

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-1829
of STAR Telecommunications, Inc.)
of Santa Barbara, California and)
PT-1 Communications, Inc. of) GRANTED
Flushing, New York, seeking)
approval of agreement and plan of)
merger and assignment of certifi-)
cation.) ENTERED: August 4, 1998

BY THE COMMISSION:

By application filed June 22, 1998, STAR Telecommunications, Inc. (STAR) and PT-1 Communications, Inc. (PT-1) jointly seek authority to transfer control of PT-1 to STAR and to assign the Certificate of Public Convenience and Necessity held by PT-1, to a wholly-owned subsidiary limited partnership of PT-1, PT-1 Phonecard, L.P. (PT-1 Phonecard). Notice of the application was published in The Daily Record, Omaha, Nebraska, June 23, 1998, pursuant to the rules of the Commission. No protests were filed. Therefore, this application is processed 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

PT-1, formerly Phone Time, Inc., is a privately held New York company providing resold intrastate interexchange telecommunications services in Nebraska pursuant to certification granted by this Commission on July 28, 1997, in Application No. C-1527.

STAR is a multinational long distance company publicly traded on Nasdaq stock exchange under the stock symbol STRX. STAR provides domestic and international switched voice services to long distance carriers and commercial customers in the United States and throughout the world.

The Agreement and Merger will result in Sierra Acquisition Co., a newly formed subsidiary of STAR established for the specific purpose of the transaction, merging with and into PT-1, with PT-1 surviving. As a result of the merger, the ultimate corporate parent of PT-1 will be STAR. PT-1 will then assign its Certificate to a wholly-owned subsidiary limited partnership, PT-1 Phonecard.

The acquisition of PT-1 by STAR and the assignment of PT-1's Certificate to PT-1 Phonecard will not materially affect the day-to-day management or operation of the certificated entity. PT-1 and PT-1 Phonecard will continue to be led by a team of well qualified telecommunications managers comprised, in part of existing PT-1 personnel.

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Therefore the transaction will be virtually transparent to PT-1's existing customers in terms of the service they receive.

The Agreement and Merger will serve the public interest in promoting competition among providers of interexchange telecommunications services by combining the financial resources and the complementary business, managerial skills, and experience of STAR and PT-1 in providing telecommunications services to the public. It will also enhance operational flexibility and efficiency.

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

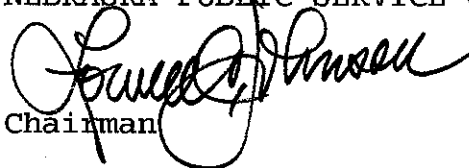
IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-1829 be, and it is hereby, granted.

IT IS FURTHER ORDERED that applicant file an updated tariff reflecting the change in name within thirty days from the date of this order.

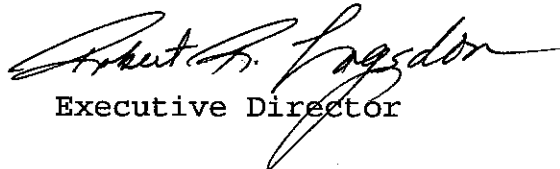
MADE AND ENTERED at Lincoln, Nebraska, this 4th day of August, 1998.

COMMISSIONERS CONCURRING:

NEBRASKA PUBLIC SERVICE COMMISSION


Chairman

ATTEST:


Executive Director

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