

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Joint Appli- ) Application No. C-1735  
cation of SmarTalk TeleServices, )  
Inc. and American Express Telecom, )  
Inc. of Los Angeles, California, )  
and Salt Lake City, Utah, for ) GRANTED  
authority for the acquisition by )  
stock purchase of American Express )  
Telecom, Inc. by SmarTalk Services, )  
Inc. ) Entered: February 18, 1998

BY THE COMMISSION:

On January 9, 1998, an application was filed jointly by SmarTalk TeleServices, Inc. (SmarTalk) and American Express Telecom, Inc. (AETI) of Los Angeles, California, and Salt Lake City, Utah, respectively, seeking approval for the acquisition of AETI by SmarTalk. Notice of the application was published in The Daily Record, January 12, 1998. 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

AETI received a Certificate of Public Convenience and Necessity to provide intrastate interexchange services on September 26, 1995, in Application C-1218. Pursuant to its current tariff, AETI provides debit card services.

SmarTalk was certificated to provide intrastate interexchange telecommunications services in Nebraska on December 5, 1995, in Application No. C-1232. SmarTalk offers various debit card and 1+ services, with the majority of revenues generated by sales of debit card services.

The applicants request approval for AETI to be merged with and into SmarTalk, with SmarTalk being the surviving corporation. After the acquisition is complete, AETI will cancel its certificate and withdraw its tariff, whereupon the debit card services offered by AETI will be offered by SmarTalk. SmarTalk will amend its tariff to include AETI's prepaid products.

By virtue of this transaction, SmarTalk expects to pursue marketing and business plans more effectively and to enhance its ability to provide competitively-priced intrastate interexchange services in Nebraska.

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.

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O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application C-1735 be, and it is hereby, granted.

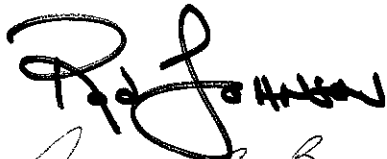
IT IS FURTHER ORDERED that the Certificate of Public Convenience and Necessity previously issued to American Express Telecom, Inc. in Application No. C-1218 be, and it is hereby, revoked.

IT IS FURTHER ORDERED that SmarTalk TeleServices, Inc. file an updated tariff within thirty days from the date of this order.

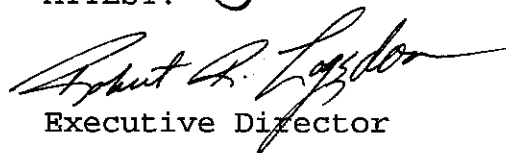

MADE AND ENTERED at Lincoln, Nebraska, this 18th day of February, 1998.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

  
Chairman

ATTEST:

  
Executive Director

//s//Lowell C. Johnson  
//s//Frank E. Landis  
//s//Daniel G. Urwiller