ("LCII"), the ultimate parent of the LCI family of companies.

LCIM provides management service to LCI Telecom and holds the stock of LCI Telecom. LCI Telecom provides telecommunications services in 48 states, including Nebraska pursuant to the Certificate of authority granted in C-909 on February 18, 1992.

LCI Telemanagement Corp. ("LCI Telemanagement") is a Delaware corporation that was formed specifically for the purpose of facilitating the acquisition of Corporate Telemanagement Group, Inc. ("CTG") by the LCI family of companies. LCI Telemanagement is wholly-owned by LCII and provides service to the former customers of CTG in 45 states, including Nebraska pursuant to the Certificate of authority granted by this Commission on August 21, 1995 in C-1198.

LCII and LCIM propose to merge LCI Telemanagement's operations with those of LCI Telecom to create a single operating entity in Nebraska. LCI Telecom would be the surviving entity. This would reestablish LCI Telecom as the sole, regulated intrastate interexchange service provider of the LCI companies.

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The LCI companies propose to accomplish this merger by first merging LCI Telemanagement into LCIM. In a virtually simultaneous transaction, LCI Telemanagement's operations will be transferred to LCI Telecom. Thereafter, LCI Telecom will provide telecommunications services to LCI Telemanagement's former customers.

The applicants expect to consummate this merger as soon as they have received all of the required regulatory approvals.

This proposed merger offers several important advantages. Combining operations will enable the merged firm to realize significant economies of scale, thereby operating more efficiently. Customer confusion stemming from redundant operations will be eliminated. And, importantly, regulators will be able to interact with a single LCI entity.

Upon consideration of the application, the governing statutes and rules, and being fully informed, the Commission is of the opinion and finds the request seeking authority to merge LCI Telemanagement into LCI Telecom is fair and reasonable, is in the public interest and should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application C-1300 be, and it is hereby granted and LCI International Telecom Corp. of Dublin, Ohio and LCI Telemanagement Corp. of McLean, Virginia may merge LCI Telemanagement into LCI Telecom.

IT IS FURTHER ORDERED that the Commission will not cancel LCI Telemanagement's operating authority until the applicants notify the Commission that the merger has been accomplished; but, in no case shall such notification exceed ninety (90) days from the date of this order.

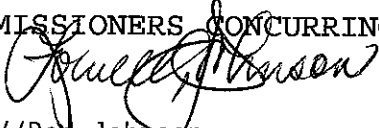
IT IS FURTHER ORDERED that LCI Telecom shall continue to file annually, in accordance with the applicable statutes, a report with this Commission consisting of (a) a copy of any reports filed with the Federal Communications Commission and the Security and Exchange Commission, (b) the annual report to stockholders, and (c) for the State of Nebraska on a combined interstate-intrastate basis, the investment in telephone plant and equipment located within the state, accumulated depreciation thereon, operating revenues, expenses and taxes by April 30th of each year.

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


COMMISSIONERS CONCURRING:


//s//Rod Johnson
//s//James Munnelly
//s//Daniel G. Urwiller

NEBRASKA PUBLIC SERVICE COMMISSION

Chairman

ATTEST:


Executive Director

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION
