

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION  
JEFFERSON CITY  
October 25, 2000**

**CASE NO: TM-2000-584**

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**Enclosed find certified copy of an ORDER in the above-numbered case(s).**

**Sincerely,**

A handwritten signature in black ink, appearing to read "Dale Hardy Roberts". The signature is written in a cursive, flowing style.

**Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge**

**BEFORE THE PUBLIC SERVICE COMMISSION**  
**OF THE STATE OF MISSOURI**

In the Matter of the Joint Application of    )  
Teligent, Inc. and Teligent Services, Inc.    ) Case No. TM-2000-584  
for Authority to Restructure and for         )  
Related Transactions                                 )

**ORDER GRANTING JOINT APPLICATION FOR APPROVAL OF**  
**REORGANIZATION AND TRANSFER OF ASSETS**

On March 17, 2000, Teligent, Inc. (Teligent) and Teligent Services, Inc. (TSI) (joint applicants) requested authority to reorganize their corporate structure and to complete a series of transactions including the transfer of all Teligent's assets related to its regulated operations in Missouri to TSI.

The application stated that Teligent is a Delaware corporation and maintains a Certificate of Good Standing issued by the Secretary of State of Missouri authorizing Teligent to engage in business in the state of Missouri. The joint applicants stated that Teligent offers a wide range of telecommunications services in the interexchange and local exchange markets and holds certificates of service authority to provide interexchange and local exchange telecommunications services throughout the state of Missouri granted in Case No. TA-98-259. The joint applicants also stated that Teligent received a certificate to provide competitive basic local and local exchange telecommunications services in Missouri in Case No. TA-98-258.

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The joint application stated that TSI is a wholly owned subsidiary of Teligent and is a newly created Delaware corporation. The joint application also included a copy of the Certificate of Good Standing issued by the Missouri Secretary of State on March 16, 2000. The joint applicants stated that Teligent created TSI as part of a broader corporate reorganization to facilitate certain financial, business and administrative objectives. The joint applicants stated that if this application is approved, TSI will act as Teligent's operating company to provide telecommunications services to customers and will be the direct parent of Teligent's other current domestic subsidiaries. The joint application stated that Teligent will restructure itself similarly to the holding company structure used by numerous other certificated carriers in Missouri.

The joint applicants stated that upon approval, all of the state authorizations currently held by Teligent will be assigned directly, or in effect, to TSI and Teligent's employees who are dedicated to telecommunications services will be transferred internally to TSI's operations. The joint application included organizational charts showing Teligent's current and proposed corporate structure. The joint applicants stated that the reorganization to a more traditional corporate structure will enable the applicants to realize corporate benefits that will ultimately benefit Teligent's customers in Missouri, including increased financial flexibility on an accelerated basis as well as other internal administrative savings.

The joint application stated that Teligent's telecommunications-related assets, including its customer base, will be transferred to

TSI, and after the transfer, Teligent will cease to provide telecommunications services to consumers in Missouri and will function exclusively as a holding company. TSI will assume Teligent's operations and will provide telecommunications services to Teligent's customers in Missouri. The joint applicants stated that this reorganization transferring Teligent's operations to TSI will have no adverse impact on consumers in Missouri.

The joint application stated that TSI will file new tariffs that will incorporate all of Teligent's existing services into its tariffs at the same rates, terms and conditions as currently available and that the impact on consumers in Missouri will be negligible because TSI will serve Teligent's current customers using the same network, billing system and customer service operations that Teligent uses pursuant to identical tariffs. The joint application stated that Teligent's customers will continue to receive high quality services, at the same rates and under the same terms and conditions. The joint applicants also stated that simultaneously with this application, TSI has filed separate applications for certificates of service authority to provide interexchange, basic local and local exchange telecommunications services in Missouri.

The joint application stated that Teligent will surrender its interexchange and basic local exchange operating authority and existing tariffs upon completion of the restructuring and approval of TSI's interexchange and basic local exchange tariffs. TSI stated that it has no pending or final judgments or decisions against it from any state or federal agency that involves customer service or rates. In

addition, the joint application stated that the transfer of these assets is not anticipated to have any impact on tax revenues of any political subdivision in which the assets are located.

The joint applicants stated that by becoming more efficient, Teligent and its subsidiaries, including TSI, will be positioned to become even more effective competitors in the market for telecommunications services in Missouri and that approval of this application will be in the public interest. The joint applicants requested that the Commission grant them authority to reorganize their corporate structure and operations and transfer Teligent's telecommunications-related assets, including its customer base, to TSI.

On March 24, 2000, the Commission directed Teligent and TSI to file an amended application in compliance with Commission rule 4 CSR 240-2.060(1)(A) providing the address of the principal office or place of business for Teligent and TSI by April 3, 2000. On March 29, 2000, the joint applicants filed their supplement to joint application stating that the principal office of both Teligent and TSI is 8065 Leesburg Pike, Suite 400, Vienna, Virginia 22182.

On June 20, 2000, the Staff of the Missouri Public Service Commission (Staff) filed its recommendation. Staff noted that Teligent received its certificate to provide basic local and local exchange telecommunications services in Case No. TA-98-258 and TA-98-259. Staff stated that TSI was granted its certificate to provide interexchange telecommunications services in Case No. TA-98-581. Staff stated that TSI's application to provide basic local and local

exchange telecommunications filed on March 17, 2000, in Case No. TA-2000-578 is pending. Staff stated that, upon completion of the proposed restructuring and approval of TSI's interexchange tariffs and basic local exchange tariffs, Teligent will surrender its certificates of service authority to provide interexchange and basic local exchange telecommunications services and cancel both of its tariffs.

Staff stated that pursuant to Section 392.300, RSMo (1994), the Commission may approve an asset transfer if it is not detrimental to the public interest. State ex rel. Fee Fee Trunk Sewer, Inc. v. Litz, 596 S.W.2d 466, 468 (Mo.App. E.D. 1980). Staff stated that, after reviewing the joint application for the transfer of assets, Staff does not believe the transaction will be detrimental to the public interest. Staff recommended that 1) the Commission approve the proposed corporate reorganization and transfer of Teligent's assets to TSI, 2) direct Teligent to notify the Commission regarding cancellation of Teligent's certificates and accompanying tariffs within 30 days of the approval of TSI's basic local exchange tariffs, and 3) condition the approval of the proposed corporate reorganization and transfer of assets as well as the cancellation of Teligent's certificates and tariffs upon the Commission's approval of TSI's request for a certificate of service authority to provide basic local and local service and its accompanying tariffs in Case No. TA-2000-578.

The Commission has reviewed the application and Staff's recommendation and finds that the reorganization and transfer of assets requested is not detrimental to the public interest. The

Commission will approve the reorganization and transfer of assets as set out in the application in this case with the conditions recommended in the Staff memorandum.

**IT IS THEREFORE ORDERED:**

1. That the proposed reorganization and transfer of assets from Teligent, Inc. to Teligent Services, Inc., as requested in the application filed by Teligent, Inc. and Teligent Services, Inc., on March 17, 2000, is hereby approved.

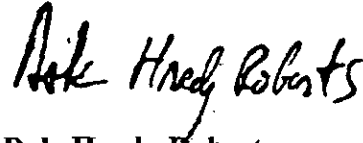
2. That Teligent, Inc. shall request approval from the Commission regarding cancellation of its certificates and accompanying tariffs within 30 days after the Commission approves the basic local exchange tariffs filed by Teligent Services, Inc.

3. That the approval of this corporate reorganization and transfer of the assets of Teligent, Inc. to Teligent Services, Inc., as described in the joint application, is conditioned on the Commission's approval of the application for certificate of basic local and local exchange telecommunications services and accompanying tariffs requested by Teligent Services, Inc. in Case No. TA-2000-578.

4. That this order shall become effective on November 4, 2000.

5. That this case may be closed after November 5, 2000.

**BY THE COMMISSION**

A handwritten signature in black ink, reading "Dale Hardy Roberts". The signature is written in a cursive, slightly slanted style.

**Dale Hardy Roberts**  
**Secretary/Chief Regulatory Law Judge**

(S E A L)

Shelly A. Register, Regulatory Law  
Judge, by delegation of authority  
pursuant to 4 Section 386.240, RSMo 1994.

Dated at Jefferson City, Missouri,  
on this 25th day of October, 2000.



FYI: To Be Issued By Delegat

Atty/Sec'y: *Register/Bayer*

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*1004*

*TH-2000-584*  
CASE NO.

*[Signature]*  
Lumpe, Chair

*[Signature]*  
Drainer, Vice Chair

*[Signature]*  
Murray, Commissioner

*[Signature]*  
Schemenauer, Commissioner

*[Signature]*  
Simmons, Commissioner

## STATE OF MISSOURI

### OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and

I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City,

Missouri, this 25<sup>th</sup> day of Oct. 2000.

*Dale Hardy Roberts*

Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge

