

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of LCI ) Application No. C-1637  
International, Inc. of McLean, )  
Virginia seeking approval and ) GRANTED  
consent to transfer control of )  
USLD Communications, Corp. from )  
USLD Communications, Inc. ) Entered: November 4, 1997

BY THE COMMISSION:

On September 22, 1997, LCI International, Inc. of McLean, Virginia, (LCI), USLD Communications Corp. (USLDC), and USLD Communications, Inc. (USLDI), both of San Antonio, Texas, filed an application seeking approval and consent to transfer control of USLDI to LCI. Notice of the application was published in The Daily Record on September 24, 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

USLDI received a Certificate of Public Convenience and Necessity to provide intrastate telecommunications services on January 31, 1994, in Application C-1035. Currently, no formal or departmental complaints are pending against USLDI.

LCI is a Delaware Corporation whose primary operating subsidiary, LCI International Telecom, Inc. (LCIT), is authorized to provide intrastate interexchange services in forty-eight states including Nebraska. LCIT is not directly affected by the proposed transfer of control. LCI is not otherwise certificated to provide intrastate telecommunications services in Nebraska.

The applicants request authority for LCI to acquire control of USLDI from USLDC. Transfer of control will be accomplished through use of a reverse triangular merger whereby a newly formed, special purpose subsidiary of LCI, LCI Acquisition Corp., will be merged with and into USLDC. USLDC will be the surviving entity, and will thereafter be a wholly-owned subsidiary of LCI. USLDI will continue to exist as a wholly-owned subsidiary of USLDC.

The transaction will not change the operations, quality of service or rates of USLDI, thereby being virtually transparent to customers. The acquisition will (a) create greater competition in the interexchange marketplace, thus providing customers with a greater choice of long distance services; (b) allow LCI and USLDI to generate greater economies of scale and network efficiencies that will improve cost savings and quality

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of telecommunications services; and (c) provide users with better quality of services and increased consumer choice through innovative, diversified and reliable service.

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-1637 be, and it is hereby granted.

MADE AND ENTERED at Lincoln, Nebraska, this 4th day of November, 1997.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

*Frank E. Landis*

Chairman

*Rod Johnson*

*Anne C. Boyle*

ATTEST:

//s//Rod Johnson

//s//Frank E. Landis

//s//Daniel G. Urwiller

*Robert H. Fossler*

Executive Director