

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-2385
of W2COM, L.L.C., W2COM Inter-)
national, L.L.C., both of Dayton,)
Ohio, and Arel Acquisition, Inc.,) GRANTED
Yavne 70600, Israel jointly seek-)
ing approval of an asset purchase)
agreement.) Entered: November 21, 2000

BY THE COMMISSION:

By application filed September 1, 2000, W2Com, L.L.C., (W2Com) W2Com International L.L.C., (W2International) both of Dayton, Ohio, and Arel Acquisition, Inc., (Arel) of Yavne 70600, Israel, jointly seek approval of an asset purchase agreement whereby Arel will purchase substantially all of the assets of W2Com, which assets including 100 percent of the membership interest in W2International. Notice of the application was published in The Daily Record, Omaha, Nebraska, September 6, 2000, pursuant to the Rules of the Commission. No protests were filed.

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

W2International received a Certificate of Public Convenience and Necessity to provide resold intrastate interexchange telecommunications services in the state of Nebraska, pursuant to certification granted on January 26, 2000, in Application No. C-2177. W2International is a wholly-owned subsidiary of W2Com, L.L.C.

Arel Ltd. is a public company, the ordinary shares of which are publicly traded on the NASDAQ National Market, and is an Israeli domestic company. Arel is an Ohio corporation that has been formed strictly for the purposes of effectuating the acquisition. Arel does not directly offer telecommunications services. A redlined copy of the asset purchase agreement was filed with the Commission along with the application.

According to the application and the asset purchase agreement, Arel will purchase all of the assets of W2Com, including 100 percent of W2International. After the transaction, W2International will continue to operate, in all material respects, as it currently operates. Although the transaction will result in a change in control of W2International, it will not involve any change in the manner in which services are provided to W2International's customers. The technical, managerial and financial personnel of W2International will remain the technical, managerial and financial

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personnel after the transaction, and W2International will continue to provide service to its customers with the same level of expertise currently in place. W2International will continue to operate as a regulated entity pursuant to its present certifications, registrations, tariff requirements and rate structures.

The acquisition of W2Com by Arel will be beneficial to the public interest as it will enhance the financial strength of the company and create a higher level of operating efficiency. It will further allow the combined companies to provide a broader array of services to customers at competitive prices.

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-2385 be, and it is hereby granted.

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

MADE AND ENTERED at Lincoln, Nebraska, this 21st day of November, 2000.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Lawrence J. Thompson
Anne Boyle

Frank E. Landis
Chairman

//s// Frank E. Landis

ATTEST:

And S. Pollock
Executive Director