

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of McLeod USA, Inc.) Application No. C-1577
and Consolidated Communications)
Telecom Services, Inc. of Cedar)
Rapids, Iowa and Mattoon,) GRANTED
Illinois seeking authority for)
McLeod USA, Inc. to acquire con-)
trol of Consolidated Communica-)
tions Telecom Services, Inc.) Entered: August 5, 1997

BY THE COMMISSION:

On June 30, 1997, an application was filed by McLeod USA, Inc. (McLeod) of Cedar Rapids, Iowa and Consolidated Communications Telecom Services, Inc. (Consolidated) of Mattoon, Illinois seeking approval for McLeod to acquire control of Consolidated. Notice of the application was published in The Daily Record, July 2, 1997. No protests were filed; therefore, we 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

McLeod received a Certificate of Public Convenience and Necessity to provide intrastate telecommunications services on August 14, 1995 in Application C-1194. Currently, no formal or departmental complaints are pending against McLeod. Consolidated is authorized to provide intrastate telecommunications services in Nebraska pursuant to Applications C-1000 and C-1313.

The application requests authority for McLeod to acquire Consolidated. To consummate the transaction, McLeod has formed a new subsidiary, Eastside Acquisition Co. (Eastside). The parent of Consolidated, known as Consolidated Communications, Inc. (CCI) will merge with and into Eastside, with Eastside being the surviving entity. All current subsidiaries of CCI, including Consolidated, will become subsidiaries of Eastside. Following completion of the transaction, Eastside will be renamed Consolidated Communications, Inc.

Shareholders of both companies approved the acquisition. The transaction will not change the operations, quality of service or rates of the applicants, thereby being virtually transparent to customers.

We note that the name used herein, McLeod USA, Inc. has not yet been approved by this Commission. The request for a change in name is pending with the Commission pursuant to Application C-1591.

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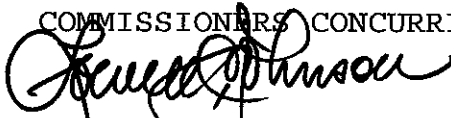
Upon consideration of the application, the governing statutes and rules, and being fully informed, the Commission is of the opinion and finds the application should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application C-1577 be, and it is hereby granted.

MADE AND ENTERED at Lincoln, Nebraska, this 5th day of August, 1997.

COMMISSIONERS CONCURRING:



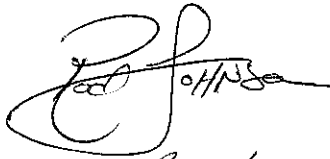
//s//Rod Johnson

//s//Frank E. Landis

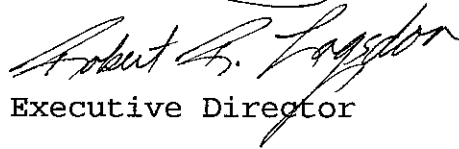
//s//Daniel G. Urwiller

NEBRASKA PUBLIC SERVICE COMMISSION

Chairman



ATTEST:



Executive Director