

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application    ) Application No. C-2470  
of Capsule Communications, Inc.,    )  
of Bensalem, Pennsylvania, seeking ) GRANTED  
authority to transfer control to    )  
Startec Global Communications       )  
Corporation.                         ) Entered: March 6, 2001

BY THE COMMISSION:

By application filed January 11, 2001, Capsule Communications, Inc. (Capsule) of Bensalem, Pennsylvania, seeks authority to transfer control to Startec Global Communications Corporation (Startec). Notice of the application was published in The Daily Record, Omaha, Nebraska, on January 12, 2001. 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

Capsule, formerly known as US Wats, Inc., was authorized to provide resold interexchange telecommunications services in Nebraska on March 16, 1994, pursuant to Application No. C-1027 (see also Application No. C-2202). Startec is a publicly-traded Delaware corporation that provides facilities-based telecommunications services. Startec is not a certificated carrier in Nebraska.

All parties to the transaction have reached an agreement whereby Startec will acquire all of Capsule's outstanding stock. Specifically, Stars Acquisition Corporation, a wholly-owned subsidiary of Startec, will merge into Capsule. Capsule will survive the merger and will be a wholly-owned subsidiary of Startec.

Following the transfer of control to Startec, Capsule will continue to operate as it has in the past, using the same name, tariff, and operating authority. Capsule will also continue to be led by the same team of managers as in the past. Thus, the transfer of control will be virtually transparent to and will have no adverse impact upon Capsule's customers.

Upon review of the evidence, the Commission finds the application to be fair and reasonable and in the public interest. The transfer of Capsule to Startec will provide Capsule with access to Startec's significant financial resources and technical expertise and will also result in significant operating efficiencies for both companies. For these reasons, the application should be granted.

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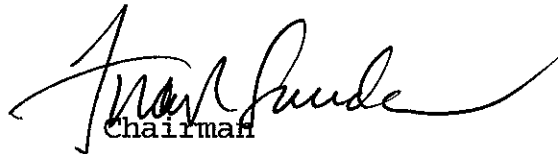
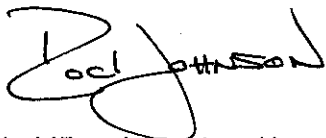
O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-2470 be, and it is hereby, granted.

MADE AND ENTERED at Lincoln, Nebraska, this 6th day of March, 2001.

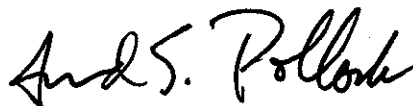
NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

  
Chairman

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

ATTEST:



Executive Director