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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 3rd
day of February, 1999.

In the Matter of the Application of Startec Global)
Communications Corp. and Startec Global Licensing) Case No. TM-99-274
Company for Approval of a Transfer of Selected)
Assets.)

ORDER APPROVING TRANSFER OF ASSETS

Startec Global Communications Corp. (SGCC) and Startec Global Licensing Company (SGLC) (collectively referred to as Applicants) filed an Application on December 16, 1998, requesting permission to transfer selected assets from SGCC to SGLC. Specifically, SGLC will acquire the following from SGCC: (1) a customer list and associated service agreements for long distance direct dial, dedicated access, point-to-point, travel card, data services, and toll free service customers (customer base); (2) revenues, reports, documentation and goodwill associated with such customer base; and (3) any associated telecommunications equipment.

Applicants also stated that the customers subject to the transfer will receive timely notification of the change. The transfer is part of an inter-company reorganization which includes the certification of SGLC as an interexchange carrier in the State of Missouri and the eventual surrender of SGCC's certificate of intrastate interexchange service authority. Contemporaneously with the filing of this application, SGLC filed a companion application for a certificate of service authority to

offer and provide intrastate interexchange telecommunication services to which the Commission assigned case number TA-99-226. No transfer of certificates, permits or operative rights was sought by the application TA-99-226.

The applicants state that SGCC is a publicly traded Maryland corporation which was authorized by the Commission to provide interexchange services in Missouri on February 4, 1998, in case number TA-98-242. SGLC, a Delaware corporation, is a wholly-owned subsidiary of Startec Global Holding Corporation (SGHC), which is also a Delaware corporation. Certificates of the Delaware Secretary of State and the Missouri Secretary of State pertaining to SGLC's corporate good standing in the respective jurisdictions were attached to SGLC's application in case number TA-99-226 and SGLC requests that they be incorporated herein by reference.

SGHC, in turn, is a wholly-owned subsidiary of SGCC. A copy of SGHC's Amended Certificate of Incorporation was appended to the application as Attachment A. SGHC is an inactive holding company and will not be conducting any business activities in Missouri at this time.

After the transfer of assets, SGCC will cease to provide telecommunications services to consumers in Missouri and will function exclusively as the parent of a holding company, SGHC. SGLC will then provide telecommunications services to SGCC's current intrastate customers in Missouri and elsewhere, effective upon necessary regulatory approvals.

Applicants stated that the proposed transfer and cessation of operations by SGCC will be transparent to consumers in Missouri and will have no adverse impact on consumers in Missouri. Affected customers will be given appropriate and adequate notice of the change in name of their telecommunications service provider.

Applicants also stated that at the time the transfer of assets is closed, but not before SGLC has been certificated to provide intrastate interexchange telecommunications services, SGCC will surrender its certificate of authority and cancel its tariffs. Affected customers will receive timely notice of the transfer, and will not experience any billing increase as a result of the transfer.

Applicants further stated that the transfer is being effected in order to increase the overall efficiency of the affiliated Applicants.

The application included a tax impact statement which stated: "The transfer of selected assets proposed herein will have no impact on the tax revenues of the political subdivisions in which the structures, facilities or equipment of the Applicants is located."

On January 22, 1999, the Staff of the Commission (Staff) filed its recommendation. Staff described the equipment to be transferred as set forth above. In its recommendation, Staff stated that it had reviewed the application and recommended that the Commission approve the transfer of assets from SGCC to SGLC as proposed. Staff further recommended that the Commission's approval of the merger become effective on the effective date of the SGLC tariffs pending in case number TA-99-226. Staff anticipates that the tariffs will have an effective date on or near

February 13, 1999. Finally, Staff recommended that the SGCC tariffs and certificate of authority be canceled on the same day the SGLC tariffs in case number TA-99-226 become effective.

Staff concluded by stating that "the public interest will be served by the overall increase in economic, marketing and administrative efficiencies resulting from the transfer."

The Commission has reviewed the application, Company documentation and Staff recommendation and determines that the transfer is not detrimental to the public interest. The Commission approves the transfer as set out in the application in this case.

IT IS THEREFORE ORDERED:

1. That the proposed transfer of selected assets from SGCC to SGLC as set out in the application of Startec Global Communications Corp. and Startec Global Licensing Company filed on December 16, 1998 is hereby approved.

2. That the tariffs of Startec Global Communications Corp. issued February 4, 1998 in case number TA-98-242 are hereby canceled as of February 13, 1999.

3. That the certificate of Startec Global Communications Corp. issued February 4, 1998 in case number TA-98-242 is hereby canceled as of February 13, 1999.

4. That this order shall become effective on February 13, 1999.

5. That this case may be closed on February 14, 1999.

BY THE COMMISSION

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

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

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

Bill Hopkins, Senior Regulatory Law Judge

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COMMISSION COUNSEL
PUBLIC SERVICE COMMISSION