

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-2212
of Z-Tel Technologies, Inc. of)
Tampa, Florida, and Touch 1)
Communications, Inc. of Atmore,) GRANTED
Alabama, jointly seeking authority)
to transfer ownership and control)
of Touch 1 Communications, Inc.)
to Z-Tel Technologies, Inc.) Entered: March 14, 2000

BY THE COMMISSION:

On January 31, 2000, an application was filed by Z-Tel Technologies, Inc. (Z-Tel) of Tampa, Florida, and Touch 1 Communications, Inc. (Touch 1) of Atmore, Alabama, seeking authority to transfer ownership and control of Touch 1 to Z-Tel. Notice of the application was published in The Daily Record, Omaha, Nebraska, on February 2, 2000. 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

Z-Tel is a publicly-traded Delaware corporation headquartered in Tampa, Florida. Z-Tel, through its subsidiary Z-Tel Communications, Inc., provides local exchange service in 27 states and interexchange service in 45 states, including Nebraska. Z-Tel Communications, Inc. was authorized to provide intrastate interexchange service in Nebraska on February 29, 2000, pursuant to Application No. C-2205.

Touch 1 is a privately-held Alabama corporation headquartered in Atmore, Alabama. Touch 1 is authorized to provide telecommunications services in 48 states, including Nebraska. Touch 1 received authority to provide service in Nebraska on November 10, 1994, pursuant to Application No. C-1104.

Z-Tel proposes to assume ownership and control of Touch 1 through a triangular merger whereby a newly-formed subsidiary of Z-Tel will merge with and into Touch 1. Touch 1 will be the surviving entity and will be a wholly-owned subsidiary of Z-Tel.

The proposed merger satisfies the Commission's standards for granting approval. The acquiring entity, Z-Tel, has recently demonstrated the sufficiency of its technical, managerial and financial capabilities to this Commission in Application No. C-2205. In addition to these criteria, the proposed transaction will not adversely affect the customers of Touch 1 and in fact should be virtually transparent to them. Touch 1 will continue to operate under its current name and operating authority, and its customers will continue to receive service under the same rates, terms and conditions they currently receive. Finally, the transaction is in the public interest because the transfer of Touch 1 to Z-Tel will

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result in increased economies of scale, which will ultimately allow both parties to compete more effectively in the marketplace to the eventual benefit of their customers.

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-2212 be, and it is hereby, granted.

MADE AND ENTERED at Lincoln, Nebraska, this 14th day of March, 2000.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

//s//Frank E. Landis
//s//Daniel G. Urwiller

Chairman

ATTEST:

Executive Director