

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Joint App- ) Application No. C-2090  
lication for approval of transfer )  
of control of Eclipse Telecommu- )  
nications, Inc.; IXC Communications ) GRANTED  
Services, Inc.; both of Austin, )  
Texas, and Telecom One, Inc., of )  
Oak Brook, Illinois, to Cincinnati )  
Bell, Inc., of Cincinnati, Ohio. ) Entered: September 29, 1999

BY THE COMMISSION:

On August 3, 1999, a joint application was filed seeking approval of transfer of control of Eclipse Telecommunications, Inc. (Eclipse), IXC Communications Services, Inc. (IXC-CSI), both of Austin, Texas, and Telecom One, Inc. (Telecom One), of Oak Brook, Illinois, to Cincinnati Bell, Inc. (CBI), of Cincinnati, Ohio. Notice of application was published in The Daily Record, Omaha, Nebraska, on August 5, 1999. 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

CBI, an Ohio corporation, is a telecommunications services holding company. CBI's subsidiaries offer a wide variety of telecommunications services. One of these subsidiaries, Cincinnati Bell Long Distance, Inc., currently has authority to operate as a reseller of intrastate interexchange services in Nebraska pursuant to authority received in Docket No. C-1378.

IXC-CSI is a Delaware corporation with its principal place of business in Austin, Texas. IXC-CSI is a wholly-owned subsidiary of IXC Communications, Inc. (IXC). IXC-CSI received authority from this Commission to provide telecommunications services on August 21, 1995, pursuant Docket No. C-118.

Eclipse is a Delaware corporation and a wholly-owned subsidiary of IXC Communications Services, Inc. (IXC-CSI). Eclipse operates as a reseller of intrastate interexchange services in forty-eight states, including Nebraska. Eclipse received authority from this Commission to provide service on July 13, 1994, pursuant to Docket No. C-1081.

Telecom One, a Delaware corporation, is also a wholly-owned subsidiary of IXC-CSI. Telecom One operates as a reseller of intrastate interexchange services in twenty-seven states. Authority to operate in Nebraska was originally granted by this Commission in Docket No. C-1821, on July 14, 1998.

On August 3, 1999, in Docket No. C-2072, this Commission approved the merger of Telecom One with and into Eclipse, after which Telecom One would no longer exist as a legal entity. In addition to approving the merger, the Commission revoked the certificate of operating authority of Telecom One. Because the application currently before us was made before final

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disposition of C-2072, we will incorporate the results of C-2072 into this application and analyze the current application accordingly.

The proposed reorganization will result in the transfer of control of Eclipse and IXC-CSI to CBI. To accomplish the acquisition, a wholly-owned subsidiary of CBI will be merged with and into IXC, with IXC being the surviving corporation. After the transfer, Eclipse and IXC-CSI will continue to be subsidiaries of IXC, which in turn will be a subsidiary of CBI.

The transfer of control will be made in a seamless fashion and will not adversely affect the provision of telecommunications services in Nebraska. Current customers of Eclipse and IXC-CSI will not be adversely affected by the transfer and will continue to receive services under the terms and conditions of existing tariffs. Furthermore, the application is in the public interest because it will result in the combination of substantial financial resources and technical expertise, enabling the resulting entities to provide high quality telecommunications services and to better compete in the current market.

Based on the evidence, we find the application to be fair, 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-2090 be, and it is hereby, granted and the transfer of control of Eclipse Telecommunications, Inc. and IXC Communications Services, Inc. is approved.

IT IS FURTHER ORDERED that Applicant file an updated tariff reflecting any changes as a result of the reorganization within thirty days from the date of this order.

MADE AND ENTERED at Lincoln, Nebraska, this 29th day of September, 1999.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

*Lowell C. Johnson*

*Frank E. Landis*

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

*Lowell C. Johnson*  
Chairman

ATTEST:

*John P. Sullivan*

Deputy Director