

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-2220
of Qwest Communications Corporation,)
LCI International Telecom Corp.,)
USLD Communications, Inc., Phoenix) GRANTED
Network, Inc., and TeleDistance, Inc.)
seeking approval of the assignment)
of selected assets to TeleDistance,)
Inc.) Entered: May 10, 2000

BY THE COMMISSION:

By application filed February 10, 2000, Qwest Communications Corporation, LCI International Telecom Corp., USLD Communications, Inc. Phoenix Network, Inc., and TeleDistance, Inc. seek approval of the assignment of selected assets to TeleDistance, Inc. Notice of the application was published in The Daily Record, Omaha, Nebraska, on February 11, 2000.

AT&T Communications of the Midwest, Inc. and AT&T Local Services on behalf of TCG Omaha (collectively AT&T) filed a protest on March 13, 2000, in this proceeding. However, said protest was subsequently withdrawn on April 4, 2000. Therefore, the hearing scheduled for April 5, 2000, was canceled and 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

In order to comply with applicable federal law, Qwest Communications International, Inc. (Qwest, Inc.) must divest itself of all prohibited interLATA business prior to the consummation of its proposed merger with US West, Inc. To effectuate this divestiture, and for various tax and business reasons, Qwest, Inc. has established a new direct subsidiary, TeleDistance Holdings, Inc. (TeleDistance Holdings), to serve as a holding company for TeleDistance. Ultimately, TeleDistance Holdings, along with TeleDistance, will be sold to an independent third party buyer to complete the divestiture process.

The Qwest Subs and TeleDistance are all indirect, wholly-owned subsidiaries of Qwest, Inc. and are already certificated by this Commission to provide interexchange telecommunications services. The interexchange business to be assigned to TeleDistance (the IXC Business) are comprised of retail and wholesale switched interLATA (and in certain cases, intraLATA) long distance services, retail and wholesale calling card services, retail and wholesale private line services, frame relay/ATM/IP transmission services, prepaid calling card services and operator services.

Customers to be assigned to TeleDistance (the Assigned Customers) include those customers: (i) initiating calls originating in the US West region with respect to retail and wholesale switched interLATA long distance services, retail and wholesale calling card services, prepaid calling card services and operator services; and (ii) initiating or receiving transmissions where one or both end

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points are in-region with respect to retail and wholesale private line services, and frame relay/ATM/IP transmission services.

The billing and service practices of the Qwest Subs as they relate to the assigned customers will not be changed by the assignment to TeleDistance. The assigned customers will receive timely notice of their assignment and will not experience any increase in charges as a result of the assignment.

In light of the federal law requiring divestiture of all prohibited interLATA business prior to the proposed merger, the Commission is of the opinion that Neb. Rev. Stat. § 86-1905 is not applicable to the proposed assignment of assets. As the applicants will provide adequate notice to the affected customers and allow for said customers to change their presubscribed carriers, the Commission believes that all reasonable measures are being taken to prevent unauthorized slamming.

Upon consideration of the application, the governing statutes and rules, and being fully informed, the Commission is of the opinion and finds the application should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-2220 be, and it is hereby, granted.

IT IS FURTHER ORDERED that Qwest Communications Corporation, LCI International Telecom Corp., USLD Communications, Inc. Phoenix Network, Inc. and TeleDistance, Inc. file updated tariffs, where necessary, to reflect the changes associated with the assignment described above within thirty days of the date of this order.

MADE AND ENTERED at Lincoln, Nebraska, this 10th day of May, 2000.

NEBRASKA PUBLIC SERVICE COMMISSION

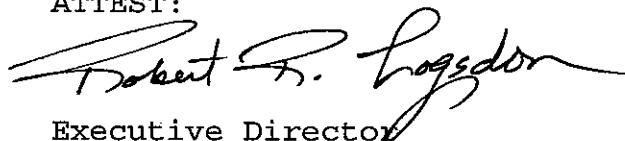
COMMISSIONERS CONCURRING:




Chairman



ATTEST:


Executive Director

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