

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application	) Application No. C-2515
of Touch America Services, Inc.	)
of Denver, Colorado, seeking	)
approval of assignment of assets	)
and transfer of certificate of	)
authority to provide operator	) GRANTED
services to Touch America, Inc.,	)
request for waiver of customer	)
authorization rule and request	)
for cancellation of certificate	)
of authority.	) Entered: May 23, 2001

BY THE COMMISSION:

On April 12, 2001, an application was filed by Touch America Services, Inc. (Touch America Services) of Denver, Colorado, seeking approval of an assignment of assets and the transfer of a certificate of authority to provide operator services to Touch America, Inc. (Touch America), and requesting a waiver of the customer authorization rule and requesting a cancellation of a certificate of authority. Notice of the application was published in The Daily Record, Omaha, Nebraska, on April 13, 2001. 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

Touch America was authorized by the Commission to provide resold and facilities-based interexchange telecommunications services on May 31, 2000, pursuant to Application No. C-2261.

Touch America Services, formerly known as Teledistance, Inc., was authorized by the Commission to provide resold and facilities-based interexchange telecommunications services, as well as operator services, on March 28, 2000, pursuant to Application No. C-2219. Touch America Services was created by Qwest Communications International, Inc. to facilitate the divestiture of Qwest's interLATA customers and assets prior to Qwest's merger with US West. As part of that divestiture, Qwest transferred all of its interLATA customers and assets to Touch America Services (at the time known as Teledistance, Inc.), after which Touch America Services was sold to Touch America. Touch America Services is currently a wholly-owned subsidiary of Touch America.

As part of the divestiture agreement, Qwest agreed to provide support to Touch America Services for a one-year period ending on June 30, 2001. At that time, pursuant to the agreement, all of Qwest's former customers receiving service from Touch America Services will be transferred to Touch America. After the transfer of those customers and certain other assets of Touch America Services to Touch America, Touch America will dissolve Touch America Services. Touch America will, therefore, remain as the entity providing telecommunications services in Nebraska.

In the application at bar, Touch America requests Commission approval of several aspects of the transaction described above. First, Touch America requests approval of the transfer of Touch America Service customers and assets. Second, Touch America requests a waiver of the procedures for changing a subscriber's designated telecommunications provider. See Neb. Admin. R. & Reg. Title 291, Chapter 5, Rule 004.03. Finally, Touch America requests that the Touch America Service's interexchange certificate of operating authority be canceled and that Touch America Service's operator services authority be transferred to Touch America.

The Commission finds that each of the above requests should be granted. Touch America, as a holder of operating authority from this Commission in its own right, has previously demonstrated to this Commission that it meets our standards for financial, technical and managerial competency. Touch America's nationwide telecommunications service offerings, its experienced and qualified management team, and its solid financial basis indicate that it is qualified to assume control of the assets and customers of its subsidiary.

Although the transfer of Touch America Service customers to Touch America technically falls within the ambit of our slamming rules and regulations, those rules were not intended to apply to transactions such as the one described above and have not been applied in the past. Furthermore, Touch America has proven that no customer notice is required for the transfer of customers. Touch America Services currently provides service to its customers under its parent's trade name, and all interaction between the customer and carrier are made through Touch America personnel and using the Touch America name. Touch America Services is currently operated by the exact same team of officers as Touch America is led by.

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Because the transfer of assets and customers will be transparent to those affected customers, no notice requirement should be imposed.

Finally, in order to operate in the same capacity as Touch America Services currently operates, Touch America requires the authority to provide operator services in addition to the interchange authority it currently possesses. In light of our above findings concerning Touch America's financial, managerial and technical qualifications, we find that the authority to provide operator services should be transferred from Touch America Services to Touch America. Finally, we find that Touch America Services' remaining authority to provide interexchange telecommunications services should be canceled, effective June 30, 2001.

## O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-2515 be, and it is hereby, granted.

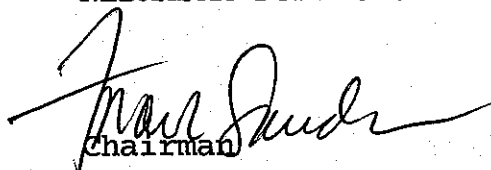
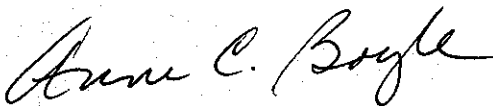
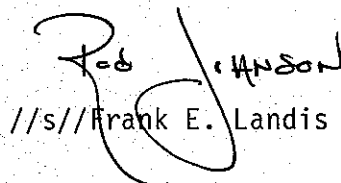
IT IS FURTHER ORDERED that Touch America, Inc. be granted the authority to provide operator telecommunications services, effective June 30, 2001.

IT IS FURTHER ORDERED that the certificate of operating authority issued to Touch America Services, Inc. in Application No. C-2219 be, and it is hereby, canceled, effective June 30, 2001.

MADE AND ENTERED at Lincoln, Nebraska, this 23rd day of May, 2001.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

  
Chairman  
//s// Frank E. Landis

ATTEST:

  
Executive Director

# SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

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