

MEMORANDUM

FILED

AUG 3 1999

**Missouri Public
Service Commission**

**TO: Missouri Public Service Commission Official Case File
Case No. TM-2000-3**

**Shared Communications Services, Inc. and
Trailblazer Acquisition Corporation**

FROM: Arthur P. Kuss, Telecommunications Department

APK

Wm K Haas 7-30-99
Utility Operations Division/Date

Wm K Haas 8/3/99
General Counsel's Office/Date

**SUBJECT: Staff Recommendation to Approve the Merger Between Shared Communications
Services, Inc., and Trailblazer Acquisition Corporation**

DATE: July 28, 1999

I. Application

On July 01, 1999 Shared Communications Services, Inc. (SCS), a competitive telecommunications carrier, filed an application with the Public Service Commission (Commission), requesting approval for merger. SCS and Trailblazer Acquisition Corporation (TAC), a wholly-owned subsidiary of Advanced TelCom Group, Inc. (ATGI), hereinafter collectively referred to as Parties (Parties), propose a transaction in which TAC merges with and into SCS, with SCS to become the surviving entity. TAC will cease to exist, and SCS will become a wholly-owned subsidiary of ATGI.

On July 15, 1999, the Commission issued a Notice of Deficiency requiring SCS to demonstrate compliance with 4 CSR 240-2.060(6)(H) by filing proof of service to the Office of Public Counsel (OPC). On July 16, 1999, a representative for the Parties filed a Certificate of Service to establish such compliance.

II. Background

SCS provides resold intrastate and interstate interexchange telecommunications services in Missouri and most other states, and currently operates in Missouri under Shared Communications Services, Inc. PSC MO. NO.1 Missouri Telecommunications Tariff, effective December 19, 1997. Following this transaction, SCS will continue to provide services to Missouri customers according to the existing certification and to the rates, terms and conditions described in the tariff, with no interruption of service. The merger is expected to result in cost savings for all Parties due to efficiencies in financial resources, facilities and expertise.

Neither TAC nor ATGI currently are certificated in Missouri, or provide telecommunications services in

Missouri. ATGI is currently a provider of competitive local exchange telecommunications services in other states. Following the transaction, ATGI will be the parent corporation of SCS.

The Parties have declared that the proposed reorganization will not have a direct, substantial or adverse impact on the tax revenues of the State of Missouri or of any political subdivision therein. In compliance with 4 CSR 240-2.060(6)(H), Parties also declare that SCS has no pending or final judgments against it from any state or federal agency involving service to customers or rates charged.

III. Staff Recommendation

The Telecommunications Department Staff (Staff) has reviewed the application and believes that it meets the limited requirements of 4 CSR 240-2.060(6). Staff has no objections to the proposed merger and recommends that the Commission issue an order that approves the proposed merger of TAC into SCS.

Staff is unaware of any other filings that would affect, or be affected by, this proposal.

IV. Copies:

Director - Utility Operations Division	
Director - Research and Public Affairs Division	
Director - Utility Services Division	
General Counsel	
Office of the Public Counsel	
Attorney for SCS -	Jennifer E. Woodruff
Attorney for Parties -	Vicki J. Goldammer