

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-3307
of Southwestern Bell)
Communications Services, d/b/a)
SBC Long Distance, Pleasanton,) GRANTED
California, seeking approval of)
internal corporate)
reorganization and other related)
changes.) Entered: March 22, 2005

BY THE COMMISSION:

On November 18, 2004, Southwestern Bell Communications Services d/b/a SBC Long Distance of Pleasanton, California (SBC LD) filed an application for approval of an internal corporate reorganization whereby SBC LD will become wholly owned by SBC Telecom, Inc., and converted to a limited liability company to be known as SBC Long Distance, LLC d/b/a SBC Long Distance (or collectively the "applicant"). Notice of the application was published in The Daily Record, Omaha, Nebraska, on November 24, 2004. 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

SBC LD is a Delaware corporation with its principal place of business in Pleasanton, California. It is a subsidiary of SBC Communications, Inc. SBC LD currently holds certificates of authority to provide local exchange telecommunication and resold long distance services in Nebraska pursuant to Application No. C-1827 and C-3145.

Under the proposed reorganization SBC LD will be converted into a limited liability company known as SBC Long Distance, LLC d/b/a SBC Long Distance, and become a wholly owned subsidiary of SBC Telecom, Inc., which is also currently a subsidiary of SBC Communications, Inc. SBC Communications will be transferred to SBC Teleholdings, Inc., another wholly owned SBC subsidiary. In addition, SBC Telecom's assets and liabilities will be transferred to SBC Long Distance, LLC. The parties intend to consummate the proposed reorganization on or about April 30, 2005.

SBC LD has been authorized to transact business as a foreign corporation in the State of Nebraska under the registered trade name of "SBC Long Distance." After the completion of the proposed reorganization, applicant will re-

seek authority to transact business as a foreign entity under the trade name "SBC Long Distance, LLC d/b/a SBC Long Distance."

SBC Long Distance, LLC, is backed by the same qualifications as SBC LD and will provide the same high quality services to its customers. The proposed transfer of operating authority will be virtually transparent to consumers in Nebraska. Immediately following the consummation of the reorganization, SBC Long Distance, LLC, will assume SBC LD's interconnection agreement with Qwest Communications, and shall adopt, subject to submission to the Commission, SBC LD's current tariff to reflect its conversion to a limited liability company.

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-3307 be, and it is hereby, granted pending receipt of an amended certificate of authority to conduct business as foreign entity in the state of Nebraska as SBC Long Distance, LLC d/b/a SBC Long Distance.

IT IS FURTHER ORDERED that the applicant shall file with the Commission, in accordance with this order, the above referenced certificate within 60 days from the date of this order.

IT IS FURTHER ORDERED that the applicant shall file, in accordance with the applicable statutes on or before April 30th of each year, an annual report with this Commission consisting of: (a) a copy of any report filed with the Federal Communications Commission, (b) a copy of any annual report to stockholders and (c) a copy of the latest Form 10-K filed with the Securities and Exchange Commission. If these are not available, applicant shall submit a balance sheet and income statement for the previous year of operation, as well as the investment made in telephone plant and equipment located within the state, accumulated depreciation thereon, operating revenues and expenses, and taxes.

IT IS FURTHER ORDERED that, to the extent applicable, the applicant shall comply with all laws pertaining to, and all rules and regulations promulgated under, the Telecommunications Relay System Act (Neb. Rev. Stat. §§ 86-301 to 86-315) and the Nebraska Telecommunications Universal Service Fund Act (Neb. Rev. Stat. §§ 86-316 to 86-329).

IT IS FURTHER ORDERED that applicant file its current tariff prior to offering service pursuant to the certificate granted in this order.

IT IS FINALLY ORDERED that this order be, and it is hereby made, the Commission's official certificate of authority to furnish the service authorized herein as a common carrier.

MADE AND ENTERED at Lincoln, Nebraska this 22nd day of March, 2005.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director