

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Applica- ) Application No. C-2410  
tion of KDD America, Inc., New )  
York City, New York, seeking ) GRANTED  
authority to transfer control )  
to DDI Corporation. ) Entered: December 5, 2000

BY THE COMMISSION:

By application filed October 19, 2000, KDD America, Inc. (KDDA or Applicant) of New York City, New York, seeks approval to transfer control of KDDA to DDI Corporation. Notice of the application was published in The Daily Record, Omaha, Nebraska, on October 20, 2000. No protests were filed; therefore, 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

KDDA is a corporation currently organized under the laws of the state of New York. KDDA was authorized by the Commission to provide intrastate telecommunications services as a reseller on November 23, 1999, in Application No. C-2133.

DDI is a Japanese corporation and a provider of primarily domestic long distance telecommunications services in Japan. Through various subsidiaries, DDI also offers cellular service and personal handphone service.

According to the applicant, the proposed transaction will take place at the holding company level only and will not affect the Nebraska operations of KDDA. DDI intends to acquire indirect control of KDDA through its acquisition of KDDA's parent company, KDD Corporation (KDD). Pursuant to the merger agreement, DDI will own all of the issued and outstanding stock of KDDA. After the transfer of control, KDDA will continue to operate as it has in the past, using the same name, tariff and operating authority. KDDA will retain all key personnel, including the senior management personnel. The technical, managerial and financial qualifications of KDDA will not be undermined by the transaction. The transfer of control will be transparent to KDDA's customers in Nebraska. The applicant further asserts that the transfer is in public interest because it will enhance KDDA's ability to effectively compete and KDDA will be able to offer Nebraska customers more service products and options at lower prices.

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In its application KDDA specifically requested that the Commission waive its customary requirement that a merger agreement be filed with all applications requesting approval to transfer control of a certificated carrier. KDDA states that it did not file the merger agreement with the Commission because to translate the document to English from Japanese would be unduly burdensome and time-consuming. KDDA has provided the Commission with a detailed explanation of the proposed transaction in its application and has given an adequate explanation as to why their merger agreement was not filed with the application. Therefore, upon consideration of the particular circumstances presented in this case, the Commission will grant the applicant's request that we waive our requirement that a merger agreement be filed with the application. The applicant should be aware that, if after the entry of this order, the Commission needs further information about this transaction, the Commission will require a copy of the fully executed merger agreement to be filed by KDDA.

## O R D E R

IT IS THEREFORE ORDERED, by the Nebraska Public Service Commission, that Application No. C-2410 be, and it is hereby, approved.

IT IS FURTHER ORDERED that for the reasons set forth above, the Commission enters this order without requiring the applicant to file the merger agreement, however, the Commission reserves the option to require the formally executed merger agreement from the applicant at any time subsequent to the entry of this order.

MADE AND ENTERED at Lincoln, Nebraska, this 5th day of December, 2000.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

*Forrest Johnson*  
*Anne C. Boyle*  
*Frank E. Landis*  
//s// Frank E. Landis

*Frank E. Landis*  
Chairman

ATTEST:

*A. D. Pollack*  
Executive Director