

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-1793
of CapRock Communications Corp.)
of Dallas, Texas, seeking approval) GRANTED
of an agreement and plan of)
merger.) Entered: May 27, 1998

BY THE COMMISSION:

By application filed April 9, 1998, CapRock Communications Corp. (CapRock) seeks approval of an Agreement and Plan of Merger and Plan of Exchange (the Agreement) which contemplates a series of transactions whereby CapRock and other companies will merge under the common ownership of one publicly-held parent company (the Merger). Notice of the application was published in The Daily Record, Omaha, Nebraska, April 10, 1998, pursuant to the rules of the Commission. No protests were filed.

O P I N I O N A N D F I N D I N G S

A wholly-owned subsidiary of IWL Holdings Corp. (Holdings), CapRock provides intrastate interexchange telecommunications service in Nebraska. CapRock received authority to provide intrastate telecommunications service pursuant to Application C-1252, effective February 13, 1996.

Holdings is a newly-created holding company incorporated under the laws of the state of Texas. The primary business of Holdings will be to act as a holding company for, and own and operate, CapRock and other providers of telecommunications services.

The Agreement and Merger will result in CapRock becoming a wholly-owned subsidiary of Holdings. Holdings will be 70 percent owned by CapRock's current shareholders upon consummation of the Merger.

CapRock will continue to operate as a separate subsidiary of Holdings under its current authorizations and pursuant to the same rates, terms and conditions under which it currently operates.

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The Merger will enable CapRock to take advantage of business flexibility and financing alternatives. CapRock will also be able to operate with a more streamlined and efficient level of service for all consumers. Further, it will enhance the overall capacity of CapRock to provide service to a greater number of consumers in this state at competitive rates.

Based on the evidence, we find the application to be fair and reasonable and in the public interest. The application should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-1793 be, and it is hereby, granted.

MADE AND ENTERED at Lincoln, Nebraska, this 27th day of May, 1998.

COMMISSIONERS CONCURRING:

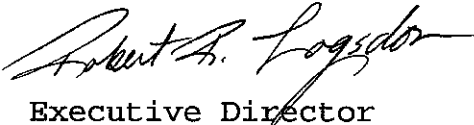
NEBRASKA PUBLIC SERVICE COMMISSION



//s//Lowell C. Johnson
//s//Daniel G. Urwiller


Chairman

ATTEST:


Executive Director