

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-1408
of WorldCom, Inc. of Jackson,)
Mississippi and MFS Communications) GRANTED
Company of Omaha, Nebraska, seeking)
approval of an agreement and plan)
of merger and related transactions.) Entered: October 8, 1996

PRELIMINARY MATTERS

On September 4, 1996, an application was filed by WorldCom, Inc. of Jackson, Mississippi and MFS Communications Company of Omaha, Nebraska, seeking approval for an agreement and plan of merger and related transactions. Notice of the application was published in the Omaha Daily Record on September 6, 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

WorldCom, formerly known as LDDS Communications, Inc., is a publicly traded Georgia corporation with its principal offices located at 515 East Amite St., Jackson, Mississippi 39201-2702. WorldCom is a nondominant telecommunications company which provides a full array of domestic and international long distance voice and data communications services to business and residential customers. WorldCom is authorized to provide service in Nebraska pursuant to Applications C-758, C-899, C-1044, and C-1100.

MFS Communications Company ("MFSCC") is a publicly traded Delaware corporation with its principal offices located at 11808 Miracle Hills Drive, Omaha, Nebraska 68154. MFSCC subsidiaries are authorized to provide interLATA and intraLATA inter-exchange private line service, and resold interLATA and intraLATA telecommunications services pursuant to Applications C-1076 and C-1092.

MFSCC and WorldCom have determined that they will realize significant economic and marketing efficiencies and enhancements by merging the two entities and establishing MFSCC as a wholly-owned subsidiary of WorldCom. Accordingly, MFSCC and WorldCom have negotiated an Agreement and Plan of Merger (the "Agreement") whereby the shareholders of MFSCC will exchange each share of MFSCC common stock for 2.1 shares of WorldCom common stock. A copy of the Agreement is attached hereto as Exhibit A.

Application No. C-1408

PAGE TWO

Upon consummation of their merger and related transactions described herein, the Applicants expect that MFSCC will continue operating its Nebraska Operating Subsidiaries under their current names and no certificate holder name will change.

The proposed transaction will not involve a change in the manner in which the companies provide telecommunications services. As such, this transaction will not in any way disrupt service nor cause inconvenience or confusion to customers. The transaction will be virtually seamless to MFSCC customers in terms of the services they receive and all customers will be notified of the merger transaction.

The proposed transaction will allow HIJ Corp., a wholly-owned subsidiary of WorldCom created specifically for purposes of consummating the transaction, to merge into MFSCC. MFSCC, as the surviving entity following the merger, will become a wholly-owned subsidiary of WorldCom.

The applicants also request that the Commission grant WorldCom authority to issue the number of shares which are determined to be required to complete the merger as provided for in the Agreement. A Form S-4 registration statement will be filed with the Securities and Exchange Commission to register the issuance of the stock, and WorldCom will hold a meeting of its shareholders to approve the amendment of WorldCom's Articles of Incorporation to increase the number of authorized shares of WorldCom stock and to approve the issuance of the stock in the merger transaction.

In addition, as subsidiaries of WorldCom, MFSCC and its operating subsidiaries, including the Nebraska Operating Subsidiaries, will be required to execute a guarantee of WorldCom's pre-existing Amended and Restated Credit Agreement in the amount of \$3.75 billion, executed on June 28, 1996. MFSCC has entered into two senior discount notes with a current accreted value of approximately \$1.3 billion, credit facilities providing for borrowings of up to \$390 million in the aggregate, and equipment lease transactions involving up to an aggregate of roughly \$60 million.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application C-1408 be, and it is hereby granted and the merger between WorldCom, Inc. and MFS Communications Company, Inc. is hereby authorized.

Application No. C-1408

PAGE THREE


IT IS FURTHER ORDERED that issuance of securities and the execution of credit facility agreements as set forth above are also hereby authorized.

IT IS FURTHER ORDERED that MFS Communications Company and its Nebraska Operating Subsidiaries shall continue to operate under their respective names and shall remain the certificate holders.

IT IS FURTHER ORDERED that WorldCom, Inc. and its subsidiary corporations 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.

MADE AND ENTERED at Lincoln, Nebraska, this 8th day of October, 1996.

COMMISSIONERS CONCURRING:


//s//Rod Johnson
//s//Frank E. Landis
//s//James F. Munnelly

NEBRASKA PUBLIC SERVICE COMMISSION

Chairman

ATTEST:


Executive Director

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION
