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STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

At a session of the Public Service  
Commission held at its office  
in Jefferson City on the 23rd  
day of March, 1999.

In the Matter of the Joint Application	)	
to Transfer Control of Coastal	)	<u>Case No. TM-99-321</u>
Telecom Limited Company to Eclipse	)	
Telecommunications, Inc.	)	

ORDER APPROVING MERGER

Coastal Telecom Limited Company (Coastal) and Eclipse Telecommunications, Inc. (Eclipse), filed their joint application on February 1, 1999, seeking approval of the merger of Coastal into Eclipse. On February 5, 1999, the Commission entered a protective order at the request of the parties, to safeguard highly confidential and proprietary information.

The parties are both competitive telecommunications carriers. Coastal, an Oklahoma limited liability company with two current members, provides resold intrastate interexchange services in four states, including Missouri, under authority granted by this Commission on March 21, 1995, in Case No. TA-95-215. Eclipse, a Delaware corporation, provides resold intrastate interexchange services in forty-eight states, including Missouri, under authority granted by this Commission on

November 19, 1993, in Case No. TA-93-296.<sup>1</sup> Eclipse is a wholly-owned subsidiary of IXC Communications Services, Inc., which is itself a wholly-owned subsidiary of IXC Communications, Inc., a publicly traded corporation.

Eclipse plans to purchase all of the membership interests in Coastal from Coastal's two current members and then merge Coastal into Eclipse. Eclipse, as the surviving entity, will continue to provide services to Coastal's Missouri customers, initially under the same prices, terms and conditions as Coastal, but eventually under Eclipse's own tariffed prices, terms and conditions. The Applicants request that, since Coastal will cease offering telecommunications services in Missouri, its certificate and tariff be canceled. Eclipse asserts that the transaction will be essentially transparent to customers.

The Staff of the Commission (Staff) filed a Memorandum on March 10, 1999, in which it recommends that the Commission approve the transaction and cancel Coastal's certificate of authority and tariff.

The Commission has reviewed the application, the accompanying documentation, and Staff's recommendation, and finds that the proposed acquisition and merger will have no adverse impact on the Missouri customers of Coastal and Eclipse. Therefore, the Commission finds that the transaction is not detrimental to the public interest and should be approved.

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<sup>1</sup> Eclipse was originally granted operational authority in Missouri under the name Network Long Distance, Inc. This Commission approved its change of name on November 20, 1998, in Case No. TM-99-384.

**IT IS THEREFORE ORDERED:**

1. That the application filed by Coastal Telecom Limited Company and Eclipse Telecommunications, Inc. on February 1, 1999, is approved.

2. That the Applicants are authorized to consummate the acquisition of Coastal Telecom Limited Company by Eclipse Telecommunications, Inc.

3. That the Applicants are authorized to take any and all actions necessary to effect the acquisition and merger authorized by this order.

4. That Eclipse Telecommunications, Inc., shall file any necessary and appropriate revisions to add the services and rates of Coastal Telecom Limited Company to its tariffs no later than June 1, 1999.

5. That Eclipse Telecommunications, Inc., shall transfer all of the former customers of Coastal Telecom Limited Company to Eclipse's tariffed rates and services by July 1, 1999.

6. That Eclipse Telecommunications, Inc., shall notify the former customers of Coastal Telecom Limited Company and this Commission of any proposed changes in rates and services resulting from the acquisition and merger herein approved.

7. That the certificate of service authority and tariffs of Coastal Telecom Limited Company shall be canceled on July 1, 1999.

8. That this Order shall become effective on April 2, 1999.

BY THE COMMISSION

A handwritten signature in cursive script that reads "Dale Hardy Roberts".

Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge

( S E A L )

Lumpe, Ch., Crumpton, Drainer,  
Murray and Schemenauer, CC.,  
concur.

Thompson, Deputy Chief Regulatory Law Judge