

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application C-1945
of Interoute Telecommunications,)
Inc. of New York, New York, and)
American International Telephone,) GRANTED
of Purchase, New York, seeking)
authority for a transfer of)
Control of American International)
Telephone.) ENTERED: January 13, 1999

BY THE COMMISSION:

By application filed November 20, 1998, Interoute Telecommunications, Inc. (Interoute) and American International Telephone (AIT) jointly request authority for a transfer of control of AIT to Interoute. Notice of the application was published in The Daily Record, Omaha, Nebraska, November 23, 1998, pursuant to the Rules of the Commission. No protests were filed; therefore, the Commission processes this application pursuant to its rule of modified procedure.

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

Interoute is a privately-held Delaware company with its principle office located in New York, New York. Interoute is authorized by the Federal Communications Commission (FCC) to provide interstate and international telecommunications services as a non-dominant common carrier. Interoute does not have a Certificate of Convenience and Necessity to operate in Nebraska, and does not currently provide service in the state.

AIT is a privately-held Delaware company with its principle office in Purchase, New York. The Commission granted AIT authority to operate as a reseller of intrastate interexchange intra-LATA and interLATA resold telecommunications service in Nebraska on October 8, 1996, in Application No. C-1381. AIT also provides interstate and international telecommunications service as a non-dominant common carrier pursuant to the authority of the FCC.

On September 10, 1998, Interoute, H. Bruce Bronson, and AIT entered into a letter agreement (Agreement) whereby Interoute agreed to acquire AIT by purchasing all outstanding shares of AIT from AIT shareholders. The Agreement provided for the immediate sale of 26 percent of the shares of AIT (all of the shares owned by Mr. Bronson and certain other shareholders) to Interoute on September 10, 1998. Subsequently, shareholders owning approximately 46 percent of the common stock and all of the preferred stock will transfer their shares of AIT to Interoute in exchange for cash consideration.

Upon consummation of the transfer, AIT will be a wholly-owned subsidiary of Interoute, and will continue to operate as AIT in Nebraska. As such, the transaction will be virtually

Application No. C-1945

PAGE 2

seamless to AIT's customers, and will not disrupt retail service, or cause customer inconvenience or confusion.

The transfer of control will serve the public interest by enabling AIT to achieve increased economies of scale and compete more efficiently in the telecommunications marketplace. This may lead to lower prices and the availability of more products and services to the public.

The FCC and U.S. District Court for the Southern District of New York (Court) must approve the contemplated transaction before it can be finally consummated. The Commission finds, and is of the opinion that, the application is fair, reasonable, and in the public interest. The application should be approved contingent upon approval of the FCC and the Court, and upon final consummation by the Joint Applicants.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-1945 be, and it is hereby, granted, contingent upon approval of the Federal Communications Commission and the United States District Court for the Southern District of New York, as well as upon final consummation of the transfer of control by the Joint Applicants.

IT IS FURTHER ORDERED that within three months of the date of this order, American International Telephone, Inc. shall file with the Commission notice of consummation of the transfer of control, including any action taken by the the Federal Communications Commission and the United States District Court for the Southern District of New York.

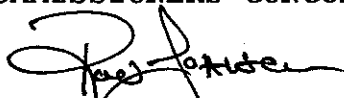
IT IS FURTHER ORDERED that within four months of the date of this order, American International Telephone, Inc., shall file an updated tariff with the Commission.

IT IS FINALLY ORDERED that if the transfer of control is not consummated within three months of the date of this order, this order is hereby vacated, and the Application dismissed.

MADE AND ENTERED at Lincoln, Nebraska, this 13th day of January, 1999.

COMMISSIONERS CONCURRING:

NEBRASKA PUBLIC SERVICE COMMISSION

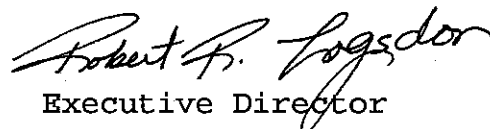



Chairman



ATTEST:

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


Executive Director